

# Impact of Social Media on Customer Behavior of Small Businesses in Hyderabad

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**Abstract** - Customers turn to social media to find brands and make purchases from them. This study attempts to investigate the impact of social media on customer behavior using a quantitative approach to obtain a deep understanding of this phenomenon. An online questionnaire was distributed to the listed small businesses in Hyderabad, Telangana State, India via their emails. Data of self-administered questionnaire of small businesses for 197 participants were accomplished. Descriptive and inferential statistics are applied to the variables under study. Direct Connect, Trust, Customers' Satisfaction, Interaction, Customers' Value and Customers' Preferences are used as determinants of Customer Behavior in this study. Confirmatory Factor Analysis, Discriminant Validity and Hypothesis testing are used in the practical analysis to examine the impact of social media on the determinants of customer behavior. The results show that social media has a positive significant impact on the all involved variables (constructs) i.e., Direct Connect, Trust, Customers' Satisfaction, Interaction, Customers' Value and Customers' Preferences. Obviously, small businesses still have a need to gain more knowledge about how to engage social media into their marketing strategies.

**Key Words:** Social Media, Customer Behavior, Small Businesses, Direct Connect, Trust, Customers' Satisfaction, Interaction, Customers' Value and Customers' Preferences.

## I. INTRODUCTION

According to (Cambridge University Press, 2022), social media is defined as websites and computer programs that allow people to communicate and share information on the internet using a computer or mobile phone. As reported by (Ahmad, 2018) the first recognized social media site “Six Degrees”, founded in 1997 by Andrew Weinreich. Examples of social media applications as reported by (Zeng & Gerritsen, 2014) are “social networking sites, consumer review sites, content community sites, wikis, Internet forums and location-based social media”. The success and operation of many businesses is as a result of social media and ecommerce technology in today’s life (Bennett, 2012). Social media is an important tool to any business due

to its ability to enable business to communicate with customers, listen to the customers and learn from the customers in a more efficient and quick way with less cost utilization than the traditional means of communication (Grewal & Levy, 2013). For instance, as stated by (Bolton, et al., 2013) the millennial generations' adoption and attitudes toward the social media platforms are more likely to be different between developing countries and developed countries. Such variations are attributed to the economic, cultural, and technical infrastructure differences between developed and developing countries. Referring to (Hootsuite Inc., 2022) 58% of the universal internet users buy their products and services online every week. Moreover, 31% of people around the world make their purchases on mobile devices. As stated by (Radhakrishna, 2022) India is one of the largest markets for social media with 467 million users. The Indians on an average, spend 2.36 hours per day on various social media platforms.

Based on (Cambridge University Press, 2022) small business is defined as a small company, or small companies as a group. A small business is often privately owned, does not employ many people, and has a low volume of sales. The Indian government defines small businesses on the basis of the business's ability to invest in the plant and machinery. According to the definition provided by the government website for business, a small-scale business is a business set up in which the financial commitment towards infrastructure such as building & equipment, whether made as an owner or on rental or purchase basis, does not surpass Rs. 1 crore; in general, the staff of small business depends on the type of small business (toppr, 2022). As stated in the annual report of (Ministry of Micro, Small and Medium Enterprises, 2022) that Micro, Small and Medium Enterprises (MSME), are one of the major driving factors of India's Gross Domestic Product (GDP). Micro, Small and Medium industry employs 40% of India's Workforce (110.98 M), contributing 45% of the output and 40% of the exports. Investment in plant and machinery (in INR Cr) for small business is equal to 1 and less than 10. With Turnover (in INR Cr) equal to 5 and less than 50. Regarding Telangana State, the previous report mentioned that Telangana is a home to about 2.6 million Micro, Small and Medium Enterprises (MSMEs), out of which 56% are in rural areas and 44% in urban areas. As many as 19,954 registered MSME units have commenced their operations since the formation of the state, with an investment of about Rs. 31,023 crores.

In this paper, the researchers attempt to cover small businesses in Hyderabad and try to answer the research problem "Do social media impact on customer behavior of small businesses?". In keeping with previous studies, the researchers could to determine the components of customer behavior in terms of Direct Connect, Trust, Customers' Satisfaction, Interaction, Customers' Value and Customers' Preferences. (Carter, 2014) pointed out that many of the businesses found it hard to make the connection between gaining a customer and interactions on social media due to use of multiple media to investigate the business by prospective clients. (Meixner, Pollhammer, & Haas, 2015) pointed out that social media should be able to make trustful, open-minded, and factual replies to criticism coming from opinion leaders in case of scarcity of agri-food. (Wang & Kim, 2017) pointed out that firms that were more active on social media could improve their value

even more. (Eid, Abdelmoety, & Agag, 2020) there was a positive association between social media use and understanding customers' views and preferences through social media.

The remainder of the paper is organized as follows: Section 2 sheds light on review the earlier studies on the impact of social media on customer behavior. Section 3 describes the data and methodology of the study. Section 4 interprets the empirical results of the study. Finally, section 5 concludes the paper.

## **II. REVIEW OF LITERATURE**

The literature of social media and customer behavior has to be under study. In spite of a firm size, there is a direct impact of social media on customer behavior. In this paper the researchers reviewed the related previous studies that have been discussed before. Most of the earlier studies partially covered aspects and variables that determine the characters of customer behavior. This study shed some light on the impact of social media on the determinants of customer behavior.

Customer behavior is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services. This study focuses on a combination of direct connect, interaction, trust, customers' value, customers satisfaction and customers' preferences.

### **2.1. Direct Connect**

According to (Hanna, Rohm, & Crittenden, 2011) social media was about users and being connected to other users; it was not about significant investments in expensive production and media. (Carter, 2014) pointed out that many of the businesses found it hard to make the connection between gaining a customer and interactions on social media due to use of multiple media to investigate the business by prospective clients. (Gunawan & Sulaeman, 2020) showed that knowledge of Information and Communication Technology (ICT) adoption had a significant effect on digital marketing. In addition, innovation had a significant impact on digital marketing. Moreover, digital marketing has been influenced by the knowledge of Information and Communication Technology (ICT) adoption and innovation. Above all, knowledge of Information and Communication Technology (ICT) adoption and innovation has affected marketing performance through digital marketing. (Ipek, 2020) indicated that in today's extremely digitalized world there was an enormous change in the way consumers communicate with the surrounding environment, use of products/services and interact with firms. (Appel, Grewal, Hadi, & Stephen, 2020) announced that it is important to get a better understanding about social media since it has become highly culturally relevant, a dominant form of communication and expression. Additionally, it was a major media type used by companies for advertising and other forms of communication, and even still has geopolitical ramifications. (Tarsakoo & Charoensukmongkol, 2019) discovered that social media marketing communication capability had a significantly positive relationship only with customer relationship performance; while, social media planning capability was found to have a significantly positive relationship only with financial performance.

(Alzougool, 2019) found that the applications were mostly used for information, communication and marketing. In addition, Small and Medium Enterprises (SMEs) used and have continued intention to use Social Media Applications (SMAs) for their enjoyment and usefulness because other SMEs used them for their complementarity. (Papa, Santoro, Tirabeni, & Monge, 2018) Indicated that there was a need for Small and Medium Enterprises (SMEs) operating in the fashion, food and beverage and Information and Communications Technology (ICT) sectors to implement social media scanning ideas and knowledge from the external environment. (Gümüş & Kütahyalı, 2017) showed that 112 of the 175 SMEs actively have used social media in their marketing activities. The authors grouped Small and Medium Enterprise (SME) perceptions of social media under the factors of communication/sharing advantage and sales/cost advantage. Moreover, the results suggested that it would be beneficial if the institutions already have worked with Small and Medium Enterprises (SMEs) and also carried out studies to make sure that SMEs have acquired the necessary skills to adapt to technological developments. (Wang, Pauleen, & Zhang, 2016) investigated the relationship between the capabilities of Social Media Applications (SMA) e.g., (transmission velocity, parallelism, symbol sets, re-hearsability and re-processability) and Business-2-Business (B2B) communication and business performance. The study suggested that communication performance was likely enhancing business performance in terms of marketing's innovation, and collaboration. (Webb & Roberts, 2016) determined the characteristics of small businesses externally communicating and utilizing social media, as well as the discovering the perceptions these businesses had toward utilizing, updating, and monitoring social media sites. (Basri, 2016) stated that the relationship between social media and Arab world has enabled the social media to uniquely impact on the Arabian market in a benchmark of direct client communication of modern Public Relations (PR). In line with sales and marketing, social media was employed to attract new customers, and increase sales within the current market base. In connection with marketing and public relations, social media has enabled and maintained direct and personalized business-to-client communication in ways previously impossible and absent. (Killian & McManus, 2015) suggested that social media could be used as a communications strategy and the brand managers could utilize different social media platforms to understand and address individual customer needs and wants. (Adegboyi, Akinyele, & Akinyele, 2015) concluded that focusing more on relationships than sales, increased sales. Whereas, social media provided businesses the opportunity to engage their audience on many different levels, including personal communication. (Leeftang, Verhoef, Dahlström, & Freundt, 2014) revealed that social media seemed to be a more novel and less costly communication way to have more interactivity and individualization with the targeted customers. This, in turn, helped firms to do their marketing activities more efficiently and successfully relative to using traditional tools of marketing i.e., TV, radio, newspapers. (Öztamura & Karakadılar, 2014) suggested that the common problems of the Turkish Small and Medium-sized Enterprises (SMEs) were related with using formal language during the customers communication process and creating unattractive content lacking richness to attract their customers' attention in their social

media activities. (Taneja & Toombs, 2014) Pointed out that the unique ability of social media combined with rapid and timely communication of information, was transforming the way small businesses could interact with the people. Over time, social media has significantly impacted traditional marketing methods. (Meske & Stieglitz, 2013) stated that enterprises used social media as an additional way to get in contact with their customers and supported internal communication and collaboration. The study indicated that Small and Medium-sized Enterprises (SMEs) started to use internal social media (e.g., wikis, blogs) in order to support collaboration among employees and to improve knowledge management. (Tsai & Men, 2013) indicated that the interactive, communicative, and social advantages of SNSs were far from being fully realized. The authors opined that brand's SNS page might be just one of the numerous sources and did not determine user engagement. (Kozinets, Valck, Wojnicki, & Wilner, 2010) indicated that the network of communications has offered four social media communication strategies viz., evaluation, embracing, endorsement, and explanation. Each one was influenced by character narrative, communications forum, communal norms, and the nature of the marketing promotion.

H<sub>1</sub>: There is no impact of social media on direct connect of small businesses.

## **2.2. Interaction**

According to (Saputra, Setyoko, & Kurniasih, 2021) the Covid-19 pandemic spurred online shopping and social media which have become the main media to bridge the interactions between sellers and consumers. (Bekoglu & Onaylı, 2016) showed that companies used megaphone strategy (by informing consumers through pages, advertisements and videos) and magnet strategy (by creating an environment for interaction through applications, surveys and competitions), however they did not use monitor strategy (following customers interaction with one another). (Öztamura & Karakadılar, 2014) focused on a case study including the comparison and analysis of totally four American and Turkish companies through their Facebook and Twitter accounts in terms of the number of likes and followers, richness of content, interaction with customers and the use of language. (Carter, 2014) pointed out that many of the businesses found it hard to make the connection between gaining a customer and interactions on social media due to use of multiple media to investigate the business by prospective clients. (Syuhada & Gambetta, 2013) suggested that the use of social media in the form of Facebook Commerce was provided as the basis of interaction on the Marketplace. This has been done in order to improve trust in the interaction and has accelerated word of mouth marketing via the internet and social networks. (Kelly, Kerr, & Drennan, 2010) announced that future success of online social networking sites as an advertising medium has depended on its acceptance as an advertising vehicle that could deliver a message to a micro-target in a manner that would be well received and that would increase the likelihood of interaction. (Ipek, 2020) indicated that in today's extremely digitalized world there was an enormous change in the way consumers communicate with the surrounding



environment, use of products/services and interact with firms. (Suryani, Fauzi, & Nurhadi, 2020) validated that SOME-Q model consisting of four dimensions, which were clarity, attractiveness, interactive, and relevance, could potentially be used as an alternative model to assess the quality of social media usage by companies, especially Small and Medium-sized Enterprises (SMEs). (Odoom, Anning-Dorson, & Acheampong, 2017) found that interactivity, cost effectiveness and compatibility were factors relevant to social media usage, which consequently result in the realization of some performance benefits for Small- and medium-sized enterprises (SMEs). (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015) showed that factors such as compatibility, cost effectiveness and interactivity were identified as factors that influence Facebook usage among Small and Medium-sized Enterprises (SMEs). (Leeflang, Verhoef, Dahlström, & Freundt, 2014) revealed that social media seemed to be a more novel and less costly communication way to have more interactivity and individualization with the targeted customers. (Taneja & Toombs, 2014) pointed out that the unique ability of social media combined with rapid and timely communication of information, was transforming the way small businesses could interact with the people. (Tsai & Men, 2013) indicated that the interactive, communicative, and social advantages of SNSs were far from being fully realized. The authors opined that brand's SNS page might be just one of the numerous sources and did not determine user engagement.

H<sub>2</sub>: There is no impact of social media on interaction of small businesses.

### 2.3. Trust

According to (Rajković, Đurić, Zarić, & Glauben, 2021) in an interactive environment of companies' social media pages, trust could be built towards two objects. The first one was trust among consumers, and the second one was trust towards a company. Further, the results also confirmed a connection between trust and an intention to purchase, both being also related to a consumer's willingness to obtain information. (Ahamat, Ali, & Hamid, 2017) showed that all the three independent variables viz., perceived usefulness, perceived ease of use and perceived trust in this study had a significant relationship with the dependent variable i.e., adoption of social media by Small and Medium Enterprises (SMEs). (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015) examined the influence of compatibility, cost effectiveness, interactivity and trust on Facebook usage and its subsequent impact on organizations performance. The study showed that Facebook usage had a strong positive impact on financial performance of Small and Medium-sized Enterprises (SMEs). (Humphreys & Wilken, 2015) explored the privacy tensions of small business owners using social media to disseminate and gather information to better engage and serve their customers while maintaining customer trust. The study disclosed that social media has created new opportunities for engagement, surveillance, and commodification. (Meixner, Pollhammer, & Haas, 2015) pointed out that social media should be able to make trustful, open-minded, and factual replies to criticism coming from opinion leaders in

case of scarcity of agri-food. (Syuhada & Gambetta, 2013) suggested that the use of social media in the form of Facebook Commerce was provided as the basis of interaction on the Marketplace. This has been done in order to improve trust in the interaction and has accelerated word of mouth marketing via the internet and social networks. In line with (Bilgin, 2018) social media marketing activities had an effective effect on brand image and brand loyalty. Besides, it has been determined that the most obvious effect was seen on brand awareness. In addition, the study discovered that brand awareness and brand image had a significant effect on brand loyalty.

H<sub>3</sub>: There is no impact of social media on trust of small businesses.

#### **2.4. Customers' Value**

According to (Wang & Kim, 2017) firms that were more active on social media could improve their value even more. It has been signified that investment in social media technology could grant firms substantial relationship management. (Abbas, et al., 2019) examined the association of environmental effects, new product development performance, superior customers' value, and Corporate Social Responsibility (CSR) on sustainable performance. The study indicated that Corporate Social Responsibility (CSR) presented a positive impact on firms' sustainable performance. Furthermore, the study revealed that social media marketing tools moderated the relationship between Corporate Social Responsibility (CSR) and sustainable production of business firms. (Paniagua & Sapena, 2014) indicated that 'followers' and 'likes' positively influenced a firm's share value, but only after a critical mass of followers was attained. The study suggested that Twitter was a more powerful tool to enhance business performance than Facebook. (Schaupp & Bélanger, 2014) revealed that the dimensions of social media value i.e., perceived impact on internal operations, marketing, customer service, and sales were significant. It has been concluded that study provided empirical evidence of the links between antecedents of social media usage and its value for small businesses. (Durkin, McGowan, & McKeown, 2013) found in the cases of such adoption behavior being driven by a purposeful or thoughtful agenda through which value could be added to the customer experience. Above all, it was concluded that considering and defining social media opportunities has empowered entrepreneurs and customers and these opportunities could be exploited for mutual benefit together.

H<sub>4</sub>: There is no impact of social media on customers' value of small businesses.

## **2.5. Customers' Satisfaction**

According to (Chanthinok, Ussahawanitchakit, & Jhundra-indra, 2015) who evaluated the dimensions of marketing outcomes i.e., Customer Communication Channel Focus (CCC), Product Diversity Presentation Awareness (PDP), Proactive Competitor Learning Capability (PCL), Market Responsive Timeliness Orientation (MRT), Cost Utilization Effectiveness (CUE), Marketing Operation Excellence (MOE) and Increased Customer Satisfaction (ICS) on the Marketing Performance. The study highlighted that market response timeliness orientation had the strongest positive significance for all marketing outcomes. Additionally, both product diversity presentation awareness and proactive competitor learning capability were significantly positive to marketing operation excellence. In line with (Killian & McManus, 2015) the implementation of a social media calendar, social media dashboards and escalation protocols helped the marketing management to respond quickly to the customers' needs and wants in the social environment.

H<sub>5</sub>: There is no impact of social media on customers' satisfaction of small businesses.

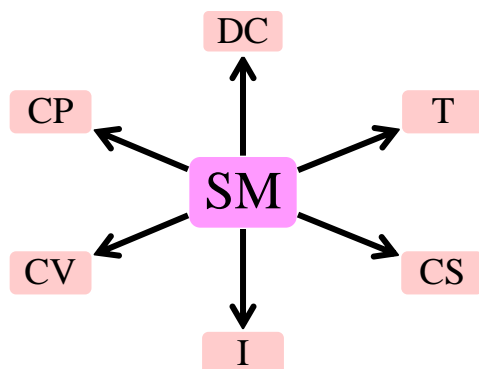
## **2.6. Customers' Preferences**

According to (Eid, Abdelmoety, & Agag, 2020) there was a positive association between social media use and understanding customers' views and preferences through social media. (Bekoglu & Onaylı, 2016) showed that the most preferred tool was the Facebook page, Facebook advertisements were more popular when compared to Facebook videos and the usage rate for surveys, competitions and applications were low. (Yang & Wang, 2015) found that among the three kinds of social media channels (i.e., micro-blogs, social networking websites, and mobile social applications), micro-blogs were the preferred social media marketing vehicle for most overseas Destination Marketing Organizations (DMOs).

H<sub>6</sub>: There is no impact of social media on customers' preferences of small businesses.



The following figure shows the conceptual model of the study:



**Figure I:** Conceptual model of the study

### III. DATA AND METHODOLOGY

#### 3.1. Research designs and data collection

This study is exploratory in nature. Simple random sampling technique is used to investigate the impact of social media on the determinants of customer behavior of small businesses under study. The data is used for this purpose, and the cross-sectional research has been utilized to collect data. The data collected depends on the database of the department of industries and commerce, government of Telangana and the respondents through e-mails. An on-line self-administered questionnaire survey method is used for data collection. The questionnaire has been developed by reference of previous studies. Likert scale is used to scaling responses in this survey that is based on rating scale. The targeted respondents were the owners, marketing managers, sales managers, marketing executives, marketing coordinator, digital marketing managers and others of the small businesses which were taken from the platform of the Commissionerate of Industries (TS-iPASS). A total of 197 usable questionnaires have been returned. The available data helps the researcher to measure the impact of social media on customer behavior in terms of direct connect, interaction, trust, customers' value, customers' satisfaction and customers' preferences.

#### 3.2. Variables

The variables in the research are considered in this study to examine the impact of social media on the determinants of customer behavior under study. Social media is used as an independent (explanatory) variable and the other variables are considered as dependent variables. Independent and dependent variables are assembled in the table below (Table I).

**Table I:** Independent and dependent variables under study

Type of variable	Variable	Notation
Independent variable	Social Media	SM
Dependent variables	Direct Connect	DC
	Interaction	I
	Trust	T
	Customers' Value	CV
	Customers' Satisfaction	CS
	Customers' Preferences	CP

#### IV. EMPIRICAL RESULTS

To examine the impact of social media on the determinants of customer behavior of small businesses, the entire variables are subjected to statistical analysis as follows:

##### 4.1. Descriptive Statistics

In the Table II, the descriptive statistics are conducted to explore the frequencies and percentages of personal and firm information of the participants. It displays the characteristics of respondents under study. In general, about the half of respondents are young. Their ages are between 31 to 40 years. Besides, they have a bachelor degree. The majority of them have experience in social media marketing. Additionally, about three-quarter of them manufactures goods.

**Table II:** The characteristics of respondents

Personal information		No.	%
Gender	Male	161	82%
	Female	36	18%
Age	20 or less	0	0%
	21 - 30	42	21%
	31 - 40	96	49%
	41 - 50	47	24%
	51 or more	12	6%
Qualification	High School	30	15%
	Diploma	24	12%
	Bachelor	101	51%
	Post-graduate	42	21%
Designation	Owner	77	39%
	Marketing Manager	42	21%

	Sales Manager	36	18%
	Marketing Executive	12	6%
	Marketing Coordinator	24	12%
	Digital Marketing Manager	6	3%
	Other	0	0%
Social media marketing experience in business	Less than 1 Year	66	34%
	1 - 3 Years	78	40%
	4 - 6 Years	30	15%
	Above 6 Years	23	12%
Age of the firm	Less than 10 years	71	36%
	10 - 20 years	36	18%
	Above 20 years	90	46%
Number of employees of the firm	10 or less employees	60	30%
	11 - 20 employees	53	27%
	21 - 30 employees	48	24%
	31 or more employees	36	18%
Type of business activity	Goods	144	73%
	Services	53	27%

#### 4.2. Confirmatory Factor Analysis

The Table III below shows reliability test, composite reliability and average variance extracted of the determinants of customer behavior. The values of Cronbach's Alpha ( $\alpha$ ) of Customer Behavior's measured variables range between 0.818 and 0.263 which indicate a good level of reliability for Interaction. Then, a questionable level of reliability for Direct Connect and Customers' Preferences. After that, a poor level of reliability for Trust. Finally, an unacceptable level of reliability for Customers' Satisfaction and Customers' Value. From the other side, the values of Composite Reliability of Customer Behavior's measured variables are greater than 70% except Customer's Satisfaction which indicate that the loading of measured variables of 15 items of Customer Behavior (construct) have shared variance among them. The values of Average Variance Extracted of Customer Behavior's measured variables are greater than 50% which indicate that the average of variations in Customer Behavior is explained by these 15 items/statements (measured variables). In other words, the items explain less errors than the variance in the constructs of the study. The following table shows the values of each construct of Customer Behavior.

**Table III:** Confirmatory Factor Analysis

Construct	Measured variable	Items mean	Items S.D.	$\lambda$	$\alpha$	CR	AVE
Direct Connect	CB-1	3.24	0.782	0.740	0.664	0.820	0.604
	CB-6	4.12	0.770	0.751			
	CB-15	4.03	0.677	0.837			
Trust	CB-8	4.06	0.694	0.816	0.529	0.800	0.667
	CB-11	4.42	0.742	0.816			
Customers' Satisfaction	CB-10	2.20	1.335	0.725	0.263	0.000	0.526
	CB-12	4.42	0.742	-0.725			
Interaction	CB-2	2.90	1.020	0.769	0.818	0.886	0.662
	CB-3	2.29	0.816	0.894			
	CB-4	2.78	1.088	0.840			
	CB-5	3.42	0.735	0.743			
Customers' Value	CB-7	3.964	0.758	0.782	0.354	0.759	0.611
	CB-14	4.305	0.973	0.782			
Customers' Preferences	CB-9	4.152	0.660	0.855	0.631	0.844	0.730
	CB-13	4.122	0.643	0.855			

### 4.3. Discriminant Validity Test

The Table IV below shows Discriminant Validity Test measured variables of Customer Behavior. It is computed to measure the magnitude of affect and direction of association amongst the constructs under study. Furthermore, at the 0.01 level of confidence, the correlation is significantly positive among all variables except for Customers' Satisfaction (CS) with Customers' Value as well Interaction with Customers' Value. The correlation values among all constructs of Customer Behavior are less than the square root of the Average Variance Extracted (AVE) of each construct.

**Table IV:** Discriminant Validity Test

Construct	DC	T	CS	I	CV	CP
DC	0.777					
T	0.557**	0.816				
CS	0.307**	0.369**	0.725			
I	0.501**	0.741**	0.472**	0.814		
CV	0.433**	0.334**	0.099	0.107	0.782	

CP	0.740**	0.557**	0.328**	0.254**	0.497**	0.855
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#### 4.4. The Hypothesis Testing

The Table VI below shows the results of hypothesis testing. With respect to the first hypothesis, the study finds that social media impacts the Direct Connect of small businesses. The fundamental rationale is that social media take advantage of visibility to connect with customers at any time. With respect to the second hypothesis, the study finds that social media impacts the Trust of small businesses. The fundamental rationale is that social media increases the value of customers loyalty. With respect to the third hypothesis, the study finds that social media impacts the Customers' Satisfaction of small businesses. The fundamental rationale is that marketing by social media leads to enhance customer satisfaction. With respect to the fourth hypothesis, the study finds that social media impacts the Interaction of small businesses. The fundamental rationale is that the interaction of the customers with the small businesses through social media is clear and understandable. With respect to the fifth hypothesis, the study finds that social media impacts the Customers' Value of small businesses. The fundamental rationale is that social media allows small businesses to understand the customers' value. With respect to the sixth hypothesis, the study finds that social media impacts the Customers' Preferences of small businesses. The fundamental rationale is that social media platforms can be used to affect the purchase intention. The figure below shows the results of structural model.

**Table V:** The Hypothesis Testing

Hypothesis	Impact of social media on the determinants of Customer Behavior	t-value	P-value	Decision
H1	DC	17.021	0.000	Confirmed
H2	T	18.344	0.000	Confirmed
H3	CS	3.852	0.000	Confirmed
H4	I	13.336	0.000	Confirmed
H5	CV	8.946	0.000	Confirmed
H6	CP	15.986	0.000	Confirmed

#### V. CONCLUSION

This paper investigates the impact of social media on the determinants of Customer Behavior of small businesses in Hyderabad, Telangana State, India. To conduct the research, data were collected through questionnaire from listed small businesses in Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS). The results show that social media has a positive significant impact on the

all involved variables (constructs) i.e., Direct Connect, Trust, Customers' Satisfaction, Interaction, Customers' Value and Customers' Preferences. This study helps researchers and market analysts to understand the significant features that influence the customer behavior of small businesses. In addition, this study helps marketers and practitioners to get benefits of social media to achieve the target audience. This study suggests applying social media to support customers' values, to increase customers' trust and loyalty. Moreover, it suggests sending the content to potential customers who have similar perception, preferences and experience to gain a competitive advantage against competitors. The findings of this study add value to the current literature related to the impact of social media on customer behavior. Furthermore, it provides a specific view to understand customer behavior of small businesses. The limitations for this study are that the researcher could not collect primary data through interview and focus groups because of language barriers with local people. Likewise, this study just covers small businesses; therefore, the results cannot be generalized to other businesses. Further studies should cover a large sample to prove or refute the results of this study. Moreover, to establish a comparative study between two or more cities or states either inside or outside of India.

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