

## Research Article

# The Effect of Social Media Ads on Consumers in Small and Medium-Sized Enterprises (SME) in the Indore Region of Madhya Pradesh

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## I N F O

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## A B S T R A C T

The current realities of marketing have seen significant shifts over the course of the last several years, particularly as a result of the rise in popularity of various social media platforms such as Facebook, Instagram, Twitter and Snap chat. The consumer now has access to even more information, as well as enhanced influence and engagement in the organization, thanks to the proliferation of these many media. Additionally, it has made organization's access to the consumer more convenient. The phrase "social media advertising" is often used to refer to online advertising campaigns that center on social networking sites. Advertising on social networking sites has a number of advantages, one of the most significant of which is that marketers may make use of the demographic information provided by users in order to target their advertisements more precisely. Nowadays, the contemporary consumer has a enough product of awareness on practically all of the products and services that they use in their daily lives. The use of social media is very important for increasing general awareness of a product or service. The role of the researcher in social science research is to address the shifting patterns or circumstances that are occurring in society. The purpose of this study is to investigate the connection between advertising on social media and the purchasing behavior of customers.

**Keywords:** SMES Industries, Buying Behavior, Social Media, Online Advertisement

## Introduction

It is becoming more obvious that individuals are shifting toward using social networks as their primary means of communicate and engagement as time goes on. The many different tools that are available on social media platforms such as Facebook, Instagram, Twitter and Snap chat give companies the opportunity to engage with consumers through two-way and multi-way communication on social media channels. These platforms also make it possible

for consumers to communicate with each other and with representatives of the brand. It is essential for companies to understand how to use social media platforms as communication channels and the influence these platforms may have, either favorably or adversely, on the views of customers. The proliferation of social media has led to an increased emphasis on the role of social proof as a factor in consumer purchasing decisions. Because individuals have a predisposition to emulate the conduct of others around them or the behavior of those who have influence over

them, the concept of social proof has arisen as a result of this inclination. Customers who are satisfied with a purchase are more likely to go on social media and praise the product by giving it likes, shares, reviews and comments. In order to establish confidence in their business and enhance conversion rate, marketers are making social space more transparent by posting reviews, comments, likes, tweets and pins from their satisfied consumers. A study that was conducted by MDG advertising says that 76% of firms are utilizing social networks for commercial reasons and that 64% of marketers are integrating social media marketing into their marketing strategy. (MDG Advertising, 2011) The use of social networks will bring about a revolution in marketing, particularly in the realm of Web 2.0. The Huffington Post has compiled some staggering figures, which are as follows: More than one million websites are integrated with Facebook; 23 percent of consumers check Facebook at least five times each day; 34 percent of marketers create leads by utilizing Twitter; and more than five million photographs are published to Instagram every 24 hours. (Honigman, 2013) It is believed that the highly effective social networking websites would usher in a new era for marketers.

Define your goals, construct a compelling narrative or experience, devise an action plan, craft the content route that will be implemented for impact, cultivate relationships and monitor the outcomes of your efforts. A definition of social media marketing should be established before we continue with our discussion on social media marketing. One definition is as follows: "Social media marketing is a technique that employs social media (content created by everyday people using highly accessible and scalable technologies such as blogs, message boards, podcasts, microblogs, bookmarks, social networks, communities, wikis and Vlogs)" (Singh & Diamond, 2012). The pattern of social media marketing, which is employed by social media, is not difficult to comprehend at all.

The use of social media results in a fundamental change in the power dynamic. Customers are more interested in hearing what other people have to say about a product or message than they are in hearing what companies have to say about it (Safko, 2013). Customers are given the capacity to control the market, which was previously held by marketers. However, the vast majority of marketers are not actually aware of how to use social media to their benefit for their businesses.

### Objectives of the Study

- To determine the impact that advertisement on social media platforms has on the purchasing decisions of customers in small and medium-sized enterprises
- To determine whether or if social media is a successful tool for marketing
- To evaluate the respondent's general feelings on the advertisement of social media platforms
- To study the level to which the respondents are exposed to various forms of advertisement on social media

### Scope of the Study

Because such a large number of companies are now participating in the study and will continue to do so in the foreseeable future, the scope of the investigation covers a very broad range of topics. This research was carried out in the Indore district of the state of Madhya Pradesh with the goals of determining the impact that advertising on social media platforms has had on consumer behavior and gauging the general attitude of respondents toward such advertising.

### Source of Data

The study included both primary and secondary data of information in its compilation.

- Primary data: A structured questionnaire was used to gather primary data for the study from a total of one hundred respondents
- Secondary data: The study relied on a variety of secondary sources for its data collection, including books, journals, newspapers, magazines and websites

### Sample Size

One hundred users who utilize social media in the Indore District were chosen to participate in the study's sample.

### Sampling Techniques

Convenience The work on this project makes use of the Sampling Technique.

### Tools for the Analysis of Data

The information that was gathered via the use of a questionnaire was analyzed and the results were tallied, utilizing Average, as well as percentage.

### Hypothesis

The study based on the following hypothesis.

- $H_0$ : There is no significant relation between advertisement on social media and the buying behavior of customers
- $H_1$ : There is significant relation between advertisement on social media and the buying behavior of customers

### Use of social media of Social media Nnetwork

Based on the data shown in the table above, it can be inferred that out of a total of 100 respondents, 51% of respondents use Facebook, 17% indicates Twitter and 19% proposes LinkedIn and only 13% agreed that other social media platforms exist.

The data presented in the table above makes it abundantly clear that 77 percent of respondents believe that social media is a relevant tool for putting marketing strategies into action, while only 23 percent of respondents do not believe that social media is a relevant tool for putting marketing strategies into action.

**Table 1. Use of Social Media of Social Media Network**

Opinion	No. of Respondents	Percentage (%)
Facebook	51	51%
Twitter	17	17%
Linkedin	19	19%
Others	13	13%
Total	100	100

**Table 2. Social Media as a Tool in Marketing Strategies**

Opinion	No. of Respondents	Percentage (%)
Consider	77	77%
Not consider	23	23%
Total	100	100

It is obvious from the table that 59% of respondents spend between one and three hours each day on social media, while 29% spend less than one hour and just 12% of respondents do not use it on a daily basis.

**Table 3. Time Spend on Social Media**

Opinion	No. of Respondents	%
1-3 hours	59	59%
Less than an hour	29	29%
I don't use it on daily basis	12	12%

According to the data shown in the table above, 68 percent of respondents are in agreement that social media has a behavior on consumers' buying decisions, while 32 percent of respondents are not in agreement with this statement.

**Table 4. Influence of Social media Advertisement on Buying Behavior**

Opinion	No. of Respondents	Percentage (%)
Yes	68	68%
No	32	32%
Total	100	100

### Chi-Square ( $\chi^2$ ) Test

The chi-square test gives one the ability to describe the relationship of independence between two characteristics. It is a method for determining whether or not the frequencies

that have been gleaned from actual experience significantly deviate from the frequencies that would be anticipated in light of a certain set of theoretical assumptions. The following is the formula for calculating the chi-square statistic:

$$\text{Chi-square} = (O-E)^2/E$$

The chi-square value that was calculated is compared with the chi-square value that is shown in the table for the degree of freedom that was provided at the significance level that was set. In the event that the calculated value is higher than the table value, it indicates that the gap between the actual frequency and the predicted frequency is statistically significant.

$$\text{Degree of freedom} = (r-1)(c-1)$$

Whereas, O= Observed frequencies

E= Expected frequencies

R= Number of rows

C= Number of columns

- Null hypothesis ( $H_0$ ): There is no significant relationship between advertisement on social media and the buying behavior of customers
- Alternative hypothesis ( $H_1$ ): There is significant relationship between advertisement on social media and the buying behavior of customers

**Table 5**

Consumers are watching on social Media advertisement				
Influence of Social media advertisements on buying behavior or customers		Yes	No	Total
	Yes	58	2	60
	No	12	28	40
	Total	70	30	100

Expected frequencies are obtained by the formula

$$\frac{\text{Row total} \times \text{Column total}}{\text{Grand total}}$$

Grand total

Grand total

Calculation of Chi- square test

$$\text{Chi-square} = (O-E)^2/E = 49.685$$

$$\text{Degree of freedom} = (r-1)(c-1) = (2-1)(2-1)$$

$$= 1 \times 1$$

$$= 1$$

$$\text{Level of significance} = 5\%$$

$$= 0.05$$

$$= 3.841$$

Table 6

Test	Level of significance	Degree of freedom	Computed value	Table value	Ho accepted/ rejected
Chi-square	5%	1	49.685	3.841	Rejected

### Decision

In this case, the calculated value is higher than the value in the table. Therefore, we must reject the null hypothesis. As a result, advertisement inside the social media has a significant relationship with the buying behavior of customers.

### Conclusion

This study was carried out in the Indore area with the purpose of determining the effect that advertisement on social media has on consumer behavior. For the purpose of this study project, a questionnaire was sent to users of social media in order to obtain their feedback. According to the findings of the study, advertising on social media is often seen as being in a more stylish context than conventional commercials. Over the course of the past decade, advertising professionals have begun to use social networking website appeals on their websites in order to share brand image by users and develop free advertising in order to catch the attention of consumers and customize the needs of consumers. This has been done in an effort to catch the attention of consumers and to meet the customized needs of consumers. It is thus obvious that advertisement on social media has an effect on consumer behavior.

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