

SOCIAL MEDIA IN SMALL SCALE BUSINESS: AN OPPORTUNITY OR A THREAT?

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Abstract

Many businesses are using social media to promote their services and engage with customers in new ways, but what happens when social media fails to work in their favor? This article will discuss the benefits and risks of using social media in the workplace. Social media networks are used by 74% of all online users. The number of firms using social media increased from 42% in 2008 to 93 percent in 2014, and it is still rising. When used appropriately, social media networks may strengthen consumer relationships, generate leads, and help you gain more. One of the most important benefits of social media is the chance to interact with your customers. Connections are the foundation of social media. Shared interests and social circles are used to form connections. Companies interact with their clients by like, sharing, and commenting on their postings. Companies may strengthen their connections and potentially produce more leads for their business by doing so. Another significant benefit of social media is the capacity to create high-quality material, and posting on social media can improve a company's online presence. Along with the benefits, social media can also pose serious concerns. If a consumer begins to complain about the company, the company's reputation may be jeopardised. Another asset that a business must try to preserve from loss or compromise is social media that has been hacked or hijacked. Companies must ensure that they are not disclosing critical information that could jeopardise their entire operation. Along with hacking, social media exposes users to viruses such as malware and spyware. Businesses can use social media to increase brand awareness, but they must be aware of the possible pitfalls that could put them at risk.

Keywords: *Social Media, Business, Opportunity, Threat, Small Scale Business*

1. Introduction

In today's digital world, the emergence of social media is significant since it allows people to communicate and exchange information online. Unsurprisingly, the ease with which people may share information and communicate via social media has a positive impact on the growth of many online activities, including business activities.

Social media may have begun as a fun way to communicate and exchange photos and videos, but it has now evolved into a serious business. No matter where a company sits on the social media usage spectrum, social media is a cornerstone of the digital marketing plan and branding strategy for any successful business. In our culture, social networking has become the norm. It takes time to build a social media brand for a firm. There is no secret formula, but it is necessary to allocate people for research planning and strategy, team collaboration, making posts, audience interaction, responding to comments and messages, seeking new opportunities, and monitoring performance, whether for small or large size businesses.

The quality of content matters when it comes to branding a product on social media. One erroneous social media post has the potential to seriously harm a company's professional reputation as well as its financial future.

Another disadvantage of uploading incorrect content is that it may result in the loss of social media followers. Relevant, accurate, properly created, appealing with high-quality visuals, suited to the company, and perceived as helpful rather than promotional are all characteristics of effective social network posts.

Social media is a safe and simple approach to raise brand awareness, create consumer confidence, demonstrate a company's leadership in its area, maintain healthy interactions with prospects and loyal customers, and put you on the map with an enhanced search engine presence.

All social media platforms have potential dangers, but these risks vary depending on a variety of circumstances such as how they are utilised, who is using them and the controls in place by the company. However, the dangers of using social media for business can be divided into three categories: legal, financial, and reputational risks, as well as technological and non-technical concerns.

For instance, an unintentional leak regarding a new product or the dismissal of an employee can raise legal difficulties. Furthermore, unlawful use of third-party trademarks on a social networking platform may result in a trademark infringement or unfair competition legal responsibility. It's against the law to use other people's trademarks to provide the impression of endorsement, affiliation, or sponsorship, or to improve a company's image without their permission. Inadvertent use could lead to legal issues.

2. Literature Review

2.1 Business Transformation via Social Media

One of the most disruptive technologies in implementing a company's digital business transformation initiatives is social media. Companies can utilise social media (e.g., Facebook, Twitter, corporate blogs) to raise awareness of their products and activities, as well as test them by gathering user feedback, impressions, and suggestions [1].

In a worldwide setting, however, various studies have highlighted the benefits of social media for SMEs' company success. Consumers may readily connect with new products, services, and brands via social media platforms. Web 2.0, often known as social media, is a powerful tool for businesses, even SMEs, to improve their operations. Enterprises' business is impacted by social media [2].

Companies can strategically use social media to gain an advantage over their competition. Consumers can express their needs and requirements through social media platforms, which helps businesses provide the proper products and services to customers, resulting in complete customer satisfaction [3].

Customer satisfaction, value creation, intention to buy and sales, building relationships with customers, brand awareness, knowledge creation, and perceived corporate credibility, acquiring new customers, salesperson performance, employee brand engagement, and sustainability are all effects of social media for B2B companies [4].

Social Media is the process by which businesses combine several new digital technologies, all of which are boosted by ubiquitous connection, in order to achieve greater performance and a long-term competitive advantage by changing many aspects of the business, such as the business strategy and the customer experience [7].

Small, medium, and large businesses have all embraced social media, with the brand building being the most popular motivation for enterprises to use it. Consumer impressions of brands and business equity are influenced and shaped by social media. Four elements influence the adoption of social media use for business: social media perception, personal traits, social influence, and business performance purposes [10].

The usage of social media marketing (SMM) for SMEs is the most appropriate concept since it allows SMEs to reach out to potential customers based on their interests and improve their business performance. Social media marketing boosts a company's brand loyalty and makes it easier for customers to learn about its items [12].

2.2 Risks or Threats of Social Media in Business

At the most basic level, social media networks provide potential hackers with access to information on company employees. "Hackers typically conduct research into the hierarchy of companies and their employees, for example, utilising profiles on social media, and construct managerial verticals. Social media sites rely largely on user communication and interaction, it's possible that they could represent a viable attack vector and so constitute a threat to company cyber security [5].

Copyright claims, privacy issues, illegal content on social media, cyber bullying, and trolling are some of the legal risks of using social media for any business. When publishing adverts or other promotional information on social media accounts, businesses must ensure that they follow all applicable laws.

The failure to regulate the content and quality of external communications poses the biggest risk to a company's reputation, potentially resulting in catastrophic brand damage. The inability to monitor staff personal use, getting drawn into public disputes (through staff postings), and the publication of sensitive or embargoed material can all lead to risk to a company's reputation [6].

The issue is that employees are unaware of the dangers that social networking platforms provide to their institution's computing capabilities and confidential information, particularly when used at work.

Cyber breaches by employees of the company may expose the business to risks such as reputational damage and customer loss by allowing attackers to exploit flaws in the company's system of controls [8].

The term "cyber-slacking" refers to the usage of the Internet for personal or recreational purposes during working hours. Many companies provide Internet access to their employees, but often waste it on non-work-related activities. Cyber slacking may be the major risks for any company when any confidential stuff is disclosed to public or other competitors via social media platform [9].

"At the crossroads of corporate risk, legislation, and technology, there is a problem called cyber risk."

Cyber risk is a business concern that can result in major delays, failures, disruptions, and loss, with cascading effects that can go far beyond a single company's presence. Information security threats are easier to control and prevent than cyber dangers. Cyber risk can be reduced, managed, and recovered from; it cannot be totally eradicated [11].

Private information about persons, companies and even government information is heavily dealt with on social media platforms. As a result, hackers, crooks, and intruders find such networks an appealing target for their attacks. A threat is a potential hazard that could exploit a vulnerability in order to compromise a business' security and, as a result, impose harm [14].

Technical social media risks are the dangers that a company's technology infrastructure may face as a result of its use of social media. The danger of hacking or unauthorized access to social media accounts is defined as "unauthorized use of a company's social media accounts by a third party with the purpose to harm." Other than technological hazards, non-technical risks include social media dangers that a private company may have as a result of using social media. The risk of corporate espionage refers to the prospect of a firm's information being obtained by compiling data released on social media by the organisation or its employees [15].

Problem Statement

Uses of social media platforms by companies have opportunities to brand their product or services to meet customers' satisfaction however companies may be at the edge of technical or non-technical threats.

Objective

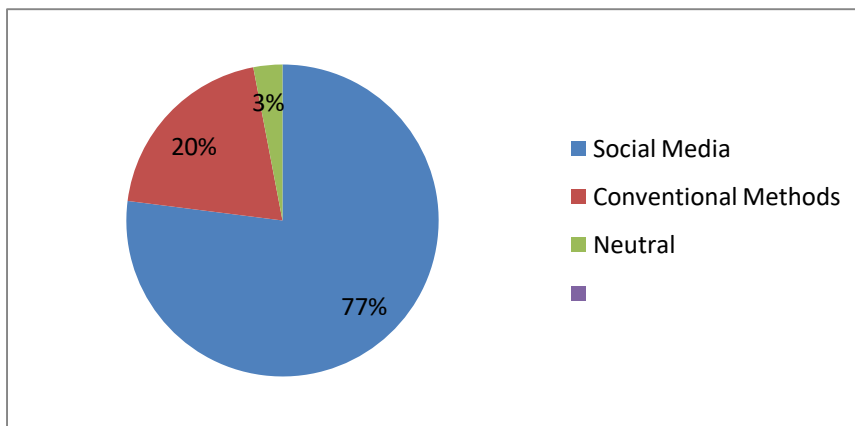
The objective of this paper is to highlights on opportunities and threats of using social media for the enterprise.

3. Research Methodology

Survey research methodology is conducted among the 150 employees of 10 different small-scale businesses in different sectors. The questionnaire was distributed among 150 employees but only 100 respondents were considered as a sample as they answered questions in a complete manner.

4. Data Analysis

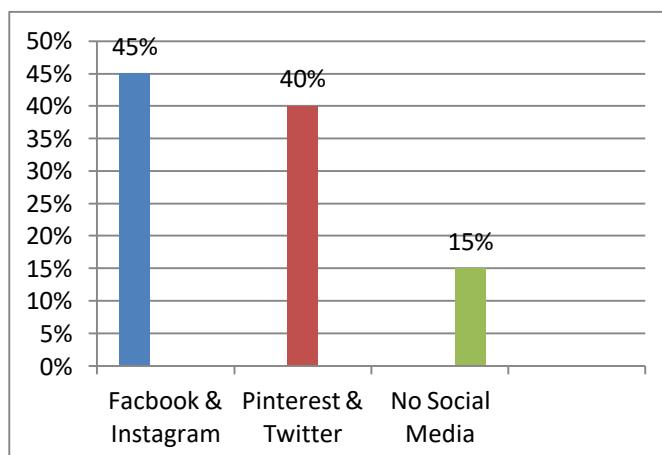
Social media allows companies to interact with their customers in real-time.



Analysis 1: Effect of Using Social Media in Business

According to sales data, 54 percent of millennials use social media to research products before making a purchase. Businesses use social media to establish interactive communities. Analysis 1 illustrates that 77 percent of respondents believe that in today's digital era, the greatest approach to communicate and entice more people to buy their goods in real-time is through social media platforms. 20 percent of respondents have a different perspective on social media, believing that conventional methods of customer interaction are always better and more real than digital social media. 3 percent of those polled have no opinion on the subject.

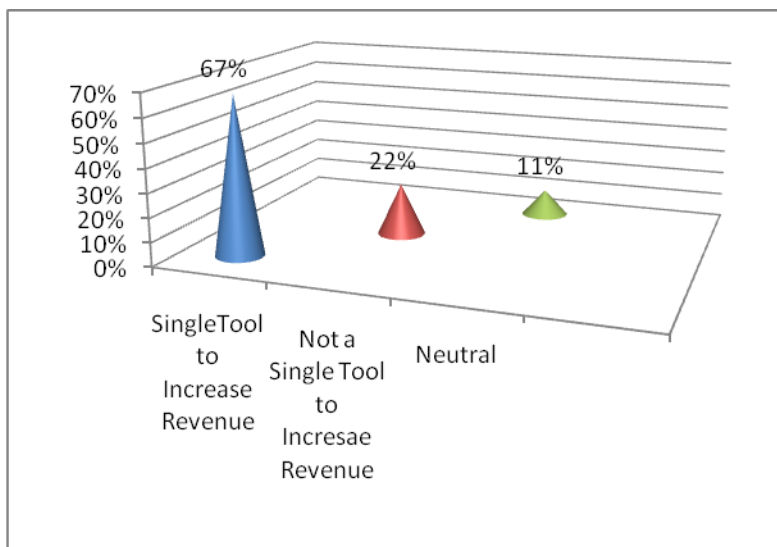
Facebook, Twitter, Pinterest, and LinkedIn help make the business more successful.



Analysis 2: Effect of Using of Facebook, Instagram, Pinterest & Twitter in Business

According to the results displayed in Analysis 2, 45 percent of business owners sell through Facebook and Instagram, while 40 percent use other social media networks such as Pinterest, Twitter, and Snap Chat. Only 15 percent of business owners do not use social media to promote their products.

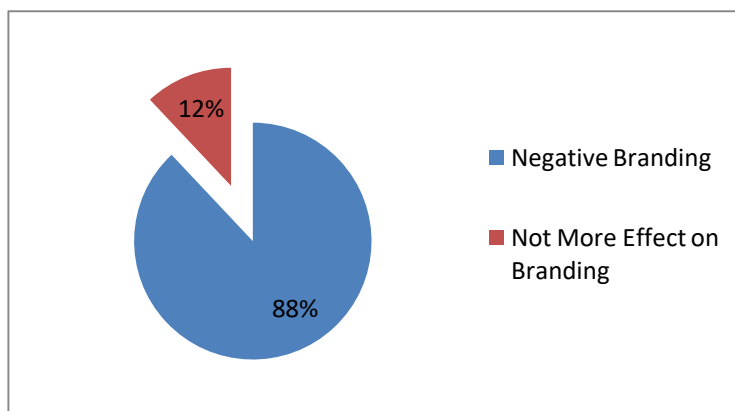
Social media is an effective tool, resource, and way to enhance the revenue of the business.



Analysis 3: Social Media’s Effect on Revenue in Business

According to the findings in Analysis 3, 67 percent of respondents believe that social media is a very useful tool or resource for connecting more customers in less time and with less work and that it has a direct impact on business revenue. Sole 22 percent of respondents believe that using social media is not the only strategy to increase a company's income. Neutral responses were given by 11 percent of respondents.

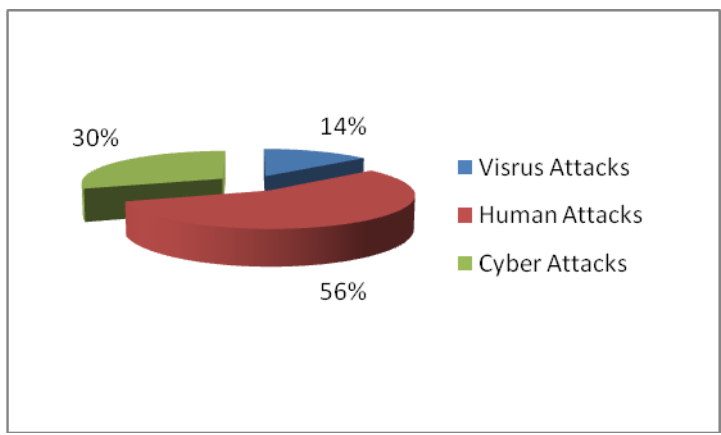
Social media expose a business to negative branding as wrong content is posted during the branding of the business.



Analysis 4: Effect of Wrong Content on Branding in Business

From analysis 4 it is revealed, 88 percent of respondents believe that legal difficulties can arise as a result of social networking. When publishing on social media, it's crucial to know if what you're posting is illegal or could have legal ramifications. Unknowingly, confidential information such as trade secrets may be exposed on a social networking website by an employee or other person. In particular, broad publication of trade secrets can result in the loss of intellectual property rights in confidential materials. 12 percent of respondents have the opinion that wrong content posted on social media may not have a bad impact on business if quick recovery is possible by posting positive response against the wrong content.

There is an increase in business liability risks as more companies integrate their business into the social media area.

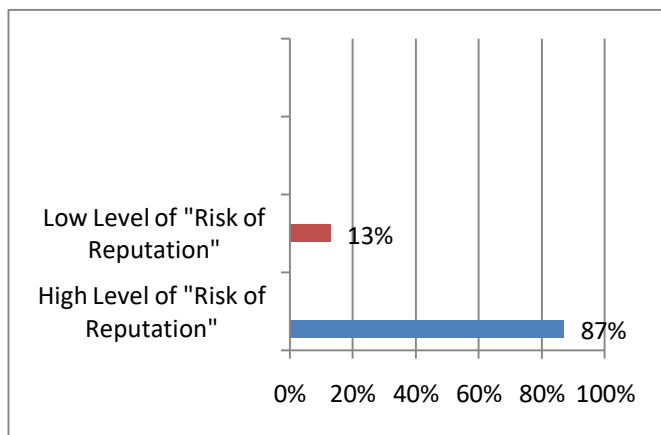


Analysis 5: Effect of Social Media’s Attacks on Business

According to the findings in Analysis 5, 14 percent of respondents think that risks can take various forms of viruses on social media, and the negatives outnumber the rewards. 56 percent of respondents’ opinion that copyright security breaches or a disagreement over ownership of a specific post can pose a risk to a company’s reputation, which can be shattered in a single instance on social media due to what is written in a post or events beyond the company’s control. 30 percent of respondents think that another security issue arises not from the outside but from within the business itself. Employees who are being fired may become enraged and choose to vent their rage by leaking undisclosed and private information about the business or upcoming events involving the business. Finally, if the business disintegrates, it may become vulnerable to cyber-attacks.

Social Media causes the risk of reputational damage to a business

Analysis 6 shows, 87 percent of respondents think that social media can have a great impact upon an employer’s business both negatively and positively. One of the negative aspects of social media is that employees can cause great damage to an employer’s reputation through it their online interaction with other individuals even in the private sphere. 13 percent of respondents think that a social media is not only the causes the risk of reputation in any business and it has low level of risk of reputation.



Analysis 6: Effect of Social Media on Business Reputation

5. Conclusion

From the analysis of respondents, it has been concluded that enterprise has a great opportunity to brand their product and services through social media platform in this current digital era as well as social media can be a path or medium to build a strong relationship with customers by giving positive comments on their posted suggestions about company products and services. However, along with rewards businesses are at the edge of risks or threats like technical or non-technical risks where a business’s reputation can be damaged publically or globally in one instant. A non-technical

risk like posting of wrong content by the employees of the company may disturb the entire reputation of a business in the market and as a result, negative branding of business may influence the revenue of the company.

Technical risks like viruses also can have the same effect on a business's reputation as non-technical risks.

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