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International Journal For Research in  
Applied Science and Engineering Technology



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# **INTERNATIONAL JOURNAL FOR RESEARCH**

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

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**Volume:** 11      **Issue:** XII      **Month of publication:** December 2023

**DOI:**      <https://doi.org/10.22214/ijraset.2023.57445>

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# Impact of Social Media on Sales Activities of Small Businesses in Hyderabad

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**Abstract:** *Social media can be a powerful tool to help businesses in any size to reach their sales targets. This study attempts to investigate the impact of social media on sales activities using a quantitative approach to obtain a profound view of this phenomenon. An online questionnaire was distributed to the listed small businesses in Hyderabad, Telangana State, India via their emails. Data were collected from small businesses through self-administered questionnaire. 197 participants were accomplished. Descriptive and inferential statistics are applied to the measured variables under study. Brand Awareness, Sales Transactions, Sales Revenue, Engagement Tool, Customer Relations and Product/Service Improvement are used as determinants of Sales Activities 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 sales activities. The results show that social media has a positive significant impact on the all involved variables (constructs) i.e., Brand Awareness, Sales Transactions, Sales Revenue, Engagement Tool, Customer Relations and Product/Service Improvement. Apparently, small businesses should focus on social media to incorporate sales performance into their marketing tactics.*

**Keywords:** *Social Media, Small Businesses, Brand Awareness, Sales Transactions, Sales Revenue, Engagement Tool, Customer Relations and Product/Service Improvement.*

## I. INTRODUCTION

Based on (Merriam-Webster, Incorporated, 2022), social media is forms of electronic communication (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos). (Ahmad, 2018) stated that 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, (Bolton, et al., 2013) mentioned that 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. In accordance with (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. In line with (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. This document is a template. For questions on paper guidelines, please contact us via e-mail.

Referring to (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. In the light of 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). The annual report of (Ministry of Micro, Small and Medium Enterprises, 2022) pointed out 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 sales activities of small businesses?”. In keeping with previous studies, the researchers could to determine the components of sales activities in terms of Brand Awareness, Sales Transactions, Sales Revenue, Engagement Tool, Customer Relations and Product/Service Improvement. (Eid, Abdelmoety, & Agag, 2020) stated that there was a positive association between social media use and the building of brand awareness. (Razak & Latip, 2015) reported that the use of social media was influencing the brand awareness and also the brand image of a product or service. (Adegbuyi, Akinyele, & Akinyele, 2015) concluded that focusing more on relationships than sales, increased sales. (Schaupp & Bélanger, 2014) concluded that the dimensions of social media value i.e., perceived impact on internal operations, marketing, customer service, and sales were significant. (Gazal, Montague, Poudel, & Wiedenbeck, 2015) the respondents’ adoption of social media was influenced by company age, net sales revenue, product type, Web site content, perceived importance of e-commerce, and perceived ease of use of social media as a marketing tool. (Tafesse & Wien, 2018) indicated that the dimension of customer engagement initiatives of social media implementation was positively related to social media performance. (Tarsakoo & Charoensukmongkol, 2019) revealed that social media marketing communication capability had a significantly positive relationship only with customer relationship performance. (He, Wang, Chen, & Zha, 2015) showed that many small non-manufacturing businesses have adopted social media and have gained business benefits in marketing and/ or Customer Relationship Management (CRM). (Chatterjee & Kar, 2020) Small and Medium-sized Enterprises (SMEs) would have an opportunity to appreciably improve and develop their products and services to meet the needs of consumers.

The rest of the paper is organized as follows: Section 2 highlights the review of previous studies on the impact of social media on sales activities. Section 3 describes the data and methodology of the study. Section 4 explains the empirical results of the study. Finally, Section 5 concludes the paper.

## II. REVIEW OF LITERATURE

The literature of social media and sales activities has to be under study. In spite of the financial budget of a firm, there is a substantial impact of social media on sales activities. 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 sales activities. This study shed some light on the impact of social media on the determinants of sales activities of small businesses. Sales Activities are the day-to-day activities that sales team takes to move customers through the sales process. This study focuses on a combination of brand awareness, sales transactions, sales revenue, engagement tool, customer relations and product/service improvement.

### A. Brand Awareness

According to (Eid, Abdelmoety, & Agag, 2020) there was a positive association between social media use and the building of brand awareness. (Suryani, Fauzi, & Nurhadi, 2020) showed that the SOME-Q model had a significant impact in improving both brand awareness and brand image. (Bilgin, 2018) 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. Furthermore, the researcher has achieved that the brand awareness had a limited effect on the brand image. (Basri & Siam, 2017) specified that social media has also proved to be a strong word-of-mouth advertising tool to market products and brand awareness. (Ahmad, Musa, & Harun, 2016) mentioned that the brand health score could be the indicator for the firm to measure their brand awareness among the digital audiences. It has been suggested that companies needed to focus more on Social Media Content Marketing (SMCM) to attract more consumers to engage with their brands. (Broekemier, Chau, & Seshadri, 2015) reported the purposes for using social media by the B2B small businesses as increasing customer awareness. (Chanthinok, Ussahawanitchakit, & Jhundra-indra, 2015) highlighted that both product diversity presentation awareness and proactive competitor learning capability were significantly positive to marketing operation excellence. (Razak & Latip, 2015) notified that the use of social media was influencing the brand awareness and also the brand image of a product or service. (Jones, Borgman, & Ulusoy, 2015) stated some benefits from the use of websites and social media sites included an increase in awareness and inquiries, enhanced relationships with customers, an increase in the number of new customers, enhanced ability to reach customers on a global scale, and co-promotion of local businesses that enhanced the image of small businesses in the region of Maine, USA.

Moreover, the findings of the case study showed that a web presence integrated with meaningful and sustained social media promotion could have a positive impact on business success in terms of increased traffic, awareness and revenues. In line with (Nakara, Benmoussa,



& Jaouen, 2012) Small and Medium Enterprise (SMEs) would face risks if they would not use social media 'strategically', such as a loss of control or a decrease in e-reputation.

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

### B. Sales Transactions

According to (Syaifullah, Syaifudin, Sukendar, & Junaedi, 2021) the use of social media for marketing had a positive effect on the performance of Micro, Small and Medium scale Enterprises (MSMEs), especially in increasing sales, customer relationships, productivity, and creativity. (Patma, Wardana, Wibowo, Narmaditya, & Akbarina, 2021) suggested that the marketing model be changed from conventional to social media-based marketing. Likewise, training for SMEs for adopting social media marketing was essential to boost their sales. (Adeola, Hinson, & Evans, 2020) state that there has been an increasing interest in understanding how electronic Word of Mouth (e-WOM) has affected sales, diffusion, and other marketing performance outcomes. (Wardati & ER, 2019) identified that the results of the impact from social media usage on the sales process in SMEs, among others, could improve customer relations, expand marketing at low cost, improve information accessibility by getting feedback and ideas from stakeholders, and could improve company performance. (Gümüş & Kütahyalı, 2017) grouped Small and Medium Enterprise (SME) perceptions of social media under the factors of communication/sharing advantage and sales/cost advantage. (Ahamat, Ali, & Hamid, 2017) suggested that social media could be a medium to build a strong customer and public relationship, market development and to gain information that could be used to generate business leads that might increase sales and thus would grow the Halal SMEs. (Basri W., 2016) stated that the relationship between social media and Arab world has enabled the social media to uniquely impact on the Arabian market in an avenue and forum for increased sales. In line with sales and marketing, social media was employed to attract new customers, and increase sales within the current market base. (Adegbuyi, Akinyele, & Akinyele, 2015) concluded that focusing more on relationships than sales, increased sales. (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. (Eida & El-Gohary, 2013) revealed that the use of E-Marketing (EM) tools had a positive influence on Small Business Enterprises (SBEs) pre-sales activities, after-sales activities, marketing performance and marketing effectiveness. (Tsai & Men, 2013) suggested that remuneration was found to be the primary motivation for visiting a brand's SNS page, consumer promotion campaigns (e.g., sales, free samples, coupons, sweepstakes, and contests) should be publicized. In line with (Bakri, 2017) there were no significant relationships between social media use and competitive advantages viz., customer relationships, domestic & global expansion, expanding product and service offerings, market share and attracting new customers.

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

### C. Sales Revenue

According to (Gazal, Montague, Poudel, & Wiedenbeck, 2015) the respondents' adoption of social media was influenced by company age, net sales revenue, product type, Web site content, perceived importance of e-commerce, and perceived ease of use of social media as a marketing tool. (Basri W., 2020) showed that using Artificial Intelligence-assisted Social Media Marketing (AISMM) exhibited an increasing trend among start-up businesses and Small and Medium Enterprises (SMEs) in Saudi Arabia, accounts for an overall increase in the number of customers and customer bases—and an additional tertiary effect of increased profitability. (Basri W., 2016) stated that the relationship between social media and Arab world has enabled the social media to uniquely impact on the Arabian market in an innovative edge for Small and Medium-sized Enterprises (SMEs) to reduce expenditure/cost and increase profitability.

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

### D. Engagement Tool

According to (Li, Kim, & Choi, 2021) found that the metrics of social media engagement were different across channels and promotional activities. (Ipek, 2020) indicated that in this digital era there was a prominent engagement between firms and consumers. (Tafesse & Wien, 2018) indicated that the dimension of customer engagement initiatives of social media implementation was positively related to social media performance. (Wang & Kim, 2017) indicated that social Customer Relationship Management (CRM) capability was critical when companies have merged social media into their marketing strategies to improve customer engagement and firm performance. (Musa, Rahim, Azmi, Shibghatullah, & Othman, 2016) revealed that all the three variables i.e., Brand Reputation and Image (BRI), Customer Engagement (CE) and Customer Brand Attitude (CBA) were significant and had moderate relationship with the online Small and Medium-Sized Enterprises (SMEs) performances. (Ahmad, Musa, & Harun, 2016) suggested that companies needed to focus more on Social Media Content Marketing (SMCM) to attract more consumers to engage with their brands. (Adegbuyi, 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. (Harrigan, Soutar, Choudhury, & Lowe, 2015) showed the importance of an underlying customer relationship orientation; how it impacted on social media technology use and customer engagement initiatives, and also directly on customer relationship performance. Further, a relationship was also shown between engagement and relational information processes, which has been viewed as a performance outcome of social Customer Relationship Management (CRM). (Humphreys & Wilken, 2015) disclosed that social media has created new opportunities for engagement, surveillance, and commodification. (Tsai & Men, 2013) confirmed that, with the exception of perceived credibility, relationship-oriented factors played a significant role in inducing consumer engagement on Social Networking Sites (SNSs). The results 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. (Harris & Rae, 2009) concluded that social networks would play a key role in the future of marketing; externally they could replace customer annoyance with engagement, and internally they helped to transform the traditional focus on control with an open and collaborative approach that was more conducive to success in the modern business environment.

H4: There is no impact of social media on engagement tool of small businesses.

#### E. Customer Relations

According to (Ewah, Etuk, Eke, & Usani, 2021) the social media platforms offered Micro, Small and Medium scale Enterprises (MSMEs) the potential to reach new customers, enhance customer relationship and get feedback from customers about their product. (Syaifulah, Syaifudin, Sukendar, & Junaedi, 2021) indicated that the use of social media for marketing had a positive effect on the performance of Micro, Small and Medium scale Enterprises (MSMEs), especially in increasing sales, customer relationships, productivity, and creativity. (Li, Larimo, & Leonidou, 2021) proposed a taxonomy that classified Social Media Marketing Strategies (SMMSs) into four types according to their strategic maturity level i.e., social commerce strategy, social content strategy, social monitoring strategy, and social Customer Relationship Management (CRM) strategy. (Tarsakoo & Charoensukmongkol, 2019) found that social media product development capabilities and social media marketing implementation capability were positively and significantly related to customer relationship performance and financial performance. The study discovered that social media marketing communication capability had a significantly positive relationship only with customer relationship performance. (Abbas, et al., 2019) 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. (Wardati & ER, 2019) pointed out that the impact from social media usage on the sales process in SMEs, among others, could improve customer relations, expand marketing at low cost, improve information accessibility by getting feedback and ideas from stakeholders, and could improve company performance. It has been concluded that the impact obtained was mostly related to customers, stakeholders, business partners and competitors of the Small and Medium Enterprises (SMEs). (Zilber, Monken, & Quevedo-Silva, 2018) concluded that organizations have adopted social media when they noticed that the media would bring advantages to their relationships with customers, providing the customers ease in obtaining information and sharing knowledge. (Alalwan, Rana, Dwivedi, & Algharabat, 2017) found that the previous studies covered the main domains of social media in marketing i.e., social media and advertising, social media and electronic Word of Mouth (e-WOM), social media and Customer Relationship Management (CRM), social media and brand, social media and customer behavior and perception, social media from the organizations' perspective and finally adoption of social media. (Wang & Kim, 2017) indicated that social Customer Relationship Management (CRM) capability was critical when companies have merged social media into their marketing strategies to improve customer engagement and firm performance. It has been signified that investment in social media technology could grant firms substantial relationship management. (Ahamat, Ali, & Hamid, 2017) suggested that social media could be a medium to build a strong customer and public relationship, market development and to gain information that could be used to generate business leads that might increase sales and thus would grow the Halal SMEs. (Ananda, Hernández-García, & Lamberti, 2016) Proposed a conceptual framework of Networking, Representation, Engagement, and Listening-in (N-REL) framework that covered actions that supported both transactional and relationship marketing. (Musa, Rahim, Azmi, Shibghatullah, & Othman, 2016) revealed that all the three variables i.e., Brand Reputation and Image (BRI), Customer Engagement (CE) and Customer Brand Attitude (CBA) were significant and had moderate relationship with the online Small and Medium-Sized Enterprises (SMEs) performances. (Basri W., 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 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. (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015) showed that Facebook usage had a positive impact on non-financial performance of Small and Medium-sized Enterprises (SMEs) in terms of cost reduction on marketing and customer service, improved customer

relations and improved information accessibility. (Harrigan, Soutar, Choudhury, & Lowe, 2015) showed the importance of an underlying customer relationship orientation; how it impacted on social media technology use and customer engagement initiatives, and also directly on customer relationship performance. Further, a relationship was also shown between engagement and relational information processes, which has been viewed as a performance outcome of social Customer Relationship Management (CRM). (Hassan, Nadzim, & Shiratuddin, 2015) found that using social media was also perceived to be able to play an effective role in relationship marketing. (Jones, Borgman, & Ulusoy, 2015) stated some benefits from the use of websites and social media sites included an increase in awareness and inquiries, enhanced relationships with customers, an increase in the number of new customers, enhanced ability to reach customers on a global scale, and co-promotion of local businesses that enhanced the image of small businesses in the region of Maine, USA. (He, Wang, Chen, & Zha, 2015) found that many small non-manufacturing businesses have adopted social media and have gained business benefits in marketing and/or Customer Relationship Management (CRM). Moreover, the study determined that the main purposes for adopting social media by small businesses were marketing (such as product/service promotions) and CRM (such as building customer relationships or retaining existing customers). (Meixner, Pollhammer, & Haas, 2015) pointed out that social media supported stronger relations between enterprises and stakeholders. (Constantinides, 2014) proposed that the active approach i.e., engaging the social media as direct marketing and Public Relations (PR) channels, as channels of customer influence, as tools of personalizing products and last but not least developing them as platforms of cooperation and customer-generated innovation. (He, Wang, & Zha, 2014) found that small pizzerias emphasizing social media use on community relations and social responsibility tended to be more successful in attracting and engaging local customers. It has been indicated that the study provided insights as to how social media usage could benefit small business operations in the area of Customer Relationship Management (CRM). (Bakri, 2017) showed that there were no significant relationships between social media use and competitive advantages viz., customer relationships, domestic & global expansion, expanding product and service offerings, market share and attracting new customers.

H<sub>5</sub>: There is no impact of social media on customer relations of small businesses.

#### F. Product/Service Improvement

According to (Chatterjee & Kar, 2020) Small and Medium-sized Enterprises (SMEs) would have an opportunity to appreciably improve and develop their products and services to meet the needs of consumers. (Wardati & ER, 2019) declared that the results of the impact from social media usage on the sales process in SMEs, among others, could improve customer relations, expand marketing at low cost, improve information accessibility by getting feedback and ideas from stakeholders, and could improve company performance. (Wang & Kim, 2017) indicated that social Customer Relationship Management (CRM) capability was critical when companies have merged social media into their marketing strategies to improve customer engagement and firm performance. The study pointed out that firms that were more active on social media could improve their value even more. (Odoo, Anning-Dorson, & Acheampong, 2017) suggested that Small- and medium-sized enterprises (SMEs) who employed both Facebook and Twitter in tandem gained improved performance benefits than those who employed each media separately. (Razak & Latip, 2016) concluded that Malaysian Small and Medium Enterprises (SMEs) should start participating in social media channels to improve their marketing practices in line with current trends. By doing so, Small and Medium Enterprises (SMEs) in Malaysia would be more competitive in the global economy and would be able to access larger markets. (Ainin, Parveen, Moghavvemi, Jaafar, & Shuib, 2015) showed that Facebook usage had a positive impact on non-financial performance of Small and Medium-sized Enterprises (SMEs) in terms of cost reduction on marketing and customer service, improved customer relations and improved information accessibility. (Yang & Wang, 2015) suggested that Destination Marketing Organizations (DMOs) would need to develop social media marketing strategies to improve their marketing effectiveness and to meet the expectations of their stakeholders. (Meske & Stieglitz, 2013) 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. (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. (Chan & Guillet, 2011) suggested that hotel properties in Hong Kong should therefore grab the support from its corporation and learn from their competitors to improve their Social Media Marketing (SMM) efforts.

H<sub>6</sub>: There is no impact of social media on product/service improvement of small businesses.

The following figure shows the conceptual model of the study:

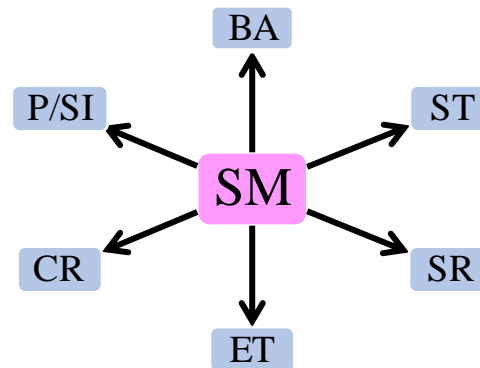


Figure I: Conceptual model of the study

### III.DATA AND METHODOLOGY

#### A. Research Designs and Data Collection

Exploratory approach has been adopted in this study. Simple random sampling technique is used to investigate the impact of social media on the determinants of sales activities 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 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 questionnaires have been returned and usable for analysis. The available data helps the researcher to measure the impact of social media on sales activities in terms of brand awareness, sales transactions, sales revenue, engagement tool, customer relations and product/service improvement.

#### B. Variables

The variables in this study are considered to examine the impact of social media on the determinants of sales activities 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
	Brand Awareness	BA
Dependent variables	Sales Transactions	ST
	Sales Revenue	SR
	Engagement Tool	ET
	Customer Relations	CR
	Product/Service Improvement	P/SI

### IV.EMPIRICAL RESULTS

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

#### A. 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%
Social media marketing experience in business	Other	0	0%
	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%

### B. Confirmatory Factor Analysis

The Table III below shows reliability test, composite reliability and average variance extracted of the determinants of sales activities. The values of Cronbach's Alpha of Sales Activities' measured variables range between 0.801 and 0.497 which indicate a good level of reliability for Engagement Tool. Then, an acceptable level of reliability for Sales Revenue and Customer Relations. After that, a poor level of reliability for Brand Awareness and Sales Transactions. Finally, an unacceptable level of reliability for Product/ Service Improvement. From the other side, the values of Composite Reliability of Sales Activities' measured variables are greater than 70% which indicate that the loading of measured variables of 15 items of Sales Activities (latent variable) have shared variance among them.



The values of Average Variance Extracted of Sales Activities' measured variables are greater than 50% which indicate that the average of variations in Sales Activities is explained by these 15 items/statements (measured variables). In other words, the items explain less errors than the variance in the construct of the study. The following table shows the values of each latent variables of Sales Activities.

Table III: Confirmatory Factor Analysis

Construct	Measured variable	Items mean	Items S.D.	$\lambda$	$\alpha$	CR	AVE
Brand Awareness	SA-8	3.94	0.652	0.840	0.574	0.827	0.705
	SA-10	4.37	0.543	0.840			
Sales Revenue	SA-3	3.94	0.818	0.880	0.703	0.873	0.775
	SA-14	4.58	0.692	0.880			
Customer Relations	SA-2	3.79	0.848	0.925	0.744	0.794	0.563
	SA-9	4.00	0.700	0.835			
	SA-11	3.36	0.690	0.837			
	SA-15	3.09	0.668	0.000			
Sales Transactions	SA-5	3.94	0.599	0.825	0.521	0.810	0.680
	SA-13	3.15	0.747	0.825			
Engagement Tool	SA-1	3.82	0.837	0.879	0.801	0.885	0.719
	SA-4	4.401	0.733	0.862			
	SA-6	3.726	0.619	0.801			
Product/ Service Improvement	SA-7	3.787	0.689	0.816	0.497	0.799	0.666
	SA-12	4.340	0.722	0.816			

### C. Discriminant Validity Test

The Table IV below shows Discriminant Validity Test measured variables of Sales Activities. It is computed to measure the magnitude of affect and direction of association amongst the latent variables under study. Furthermore, at the 0.01 level of confidence, the correlation is significantly positive among all variables. The correlation values among all constructs of Sales Activities are less than the square root of the Average Variance Extracted (AVE) of each latent variable except for Customer Relation with Sales Transactions and Engagement Tool.

Table IV: Discriminant Validity Test

Construct	BA	SR	CR	ST	ET	P/SI
BA	0.840					
SR	0.567**	0.880				
CR	0.731**	0.517**	0.750			
ST	0.685**	0.499**	0.771**	0.825		
ET	0.581**	0.836**	0.753**	0.604**	0.848	
P/SI	0.496**	0.812**	0.537**	0.488**	0.742**	0.816

### D. 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 Brand Awareness of small businesses. The fundamental rationale is that using social media improves the brand awareness. With respect to the second hypothesis, the study finds that social media impacts the Sales Revenue of small businesses. The fundamental rationale is that social media allows small businesses to obtain the customer satisfaction i.e., payment and delivery options. With respect to the third hypothesis, the study finds that social media impacts the Customer Relations of small businesses. The fundamental rationale is that social media allows small businesses to build trustworthy relationships. With respect to the fourth hypothesis, the study finds that social media impacts the Sales Transactions of small businesses. The fundamental rationale is that marketing through social media

allows small businesses to close the sale. With respect to the fifth hypothesis, the study finds that social media impacts the Engagement Tool of small businesses. The fundamental rationale is that using social media helps the customers in appointment, reservations and booking. With respect to the sixth hypothesis, the study finds that social media impacts the Product/Service Improvement of small businesses. The fundamental rationale is that using feedback via social media allows the customers to talk more about their needs and preferences. The figure below shows the results of structural model.

Table V: The Hypothesis Testing

Hypothesis	Impact of social media on the determinants of Sales Activities	t-value	P-value	Decision
H1	BA	14.871	0.000	Confirmed
H2	SR	10.363	0.000	Confirmed
H3	CR	33.943	0.000	Confirmed
H4	ST	17.395	0.000	Confirmed
H5	ET	19.143	0.000	Confirmed
H6	P/SI	10.274	0.000	Confirmed

## V. CONCLUSION

This paper examines the impact of social media on the determinants of Sales Activities 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., Brand Awareness, Sales Transactions, Sales Revenue, Engagement Tool, Customer Relations and Product/Service Improvement. This study helps researchers and marketers to identify the significant potentials that influence the sales activities of small businesses. Furthermore, this study helps market analysts and practitioners to get benefits of social media to increase the sales revenue. This study suggests implementing social media to enhance sales transactions, to boost brand awareness and to improve products/services of small businesses. Moreover, it suggests maximizing the productivity of sales team to increase the market share. The results of this study add value to the current literature regarding the impact of social media on sales activities. Furthermore, it provides an explicit perspective for understanding the nature of small businesses sales activities. Limitations of this study are that the researcher was not able to collect primary data through interviews and focus groups due to language barriers with the local people. Similarly, this study only covers small businesses; therefore, the results cannot be generalized to other businesses. Additional studies should include a large sample to prove or disprove the results of this study. Moreover, exploring the relationship between social media and small business financial performance.

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