IMPACT OF SOCIAL MEDIA MARKETING ON THE PERFORMANCE OF SMALL BUSINESSES

D.L.C.U.Dasanayaka

Acknowledgement

CONTENTS

List of Tables

List of Figures

Abstract

In today's if a small business is to stay afloat in a field that is constantly evolving, properly using social media strategies such as Facebook, Twitter, YouTube is essential. Unfortunately, many small businesses ignore social media knowingly or unknowingly. It avoids turning points in their business. Small businesses are less likely to use social media strategies. If there is no strategy when businesses start using social media marketing. This can end up being a waste of time and effort in vain. So they have wanted a clearer idea about how to use social media marketing and what is the knowledge in the present. This research gives an answer for this "impact of social media marketing on the performance of small businesses." here have been using the three hypotheses jest like Social media usage for customer relationship management, Social competence, and Business competition.

  This study examines how social media can be used to enhance business performance, promotion, customer relationship management, and business competition. Here the data is collected through google form and phone conversations. There they learn about the strategies used for their social media marketing campaign. The examination concludes with a discussion of the data. Building a customer base is more effective than continuing to retain more of the existing sales units, the business can achieve longer business performance, and social media is one of the best ways to achieve business performance.

Keywords; Social media marketing, business performance

CHAPTER 1
INTRODUCTION

1.1 Background

Small business plays a vital role in almost all the economies in the world, especially in developing economies like Sri Lanka. It contributes largely to the GDP by participating in the mainstream economy, becoming a source of income to a substantial portion of the population by providing employment opportunities. But The SME industry requires less capital per unit and relatively less infrastructure. In most developing countries the shortage of capital is the major barrier to promoting an industrial culture. So, as the small industry requires relatively less capital per unit and relatively less infrastructure, it justifies the promotion of this vital sector(Gamage 2003) On the other hand, SMEs serve as a nursery for large enterprises of the future, as most large enterprises right now originated as SMEs in the past. Provide the next level for growing micro-firms, and also contribute to the national income of a country (Rao 2017)Also, it is important to start a large number of small businesses annually. But with the salient advantages, small businesses also have some disadvantages. One of the main reasons for not being able to achieve business performance, which means the inability to win the market competition. The activity of the business is primarily driven by the level of competition in the market in which the company chooses to operate. The dynamics of the structural features of these markets.(Morgan 2012) Numerous marketing opportunities exist for small businesses, namely networking and word-of-mouth marketing. Not only do owner-managers of small businesses rely on their personal contact network, but they rely on the networks of their customers as well. Small businesses often rely on word of mouth(Cox 2012a) to win this marketplace any business want to use a tool like marketing. It is the best way to make new customers and keep old customers.

The concept of Social Media is top of the agenda for many business executives marketing today. Decision-makers, as well as consultants, try to identify ways in which firms can make profitable use of applications such as Wikipedia, YouTube, Facebook, Instagram, and Twitter. Yet despite this interest, small business owners seem to be a very limited understanding of what the term "Social Media" exactly means (Media 2010) Most businesses and companies do not have a clear strategic picture of their social media endeavors or campaigns. They make the mistake of building their strategy around the various social media platforms rather than focusing on their own business objectives and goals. Developing a good social media strategy right at the beginning will go a long way for any business in terms of Return on investment and bringing value to it.(Taprial and Kanwar 2017) However, Small businesses are less likely to use social media strategies. There is no strategy when small businesses start using social media. This can end up being a waste of time and effort in vain. Entrepreneurs need to identify what they want to achieve by using social media (Media 2010) it is important to use social media correctly, but small businesses do not use social media properly, so they miss out on valuable opportunities. It is a very unfortunate situation for small businesses. But anyone improves their knowledge it will help to establish their business performance. So that want to give the right guidance, one must have a clear idea about it. So this research study about what is about the impact of social media marketing on the performance of small businesses. Any way may research focused individually social media marketing or business performance but there not consider the small business. But the country has a stable small business sector it helps to slow a lot of burning problems in the county. Therefore, this research focuses on how social media marketing affects the performance of small businesses. Similarly, the Lunugala Divisional Secretariat in the Badulla District has been selected as the sample for this research. This Lunugala is an area where there are businesses of different sizes and ethnic groups. It is also about 240km from the capital city. Selecting such an area will understand the factors jest like the literacy rate of internet users away from the capital, as well as their perception of social media, as they have more out-of-town population than the urban population of Sri Lanka, so they sell social media. There is an opportunity to disseminate

that knowledge to areas far from the capital by providing an understanding of social media marketing.

1.2 Research Problem

What is the impact of social media marketing on the performance of small businesses?

Marketing plays an important role in running a business today. There is also the issue of the attitude of small business owners who are reluctant to incorporate marketing strategies into their businesses. This research studies the use of social media to interact with small business customers and how it affects the performance of the business. This research focuses on small businesses and social media, which are rarely discussed together. Much of the academic literature studies large businesses, or businesses near major cities. But adapting this data to small businesses is very difficult. There are many inconsistencies. The situation in the suburbs and far away from the major cities is very high in developing countries like Sri Lanka. This test examines the marketing strategies that businesses currently use, the progress they have made, or the situations that have arisen, and that data will guide entrepreneurs on future strategies. This research studies the impact of social media marketing on small businesses. Also the impact may be different in rural and urban areas. However, since most of the small businesses are located in the capital, this area has been selected far from the capital.

1.3 Research questions

- What are the impact Social media usage for customer relationship management on the performance of small businesses?
- What are the impact Social competence on the performance of small businesses?
- What are the impact Business competition on the performance of small businesses?

1.4 Research Objective

To determine the relationship between social media marketing and small business performance in the Lunugala Divisional in the Badulla District.

1.5 Research Methodology in Brief

This research has been carried out using an explanatory approach. Research studies are carried out using a quantitative approach. Quantitative research deals with system numbers or anything that can be systematically measured. This research study considers three main factors that affect society. Data from primary data sources were used for this research. The main research data collection tool is the questionnaire method and also used the google form and telephone conference. This questionnaire focuses on the numerical aggregation of data. Therefore, the target population of the study is analyzed by a multi-analytical method using 90 retailers as a sample of the study conducted by the small businesses who used social media marketing in the Lunugala area. Technology is used to generate data for more than one of these variables. It also analyzes data using the Statistical Package (SPSS) for Sociology, the aggregate software. It is widely used for data analysis in research studies

1.6 Importance of the Study

Small businesses make a huge contribution to a country's economy. Also, start a large small business one year, but only a very small number will be successful. Also, a large number of small businesses are based in smaller cities than larger ones. So it is very important to decrease poverty. Even if they start a business, they do not take action to make it successful and face competition. They traditionally work without a proper understanding of social media and miss out on very valuable opportunities. There are also businesses that thrive on marketing strategies and financial management. Even so, researchers are less likely to focus on small businesses and less likely to focus on small businesses based on a rural economy. This study focuses on the impact of social media marketing on small businesses in the Lunugala area.

1.7 Limitations of the study

- Although there is an opportunity to understand a great deal of information through discussions with business people, it is not possible to keep up with the current epidemic.
- Although there is scope for more extensive research using both social media marketing users and non-users, there is not enough time and money for that.
- Some businessmen have completed this questionnaire without interest.

CHAPTER 2
LITERATURE REVIEW

2.1 Theoretical Literature

The small business play the big area in the economy. In Sri Lanka, there is no clear definition for SMEs. Different government agencies use different criteria to identify SMEs(Anon 2003) Small businesses, start-ups and entrepreneurs are some of the most important influencers of economic growth because, in any economy, they represent more than 90 per cent of all employers and create 60 to 80 per cent of all new jobs, annually.(Assistant Professor 2018)

If we separate the two terms: the term "social" refers to interacting with other people and sharing or receiving information, while the term "media" refers to the main means of mass communication, which in the traditional sense includes TV, Radio, and Newspapers collectively. But, in the term "social media" the media refers to "web-based" communication tools that are used to enable people to share content or converse (Evans 2008) Social media are changing the way that information is passed across societies and around the world (Mayfield, III 2011)The idea behind Social Media is far from groundbreaking. Nevertheless, there seems to be confusion among managers and academic researchers alike as to what exactly should be included under this term, and how Social Media differ from the seemingly interchangeable related concepts of Web 2.0 and User Generated Content. It, therefore, makes sense to take a step back and provide insight regarding where Social Media come from and what they include(Media 2010). Social media play an important and deference role in small businesses.

According to the "Datareportal" website, the number of social media users will reach 7.9 million by January 2021. Also, between 2020 and 2021, the number of social media users have increased by 1.5 million (23%). This website shows that 36.8% of the total population use these social media. (Simon Kemp 2021) This explains the current state of social media in Sri Lanka and the current situation in the country has influenced the growth of social media. For example, with the packages provided by internet service

providers as well as the Coved 19 epidemic in the country the use of social media to fill their needs and spend free time.it can also see how the use of television and radio is declining and that segment is shifting to social media. And also social media is a best way to Listening to and responding to your customers by playing attention to their customers conversations is a great way to use social media to influence these discussions(Evans 2008)it is very useful to get an idea about the product or service. With the increase in social media users, there are a lot of opportunities for entrepreneurs. Especially small business owners. The way small business is described varies from country to country and from institution to institution.

Table 2.1 : Different Definitions of Small Enterprise used in Sri Lanka Institution

Institution	Definition
Industrial Development Board (lDB)	Fixed assets excluding land, building and permanent working capital not exceeding Rest. 4 million. Number of employees less than 50
The Department of Small Industries (DSI)	Capital investment less than Rs. 5 million Number of employees less than 50
Export Development Board (EDB)	Capital investment less than Rs.20 million in plant machinery and equipment excluding land and buildings and an annual export turnover not exceeding Rs.40 million and total annual turnover not exceeding Rs.100 million.
The National Development Bank (NDB)	Capital investment less than Rs. 20 million excluding land and buildings.

Source (Nishantha 2010)

This table 2.1 shows the definition of small business according to the institution of Sri Lanka. Small business plays a very important role in every country. But In running these small businesses, they face a lot of competition and various obstacles. As a result, a large number of small businesses that start up go bankrupt in a very short period of time or have to close for any reason. The reasons for this are the weakness of the organization, the management problems, and the inability to grow its share in the face of market competition.

Reasons such as not using marketing strategies or lack of knowledge about it can be pointed out. The Government of Sri Lanka recognizes SMEs as the backbone of the economy, as it accounts for more than 75% of the total number of enterprises, provides 45% of the employ net, and contributes to 52% of the Gross Domestic Production (GDP).SMEs promote broad-based equitable development and provide more opportunities for Women and Youth participation in the economic development of the country. (Sugawara and Nikaido 2014)Despite the importance of such a small business, little attention is paid to their performance as well as their continued existence. However, nowadays small businesses can be seen starting large. This is because small businesses can be started by using small capital, management skills are not required and family members can start together. As well as In the face of the current epidemic season, job instability as well as the opportunity to work from home, it is possible to see a greater tendency to start small businesses. But not all start-ups businesses can achieve the desired performance.

The field of Business Performance Measurement (BPM) lacks a cohesive body of knowledge. Management researchers in areas as diverse as strategy management, operations management, human resources, organizational behavior, information systems, marketing, and management accounting and control are contributing to the field of performance measurement(Franco-Santos et al. 2007)Resource- and capability-based views argue that a firm's business performance is determined by its effectiveness at converting resources (e.g., assets, knowledge, processes) into capabilities (e.g., customer links, sales abilities, reputation placement) to achieve a competitive advantage (Paniagua and Sapena 2014)

The social marketing channel represents the extent to which social marketing resources (e.g., conversations, sharing, presence) are transformed into financial performance capabilities (e.g., sales). Through conversations, sharing, and presence on Facebook, YouTube, or Twitter, firms actively market their products and services. Firms have adopted social media as an essential part of their marketing mix (Paniagua and Sapena 2014) In today's social media-driven environment, it is essential that small businesses understand Facebook, Twitter, and the strategies behind using social media. With this mostly

controlled medium, businesses have the opportunity to communicate with a wide variety of publics. Therefore, determining how a small business used social media to engage consumers was important.(Cox 2012b)

According terech's research Marketing is a form of communication between a business company and its customers. Aim to sell your products or services to them. Goods are not a complete product until they are in the hands of the customers. Marketing is the management process through which goods and services travel from concept to customer. Marketing is less about getting customers to pay for a product, it is about developing demand for that product and meeting the needs of customers.(Terech 2018) Marketing is a key factor in influencing business performance. So businesses spend a lot of money on this marketing and even run a separate section of those businesses.it can see a shift in the marketing of radio, newspapers, and television with the advent of social media. Here, entrepreneurs can bring a lot of benefits to their businesses. Some of them are the ability to bring local businesses to social media users around the world. By using good marketing strategies enables them to market their products to the largest range of buyers. As well as to be able to do business even without a business physical location, to grow a consumer segment of their own business, and to be able to market their products and services. Factors such as can be pointed out.

Studies on the above issues but small businesses seem to be less focused on social media as well as less focused on social media marketing but affect small business economy as well as high cost marketing social media marketing with every level of business potential Has arrived. Even so, owning one is still beyond the reach of the average person. Therefore, the question of this research is "how to impact social media marketing on small business performers". Also a study on this should be done in Sri Lanka. Although the impact of social media marketing has been studied for businesses near major cities, it is difficult to substitute those research results for rural businesses. But the development of the village level economy is very important if poverty is to be eradicated through the up lift mint of the rural economy. Therefore, the Lunugala Divisional Secretariat, about 240 km from the capital, has been selected for this purpose. There are also ethnic groups

representing all ethnic groups in the area. Selecting that section will provide an opportunity to achieve the intended objectives of this research.

2.2 Empirical Literature

Examining the above literature will help you to understand the importance of small businesses. This study also focuses on how social media and social media marketing can have an impact on business performance. Here you will find a large number of Literature who have studied each section separately. But this study focuses on bringing all those components together in a single forum. Also, by substituting for Sri Lanka the research done by countries like USA and India, the current situation can be reduced to a lower level. Therefore, this study studies the impact of social media marketing on small business performance. Also, due to the lack of focus on the performance of rural businesses in Sri Lanka and the importance of their existence, this research is focused on the Lunugala area in the Badulla District.

2.3 Methodological literature

According (Charoensukmongkol and Sasatanun 2017)s research they identify the respondents were pre- screened to make sure that they actually sold products on social media. After there fill the questionnaires. A self-administered questionnaire survey was used for data collection. The questionnaires. And also (Adegbuyi, Akinyele, and Akinyele 2015)s continue researchers choose a quantitative research method to explore the subject because it is most suitable for exploratory research aiming to further understanding. The problems under scrutiny would be difficult to understand if removed from their social context so there decided to follow the quantitative approach. Use the google form for give the questionnaires and also use the telephone conference to collect the data the study of this literature shows that it is more appropriate to use a quantitative method for these studies. Also, all these studies have collected data using questions. However, the use of questionnaires provides space for direct answers. Considering these

facts, questionnaires are used for this research. But during this pandemic season can't doing offline questionnaires. So in this research selected the google form to collect the data. Also when focusing on data analysis it appears that they have used the complex statistical analysis using SPSS and the analysis offered a questionnaire.(Ioanǎs and Stoica 2014) Data analysis. Therefore SPSS software is used to analyze the data in this experiment to get more successful results.

2.4 Gaps in Literature

This study focuses primarily on social media, small business, and business performance. Generally there is no universally agreed-on definition of small business or SME. Many efforts have tried to define the term small business, using criteria such as number of employees, sales volume, and value of assets. This literature study shows that although there is no specific definition for small businesses, different criteria have been set by different institutions there are also a large number of research reports on small businesses. The number of research reports on small businesses in Sri Lanka is low. They are also focused on the capital or major cities. But in a developing country like Sri Lanka, there is a huge gap between rural and suburban areas. Therefore, the findings of an urban survey are problematic when used in a rural area. Another factor to consider in this research is social media marketing. Social media is spreading on a huge scale in our country. But businesses are less likely to take advantage of the opportunities that come with it. On social media like Facebook, the group WhatsApp business app has been introduced to facilitate business as well as enhance customer connectivity. There is even an option to boot on that social media. It can show its advertisements to its target customers using various filters. Users of these new trends have a great chance of winning business competition. However, there has been little recent research on social media marketing. But this field is updated day by day. Most importantly, there is less study of social media marketing and small businesses at the same time. The importance of this is that large businesses market themselves in a variety of ways, but small businesses focus on marketing and seek to

achieve performance in the market. In fact, it is a futile act. This experiment, however, seeks to fill the above gap

CHAPTER 3
METHODOLOGY

3.1 Introduction

This research is conducted using a quantitative approach. The purpose of this research is to examine known patterns and theoretical patterns using new empirical data. This research was conducted using an explanatory approach. This is because the researcher has previously used resources such as reports, books, and the Internet. This helps to get more information realistically in this way. Furthermore, measurable variables are used to collect or predict specific pitfalls by answering relationship questions. Several hypotheses are tested to identify how social media marketing affects business performance. The tool is also used as the primary data source data.

During this pandemic situation researchers can't meet the people how in the selected sample. So the Google form and telephone conference allows retrieving relevant data in a more reliable and valid manner. People who use social media marketing as a sample to study have a high level of computer literacy so it is easier to use google form. A questionnaire was used to collect the data. Question papers and, give an idea of this research were distributed to the small business owners in the market and then collected

There, as the population is small businesses located in the Badulla district in the Lunugala area was initially selected as the part that actually uses social media marketing. After the simple random method is used to choose the sample.

The study of the data is also done using a multi-analytical method. This method is used to study data from more than one variable. In addition, the collected data is analyzed using the Statistical Package (SPSS) for Sociology, and Microsoft excel software commonly used to analyze data in research studies Conceptual research model and hypothesis

The purpose of this research is to study the impact of social media marketing usage on small business performance in the Lunugala divisional secretariat area.

3.2 Conceptual framework

Figure 3.1 : Conceptual framework

Independent variables		Dependent variable
Social media usage for CRM	→	Business performance
Social competence	→	
Business competition	→	

Statistical models

$$Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 +$$

⇓ ⇓

Dependent	Independent variables
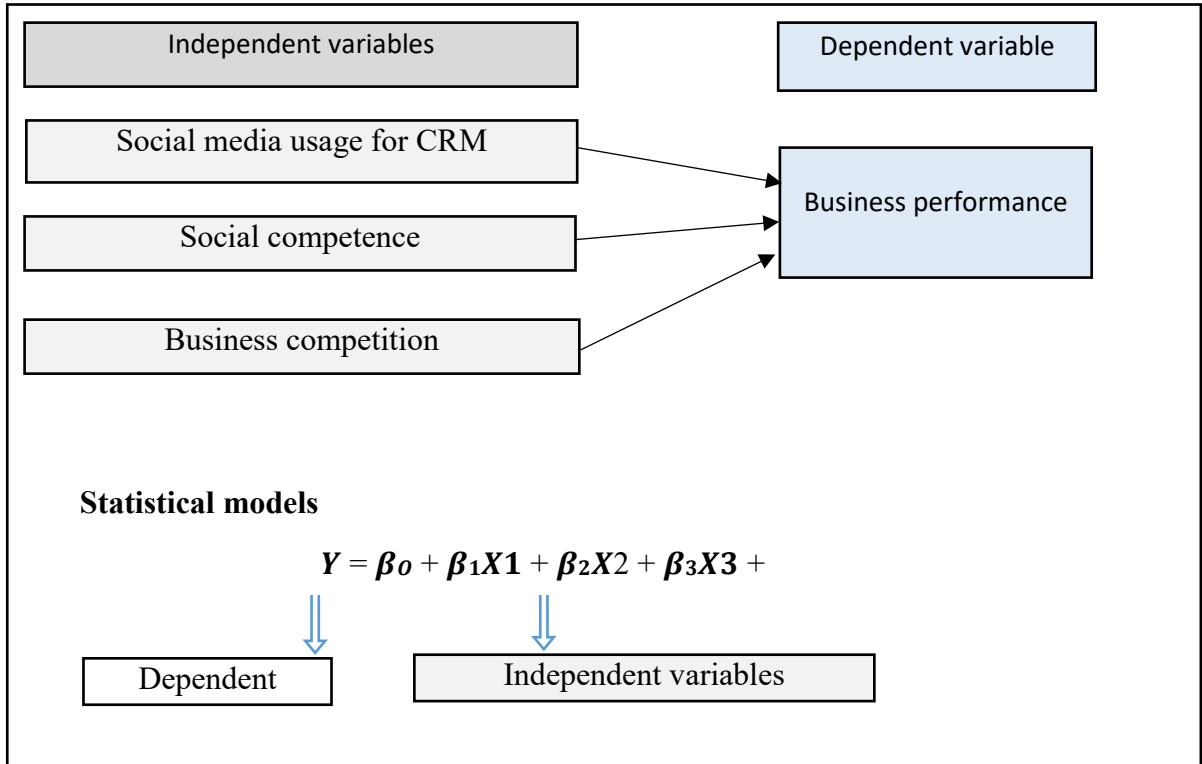
3.3 Hypotheses

H1: Social media usage for CRM has impact on business performance (profit).
H2: Social competence has impact on business performance (profit).
H3: Business competition has impact on business performance (profit).

The researcher has proved these hypotheses in empirical review had mentioned above.

.

CHAPTER 4
RESULTS AND DISCUSSION

4.1 Introduction

The researcher uses SPSS software as an analysis tool. This chapter represents its consequences and interpretations of the survey results. The data processing and response rates for the analysis are described here. It then explains the basic characteristics and frequency of detailed analysis of the study data and the validity and reliability of the research team. Ultimately, the study focused on testing hypotheses.

According to SPSS survival manual (pallant 2013) for the reliability and the validity of a research tool and for a better internal consistency of the research tool.

4.2 Accuracy of the data

4.2.1 Internal consistency

Table 4.1 : Reliability Statistics

Reliability Statistics

Cronbach's Alpha	N of Items
.908	20

Table 4.2 : ANOVA for internal consistency

ANOVA

		Sum of Squares	df	Mean Square	F	Sig
Between People		339.283	89	3.812		
Within People	Between Items	25.011	19	1.316	3.769	.000
	Residual	590.639	1691	.349		
	Total	615.650	1710	.360		
Total		954.933	1799	.531		

Grand Mean = 3.2161

For this instrument (Table 4.1 and 4.2) shows, Cronbach's Alpha was .908 with a significance of P<0.005. So the internal consistency was Excellent and the research tool was reliable, and will give credible results

4.2.2 Inter-correlation analysis

This inter-correlation analysis is used to measure the relationship between factors. If the Pearson correlation value is less than 0.9 then it is high risk multi- collinearity. The conclusions drawn from it may not be accurate.

Table 4.3 : Correlations for Inter-correlation Matrix

Correlations

		Social media usage for CRM	Social competence	Intensity of business competition
Social media usage for CRM	Pearson Correlation	1	.705**	.672**
	Sig. (2-tailed)		.000	.000
	N	90	90	90
Social competence	Pearson Correlation	.705**	1	.671**
	Sig. (2-tailed)	.000		.000
	N	90	90	90
Intensity of business competition	Pearson Correlation	.672**	.671**	1
	Sig. (2-tailed)	.000	.000	
	N	90	90	90

**. Correlation is significant at the 0.01 level (2-tailed).

Using the above Table 4.3 Inter-correlation Matrix, compare Pearson correlation coefficients of each Independent variable, the compare Pearson correlation coefficient between Social media usage for CRM and Social competence are .705, the compare Pearson correlation coefficient between Social media usage for CRM and Intensity of business competition are .672, and the compare Pearson correlation coefficient between Social competence and Intensity of business competition are .671. In here all relationships less than 0.9 so there isn't high risk of multi-collinearity.

4.2.3 Multi-collinearity diagnostic

Table 4.4 : Coefficients[a] for inter-correlation matrix

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Social media usage for CRM	.431	2.320
	Social competence	.432	2.315
	Intensity of business competition	.472	2.120

a. Dependent Variable: performance of the business

*Multiple regression analysis *

A multi-collinearity diagnostic was done to check whether independent variables are highly correlated among themselves or nit. The Pearson correlation coefficients form the inter-correlation matrix were found below .900 and by comparing Tolerance values and variance inflation factors it was found that the Tolerance values are higher than 0.2 and VIF values are less than 5. Therefor the Tolerance values and the VIF values are within the expected range that prevents the multi-collinearity. The multi regression analysis can be carried out.

Table 4.5 : Residuals Statistics[a]

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.5437	4.3685	3.3133	.36883	90
Residual	-.77360	.99218	.00000	.34146	90
Std. Predicted Value	-4.798	2.861	.000	1.000	90
Std. Residual	-2.227	2.856	.000	.983	90

a. Dependent Variable: performance of the business

In above Table 4.5 show that minimum Std. Residual value is -2.227 and maximum Std.Residual value is 2.856. That's values never exceed -3.29 or 3.29. So there hasn't outliers.

Table 4.6 : Model Summary[b]

Model Summary[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.734[a]	.538	.522	.34736	.538	33.447	3	86	.000	2.238

a. Predictors: (Constant), Intensity of business competition, Social competence, Social media usage for CRM
b. Dependent Variable: performance of the business

Presents a summary of the model in which the item of interest is the R square statistics, which is .538 with a statistical significance of P<05. (By using above Table 4.6) This suggests that, 53.8% of the variants in the business performance (outcome) was predicted from level of social media marketing (predictors). The Durbin-Watson statistic was 2.238 and between +1 and +3 which means that, the independence of the observations has been met

Table 4.7 : variation analysis

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.107	3	4.036	33.447	.000[b]
	Residual	10.377	86	.121		
	Total	22.484	89			

a. Dependent Variable: performance of the business
b. Predictors: (Constant), Intensity of business competition, Social competence,
Social media usage for CRM

The F-ratio in the ANOVA table (see above Table 4.7) tests whether the overall regression model is a good fit for the data The table shows that the independent variables (social media marketing) statistically significantly predict the dependent variable (business Performance), $F (3,86) = 33.447$, $P<.0005$. (That is the regression model is a good fit of the data).

Table 4.8 : Coefficients[a]

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.744	.267		2.784	.007
	Social media usage for CRM	.429	.117	.410	3.670	.000
	Social competence	.290	.101	.321	2.882	.005
	Intensity of business competition	.081	.111	.078	.727	.469

a. Dependent Variable: performance of the business

Considering the above Table 4.8 the unstandardized coefficient, B_1 for Social media usage for CRM is equal to .429. This means that for each one-unit increase in Social media

usage for Customer relationship management (CRM), there is an increase in business performance of 429 times units the unstandardized coefficient, B_2 for Social competence is equal to 290. This means that for each one-unit increase in Social competence, there is an increase in business performance of 290 times units the unstandardized coefficient, B_3 for Intensity of business competition is equal to .081. This means that for each one-unit increase in Intensity of business competition, there is an increase in business performance of .081 time's units.

From the above results, it is evident that the Social media usage for CRM, Social competence, and Intensity of business competition have unstandardized coefficients of 0.429, 0.290, and 0.081 respectively and the following regression equation can be derived from the available data for predicting the business Performance from social media marketing.

$$\hat{y} = 0.744 + (0.429) X_1 + (0.290) X_2 + (0.081) X_3$$
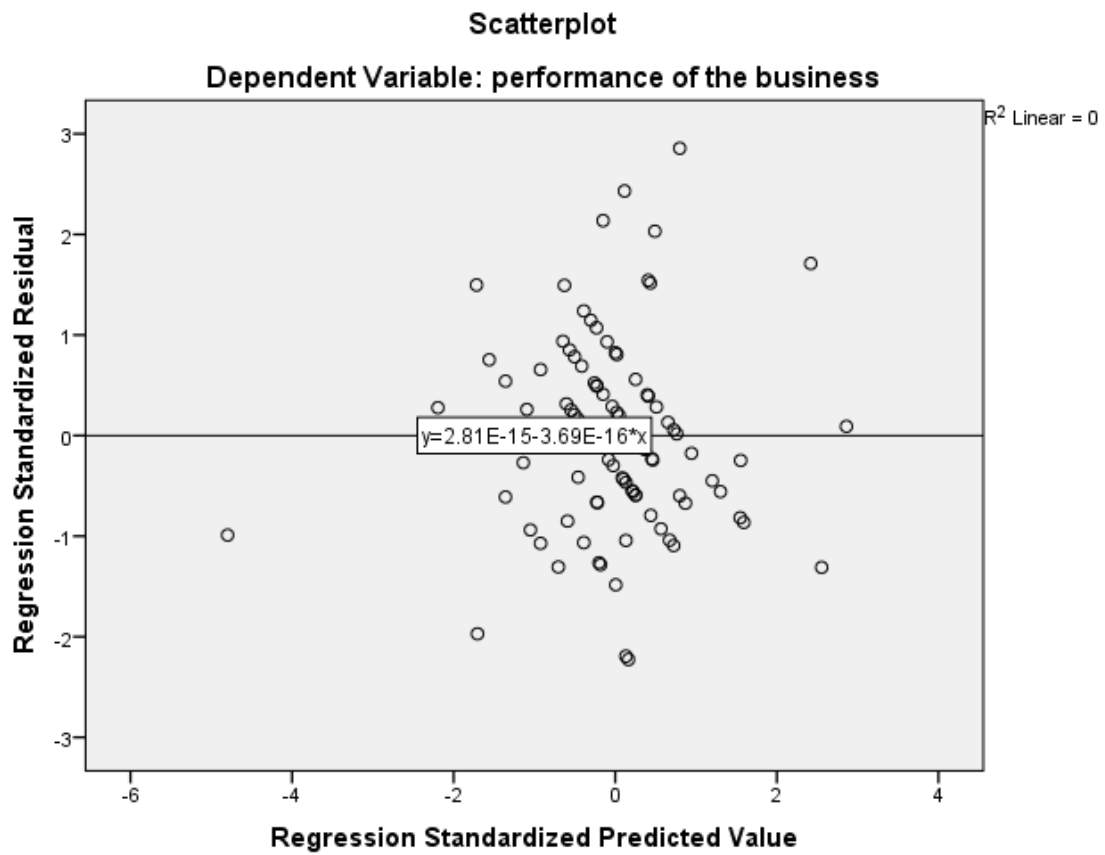
Where,

$\hat{y}$ - Business Performance

X_1 - Social media usage for CRM

X_2 - Social competence

X_3 - Intensity of business competition

Figure 4.1 : scatterplot regression analysis

Scatterplot
Dependent Variable: performance of the business

R^2 Linear = 0

y=2.81E-15-3.69E-16*x

In above Figure 4.1 show that minimum Std. Residual value is -2.227 and maximum Std.Residual value is 2.856. That's values never exceed -3.29 or 3.29. So there hasn't outliers.

4.3 Analysis of data

4.3.1 Gender distribution of respondents

In this research sample is 90 small businesses in the Lunugala area. In this care as observed from Figure 4.1, it is clear that the majority of the respondents, 65 (72.2%) were male as opposed to females who were 25 (27.8%). This presupposes that generally, the margin between males and females is very high.

Table 4.9 : Gender of the business owner

|	Frequency	Percent
Male	65	**72.22%**
Female	25	**27.78%**
Total	90	**100.00%**

Figure 4.2 : Gender of the business owner
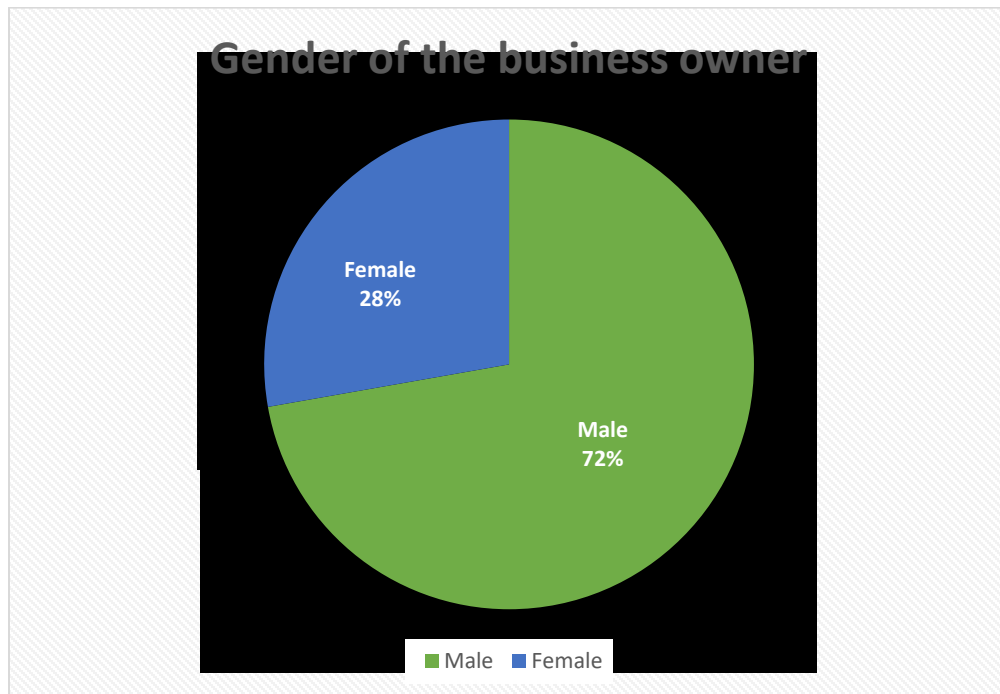
4.3.2 Age distribution of respondents

There are five major age groups for small business owners: (Figure 4.2 and Table 4.10) the largest number of entrepreneurs are between the ages of 26-33 that is 28(31.11%). Also, the lowest number is between the ages of 42-49 and that number is 9(10%). There are also a significant number of people over the age of 49. This research suggests that small businesses can be started to retire. They also use social media marketing for their businesses because of their work experience.

Table 4.10 : Business owners age group frequency and Percent.

	Frequency	Percent
Less than 25	13	**14.44%**
26-33	28	**31.11%**
34-41	25	**27.78%**
42-49	9	**10.00%**
More than 49	15	**16.67%**
Total	**90**	**100.0**

Figure 4.3 : Age of the business owner
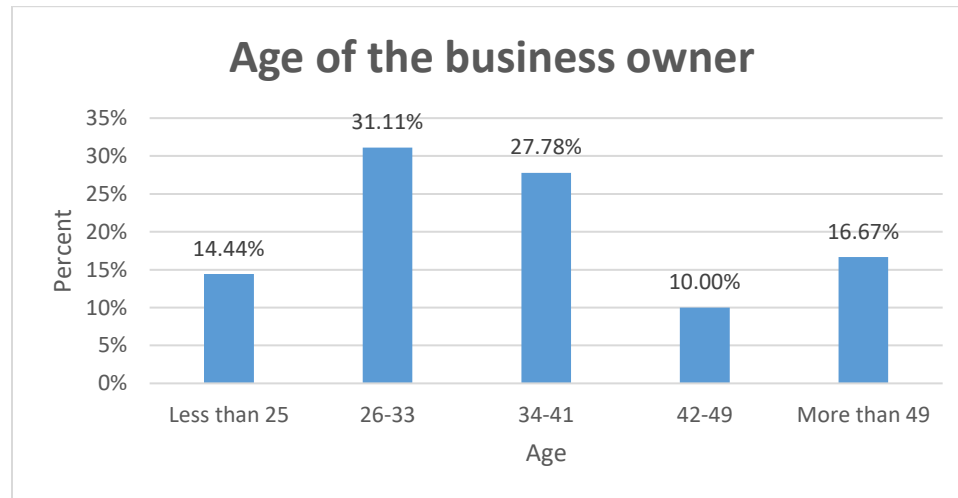
4.3.3 Education qualification

Table 4.11 and figure 4.3 show the number of small-scale entrepreneurs and their level of education. There the level of education is divided into 4 parts. It is easy to understand through that. In this case, the majority of the landslide victims are those who have passed the Ordinary Level. It is 34.44% as a percentage of the total sample and 31 numerically. There is a very low level of 6.67% of people with higher education turning to small businesses. Also, 25.56% and 33.33% of those who have passed the Advanced Level and failed the Ordinary Level respectively.

Table 4.11 : Business owner's Education qualification group frequency and Percent

	Frequency	Percent
Less than O/L examination	30	**33.33%**
Pass the O/L examination	31	**34.44%**
Pass the A/L examination	23	**25.56%**
Higher education examination	6	**6.67%**
Total	90	**100.00%**

Figure 4.4 : level of Educational qualification
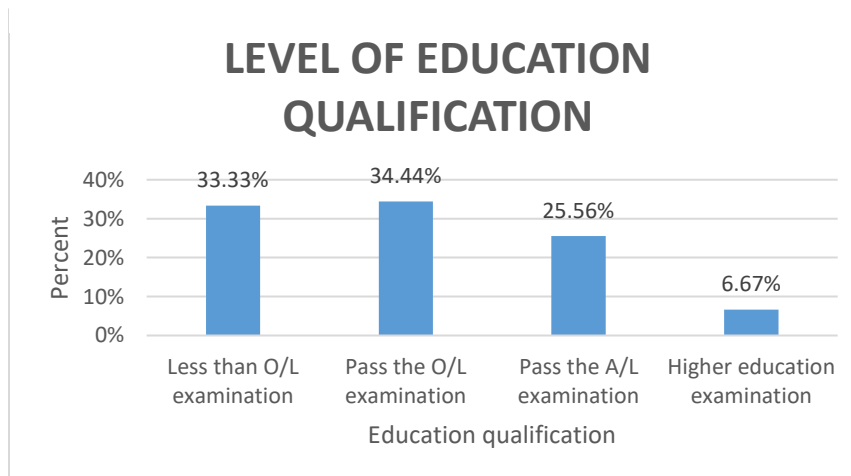
4.3.4 Educational qualification

Table 4.12 Time duration of start the business

	Frequency	Percent
Less than 5 year	28	**31.11%**
6- 10	15	**16.67%**
11-15	27	**30.00%**
16-20	13	**14.44%**
More than 21 year	7	**7.78%**
Total	90	**100.00%**

Figure 4.5 : Time duration of start the business
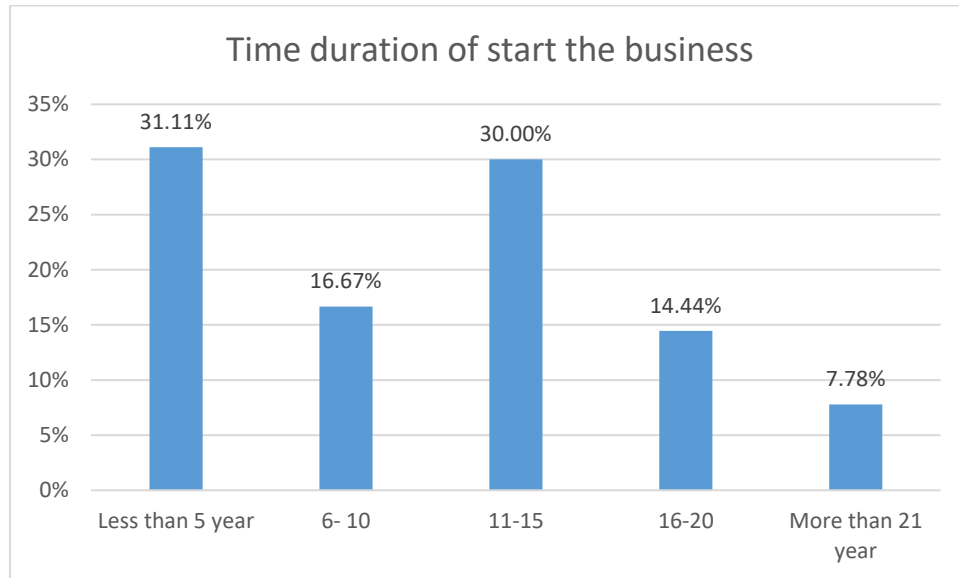
Data from this research show (Figure 4.5 and Table 4.12) that 31.11% of businesses have been in business for less than five years, taking into account the current start-up time. Also, the number of businesses that have been in existence for 6 to 10 years is 16.67%. The highest incidence is between 11 and 15 years after onset. There are only 7 businesses that have been in operation for more than 20 years and it is 7.78% as a percentage. However, most of those businesses over the age of 16 are parent-child-run businesses currently run by children. The study found that they also used social media for business.

4.4 Testing hypotheses

Table 4.13 : correlation Matrix

Correlation Matrix

	performance of the business	Social media usage for CRM	Social competence	Intensity of business competition
performance of the business	1.000	.688	.662	.568
Social media usage for CRM	.688	1.000	.705	.672
Social competence	.662	.705	1.000	.671
Intensity of business competition	.568	.672	.671	1.000

Using the above Table 4.3 correlation Matrix, compare Pearson correlation coefficients of dependent and Independent variables,

- The compare Pearson correlation coefficient between performance of the business and Social media usage for CRM are .688, positive relationship.
- The compare Pearson correlation coefficient between performance of the business and Social competence are .662, positive relationship.
- The compare Pearson correlation coefficient between performance of the business and Intensity of business competition are .568. Positive relationship.

CHAPTER 5
CONCLUSIONS

Researchers in many countries have investigated social media marketing and business performance from different angles. Summing up various studies, it is suggested that social media is widely used to connect with existing customers and seek new relationships, focusing on the concept of social media marketing. This is because a large amount of the population uses social media and spends a significant number of hours a day on social media. Many studies show that small businesses can connect with other countries through social media marketing if they spend more time on social media applications. Even though Sri Lanka is with social media, many people do not use it to fulfill a valuable business purpose. Through social media marketing, helps bridge geographic distance and build relationships between customers and sellers. Everyone can communicate with each other through social media and use it for marketing purposes. In addition, several options have been included for marketing activities through the social media platform. For example, Instagram WhatsApp allows you to create a business page on Facebook. They also can post boost. Most importantly, businesses can show the ad to the target consumer category using different filters such as age, gender, etc. in the desired area. It is more important to make the most of the money spent on social media more than on television and radio.

Here study using 3 methodologies of Social media usage for CRM. Social competence and the intensity of business competition. The data that the researcher collected show that all hypotheses have a positive relationship. That's are

Social media usage for CRM	.688
Social competence	.662
Intensity of business competition	.568

The purpose of this research is to discover and understand the impact of social media marketing on small business performance. This research has been conducted by

selecting 90 as a sample of small merchants using social media marketing in the Lunugala area. Using primary data sources in this investigation is an explanatory investigation. The data were studied using three hypotheses. They are the use of social media for customer relationships management, social competence, and the intensity of business competition. All these hypotheses have a positive relationship with business performance. That means the amount of these factors used in the business increases the business performance. Additionally, this research shows that female entrepreneurs are less likely to engage in social media marketing. Also, those who have passed A / L or have a higher level of educational qualifications are less inclined to do business.

The researcher used the SPSS statistical tool and Microsoft Excel to analyze the data. Finally, we can say that there is a positive link between social media marketing and small business performance.

Questionnaire

THE STUDY OF INVESTIGATING THE IMPACT OF SOCIAL MEDIA MARKETING IN THE PERFORMANCE OF SMALL BUSINESSES

I kindly request that the data in this questionnaire be used only for the study conducted by an undergraduate in the third year the second semester of the Department of Economics and Statistics, Sabaragamuwa University of Sri Lanka and to provide accurate data for its success. And also, Information provided will be strictly confidential and only be used for research purposes.

Personal information

1. Age
    18-25
    26-33
    34-41
    42-49
    More than 49

2. Gender
    Male
    Female

3. Education qualification
    Less than O/L examination
    Pass the O/L examination
    Pass the A/L examination
    Higher education examination

4. How long have you been engaged in this business (Average)
    Less than 5 year
    6- 10 year
    11-15 year
    16-20 year
    More than 21 year

1. **Understand the performance of the business**

Assess the level of satisfaction with the performance of your business by considering the following indicators:

(1: Very dissatisfied: 5 Very satisfied)

    1.1. Sales volume
    1.2. Sales growth
    1.3. Profit growth
    1.4. Customer satisfaction
    1.5. Long-term customer retention

2. **Social media usage for CRM**

To what extent do you use social media in the following activities?

(1 very small: 5 very wide)

    2.1. Collect data from every customer who buys your product.
    2.2. Classify them based on clients' gender, age, occupation, level of education, monthly income, etc.
    2.3. Interact, talk and exchange with customers.
    2.4. Make it easy for customers to get product details or orders at any time.
    2.5. Create customer groups that are interested in the same type of product

3. **Social competence**

Assess your skill or trait level as follows:

(1 very small: 5 very wide)

    3.1. Establish good interpersonal relationships with clients.
    3.2. Quickness and interest in communicating or providing services to clients.
    3.3. Honest and sincere with customers and commercial networks.
    3.4. An expert in customer relationship management such as talking to customers regularly.
    3.5. Overall Satisfaction with Business Performance

4. Intensity of business competition

Assess the competitiveness of your business in the following areas:
(1: very low: 5 very high)

    4.1. The intensity of competition in your type of business.
    4.2. Competitive pressure on your type of business.
    4.3. Risk of business failure of your type.
    4.4. Local factors influence the competitive face.
    4.5. Existence increases because of social media

References

Adegbuyi, Omotayo Adeniyi, F. A. Akinyele, and S. T. Akinyele. 2015. "The Researchers Choose a Quantitative Research Method to Explore the Subject Because It Is Most Suitable for Exploratory Research Aiming to Further Understanding. The Problems under Scrutiny Would Be Difficult to Understand If Removed from Their Social Co." *International Journal of Social Sciences and Management* 2(3):275–83. doi: 10.3126/ijssm.v2i3.12721.

Anon. 2003. "SMALL AND MEDIUM ENTERPRISE DEVELOPMENT IN SRI LANKA:A Review."

Assistant Professor, Amity University. 2018. "Small Businesses, Big Contribution." Retrieved September 11, 2021 (https://www.dailypioneer.com/2018/columnists/small-businesses--big-contribution.html).

Charoensukmongkol, Peerayuth, and Pakamon Sasatanun. 2017. "Social Media Use for CRM and Business Performance Satisfaction: The Moderating Roles of Social Skills and Social Media Sales Intensity." *Asia Pacific Management Review* 22(1):25–34. doi: 10.1016/j.apmrv.2016.10.005.

Cox, S. L. 2012a. "Social Media Marketing in a Small Business : A Case Study." *Prudue E-Pubs* 1–81.

Cox, S. L. 2012b. "Social Media Marketing in a Small Business : A Case Study." *Prudue E-Pubs* 1–81.

Evans, Dave. 2008. "Social Media Marketing: An Hour a Day - Dave Evans - Google Books." Retrieved September 8, 2021 (https://books.google.co.uk/books?hl=en&lr=&id=CZcS7JZEqrMC&oi=fnd&pg=PT7&dq=%22social+media+channels%22+digital+marketing&ots=YZwZoZXEcj&sig=26uG7O0oO6fhN5Tt3t4sfzIv2Sg&redir_esc=y#v=onepage&q=%22social media channels%22 digital marketing&f=false).

Franco-Santos, Monica, Mike Kennerley, Pietro Micheli, Veronica Martinez, Steve Mason, Bernard Marr, Dina Gray, and Andrew Neely. 2007. "Towards a Definition of a Business Performance Measurement System." *International Journal of Operations and Production Management* 27(8):784–801. doi: 10.1108/01443570710763778.

Gamage, A. 2003. "SMALL AND MEDIUM ENTERPRISE DEVELOPMENT IN SRI LANKA:A Review."

Ioanăs, Elisabeta, and Ivona Stoica. 2014. "Social Media and Its Impact on Consumers Behavior." *International Journal of Economic Practices and Theories* 4(2):295–303.

Mayfield, III, Thomas D. 2011. "A Commander's Strategy for Social Media." *Joint Force Quarterly* (60):79–83.

Media, small businesses do not have a strategy when they begin using social media. This can potentially end in wasted time and effort. It is important for businesses to recognize what they want to achieve by using social. 2010. "Users of the World, Unite! The Challenges and Opportunities of Social Media." *Business Horizons* 53(1):59–68. doi: 10.1016/j.bushor.2009.09.003.

Morgan, Neil A. 2012. "Marketing and Business Performance." *Business Performance Is Fundamentally Driven by the Degree of Competition in the Marketplaces in Which the Firm Chooses to Operate, Which in Turn Is a Function of the Structural Characteristics of Those Marketplaces.* 40(1):102–19. doi: 10.1007/s11747-011-0279-9.

Nishantha, B. 2010. "Development of Small and Medium Enterprises in Post Conflict Sri Lanka : Opportunities , Challenges and Policy Implications." *XXth Afrasia International Seminar 2009, on Participatory Research for Poverty and Conflict Resolution* (March):41–54.

Paniagua, Jordi, and Juan Sapena. 2014. "Business Performance and Social Media: Love or Hate?" *Business Horizons* 57(6):719–28. doi: 10.1016/j.bushor.2014.07.005.

Rao, Purnima. 2017. "Financing Preferences and Determinants of Capital Structure-A Study of Small and Medium Enterprises Submitted in Fulfillment of the Requirement for the Degree of Submitted By." (June 2017).

Simon Kemp. 2021. "Digital in Thailand: All the Statistics You Need in 2021 — DataReportal – Global Digital Insights." *Digital 2021: Thailand*. Retrieved September 11, 2021 (https://datareportal.com/reports/digital-2021-sri-lanka).

Sugawara, Etsuko, and Hiroshi Nikaido. 2014. "Properties of AdeABC and AdeIJK Efflux Systems of Acinetobacter Baumannii Compared with Those of the AcrAB-TolC System of Escherichia Coli." *Antimicrobial Agents and Chemotherapy* 58(12):7250–57. doi: 10.1128/AAC.03728-14.

Taprial, Varinder, and Priya Kanwar. 2017. *UNDERSTANDING SOCIAL MEDIA*.

Terech, Andres. 2018. "An Introduction to Marketing and Branding." *Generations* 42(1):45–49.