Impact of Social Media on the Online Businesses in Sri Lanka

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Abstract

Along with the popularizing technology day by day, social media has become a crucial component in our lives. It could also bring impact to on society in many ways. Here in this study it is focused on understanding the impact of social media to online businesses in Sri Lanka. The objectives of this study are to study advantages and disadvantages that can cause by marketing via social media, to identify the methodologies that can be followed to minimalize the negative impacts on a business, to summarize the successful strategies that businesses have already followed to build up brand awareness among people, to recognize the approaches that are popular among business community to have a healthy relationship with the customer, to identify and highlight creative ways to upgrade the existing methods of promotions via social media and to categorize smoothly the appropriate ways of approaching right person at the right time. Although the survey the ideas and experience of customer community as well as online business community have been collected and analysed. This is a qualitative study and a categorization of real time experiences, thoughts and learnings of business community in Sri Lanka. Facebook, YouTube, WhatsApp were proved to be more commonly used. And maintaining social media accounts or pages seem to have more successful in both advertising and maintaining customer relationships.

Keywords: **Advertising, Impact, Marketing, Online Businesses, Social Media**

1. Introduction

As defined by the Oxford dictionary, 'social media' is a collection of websites and applications that enable users to create and share content or to participate in social networking and share content or to participate in social networking ("social media | Definition of social media in English by Oxford Dictionaries," n.d.). When naming social media Facebook, twitter, Instagram, Google+, Wikipedia, LinkedIn, Reddit, Pinterest, YouTube, WhatsApp, Viber, Skype, Snapchat can be presented. According to Social Jumpstart in 2012, 50% of all Internet users worldwide had signed into a social network; 63.2% visited a social network at least once a month.

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There is a constant rise in social networking and the impact of social networks penetrates into each kind of business. Social media are often used as a source of information and spread of knowledge changing people's views and opinions. They belong among very important business marketing tactics and help to create new business opportunities, develop a stronger market position or modify consumer's behaviour.

The study deals with the issue of social networking and its influence on the business and society. It classifies social media and explores the possibilities of social networks communication in business. It investigates the relation of social networks and ethical business behaviour. It concentrates on ethical issues, threats and challenges in commercial social networking. It provides advice on ethical business behaviour on social networks and suggests the ways how to define a social media code of ethics at company's business. Using social media in the business ethically is becoming a competitive advantage and its impact will rise rapidly in the future. Companies with a well-established ethical social media code will have more chances to succeed in social networking competition.

For a business to survive sustainably building up the popularity, marketing the goods and the services are equally as important as maintaining the quality of the product or the service.

Choosing social media for the purpose of raising awareness of the brand, to improve may cause both positive and negative results. In this research paper the impact on business by choosing social media for advertising is being studied in the aspects of advantages and disadvantages. Moreover, there can be lot effective ways of advertising as well as less-effective ways of advertising. There could be more creative ways to upgrade the existing methods of promotions via social media. As explained above there is already a considerable number of people teaming around social media today and the business should have the appropriate ways of approaching the right person at the right time.

It is believed that through this study, it would be possible to aid the strategic decisions made by the corporate. It may also add value to both time and money spent on advertising. Thereby it would also be an influential collection of information that would assist in operations implemented by a business for the sustainability of it.

Depending on the fact that daily development in technology and people longing to get connected online, online business or E-business shows a huge emergence. There are numerous ways people tend to make money online. Some of the trends will be discussed here in this paper. Blogging, virtual assistance, social media managing, social media consulting, social media influencing, writing e-books, online business coaching, affiliate marketing, logging, eBay selling, web designing, web developing, graphic designing, app developing and the list continues. In most of the cases one can either sell a product, service or earn by advertising and affiliate links.

Impact of social media on online businesses could be in both positive and negative ways. But most of the time positive impact side of the balance goes down since there are so many advantages. It is easy to access, low cost, environmental friendly, can be used for brand building, can receive customer feedback in the real time else it can be used as a two-way communication channel, can access to larger community even globally, can track the effectiveness and efficiency. Moreover, there can be situations where competitors use social media for to spread rumours about the business to disrupt the good-will of another company.

2. Review of Literature

According to Bourdieu's social capital theory, social capital is defined as an aggregation of resources that is linked to the possession of a durable network of relationships of mutual acquaintance and recognition or, in other words, to membership in a group. This capital provides each of its members with the backing of the collectively-owned capital, a ''credential" that entitles them to credit. If this theory is related to the usage of social media it can be presented that to maintain "durable network of relationships" it is facilitated by social media by allowing them to connect to people at the cost of just single thought.

Moreover, this gradually increasing involvement on social media causes for a huge creation of data. This can be explained using big data analytics. Big data refers to datasets that are not only big, but also high in variety and velocity, which makes them difficult to handle using traditional tools and techniques (Elgendy & Elragal, 2014a). Randomly generated, unrelated massive amounts of data have no value and if these data could be arranged in a meaningful way, in order that it supports the decision-making process that could be beneficial in the perspective of a business.

The need for analysing external data, such as customer markets and supply chains, has arisen, and the use of big data can provide cumulative value and knowledge. With the increasing sizes and types of un- structured data on hand, it becomes necessary to make more informed decisions based on drawing meaningful inferences from the data. (Elgendy & Elragal, 2014b).

3. Data Collection Methodology

A questionnaire was constructed based on the information needed to test the objectives of the study. Personal information, smart phone usage information, yield data were through the questionnaire. To accomplish the aforementioned research objectives primary sources was utilized throughout this study. As a part of primary data collection method, a questionnaire was prepared and administered.

The questionnaire consisted of 15 different questions. Very first question was given to get an idea of the percentage of male and female participation to the survey. Question 2, focused on allocating the participants in the relevant age categories, starting from 21 to 51 and above. Question 3, identifies the profession of the participant. Question 4, tests whether all the participants are aware of social media and whether they use at least one of them. Question 5, further analyses the type of social media that the participants are using. Questions 6, takes an approach to the objectives of the research identifying whether the participants are aware of advertising strategies using social media. Question 7, analyses further the way or the methods of social media marketing used by the community. Question 8, reaches to entrepreneurs who have already chosen social media as the platform for their business. Question 9, 10 see whether it takes the content to the target audience just in the way that businesses do expect. Question 11, further analyses the mode of which the audience got knowledgeable about the service or the product. Question 12, 13, 14 addresses what factors compel the audience to stay connected with the business.

4. Analysis of Data

According to analysis of the usage of social media usage, 96% used Facebook, 73% used Viber, 97% used WhatsApp, 82% Instagram, 92% used YouTube, 50% used Google+, 19% used Snapchat, 29% twitter, and telegram, LinkedIn, Kakao talk, and O had 1% of the percentage (Figure1).

Figure 1. The Usage of Social Media
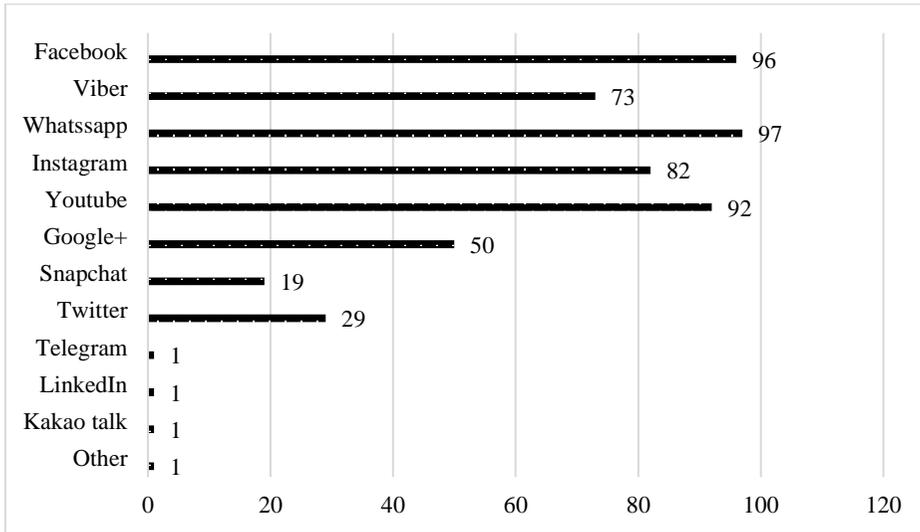
Source: Author (2018)

Figure 2. Entrepreneurs who already have a Page/ Account for their Business
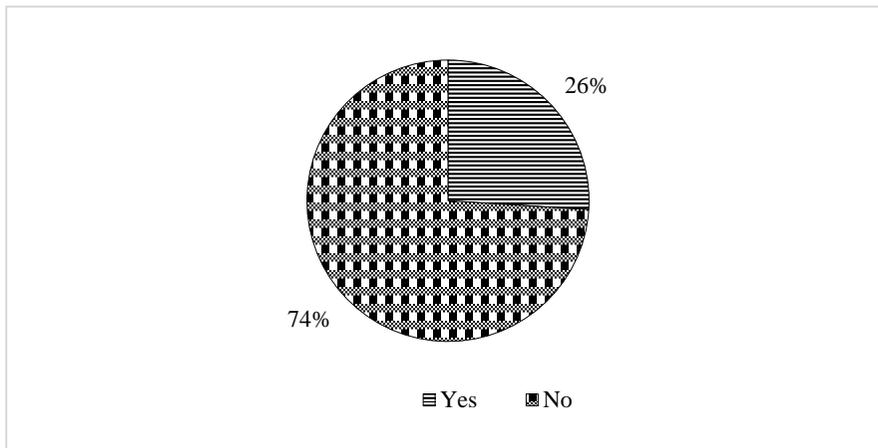
Source: Author (2018)

This question was designed to see the interest towards, e-commerce sites or blogs. It was noted that more than 50% was recorded to the positive side. 74% owned a page/ account for their business where as 26% didn't have (Figure 2).

This question extracts the information about the method which attracted the audience attention efficiently over the other methods. According to the analysis the 82.8% got to know about the product or the service by the public posts on their business pages. 50.6% got information through the video posts. 74.7% got to know about the product or the service by observing an advertisement on a social media and it records the second highest percentage out of the data collected. 55.2% have got to know the information from following a business page/account maintained by the business (Figure3).

Figure 3. The Mode of which the Respondents Get Knowledgeable about the Service or the Product
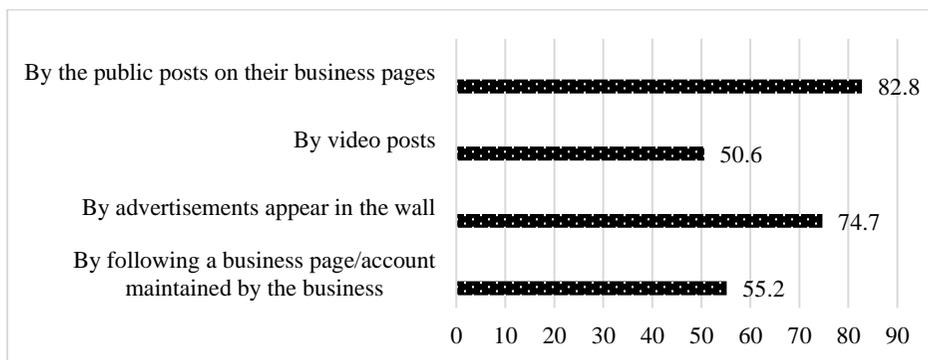
Source: Author (2018)

There were many outputs given by participants with regard to the attitude that using social media for advertising these days. In almost every answer it was mentioned that social media is a platform which connects many people and can reach out to people from anywhere at any time of the day. It helps to get access to different communities, different nationalities across the world in real time. It could either be free of charge or might cost sometimes but it can be most of the time less costly than advertising on other platforms such as television, newspaper etc. And most importantly, a company can go for simple and effective modes and can reach out to bigger audience within a short period of time. It is in away good opportunity to go for creative marketing strategies and also can survive the rapidly changing business trends by getting updated continuously. For an emerging business parties, social media can be the most suitable choice to build up the brand awareness, and to gain brand credibility. Some see it as a productive way of doing marketing.

5. Conclusion

As this study was done based on an online survey, it helped to find many more things about social media and its effects on Sri Lankan business community. Not only had that it given a brief idea about social media usage of people in Sri Lanka. According to the study, found that there are large amount of people using social media accounts and maintain them. There is no any age limit. Also, people log into social media accounts at any time of the day and spend there more time. One person handles different types of social media based on their interests without limited to a social media type.

The businesses use social media for their advertising purposes and to get publicity among the crowd. Not only the large scaled business organizations has it had being used by single businessman and small scaled businesses. They rely on their followers. These businesses using social media accounts and pages for their businesses. They publish public posts, status, videos and so on about their products and services on their accounts and pages that are public.

Most of the people do alert on the business pages and accounts. People receives business organizations' messages by posts, videos, status on business pages and accounts and advertisements appears in social media sites. Some people follow these business accounts to receive information about their products and services as soon as they published. People follow these accounts to known about their products and services, new releases, discounts and offers, to take part at their competitions and so on.

The social media is a good medium for advertising purposes. Its better way of grab more people at once. As it is used by more people at any time of a day, it is easy to convey messages to the community. It is very easy to adapt to use social media accounts for businesses as the process of establish an account on social media, maintain it and publishing posts, videos, status and advertisements are not time consuming.

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