How a Cost-Effective Social Media Plan Can Make a Difference for Small Businesses

Subir Bandyopadhyay

Indiana University Northwest

Follow this and additional works at: https://digitalcommons.butler.edu/jiass

Recommended Citation

This Article is brought to you for free and open access by Digital Commons @ Butler University. It has been accepted for inclusion in Journal of the Indiana Academy of the Social Sciences by an authorized editor of Digital Commons @ Butler University. For more information, please contact digitalscholarship@butler.edu.
Research Articles

*How a Cost-Effective Social Media Plan Can Make a Difference for Small Businesses*¹

SUBIR BANDYOPADHYAY
*Indiana University Northwest*

**ABSTRACT**

Small businesses make a significant contribution to the economy of the United States as well as to the economies of states and cities. Latest estimates from the U.S. Small Business Administration indicate that small businesses employ approximately 57 percent of workers in the private sector and pay 44 percent of the U.S. payroll. Unfortunately, it is also true that only 50 percent of small businesses survive beyond five years. While there are many reasons for this disconcerting statistic, a major reason is a lack of marketing and communication efforts. Small businesses cannot afford to invest heavily in developing and implementing effective marketing and communication strategies; however, it is possible, with the help of digital communication tools such as social media, to develop cost-efficient yet effective marketing and communication strategies for small businesses. In this paper, I demonstrate how a small business can develop a cost-effective social media marketing plan to achieve its marketing and communication goals. A template for an implementable social media marketing plan is also presented.

**KEY WORDS** Social Media Marketing for Small Businesses; Template of a Social Media Marketing Plan; Small Business Marketing Plan

---

¹ Correspondence concerning this paper should be addressed to Subir Bandyopadhyay, PhD, Professor of Marketing, School of Business & Economics, Indiana University Northwest, 3400 Broadway, Gary, IN 46408; sbandyop@iun.edu; tel: (219) 980-6900.

The author acknowledges research assistance from Kimmie Budgin and Molly Zisoff, and financial assistance from the Office of International Services of Indiana University, the Byron Root Foundation, and the School of Business & Economics of Indiana University Northwest.
of workers in the private sector and pay 44 percent of the U.S. payroll (Headd 2010). Unfortunately, it is also true that only 50 percent of small businesses survive beyond five years. While many reasons exist for this disconcerting statistic, a major reason is a lack of marketing and communication efforts. Most companies appreciate the value of marketing and communication in informing and persuading customers; accordingly, large companies typically have a substantial marketing and communication budget. Regrettably, small businesses do not enjoy the same level of resources to develop and implement effective marketing and communication strategies; however, it is possible, with the help of digital communication tools such as social media, to develop cost-efficient yet effective marketing and communication strategies for small businesses in emerging markets.

“Social media” is a broad term used to describe websites that connect individuals based on one or more similarities or interests. There are as many social media types as there are likes and interests. Some of the most common uses of social media are social networking, professional networking, and video sharing. Some social media sites, such as LinkedIn, offer a platform for professional networking, while other sites, such as YouTube, facilitate video sharing. Traffikd.com, a social media and internet marketing site, has a comprehensive list of 475 social media sites, with more added continually. The sites listed span 40 unique categories ranging from health to automobiles.

In the few short years that social media has been in existence, it has revolutionized the communication process between individuals, and between individuals and organizations. In a sense, it has empowered small businesses by providing them a platform from which to be heard by the masses; this can be either beneficial or devastating to the future of a small business, depending on the organization’s actions. Through the use of social media, organizations have a unique opportunity to personify their brand and give it a voice as they never have before. Connecting through social media is particularly beneficial for small businesses because engagement with their customers is the key to their survival. At the same time, a small business can be seriously hurt by the criticisms, justified or not, from its customers.

In this paper, I will describe how to develop a cost-effective social media strategy for small businesses. First, I review the literature on how social media has been used effectively by small businesses. Next, I compare the typical objectives for a small business to objectives that drive a social media marketing plan. Based on this exercise, I develop a set of specific objectives, outlined in Table 1. Then I provide a step-by-step template that can be used in developing and implementing a social media strategy for small businesses. Finally, I conclude with a few comments on the planning, implementation, and control of a social media marketing plan.

SOCIAL MEDIA MARKETING STRATEGY FOR SMALL BUSINESSES: A BRIEF LITERATURE REVIEW

A 2012 study by the University of Massachusetts Dartmouth found that 90 percent of small businesses use at least one social media platform. Two-thirds of small businesses view social presence as essential for their businesses. Before a small business
is introduced blindly to the social media world, however, it is important to develop a strategy and to set realistic and measurable goals. Without a strategy and goals, the success of the actions cannot be accurately measured. An organization must be prepared to devote a fair amount of time to monitoring and maintaining its social media presence (Barker et al. 2013). Each organization will experience a trial-and-error period in which it finds the optimum number of posts. Too few posts or interactions will not provide optimal engagement levels, and too many is likely to be seen as irritating, causing many followers to unsubscribe from future communications. It is evident from the foregoing discussion that there is a strong need for a cost-effective social media marketing plan for small businesses. A thorough literature review helped me find several blogs and online reports about the steps involved in developing a social media strategy for small businesses, but few of these reports are peer reviewed and published in academic journals. A notable exception is a study by Oztamur and Karakadilar (2014) that compared the Facebook and Twitter accounts of four small businesses in Turkey and the United States. They found that the Turkish small businesses tend to use formal language during communication with customers and to create unattractive content that failed to attract customers. The American small businesses, in comparison, were more effective in using Facebook than Twitter.

It is important for a company to develop a social media strategy before deciding to market through a social media platform. Although social media marketing is a free way for a company to advertise and develop brand recognition, the only way to gain the many benefits is to have a social media marketing plan that outlines what the company wants to achieve. According to Cohen (2013), seven steps are commonly recognized when trying to develop a social media marketing strategy. They include the business determining its objectives, knowing its target audience, choosing three to five main topics that it wants to use for search engine optimization, creating a presence on all social media platforms it wishes to utilize, setting social media engagement by encouraging customers to engage with the business on any social media platform, planning its resource use for maintaining a social media presence, and lastly, measuring the results.

A social media plan is essential not only for large and medium businesses but also for small and nonprofit businesses. Conley (2014), Caulderwood (2014), and Suyeoka (2013) have recommended social media strategies for small businesses, and Booker and Bandyopadhyay (2013) have outlined an implementable social media strategy for an academic library. According to Suyeoka, an advertising and marketing professional with extensive experience with social media marketing campaigns for large as well as small businesses has opined that the first, and most important, step for a social media marketing plan is to outline the company objectives. He has also recommended that a process should be developed for maintaining each social media platform in order to avoid wasted time. Including a variety of information is also beneficial, so he suggests using four types of content: product/service-related, industry-related, topical, and lifestyle. By adding a variety to the material shared via social media platforms, the company will help to maintain current followers as well as gain new followers.
DEVELOPING THE SOCIAL MEDIA MARKETING GOALS FOR SMALL BUSINESSES

Multiple social networking sites (e.g., Facebook, Twitter, and LinkedIn) exist, each with unique capabilities. Utilizing a detailed social media plan will allow a company to use each social networking site to the company’s full advantage. The first step a small business must take in formulating this plan is to set its marketing goals. These goals may include increasing sales and market share, retaining existing customers, building up a customer base, creating a brand image, and improving customer loyalty (Scarborough & Cornwall 2015). Similarly, Cario (2014) suggested three broad categories into which all social media marketing goals fall: building/strengthening the brand, driving conversion, and increasing/monitoring presence. It is evident that three social media marketing goals may not overlap with all five goals of a small business. For example, social media marketing may not be most suitable strategy to increase sales and/or market share of a small business; conversely, it can be very effective in creating awareness of products and services offered by a small business. Thus, I tried to find the synergy between the goals of a small business and of social media marketing. The resultant merged goals are outlined in Table 1. I came up with the following marketing goals for a typical small business that are particularly relevant for social media:

1. Create awareness of products and services offered
2. Increase brand awareness and manage company reputation
3. Strengthen relationships with users through engagement
4. Provide user support and customer service
5. Get user feedback

TEMPLATE FOR A SOCIAL MEDIA MARKETING PLAN FOR SMALL BUSINESSES

Create Awareness of Products and Services Offered

This goal can be accomplished with the combined use of all five of the social networking sites outlined in Table 2. Each of the social networks should include posts detailing the products and services offered by the company. Facebook is the most popular social network, so it should include posts about upcoming events and sales promotions (Barker et al. 2013; Newmann 2013). When upcoming events and sales promotions are posted, photos and web links should be included also. The company’s Facebook page should also list all important company information, such as company name, address, phone number, hours of operation, and a link to the company website. For example, Station 21 American Grill uses Facebook to create awareness of its products and services. On its Facebook page, Station 21 American Grill has listed information about the business, as well as links to other sites. Also included on the page are posts about various events and specials.
Table 1. Merging of Goals of Small Businesses and of Social Media Marketing

<table>
<thead>
<tr>
<th>Small Business Goals</th>
<th>Social Media Marketing Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Build Brand</td>
</tr>
<tr>
<td>Increase Sales/Market Share</td>
<td>Drive Conversion</td>
</tr>
<tr>
<td></td>
<td>Increase Presence</td>
</tr>
<tr>
<td>Create awareness of products &amp; services in existing and new users</td>
<td></td>
</tr>
<tr>
<td>Retain Existing Customers</td>
<td>Provide user support and customer service</td>
</tr>
<tr>
<td></td>
<td>Strengthen relationship with users through engagement</td>
</tr>
<tr>
<td></td>
<td>Get user feedback regularly</td>
</tr>
<tr>
<td>Build up Customer Base</td>
<td>Increase brand awareness</td>
</tr>
<tr>
<td></td>
<td>Create awareness of products &amp; services in new users</td>
</tr>
<tr>
<td>Create Brand Image</td>
<td>Increase brand awareness, communicate brand positioning, and manage company reputation</td>
</tr>
<tr>
<td></td>
<td>Get user feedback regularly</td>
</tr>
<tr>
<td>Improve Customer Loyalty</td>
<td>Provide user support and customer service</td>
</tr>
<tr>
<td></td>
<td>Strengthen relationship with users through engagement</td>
</tr>
<tr>
<td></td>
<td>Get user feedback regularly</td>
</tr>
</tbody>
</table>

YouTube is the second most popular social network and should be used to post videos about the products and services offered by the company, along with short ads about upcoming sales promotions (Barker et al. 2013). Authentic videos of customers who have used the products and services will make the message more persuasive. The links for YouTube videos should be posted on all other social networking sites as well. Covenant Christian High School is an example of an educational institution that uses YouTube to create awareness of the products it offers by having videos available of what the school is all about.2
Table 2. Meeting Objectives with Five Popular Social Networking Sites

<table>
<thead>
<tr>
<th>Objective</th>
<th>Facebook</th>
<th>YouTube</th>
<th>Twitter</th>
<th>LinkedIn</th>
<th>Instagram</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create awareness of products/services offered</td>
<td>Post information/photos/videos of products/services offered, ads for sales/promotions; share video links on other social networks</td>
<td>Post videos of products/services offered, ads for sales/promotions; tweet special promotions/sales; tweet about events</td>
<td>Regularly tweet products/services offered; tweet about events</td>
<td>Create community page; list all important information; describe products/services offered; announce job openings</td>
<td>Post photos/videos of products/services offered, facilities &amp; past events</td>
</tr>
<tr>
<td>Increase brand awareness &amp; manage reputation</td>
<td>Share previous posts; monitor positive/negative tags/shares; use hashtags to increase post visibility</td>
<td>Retweet previous tweets; tweet for public relations; monitor positive/negative tags/retweets; use hashtags to increase post visibility</td>
<td>Ask supporters to include company profile in volunteer/ causes field of own profile; network within similar industries</td>
<td>Monitor positive/negative tags; use hashtags to increase post visibility</td>
<td></td>
</tr>
<tr>
<td>Strengthen relationships with users through engagement</td>
<td>Comment, like &amp; share other users’ posts/pages; add friends; thank users for shares, likes &amp; participation on events</td>
<td>Actively comment on industry-relevant user videos; request permission to share users’ videos on company website; e-mail video links to users</td>
<td>Comment, retweet &amp; favorite other users’ tweets; follow users; thank users for retweets, favorites &amp; participation on events</td>
<td>Start conversations in existing groups; create new groups for customer interaction</td>
<td>Comment, like &amp; repost other users’ posts; follow other users; thank users for reposts, follows &amp; participation in events</td>
</tr>
</tbody>
</table>
Table 2. Meeting Objectives with Five Popular Social Networking Sites, concl.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Social Networking Site</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provide user support/customer service</strong></td>
<td>Facebook</td>
</tr>
<tr>
<td>Provide user support/customer service</td>
<td>Post helpful tips/advice/information for products/services; provide links to website &amp; customer service information</td>
</tr>
<tr>
<td><strong>Get user feedback</strong></td>
<td>Ask users for opinions/experiences with the company/products</td>
</tr>
</tbody>
</table>

Twitter is all about spontaneous impact, making it very beneficial for promoting events and sales promotions that are happening right now (Bulearca and Bulearca 2010; Cha et al. 2010). Regularly sending out tweets about the products and services offered, along with tweeting when new products and services are introduced, will keep the customer up to date on company offerings. Tweeting about happenings during company events will also keep the company on top of the customer’s mind, making the customer feel involved. Albanese Candy Factory is a small business that uses Twitter as a means of promoting its items and sales. The company often sends out tweets to announce new items added or sales promotions being held.

LinkedIn, a predominantly business-to-business social networking site, can help the company connect with suppliers, industry professionals, potential customers, and possible future employees (Oztamur and Karakadilar 2014). Creating community pages that other users can participate in will help create awareness and can be a platform for describing the products and services offered by the company. The company’s LinkedIn page should include all important information such as company name, address, phone number, hours of operation, and a link to the company website. Companies should encourage their employees to create their own LinkedIn accounts that they can use to
invite their contacts to join the company group. The Emerson Group, specializing in recruitment and technology consulting, uses LinkedIn effectively to create awareness about the company. It regularly posts information about the new positions available and emphasizes career-development opportunities.

Instagram is one of the newest social networking sites but is growing rapidly. Photos and videos of the products and services offered by a company can help generate awareness (Barker et al. 2013). Additionally, photos and videos of the company facilities and past events can help provide customers with an idea of what the company is all about. Sun King Brewing is a great example of a business that uses Instagram to create awareness of its products. The company’s Instagram page consists of images of the products and ways for people to use those products.

Increase Brand Awareness and Manage Company Reputation

Small businesses can benefit a lot from a salient brand. It is also possible for a business to create a salient brand economically with the strategic use of digital and social media. Bandyopadhyay and Dayton (2013) have demonstrated how many small businesses have built strong brands with shoestring budgets. Similarly, Gligorijevic and Leong (2011) emphasized how small businesses can build online brand reputation by gaining the trust of their customers.

Several social media tools are particularly effective in increasing brand awareness. For example, hashtags have become a vital component in many social networking sites in recent years. Facebook, Twitter, and Instagram all make use of the hashtag symbol to link posts to a certain subject or category (Pentina, Koh, and Le 2012). Although companies should make use of hashtags in all of their posts to increase their visibility, they should not overuse the hashtag; choosing three to five hashtags per post that are relevant to the subject matter will increase visibility without annoying users (Barker et al. 2013). Companies can also use hashtags to see what users are saying about the company or its products.

Sharing previous Facebook posts and retweeting tweets on Twitter can also help increase brand awareness. Although some might think this is redundant, the hope of each company is to constantly increase the number of people who engage with it through social media, meaning a post made by a company two weeks ago may not have been seen by the followers it has gained in the past week.

CSO Architects exemplifies effective use of hashtags on its Twitter handle to increase brand awareness. Often, it is easier for companies to use hashtags on Twitter because that is where hashtags originated. Moving them to Facebook is more of a challenge, but many companies are successfully doing it. An example of how CSO Architects uses hashtags is its inclusion of key words that relate to the business, such as “Indy,” because the company is located in Indianapolis, Indiana.

It is extremely important that while having a presence on multiple social media platforms, a company monitors users’ comments about the company and its products and services. Comments, shares, and tags can be either positive or negative in nature; it is pertinent that a company react properly and promptly to all negative feedback to maintain
the reputation of the company. A social network reputation-management plan should be instilled so employees are trained on how to respond to feedback within certain guidelines. The crisis communication plan suggested by Suyeoka (2013) is an example of an effective plan.

**Strengthen Relationships with Users through Engagement**

Similar to how sharing and retweeting its own posts can increase a company’s brand awareness, sharing and retweeting other users’ posts can help the company strengthen relationships with those and other users. Actively commenting, liking, sharing, retweeting, replying, following, and adding friends are all great ways for companies to strengthen relationships with users by keeping them engaged. When a user sees a company reposting that user’s status or video, the user sees the active involvement and is more likely to return to the company page. Facebook and Twitter are ideal platforms for thanking users for various things such as participating in recent events; liking, sharing, retweeting, or reposting the company posts; and following, friend, or inviting other users to follow or friend.

One way that Opportunities for Positive Growth, Inc. uses its Facebook page to strengthen relationships through engagement is by hosting events and then posting pictures of the people who participated. Meyer Najem, in comparison, uses Twitter (https://twitter.com/MeyerNajem) to strengthen relationships by encouraging customers to retweet and to participate in the events the business is involved with.

One of the most important factors in strengthening relationships with users is in keeping users engaged. For example, Suyeoka (2013) suggested that a company’s posts should include lifestyle posts. Especially on Facebook, Twitter, and Instagram, a company should include regular lifestyle posts that are somewhat relevant to the industry. Some suggest following the 80/20 rule to start, meaning 80 percent of posts should be self-promoting while the other 20 percent are interesting content that will engage users. *Shape* magazine is a great example of how to engage customers by including regular lifestyle posts. On its Instagram page, the magazine includes photos that encourage people to eat healthy, to exercise, and to take part in things described in further detail in the magazine itself.

Conversing with existing groups on LinkedIn can also help strengthen relationships. Britton Marketing has employees listed and available to contact on its LinkedIn page for customers to converse with if so desired. As for YouTube, actively commenting on videos that are industry relevant and requesting permission to share users’ videos on the company website can be beneficial as well.

**Provide User Support and Customer Service**

Many types of support can be offered through the social networking sites and can be effective for resolving customer issues promptly. Responding to customers as quickly as possible should be the most important part of this goal. Using features such as LinkedIn’s *Answers* can be an effective way of responding to customers. Schmidt Associates’
LinkedIn page has a section where customers are encouraged to ask questions and to find out more about the company.9 Facebook, YouTube, and Instagram can all be beneficial when companies use them to post instructional videos for products or to include helpful tips and advice on how to optimize the use of its products. All of the social networking sites should include links to the company’s website and customer service information. Links to product data sheets, price charts, and ordering information should be included on the social network profiles as well as within regular posts. Harry & Izzy’s, for example, uses Facebook to offer information about the company and to offer ways to contact someone to learn more.10 The small business Jamberry Nails uses Instagram to post pictures and videos to better describe what its products do.

Get User Feedback

To understand a company’s strengths and weaknesses, one must analyze feedback from its users. Encouraging users to provide their opinions and experiences about the company and its products and services is very important (Barker et al. 2013). This is another opportunity in which hashtags can be utilized; an example would be posting or tweeting to ask people what they think about a certain product and suggesting that they include a specific hashtag when responding. Acorn Distributors is an example of a business that uses Facebook to get feedback (https://www.facebook.com/acorndistributorsinc). By posting pictures of and posts about products, Acorn Distributors offers customers the opportunity to comment on how the product has worked for them. This helps the company see what is working and what is not.

CONCLUDING COMMENTS

Social media provides small businesses with many opportunities to communicate and market without a lot of capital. For social media to be effective, however, a small business must develop a social media plan encompassing all social media platforms it plans to utilize. Table 2 provides a template for such a plan. Although this paper focuses on the social media marketing plan, it must be emphasized that such a plan must accompany an implementation plan and a control plan. A company must invest in human and financial resources in its implementation program. It must assign key people to implement the social media strategy. It must also monitor the performance of its plans for the various social media platforms on which it is active. If strategies are implemented properly, social media has the potential to augment the communication and marketing strategy of a small business.

ENDNOTES

5. I thank an anonymous reviewer for pointing out the effectiveness of social media in creating brand awareness.

REFERENCES


