

**Project on**  
**“SOCIAL MEDIA SHAPING CUSTOMER  
RELATIONSHIP FOR  
MSME”**

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## **CERTIFICATE**

This is to certify that the **Abhay 2K22/EMBA/01** has completed the project titled **“SOCIAL MEDIA SHAPING CUSTOMER RELATIONSHIP FOR MSME”** during the 4<sup>th</sup> Semester in partial fulfillment of the requirements of Master of Business Administration (Executive) from Delhi School of Management, Delhi Technological University, New Delhi during the academic year 2024-25.

**Signature of Guide  
(DSM)**

**Signature of Head**

**Place:**

**Seal of Head**

**Date:**

## **DECLARATION**

I, **Abhay**, student of **EMBA 2022-24** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi – 42, hereby declare that the dissertation report being submitted on the “Social media shaping customer relationship for MSME” is being submitted for attainment of Degree of Executive Master of Business Administration and is an original work conducted by me.

The data and information submitted in the report is true to the best of my knowledge.

This project report has not been submitted to any other University, for attainment of any type of degree.

**Place : Delhi**

**ABHAY**

**Date : 01/05/2024**

## **ACKNOWLEDGEMENT**

My sincere thanks to Mr. A.K. Bhargava, who was my guide and my mentor during this project, for providing me with the opportunity to do this dissertation under his guidance and expertise.

I also extend my gratitude to my parents, who provided me the much-needed encouragement and moral support.

**ABHAY**

## **EXECUTIVE SUMMARY**

Social Media affects every sphere of society and individuals living in it and no one is unaffected by its presence. MSME particularly, have been using this as a first-place platform for conducting their business chores and facilitating customers through it. Social media has been a platform for advertising, selling, customer redressals and a preface of a company using it. MSME, with their minimum budgets for advertising seeks social media to use for business purposes and build customer relationships through it.

Social med platforms such as Facebook, Instagram, Twitter, and LinkedIn have allowed MSMEs to reach out to their target audience, share content, and communicate with customers in real-time. MSMEs can leverage social media to understand customer preferences, gather feedback, and provide personalized services, thereby enhancing customer engagement and loyalty.

One of the keyways social media has influenced customer relationship building within MSMEs is by providing a platform for customer engagement. MSMEs can use social media to create and share engaging content, such as posts, images, videos, and stories, that resonates with their target audience.

A key aspect of social media's influence on customer relationship building within MSMEs is the concept of social proof. Social media provides a platform for customers to share their experiences, reviews, and testimonials, which can influence the purchasing decisions of other customers. MSMEs can leverage user-generated content on social media to showcase customer success stories, testimonials, and endorsements, thereby building trust and credibility.

MSMEs can also use social media to run contests, polls, and surveys, which not only engage customers but also provide valuable insights for improving products and services.

Social media has also revolutionized customer service for MSMEs. Customers now turn to social media to seek support, ask questions, and voice their concerns. MSMEs can use social media to respond to customer inquiries promptly, address complaints, and resolve issues, thereby improving customer satisfaction and retention. Social media platforms also allow MSMEs to provide proactive customer service by monitoring social media mentions, reviews, and comments, and responding in a timely manner.

## **CONTENTS**

<b>CHAPTER-1 : INTRODUCTION.....</b>	<b>8</b>
<b>CHAPTER-2: LITERATURE REVIEW .....</b>	<b>14</b>
<b>CHAPTER-3: RESEARCH METHODOLOGY .....</b>	<b>19</b>
<b>CHAPTER-4 : DATA ANALYSIS.....</b>	<b>22</b>
<b>CHAPTER-5 : RECOMMENDATIONS.....</b>	<b>28</b>

## **CHAPTER-1 : INTRODUCTION**



## **INTRODUCTION**

An enterprise is an economic unit that is involved in the production or distribution of goods and services for the purpose of generating profits.

Any enterprise can be categorized by size, ownership, industry etc.

One way to classify enterprises is by their ownership structure. Example, sole proprietor i.e. an enterprise owned by one person.

Another way to classify enterprises is by their size. Small enterprises typically have fewer than 500 employees, medium-sized having employees ranging from 500-1000 and large enterprises have more than 1,000 employees.

Enterprises can also be classified by industry. For example, there are manufacturing enterprises that produce physical goods, service enterprises that provide intangible services like consulting or healthcare, and agricultural enterprises that cultivate crops or raise livestock.

It is very important for each type of enterprise to understand its customers' wants and needs, to build a good customer relationship. This paper focuses on the small medium-sized enterprises and revolves around the study of how social media can be used as an effective tool and a platform for any SME to build good customer relationships.

It was observed during the research study that articles and papers have been written on the effect of usage of social media, but is restricted to and targets only specific organizations only (like Facebook, IBM etc.,.) So, the study carried out in this paper focuses effect of usage of social media in building customer relationships, by a specific sector of the business i.e. small and medium sized enterprises, rather than focusing on particular social media website or any organization.

The scope of this research paper is to cover various aspects of how important and useful tool is social media for a small medium sized enterprise to grow its business in a small time by targeting the masses at once (such as the home makers, the youth, freelancers, people across globe etc.,) and further building a good customer relationship with existing as well as new customers.

The limitation to this research is the small sample size which is being used for analysis and the rejection of business owners (such as shopkeepers) to participate in the study.

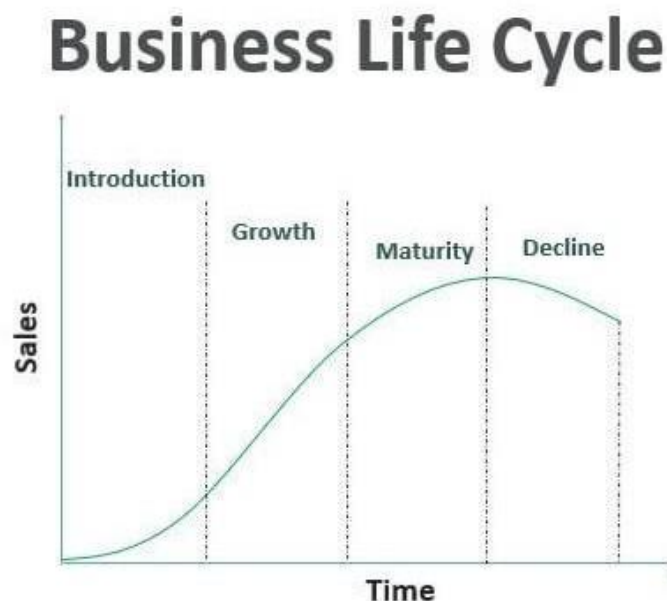
The objective of this paper is to understand the following aspects:

1. Does marketing through social media helps conduct marketing research, get referrals, helps to advertise, and promote product/services and whether it provides aids to deliver customer services?
2. Does social media help in building customer relationship, helps to communicate with customers, helps to get customer feedback on existing product/service, helps to receive customer feedback on new/future product/services and whether it helps to reach new customers?
3. Accessibility of information through social media. Does it help to search for general information, information about competitors and customer information?
4. Can a SME attain and improve its performance as an organization with the help of social media. Will it improve customer relationships. Can it help improve service quality and provide better engagement with customers. Will it increase company's visibility and reputation. How will it effect on grabbing and retaining loyal customers, and will it increase product/ service awareness amongst customers and increase an organizations market share?

## MICRO, SMALL AND MEDIUM SIZED ENTERPRISE (MSME's)

Let us understand the business cycle of any MSME. The business cycle of an MSME starts with the introduction stage, then moves to the growth stage, then comes a maturity stage and will eventually decline.

For a small sized enterprise, the first two stages i.e., introduction and growth are very crucial, because it is these stages which determines the success or failure of a MSME. Because here in these two stages, a business idea is transformed into a tangible venture and then it starts generating revenue post-acquisition of customers and scaling up. This is usually faced with limited financial resources, intense competition, volatility of market and operational constraints. These stages effect is not directly mentioned or referenced for spotting but surely the components of each stages make it crucial.



How do a SME proceed in its business cycle is a question. For this they need to determine the following aspects:

- What are their business goals.

- Who is their target audience.
- Whether their brand communicate effectively or not
- Does their brand have a visual identity.
- Do they understand the importance of a website to promote their brand.

The goal of any organization is customer satisfaction. Organizations need to identify and target the right audience and then work upon building good customer relationships will lead us to the following:

- Growth of the enterprise/firm
- Promotion and placement of the product / service in the market
- Customer Attraction
- Customer Retention
- Brand Loyalty
- Customer Trust
- Increase in enterprise profitability.
- Ensuring long-term customer relationship.

## **GOLDEN ERA OF SOCIAL MEDIA**

The era of 21<sup>st</sup> century lives revolves around the virtual world of “Social Media”. This world of social media has helped us in networking with millions across the globe at any time and as per our convenience.

Its significance came more into light during the Pandemic Days. When the world was hit by COVID-19, it was the online platform which got a boost and helped us all to stay connected. Social Media was used as an opportunity in the time of crisis.

Social media gives us free networking platforms and is also a low budget and cost-friendly tool.

An individual on average spends around 6hrs per day on online platforms! This is an interesting stat referenced from online search (Reference 6).

So, if we make effective utilization of this platform for influencing our customers, branding our product and services, building customer relationships, then we can capture and target the masses in a single go.

## **CHAPTER-2: LITERATURE REVIEW**

## **INTRODUCTION**

### **CONSUMER BEHAVIOUR**

It is the study of how any individual or a group or an organization will make decision and engage themselves in activities which are related to following activities of products, services, or ideas:

- Acquiring
- Consuming
- Disposing

Consumer behaviour also involves various factors that influence the decision-making process of a consumer such as:

- Psychological Factor: Such as an individual's thought process, perception, personality, learning, motivation etc.
  
- Social Factor: Such as social class, group, family etc.,
  
- Marketing & Environmental Factor: Marketing Factors such as advertisement, promotion, product attributes, brand awareness, brand reputation and Environmental Factors such as legal, technological & environmental
  
- Economic Factor: Such as persons income, purchasing power, economic conditions which can influence a customer, employment, price of product or service.
  
- Situational Factor: Such as time, place

It is thus a field which seeks to understand the behavior of a customer under certain situations, what choices will he make, how the make their purchasing decision and what effects them, do they consider the brand trustworthy, what are their preferences and needs etc. (Reference 1, Hoyer, Consumer Behaviour)

## **NEED FOR UNDERSTANDING CONSUMER BEHAVIOUR**

Understanding consumer behavior is crucial for businesses and connecting with the customers is the most difficult task. It is very important to build a personalized connection with the customers. This can be done by understanding their preference, needs, motivation, and decision-making processes. Understanding consumer behavior, helps in developing a deeper understanding of the target market and identifying opportunities to meet customers' needs more effectively.

By understanding consumer behaviors, businesses can create customer-centric strategies, tailor marketing efforts, and design products or services that resonate with their customers, leading to higher customer satisfaction and loyalty. Consumer behaviors research helps businesses in developing products or services that align with customer preferences and needs. By understanding consumer behaviour, businesses can identify gaps in the market, uncover unmet needs, and design products or services that offer value to consumers. This helps in creating products or services that are better aligned with consumer expectations, leading to higher adoption rates and customer satisfaction. (Reference 2, Jisana Sai Om Journal)

## **CUSTOMER RELATIONSHIP MANAGEMENT (CRM)**

To maintain and establish a strong and long-term relationship with your customers, it is essential for any enterprise to first understand its customers, needs and preferences and then provide them with excellent customer services.

All the above leads to the development of an effective and fruitful customer relationship management system (CRM) between customer and the firm. To develop an effective CRM, it is necessary to first understand your customer. This can be done by knowing your customer on personal level, taking insights about them such as their taste, preference, purchase history etc. with this one



can tailor make their product/service.

Effective communication is the key for building a good customer relationship. This can be done through various channels such as social media, email, chat, telephone, feedback system etc.

After having understood your customer, its necessary to be reliable and consistent in delivering your promises and commitments to your customer. This builds a reputation for being trustworthy and loyal towards your customer. As an organization one should go over and above to exceed customers' expectations. Fostering loyalty to customers helps in customer retention, building long term relationship with customers and also helps in building new customers.

Digital transformation is the need of the hour and in having an efficacious customer relationship management, we use tools such as the CRM Software.

It store customers data (ex: duration of customer firm relationship, purchase history, sales interaction etc.) in a centralized place. Specifically in case of an MSME, a CRM Software helps them provide seamless communication and influences repeat purchases. It automatically facilitates the firm to segment the customers according to location. age, gender, buyer storage etc.,

With the usage of CRM software deeper communication of customers' expectations, needs and desires can be gained. Also, services can be personalized with the information gathered from the CRM database.

Thus, building and maintaining good customer relationships is an ongoing process that requires consistent effort, communication, and customer-centric mindset. And by prioritizing customer satisfaction and fostering meaningful connections with our customers, we can develop a strong CRM strategy that can drive customer loyalty, retention, and develop new customer base leading to

business success. (Reference 4, Kumar, Customer relationship management)

## **SOCIAL MEDIA AS A PLATFORM TO BUILD CUSTOMER RELATIONSHIPS**

For a MSME it is very important for them to:

- Grow at a faster pace.
- Know their competitors well and
- Carve quicker, cost effective and efficient ways to establish themselves in the market.

For this the handiest tool in hand is the “Social Media”.

It is a free, easy to use, easy to handle, cost effective networking as was communication platform and channel which fosters ‘n’ numbers of customers ranging from different age groups and belonging to different parts of world.

For MSMEs to nurture relationship with customers it is required by them to generate engaging content on social media platforms, to boost customer interaction. Along with this the platform should be customer friendly, should have 24\*7 chat system or helpdesk system and a responsive feedback system.

Social media also provides a platform for the end users to share their feedbacks, experiences, reviews or testimonials about the product or service, with the help of which an organization can evaluate the purchasing power of their consumers, can account consumers’ needs in a more streamlined way, with the help of which they can further improve themselves and find better ways to communicate and connect with their consumers, strengthen their brand and run their business successfully.

Thus, it is very important for MSME’s to start from social media and move towards building social customer relationships. (Reference 5, Heller Baird, Social Media to social customer relationship management).

## **CHAPTER-3: RESEARCH METHODOLOGY**

## **RESEARCH METHODOLOGY**

In the present-day scenario when the competition amongst different companies has become very severe, aggressive and lucrative sales and promotion techniques have become the call of the day to survive in the industry, the subject topic has been so chosen to portray the influence of social media in building customer relationship management within a small medium sized enterprise.

Undersigned collected primary data by circulating questionnaire as a google form. The questionnaire is based on 5-point Likert scale ranking method, wherein all the questions have been given ranking from 1 to 5, where.

1 -Strongly disagree

2 - Disagree

3 - Neutral

4 -Agree

5 -Strongly agree

Prior to start of questionnaire, demographic data of respondents was recorded such as their name, age and gender, so that during the study the audience can be segregated on these bases.

A Likert scale is a psychometric scale which is commonly used in research which employ questionnaire for study purpose. It can either be a 3 point, 5point or 7-point Likert Scale. It is used to gauge respondents' opinions or feeling or thought process. It is a qualitative type of scaling survey, which uses quantitative values/range to arrive to the conclusion. We have used 5-point Likert Scale as it is simple to use and understand, takes less time and effort to complete than higher-point scales. However, 7 point is more accurate but our had more items and not much larger sample size.

Secondary data was also used for carrying out the study. Research papers, articles from websites such as google scholar and internet has been used.

## **SAMPLE SIZE AREA**

For the research purpose we have focused on people who are either working or are home makers or young people, who uses the social media websites more frequently.

## **SAMPLE SIZE**

The questionnaire conducted focused on collecting data of 50 respondents since the known surveyor respondents were mainly the owners and availability constraint was their due to their heavy engagements in businesses, but was successful in getting only 46 responses, in which majority was male lying between the age group of 25-50 years. The segregation of demographics has been done as many businesses have been inherited and co-jointly run by spouse as well of varying age. Below is the description of respondents: -

<b>Sr No</b>	<b>Respondent's Company Name</b>	<b>Respondent's Designation</b>
1	Vijay Cables	Mr. Vijay Pardhi
2	Asl Polymers Private Limited	Mr. Lokesh Kansal
3	Homeo Pack Private Limited	Mr. Aley Naqvi
4	Durga Metal Works	Mr. Gaurav Handa
5	Supreme Packaging Industries	Mr. Shariq
6	Maheshwari Industries	Mr. Gaurav Daga
7	Suman Poly Pack Company	Mr. Jagdish
8	Narendra Plast Industries	Mr. Mayank Aggrawal
9	Premium Packagings	Mr. Vinod
10	Maheshwari Caps Private Limited	Mr. Akshat Daga
11	Tatva Plastics Pipes Pvt Ltd	Mr. Shampy Bindal
12	Maxima Biotech	Mr. Rajeev
13	Satyawati Packaging Pvt Ltd	Mr. Nitin Bansal
14	Balajee Manufacturing Co.	Mr. Kamal Mundhra

## **LIMITATION OF STUDY**

- 1) Sample size was small; however, reasonable analysis was inferred and deduced. The study has been conducted for MSME's in and around NCR region.
- 2) Small business owners were resistant in being a part of the study, as most of them believed that social media is not user friendly and that they are more comfortable in operating through offline mode and that online mode is a waste of time and energy for them. So, it became difficult to pull them in for the subject study.
- 3) Less participation received from people aged < 25years.

## **CHAPTER-4 : DATA ANALYSIS**

## QUESTIONNAIRE

### PART-A:

<b>NAME</b>	
<b>EMAIL ID</b>	
<b>GENDER</b>	<b>MALE &amp; FEMALE</b>
<b>AGE</b>	<b>&lt;25 years, 25-50 years and greater than 50 years</b>

### PART-B:

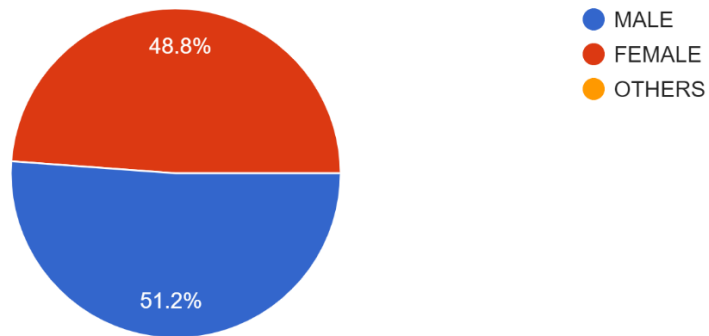
**FIVE POINT LIKERT SCALE ANALYSIS (1=STRONGLY DISAGREE, 2=DISAGREE, 3=NEUTRAL, 4=AGREE, 5=STRONGLY AGREE)**

<b>S.No.</b>	<b>Description (Questions are generic in nature)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b><i>Marketing through Social Media</i></b>					
1	“It helps to conduct marketing research”					
2	“It helps to get referrals”					
3	“It helps to advertise and promote product/services”					
4	“It provides aids to deliver customer services”					
	<b><i>Building Customer Relationship through Social Media</i></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	“It helps to develop customer relations”					
2	“It helps to communicate with customers”					
3	“It helps to get customer feedback on existing product/service”					
4	“It helps to receive customer feedback on new/future product/services”					
5	“It helps to Reach new customers”					
	<b><i>Accessibility of Information through Social Media</i></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	“It helps to search for general information”					
2	“It helps to search for competitor information”					
3	“It helps to search for search for customer information”					
	<b><i>Attainment of Performance through Social Media</i></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	“Improves customer relationship”					
2	“Helps improve service quality”					
3	“Provides better engagement with customers”					
4	“Increases in company/brand visibility and reputation”					
5	“Increases customer loyalty and retention”					
6	“Increases product/ service awareness amongst customers and increases market share”					



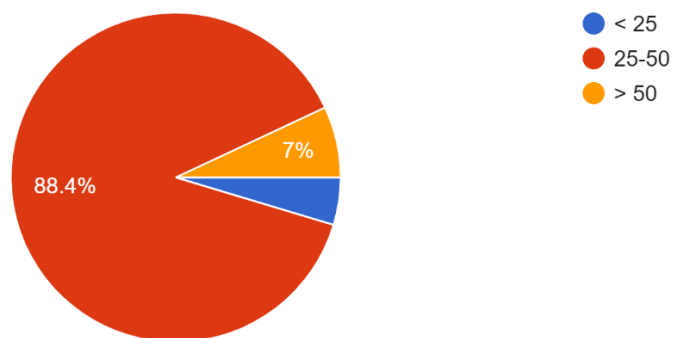
## GENDER

43 responses

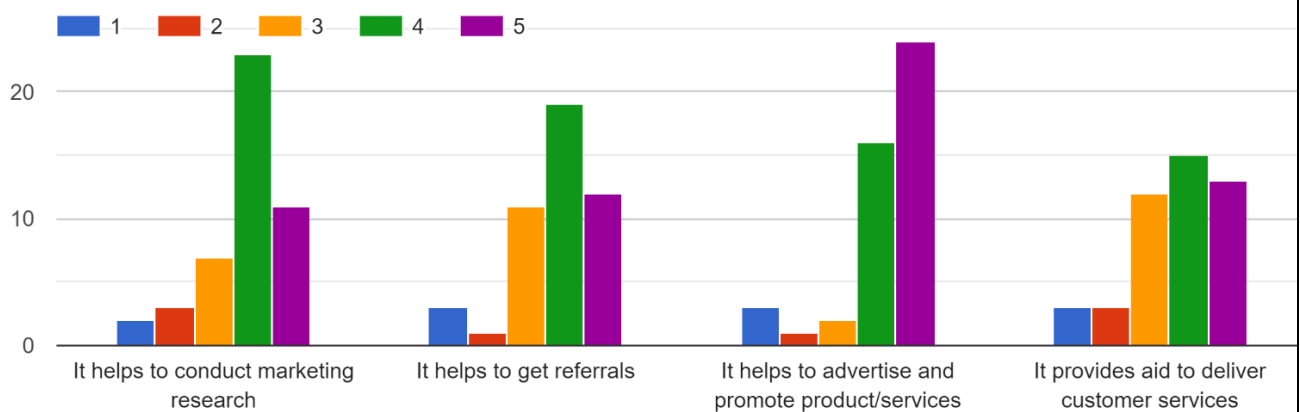


## AGE

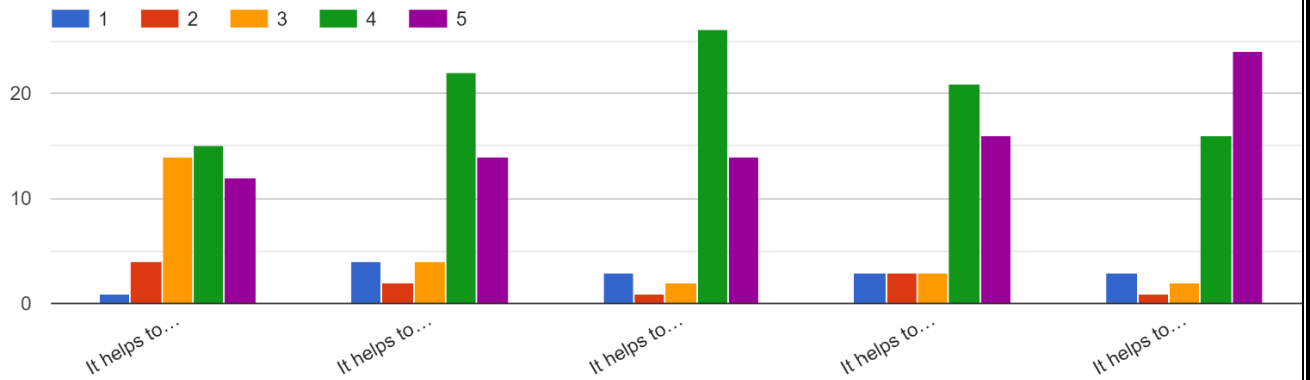
43 responses



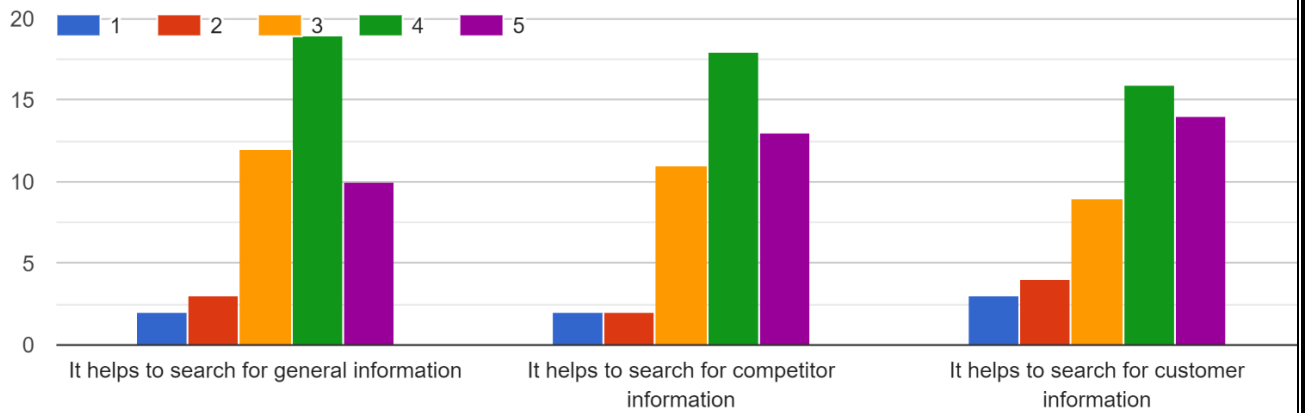
## Marketing through Social Media



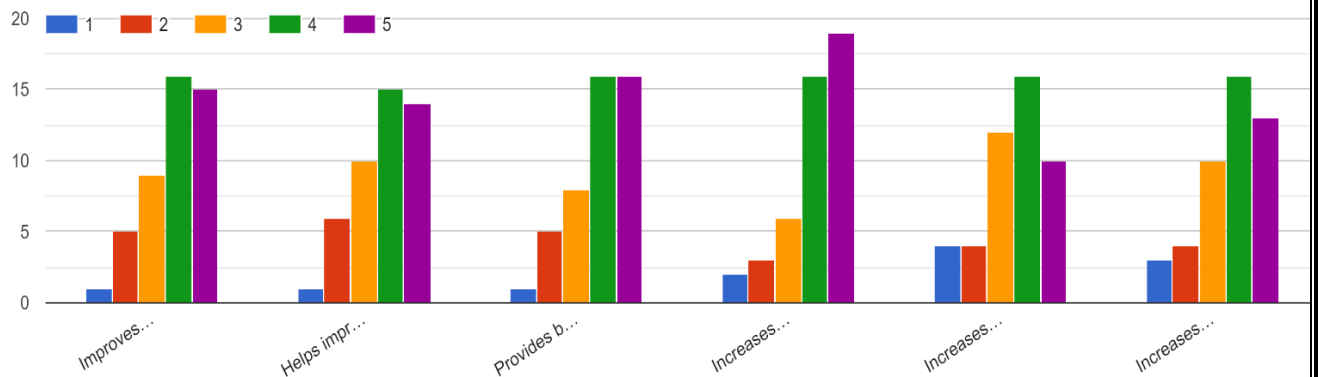
### Building Customer Relationship through Social Media



### Accessibility of Information through Social Media



### Attainment of Performance through Social Media



## **FINDINGS**

In the survey carried out, 51.2% respondents were men and around 48.8% were women and majority of the respondents were aged between 25-50 years.

The questionnaire was framed around the objective of the study and following was inferred from each objective:

Objective-1: Does marketing through social media helps conduct marketing research, get referrals, helps to advertise, and promote product/services and whether it provides aids to deliver customer services.

Analysis: Majority “agrees” that social media helps in conducting marketing research and getting referrals and does provides aids to deliver customer services, and they “strongly agree” that it helps in advertising and promoting product/services. Thus, it could be inferred that social media is an essential tool for marketing.

Objective-2: Does social media help in building customer relationship, helps to establish communicate with customers, helps in getting customer feedback on existing product, helps in receive customer feedback on new/future product/ and whether it helps to reach new customers.

Analysis: Majority “agrees” that social media helps in building customer relationships, to communicate with the customer, to get customer feedback on existing service and in receiving customer feedback on new/future product/services. The majority however, “strongly agrees” that social media helps more in reaching out to new customers. Thus, for an SME to grab new customers, social media platforms can be efficiently utilized.

Objective-3: Accessibility of information through social media. Does it help to search for general information, information about competitors and customer information.

Analysis: Majority “agrees” that social media helps SME’s in getting access to information such as general information, information about their competitors and to gather information about their existing as well as new customers.

Objective-4: Can a MSME attain and improve its performance as an organization with the help of social media. Will it improve customer relationships. Can it help improve service quality and provide better engagement with customers. Will it increase company’s visibility and reputation. How will it effect on grabbing and retaining loyal customers, and will it increase product/ service awareness amongst customers and increase an organizations market share?

Analysis: There is a 50-50 agreement between “agrees” and “strongly agrees” amongst the majority as to social media helping an MSME in improving customer relationships, service quality and providing better engagement with customer.

However, the majority “strongly agrees” that for an MSME, social media increases company’s visibility and reputation.

The majority “agrees” that social media helps an MSME to grab customers and increase customer retention rate and it also helps in increasing product/ service awareness amongst customers and increase an organization’s market share.

## **CHAPTER-5 : RECOMMENDATIONS**

## **RECOMMENDATIONS**

MSME's should make utilize the social media tool in the best way they can, as in the present scenario it the most widely used tool and an effectual tool as reaches the masses in a limited time frame. They should come up with marketing strategies to grab their customers' attention. They should also work on the feedback, reviews etc., received from their customers and try to implement it as far as possible. All of this will help an SME to align themselves properly with the industry standards and gradually will help them to become a large-scale market and will also help them explore new horizons.

For achieving all of this they should first develop a well-defined strategy which clearly defines their goal and then target to achieve that goal.

MSME's should make use of the latest trending social media platform, should invest in new technologies, should develop platform which is user friendly and should frequently update their social media page so as to grab more customers attention. There should be a daily notification tab, which should remind the customer about their existence.

All of this will eventually help them their business grow in a much faster pace, and they will be able to match up with their competition as well.

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