

Leveraging Social Media Marketing for Sustainable Growth of MSMEs: A Statistical Analysis in Chengalpattu, Tamil Nadu

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Abstract

The integration of social media marketing (SMM) into the business strategies of Micro, Small, and Medium Enterprises (MSMEs) has emerged as a powerful driver for sustainable growth, particularly in rapidly developing semi-urban districts like Chengalpattu, Tamil Nadu. This study investigates the extent and impact of SMM adoption among MSMEs through robust statistical methods including descriptive analysis, correlation, and multiple regression modeling. Data were collected via a structured survey administered to 250 MSME owners and managers across key sectors—textiles, food processing, retail, and services. The survey focused on variables such as social media platform usage (e.g., Facebook, Instagram, WhatsApp Business), marketing budget allocations, customer engagement, sales performance, and brand visibility. Findings reveal that 85% of surveyed MSMEs actively use social media platforms, with Facebook (78%) and Instagram (62%) being the most prominent. On an average, these enterprises allocate 12% of their total marketing budget to digital channels. MSMEs with frequent and interactive social media engagement report monthly revenue increases between 20 to 30%. Correlation results indicate a strong positive association between SMM intensity and business outcomes, particularly customer acquisition ($r = 0.72$), sales revenue ($r = 0.68$), and brand recognition ($r = 0.55$). Regression analysis confirms that social media engagement ($\beta = 0.58, p < 0.01$) and ad spending ($\beta = 0.41, p < 0.05$) significantly predict business growth, accounting for 62% of the variance ($R^2 = 0.62$). However, challenges remain in strategic content creation, platform-specific expertise, and campaign performance measurement. The study recommends targeted digital literacy training and collaborative efforts with marketing professionals. Policymakers are urged to develop support programs to enhance digital competency among MSMEs. This research offers data-driven insights to bolster MSME sustainability through digital transformation in Tamil Nadu's evolving economic landscape.

Keywords: Social Media Marketing, Digital Marketing, Customer Engagement, Small Business Sustainability

1. Introduction

In the modern business ecosystem, digital transformation is reshaping how enterprises engage with consumers, particularly through social media marketing (SMM). For Micro, Small, and Medium Enterprises (MSMEs), which serve as critical engines of economic activity in India, the adoption of social media platforms offers a cost-effective and scalable alternative to traditional marketing. In semi-urban regions like Chengalpattu, Tamil Nadu, this shift is especially

significant. Faced with resource constraints, limited access to mass media, and increasing competition, MSMEs are turning to platforms like Facebook, Instagram, WhatsApp Business, and YouTube to improve market penetration, customer outreach, and overall sustainability.

Social media tools allow MSMEs to directly connect with target audiences, share promotional content in real-time, and gather customer feedback, which in turn informs their strategic decisions. Unlike traditional advertising methods, which often require high investment and long lead

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times, SMM offers measurable, agile, and audience-specific marketing campaigns. These digital engagements not only strengthen brand awareness but also play a key role in building customer trust and loyalty—two essential pillars for long-term business growth.

This study examines the impact of social media marketing on the sustainable growth of MSMEs in Chengalpattu. Through statistical analysis of responses from local MSME owners across multiple sectors, the research investigates how SMM contributes to business performance indicators such as customer acquisition, revenue generation, and brand perception. Additionally, it identifies major challenges hindering the full adoption of social media strategies and offers suggestions to bridge existing gaps.

Significance of the Study

This research provides crucial insights into how MSMEs in semi-urban areas can effectively use digital tools for growth. It supports policymakers and educators in crafting support frameworks, enhances digital literacy among entrepreneurs, and serves as a blueprint for future studies on MSME digitalization across India.

2. Literature Review

Social Media Marketing and MSMEs

Social media marketing has become an indispensable tool for Micro, Small, and Medium Enterprises (MSMEs), enabling them to engage customers and build brand presence efficiently. According to Kietzmann et al. (2011), social media platforms offer MSMEs a cost-effective channel to reach and interact with target audiences, fostering personalized communication that enhances customer loyalty. Unlike traditional marketing methods, social media allows MSMEs to tap into niche markets and establish direct relationships with consumers, leveling the competitive playing field with larger firms.

Importance of Digital Marketing for MSMEs

The role of digital marketing in MSME growth has been highlighted extensively in recent research. Kapoor (2020) and Bansal (2019) emphasize that MSMEs employing digital marketing techniques experience higher expansion rates compared to those relying on conventional marketing. Digital marketing facilitates broader audience reach, more targeted campaigns, and immediate customer feedback. This is particularly relevant in semi-urban and rural regions like Chengalpattu, where traditional marketing approaches may be financially burdensome and less effective in engaging consumers.

Role of Social Media in Business Growth

Empirical studies demonstrate that social media engagement directly contributes to MSME growth. Chaffey (2019) notes that platforms such as Facebook and Instagram enable businesses to segment customers effectively, improving campaign success. Furthermore, Mariani et al. (2020) report that increased brand awareness, website traffic, and sales growth are strongly linked to strategic social media use. These insights affirm the critical role social media marketing plays in sustaining MSME growth trajectories.

Research Gap

Although the positive outcomes of social media and digital marketing on the performance of MSMEs have received a significant quantum of literature, there are still significant research gaps. The existing literature focuses mainly on the universal benefits, including the increased customer interactions, extended opportunities, and better brand recognition, and lacks a thorough analysis of the context-specific issues of MSMEs in semi-urban and rural areas, such as Chengalpattu. There is scarce information on the impact of issues like digital literacy, resource constraints, adoption patterns by platforms, and sectoral variations on the ultimate productivity of social media strategies in such context. Further, although, previous studies indicate positive

relationships between social media usage and business development, there exists a dearth of empirical data on the degree to which MSMEs can convert online campaigns into a quantifiable growth factor of sales, profitability, and continued customer retention. Such gap paves the way to constructive, region-specific research which examines the facilitating and inhibiting factors that affect the success of social media marketing within MSMEs.

Objectives

- To evaluate the effectiveness of SMM in acquiring and retaining customers.
- To explore the relationship between SMM and revenue growth.
- To assess how social media enhances brand visibility among local MSMEs.
- To identify barriers to adopting and implementing SMM strategies.
- To examine ways to integrate social media into broader marketing frameworks.

3. Research Method

Data Collection

This study conducted a structured survey with 250 MSME owners and managers across Chengalpattu, covering sectors such as textiles, food processing, retail, and services. The survey collected data on social media platform usage, marketing budgets, customer engagement levels, sales growth, and brand visibility. Participants were randomly

selected from a regional MSME registry to ensure diverse and representative coverage of small and medium enterprises.

Statistical Tools Used

Data analysis included descriptive statistics to outline usage patterns and expenditures; correlation analysis to explore relationships between social media marketing efforts and business growth metrics; and regression analysis to evaluate how marketing variables like spending, platform activity, and engagement predict sustainable MSME growth.

4. Results

This section presents a comprehensive analysis of the survey data collected from 250 Micro, Small, and Medium Enterprises (MSMEs) located in Chengalpattu, Tamil Nadu, focusing on the impact of social media marketing (SMM) on their business growth and sustainability. The study integrates descriptive statistics, correlation analysis, and regression modeling to explore the extent and effectiveness of social media marketing efforts among MSMEs and their influence on key business performance indicators such as customer acquisition, sales revenue, and brand recognition.

Descriptive Statistics

The survey results indicate that a significant majority of MSMEs (85%, $n = 213$) actively engage in social media marketing, demonstrating the growing recognition of digital platforms as essential marketing tools in the region. Table 1 provides a detailed overview of social media platform usage, the percentage of marketing budgets allocated to these platforms, and the associated reported monthly revenue increases.

Table -1: Overview of Social Media Marketing Usage and Impact on Revenue

Social Media Platform	Usage (%)	Average Expenditure on Social Media Marketing (%)	Reported Monthly Revenue Increase (%)
Facebook	78	12	20-30
Instagram	62	12	20-30
Twitter	45	8	10-20
LinkedIn	30	5	5-10
Other Platforms	15	6	5-10

(Source: Own Compilation)

Platform Usage and Marketing Budget Allocation

Facebook emerges as the most dominant platform among MSMEs, with 78% adoption, closely followed by Instagram at 62%. These platforms are favored due to their user-friendly interfaces, vast user bases, and strong engagement tools suitable for various business types from retail to services. Twitter and LinkedIn, while less popular (45% and 30% usage respectively), still represent meaningful channels for targeted marketing, especially for niche or B2B enterprises.

The average expenditure on social media marketing represents 12% of the overall marketing budget for MSMEs on Facebook and Instagram, indicating a strategic but cautious allocation of resources. Twitter and LinkedIn see lower budget shares (8% and 5%, respectively), possibly reflecting either a perception of lower return on investment or less familiarity with these platforms' marketing potential.

Impact on Revenue

MSMEs engaging actively on Facebook and Instagram report an average monthly revenue

increase between 20% and 30%, suggesting substantial financial benefits tied to effective social media marketing. Platforms like Twitter and LinkedIn, despite lower usage, still contribute to notable revenue increases of 5-20%, supporting the idea that even limited social media efforts can yield measurable returns.

Sectoral Variations

While the overall adoption rate is high, sector-wise variations were observed. Retail MSMEs showed the highest adoption rates (89%), followed by service sectors (81%), and manufacturing (72%) . This disparity may relate to the direct consumer engagement potential of retail and services, compared to the often B2B orientation of manufacturing.

Correlation Analysis

To quantify the relationships between social media marketing intensity and business growth metrics, a Pearson correlation analysis was conducted. The variables analyzed included customer acquisition, sales revenue, and brand recognition. The results are summarized in Table 2.

Table -2: Correlation between Social Media Marketing and Business Growth

Business Outcome	Correlation Coefficient (r)	Significance (p-value)
Customer Acquisition	0.72	< 0.01
Sales Revenue	0.68	< 0.01
Brand Recognition	0.55	< 0.05

(Source: Own Compilation)

- **Customer Acquisition ($r = 0.72$, $p < 0.01$):** This strong positive correlation indicates that MSMEs dedicating more resources and efforts to social media marketing tend to attract a higher number of new customers. It reflects the effectiveness of social media platforms in expanding market reach and creating new business opportunities.
- **Sales Revenue ($r = 0.68$, $p < 0.01$):** The positive relationship with revenue underscores the direct impact of social media marketing on the financial growth of MSMEs. Increased engagement and visibility appear to translate into higher sales.
- **Brand Recognition ($r = 0.55$, $p < 0.05$):** Though slightly weaker than the other

metrics, the correlation between social media marketing and brand recognition remains significant. This suggests social media is effective in increasing brand awareness but might require complementary strategies for stronger brand equity building.

Other exploratory correlations revealed moderate positive relationships between social media marketing and operational efficiency ($r = 0.47$, $p < 0.05$), reflecting improved customer communication and faster response times, enhancing overall business processes.

Regression Analysis

To further examine the predictive impact of specific social media marketing variables on

business growth, a multiple linear regression was performed. The model incorporated three independent variables:

- **Customer Engagement:** Measured by average likes, shares, comments, and direct messages.
- **Ad Spending:** Percentage of marketing budget allocated to paid social media advertisements.
- **Platform Usage:** Number of social media platforms actively used by the MSME.

The dependent variable was **Business Growth**, operationalized as the percentage increase in monthly revenue.

Table -3: Multiple Regression Analysis Results

Variable	Coefficient (β)	Standard Error	t-Statistic	p-value
Customer Engagement	0.58	0.09	6.44	< 0.01
Ad Spending	0.41	0.16	2.56	< 0.05
Platform Usage	0.24	0.15	1.60	0.12

(Source: Own Compilation)

Model Fit

The regression model explains 62% of the variance in business growth ($R^2 = 0.62$, $F(3,209) = 114.87$, $p < 0.01$), indicating a robust relationship between the included social media marketing factors and business performance.

Variable Effects

- **Customer Engagement ($\beta = 0.58$, $p < 0.01$):** Customer engagement emerged as the strongest predictor of growth. MSMEs that effectively interact with their audience—responding to comments, creating engaging content, and maintaining active communication—are more likely to experience increased revenue. This aligns with the premise that

genuine customer relationships foster loyalty and repeat business.

- **Ad Spending ($\beta = 0.41$, $p < 0.05$):** Financial investment in paid social media advertising also significantly contributes to growth, though its influence is less pronounced than engagement. This suggests that while ad spend can amplify reach, it must be coupled with active engagement to maximize returns.
- **Platform Usage ($\beta = 0.24$, $p = 0.12$):** Interestingly, the sheer number of platforms used does not significantly predict growth. This implies that spreading efforts thin across multiple platforms without focused engagement may not be effective. MSMEs benefit more from deep

engagement on fewer platforms rather than superficial presence across many.

In-Depth Discussion of Results

Prevalence and Importance of Social Media Marketing

The 85% adoption rate reflects the widespread acknowledgment among MSMEs in Chengalpattu that social media marketing is no longer optional but a critical component of their growth strategy. The predominance of Facebook and Instagram indicates these platforms' suitability for diverse business sectors due to their visual and interactive capabilities.

Revenue Gains and Business Growth

The reported 20-30% average monthly revenue increase for MSMEs using Facebook and Instagram showcases the tangible economic benefits of digital marketing. These figures corroborate global findings that social media presence enhances sales and profitability for small businesses. This growth is vital for MSMEs, which often operate on tight margins and face challenges scaling traditional marketing efforts.

Role of Customer Engagement

Customer engagement surfaced as the central mechanism driving business success in the digital space. Active interaction fosters trust, nurtures customer relationships, and generates organic promotion through user sharing. This finding reinforces the paradigm shift from one-way advertising to two-way communication as a growth driver in the digital age.

Strategic Insights on Advertising Spend

The positive but comparatively smaller impact of ad spending suggests that simply increasing marketing budgets is insufficient without strategic content and engagement. MSMEs with limited budgets must optimize their advertising through targeted campaigns combined with active customer dialogue.

Platform Utilization Considerations

The non-significant effect of the number of platforms on business growth indicates that MSMEs should prioritize quality over quantity in their social media presence. Concentrated efforts on platforms with the highest customer interaction potential yield better results than a fragmented multi-platform approach.

Implications for MSME Sustainability

By integrating social media marketing into their core business strategy, MSMEs in Chengalpattu can enhance their resilience and adaptability in a competitive environment. Social media provides scalable, low-cost marketing channels that enable resource optimization and support sustainable growth trajectories.

Challenges and Barriers Identified

While the data highlights the benefits of social media marketing, several challenges emerged from survey responses and open-ended feedback:

- **Digital Literacy:** 42% of MSME owners reported insufficient knowledge about advanced social media marketing tools and strategies.
- **Resource Constraints:** 36% cited limited financial resources as a barrier to sustaining regular paid campaigns.
- **Content Creation:** Many respondents (28%) struggled with generating engaging content that resonates with their target audience.
- **Data Analytics:** Access to or understanding of social media analytics tools to track campaign effectiveness was limited (30%).

Addressing these gaps through targeted capacity-building programs, affordable training, and technology support can further enhance the positive impact of social media marketing on MSMEs.

Sectoral and Demographic Variations

Urban vs Rural MSMEs

Adoption rates in urban Chengalpattu were 1.8 times higher than in rural areas, with urban MSMEs showing more sophisticated social media marketing practices. This urban-rural digital divide reflects disparities in internet connectivity, education, and exposure to digital trends.

Sector-specific Insights

- **Retail MSMEs:** Showed the highest engagement levels, driven by the direct consumer nature of their products.
- **Service MSMEs:** Benefited from social media marketing primarily through customer reviews and word-of-mouth promotion.
- **Manufacturing MSMEs:** Lagged in adoption and reported more challenges adapting to consumer-facing digital platforms.

These variations suggest the need for customized digital marketing interventions tailored to sectoral and geographic contexts.

5. Discussion

Significance of Social Media Marketing

The findings from this study underscore the critical importance of social media marketing (SMM) as a catalyst for sustainable growth among MSMEs in Chengalpattu, Tamil Nadu. Social media platforms provide an accessible, low-cost avenue for MSMEs to expand their market reach beyond traditional geographic and financial constraints. Businesses actively engaging on social media have demonstrated a marked improvement in customer acquisition, brand awareness, and sales volume. The direct interaction facilitated by these platforms enables MSMEs to understand customer preferences in real-time, tailor their offerings, and build loyal communities around their brands. This dynamic customer engagement is especially valuable for small enterprises operating with limited budgets, as it levels the playing field against larger competitors. The research reveals that MSMEs with targeted and consistent social media strategies significantly outperform peers lacking such digital presence, indicating that social media is not just an optional marketing channel but an essential driver of business sustainability and competitive advantage in the contemporary market.

Challenges Faced by MSMEs

Despite the promising benefits, MSMEs in Chengalpattu face multiple barriers that impede their effective utilization of social media marketing. The foremost challenge is the widespread deficiency in digital marketing skills.

Most MSMEs either do not have access to trained personnel or the resources to employ social media experts, leading to suboptimal use of platforms and missed growth opportunities. Many enterprises struggle with developing coherent and continuous content strategies, resulting in irregular postings that fail to engage customers consistently. Moreover, a lack of understanding of platform-specific algorithms and analytics limits MSMEs' ability to optimize campaign reach and impact. These skill gaps contribute to ineffective marketing efforts that do not translate into meaningful business outcomes, thereby dampening the potential return on investment from social media activities.

Recommendations

To unlock the full potential of social media marketing, this study advocates for targeted capacity-building initiatives focused on digital literacy for MSME owners and employees. Basic training in social media management, content creation, and analytics can empower businesses to independently design, execute, and evaluate campaigns effectively. Additionally, MSMEs should explore strategic partnerships with digital marketing agencies or freelance professionals to bridge knowledge and expertise gaps. Such collaborations can enhance campaign quality and scale impact without requiring large in-house teams. At the policy level, government and local bodies must prioritize the establishment of tailored digital skill development programs aimed at MSMEs, especially in semi-urban and rural settings like Chengalpattu. These programs should emphasize practical skills, platform navigation, and sustainable content strategies to help MSMEs harness social media marketing as a long-term growth enabler. Through a combination of upskilling, expert collaboration, and supportive policy frameworks, MSMEs can significantly improve their digital marketing outcomes and contribute to more resilient and inclusive regional economic development.

6. Conclusion

In conclusion, leveraging social media marketing plays a vital role in fostering the sustainable growth of MSMEs in Chengalpattu, Tamil Nadu. Effective use of social media platforms enables MSMEs to connect with customers creatively, enhance brand visibility, and boost sales. The statistical analysis underscores that success in

social media marketing hinges on strategic planning, consistent engagement, and understanding platform-specific features. Addressing challenges such as digital literacy and resource limitations through targeted training and support can empower MSMEs to fully harness social media's potential. By integrating these digital marketing strategies, MSMEs can strengthen their competitive advantage and contribute significantly to the region's economic resilience and sustainable development.

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