# A Case Study on Social Media as an Effective Management Tool

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*Small businesses owners in the US are not adept at using social media to manage their operations. This qualitative case study explored the perceptions of 23 leaders in marketing firms in Dallas, Texas, about the effective use of social media as a management tool. Emerson's social exchange theory grounded the study. Interviews, questionnaires, and document were collected using Yin's 5-phase analysis. The findings indicate that social media usage contributed to increased awareness about their business, valuable customer feedback, and customer retention. The study provides strategies and benefits of using social media as a management tool for small businesses.*

*Keywords: small businesses, social media, social exchange theory, 5-phase analysis, small marketing firms*

## INTRODUCTION

Social media is widely used in many organizations to market products and services and to promote their brands. Social media is also used to let the public know what these organizations' mission and statement are, and to let the public know how they are performing. Leaders of organizations commonly use social media as part of their marketing strategies to gain followers and interact with potential clients (Gensler, Völckner, Liu-Thompkins, & Wiertz, 2013; Peters, Chen, Kaplan, Ognibeni, & Pauwels, 2013; Tsimonis & Dimitriadis, 2014). From a management perspective, social media can be used to improve the manner of prioritizing goals and producing high levels of performance, affecting business strategies and information technology (IT) budgets to boost returns and minimize risks for the organization (Luo, Zhang, & Duan, 2013).

The focus of this study is the use of social media in management by leaders of small marketing firms that have 10 or fewer employees. This study was pursued to understand if leaders have guidelines and strategies for using social media in the workplace. Other issues related to social media usage will also be discussed.

## BACKGROUND

Managing the daily operations of an organization should include strategies for using social media (Luo et al., 2013). Because social media is widespread in organizations today, and clients/consumers

could usually check vital information about organizations online, there should be specific guidelines for what content should be shared and what strategies will make marketing more effective for business. Without these strategies in place, organizations could lose out on competition and may not receive the proper recognition from clients and consumers. It is no longer enough to depend on word-of-mouth to promote the products and services. Organizations need to ensure they have strategic advantage in terms of marketplace advantage of knowledge sharing to stakeholders involved.

Researchers have proposed various models for the use of social media in organizations (Coleman & Heriot, 2013; Hassan, Nadzim, & Shiratuddin, 2015; Riu, 2015). Hassan et al. (2015) proposed the attention, interest, desire, and action (AIDA) model as a guide for small business leaders when using social media in marketing their products and services. The AIDA model has been applied widely for online marketing strategy. Hassan et al. claimed that business owners could apply the model to create marketing strategies using social media.

In another study, Coleman and Heriot (2013) reviewed and critiqued existing approaches to the measurement of social media effectiveness for businesses. They presented a conceptual model of the social media marketing process. The results of their study indicated that measures for awareness, engagement, and performance should be used for influencers, consumers, and customers (Coleman & Heriot, 2013). Riu (2015) focused on the role of social media in media promotion for small and medium-sized enterprises (SMEs). Riu concluded that it is important to use social media as a promotional medium for SMEs in a systematic and structured manner, as it is both cost-effective and flexible.

Social media usage began with simple marketing and the creation of awareness about organizations' products and services, which have advanced to public communications and interactions with customers and other stakeholders (Icha & Agwu, 2016). Small businesses can use social media as new investigative tools in market research (Mahajan, 2015). Customers need and want access to social media, which is why it is important for small businesses to engage in online surveys, reviews, and live chats for marketing research.

Social media present advantages and disadvantages when used in marketing research, as well as strategies to remain effective for promoting small businesses' brands, products, and services (Mahajan, 2015). Broekemier, Chau, and Seshadri (2015) indicated that about half (54%) of small businesses use social media for marketing purposes. There are four main ways in which businesses use social media: promoting business to new customers, increasing customer awareness, increasing customer interest, and improving company reputation (Broekemier et al., 2015).

Heyman, DeWolf, and Pierson (2014) determined that users can control their interpersonal information flow; however, they can do so mostly toward other users, rather than service providers or other third parties in relation to privacy. Kumar and Mirchandani (2013) found that 89% of digital marketers reported wanting to know how the use of social media might increase their profitability and enhance their business operations.

The use of social media as a management tool may increase productivity gains if used appropriately (Coleman & Heriot, 2013). There is a research gap regarding how to improve the practicality and acceptance of social media sites and how to determine appropriate privacy- and security-related policies for small businesses. Therefore, it is imperative for small businesses to explore the usage and acceptance of social media as tools in managing and operating their day-to-day operations.

**PROBLEM**

About 50% of small businesses in the United States use social media marketing. Most often, small businesses use social media to connect and engage with other businesses, rather than with customers (Broekemier et al., 2015). The general problem is that leaders in many small businesses in the United States, specifically those with fewer than 10 employees, are skeptical of and resistant to the use of social media in their business operations. There do not appear to be any clear and effective guidelines and policies detailing how social media should be used in the specific context of small marketing firms (Broekemier et al., 2015; Hassan et al., 2015). The specific problem examined in the study was that many

small marketing firms in Dallas, Texas, do not have the resources and knowledge to make effective use of social media as management tools for operations (Hassan et al., 2015; Malita, 2011).

## PURPOSE

The purpose of this qualitative case study was to explore the perceptions of small marketing firm leaders regarding the resources and knowledge needed for effective use of social media as management tools for operations. To address the problem, answer the research questions, and satisfy the purpose of this study, a qualitative methodology with a case study research design was used.

The overarching research question for the study was the following: How can social media be used as an effective management tool for small businesses? The study included two research subquestions:

*RQ1: What are the problems and challenges small businesses experience in their attempt to develop effective methods for using social media as a management tool?*

*RQ2: How can small businesses make effective use of social media in terms of (a) a direct reward, (b) an expected gain in reputation and influence on others, (c) altruism, and (d) an anticipated reciprocity?*

These firms may need assistance in creating and developing policies for appropriate use. The findings of this study may help leaders in many small businesses in Dallas, Texas, as well as in other states, to gain adequate knowledge regarding business operations and to develop policies for the appropriate use of social media as effective management tools.

This study involved a three-phase approach to data collection involving face-to-face interviews, a survey questionnaire, and website analyses. The results of this study may be used to identify key guidelines and strategies regarding social media usage in the workplace and may provide assistance in creating and developing policies for appropriate usage of social media among small marketing firms in Dallas, Texas.

## CONCEPTUAL FRAMEWORK

The use of social media is dependent on information provided by users; therefore, a thorough understanding of the motivations for users to participate in information exchange through social media is important. Emerson's (1976) social exchange theory was the framework for the study. The theory originated from sociological studies in which the researchers examined information exchange between individuals or groups of people. The social exchange theory highlights the concept of cost-benefit in the comparison of a specific set of alternatives to explain why individuals communicate with each other and form relationships, and why certain groups or communities are developed through information exchanges (Homans, 1958).

Through social exchange theory, Emerson suggested that individuals are inclined to do things that they see as rewarding for themselves and distance themselves from doing activities that entail more cost and effort than benefits for them. The theory is based on the assumption that social behavior is based on the subjective assessment of the cost-benefit of each actor participating in the social exchange (Emerson, 1976).

Social exchange theory identifies four reasons why individuals engage in a social exchange: (a) direct reward, (b) an expected gain in reputation and influence on others, (c) altruism, and (d) anticipated reciprocity on the part of others (Ward & Berno, 2011). The first three reasons relate to why individuals participate in social media; that is, people make use of social media to obtain a positive benefit, build a higher level of reputation and image, or influence or receive feedback from other people. The fourth reason is considered to be a motivating factor, in that rewards are given to a user if the user performs activities in social media as instructed (Peate, 2015).

Small businesses may make use of social media to understand the needs of their consumers better and establish communication with them. Small businesses can invest in social media sites where consumers can easily communicate with them regarding their concerns and requests (Hassan et al., 2015). By doing so, businesses can easily get consumers' attention and create a loyal base of customers. Prompt responses and easy means to contacting a company have been regarded as important in improving consumer satisfaction (Peate, 2015).

Small business owners should take note that the use of social media can be detrimental and may pose a threat to a business's reputation, especially when dissatisfied customers share their negative experiences or feedback with their followers (Adriana & Václav, 2015). Mahajan (2015) suggested that periodic assessment of the information placed in social media (such as websites or feedback forums) is warranted to ensure that business leaders are aware of the current situation and queries of their customers.

## SIGNIFICANCE TO THE STUDY

This study addressed the need for small business owners to have guidelines and strategies in creating and developing policies for the appropriate use of social media as an effective management tool. Because social media are regarded as powerful tools for communication and information dissemination (Coleman & Heriot, 2013), social media should be used as effective management tools to increase the benefits that small businesses can obtain. The use of social media for managing operations in businesses has attracted increasing interest from both industry practitioners and researchers (Schaupp & Bélanger, 2014). With the findings of this study, small marketing firms may learn how Internet-based consumer-business transactions should be conducted and learn how to devise strategies to make use of social media effectively in promoting their businesses in a secure environment.

Addressing the challenges that small businesses are experiencing associated with the use of social media is relevant to the fields of social networking, management, and IT. The advances of information and technology in society today are increasing rapidly. The field of IT may use the results of this study, specifically regarding security and privacy measures, in preventing adverse consequences from the inappropriate use of social media. By identifying the problems and hindrances in the use of social media for business operations, small businessowners may better understand how to develop an online platform through which business promotion is easy and secure.

### Research Methodology and Design

The methodology for this study was qualitative. Using qualitative methodology enables researchers to comprehend and analyze the experiences and perceptions of individuals within the context of a bounded system or phenomenon (Lewis, 2015; Marshall & Rossman, 2014). Qualitative methodology was appropriate for this study because in-depth information about a phenomenon within its uncontrolled environment was explored. Qualitative methodology was appropriate for this study because the aim was to provide a rich explanation of data gathered during in-depth interviews (see Lewis, 2015). Interview transcripts, questionnaires, and documents as sources of data were analyzed.

A case study was the most appropriate research design for this study because the purpose and problem were focused on exploring perceptions of a homogenous group of individuals to make sense of an important phenomenon (Yin, 2014). Yin (2014) claimed that case study research is appropriate when the researcher cannot manipulate the behavior of those involved in a study. Yin also claimed that the phenomenon of interest in a case study has unclear boundaries, which was applicable to the current study.

### Participant Selection Logic

The target population of the study was business owners who managed small marketing firms in Dallas, Texas. More than 7,800 businesses in Dallas are considered small firms (Office of the Trade Representative, 2015); hence, there was a population of at least 7,800 managers of small firms in Dallas. LinkedIn was the primary source of data, which provided adequate representation of the population of small marketing firms in Dallas. Over 200 marketing managers and owners of small marketing firms with

social media experience were identified through LinkedIn. Based on their LinkedIn profiles, participants with relevant knowledge and experiences about the topic of the study were selected. The use of social media as a tool in managing and operating a business was identified and explored from the perspectives of the managers who made up the target population for this study.

The basis for selection of participants was inclusion and exclusion criteria. The inclusion criteria were the following: (a) male or female manager in a small marketing firm in Dallas, Texas; (b) owner of a firm for at least 3 years; (c) in the field of small enterprises for at least 5 years; and (d) involved in a firm that had used social media as part of firm management or operations for at least 2 years. The exclusion criteria were the following: (a) those with the intention of leaving the company within the next 30 days, (b) pregnant women, and (c) those with physical disabilities that might hinder the use of social media. The participants who were selected were interviewed.

Participants were recruited through purposive sampling, which is the recruitment technique most commonly used in the field of qualitative research (Barratt, Ferris, & Lenton, 2015). Purposive sampling is a technique of selecting participants who are appropriate to answer the research questions of a study (Barratt et al., 2015). Scholars have claimed that purposely selected participants are more likely to provide detailed information about the topic of a study because of their familiarity with the phenomenon of interest (Barratt et al., 2015; Petty, Thomson, & Stew, 2012).

**Participant Demographics**

Of the 12 interview participants in this study, six were males, and six were females, though this even division between genders was not planned. The males' ages ranged from 48 to 60 years, with an average age of 52.0 years. The females' ages ranged from 35 to 52 years, with an average age of 40.7 years. Thus, the ages of the male interview participants averaged 11 years greater than those of the female interview participants. The average age of all interview participants, male and female, was 46.4 years.

Of the 11 questionnaire participants in this study, eight were female, and three were male. Six questionnaire participants did not report their age, with only four females and one male indicating age. The four females had ages ranging from 30 to 52 years, with an average of 39.5 years. The one male who provided his age reported being 45 years old. Table 1 provides a summary of the genders and ages of the interview participants and the questionnaire participants.

## TABLE 1
## DEMOGRAPHIC PROFILES OF INTERVIEWEES AND QUESTIONNAIRE RESPONDENTS

| Participant | Gender | Age |
|---|---|---|
| Interview participants | | |
| IP1 | Female | 37 |
| IP2 | Male | 48 |
| IP3 | Male | 60 |
| IP4 | Female | 48 |
| IP5 | Male | 49 |
| IP6 | Female | 35 |
| IP7 | Female | 37 |
| IP8 | Male | 49 |
| IP9 | Female | 35 |
| IP10 | Female | 52 |
| IP11 | Male | 48 |
| IP12 | Male | 58 |
| Questionnaire participants | | |
| QP1 | Female | 30 |
| QP2 | Female | 38 |
| QP3 | Male | 45 |
| QP4 | Female | 52 |
| QP5 | Female | 38 |
| QP6 | Male | Declined |
| QP7 | Female | Declined |
| QP8 | Female | Declined |
| QP9 | Male | Declined |
| QP10 | Female | Declined |
| QP11 | Female | Declined |

## Instrumentation

Three data sources were used for the case study. These data sources were (a) interviews, (b) questionnaires, and (c) document reviews. The semistructured interviews were the main source of data. In most qualitative studies, researchers choose to conduct interviews because of this method's advantages in enabling collection of in-depth and rich data (Doody & Noonan, 2013; Jacob & Furgerson, 2012; Peters et al., 2013). All interview questions were based on recent literature regarding management, social media, customer retention, and marketing strategy. Online questionnaires were also given to participants. The open-ended questions were analyzed using qualitative methods that involved discussions and critical analyses without the use of numbers and calculations. Online questionnaires were used because of its increased speed of data collection, cost-effectiveness, and higher levels of objectivity compared to other data collection methods (Dudovskiy, 2016).

Relevant documents from company websites were analyzed; these included company files about the use of social media and business operations. The documents were analyzed to identify any information that might support or contradict the information gathered from the interviews and questionnaires.

## Data Analysis Plan

The five phases for Yin's (2014) analytical process include (a) compiling, (b) disassembling, (c) reassembling, (d) interpreting, and (e) concluding. For the first phase, the transcripts of the interviews, field notes, and relevant documents were compiled and sorted. For the disassembling phase, the data were broken into smaller segments (e.g., words, phrases, sentences). While disassembling, new labels or codes to the fragments or pieces were assigned. This step was repeated as a part of a trial-and-error process of testing and validating the codes. In the third phase, reassembling, substantive themes or clusters of codes were used to reorganize the disassembled fragments or pieces into different groupings and sequences

(Yin, 2014). In the fourth phase, the reassembled data were used to generate a narrative of the overall interpretation of the data. After the interpretation of the findings, the fifth phase involved the development of conclusions (Yin, 2014). Interviews, questionnaires, and documents were analyzed separately, repeating Yin's (2014) five-phased analysis for case study. The findings were analyzed to determine if the emergent themes from the convergence of the three data sources formed the final output of the study.

## Categories, Coding, and Theme Identification

Data from the interview participants and the questionnaire participants were analyzed separately. The participants' responses were organized into broad topic areas that were determined by the interview and questionnaire questions. The categories related to social media were challenges, addressing challenges, uses and objectives, outcomes, company guidelines, strategy considerations, gains, altruism/welfare, direct reward, expected reputation and influence gain, anticipated reciprocity, and improvements.

Repeated ideas or observations were given codes, which were collected in thematic nodes (NVivo, 2017). Thematic nodes in each category were examined if they should be considered as themes. The criterion for a thematic node to be considered a theme was that at least 25% of the responses in a category repeated the same coded idea or observation (Amon, 2017). For the 12 interview participants, an idea or observation had to be repeated by three (25%) different participants to become a theme within a category. For the 11 questionnaire participants, an idea or observation had to be repeated by three (27.3%) different participants to become a theme within a category. Discrepant cases consisted of responses indicating that social media results were negative or mixed. These are identified and discussed in the Results section for the overarching research question. Tables 2 and 3 list categories and codes found in interview participants' responses and questionnaire participants' responses, respectively. Tables 4 and 5 list themes found in each category for the interview participants' responses and the questionnaire participants' responses, respectively.

### TABLE 2
### CATEGORIES AND CODES FOR FACE-TO-FACE INTERVIEW RESPONSES

| Categories | | |
| --- | --- | --- |
| Challenges | Addressing challenges | Uses and objectives |
| Outcomes | Company guidelines | Strategy considerations |
| Gains | Altruism/welfare | Direct reward |
| Improvements | Anticipated reciprocity | Promote influence |
| Reputation/influence gain | | |
| **Codes** | | |
| Advertising | Inexpensive advertising | Be professional |
| Business awareness | Business profile | Charity donations |
| Communication | Community support | Company rewards |
| Competitors | Customer focus | Customer loyalty/retention |
| Customer rewards | Diverse audiences | Feedback |
| Employment opportunities | Inaccurate information | Lack of control of SM |
| Marketing, promotion | Mixed results | More customers |
| More followers | More traffic | Sales, revenue, or profit |
| Negative responses | Little change using SM | Poor results from SM |
| Post carefully | Product/brand loyalty | Recommendations/referrals |
| Restrict usage | Security and privacy | Small or no reward program |
| Supplier relations | Target correctly | Update products |

## TABLE 3
## CATEGORIES AND CODES FOR QUESTIONNAIRE RESPONSES

| Categories | | |
|---|---|---|
| Challenges | Addressing challenges | Uses and objectives |
| Outcomes | Company guidelines | Strategy considerations |
| Gains | Altruism/welfare | Direct reward |
| Improvements | Anticipated reciprocity | Promote influence |
| Reputation/influence gain | | |

| Codes | | |
|---|---|---|
| Advertising | Inexpensive advertising | Be professional |
| Business awareness | Charity donations | Communication |
| Community support | Company rewards | Competitors |
| Customer support | Customer loyalty/retention | Customer rewards |
| Diverse audiences | Feedback | Employment opportunities |
| Marketing, promotion | Mixed results | More customers |
| Sales, revebue, or profit | Negative responses | Network coverage |
| Post carefully | Recommendations/referrals | Restrict usage |
| Security and privacy | Supplier relations | Small or no reward program |
| Target correctly | Update products | Employee training |

## TABLE 4
## THEMS IN INTERVIEW PARTICIPANTS' REPONSES

| Categories | Themes (number of interview participants mentioning the theme) |
|---|---|
| Challenges | Negative responses (6) |
| | Lack of Control (6) |
| Addressing challenges | Post carefully (6) |
| | Restrict usage (7) |
| Strategy considerations | None |
| Uses and objectives | Communication (11); Advertising (8) |
| | Inexpensive advertising (5) |
| | Increased sales, revenue, or profit (8) |
| | Marketing and promotion (7) |
| | Increased business awareness (4) |
| | Update products (3) |
| Outcomes | Feedback (6) |
| | Increased sales, revenue, or profit (6) |
| Direct reward | Company rewards (6); Customer rewards (6) |
| | No or a small reward program (6) |
| Gains | Increased Sales, Revenue, or Profit (9) |
| Altruism/welfare | Community support (7) |
| | Charity donations (4) |
| Expected reputation or influence gain | Increased business awareness (7) |
| | Feedback (4); Communication (4) |
| | Facilitate supplier relations (4) |
| Anticipated reciprocity | More traffic (3) |
| Improvements | None |

## TABLE 5
## THEMES IN QUESTIONNAIRE PARTICIPANTS' RESPONSES

| Categories | Themes (number of interview participants mentioning the theme) |
|---|---|
| Challenges | Negative responses (4) |
| | Targeting correctly (5) |
| | Security and privacy (4) |
| Addressing challenges | Post carefully (6) |
| Strategy considerations | Targeting correctly (5) |
| Uses and objectives | Communication (6); Advertising (6) |
| | Increased sales, revenue, or profit (8) |
| | Marketing and promotion (5) |
| | Increased business awareness (4) |
| | Update products (3) |
| Outcomes | Feedback (3) |
| | Increased sales, revenue, or profit (3) |
| Direct reward | Company rewards (7); Customer rewards (4) |
| | No or a small reward program (4) |
| Gains | Increased sales, revenue, or profit (7) |
| | Increased business awareness (5) |
| Altruism/welfare | Community support (6) |
| | Charity donations (3) |
| Expected reputation or influence gain | Increased business awareness (4); |
| | Feedback (3); Communication (3); |
| | Increased sales, revenue, or profit (5); |
| | More customers (6); Recommendations and referrals (3) |
| Anticipated reciprocity | None |
| Improvements | Customer focus (3) |

**Analysis of Website Texts**

The third data source were 13 website texts and recorded keywords and ideas. Information provided on the websites were also recorded. The information included various lists, such as a list of products and services offered, as well social media links, testimonials, and blogs. The number of websites that mentioned an idea or having a particular type of information was then determined. If at least four of the websites mentioned the same idea or included the same kind of information, that idea or kind of information was considered to be a theme.

Analysis of website texts revealed several ideas and kinds of information shared by at least four websites. The most common idea mentioned was the theme of *marketing*, which appeared on 12 sites. Eight sites referred to *customer or consumer*, seven referred to *brand or branding*, seven referred to *advertising*, six emphasized *value*, and four each mentioned *communication, selling or sales, strategy*, and *social media*. Kinds of information that were on at least four of the websites included *lists of products and services, lists of clients, lists of industries served*, and *team member profiles*. Additionally, four of the websites included *blogs*, and nine included one or more *social media links*. These included links to Facebook, Twitter, and LinkedIn. These themes are used in addressing the study's overarching research question later in this chapter. Table 6 shows a summary of the codes and themes that were revealed in the website texts.

**TABLE 6**
**CODES AND THEMES IN WEBSITE ANALYSIS**

| Codes | | |
|---|---|---|
| *Ideas* | | |
| Advertising | Customer or consumer | Brand or branding |
| Clients | Communication | Emphasis on value |
| Feedback | Goals | Loyalty |
| New customers | New leads | Online presence |
| Reputation management | Rewards for customer | ROI of profit |
| Selling or sales | Social media | Strategy |
| Target | | |
| | | |
| *Also present on website* | | |
| List of clients | List of products/services | List of industries served |
| Blog | Testimonials | Social media links |
| Team members' profiles | Pricing information | |
| | | |
| Themes (number of sites) | | |
| *Ideas* | | |
| Customer or consumer (8) | Marketing (12) | Advertising (7) |
| Brand or branding (7) | Emphasis on value (6) | Communication (4) |
| Selling or sales (4) | Strategy (4) | Social media (4) |
| | | |
| *Also present on website* | | |
| | | |
| List of clients (8) | Team member profiles (7) | List of products/services (12) |
| Blog (4) | List of industries served (4) | Social media links (9) |

## Results for the First Research Subquestion

Results of the study are organized by research questions. This section reports the results for the first research subquestion. The next section reports the results for the second research subquestion. The third results section reports the results for the overarching research question.

The study's first research subquestion was the following.

*RQ1: What are the problems and challenges small businesses experience in their attempt to develop effective methods for using social media as a management tool?*

To answer this first research subquestion, the themes resulting from the analysis of the interview participants' responses are identified first. These themes were used to help answer the research question. The themes resulting from the analysis of the questionnaire participants' responses are then identified and applied to answering the research question.

## Analysis of Interview Responses

The first phase of the data collection involved face-to-face interviews. These two questions asked interview participants to state the challenges they encountered in using social media marketing for their companies. Two themes were identified in the participants' comments.

*Theme 1: Negative Responses*

Six interview participants mentioned the challenge of receiving negative responses from their social media audience. Therefore, the *negative responses* emerged as a theme from the interview participants' responses. These six participants complained that they had received a considerable amount of negativity from individuals who accessed the company's social media postings. Participant IP12 suggested that he

felt that negative comments on social media had hurt his company, commenting, "I have experienced more negative feedback than positive feedback. Social media is full of inaccurate information and rumors and does not do good for our company." When asked about the company's gains from using social media, participant IP12 further remarked, "More trouble than when we didn't have it."

Participant IP9 mentioned getting "overwhelming" negative feedback on posts that had been made in error. She also commented, "The information turnover is pretty much quick, so information gets passed so quickly that any mishap in communication can have like a snowball effect and have a great reach and impact." Participant IP7 commented that the information "can make your company go down in a minute."

*Theme 2: Lack of Control*

A second theme that emerged is *lack of control*. This theme refers to the circumstance that social media channels are open to any individuals who can make posts, and what they say cannot be controlled by a business. Participant IP7 commented, "The first challenge when it comes to social media is that there should be some guidelines and control on social media across the board. It belongs to everyone, so no control." Participant IP2 stated, "Social media is too wide and confusing, and you wonder where to start from. It is not easy to control the content that goes in and out of social media." Participant IP4 agreed with this assessment, stating that it was "Not easy to control contents and participants."

One significant challenge for marketing companies making use of social media is dealing with *negative responses*. This finding is in agreement with the claim by Mahajan (2015) that if misused, social media can have a negative impact on a business and may even destroy its reputation. One factor that may increase this problem is the instantaneous transmission nature of social media, with users able to spread ideas quickly. Participant IP9 expressed this aspect in referring to quick sharing of information that can have "a snowball effect and have a great reach or impact." The themes of *negative responses* and lack of control may be related by the circumstance that because they are unable to control audience reactions to their social media posts, businesses may receive negative responses from individuals who read the posts.

## Analysis of Questionnaire Responses

The questionnaire participants' responses to two questions provided an answer to the first research subquestion. The two questions asked questionnaire participants to state the challenges they encountered in using social media marketing for their companies. Three themes emerged from participants' comments.

Negative responses from their social media audience was an emergent theme. Four questionnaire participants mentioned that receiving *negative responses* from their social media audience was a challenge. Participant QP8 mentioned that, "Rampant negative responses and a few positive in some and constant sharing of irrelevant ideas and news" was a challenge. In addition, participant QP11 complained about dealing with negative feedback from customers. Participant QP5 talked about receiving negative as well as positive responses, referring to the negative response of getting blocked by others online.

A second challenge for small business owners is that there are many social media audiences and it can be challenging to know which one is best to target. The theme *targeting correctly* captured this challenge by five questionnaire participants. When asked about the challenges, Participant QP4 referred to the challenge of the breadth of tools and options in the social media category and the knowledge of how to use each successfully given a particular goal. Participant QP8 remarked, "Different audiences have different preferences and it is not easy to know if you are offering the right product to the right people."

Responses to questions about the challenges small companies face in using social media suggest that a main problem is selecting which of the various social media sites have an audience that is appropriate for the company's marketing efforts on social media. It is understandable why the different audiences in social media would be a challenge to small business marketers because different social media outlets tend to cater to different kinds of audience. For example, choosing Facebook for marketing purposes may result in reaching a much different audience than choosing LinkedIn. There are also different generations that use social media for different purposes. Bolton et al. (2013) noted the importance of businesses understanding the subsets of usage patterns of just one generation, Generation Y.

Questionnaire participants' responses to questions about challenges they face in their use of social media also indicated that *security and privacy* was a main challenge in their use of social media. Security, privacy, or both were mentioned by four questionnaire participants. For example, when asked about social media challenges, participant QP10 commented, "Most people are still skeptical sharing on social media. Security of your content on social media is not guaranteed." Participant QP6 referred to having the challenge of a "lack of privacy policy and guidelines."

Security and privacy are ongoing concerns in online activities, including usage of social media. Antheunis et al. (2013) noted that individuals had privacy and security concerns about social media use in regard to talking about their medical circumstances online. One security and privacy concern individuals may have in using social media sites is the use of their personal information by service providers (Heyman et al., 2014). Mahajan's (2015) claimed that if misused, social media can have a negative impact on a business and may even destroy its reputation. One factor that may increase this problem is the instantaneous transmission nature of social media, with users who can spread ideas quickly.

## Results for the Second Research Subquestion

The second research subquestion for this study was the following:

***RQ2:*** *How can small businesses make effective use of social media in terms of (a) a direct reward, (b) an expected gain in reputation and influence on others, (c) altruism, and (d) an anticipated reciprocity?*

This research subquestion examined Emerson's (1976) social exchange theory as applied to small marketing firms' use of social media. The social exchange theory considers four reasons why individuals engage in a social exchange: (a) direct reward, (b) an expected gain in reputation and influence on others, (c) altruism, and (d) anticipated reciprocity on the part of others (Ward & Berno, 2011).

To answer this research subquestion, the themes emerging from the analysis of the interview participants' responses are discussed first. Second, the themes resulting from the analysis of the questionnaire participants' responses are identified. In each case, the findings of the analysis are used to answer the second research subquestion.

## Analysis of Interview Responses

Interview participants' answers addressed how companies use of direct reward in social media may increase their effectiveness. Responses about gains and outcomes were also relevant to the issue of direct reward. Three themes reflected in the interview participants' responses were: *company rewards, customer rewards,* and *no or small direct reward program.*

The comments of six interview participants reflected the theme of *company rewards* that result from social media use. Interview participants' comments suggested that *customer rewards programs* are a form of marketing. Participants mentioned their businesses receiving the rewards of customer loyalty and retention, customer referrals and recommendations, matching their competitors, and gaining customer information. Participants' replies to other questions also indicated rewards companies gained from social media. These outcomes included *increased sales; more customers, followers, and website traffic;* and *increased business awareness,* all of which were mentioned as outcomes or gains by participants.

Interview participant IP4 mentioned several direct rewards that resulted from the use of social media. She stated, "Recommending our products, reaching out to our customers, marketing new products." Interview participant IP3 remarked, "Yes, we did in a way *gain direct reward* by giving loyal customers some incentive. Also, by rewarding returning customers and matching our competition."

*Customer rewards* was a second theme about direct reward. Six interview participants mentioned customers receiving various types of rewards, including incentives based on loyalty, incentives gained from completing challenges, and discount coupons. For instance, Participant IP1 stated, "How we normally do it, you can give challenges to the audience, maybe come up with what you want them to participate in then you reward the person who does best. You make people vote then you reward by

giving them a product, a free service of what you do, a discount on a service, or if you have some extra money to give, you can do it in terms of monetary value; like a voucher, or cash, or gift cards."

Some interview participants did not refer to either company or customer rewards when responding to questions about direct rewards. Their comments suggested a third theme about direct reward, which was having *no or a small direct reward program*. Six interview participants reported having no program at the time, planning a program, or having "not much" of a program. Participant IP8 stated that direct reward had not been implemented yet for his company. Participant IP2 commented, "We are planning to use direct rewards to give offers to customers. And, also as a way of collecting customers' information."

Regarding reputation and influence gain from use of social media, interview participants were asked how small business could make use of social media for an expected gain in reputation and influence on others and how they had used social media for an expected gain in reputation. Participants were also asked how they had been able to use social media to promote the influence of their company to others, such as customers, competitors, suppliers, and society in general. Interview participants' responses to these questions reflected four themes.

Increased business awareness was a theme reflected in seven of the interview participants' responses. Participant IP3 remarked, "Many customers now know what we are doing, and we have noticed many customers are checking our websites. Participant IP11 agreed that remarking that social media helps his website and products become "known to the outside world."

The theme *facilitate supplier relations* was found in four of the interview participants' responses to questions about expected promotion of influence. Participant IP8 commented, "Customers are happy. Suppliers are satisfied. Society knows about us." Participant IP9 remarked that suppliers have "confidence in working together as a result of social media ratings."

*Communication* was a theme reflected in four of the interview participants' responses when asked them how they had been able to use social media to promote the influence of their company to others. The participants commented about communicating with customers, suppliers, and competitors. Participant IP3 commented, "Social media has created a two-way communication with our customers. Our customer service has improved. Most of our customers are active users. Social media is perfect for most customers, suppliers, and competitors. Participant IP6 mentioned that use of social media enabled "*Easy communication with suppliers and customers.*"

A fourth theme found about gaining in reputation and influence was *feedback*, which was mentioned by four of the interview participants. Participant IP3 said, "We expect other users to give us positive feedback which will help us in promoting our brands based on experience." The finding that both *communication* and *feedback* were themes in interview participants' responses to questions about gaining reputation and influence suggests that the communication and feedback businesses receive from social media help them increase their reputations and influence.

Interview participants' responses about altruism and how their company used social media for welfare formed the category of *altruism/welfare*. Analysis of participants' responses to these questions revealed two themes: *community support* and *charity donations*. Seven participants mentioned types of *community support* their companies provided using social media, which includes sponsoring community events, offering opportunities for volunteers, making public announcements, mobilizing the community for wellness, doing volunteer work in the community, and providing links to charitable organizations. Participant IP3 commented that his company had, "Planned social events in the community, became co-sponsors of community events. We also became more actively involved in the community."

Four interview participants mentioned providing donations to charitable organizations, revealing *charity donations* as a theme in interview participants' responses. Participant IP8 responded, "Donations to the community charities. Posting events coming up in the area and sponsoring local events." These results revealed that a considerable number of participants' small businesses used social media to provide donations to charitable organizations and support the community. Such use of social media may be effective for altruistic actions such as sponsoring and promoting community events because of social media's potentially wide reach. When disasters occur in a community, business use of social media to advertise for volunteers, donations, or other assistance may provide considerable help in strengthening the

community's response. Altruistic efforts by businesses using social media also may benefit the business by improving its reputation in the community. When a business benefits from the community in exchange for receiving mutual benefits illustrates Emerson's (1976) social exchange theory.

Analysis of interview participants' responses to questions about anticipated reciprocity revealed one theme, which was *more traffic*. Three interview participants mentioned this idea in their responses. Participant IP11 mentioned, "I also get good traffic coming from other sites to my website because of signing up with affiliated programs from those other sites, so the visitors get to hit my site in the process. Increases product traffic and productivity for our company."

Other types of anticipated reciprocity mentioned included feedback, customer retention, increased sales, revenue, or profit; and recommendations/referrals. However, none of these ideas was mentioned more than twice in the interview participants' responses; thus, they did not emerge as themes.

Analysis of participants' responses provided an answer to the second research subquestion asking how small businesses can make effective use of social media in terms of (a) a direct reward, (b) an expected gain in reputation and influence on others, (c) altruism, and (d) an anticipated reciprocity. Regarding direct reward, the analysis resulted in three themes: company rewards, customer rewards, and no or small direct reward program. Combining the first two themes suggests that an answer to the second research subquestion regarding direct reward is that businesses can make use of social media effectively for direct rewards by providing rewards and reward programs to their customers and visitors. Providing such direct rewards may lead to rewards for the business as a form of social exchange (Emerson, 1976).

The analysis of the interview participants' responses to the second research subquestion suggested that the firm's reputation and influence can be positively impacted from the effective use of social media through *increased business awareness*. This may include awareness of the business itself, its products or services, and its brand or brands. A business also can use social media for increasing *communication* with customers and potential customers and for gaining *feedback* relevant to their business.

An analysis of participants' responses regarding altruism indicated that small businesses can make effective use of social media by providing *community support* and *charity donations*. Community support may include efforts such as sponsoring community events, doing volunteer work in the community, and providing public announcements and links to charitable organizations. By engaging in community support activities and donating to charities, the business may build its reputation in the community, as suggested by Emerson's (1976) social exchange theory. Regarding the response related to anticipated reciprocity, small businesses that use social media can anticipate the reciprocity of creating *more traffic*. By producing increased traffic, small businesses may be able to increase the positive effects of their social media efforts. The increased traffic may lead to increased sales and revenue for the business.

**Analysis of Questionnaire Responses**

The second research subquestion asked how small businesses can make effective use of social media in terms of four issues: direct reward, expected gain in reputation and influence, altruism, and anticipated reciprocity from others. Questionnaire participants' responses to about how their companies were able to use direct reward in social media were analyzed. Two themes emerged from the responses.

One theme was *company rewards*, which was reflected in the comments of seven participants about direct rewards. Participants mentioned rewards of customer loyalty and retention, gaining new customers, customer referrals and recommendations, business awareness, and distinguishing the company from the competition. Participants' replies to other questions, especially about outcomes and gains, also indicated rewards companies gained from social media. These gains included *increased sales and revenue, customer loyalty, more customers,* and *network coverage,* all of which were mentioned as outcomes or gains by questionnaire participants. Participant QP10 mentioned that social media was, "Good for informing customers about your business. Can be used for attracting new customers." Participant QP1 commented, "Direct rewards have attracted loyal customers, and that can lead to management decreasing the advertisement costs and diminish the impact of price sensitivity. Additionally, a high level of customer rewards results in recommendations through positive word-of-mouth."

Questionnaire participants mentioned customer rewards including discount coupons, personalized service, incentives gained from completing challenges, incentives based on loyalty, helpful content, and providing personalized service to customers. For instance, participant QP3 commented, "Give challenges and reward the audience; that way it entices people's involvement on shared posts." The comments of four questionnaire participants indicated that they did not have a direct reward program or had a small program. Thus, the theme of *no or small direct reward program* emerged from the questionnaire participants' responses. For example, participant QP8 said, "We have never used direct reward with our customers, and I think it's about time we try."

Regarding expected increase in reputation and influence, six themes were found in the questionnaire participants' responses. *Increased business awareness* was a theme directly related to a company's gain in reputation and influence. This is because increases in awareness also may increase the reputation and influence of the business. Participant QP5 also remarked that a beneficial result of social media was that her company "created more awareness in what we offer."

A second theme was in the responses of questionnaire participants to questions about increased reputation or influence was *more customers*. An increase in customers may be a sign of a business having an increased influence in the market with a possible increase in market share. Six questionnaire participants mentioned the idea of *more customers*. Participant QP10 remarked, "More customers got attracted to our services." Participant QP3 commented, "Got more customers and returning customers."

When they were asked about gain in reputation or influence, five questionnaire participants indicated the idea of *increased sales, revenue, or profit,* which was a third identified theme within questionnaire participants' responses. For instance, Participant QP8 responded, "Increased recurring sales from the returning customers." Participant QP2 remarked, "More customers, more sales, more inventory out of the door, and more revenue and instant growth over time and prosperity of business."

Two other themes from the questionnaire participants' responses to questions about gains in reputation and influence were *communication* and *feedback*. Three questionnaire participants mentioned *feedback*. Participant QP2 referred to receiving "instant positive feedback, which helps us improve." Participant QP7 remarked, "We have improved our services based on the feedback from customers."

The theme of *communication* was mentioned by three questionnaire participants when they were asked how they had been able to use social media to promote the reputation or influence of their company to others. Participants commented about communicating with customers and competitors. Participant QP9 commented, "customer improved communication channel." Participant QP8 spoke of "networking with other customers and competitors."

Finally, a sixth theme that emerged from the questionnaire participants' responses to questions about the expected gain in reputation and influence was *recommendations and referrals*. Participant QP8 referred to, "More referrals from customers who love our products and the positive experience."

Participants' responses to questions about altruism and welfare revealed two themes: *community support* and *charity donations*. Six participants mentioned types of community support: participating in community activities, helping when needed, providing public announcements, promoting small business in the community, and leading by example. For example, in response to being asked how businesses can make use of social media for altruism, participant QP6 stated, "Creating services that may improve others. Be an example to the community by becoming good leaders who lead by example." Participant QP3 commented, "participating in community activities and help when there is a catastrophic need."

Three questionnaire participants mentioned *charity donations*, which was a second identified theme in their responses. Participant QP7 commented, "Gave out rewards to the local charity to improve the quality of life for all citizens." Participant QP2 stated, "Sharing profits with the local church, soup clinics, donating to the local homeless shelter."

The responses suggested that the use of social media by small businesses to support the community and charities is advantageous. Due to the potentially wide reach of social media, such altruistic efforts may have a substantial effect. In the case of a disastrous event such as a flood, the use of social media to provide information and advertise for volunteers and donations may be especially valuable. Such altruistic

efforts toward the community also may benefit the business, providing an example of Emerson's (1976) social exchange theory at work.

In their responses to questions about anticipated reciprocity, participants mentioned several ideas, including feedback on how to improve, business and employment inquiries, and forming a bond between the company and customers. However, the participants did not mention the same idea as many as three times. Therefore, no themes were identified in their responses to questions about anticipated reciprocity.

Analysis of participants' responses to questions asking how small businesses can make effective use of social media regarding direct reward, expected gain in reputation and influence on others, altruism, and anticipated reciprocity from others provided an answer to the second research subquestion. The themes of *company rewards* and *customer rewards* were identified. These themes suggest that an answer to the question of how businesses can make effective use of social media in terms of direct reward is to provide *customer rewards* to website visitors and gain *company rewards* such as customer loyalty and retention, new customers, referrals and recommendations, and business awareness.

The question referring to how businesses can make effective use of social media in terms of an expected gain in reputation and influence generated six themes. These themes suggested that businesses can make effective use of social media to gain *increased business awareness; more customers; increased sales, revenue, or profit; recommendations and referrals; communication;* and *feedback.*

Participants' responses about altruism revealed two themes for how businesses can use social media effectively: *community support* and *charity donations.* By providing *community support* and *charity donations*, businesses may use social media altruistically while also increasing the business's status as an asset within the community. No themes emerged from the anticipated reciprocity from others. The responses did not provide any thematic answer to the fourth part of the second research subquestion.

**Results for the Overarching Research Question**

The overarching research question for the study was, "How can social media be used as an effective management tool for small businesses?" To answer this question, it is valuable to understand the ways the interview participants reported using social media. Responses to questions about their uses and objectives for social media reflected several themes that revealed how the participants made use of social media in their businesses. The first theme cited was *communication*, which was mentioned by 11 interview participants. Participant IP3 remarked, in response to the question about uses and objectives, "Our company uses social media mostly for communication and advertisement purposes. It is the easiest way of connecting with our suppliers and customers. The main purpose why our company uses social media is to connect with other people and promote our services. I want to say, it is the most widely used method of communications and advertisements."

The second theme was cited by eight participants who indicated that they used social media for *increased sales, revenue, or profit.* For example, Participant IP7 remarked, "more income generation.... to generate more income." Participant IP8 commented, "Customers find it easy to connect with us, instant feedback, more sales, and profit." Eight participants mentioned *advertising* when reporting on their uses and objectives for social media.

The third theme that emerged from another eight participants was *increased sales, revenue, or profit* when asked about the gains they had received from using social media. Participant IP2 responded when asked about gains, "We have been able to gain more revenue from social media marketing. Our sales have increased in all areas." Seven interview participants referred to *increased business awareness* when asked about expected reputation or influence gain.

Regarding advertising, five of the interview participants also mentioned that advertising was inexpensive on social media. Therefore, *inexpensive advertising* was the fourth theme under uses and objectives. For example, participant IP6 stated about uses and objectives of using social media, *"run targeted ads with real-time results at a lower cost."*

A fifth theme, *marketing and promotion,* was present in the responses of seven interview participants to questions about uses and objectives. For example, participant IP10 mentioned using social media to, Market our products, look for more sales, means of communication with customers and advertisement.

A sixth theme reflected in interview participants' responses was *increased business awareness*. Four interview participants mentioned this idea. For example, participant IP1 mentioned using posts "to create awareness of the existing business." Participant IP4 remarked that use of social media "creates awareness of what is going on."

The seventh theme from the three interview participants was *update products*. Participant IP1 commented about social media, "In my company, we use social media to advertise our products and services. We also use it to update any new product coming in, or we expect to receive." There was one exception to the finding that interview participants were generally positive about social media. When asked about the challenges of using social media, Participant IP12 remarked, "As I said earlier, I have experienced more negative feedback than positive feedback. Social media is full of inaccurate information and rumors and does not do good for our company." When asked about gains from using social media, IP12 later responded, "more trouble than when we didn't have it."

Participant IP1 spoke of mixed returns from social media use: "I would say we have different seasons in the year, so the outcome so far, we experienced low and high returns based on the advertisements. So, there are periods that we had good returns, high returns, and there are seasons we had low returns where you plan, advertise, make let's say an event, but you end up losing."

Six participants indicated that it was important to *post carefully*, which referred to being careful about what is posted on social media and where it is posted. For the guidelines for social media marketing, participant IP7 commented, "All the information posted must be verified before it goes public." Participant IP10 added, "Post only what is important." Posting carefully also may help reduce the challenge of *lack of control*, which was another theme found in participants' responses about challenges. Interview participants specified several ways of taking care in posts, including checking for accuracy and checking that the post is made on the correct channel or forum. From these comments, it appears that taking care in posts can be an important ingredient in effective use of social media.

Seven interview participants mentioned this way of addressing challenges. These participants commented on several types of restrictions. One type of restriction mentioned was to limit those who can use social media in a company by authorizing only one or a few people to make social media posts. Another restriction was to use social media only for business purposes and not for personal communication. When asked how his company addressed challenges, participant IP5 commented, "Restrictions on the usage. Appointed one person as social media correspondent." Participant IP7 remarked, "Directed the usage to one department so we have more control and can answer customers' queries without any delay."

The interview participants' suggestion to *restrict usage* is understandable because companies may receive negative responses to postings by employees who are not qualified to determine appropriate content or who post on the wrong social media channel. Restricting usage to only authorized employees trained in appropriate posting may minimize negative responses. Additionally, limiting social media usage to certain channels that are well understood may reduce the likelihood of posting inappropriately.

Participants indicated that paying close attention to the *feedback* the company receives from customers and followers is a strategy that may help small businesses use social media as an effective management tool. Six participants referred to receiving various kinds of feedback, including "good," "positive," and "negative." Participant IP11 commented, "I get really good feedback. It helps me craft a better way of presenting my products and my services. Participant IP12 said, "For the time I have been with this company, I have seen more negative feedback. And a lot of criticism about our products and services by our customers and competitors."

Participants' comments indicated that positive feedback helped businesses to know that their social media efforts were appreciated. At the same time, negative feedback may provide an opportunity for a business to learn and improve. Attending to and learning from feedback, both positive and negative, may help businesses to use social media effectively. The two themes *charity donations* and *community support* were reflected in interview participants' responses to questions about altruism and welfare suggest. By using social media to help them be a good neighbor in the community, businesses demonstrate to actual

and potential customers that they are not focused only on gaining sales and revenue. They may build goodwill and increase their reputation by performing altruistic actions sincerely.

*Summary of Analysis*

The analysis above suggests that small businesses can use social media as an effective management tool by attending to several matters. These are to:

- Take care in their online posts, including ensuring the accuracy of their posts and posting in an appropriate online location.
- Restrict social media usage by assigning social media responsibilities to one or a few people or departments.
- Pay close attention to both positive and negative feedback to help guide social media efforts.
- Develop a customer rewards program to help increase customer retention and interest.
- Support the local community in various ways, including donating to charitable organizations.

**Analysis of Questionnaire Responses**

Questionnaire participants' responses to questions about uses and objectives and outcomes of social media reflected several themes. Six questionnaire participants mentioned using social media for *communication*. This use included communicating with customers and followers. Participant QP1 stated, "Share content faster and easier, communicate with your community and followers, advocate and appeal to your followers." Regarding the question about outcomes, participant QP1 added, "The communication and interaction improved with key audiences. Important feedback received from clients. Made communication more healthy and fast."

Eight questionnaire respondents indicated they used social media for *increased sales, revenue, or profit.* Participant QP2 remarked, "To increase sales. To attract a wider audience and spread out into new markets." Six participants referred to using social media for *advertising*. A fourth theme, *marketing and promotion,* was reflected in the responses of five questionnaire participants. For example, participant QP4 stated, "Business accounts used for client promotion, to achieve client business goals.... Brand promotion.... We use social media to promote our company culture."

A fifth theme reflected in responses about uses and objectives was *increased business awareness.* Four questionnaire participants mentioned this idea. Participant QP8 said, "To increase awareness about my company. To increase awareness about my company and make a profit. To be more competitive amongst other companies." *Update products* was the sixth theme that emerged from the participants' responses to questions about uses and objectives. Participant QP8 remarked, "We use social media to advertise our products and services. We also use it to update any new product coming in, or we expect to receive."

Generally, questionnaire participants' views of social media were positive, with 10 of the participants indicating such a view. Participants' positive views about social media were especially exhibited in themes found in the categories of uses and objectives, outcomes, gains, direct reward, and reputation/influence gain. Additionally, seven questionnaire participants talked about receiving *company rewards* when they were asked about direct rewards. Six questionnaire participants commented on gaining *more customers* when asked about expected reputation or influence gain. Participant QP10 remarked, "More customers got attracted to our services." One exception to the finding that questionnaire participants were positive about social media may have been a participant who spoke of mixed returns.

In response to questions about addressing challenges, six questionnaire participants emphasized that it was important to *post carefully.* Participant QP6 remarked, "Stay focused, open-minded, and transparent, checking the content before posting and staying in your lane." Participant QP8 remarked, "Only share about business, and what they do as a company." The emphasis on being careful in posts is understandable because by taking care in the content and placement of posts, small businesses may avoid negative responses by their readers on social media. Questionnaire participants talked about making customer friendly posts and checking for accuracy before posting.

Some questionnaire participants' comments showed they were aware that some different social media channels reach different audiences. Knowing which ones are right for the audience a business wants to target may be an important key to using social media successfully. The theme *targeting correctly* was reflected in five questionnaire participants' responses to questions about what should be considered when developing social media strategies. Questionnaire Responder 10 commented, "Use only social media channels that target your customers."

Such comments reflecting the theme of *targeting correctly* indicated that the participants believed that it is important for businesses to have a clear idea of the audience they want to reach, and which social media channels would be best for reaching that audience. The theme of *targeting correctly* addresses the challenge of knowing which audience to target. By determining what should be the target of marketing, advertising or brand development efforts, the social media marketer is better able to deal effectively with the challenge of knowing which audience to target.

Five questionnaire participants' responses to questions about outcomes and expected reputation or influence gain revealed the theme of *feedback*. By attending to the feedback they received from their posts and other social media efforts, small businesses may be able to determine how well they are doing in those efforts and correct some mistakes they may be making.

Questionnaire participants' responses to questions about direct reward reflected the themes of *company rewards and customer rewards*. A comment by participant QP1 reflected both themes and suggested that providing rewards to customers may result in rewards to the business: "Direct rewards have attracted loyal customers, and that can lead to management decreasing the advertisement costs and diminish the impact of price sensitivity. Additionally, a high level of customer rewards results in recommendations through positive word-of-mouth." This finding suggests that providing rewards to customers may be an effective way for small businesses to use social media. Rewards may take the form of various incentives. Questionnaire participants referred to coupons and rewards for online challenges.

The themes of *community support* and *charity donations* were reflected in questionnaire participants' responses to questions asking about altruism and welfare. This finding suggests that supporting the community may be an effective way for small businesses to use social media. Reaching out to the community by performing actions such as sponsoring local events, volunteering, or donating to charities may enable a business to increase its reputation in the community, which may in turn help increase customers and sales. However, participant QP1 claimed that a business should provide donations or rewards for truly altruistic reasons and not because the owner expects reciprocation from others. This questionnaire participant commented, "When small businesses are giving rewards or donations effort, it should be done without expectations of reciprocity. Altruism is a powerful force for effective leadership."

In summary, analysis of questionnaire participants' responses to several questions provided an answer to the overarching research question by suggesting several ways small businesses can use social media as an effective management tool. The thematic analysis indicates that these ways are to:

- Take care in making online posts.
- Target social media efforts to the right audience.
- Pay close attention to feedback to help guide social media efforts.
- Develop a customer rewards program.
- Support the local community and donate to charitable organizations.

**Analysis of Website Texts**

The third phase of the data collection involves website analyses. The texts of a sample of 13 business websites were examined to determine how they could help answer the study's overarching research question of how small businesses can use social media as an effective management tool. This third source of data was valuable for answering the overarching research question for two reasons. First, the websites can be considered a form of social media the businesses use to reach out to customers and potential customers. Second, it is likely that the businesses tried to develop their website texts as effective ways to advance their business and management goals. Therefore, analysis of the texts might reveal some of the

ideas and tools that the businesses used in their social media efforts. The analysis of the website texts revealed 15 ideas that were mentioned on four or more websites and thus emerged as themes.

The first theme and the most prevalent of these shared ideas was *marketing* which was reflected in 12 of the 13 website texts. *Customer or consumer* was mentioned on eight websites, *advertising* was mentioned on seven, and *brand or branding* was mentioned on seven sites. These results indicate that many businesses were using their websites to make clear what kind of business they were in, which was predominantly *marketing*. The majority of businesses announced they were in the business of *advertising*, were focused on the *customer or consumer,* and were concerned with clients' *brand or branding.*

The second set of themes found on the analyzed websites included particular kinds of content that may be useful tools for small business websites in their social media efforts. These kinds of content included *lists of industries served, lists of products and services offered by the business,* and *lists of clients.* In addition, having a *list of clients* helped validate the marketing business because it showed that other businesses had been or were clients. Therefore, including such lists on marketing websites may be an effective way for small businesses to use social media.

The third set of themes were *emphasis on value, communication, strategy, selling and sales,* and *social media references.* All themes indicate ways the businesses used their websites as tools to clarify that their business focus was *marketing* and *advertising* to help other businesses in their efforts to further their *brands, strategy,* and use of *social media.* Thus, one way the small businesses can use the social media tool consisting of their website is to clarify what they can do for other businesses.

The fourth set of themes found on seven of the websites analyzed was *team member profiles,* and four of the websites had a *blog.* Having such profiles may help to personalize a website, leading visitors to be more attracted to the business. In addition, a well-kept blog may be an asset to a business in its social media efforts because it may provide useful information to a client or potential client that, in turn, may help legitimize the business and result in more sales. Finally, nine of the examined websites included *social media links* to their activity on sites such as Facebook, Twitter, and LinkedIn. Having such links may further legitimize a small marketing business in visitors' perceptions. They also provide existing and potential customers a way to contact the business and keep track of what is happening in the business.

The importance of small businesses creating a website that clarifies its products and services was noted by Kloefkorn (2018), who held that including such information should be a main element of constructing a business website. The value of a small business projecting its personality on its website was noted by Feldman (2015), who held that visitors prefer websites with a human face, which creates interest in the business, fosters trust, and gives website visitors a reason to return. One way to do this is by posting *profiles of the small business's employees,* including photographs and short biographical profiles, thereby giving a human touch the website.

In regards to an informative blog on a business website, Feldman (2015) claimed that a blog can generate traffic for the site, demonstrate legitimacy and authority, engage customers, and foster valuable exchange of information. When it comes to including social media links on the website, being present and linking to social media allows businesses to connect with visitors at lower costs because visitors promote the business through virtual word-of-mouth. Overall, the use of social media as a marketing tool is considered to be the most cost-effective way of marketing for small businesses (Hassana et al., 2015).

The analysis of website texts suggests that one way to use social media effectively as a management tool is to first *construct a website that clarifies the business's nature and goals.* A second way is to include a *list of products and services* that further clarify the nature of the business. A third way is to include a *list of clients,* which may help give confidence to other potential clients. A fourth and fifth way are to include *team member profiles* and to have a *blog,* both of which build legitimacy. A final way is to have a presence on popular social media sites and include *social media links* to those profiles, which may build legitimacy and provide other ways consumers can learn about and contact the business.

**Interpretation of the Findings**

Leaders of small businesses need to learn about their perceptions of the challenges, gains, and strategies associated with their business use of social media. Social media are powerful tools that are

increasingly used by businesses of all sizes, including small businesses with 10 or fewer employees. It is important for these businesses to have practical information about how to use these relatively new platforms effectively for advertising, marketing, increasing brand, and business awareness, communicating with customers and potential customers, and increasing their sales and profits.

## RQ1: Challenges to Effective Business Use of Social Media

The first research question asked what issues the participants found most challenging in making effective business use of social media. The findings for questions about challenges showed that the interview participants' comments reflected two main challenges: negative responses made by online visitors and lack of control. Regarding negative responses, Participant IP9 said, "any mishap in communication can have like a snowball effect and have a great reach and impact." In talking about lack of control, Participant IP7 remarked about social media: "It belongs to everyone, so no control."

Analysis of the questionnaire participants' responses revealed the challenges of negative responses, targeting correctly, and security and privacy. Participant QP8 referred to "rampant negative responses." Participant QP4 commented on the challenge of knowing how to use successfully the "breadth of tools and options in the social media category."

Dealing with negative comments by online visitors was a challenge mentioned by both interview participants and questionnaire participants. This finding corroborates the views of a few researchers concerning the business use of social media. One of those researchers, Mahajan (2015), maintained that social media can have such a negative impact on a business that it may destroy the business's reputation. Participant IP7 agreed with Mahajan's statement, saying that negative feedback from customers on social media "can make your company go down in a minute."

Icha and Agwu (2016) also maintained that a main challenge for businesses using social media consists of negative remarks by users commenting on business postings. The challenge arises because of the unique nature of social media. Marketing on social media reaches consumers also connected to several other social networks. Personal networks may include hundreds or even thousands of other people, and some social media sites allow users to broadcast their statements to even greater numbers of people. The result is that a consumer may immediately publish a review of a company or its products or services to millions of potential customers (Icha & Agwu, 2016). Because positive reviews may be very valuable, marketing companies typically attempt to develop online content that attracts the attention of their readers and encourages them to share the content with their social networks. However, a negative review may seriously damage a company's reputation if a disappointed consumer spreads negative comments to people on his or her online networks. Depending on the size of those networks, the detrimental effect of just one negative message may quickly get multiplied many times (Icha & Agwu, 2016).

The damage done by negative comments on social media can outweigh the benefits of any positive responses. Corstjens and Umblus (2012) found that negative social media ratings about a television company caused a 4.4 times greater sales decline than a sales increase caused by positive ratings. Negative ratings also had a relatively stronger effect on sales than positive ratings for a broadband services company, for which negative ratings showed a 10% decrease in new and renewing subscriptions, while positive ratings showed no effect. Participant IP12's reported experience provided evidence for such damage from negative ratings from consumers. Referring to the effect of the negative feedback on his business, Participant IP12 remarked that it "does not do good for our company."

Negative responses may arise from posting to the wrong online areas. Participant IP1 mentioned violating posting restrictions on Facebook groups and getting banned from groups. Schumann et al. (2014) stated that negative responses from users may arise from targeted ads that they object to. Negative responses may also arise from consumers' evaluations of product functionality and quality, the sourcing of products or ingredients, service quality, or concerns about the industry (Cortsjens & Umblus, 2012).

Both interview and questionnaire participants mentioned ways of responding to negative comments. Participants IP8 and QP11 talked about apologizing for a post that received unwanted feedback. Participant QP11 remarked that in response to negativity, her company "worked on the feedback and apologizing where necessary." Participant IP8 advised not to get into arguments with customers who may

get disgruntled by saying, "Avoid back and forth with customers while dissolving conflict." This remark was in agreement with Icha and Agwu's (2016) advice never to get into a word conflict with online users.

Interview participants mentioned two strategies that could help small businesses reduce the possibility of publishing posts that might result in negative responses. One strategy was to restrict social media efforts to making business postings only. Another strategy was to be careful in making posts to ensure that they are accurate. In developing a strategy for dealing with negative responses, Icha and Agwu (2016) suggested that social media managers appoint a damage control team to deal with the negative reception of any marketing effort that generates a public backlash. Such a team is needed because it is important for an organization to handle negative remarks on social media correctly. For small businesses, limiting the number of people in charge of social media efforts would amount to having such a team.

The comments of both interview and questionnaire participants revealed that a major challenge for businesses that make use of social media is negative comments and evaluations from users. Such comments may have very damaging effects on a business's success. The effective use of social media for small businesses involves effort to minimize the potential to receive negative responses and then having to deal with their effects. A second challenge in using social media was the business's inability to control what occurs on social media. Participant IP8 remarked that social media were "too wide to control effectively." Participant IP7 commented that social media "belongs to everyone, so no control."

The literature on social media provides some understanding of what it is about the nature of social media that may have led interview participants to report *lack of control* as a challenge. The reason is that in using social media, businesses are entering a much different marketing environment than is customary for traditional marketing efforts. Traditional advertising and marketing use one-way communication methods that target consumers with print, television, and radio advertisements. The social media environment differs because it encompasses two-way communication between businesses and consumers (Corstjens & Umblus, 2012). Consumers have a voice on social media that they lacked when companies used only traditional marketing. This new voice may lead consumers to provide negative product or service evaluations that may do damage to a business. The fact that businesses are subject to negative feedback from users is one reason that they may regret that they lack control of social media.

Social media may encourage consumer-to-consumer interactions as individuals can communicate and share almost instantaneously with one another their positive or negative assessments of companies, products, and services (Icha & Agwu, 2016). This ability amounts to consumers undertaking social media activities that are not paid for or induced by company efforts but are rather generated by consumers and their online communities. The consequence is that for companies to get positive results from their social media efforts, they must earn them from the public rather than pay for them financially (Corstjens & Umblus, 2012). Icha and Agwu (2016) stated that the social media environment makes consumers into a driving force in business, and companies must take that new power of the customer into account in their online marketing. Small businesses could use social media effectively by learning how to operate best in an environment in which they have less control than in a traditional marketing environment.

A challenge identified by questionnaire participants in this study was that of a business correctly identifying its target audience. Correct targeting was viewed as a challenge because of the breadth and complexity of the social media environment, with numerous different social media sites available for businesses to consider. These different sites may have different kinds of users, with different interests and needs. Participant QP8 mentioned the different types of audiences on different social media platforms, remarking, "It is not easy to know if you are offering the right product to the right people."

The finding that questionnaire participants believed that a challenge of using social media for small business is to target efforts correctly was in agreement with the findings of other researchers who indicated that social media includes a wide range of sites that serve different purposes and tend to attract different groups of users. Kaplan and Haenlein (2010) pointed out that there are numerous social media platforms, with new ones coming online every day. These options presents a problem for businesses because they cannot be on every one of those social media sites because they have a core business to run. The fact that companies must be active on the sites it chooses also restricts how many social media sites a business can take part in. Thus, choosing the right social media platform or platforms to engage in is very

important. Businesses should target group for the firm's message and understanding what needs to be communicated to that group. Choices should be made after understanding which social media platforms are frequented by the consumers the business wants to reach (Kaplan & Haenlein, 2010).

Companies should ensure that their business brand is represented on popular social media platforms that are aligned with consumers' needs and with the company's strategic goals (Killian and McManus, 2015). Bolton et al. (2013) pointed out that user age is one variable that can determine usage patterns on social media. Other variables related to the usage of particular social media sites may include differences in gender, interests, marital status, education, and profession. The popular social media sites of Facebook, Instagram, Twitter, LinkedIn, and Pinterest have different focuses, with different user make-ups, and with different purposes as a marketing tool (Berquist et al., 2013; Thompson et al., 2015). For instance, research by Hayes et al. (2016) showed that consumers tend to use Facebook and Twitter for different purposes. Whereas a higher proportion of consumers use Facebook for online relationships, Twitter users are more inclined to be information seekers. As a result, many individuals use Twitter as a utilitarian tool for gathering information, while they use Facebook as a tool for socializing with others (Hughes, 2012).

Businesses that use social media face the challenge of choosing the right audience among the abundance of social media platforms that serve different purposes and different audiences. To face that challenge, participants remarked on the importance of businesses being aware of the target they are trying to reach and choosing the right social media platform for reaching that audience. Participant QP3 advised, "Study your target market beforehand."

Another major challenge from the questionnaire participants was *security and privacy* concerns in social media. Participant QP11 talked about the challenge of "convincing people that social media is safe." Participant QP10 commented, "Most people are still skeptical sharing on social media. Security of your content on social media is not guaranteed." Users' distrust of the security presence in a social media site is important for businesses because distrust among customers or potential customers may lead them to avoid the site or be skeptical of any postings the business may make on the site.

That security and privacy are issues businesses face in using social media is corroborated in the literature. Users of social media are concerned about retaining their privacy and controlling information they share on social media sites (Hajli & Lin, 2014). The fact that users have privacy and security concerns about the use of their information online has been noted by Antheunis et al. (2013) and Heyman et al. (2014). The concern is social media sites typically collect volumes of information about their users. Sites may collect information about users' identity and other facts about them such as their interests and political leanings. This information may be shared with other organizations without the active consent of the user. After collecting the information, these organizations can use and further share the information with yet other organizations. Furthermore, the presence of their personal information on social media sites can make users susceptible to identity theft and various online scams (Hajli & Lin, 2014).

The privacy and security concerns revealed by the participants in this study can be addressed. First, it is important for social media sites to protect users' personal information. Doing so can increase users' trust in the social media platform (Hajli & Lin, 2014). Trust is important because degree of trust is linked to willingness to share information over social networks about a product or company (Botzenhard et al., 2013; Hayes et al., 2016; Hayes & King, 2014). User trust also increases when social media sites provide information to their users about how personal information they have shared gets protected.

Researchers have found that the predisposition to reveal information is correlated positively with trust (Benson, Saridakis, & Tennakoon, 2015). On social media sites, the trust that occurs between members linked in the network encourages them to disclose their personal information, and if users know how the site uses their information, they are more likely to post information. It is important for sites to reveal how user information is protected from malicious operators who may use theft, hacking, or other cybercrime acts to steal data that has been gathered by the social media sites (Benson et al., 2015).

To address the challenge to social media security and privacy, businesses need to make sure they only use social media sites where security is a high priority and that they inform their visitors of the site's reported safety policies. Addressing the challenge also requires social media platforms to ensure that

information the users reveal on the site is protected and that the site discloses any uses they may make of the information.

**RQ2: Direct Reward, Reputation/Influence, Altruism, and Reciprocity**

The second research question focused on participants' views on the use of social media in relation to four motivations underlying the social exchange theory. The theory maintains that people engage in a social exchange because they view the exchange as being personally rewarding based on their subjective evaluation of the benefits they may gain (Emerson, 1976). These four basic motivations for engaging in social behavior are the following: (a) direct reward, (b) expected gain in reputation and influence on others, (c) altruism, and (d) anticipated reciprocity on the part of others (Ward & Berno, 2011).

Thematic analysis of the interview participants' responses regarding direct reward revealed two themes: *customer rewards* and *company rewards*. Interview participants mentioned such company rewards as customer loyalty and retention, customer referrals and recommendations, matching their competitors, and gaining customer information. Customer rewards mentioned by participants included incentives based on loyalty, incentives gained from completing challenges, and discount coupons.

Analysis of the questionnaire participants' responses also showed the themes of *customer rewards* and *company rewards*. Company rewards mentioned by participants included customer loyalty and retention, gaining new customers, customer referrals and recommendations, business awareness, and distinguishing the company from the competition. Customer rewards mentioned by the participants included discount coupons, personalized service, incentives gained from completing challenges, incentives based on loyalty, helpful content, and providing personalized service to customers.

Questionnaire participants' responses about anticipated increases in reputation and influence from the use of social media revealed the five themes of *increased business awareness; more customers; increased sales, revenue, or profit; communication;* and *feedback*. These findings about expected gains in reputation and influence corroborate the findings of numerous other researchers about the rewards businesses may gain by using social media and what businesses can expect regarding gains in reputation and influence. Coleman and Heriot (2013) maintained that with appropriate use, social media can be a very powerful tool to help maximize business gains. Broekemier et al. (2015) stated that the use of social media for marketing can provide benefits to small businesses in the form of new customers, increasing interest in and awareness of the company, and an improvement in the company's reputation. Use of social media for marketing may result in improved sales, new sales leads, increased customer loyalty, greater public awareness, increased website traffic, and a reduction in marketing expenses. Social media also may allow a company to cultivate connections and form beneficial partnerships with other businesses and may result in the company achieving new insights about their marketplace (Icha & Agwu, 2016).

The findings showed that both interview and questionnaire participants reported a variety of rewards they had gained from social media use and expected gains in increased reputation and influence. These findings are significant considering research indicating that many small businesses resist the use of social media (Broekemier et al., 2015; Hassan et al., 2015) and that small businesses are at a disadvantage in comparison to large businesses due to having fewer resources (Stelzner, 2015). The results of this study suggest that many small businesses using social media are achieving a variety of rewards from their efforts and expect social media to result in various increases in their reputation and influence, illustrating Emerson's (1976) social exchange theory.

Regarding altruism, the analysis of the interview participants' responses revealed the two themes of *community support* and *charity donations*. Types of community support mentioned by participants included sponsoring community events, offering opportunities for volunteers, making public announcements, mobilizing the community for wellness, doing volunteer work in the community, and providing links to charitable organizations. The analysis of questionnaire participants' responses about altruism and welfare also revealed the themes of *community support* and *charity donations*. Participants mentioned support including participating in community activities, helping when needed, providing public announcements, promoting small business in the community, and leading by example.

These findings suggest that small businesses can make effective use of social media by providing donations to charitable organizations and supporting the community (Carroll, 1991). Businesses providing various types of community support and charitable donations is a form of corporate social performance (CSP), which includes activities that a firm undertakes that provide social benefits (Carroll, 1991). Cha, Yi, and Bagozzi (2016) stressed that companies are increasingly investing significant funds in corporate social responsibility activities. Large companies such as Starbucks and Delta Airlines are publicizing their socially beneficial efforts. These efforts can be beneficial to companies because when consumers perceive a link between a social cause and a brand, this perception increases the consumers' personal and social brand identification, which may strengthen the consumer's brand loyalty (Cha et al., 2016). While large companies use social media to support social causes (Cha et al., 2016), it is evident from the study that the same is true for small businesses. This indicates that smaller businesses may strengthen their brand among consumers who approve of those social causes.

Community-support efforts made on social media can have a considerable social value. A survey of over 1,000 individuals who used social media during a natural disaster in the South Pacific showed that they used social media to access informational posts about the disaster and that they often re-posted or re-tweeted this information (Taylor, Wells, Howell, & Raphael, 2012). In doing so, they acted as amplifiers of the information. The exchange of information and fostering of a sense of connectedness during the disaster were sources of psychological support and added to the community's resilience. While the social media postings that users accessed primarily were government-sponsored, the results from his study indicate that small businesses can post useful information to the public in the case of a natural disaster.

On the topic of altruism, both interview and questionnaire participants mentioned various ways they supported the community, including providing donations. Large companies are involved in socially worthwhile activities and that these activities may result in increased brand loyalty among consumers (Cha et al., 2016). Similarly, small businesses may not only benefit the community, but it may also strengthen their brand by performing socially responsible activities using social media.

The social exchange theory can be applied to people's anticipation of how an action is reciprocated by others, which is a main consideration when they are deciding whether to perform the action (Ward & Berno, 2011). Interview participants were asked to report how they anticipated their social media activities would be reciprocated by others. Participants anticipated that by using social media, they would gain increased traffic from website visitors. In terms of expected gains in reputation and influence, participants provided answers suggesting that by using social media, they anticipated *increased business awareness, facilitation of supplier relations, feedback,* and *communication.* Questionnaire participants were asked about anticipated reciprocity from using social media, but analysis of their responses did not reveal any themes. However, their responses to questions about expected gains in reputation and influence can be viewed as also pertaining to anticipated reciprocity, and those gains included several themes that were reported above.

If used effectively, social media marketing provides new customers and increases business awareness (Broekemier et al., 2015). Small businesses can anticipate such results because social media is popular, with sites such as Facebook continuing to grow (Seitz, 2015). Social media marketing messages can reach many potential customers and recipients may spread them to others in recipient networks (Icha & Agwu, 2016). Thus, small business can anticipate an increase in customers and business awareness based on effective use of social media as a marketing tool. These increases would reflect again Emerson's (1976) social exchange theory as online users respond to the information and opportunities businesses provide.

**Overarching RQ: Effective Small Business Use of Social Media**

Several themes that are relevant to answering the overarching research question emerged from the analyses of the interview and the questionnaire participants' responses. The first of these themes was to *post carefully.* To be careful in what and where posts are made in social media is a way small business can address the challenges of negative responses from users and *lack of control* of social media. *Posting carefully* by making sure the posts are accurate and not offensive and that they are not posted in restricted online areas can be considered an obvious best-practices approach in using social media. Inaccurate or

inappropriate posts may lead to negative comments by users, as was suggested by participants' comments. Besides, inaccurate or inappropriate posts may result in the lowering of the company's reputation.

The second theme was to *restrict usage* of social media. Interview participants restricted employee use of social media to business only, only allowing a few employees to post, and limiting which social media platforms were used. Felix, Rauschnabel, and Hinsch (2017) indicated that one main dimension of social media strategy consists of firms' decisions about who should be able to post on social media. The decision is made in different ways, ranging from restricting social media postings to only certain employees to having social media efforts distributed among various departments. Large companies may assign a social media director, as the federal government does for its departments (Mergel, 2013). Limiting who can post may minimize the possibility of mis-posts that can result in negative comments. To reduce negative comments, it is also important that clear guidelines are set for posting efforts.

A third strategy about using social media effectively was found in the questionnaire participants' responses about strategy considerations, which was *targeting correctly* to ensure that the business is reaching the audience it wants to reach. Correct targeting may require limiting the number of social media platforms used because different social media platforms may attract different audiences. Due to the great number social media sites available, a company cannot be on all the social media forums. Therefore, the business' leaders must choose which sites allow them to reach the consumers they hope to reach (Kaplan & Haenlein, 2010). The objective should be to find the social media platforms that are aligned with the business' strategic goals and consumer needs (Killian & McManus, 2015).

A fourth strategy for the effective use of social media was suggested by the analyses of both interview and questionnaire participants' responses about outcomes. Interview participants referred to receiving both "negative feedback" and "positive feedback." Questionnaire participants referred to "positive" and "important" feedback. The responses suggest that gaining customer feedback, whether positive or negative, may help improve social media operations and is another effective way small businesses may use social media. These findings illustrate the social exchange theory (Emerson, 1976) because consumer feedback can be a valuable outcome for the business in exchange for the business providing consumers with information about its products and services and opportunities for engagement.

Businesses now have access to more consumer feedback than ever before (Cader & Al Tenaiji, 2013). Bashar et al. (2012) recommended that marketers use consumer feedback to improve their business. Increased feedback in social media include having chat conversations with multiple users at the same time, collecting survey data from users, and making short posts on Twitter and then measuring the results (Mahajan, 2015). Developing online communities centered on brands can help the business gain feedback. Such communities may encourage greater brand trust and loyalty (Laroche et al., 2012).

A fifth strategy for the effective use of social media is to provide rewards to customers. The theme of *customer rewards* emerged from interview and questionnaire participants. Participants believed that such rewards helped engage users on social media and resulted in reciprocation in the form of more interest in and awareness of the business. Ashley and Tuten (2014) found that businesses that post frequent advertisements with incentives to participate experienced benefits. By giving incentives to encourage user involvement, the small business may increase customer satisfaction and loyalty (Brodie et al., 2013). Resulting interactions with consumers may help lead them to spread information about the business (Bashar et al., 2012). Providing rewards to customers may improve their relations with the business. As a result, users may be encouraged to reciprocate by referring the business to others (Hayes et al., 2016).

A sixth strategy for the effective use of social media is for *community involvement.* Both the interview and the questionnaire participants referred to various *community support activities* and *making donations to charitable organizations.* Individuals in the public who are aware of such altruistic actions by businesses may view the business as being more than a profit-making enterprise. Large companies are increasingly involved in socially directed activities (Cha et al., 2016), and smaller businesses can do likewise. Researchers found that larger companies that support a social cause can gain support from customers who perceive a similar link to that cause. This increased identification may then increase the consumer's brand loyalty (Cha et al., 2016). By publishing information and links about local community needs and activities on social media, the small businesses may help raise awareness of those needs and

activities. In the case of calamitous events, the business can augment the efforts of local governments and aid organizations by re-posting accurate information about the situation.

The findings from the analyses of interview and questionnaire participants' responses suggest several strategies for small businesses to make effective use of social media. The first strategy is to *take care in making posts*. Businesses should check posts for accuracy and appropriateness, and make sure to post on sites where the posts are welcome. Second, businesses may do well by *restricting the use of social media* by naming only a few people to make posts and limiting how many social media platforms they use.

The third strategy is to *target correctly*. Small businesses should decide on the audience they want to reach and determine which social media platforms can best reach that audience. Fourth, businesses may be wise to *pay close attention to feedback from their social media users*. Both positive and negative feedback can be useful in letting the business know if its social media efforts are succeeding and what they should be doing on social media. Fifth, small businesses can *increase interest and business awareness* by providing incentives for engagement to customers and potential customers. Finally, small businesses may increase their reputation, influence, and loyalty by *engaging in the local community and providing various kinds of community support.*

The third phase of the data collection involves the analyses of the websites text. A main finding from the analysis of website content was that the business *websites themselves were social media tools that helped clarify the nature of the business and its objectives*. The analysis also revealed that some websites included particular types of content that helped clarify the nature of the business and may have helped provide legitimacy to the business. These types of content were *information about the business' product and services, the kinds of industries they served, clients*, and *the business's team members*. Another type of content that four of the websites contained was *informative blogs*, which may have increased perceptions of legitimacy. Finally, most of the websites included *links to social media websites* on which they had a presence. These links provided additional methods to follow and contact the business.

Findings from the analysis of website texts were supported by Kloefkorn (2018), who held that including information about a business's products and services should be a main element of constructing business websites. Feldman (2015) held that businesses should humanize websites to foster trust, which can be done by posting profiles of the business's employees, and that having a blog can demonstrate authority. Hassana et al. (2015) supported having social media links by noting that using social media is a cost-effective way of marketing for small businesses.

Based on the analysis of the websites, the overarching research question can be answered. The effective use of social media by small businesses may be aided by constructing a business website that includes the following strategies:

- Clarifies the business's products, services, and goals.
- Includes lists of products and services offered, clients, and team members.
- Has an informative blog.
- Has links to the business's presence on other social media sites.

**Limitations of the Study**

One limitation was that the study was restricted to learning the perceptions of small business leaders of marketing firms in the Dallas, Texas, area about using social media. The perceptions, views, and attitudes toward social media of the participants may differ from those of small business owners and managers in other parts of the country or in different industries. The results of the study are only suggestive but cannot be generalized to other small businesses.

A second limitation was that the study did not include any quantitative data from the participants concerning the degree of their social media use. Data about length of usage, how many social media platforms were used, and financial information from the participants were not asked

A third limitation was personal biases which may influence the findings. To avoid introducing any personal biases, objective questions similar to the questionnaires were asked. Bracketing was also used which involves understanding and acknowledging any personal experiences, perceptions, beliefs, and

attitudes related to the study's purposes and questions and setting those aside so they do not enter into data collection or analysis (Tufford & Newman, 2012).

A fourth limitation was the fact that the sources of data were interviews and questionnaires. Some participants may have provided inaccurate responses or that some of their responses were affected by giving socially desirable answers. To forestall any such inaccuracies or biases, participants were reminded participants to answer questions as completely and truthfully as possible.

## Recommendations

The first recommendation is to repeat the study in other states. Most participants indicated that despite several challenges, social media has provided them with a number of gains including new customers, greater awareness of their business, and increased sales and revenue. Further research could determine if such results are similar for other small businesses using social media in other areas states.

A second recommendation is to conduct research about the costs versus benefits of social media usage by small businesses. Such a study could determine the employee and production costs during a certain period in comparison to any gains or losses of customers, sales, revenue, or social media followers at the same time. A period before a business's use of social media in which information regarding changes in customers and other measures are available could be a baseline for the comparison.

A third recommendation is to investigate more closely the kinds of posts that small businesses make that result in negative comments from social media users. Participants identified negative comments as a main challenge. It could be valuable to classify the kinds of posts that result in such comments so that businesses could better understand what kinds of posts are questionable. Such research also might attempt to measure the strength of negative reactions to various kinds of posts regarding how many users react negatively or their degree of negativity. The research might include information on the kinds of responses small business make to various kinds of negative reactions.

A fourth recommendation is to research the best kinds of social media for businesses to use given the audience they want to reach and their objectives in reaching that audience. Different audiences tend to use different social media platforms (Hayes et al., 2016; Hughes et al., 2012), and detailed guidance on which social media sites are best for the audience the business wants to reach could be valuable in helping the business to develop an effective social media strategy (Kaplan & Haenlein, 2010).

## Implications

This study has implications for positive social change at the organizational level, especially for small businesses. While the use of social media by large businesses is increasing, many very small businesses resist the use of social media (Broekemier et al., 2015; Hassan et al., 2015). Similarly, small businesses are at a disadvantage compared to large businesses in their use of social media due to having fewer resources (Stelzner, 2015). Furthermore, in many industries, there are few clear guidelines for implementing effective social media marketing, and many of the strategies employed are not systematic and purposeful (Hays et al., 2012). As a result, businesses and especially very small businesses are in need of guidelines that may help them use social media effectively in their social media efforts.

Small business managers and owners responded to questions that helped pinpoint some of the major challenges they faced in using social media. Other small business leaders may profit by understanding what those challenges were so they can determine how such challenges might affect their own business. The participants also provided information about how they addressed the challenges, which may help other small business leaders to develop strategies for dealing with similar challenges.

The study also identified several practices that may increase the effectiveness of social media marketing, provide direct rewards, and increase a business's reputation and influence. The strategies of *taking care in posts, restricting social media usage, targeting correctly, paying close attention to feedback, providing customer rewards,* and *using social media for community involvement* all reflect findings and recommendations that have been given by other researchers. The strategies arising from this study have social change implications for small businesses by possibly helping them to make effective use of social media as a marketing tool.

Consumers also may benefit from this study. With social media, today's consumers have become a driving force for businesses (Icha & Agwu, 2016). As consumer assessments of companies and brands travel by electronic word of mouth from consumer to consumer, these assessments may resonate strongly with recipients (Ozyra & Edwin, 2015). As a result, businesses may pay greater attention than ever before to consumer assessments of their products and services. Businesses that create an effective social media presence that pleases and engages customers benefit both themselves and the customers they serve.

A theoretical implication of this study is that the findings reflect the social exchange theory of Emerson (1976). It is evident that businesses that use social media are performing a social exchange with their online users. In exchange for various marketing efforts, which may include contests, incentives, and product and service information, businesses receive rewards from customers and potential customers in various forms, including increased business awareness, engagement, feedback, and sales. The idea behind developing effective social media marketing efforts is to provide online users with valuable information, experiences, and opportunities so they may reward the business with greater interest, awareness, reputation, and revenue. These relations between businesses and online users appear to be clear illustrations of Emerson's (1976) social exchange theory.

## CONCLUSION

Small businesses that use social media in the Dallas, Texas, area have seen various kinds of gains from their usage. Study participants spoke about gaining increased awareness about their business, valuable customer feedback, new customers, and customer retention. Many referred to increases in sales, revenue, or profit and were positive about its value as an effective management tool. These results support the findings of other researchers about the business value of social media including Hassan et al. (2015), Icha and Agwu (2016), Mahajan (2015), and Riu (2015).

The challenges that small businesses experienced included, negative responses made by online visitors, lack of control, negative responses, targeting correctly, and security and privacy and was able to determine a set of strategies for the effective use of social media by small businesses. Social media and business engagement in social media are here to stay. There are growing pains as small businesses attempt to learn how best to use social media effectively. Mistakes are sometimes made, but it seems likely that businesses increasingly find ways to adjust to the new environment in which consumers have a stronger voice than ever before. Adjustment means seeking the best possible social exchanges with the customer so both business and customer benefit. Although the study identified the challenges that small business with fewer than 10 face using social media, overcoming these challenges was not a focus of this study but should be a focus of future study.

A practical recommendation for small businesses is to attempt to incorporate the study's findings about effective social media strategies into their operations. It is especially important to *target the appropriate audience, take care in posts,* and *pay close attention to customer feedback,* both positive and negative. The decision whether to assign one or a few people to handle social media duties or to allow all employees to make social media posts depends on the company culture. In any case, it is important to develop clear guidelines for employees to follow in their social media usage (Felix et al., 2017).

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