


**STARTUP HOME-BASED SOCIAL MEDIA BUSINESSES**

Deena Moathen<sup>A</sup>, Abdulaziz Almaktoom<sup>B</sup>



ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p><b>Received</b> 31 January 2023</p> <p><b>Accepted</b> 27 March 2023</p>	<p><b>Purpose:</b> The objective of this study is to investigate and analyze issues faced by small-business owners while running their businesses via social media sites, and to emphasize the opportunities for conducting business via social media.</p>
<p><b>Keywords:</b></p> <p>Social Media Merchants; E-Businesses; Instagram Businesses; Online Food Merchant.</p> 	<p><b>Theoretical framework:</b> Small businesses are vital to the success of any economy, through job creation, sparking innovation, and providing opportunities for many people to achieve financial success and independence. In today's social media-driven environment, it is essential that small business' owners engage with social media networking sites and understand how social media can play a crucial role in developing their businesses.</p> <p><b>Design/methodology/approach:</b> The research focuses on analyzing the day-to-day operations and procedures of small businesses involving social media networking sites. Two questionnaires were developed to analyze and investigate these issues effectively.</p> <p><b>Findings:</b> The results reveal the importance of organizing the operations and procedures of social media businesses, also emphasize the opportunities for conducting business via social media sites.</p> <p><b>Research, Practical &amp; Social implications:</b> this study was conducted to help business owners to engage with social media sites, as well as to solve issues that they face while running their online businesses.</p> <p><b>Originality/value:</b> The results of the first questionnaire indicate issues from customers' perspectives, while the second questionnaire indicate issues from merchants' perspectives. The results reveal the importance of organizing the operations and procedures of social media businesses, also emphasize the opportunities for conducting business via social media sites.</p> <p>Doi: <a href="https://doi.org/10.26668/businessreview/2023.v8i4.1469">https://doi.org/10.26668/businessreview/2023.v8i4.1469</a></p>

**STARTUP DE NEGÓCIOS DE MÍDIA SOCIAL BASEADA EM CASA**

**RESUMO**

**Objetivo:** O objetivo deste estudo é investigar e analisar as questões enfrentadas pelos pequenos empresários enquanto dirigem seus negócios através de sites de mídia social, e enfatizar as oportunidades para a realização de negócios através da mídia social.

**Estrutura teórica:** As pequenas empresas são vitais para o sucesso de qualquer economia, por meio da criação de empregos, da inovação e do fornecimento de oportunidades para que muitas pessoas alcancem sucesso financeiro e independência. No ambiente atual impulsionado pela mídia social, é essencial que os proprietários de pequenas empresas se envolvam com sites de redes de mídia social e entendam como a mídia social pode desempenhar um papel crucial no desenvolvimento de seus negócios. .

<sup>A</sup> Bachelor of science. Hadya Group. Jidá, Meca, Arábia Saudita. E-mail: [deena.em@gmail.com](mailto:deena.em@gmail.com)

Orcid: <https://orcid.org/0009-0001-3440-8528>

<sup>B</sup> Doctor of Philosophy Degree in Industrial Engineering. Operations and Supply Chain Management Department, Effat College of Business, Effat University. 8482 Qasr Khouzam, Al-Nazlah Al-Yamaniyah, Jeddah 22332, Arábia Saudita. E-mail: [atalmaktoom@gmail.com](mailto:atalmaktoom@gmail.com) Orcid: <https://orcid.org/0000-0003-4958-5946>



**Design/metodologia/abordagem:** A pesquisa se concentra na análise das operações e procedimentos diários das pequenas empresas que envolvem sites de redes de mídia social. Dois questionários foram desenvolvidos para analisar e investigar estas questões de forma eficaz.

**Descobertas:** Os resultados revelam a importância de organizar as operações e procedimentos das empresas de redes sociais, também enfatizam as oportunidades de conduzir negócios através de sites de redes sociais.

**Pesquisa, implicações práticas e sociais:** este estudo foi realizado para ajudar os proprietários de empresas a se envolverem com sites de mídia social, bem como para resolver problemas que eles enfrentam enquanto administram seus negócios on-line .

**Originalidade/valor:** Os resultados do primeiro questionário indicam questões a partir da perspectiva dos clientes, enquanto o segundo questionário indica questões da perspectiva dos comerciantes. Os resultados revelam a importância de organizar as operações e procedimentos dos negócios de mídia social, também enfatizam as oportunidades para a realização de negócios através de sites de mídia social.

**Palavras-chave:** Comerciantes das Mídias Sociais, E-Businesses, Instagram Businesses, Comerciante de Alimentos On-Line.

## CREACIÓN DE EMPRESAS CASERAS DE MEDIOS SOCIALES

### RESUMEN

**Propósito:** El objetivo de este estudio es investigar y analizar los problemas a los que se enfrentan los propietarios de pequeñas empresas cuando gestionan sus negocios a través de las redes sociales, así como destacar las oportunidades de llevar a cabo negocios a través de las redes sociales.

**Marco teórico:** Las pequeñas empresas son vitales para el éxito de cualquier economía, a través de la creación de empleo, el fomento de la innovación y la provisión de oportunidades para que muchas personas alcancen el éxito financiero y la independencia. En el actual entorno impulsado por las redes sociales, es esencial que los propietarios de pequeñas empresas se comprometan con los sitios de redes sociales y comprendan cómo las redes sociales pueden desempeñar un papel crucial en el desarrollo de sus negocios.

**Diseño/metodología/enfoque:** La investigación se centra en el análisis de las operaciones y procedimientos cotidianos de las pequeñas empresas que utilizan las redes sociales. Se elaboraron dos cuestionarios para analizar e investigar eficazmente estas cuestiones.

**Resultados:** Los resultados revelan la importancia de la organización de las operaciones y procedimientos de las empresas de medios sociales, también hacen hincapié en las oportunidades para la realización de negocios a través de sitios de medios sociales.

**Investigación, implicaciones prácticas y sociales:** este estudio se llevó a cabo para ayudar a los propietarios de negocios a comprometerse con los sitios de medios sociales, así como para resolver los problemas que enfrentan al dirigir sus negocios en línea.

**Originalidad/valor:** Los resultados del primer cuestionario indican problemas desde la perspectiva de los clientes, mientras que los del segundo cuestionario indican problemas desde la perspectiva de los comerciantes. Los resultados revelan la importancia de organizar las operaciones y procedimientos de los negocios en los medios sociales, también destacan las oportunidades para llevar a cabo negocios a través de los sitios de medios sociales.

**Palabras clave:** Comerciantes de Medios Sociales, Negocios Electrónicos, Negocios de Instagram, Comerciante de Alimentos en Línea.

### INTRODUCTION

Small businesses are one of the most important aspects of any successful economy. The contribution of small businesses can bring growth and innovation to the community in which they operate. They also help to stimulate employment growth by providing more opportunities to people seeking employment. The small business model tends to appeal to talented individuals who wish to invent new products or even to deploy their talents by doing something they enjoy that also generates money. Small businesses not only benefit the local economy: even large

corporations sometimes depend on small businesses to perform various business functions through outsourcing (Puriwat & Tripopsakul, 2022). Recently, electronic businesses (e-businesses) have been rapidly growing due to the ease of using the World Wide Web and social media networking sites to start and operate a business (Sreenath et al., 2022; Liébana-Cabanillas & Santos, 2017). E-businesses facilitate the processes of the value chain, such as processing orders, handling customer service, building relationships with business partners, exchanging data with customers, and reaching a large number of targeted customers with minimal advertising costs.

For small businesses, social networking sites play a vital role in advertising and engaging with customers (Sitompul & Ferawati, 2021). However, many small-business owners begin to use these sites to advertise and run their businesses without awareness of the benefits of social media and how to use social media to engage customers. Numerous opportunities are missed due to owners' lack of knowledge, especially of the fact that social networking sites have a limited barrier to entry. There are no significant reasons for small business owners not to benefit from social media sites. The popularity of social networking sites has swiftly increased over the past few years. Through the operation of word-of-mouth, businesses are deftly advertised, thus creating greater awareness and increasing user traffic. Usually, when people find something interesting or even a picture that they like, they send it to a friend, who then visits the page or passes the message on to others. Over time, each message is passed to another individual, thus creating a social network of activities. Social networking sites such as Instagram, Snapchat, and Twitter have become powerful marketing and communication tools. Using these platforms could potentially increase the success rate/level of small businesses (Basri & Siam, 2017; Yusuf et al., 2020).

Social media has become an indispensable part of modern society. On the one hand, there are numerous people who wish to operate their own businesses but are prevented from doing so by confusion over how to start and run a business. On the other hand, many people have started to utilize social media sites to conduct and run their businesses. There are evidently many successful merchants on social media sites. Small business owners have a huge chance to grow bigger and establish their names and brands. Furthermore, Instagram is a great social media tool for starting-up and running small businesses, especially in the retail industry. For instance, a bakery owner can simply take a photograph of their pastries and deserts and post it on Instagram. Furthermore, a boutique owner can present new collections and tag some of the social media influencers to grab people's attention. Instagram makes it easier for like-minded

people to discover and follow the pages of social media merchants. Additionally, people with mutual interests can find similar businesses and business owners and can network with people all over the world.

Over the last few years, social media has moved beyond sponsored ads and social networking sites to a platform that encourages buying decisions. This has opened huge opportunities for people to conduct their businesses by utilizing these (Asgha et al., 2020). Nowadays, Instagram has many merchants in diverse fields, such as food, makeup, fashion, electronics, etc. Instagram has enabled small-business owners to forecast whether their business will succeed or fail. Owners who start their businesses through social media have greater opportunities to emerge and establish their name and brand to expand; this can be achieved by predicting customers' satisfaction levels and measuring the demand for their goods and services.

Purchasing online or through social media platforms can be easy, fast, and convenient, as customers can purchase goods without having to drive to a store, find a virtually unlimited array of options, and compare prices. However, these platforms are also used by scammers, hackers, and thieves, and there are many other risks that threaten the platforms' success. One of the main risks that always worries customers is misuse of the credit card information or other minutiae that they provide in an online transaction; their concern is logical and understandable, as the media regularly carry news stories of security breaches. It is imperative for e-businesses to reassure customers and protect their data. Moreover, purchasing through social media sites, such as Instagram, brings the possibility of not receiving the item, receiving an item totally different from the one described, or even receiving an imitated item. Business owners must have a clear set of procedures, guidelines, and testimonies to increase the trust level of existing and potential customers. The seller is responsible for either correcting such a problem at no extra charge or refunding the customer's money. Having reliable information about resolving these types of disputes is essential.

There are many successful merchants on Instagram (Herzallah et al., 2021); if we focus on one specific type, for instance, food merchants, we find that some are very successful but, at the same time, all face many challenges while running their businesses via social media. One of the major challenges of social media food merchants is logistical complexity: there are many obstacles that a food merchant may face regarding delivering orders to customers (Bahebshi & Almaktoom, 2019). Solving logistical complexity consumes a huge amount of capital and time. For home catering businesses to succeed, they should provide a delivery service; in this regard,

merchants have two options: either buy a vehicle and hire a driver, or contract with a delivery service company and pay monthly fees. The first option is associated with high cost and low risk, because merchants have to buy a vehicle, pay a monthly salary for the driver, and pay for car maintenance, insurance, and fuel. This option will, thus, be expensive for merchants, but they will be able to satisfy all their customers since they have their own vehicle and driver. The second option is associated with low cost and high risk: merchants will only have to pay for the delivery service itself, and the cost is added to the customer's receipt; however, as the delivery company's services may not be available all times to satisfy customer needs, merchants may lose customers due to this complexity. Moreover, customers dealing with social media merchants also face challenging issues, such as communication problems. Orders are usually placed by contacting the seller on WhatsApp as the usually choice, and customers must wait for the seller to respond, which may take a long time, depending on the seller's efficiency. Thus, the ordering process may be long and annoying, making many customers reluctant to deal with social media merchants (Almaktoom, 2019).

Moreover, customers' purchasing decisions are influenced by trademarks and the reputation such brands represent (Oh et al., 2017; Youn & Shin, 2019). It is crucial for any business owner to understand the importance of trademarks in helping their businesses to grow. Trademarks can be an effective communication tool to convey messages about businesses, products, and services. In a crowded marketplace, in which it is hard to distinguish a business from its competitors, having a trademark will capture customers' attention and give prominence to businesses, products, and services. Additionally, trademarks provide value to the business by facilitating expansion from one industry to another, potentially also leading to a small business being acquired by a large corporation. Trademarks, thus, play an essential role in protecting customers and promoting growth, as they enable customers to make quick and confident purchasing decisions.

The regime of business licensing and registration is very important to creating a thriving and potent business environment. It enables businesses, especially small ones, to have funding opportunities and certain legal protections. In Saudi Arabia, the essential first step towards opening a business is to obtain commercial registration; every business should have commercial registration, which contains the business's commercial register number, the commercial name, the date of business establishment, the register's expiry date, the type of business, the trademark, the registered office address, and business phone number, etc. The importance of commercial registration lies in the declaration and testimonies of the Ministry of Business and

Commerce that the data contained in the register is correct. This serves to confirm and enhance the credibility of businesses, ensure transparency, and avoid any confusion or ambiguity. It will also strengthen business owners' protection against copyright and trademark infringement.

The Ministry of Commerce and Industry in Saudi Arabia has launched numerous campaigns and events supporting small businesses. One of its latest initiatives is a website called "MAROOF". The website aims to evaluate all electronic businesses in Saudi Arabia in terms of their quality and authenticity. Small-business owners will be given the opportunity to advertise their businesses through the website, which includes a feature to integrate merchants' social media accounts in order to facilitate communication processes between customers and small-business owners. Customers are entitled to check previous reviews and evaluate merchants. The purpose of launching such a website was to increase the opportunities for e-businesses to be successful in Saudi Arabia. Small business owners who register on the website will be given either a gold or a silver certificate; this certificate will boost business authenticity and enhance the trust level between merchants and their customers.

The research objective is to investigate and study the issues faced by small-business owners while running their businesses through social media sites. The research attempts to analyze the day-to-day operations, procedures, and communications of small-business owners using social media. The study will also highlight the opportunities for conducting business through social media networking sites. Based on its empirical findings, the research will conclude by proposing a novel procedure to guide social media merchants in managing their businesses, focused on enhancing customer satisfaction levels while maximizing profit and increasing small businesses' success rate. To achieve this objective, three key research questions are addressed:

1. What are the opportunities for conducting businesses through social media sites?
2. What are the issues that customers face while dealing with social media merchants?
3. What are the issues that social media merchants face while running their businesses through social media sites?

The rest of this paper is organized as follows. Section 2 provides a review of the literature related to social media merchants. Then, in Section 3, the methods used in this research are discussed in detail. Section 4 presents analysis of the research results. Section 5 discussion and recommendation of a framework for startup social media businesses. Finally, Section 6 summarizes the research findings.

## LITERATURE REVIEW

This section is divided into five subsections. The first subsection describes the background of social media and its definition, followed, in the second subsection, by the importance and the opportunities for conducting business through social media sites. The third subsection analyzes consumers' attitudes and purchase decisions. The fourth subsection explains the importance of e-business platform designs. Finally, the fifth subsection gives a brief introduction of some of the principal e-businesses issues.

### Social Media

The term social media is relatively new in comparison to other business concepts. The maturity of the modern term social media is attributed to research and development. Social media businesses are a product of the revolution of using web-based and mobile technologies as interactive communication tools (Chen et al., 2017; Veldeman et al., 2017). Initially, social media started as a platform to facilitate communication processes in people's social lives, allowing them to stay in touch with their peers more easily (Panchanathan & Raj, 2022). Today, however, with ever-more sophisticated technological advancements, businesses have started to use social networking sites as a means of publicity to promote their products and services (Baruah, 2012; Mason et al., 2021). Managers of business groups are using social media networking sites to maintain healthy relationships with their valued customers. The immediacy of these sites boosts the position in the market of those organizations that harness them most effectively. The variety of social media tools that are offered today is beneficial compared to traditional advertising approaches, such as radio and TV advertising. Keeping abreast of technological developments and using Snapchat, Instagram, Facebook, and Twitter have enabled businesses to offer instant response and assistance to their customers.

Just a few years ago, businesses were uncertain about social media, but with the explosion of the social media phenomenon, businesses have rapidly adopted it within their strategies. The term "social media" comprises two concepts: first, "social" refers to the interaction of people within a community; second, "media" refers to the advertising and communication of ideas or information through platforms or channels. Taken together, the two words refer to the interpersonal communication of people through a particular medium or tool (Sisira, 2011).

## **Opportunities for Conducting Businesses through Social Media**

The relationship between social media and businesses is rapidly growing worldwide, due to high technology adoption rate; nowadays, most businesses integrate social media into their business processes (Khanal et al., 2021; Setzer, 2021). Facebook and Twitter were once the most popular sites, but through the proliferation of social media influencers, Instagram and Snapchat have become the most important sites for all businesses in Saudi Arabia. Small-business owners who use social media primarily engage through their company page, status updates, advertising, building networks, monitoring feedback, blogging, tweeting and using social media sites as customer service channels (Mashable, 2022; Baird & Parasnis, 2011).

Social media platforms have allowed small-business owners with low capital to start and run their businesses from home and to compete in markets dominated by much larger players [Koster & Van Stel, 2014; Abimbola, 2001; Tajvidi & Karami, 2021]. The platforms used by social media are critical to the success of many businesses (Oyewobi et al., 2021; Li, 2021). It has been demonstrated that, in many contexts, social media can rapidly drive the attraction of new customers, thus directing higher revenues to small-business owners [Hoffman & Fodor, 2010; Bresciani & Eppler, 2010]. Studies have determined that business owners can increase awareness of their products through innovative approaches to engaging with customers on social media networks, as numerous customers use social media (e.g., Instagram, Facebook, and Snapchat) (Shankar et al., 2011)]. According to Curran et al. (2011) the social media network Instagram is better than other advertising methods because it stores information on all its sites, thus ensuring business marketing reaches the desired target market.

## **Consumers Attitudes**

It is crucial for any business owner to be cognizant of the factors that influence consumers' attitudes and motives, content (Heinonen, 2011). Moreover, a study investigating the relationship between the age and attitudes of social media users found that those aged 18–28 are most affected by advertisements on social networks, such as blogs and video. People aged 35–54 prefer informative and eye-catching advertisements. Additionally, interfering social networking activities, such as pop-ups or floating ads are adversely viewed by social network users (Cox, 2012).

The critical role of customers in the administrative development of businesses is being more clearly recognized. Businesses that sell directly to customers recognize that understanding customer needs is the key to success. Notwithstanding the many high technological innovations,



understanding customer needs is a priority that will either make or break the business. Being able to communicate effectively with customers increases the level of trust between the seller and the customer, thus enabling the business's reputation to grow. Late responses to customers' inquiries or complaints have led many businesses to fail (Tax & Brown, 1998).

### **E-Business Platform Design**

Designers of web sites and applications should pay attention to such issues as platforms' usefulness and usability. The website or application is the most critical communication channel between customers and business owners. Therefore, the web page and application interface are the essential vehicles through which business owners can procure the trust of potential customers and impact their decision to purchase (Lowry et al., 2008). Accordingly, the design and usefulness of the site are important for sales made online, especially through social media platforms (Prasad et al., 2022). Effectively organizing the content and utilizing white spaces can enhance the readability and general credibility of the site. When the presentation of content is consistent and simple, trust among customers increases (Zhang, 1999). Internet purchasers place considerable significance on the trustworthiness of the business owner; the site's validity is, thus, one component that impacts perceived trustworthiness. Therefore, business owners should minimize any suggestions of transaction risk for potential customers by setting up a well-designed and functioning application or website. Wang and Emurian (2005) have proposed a research-based plan to gain the trust of potential customers that involves the following four key design dimensions: graphic design, structural design, content design, and social-cue design.

### **E-Businesses Issues**

One of the most significant issues for e-businesses is security. Customers will not proceed to submit personal information (e.g., credit card numbers) without a sufficient level of confidence, and there must be a clear set of processes and agreements about payment procedures to ensure customers can shop with confidence (Sattid et al., 2002; Chun, 2019). In e-business environments, perceived site trust determines whether potential customers will purchase or not. Customers who shop online need to trust not only the site offering the product or service but also the Internet itself as a medium for business, communication, and distribution (Dugal & Roy, 2000). Furthermore, there are some important factors that improve e-business transaction procedures, such as the protection of customer privacy, the guarantee of transaction

security, product or transaction warranties, a statement of credibility, and customer service. All these factors influence online businesses' stability and credibility (Petrovic et al., 2003).

The legal risks associated with e-businesses should be carefully considered. The main risks concern privacy, employment, fraud, intellectual property, and the media. Business owners who want to implement a social media legal strategy should consult a professional who understands information technology law. Operating businesses through social media is subject to a set of regulations. Business owners must understand what they can and cannot do with others' intellectual property. Reposting content belonging to others without permission may lead to infringement claims (Punjabi, 2015). Overall, the literature relevant to this study's revealed the need for research in the area of small businesses and social media.

## **METHOD**

The purpose of this research is to investigate and study the issues faced by small business owners while running their businesses on social media sites, and to highlight the business opportunities of social media. This section details the research objectives, target population and sample, data-gathering method, questionnaire construction, and data analysis techniques. This research used a quantitative and descriptive questionnaire design. Two questionnaires were administered for this research to collect data from 65 participants. The questionnaire had both open-ended and closed questions. The sample characteristics comprised random social media users and merchants of different ages and from different regions, intended to yield generalizable results from the broadest possible perspective range. The study's accessible population comprised users of social networking sites from among the general public and merchants who operate businesses using these sites. This survey's sample was randomly selected from social media users and merchants in Saudi Arabia. The 65 participants have all used social media networking sites. The sample was distributed randomly to obtain different perspectives and experiences from users and merchants in different areas and of varying ages.

### **Social Media Users Questionnaire**

#### **Target populations and sample for social media users questionnaire**

The sample population for this questionnaire was randomly selected social media users among the general public in Saudi Arabia. The total participants numbered 33, all of whom have used social media networking sites. It should be noted that the sample used was somewhat narrow due to time constraints.

### **Questionnaire construction for social media users questionnaire**

The questionnaire began with binary (“yes”/“no”) questions, followed by multiple-choice questions, and four ranking questions. In total, the questionnaire contained 16 questions, organized into the following five categories.

The first category, the demographic questions, asked participants to record their age and gender. The purpose of including this information was to identify factors that might influence a respondent’s answers and opinions. Further, age questions are one of the most important demographic questions: a person’s age will often determine their level of knowledge and experience (e.g., a 20-year-old will most likely answer questions differently from a 50-year-old).

The second category comprised eight multiple-choice questions. The first concerned reasons for using social media sites. Participants were presented with six options only one can be selected: to keep in touch with friends; to shop; to fill their spare time; to stay up to date with news and current events; to share opinions, photos, and videos with others; and to make new friends. The purpose of the first question was to determine how many people were using social media sites for shopping. The second question aimed to determine if the participants were following any social media merchants on social media sites. Participants had to answer “yes” or “no”. The aim of this question was to measure the success rate of social media merchants. The third and fourth questions aimed to determine if the participants had ever tried to purchase from a social media merchant. Participants had to answer “yes” or “no”. If a participant answered “yes” to the third question, they were instructed to answer the fourth question, which concerned their experiences. Participants had to select one of three options: “Amazing, I will definitely purchase again”; “I was so disappointed I will never purchase again”; “Ordinary”. The fifth question concerned the type of commodity participants usually purchase from social media sites. Participants had four options to choose from: food (such as pastries and desserts), electronics, fashion, and cosmetics. The sixth and seventh questions aimed to determine if the participants had ever faced a problem while purchasing through social media sites. Participants had to answer “yes” or “no” in response to the sixth question; if they responded “yes”, they were instructed to answer the seventh question, which concerned what kind of problem they had faced. Participants had four options to choose from: delivery delays, cheap quality of product, product damage, or not receiving the product at all. The eighth question concerned the reasons that led some of the participants to not purchase anything through social media sites. Respondents had five options to choose from: “I do not know how to reach merchants on social

media”; “I do not trust merchants on social media”; “the process of ordering takes too long”; “the risk of transferring the money and not receiving the order”; and “the risk of receiving a low-quality or imitated item”. The aim of all eight questions was to measure the success rate of social media businesses, identify the issues faced by customers while purchasing from social media merchants, and analyze the different usages of social media sites.

The third group comprised four scale questions. The first aimed to identify which social media sites most people use and how regularly they use them. Participants had to classify how regularly they use Instagram, Snapchat, Twitter, and Facebook from the following options: never, occasionally, monthly weekly, and daily. This question’s purpose was to determine which social media sites were most successful. The second question concerned participants’ shopping preferences in terms of commodity type: electronics, cosmetics, fashion, and food. Participants had three options to choose from: online shopping through websites, shopping through social media sites, and shopping at a retail store. This question’s intent was to determine customers’ most preferred shopping methods.

The third question comprised ten sentences, in response to which participants had to select one of five viewpoints: 1 = Strongly Agree, 2 = Agree, 3 = Indifferent, 4 = Disagree, and 5 = Strongly Disagree. Participants were asked to specify their level of agreement on purchasing through social media sites with each of the following questions:

1. Shopping through social media sites saves time.
2. It is a great advantage to be able to shop at any time of the day.
3. I prefer traditional/in-store shopping.
4. Shopping through social media sites is risky.
5. The delivery of goods takes a long time.
6. The process of ordering takes too long.
7. I hesitate to transfer money to merchants that do not have a trademark or commercial registration.
8. The necessity of having a bank account or credit card creates difficulty.
9. I prefer cash-on-delivery to payment via credit card.
10. I will only purchase if there is a home delivery service.

The fourth question comprised eleven sentences, in response to which participants had to select one of five viewpoints: 1 = Not Important, 2 = Slightly Important, 3 = Fairly Important, 4 = Important, and 5 = Very Important. Participants were asked to specify the level of importance of each of the following sentences:

1. Risk of credit card transactions.
2. Waiting to receive the product.
3. Difficulties in returning products/items.
4. Not being able to return the product at all.
5. The risk of not getting what I paid for.
6. Not skillful in use of social media sites/applications.
7. Lack of trustworthiness of merchants.
8. Complex compared to traditional shopping.
9. Not being able to touch the products or taste the food.
10. More expensive than items sold in retail stores.
11. The difficulties of finding the right merchants.

The third category comprised one open-ended question concerning the most common reason a customer hesitates before purchasing through social media sites. This question's purpose was to specify the issues that threaten the success of social media businesses.

Finally, the fifth category posed a single binary ("yes"/"no") question on whether participants would be interested in downloading and using a hypothetical application that combined all merchants on social media in one place, organized by category (e.g., food, fashion, cosmetic, and electronics merchants), with a feature for ordering through the application without the need to contact the seller through WhatsApp, and with a cash-on-delivery service. Participants had to choose "yes" or "no". This question's purpose was to predict the potential success rate of launching such an application.

### **Social Media Merchant Issues Questionnaire**

The purpose of this questionnaire is to collect data from social media merchants that can be used to assess the trends experienced by merchants and the obstacles that they face. Engaging small-business owners in market analysis is very important, as it prompts them to share their perspectives regarding the current and future e-business situation. This kind of questionnaire yields essential information for business owners and start-ups, as well as individuals. The information can be used to support expansion initiatives and to encourage talented individuals to start their own businesses. Furthermore, the objectives of this research include increasing awareness of social media business opportunities and solving the issues faced by current merchants in improving social media businesses in Saudi Arabia.

### **Target population and sample for social media merchant questionnaire**

The survey's population sample comprised randomly selected social media merchants who are currently running their businesses on the social media site Instagram. The questionnaire was distributed to social media merchants through a web link, with the aim of reaching the maximum number of respondents in many different fields and areas. However, the sample used was somewhat narrow due to time constraints. In total, the sample was 30 merchants currently conducting business on social media sites.

### **Questionnaire construction for social media merchant questionnaire**

The questionnaire used to collect data started with binary ("yes"/"no") questions, followed by multiple-choice questions and one ranking question. In total, the questionnaire comprised 11 questions, organized into the following four categories: The two demographic questions covered the participants' age and gender, in order to determine and understand the factors that may influence participants' answers, as well as to measure the gender and age distributions of social media merchants. Seven multiple-choice questions were then posed. The first concerned the time taken by social media merchants to be known on social media sites. Participants selected one of three options: 1 to 3 months, 4 to 12 months, and more than a year. This question's purpose was to measure the average time required for a business to become successful on social media sites. The second question aimed to determine if social media merchants needed more than 10,000 Saudi Rials of capital to start their businesses. Participants had to answer "yes" or "no" and state approximately how much it had cost them to start their businesses. It was hoped that the responses to this question would show talented individuals that starting a business through social media sites does not require a huge amount of capital. The third question concerned the average number of orders social media merchants receive per day. Participants had to select one of five options: 1 to 2, 3 to 4, 5 to 6, 7 to 10, and more than 10. It was hoped that the responses to this question would emphasize the opportunities for conducting businesses through social media sites and prove that social media businesses are successful.

The fourth and fifth questions concerned having commercial registration. After first asking participants whether they had commercial registration ("yes" or "no"), participants who answered "no" were then asked to specify the reason for not having commercial registration, choosing from four reasons: "I do not know the procedures to have commercial registration"; "I do not know if I am eligible to have commercial registration"; "I do not know what

commercial registration is”; and “I do not think it is necessary to have commercial registration”. This question’s purpose was to determine whether social media merchants recognize the importance of having commercial registration. The sixth and seventh questions concerned having a delivery service. After first asking participants whether they had one (“yes” or “no”), the participants who answered “no” were asked to specify the reason for not having a delivery service, choosing from three reasons: “I can’t afford to have a driver not contracted with one of the delivery service companies”; “I do not know how to contact and reach delivery service companies”; “I do not think it is necessary to have a delivery service”. This question’s aim was to measure the effect of not having a delivery service on social media businesses’ performance.

The ranking questions on the issues faced by social media merchants prompted participants to rank issues on a three-point scale of “always”, “sometimes”, and “never”. Seven issues related to using social media sites were presented:

1. Difficulties in gaining customer trust in terms of payment and delivery.
2. Difficulties in keeping profiles updated and capturing customers’ attention.
3. Difficulties in advertising their businesses.
4. Having to reject customers’ orders due to high demand.
5. Not being able to respond to customers’ orders and inquiries through WhatsApp.
6. Losing customers due to not having a delivery service.
7. Trademark and copyright issues.

The purpose of these questions was to analyze the issues faced most frequently by social media merchants and to propose solutions for them.

Finally, a single binary (“yes”/“no”) question on participant opinions asked participants whether they would be interested in registering for a hypothetical application combining all merchants on social media in one place, organized by category (e.g., food, fashion, cosmetics, and electronics), with features for organizing the merchants’ businesses, supporting their rights (in terms of trademark and copyright), advertising their businesses, and simplifying the order, payment, and delivery process. Participants had to choose “yes” or “no”. This question’s purpose was to forecast the potential success rate of launching such an application.

## **DATA ANALYSIS AND FINDINGS**

This section presents the data analysis and findings derived from the online questionnaires. The findings and data analysis are divided into two subsections. The first presents the data analysis for the first questionnaire, which was dedicated to analyzing the issues

customers face while dealing with social media merchants. A total of 33 responses were received. The second questionnaire was dedicated to analyzing the obstacles and issues business owners face while running their businesses on social media sites. A total of 32 responses were received. The responses were analyzed through the tools available on Survey Monkey.

## Social Media Users Questionnaire

### Participant demographics for social media users

This section of the questionnaire covered the respondents' age and gender. The questionnaire was distributed randomly to social media networking site users. The participants' profiles are presented in Table 1. The vast majority of the participants were female (80%). All of the participants were aged between 18 and 64.

Table 1. Participant Demographics for Social Media Users Questionnaire.

Variables	Description	Percentage
Gender	Male	20%
	Female	80%
Age group	18–24 years	36%
	25–34 years	39%
	35–44 years	12%
	45–54 years	9%
	55–64 years	4%

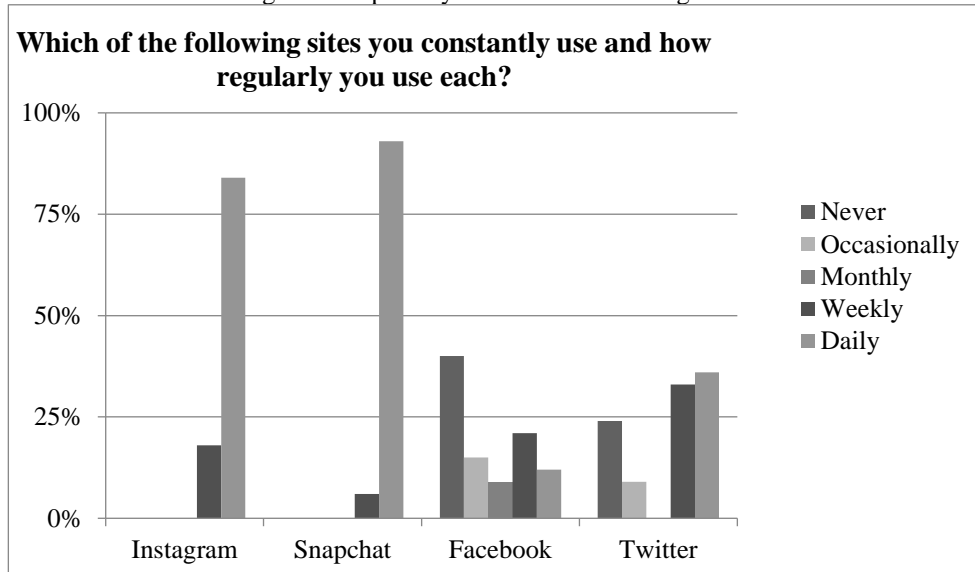
Source: Prepared by the authors (2023).

### Popularity of social networking sites

The purpose in asking which social media networking sites participants most frequently used was to determine which sites are most successful and, thereby, identify those that give businesses greater opportunities to succeed. The majority of participants indicated they used Snapchat more frequently than other social media networking sites, followed by Instagram. Based on the respondents' answers (presented in Figure 1).



Figure 1. Popularity of Social Networking Sites.

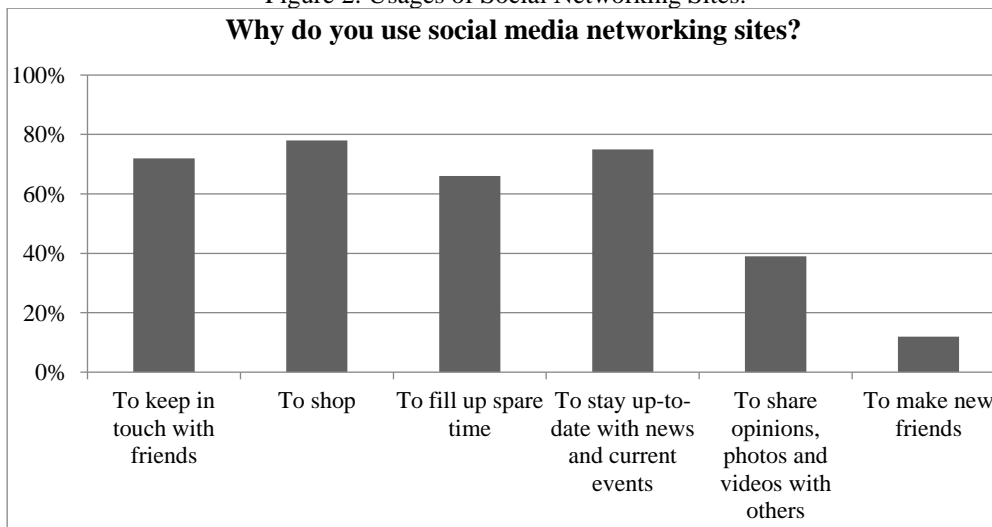


Source: Prepared by the authors (2023).

### Usage of Social Networking Sites

In response to the first question about using social media networking sites for shopping purposes, most of the respondents indicated that they shop using these sites. In addition to emphasizing the success of social media merchants, this finding also indicates that if there were an application specifically for social media merchants, it would likely be successful, as many people would be interested in using it. Figure 2 provides a detailed analysis of the respondents' answers.

Figure 2. Usages of Social Networking Sites.



Source: Prepared by the authors (2023).

In the second question, participants were asked if they followed any social media merchants, e.g., food, cosmetics, electronics, or fashion merchants. All 33 participants responded that they are following social media merchants. As anticipated, the responses to this question emphasize the achievement of social media merchants.

### **Customer experiences**

The first question concerning experiences in shopping via social media simply asked users if they had ever tried purchasing through a social media site. As 82% reported having done so, this indicates that following and demand for social media merchants are relatively high. Those with prior shopping experience through social media were asked to evaluate their experiences: 15% said the experience was “amazing, and they would definitely purchase again”; 18% said they were “disappointed, and would never purchase again”; and 67% said the experience was “ordinary”. Evidently, with regard to customer satisfaction levels, there is a huge chance for social media merchants to improve the customer experience and, thereby, their businesses.

In response to the third question, concerning the type of commodities participants usually purchase on social media sites, around 93% selected food (pastries, and desserts); 45% cosmetics; 45% electronics; and 42% clothes and fashion. With demand for food (especially pastries and desserts) evidently highest among our sample in Saudi Arabia, food merchants have a huge chance to grow their businesses by operating via social media sites.

Asked if they had ever faced any problems while purchasing on social media sites, 73% replied “yes”, indicating a significant problem that needs to be analyzed and solved. Those who reported having encountered a problem were then asked to identify the types of problems they had faced: 71% stated cheap quality of products; 68% delivery delays; 35% product damage; and 18% had faced an issue due to merchants not having a delivery service. One participant reported having faced communication problems, as she could not contact the merchant. According to these responses, cheap product quality is encountered most frequently. This issue can be solved by providing customers with guarantees and assurances that they have the right to test and try the product/service before paying the full amount.

The sixth question asked participants who had never purchased anything on social media sites to state their reasons: 76% cited the long ordering process; 60% the risk of transferring money to merchants and not receiving the order; 52% the risk of receiving an imitated or low-quality item; 44% do not trust merchants on social media sites; 28% cited not knowing how to

choose the right merchant on social media sites. One respondent had never purchased through social media due to the necessity of having a credit card. To address the long ordering process, which was evidently the participants' primary concern, the proposed solution of building an application combining social media merchants, organized by category, will facilitate the ordering process for both customers and merchants.

### Customer shopping preferences

Asked to classify their shopping preferences based on commodity type and preferred place. 55% preferred to purchase food (especially pastries and desserts) on social media sites; 47% preferred to purchase cosmetics at a retail store; 52% preferred to purchase clothing at a retail store; and 47% preferred to purchase electronics at a retail store. Table 2 provides full details of the respondents' answers. The responses on customer shopping habits and preferences should help social media merchants to identify which types of commodities have the highest demand among social media customers. In this regard, the findings emphasize the success of social media food merchants.

Table 2. Customer Shopping Preferences.

	Online Using Websites	Through Social Media Sites	At a Retail Store
Food (e.g., pastries, and desserts)	9%	55%	36%
Cosmetics	28%	25%	47%
Clothes and fashion	42%	6%	52%
Electronics	25%	28%	47%

Source: Prepared by the authors (2023).

### Level of agreement to purchase through social media sites

In response to sentences on social media sites, 70% agreed or strongly agreed that shopping on social media sites saves time; 82% agreed or strongly agreed it is a great advantage to be able to shop at any time of the day; 42% preferred traditional in-store shopping; 57% agreed or strongly agreed that shopping on social media sites is risky; 65% agreed or strongly agreed that the delivery of goods takes a long time; 65% agreed or strongly agreed that the process of ordering through social media sites takes a long time, 75% agreed or strongly agreed that they hesitate to transfer money to merchants who do not have a trademark or commercial registration; 66% agreed or strongly agreed that the necessity of having a bank account or credit

card creates difficulty; 72% agreed or strongly agreed that they preferred cash-on-delivery to payment via credit card; and 57% agreed or strongly agreed that they would purchase goods only if there were a delivery service. Table 3 provides full details of the respondents' answers.

Table 3. Level of Agreement to Purchase through Social Media Sites.

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
Shopping through social media sites saves time.	3%	12%	15%	45%	25%
It's a great advantage to be able to shop at any time of the day.	0%	0%	18%	51%	31%
I prefer traditional/in store shopping	13%	15%	30%	36%	6%
Social media sites shopping is risky	0%	10%	33%	51%	6%
The delivery of goods and services takes a long time	0%	12%	21%	40%	25%
The process of ordering is so long	0%	17%	18%	31%	34%
I hesitate to transfer money to merchants that don't have a trademark or commercial registration	3%	7%	15%	36%	39%
The necessity of having a bank account or credit card creates difficulty	0%	12%	22%	45%	21%
I prefer cash-on-delivery to payment via credit card	0%	13%	15%	42%	30%
I will only purchase if there is a home delivery service	0%	16%	27%	42%	15%

Source: Prepared by the authors (2023).

### Social media sites level of importance

On the issues concerning social media site shopping whose level of importance participants were asked to rate, 73% stated that the time they wait for delivery of the product/service is important or very important; 61% rated the risk of credit card transactions as important or very important; 60% evaluated difficulty in returning product as important or very important; 51% stated that not being able to return products at all is important or very important; 69% rated the risk of not getting what they paid for as important or very important; 36% replied that not being skilled in using social media sites/applications is important or very important; 34% evaluated the lack of trustworthiness of merchants as fairly important; 30% reported that greater complexity compared to traditional shopping was fairly important; 49% evaluated not being able to touch the product/taste the food as important or very important; 51% stated that the items being more expensive than those sold in retail stores is fairly important; and 48% rated the difficulty of finding the right merchant as important or very important. The purpose

of these questions was to identify the factors most important for customers shopping through social media sites. Table 4 provides full details of the respondents' answers.

Table 4. Social Media Sites Level of Importance Analysis.

	Not Important	Slightly Important	Fairly Important	Important	Very Important
Waiting to receive the product or service	0%	9%	18%	56%	17%
Risk of credit card transactions	0%	12%	27%	33%	28%
Difficulties in returning products	0%	12%	28%	40%	20%
Not being able to return product at all	3%	25%	21%	21%	30%
The risk of not getting what they paid for	0%	9%	22%	35%	34%
Not skilled in using social media sites/applications	21%	24%	21%	31%	5%
Lack of trustworthiness of merchants	5%	12%	34%	28%	21%
Greater complexity compared to traditional shopping	12%	25%	30%	21%	12%
Not being able to touch products	6%	6%	39%	40%	9%
More expensive than in retail store	3%	18%	51%	25%	3%
The difficulties of finding the right merchants	12%	15%	25%	40%	8%

Source: Prepared by the authors (2023).

### Fears relating to social media site merchants

Only one-third of the respondents answered the open question on what most prevents them from purchasing on social media sites. Their responses comprised the fear of inferior product/service quality, the long ordering process, having to pay before receiving the product/service, credit card transactions, delivery time, and inability to choose the right merchants. As anticipated, these responses help to narrow the issues that customers face while dealing with social media merchants.

### Customer opinions regarding the proposed solution

All participants who answered this question stated that they would be interested in downloading and using the proposed application; the other participant skipped this question. According to participant answers, the application has the potential to be successful.

## Social Media Merchant Issues Questionnaire

### Participant demographics for social media merchants

Of the merchant participants, 93% were female and 7% were male. Most of the participating social media merchants who participated in the questionnaire were between the ages of 18–34. The responses enable us to identify the gender and age of the merchants operating businesses on social media sites. The participants' profiles are presented in Table 5.

Table 5. Participant Demographics for social media merchants questionnaire.

Variables	Description	Percentage
Gender	Male	7%
	Female	93%
Age group	18–24 years	34%
	25–34 years	51%
	35–44 years	12%
	45–54 years	3%

Source: Prepared by the authors (2023).

### General questions for merchants about their social media businesses

In response to the first question, concerning the time it took social media merchants to become well-known on social media sites, 46% reported 4 to 12 months; 42% stated more than a year; and 12% replied 1 to 3 months. Based on the participants' responses, the average time to establish loyal customers and followers on social media sites is between 4 and 12 months. In response to the second question 18% of the participants reported having needed more than 10,000 SR of capital to establish their business on social media sites, while 82% stated this had not been required. The range amount of capital invested by merchants in their businesses was between 100 SR and 30,000 SR, depending on the type of business and business materials required.

Regarding the reported average number of orders they received per day, 34% of the merchants reported 1–2 daily orders; 34% between 3 and 4; 18% between 5 and 6; 3% between 7 and 10; and 11% more than 10. Based on these responses, the majority of the surveyed merchants each receive an average number of orders of between 1 and 4 per day. Only 25% of participants reported having commercial registration. This indicates the need for greater awareness among small-business owners of the importance and benefits (both personally and

regarding their business) of having commercial registration. The 75% who answered “no” were asked to specify the reason for not having commercial registration: 39% of the 75% did not consider it necessary to have commercial registration; 19% of the 75% did not know what commercial registration is; 18% of the 75% did not know if they were eligible to have commercial registration and 15% of the 75% did not know the procedures for acquiring commercial registration. 9% of the 75% participants stated they were in the process of acquiring commercial registration.

In total, 81% of participants reported that they had a delivery service. The 19% without a delivery service were asked the reason for its absence: 32% of the 19% could not afford to have a driver or a contract with one of the delivery service companies; 22% of the 19% did not know how to contact and choose the best delivery service company; 34% of the 19% did not consider it necessary to have a delivery service; and 12% of the 19% participant stated that having customers pick up their orders was much easier than having a delivery service. Based on the merchants’ responses, having a delivery service will definitely increase the success of the business, as many customers prefer to deal with merchants who have a delivery service.

### **Social media merchants problematic issues analysis**

Regarding the problems whose frequency the merchants were asked to rank, 59% sometimes faced difficulties in gaining customer trust in terms of payment and delivery; 53% sometimes found difficulties keeping their profiles updated and capturing customers’ attention; 67% sometimes found difficulties in advertising their business; 75% sometimes rejected customer orders due to high demand; 54% were sometimes unable to respond quickly to customer orders and inquiries through WhatsApp; 61% never lost customers due to not having their own delivery service; and 55% never faced trademark or copyright issues. Table 6 presents full details of the respondents’ answers. Evidently, the issues merchants face are relevant and repetitive to each other’s, and could potentially be solved by switching their businesses from social media networking sites to a specified application facilitating businesses for merchants.

Table 6. Social Media Merchant Problematic Issues Analysis.

	Always	Sometimes	Never
Difficulties of gaining customers' trust in terms of payment and delivery	10%	59%	31%
Difficulties of keeping your profile updated and capturing customers' attention	13%	53%	34%
Difficulties in advertising for the businesses	14%	67%	19%
Rejecting customer's orders due to high demand	12%	75%	13%
Not being able to respond quickly to customers' orders and inquiries through WhatsApp	9%	54%	37%
Losing customers due to not having a delivery service.	3%	36%	61%
Trademark and copyright issues	16%	29%	55%

Source: Prepared by the authors (2023).

### Merchant opinions regarding the proposed solution

Most of the participating merchants (90%) stated that they would be interested in registering for the proposed application. The purpose of this question was to forecast the potential success of launching such an application. According to these merchants' responses, the application could be very helpful in up warding and organizing their business.

### DISCUSSION

This section explores issues faced by social media merchants, together with some issues faced by customers while dealing with those merchants. Also, propose a solution to help in reducing issues that may affect the success of social media merchants. As noted earlier, there are many disadvantages of the current methods of purchasing from social media merchants, beginning with trust issues. There is a huge gap between customers and social media merchants in terms of trust. Merchants encounter difficulties in gaining customer trust, and customers cannot trust merchants for many reasons, such as the lack of a guarantee they will receive their order; no means to return what they have purchased; and no means to complain. If the merchant sells food, customers are highly likely to doubt the quality and cleanliness of the food if the merchant is not certified or does not have commercial registration. If the merchant sells fashion, electronics, cosmetics, etc., customers may doubt the authenticity and quality of the commodities sold by social media merchants. Further, the process of ordering is often too long. Customers must browse until they find the right merchant, then save the merchant's number before contacting them through WhatsApp to ask about the availability and price, before then waiting for the merchant to reply. Once the merchant does so, the customer must place an order and discuss both price and delivery; customers must then wait for the merchant to reply to



confirm the order. These issues significantly affect and threaten the success of social media merchants. The methodology used in this research, including analysis of the data, has yielded findings that elucidate the issues faced by social media merchants and their customers.

Current process of ordering from social media merchants:

1. Searching for merchants
2. Saving the number for merchants
3. Contacting the merchant through WhatsApp
4. Asking about availability and prices
5. Waiting for the merchant to reply
6. Asking about the payment process and delivery service
7. Waiting for the merchant to reply
8. Placing an order
9. Waiting to receive the order

List of issues customers face while dealing with social media merchants:

1. Difficulties of finding the right merchant
2. Trust issues due to lack of guarantees and legal rights
3. Speed of delivery being longer than indicated
4. Costs of goods being higher than indicated (e.g., high delivery costs, high interest rates)
5. Wrong, damaged, or imitated goods/services delivered
6. Fraud issues (e.g., misuse of credit card information, no goods/services received at all)
7. Difficulties in lodging complaints or no satisfactory redress regarding the complaint
8. Limited delivery service, depending on customer location
9. Difficulties in returning products
10. Product/services are more expensive than those sold in retail stores
11. Low customer service

List of the issues that merchants face while conducting their business on social media sites:

1. Infringement issues (e.g., trademark and copyright infringement)
2. Logistical issues (e.g., delivery service issues, not being able to deliver orders on time, difficulties in tracking orders, high delivery costs)

3. Difficulties in gaining customers' trust
4. Payment issues (e.g., customers not being able to transfer money due to the necessity of having a bank account)
5. Communication issues (e.g., not being able to respond quickly to customer orders and inquiries through WhatsApp)
6. Marketing issues (e.g., not being able to advertise their business)
7. Content issues (e.g., difficulties in keeping their profiles updated and capturing customers' attention)
8. Capacity planning/scheduling issues (e.g., rejecting customer orders due to scheduling issues, not having enough supply, or not being able to respond due to high demand)
9. Lack of understanding of customer needs and wants
10. Inability to manage and organize business correctly due to lack of knowledge
11. Not knowing how to move the business to the next level
12. Lack of knowledge about the benefits of having commercial registration

Proposed Solution:

An application is needed to facilitate and organize the operation processes for business owners and customers on social media sites. This application's objectives are to integrate social media merchants and customers, to improve customer satisfaction levels, to facilitate business procedures, and to improve the success rate of small-business owners running their businesses on social media sites.

Requirements to Register:

1. Commercial registration or MAROOF Certificate
2. Detailed contact information about the merchant (e.g., address, email, phone number, etc.)

Application Features for Business Owners:

1. Facilitates ordering procedures: A notification will be sent to the seller when someone orders. The seller has the right to accept or reject the order. Their response will be automatically sent to the customer.
2. Facilitates payment procedures: The applicant will be responsible for payment whether customers pay cash or transfer the money electronically. The application can be used to transfer the money to the seller.
3. Facilitates delivery processes: all sellers will be provided with a delivery service.

4. The application will market and advertise all registered sellers.
5. The application will increase trust levels between customers and sellers.
6. Profits should increase in line with increased demand due to the ease of ordering.
7. The application will provide constant updates about offers, new menus, etc., to capture customers' attention.
8. The application must comply with merchants' rights in terms of trademark and copyright.

#### Application Features for Customers:

1. Customers will find many merchants with different food types: all details will be provided, including price and availability.
2. Customers will order through the application. The order will be directly sent to the seller with all required information (e.g., how many items, what time the customer needs the order to be ready, etc.).
3. Customers can choose the method of payment (cash or credit card).
4. A receipt will be sent to customers immediately.
5. Customers can rate the service.
6. Customers can read previous customers' reviews and comments.
7. Customers can complain.
8. Since all merchants on the application will be certified, customers can order with confidence.
9. It will save customers a lot of time.
10. Customers can access the application at any time, and all the information they may need will be available through the App. This will enable customers to place orders without needing to wait for the seller to answer their inquiries.
11. The delivery service will be provided as per the customer's request in terms of timing; the customer only has to submit their location through Google Maps integrated into the application.
12. If necessary, customers can contact the seller through an online chat facility in the application.
13. Customers can track their orders through the application.

## CONCLUSIONS

This study investigated the issues and obstacles faced by small-business owners while running their business through social media sites. The study aimed to analyze the day-to-day operations and procedures of small-business owners on social media. It also emphasized the opportunities for conducting business through social media sites. This study's findings should help small-business owners to organize their businesses, giving them greater opportunities to grow. Further, determining what issues small-business owners face and the available opportunities to grow their businesses are explored in the analysis of data yielded through the two questionnaire surveys.

The study's data analysis and findings showed that there are common issues faced by social media merchants face and customers, respectively. From the merchants' perspective, gaining customers' trust, advertising their business, communication, delivery, and payment are issues with which many social media merchants struggle. From the perspective of social media users (especially customers), communication, trust, and payment are the most frequent provoking hesitation in purchasing from social media merchants. The results indicate that to achieve high customer-satisfaction rates, merchants need to provide customers with a high level of services. Efficient and effective business procedures raise the prospects of achieving the desired high satisfaction levels.

This study is considered important due to its significance for small-business owners, many of whom can potentially benefit from this research. It can be used as a reference source to simultaneously study and analyze the issues that small-business owners face. The findings should enhance small-business owners' understanding of their customers' (and their potential customers') concerns. In addition, this study will help business owners to organize their operations and procedures, enabling them to understand how to run their businesses successfully and effectively.

The proposed solution to solve the issues faced by business owners is an application that would combine all merchants on social media in one place, organized by categories (e.g., food, fashion, cosmetics, and electronics), with features for organizing their businesses, supporting their rights (in terms of trademark and copyright), advertising their business, and simplifying their order, payment, and delivery processes. The application would also facilitate the ordering, communication, delivery, and payment processes for customers, in addition to increasing merchants' trustworthiness, as all merchants registering to operate their businesses through the

application would need to have commercial registration or a certificate from the Ministry of Commerce and Industry.

In today's social media-driven environment, it is essential that small-business owners understand the opportunities of engaging with social media networking sites, such as Instagram and Snapchat. Therefore, this study was conducted to help business owners to engage with social media sites, as well as to solve the issues that they face while running their businesses. Engaging small business owners in society by providing greater opportunities for them will not only benefit society but also improve the country's economy. Small-business owners need to understand how creating relationships with customers through social media sites will help them to grow their businesses.

## REFERENCES

- Abimbola, T. (2001). Branding as a Competitive Strategy for Demand Management in SMEs. *Journal of Research in Marketing and Entrepreneurship*, 3(2), 97–106. <https://doi.org/10.1108/14715200180001480>
- Almaktoom, A. T. (2019). Supply Chain Agility Quantification and Analysis. *International Journal of Operations and Quantitative Management*, 25(1), 23-40.
- Asgha, B., Hartono, D. A., Halim, M. S., Wijaya, K., Ngan, E., & Surya, C. M. (2020). An Analysis of Personality Traits of Indonesian Start-Up Entrepreneurs Based on Social Media Footprint. *Indonesian Journal of Business and Entrepreneurship*. <https://doi.org/10.17358/ijbe.6.2.127>
- Bahebshi, R. O., & Almaktoom, A. T. (2019). Heuristic dynamic approach to perishable products in presence of deterioration effect. *International Journal for Simulation and Multidisciplinary Design Optimization*. <https://doi.org/10.1051/smdo/2019012>
- Baird, C., & Parasnis, G. (2011). From social media to social customer relationship management. *Strategy & Leadership*, 39(5), 30–37. <https://doi.org/10.1108/10878571111161507>
- Baruah, T. D. (2012). Effectiveness of Social Media as a tool of communication and its potential for technology enabled connections: A micro-level study. *International journal of scientific and research publications*, 2(5), 1-10.
- Basri, W.S.; Siam, M.R. Maximizing the social media potential for small businesses and startups: A conceptual study. *Int. J. Econ. Perspect.* 2017, 11, 241–245.
- Bresciani, S., & Eppler, M. J. (2010). Brand new ventures? Insights on start-ups' branding practices. *Journal of Product & Brand Management*, 19(5), 356-366.

- Chen, Z. F., Ji, Y., & Men, L. R. (2017). Strategic Use of Social Media for Stakeholder Engagement in Startup Companies in China. *International Journal of Strategic Communication*, 11(3), 244–267. <https://doi.org/10.1080/1553118x.2017.1298114>
- Chun, S. (2019). E-Commerce Liability and Security Breaches in Mobile Payment for e-Business Sustainability. *Sustainability*, 11(3), 715. <https://doi.org/10.3390/su11030715>
- Cox, S. L. (2012). Social media marketing in a small business: A case study (Doctoral dissertation, Purdue University).
- Curran, K., Graham, S. A., & Temple, C. (2011). Advertising on Facebook. *International Journal of E-Business Development*, 1(1), 26–33. <https://pure.ulster.ac.uk/en/publications/advertising-on-facebook-3>
- Dugal, S. S., & Roy, M. H. (2000). A management guide to the creation of product and service images in marketspace. *International Journal of Management*, 17(3), 349-349.
- Heinonen, K. (2011). Consumer activity in social media: Managerial approaches to consumers' social media behavior. *Journal of Consumer Behaviour*, 10(6), 356–364. <https://doi.org/10.1002/cb.376>
- Herzallah, D., Muñoz-Leiva, F., & Liébana-Cabanillas, F. (2021). Selling on Instagram: Factors that Determine the Adoption of Instagram Commerce. *International Journal of Human-Computer Interaction*, 38(11), 1004–1022. <https://doi.org/10.1080/10447318.2021.1976514>
- Hoffman, D. L., & Fodor, M. (2010). Can you measure the ROI of your social media marketing?. MIT Sloan management review.
- Khanal, A. R., Akhtaruzzaman, M., & Kularatne, I. (2021). The influence of social media on stakeholder engagement and the corporate social responsibility of small businesses. *Corporate Social Responsibility and Environmental Management*, 28(6), 1921–1929. <https://doi.org/10.1002/csr.2169>
- Koster, S., & Van Stel, A. (2014). The relationship between start-ups, market mobility and employment growth: An empirical analysis for Dutch regions. *Papers in Regional Science*, 93(1), 203–217. <https://doi.org/10.1111/pirs.12000>
- Li, H. (2021). An Empirical study to determine the role of social media in the development of businesses. *Revista Argentina de Clínica Psicológica*, 30(1,961-970).
- Liébana-Cabanillas, F., & Santos, M. a. D. (2017). Factors that determine the adoption of Facebook commerce: The moderating effect of age. *Journal of Engineering and Technology Management*, 44, 1–18. <https://doi.org/10.1016/j.jengtecman.2017.03.001>
- Lowry, P. B., Vance, A., Moody, G., Beckman, B., & Read, A. (2008). Explaining and Predicting the Impact of Branding Alliances and Web Site Quality on Initial Consumer Trust of E-Commerce Web Sites. *Journal of Management Information Systems*, 24(4), 199–224. <https://doi.org/10.2753/mis0742-1222240408>
- Mashable. (2022, March 11). How Small Business Is Using Social Media [STATS]. <https://mashable.com/archive/small-business-stats>

- Mason, A., Narcum, J., & Mason, K. M. (2021). Social media marketing gains importance after Covid-19. *Cogent Business & Management*, 8(1). <https://doi.org/10.1080/23311975.2020.1870797>
- Oh, C. K., Roumani, Y., Nwankpa, J. K., & Hu, H. (2017). Beyond likes and tweets: Consumer engagement behavior and movie box office in social media. *Information & Management*, 54(1), 25–37. <https://doi.org/10.1016/j.im.2016.03.004>
- Oyewobi, L. O., Olorunyomi, O. S., Jimoh, R. A., & Rotimi, J. O. B. (2021). Impact of social media usage on performance of construction businesses (CBs) in Abuja, Nigeria. *Journal of Financial Management of Property and Construction*, 26(2), 257–278. <https://doi.org/10.1108/jfmpc-05-2020-0042>
- Panchanathan, S. ., & Raj, K. . (2022). A Study on Impact of Social Media Among Students of Adolescent Age Group on Individual Performance. *International Journal of Professional Business Review*, 7(3), e0505. <https://doi.org/10.26668/businessreview/2022.v7i3.0505>
- Petrovic, O., Posch, R., Hu, X., Lin, Z., & Zhang, H. (2003). Myth or Reality: Effect of Trust-Promoting Seals in Electronic Markets. *Evolaris*, 143–150. [https://doi.org/10.1007/978-3-7091-6088-6\\_9](https://doi.org/10.1007/978-3-7091-6088-6_9)
- Prasad, K., Tomar, A. S., De, T., & Soni, H. (2022). A Conceptual Model for Building the Relationship Between Augmented Reality, Experiential Marketing & Brand Equity. *International Journal of Professional Business Review*, 7(6), e01030. <https://doi.org/10.26668/businessreview/2022.v7i6.1030>
- Punjabi, V. (2015). Security risks: threats & rewards in social media. <http://urn.fi/URN:NBN:fi:oulu-201502111069>
- Puriwat , W. ., & Tripopsakul, S. . (2021). Understanding Digital Social Responsibility in the Social Media Context: Evidence from Thailand. *International Journal of Professional Business Review*, 7(1), e0257. <https://doi.org/10.26668/businessreview/2022.v7i1.257>
- Sattid, M., Garner, B. J., & Nagrial, M. (2002). Information security standards for e-businesses. *International Conference on Conceptual Structures*. <https://doi.org/10.1109/iccs.2002.1183205>
- Setzer, T. (2021). *The Effects of Social Media on the Success of Small Businesses in the Wedding Industry* (Doctoral dissertation, University of Hawai'i at Manoa).
- Shankar, V., Inman, J. J., Mantrala, M. K., Kelley, J. E., & Rizley, R. (2011). Innovations in Shopper Marketing: Current Insights and Future Research Issues. *Journal of Retailing*, 87, S29–S42. <https://doi.org/10.1016/j.jretai.2011.04.007>
- Sisira, N. (2011). *Social Media and Its Role in Marketing*, Department of Business Management, PG Center, Lal Bahdur College, Warangal. *International Journal of Enterprise Computing and Business System*, 1(2).
- Sitompul, D. P., & Ferawati, F. (2021). The Influence of Social Media Advertising on Purchasing Decisions at Startup Companies. *Almana*, 5(1), 14–19. <https://doi.org/10.36555/almana.v5i1.1527>

- Sreenath, S. G. P. ., Parashuram, A. ., & Devlanaik, H. . (2022). Impact of Digitalization and Changing Consumer Preferences and Choices on Virtual Shopping of Retail Sector in Bangalore. *International Journal of Professional Business Review*, 7(4), e0563. <https://doi.org/10.26668/businessreview/2022.v7i4.e563>
- Tajvidi, R., & Karami, A. (2021). The effect of social media on firm performance. *Computers in Human Behavior*, 115, 105174. <https://doi.org/10.1016/j.chb.2017.09.026>
- Tax, S. S., & Brown, S. J. (1998). Recovering and Learning from Service Failure. *Sloan Management Review*, 40(1), 75–88. <https://dialnet.unirioja.es/servlet/articulo?codigo=2491087>
- Veldeman, C., Van Praet, E., & Mechant, P. (2017). Social Media Adoption in Business-to-Business: IT and Industrial Companies Compared. *International Journal of Business Communication*, 54(3), 283–305. <https://doi.org/10.1177/2329488415572785>
- Wang, Y. D., & Emurian, H. H. (2005). Trust in e-commerce: consideration of interface design factors. *Journal of Electronic Commerce in Organizations (JECO)*, 3(4), 42-60.
- Youn, S., & Shin, W. (2019). Teens' responses to Facebook newsfeed advertising: The effects of cognitive appraisal and social influence on privacy concerns and coping strategies. *Telematics and Informatics*, 38, 30–45. <https://doi.org/10.1016/j.tele.2019.02.001>
- Yusuf, I., Ghaida, G., & Fahreza, M. (2020). The effect and application of digital marketing in improving a startup company branding in Tasikmalaya. <https://doi.org/10.1201/9781003131465-152>
- Zhang, P. (1999). Will you use animation on your web pages? Experiments of animation effects and implications for web user interface design and online advertising. *Doing business on the Internet: Opportunities and pitfalls*, 35-51.