

How can UK small businesses utilise social media to increase consumer engagement in a post-COVID19 economy?

V McCall

Liverpool Business School, Liverpool John Moores University, L3 5UG
v.k.mccall@ljmu.ac.uk

1. Introduction

This research will consider how small businesses in the UK can utilise social media to increase consumer engagement in a post-COVID19 economy. It will specifically focus on UK hand-crafting businesses to understand how the use of Instagram enhances customer engagement post-pandemic. It aims to provide an understanding of how Instagram is used to develop online communities of practice that drive economic sustainability. In recent years, handcrafting businesses have seen a resurgence of activity and consumer interest in the UK (Gauntlett, 2018). This resurgence is partially fuelled by growing consumer awareness of sustainability, authentic and heritage goods, and also due to the well-established links between crafting and craft-products and well-being (Dormer, 2015). However, not all small hand-crafting businesses remain successful, and many find it difficult to remain profitable in such a dynamic and competitive business environment. Moreover, with the current unstable economic environment in the UK, which is in part a result of the COVID19 pandemic, all businesses and particularly small businesses, are finding it a challenge to survive. This situation has been exacerbated by the changes in consumer behaviour and expectations due to new technology and digitalisation and because of the behaviour changes enforced by the pandemic. This study seeks to evaluate the role of social media, specifically Instagram, in helping handcrafting businesses to increase their consumer engagement, and to use digital technology as a creative method of communication with their customer base. Instagram remains one of the largest social media platforms in the UK and the world, and this evolving, visual, micro-blogging platform provides multiple opportunities for businesses to connect with their consumers and build communities to create loyal customer followings. This research will conduct a qualitative research strategy combining interviews with UK handcrafting small-business owners with a netnographic analysis of handcrafting businesses who had Instagram accounts prior to, during, and post COVID19. It will critically evaluate if participants have increased their overall consumer engagement, contributed to the success of the business as a result of Instagram engagement.

2. Research Objectives

The research objectives are to:

- Explore the challenges Facing Small Businesses in the UK Post COVID19
- Investigate the role of consumer communities in enhancing consumer engagement for small businesses in the UK.
- Explore the increasing use of social media as an essential digital tool to promote consumer engagement.
- Critically evaluate the value of Instagram as a platform to develop online consumer communities of practice post-pandemic.
- Offer recommendations to UK hand-crafting small businesses about the value and integration of Instagram as a social medial tool to be used in their business model, to develop online communities of practice and increase consumer engagement.

3. Overview of Literature

The literature review will evaluate the current position of small businesses in the UK, with a focus on handcrafting businesses, and their challenges post COVID19. Subsequently, it will provide a critical analysis of the role of communities in promoting consumer engagement, and how this has been facilitated by digital tools such as social media. Finally, it will evaluate the impact and role of Instagram and how

this is placed in the digital marketing toolbox as a primary platform to support and grow communities of practice and promote consumer engagement.

3.1. Challenges Facing Small Businesses in the UK Post COVID19

For small businesses in the UK, COVID19 brought many challenges including reduced opening times, job cuts, supplier disruptions, loss of customers and restrictions on the movement of products and services (Belitski et al., 2022). However, businesses who managed the risk and uncertainty well, quickly adapted to new strategies embracing digital technology to support their operations and engagement with consumers. Lwesya and Mwakasangula's (2023) study found that those who transformed their business by innovating, networking, creating, and engaging with communities using digital channels were able to become stronger and more competitive post-pandemic.

3.2. The Role of Consumer Communities in Enhancing Consumer Engagement

Consumers have an increased reliance on online communities and social media for information, advice, and recommendations using message boards and product feedback pages for information and opinions before making purchases (Chaffey and Smith, 2017). The interactivity of social media greatly facilitates the process of establishing enduring intimate relationships with trust and commitment between sellers and buyers and between groups of buyers themselves. However, for small businesses, increased choice means that customer loyalty is harder to gain and more transient in nature (Aguirre et al., 2015). Therefore, establishing communities of practice who are more likely to maintain a loyalty with the business is important, and the use of social media is instrumental in this process (Wang and Kim, 2017).

3.3. The Increasing Use of Social Media post-COVID19

Social media has brought universal and extensive changes into how individuals, communities and businesses communicate (Kietzmann et al, 2011). Platforms such as Instagram, Facebook, YouTube and more recently TikTok provide opportunities for consumers to interact with each other, with brands and with influencers, and this ultimately leads to greater consumer engagement than more traditional marketing practices (Wang and Kim, 2017). This has brought many opportunities for small businesses to interact with and build communities in a less expensive way than other marketing strategies.

3.4. Instagram as a Platform to Develop Online Consumer Communities

Instagram is a visual micro-blogging platform, which now offers sales functionality. Statista (2023) ranked Instagram as the 4th most popular social media platform in the UK, with nearly 2 billion active users per month. Instagram has a variety of consumer interaction points using photos, text, short-form videos and purchasing options. Lee *et al.* (2020) notes that motivations for following accounts on Instagram include "authenticity, consumerism, creative inspiration, and envy", which all have an impact on purchase frequency. Instagram is a focal networking point for those from the art and craft world including sellers, creators, curators, and collectors as well as customers with an interest in crafting.

4. Research Design

A qualitative research strategy will be applied to this research using a combination of semi-structured interviews and netnographic participant observation. Interviews will provide an opportunity to consider the impact of social experience and look at behaviours and characteristics of participants (Wilson, 2014), while netnographic participant will consider the construction of online communities, the cultures that they develop, and seeks to gain understanding from community members (Costello et al. 2017). Kozinets' (2020) 6 Key Stages of Netnography Model and Research Ethics Process Flowchart for Netnography will be used to guide the construction of the ethnographic process. Participants will be informed, and consent obtained before any data collection takes place.

5. Data Collection and Analysis

5.1. Interviews

10 semi-structured interviews will be conducted with handcrafting small business owners. These will be recorded and transcribed and will be conducted virtually through MS Teams or in person. It is intended that notes will be taken during the interview in addition to the recording, and that follow-up or clarification questions will be asked where needed. All the handcrafting businesses will be identified through personal networks and must have been in business pre- and post-COVID19. It is anticipated that

the interviews should each last 45 minutes to an hour to provide enough detailed information. While semi-structured, they will also include open ended questions, which consider motivations for having handcrafting businesses, personal reflections on the subjective success of the business and strategies to connect with consumers. Interviews will subsequently be coded to find themes in responses of participants.

5.2. Digital Observation

Netnographic observation and engagement will be conducted by identifying 10 handcrafting business accounts on Instagram and observing their online interaction via posts, photos, videos, and communications, both historical and in real-time as they unfold. Participants will be selected based on them having an active Instagram account both prior to, and post-COVID19, and that they have a small business as defined by UK government guidelines. A cross section of types of handcrafts will be included within a cross-section of UK locations to provide an overview of both the field and the industry.

6. Practical Importance of Study

This research will aim to produce a new understanding of the role of social media, specifically Instagram in handcrafting business, and for the wider creative community. The findings will also be more broadly transferable to other small businesses, primarily in the creative, arts and fashion businesses in the UK who are trying to enhance their consumer engagement. This research will also address a gap in research and knowledge, as there remains comparatively little research on the impact of Instagram, particularly as a creative and visual micro-blogging platform. Instagram has recently expanded the range of services that it offers for businesses and consumers and this research will look to provide a review of how the platform can be harnessed for sections of the business community.

References

- Aguirre, E., Mahr, D., Grewal, D., de Ruyter, K. and Wetzels, M. (2015). Unravelling the Personalization Paradox: The Effect of Information Collection and Trust-Building Strategies on Online Advertisement Effectiveness. *Journal of Retailing*. 91(1). pp. 34-49
- Belitski, M., Guenther, C., Kritikos, A.S. et al. (2022) Economic effects of the COVID-19 pandemic on entrepreneurship and small businesses. *Small Business Economics* 58, pp. 593–609
- Chaffey, D and Smith P. R. (2017) *Digital Marketing Excellence: Planning, Optimizing and Integrating Online Marketing* (5th ed) Routledge, London
- Costello, L., McDermott, M-L. and Wallace, R. (2017). Netnography: Range of Practices, Misperceptions, and Missed Opportunities. *International Journal of Qualitative Methods*. 16(1). pp 1-12
- Dormer, P. The Status of Craft, in Dormer, P. ed. (2015). *The Culture of Craft*. (9th Ed.) Manchester University Press. Manchester.
- Gauntlett, D. (2018). *Making is Connecting: The social power of creativity, from craft and knitting to digital everything*. (2nd Ed.) Polity Press. Cambridge.
- Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. *Business Horizons*. 54(3). pp. 241–251.
- Kozinets, R. V. (2020) *Netnography: The Essential Guide to Qualitative Social Media Research*. (3rd ed.) Sage Publications. London.
- Lee, J. A., Sudarshan, S., Sussman, K. L/ Bright, L. F. and Easting, M. S., (2022). Why are Consumers Following Social Media Influencers on Instagram? Exploration of consumer's motives for following influencers and the role of materialism. *International Journal of Advertising*. Vol.41 (1). p.78-100
- Lwesya, F and Mwakasangula, E. (2023). A scientometric analysis of entrepreneurship research in the age of COVID19 pandemic. *Future Business Journal*. 9(103). pp1-15
- Statista (2023). Most popular social networks worldwide as of October 2023, ranked by number of monthly active users <https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/> [Accessed 27/08/2024]
- Wang, Z. and Kim, H. G. (2017). Can Social Media Marketing Improve Customer Relationship Capabilities and Firm Performance? Dynamic Capability Perspective. *Journal of Interactive Marketing*. 39. pp. 15-26