



FREEDOM OF SOCIAL MEDIA IS AN ESSENTIAL NECESSITY FOR THE GROWTH OF SMALL ENTERPRISES; A CRITICAL ANALYSIS WITH RESPECT TO RECENT LAWS BEING IMPOSED ON THIS SECTOR.

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ABSTRACT social media has emerged as an extremely powerful mass mobilization platform in the recent past. These IT (information technology) - aided applications are radically redefining new forms of virtual networks. They are being increasingly used for a range of activities such as mutual interests, thoughts, sentiments, interpretations, information, and the ability to share and modify accessible content through easily operated resources, like messages, comments, digital photographs, or videos, which are generated through on-line communication. This medium has the power to introduce substantial and pervasive changes of communication between businesses, organizations, communities, and individuals. The paper attempts to analyse the impact of the new laws, in this sector on the expansion of small business enterprises. **Research Question:** The study would attempt a critical analysis of the impact of stringent laws on social media platform, with special reference to small businesses. As social media are often used as an alternative to advertisements. The effect of such laws on the expansion of small businesses, as well as the reasons behind the imposition of such laws.

KEYWORDS :

1. INTRODUCTION

An average person today has about eight social media accounts at times, nine for people in the age group (16-24). If one's brand is present even on a few platforms, it seems as if one exists "everywhere". The amazing power of social media can be seen in the fact there are certain known patterns that have been analysed. These patterns are discussed below:



Figure 1

Source: google image

- There is a rule of seven which is followed, this rule states that a prospective customer has normally to see a message seven times before he or she purchases a product.
- Connecting on Social-Media develops a more personalized experience. This becomes an absolute priority, as consumers appreciate brands that get to know them. With the help of this, it becomes easier to slide into the customers daily activities unobtrusively, and thus helping in developing a personal interaction.
- What is truly helping small businesses are messenger bots (primarily on Facebook and Twitter). Chat bots are much less crowded than emails.

The average email open rate is 24.9%, while the average chat bot open rate is 70-80%.

Chat bots can get annoying if the bot cannot answer the customers question, so it is important to make sure that human interaction enters. Thus, what is imperative is not just selling but also understanding what the customer wants. Using this medium for promoting one's business generates more loyalists, creating their own page on one or more social networks, and with it encouraging greater interaction, this could further be advanced by sharing other client's posts. These posts entail the listed below steps to enhance the reach of business ventures.

A definite next step is a dedicated loyal following, as then it is easy to see how the customers use the product after sale. This could also be

done by creating private groups. For this to be successful, regular engagement with the people is required. Influence marketing is the most common form of collaboration and is a very effective tool.

Social media allows brands to effortlessly collaborate and expand their audience by simply sharing a post. It also adds credibility to your brand, for example seeing a business page with thousands of excellent reviews, gives confidence to an individual to at least try out the product for the first time. This platform also allows businesses to take control over one's reputation, even if you have a dissatisfied customer how one responds speaks volumes.

The biggest benefit is the number of referrals that one can accumulate, as this is a virtual world. It becomes comparatively easier to increase referrals by offering amazing service and making every customer a fan. It helps in building a "personal brand", this is often used by educational institutions to showcase their most effective teacher. A lot of such videos are posted which automatically leads to students paying up and joining courses of the institute.

After launching a new product or service, the first thing that one would want to know is how people perceive the new launch. Is the product easy to use? Is it missing an important feature? Is the price a good one? Social media is a great way to start a conversation with your audience and at the same time gauge their satisfaction, if for example one is going to launch a new product, one could ask the audience for suggestions, or in fact even test it out before launching.

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2. Impact Of Social Media

Social media has displayed a unique role in transforming the form of

communication which establishes newer network potential, influencing individual and collective public opinion, both at the initial stage as well as at the level of participation in achieving targeted objectives. It has registered its powerful presence and has demonstrated world- wide usage.

It does not impact one's business over night, in fact building a presence through this platform may take years. But if it is used correctly, it can in fact build long term relationships that will transcend any advertisements that one might run.

2.1 Small Businesses

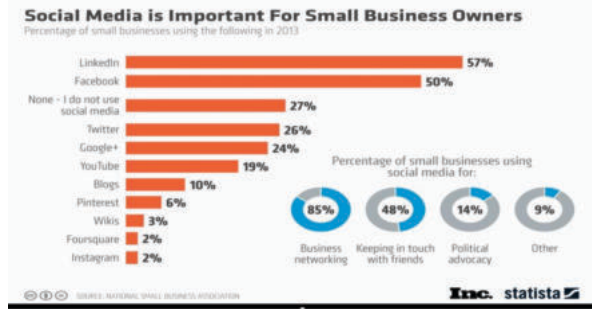


Fig 2: Social Media Importance for Small Business
Source: researchgate.net

It allows Businesses to become omni present.

- Increase personalization.
- Generates more loyalty.
- Increases industry collaboration.
- Adds credibility.
- Increases referrals.
- Helps one build a Personal Brand.
- Helps gauge audience feedback.

2.2 The Indian Social sector

The role of the social media in India has been phenomenal. The reach has not been only with respect to business enterprises both big and small, but also with respect to implementation of various social schemes that the government wants to advocate. It can garner a lot of enthusiasm for certain schemes and at the same time can lead to widespread protests too. The reach of this sphere is so widespread that care should be taken in its use. The importance of the power of social media is such that campaigns could be outside the preview of bureaucratic red tape.

- Another social campaign which was quite successful and this time by the public was the Jessica Lal murder case. The interest that was generated forced the police, judiciary and all the powers to reach a just decision.
- Delhi Gang Rape (Nirbhaya Case), here the impact of social media could be felt, in the anguish and the anger displayed by the public.

The Indian Government has used the social media platforms to promote good hygiene practices, benefits of using sanitary napkins, to name a few. Anne Hazare, the famous social activist, connected via this platform for a campaign to introduce the Jan Lokhpal Bill, in the name of anti-corruption movement in 2012.

Freedom of expression is one of the most important fundamental rights to express an opinion through any medium. In the past, print and electronic media played a vital role in society. Today, the medium is through Facebook, What's App, Twitter, Instagram, to name a few. These have rapidly changed the whole complexion of expression, ideas, influences as well as opinions on various issues, at times it is this, which can overturn the opinions that might be expressed in the other forms.

3 New Laws

NEW IT (information technology) RULES AND REGULATIONS TO BE FOLLOWED BY SOCIAL MEDIA PLATFORMS:

- 1) Appoint a chief compliance officer who shall be responsible for ensuring compliance with the ACT and RULES. Such a person should be a resident of India.
- 2) Appoint a Nodal Contact Person for 24*7 coordination with law

enforcement agencies. Such a person should be a resident in India.

- 3) Appoint a Resident Grievance Officer who shall perform the function mentioned under Grievance Redressal Mechanism. Such a person should be a resident of India.
- 4) Publish a monthly Compliance report mentioning the details of contents removed proactively by the Social Media Intermediary. of contents removed proactively by the Social Media Intermediary. Appoint a chief compliance officer who shall be responsible for ensuring compliance with the ACT and RULES. Such a person should be a resident of the country.

Some of the famous platforms are still negotiating the terms and conditions. The government on its part has clarified that no new provisions had been made that would give the Information and Broadcasting Ministry Secretary any fresh “emergency blocking powers” as claimed by most newspaper reports.

3.1 Advantages

Around the world, Governments are moving at a fast pace to limit the power of tech companies. The motivation differs from country to country. In the USA, Europe, China and even India there is a concern that tech companies are stifling competition, spreading incorrect information, and eroding privacy. In Russia and elsewhere, the government has stepped in, to silence protest movements and tighten control over the content posted by social media sites. In China, the reason for governmental control stems from almost the same reasons. In India, the reason given is that the new rules are more transparent, and in fact they would increase accountability. According to the new rules which have been announced under the new Information Technology Rules 2021, have become effective from May 26th, 2021, and social media intermediaries were given three months to comply with the new rules. But in fact, these rules can have serious ramifications, for example the loss of legal immunity, which means that if anyone, who is unhappy with the content posted on these platforms could hold both the person who posts the content, as well as the social media company responsible and take them to court. The government terms these new set of rules as transparent and that they would increase accountability. Social media platforms on the other hand term them as infringement on “free speech” and “fair communication”.

According to the new rules, social media intermediaries are required to appoint a compliance officer who would be “responsible for ensuring compliance with the Act and Rules”, and be “liable on any proceedings, relating to any third-party information, data or communication link, made available, or hosted by that intermediary, wherever he fails to ensure that such an intermediary observes due diligence while discharging it's duties under the Act”.

Previously, intermediaries were not required to disclose the contents of any message or any other information about the first originator. The loss of intermediary status would mean every user post on these platforms would be considered as being published by the Companies making them criminally liable for any content deemed illegal.

3.2 Disadvantages On Small Businesses Of The Law On Small Business: The Economic

Impact

The social media platform saved the Indian economy from a complete downturn. The number of unicorns that came up and the phenomenal success they achieved was due to the non-regulation of this sector. In fact, the number of new start ups were in this space itself. This can be seen clearly in the graph indicated below, which shows the positive effect of consumption on the social media during the pandemic.

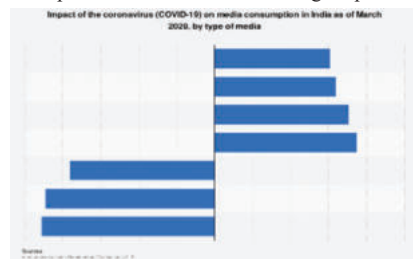


Figure 3: Impact of social media consumption during the pandemic
Source: google image

The use of Social -Media has helped the growth of small businesses to a very large extent by:

- Allowing startups to get in front of a targeted group of people virtually.
- Changing the way businesses communicate with their audience.
- Replacing business card which often ends up in the trash can and replacing it by pop ups in your audience's feed.
- Making it easy for businesses to provide value upfront, prior to asking anything from a prospective customer.
- It is a strong tool for business promotion and marketing.
- A platform where ideas are shared, and where information is passed on at a much faster speed.
- It can reach a million potential clients at a click of a mouse.
- Marketing and building of a brand have become much simpler, as it is all online.
- Customers can read the reviews and feed- back and hence make a smart choice, so all in all it is good for the buyer as well as the seller.
- Social Media is an excellent forum as an educational tool. They use this forum to upload videos on their star teachers, thus attracting students to join and pay up for their classes.

Considering that about half the world's population are on social media daily, it is not surprising that 73% of marketeers agree that social media is extremely effective for their business strategy. One can see the impact of social media in India over the years in the figure below:

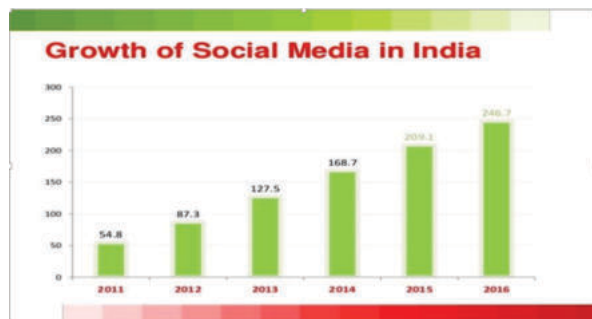


Figure 4 Growth of Social Media in India

Source: google image

4 Economic Arguments Against Regulation

In fact, there is a wealth of data that indicates the regulations would harm economic growth, in the following ways:

- It prevents workers from using the most efficient means of production for example the sectors that provide services related to human capital [like education and health care], the costs of achieving their targets, would be much higher, when regulations are in place.
- There is adequate evidence of an indirect negative effect of strict product market regulations on productivity via their impact on innovation.
- Would kill small businesses who do not have the resources to comply with complex regulations.
- Data indicates that regulations have strong and robust negative effects on economic growth.
- Government regulations are a hidden tax on the market. The affected industry will view these regulatory expenses as another cost of doing business, in a similar manner as an imposition of a tax.
- If regulation is compared to a tax, then just as a tax, it would drive a wedge between supply and demand leading to higher prices for consumers and lowering the net revenue for producers.
- In many cases, the regulation themselves will create a cost hurdle so high that potential firms would find it difficult to enter the industry, thus stifling competition.
- Government regulations dull competitive market forces by erecting barriers to entry and forcing marginal firms out of the market, regulations lead to a less competitive market structure.

5 CONCLUSION

Thus, one concludes that the impact of regulation may be redundant, since the free market is itself, self- regulator, in the way that Adam Smith had envisaged in his book "Invisible Hand". If markets remain competitive and open to the threat of entrepreneurial entry, consumers

will be protected by the combination of market forces and the rule of the law of that country, any further layer of government regulation on top of this self-regulating mechanism is not only redundant but also unnecessary, and in fact would erode the market's self-regulatory nature by throwing costly barriers in the path of competition and innovation.

Such a regulatory mechanism in fact may stifle the power of freedom of speech, in one of the largest democracies of the world. Besides this, the stringent laws will in fact make it difficult for small businesses to widen their reach with respect to expanding markets, as their costs will go up resulting in very often, an unviable project. Artificial barriers would be set up for free entry into a business sphere which then negates the effect of perfect competition which holds the consumer as king. Thus, these laws which may have been introduced for political reasons could very well adversely affect small businesses in the many ways that have been discussed above. But given the reach of Social Media care must be taken such that negative and anti-national feelings and sentiments are not aroused. This is where the government should strongly interfere and regulate.

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