

## **THE IMPACT OF SOCIAL MEDIA ON THE DEVELOPMENT OF SMALL AND MEDIUM-SIZED BUSINESSES**

Virtual space is rapidly spreading to all spheres of human activity, causing changes in global economic processes. Hundreds of millions of people around the world use social media such as Instagram, YouTube and Tik Tok. At first, they used to go online for communication and entertainment. Nowadays, many influencers and entrepreneurs are using social media to develop their small and medium-sized businesses. For example, they create an online shop that sells different commodities such as clothes, books, electric appliances and so on.

The impact of social media on economy is an actual topic because social media are becoming an increasingly popular platform for doing business, in particular e-commerce. Every year there are more and more personal accounts on social media, as well as public corporate pages. Therefore, we will study how social media affect the development of small and medium-sized businesses.

Today, in most countries of the world, the number of people using the social networks is increasing dramatically. According to World meters, at the beginning of 2021, the number of social media users in the world was 4.9 billion people. This is 63% of the world's population [1]. Consequently, social media is becoming the main source of information for people about new products, services, advertising, promotions or other offers. As a result, entrepreneurs can make more money online than offline.

It goes without saying, that social media marketing has a positive effect on offline business. Creating an account on social networks to promote products does not require significant financial investments. For example, a number of café or restaurant owners create an Instagram account on which they post photos of food, interior, service, etc. of their establishment. This strategy attracts people to come, taste their dishes, and enjoy the atmosphere.

Also, online business has become an opportunity for the successful development of start-ups and the realization of entrepreneurial abilities. Therefore, companies can quickly and effectively respond to changing parameters of the market situation. For instance, in 2020, all the countries of the world were captured by the coronavirus infection and people did not have an opportunity to leave their homes and communicate in real life. For this reason, most shops and shopping centers were closed and consumers started shopping online. This situation made people spend more time online. On the other hand, many businesses did not go bankrupt because they were able to adapt to the current conditions on the market.

However, social media identity theft is growing more prevalent as we integrate social networks into our daily lives. Simple mistakes can compromise your personal information, allowing scammers to steal your identity, use your Social Security number, or damage your credit. Nobody is protected from theft of important information. If a hacker finds out the password to your online business, all the secret information will belong to them. As a result, you will lose access to your business, which will bring big financial losses. Moreover, this type of business sometimes is not effective for doing business in developing countries. Some entrepreneurs just do not want to legalize their activities on social media. They do not pay taxes to the government. As a result, this leads to inflation.

To sum up, social media are effective tools for small and medium-sized businesses. The results of the research show that users spend a lot of time on social media every day, so people get to know about the product faster than offline. In my opinion, business online will be more actual than offline in the future since it is not only convenient but also efficient.

#### REFERENCES

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