Application Status and Optimization Suggestions for Social Media Marketing in Small and Medium-Sized Retail Enterprises

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Abstract: With the development of the Internet and new media technologies, social media has become a primary channel for users to obtain information, and naturally an important channel for enterprises to promote products, build brands, and achieve marketing conversion. This paper adopts a problem-oriented research method. Based on an in-depth investigation of the application status of social media marketing in small and medium-sized retail enterprises, it analyzes the problems of unclear strategic planning, insufficient data collection and analysis, homogeneous content strategies, and lack of budget and talent. It further proposes suggestions from the perspectives of clarifying marketing strategies and user positioning, deepening content innovation and scenario integration, optimizing conversion pathways, enabling technology and data-driven approaches, and leveraging platform policies and resource coordination. The study aims to provide effective support for small and medium-sized retail enterprises to further enhance their social media marketing capabilities and levels, thereby promoting the development of the retail industry.

Keywords: social media marketing; application status; existing problems; optimization suggestions; small and medium-sized retail enterprises

1. Introduction

Influenced by domestic and international situations as well as the contraction of domestic demand, small and medium-sized retail enterprises face multiple challenges such as pressure from large enterprises, homogeneous competition, and cost control. Strengthening marketing efforts has become the key to the survival and development of SMEs. In today's era of universal internet access, social media has become an important channel for the public to obtain information, and carrying out marketing activities through social media has increasingly become the main sales channel for enterprises. Well-known retail enterprises in the industry, such as "Pangdonglai" and "Hema Fresh," have established comprehensive and systematic social media marketing systems, contributing significantly to their sales shares. However, constrained by factors such as capital, scale, technology, and talent, small and medium-sized retail enterprises still lag behind large enterprises in social media marketing. How to combine their own positioning, fully leverage their advantages in specialization, refinement, and distinctiveness, and make better use of social media to carry out marketing activities has become an important topic. Conducting this study has significant practical value and meaning.

2. Small and Medium-Sized Retail Enterprises and Social Media Marketing

2.1 Small and Medium-Sized Retail Enterprises

According to the Standards for the Classification of Small and Medium-Sized Enterprises, medium-sized retail enterprises are those with 50 or more employees and annual operating revenue of 5 million yuan or more; small-sized enterprises are those with 10 or more employees and annual operating revenue of 1 million yuan or more. Small and medium-sized retail enterprises are characterized by small scale, flexible operations, precise market positioning, proximity to consumers, strong professionalism, and segmented types.

2.2 Social Media Marketing

Social media marketing refers to a marketing approach that utilizes social media platforms to achieve goals such as brand promotion, product sales, and customer relationship management through publishing content and interacting with users. It mainly relies on the Internet and third-party platforms to conduct marketing activities and is characterized by strong interactivity, rapid dissemination, and precise targeting. Common forms of social media marketing include content marketing, interactive marketing, KOL/influencer marketing, event marketing, community marketing, and advertising marketing. The key to social media marketing lies in capturing and satisfying audiences' social needs and emotional resonance, ultimately achieving sales conversion.

2.3 The Value and Significance of Social Media Marketing for Small and Medium-Sized Retail Enterprises

Social media provides enterprises with a platform for two-way communication. Enterprises can publish content in various forms such as text, images, music, and video to provide consumers with valuable information, help audiences bridge information gaps during the purchasing process, reduce information uncertainty, and thus influence customer purchase decisions. Through social media, enterprises can further strengthen communication and interaction with target groups, listen to customers' rational suggestions, and improve service capacity and service levels, thereby conveying corporate values, enhancing brand influence, discovering potential customers, achieving sales conversion, and increasing customer stickiness. In the future, with the continued expansion of public social media usage, the role of social media marketing in enterprise marketing will become increasingly significant.

3. Current Application Status of Social Media Marketing in Small and Medium-Sized Retail Enterprises

3.1 Social Media Marketing Has Gradually Become the Core Marketing Approach for Enterprises

Social media itself possesses advantages such as rapid dissemination, wide coverage, and low cost, which are highly favorable for small and medium-sized retail enterprises. At the same time, it delivers remarkable effects in terms of viral spread and conversion. Therefore, social media marketing has naturally become the preferred marketing method for SMEs. According to a survey, more than 60% of SMEs are more accustomed and willing to conduct marketing activities through social media, using online channels to communicate with customers; over 40% of SMEs reported that social media marketing played a decisive role in promoting their business. The main channels of social media marketing for SMEs include WeChat official accounts, mini programs, platform-based e-commerce, Douyin local life services, Xiaohongshu, enterprises' own websites, and word-of-mouth platforms.

3.2 Viral Marketing on Social Media Has Become a Powerful Low-Cost Customer Acquisition Tool for Enterprises

Due to their own scale and positioning, SMEs generally face pain points such as "high traffic costs and difficult conversion." By leveraging social media and relying on price incentives as well as gamification and social mechanisms, users can be motivated to actively share, thus creating a viral dissemination pattern. At present, the mainstream viral marketing methods of SMEs include group purchases via apps, voting contests, social cash discounts, and trial reservations, with their effects shown in Table 1.

Table 1. Comparison of the Effects of Mainstream Social Media Viral Marketing Models

Marketing Model	Customer Acquisition Cost	Conversion Rate	User Quality	Applicable Categories
APP Group Purchase	Very Low	10%-20%	Medium	Daily necessities, food
Voting Contest	Low	10%-18%	High	Creative products, catering
Social Cash Discount	Medium	8%-12%	Medium	Clothing, cosmetics
Trial Reservation	Medium-High	10%-15%	High	Catering, daily necessities

3.3 Content Seeding and Scenario-Based Livestreaming Are Emerging

In recent years, content seeding and scenario-based livestreaming have become important means for small and medium-sized retail enterprises to acquire customers. Major short-video apps such as Douyin and Bilibili have launched activities like "Store Exploration Influencers" and "Seeking Local Flavors," where influencers promote businesses through personal experiences, attracting consumers and reinforcing brand awareness. At present, leveraging various internet influencers for content seeding has become an important and fast way to drive traffic. In addition, scenario-based livestreaming has also been widely used among SMEs. For example, Douyin capitalized on the popularity of the "Su Super League," attracting merchants to carry out livestream marketing of event-related products, converting the enthusiasm of the matches into consumption momentum. The Nantong team made the "Brother Nan" style slippers go viral, with over 20,000 viewers following daily during livestreams. The official flagship store of the Su Super League innovatively adopted the "Crosstalk-Style Product Review of the Su Super League" model, combining event anecdotes and team memes with product highlights, repeatedly achieving record-breaking sales.

3.4 Combining Public and Private Domains to Gradually Build a Closed-Loop Marketing System

At present, some leading SMEs in China have actively built a social media marketing system of "public domain traffic acquisition + private domain operation," effectively achieving user lifecycle management through the integration of public and private domains. For instance, Douyin promotes a "Local Push" package consisting of three key links—private messages, marketing pages, and livestreaming—which allows businesses to directly send marketing information to users, upgrade marketing pages, and build a closed-loop marketing system by embedding "lead service" components during livestreams, enabling seamless access for merchants. By casting a wide net in the public domain and conducting precise engagement in the private domain, SMEs can fully leverage the guiding role of offline stores, e-commerce platforms, and social media. The private domain then achieves conversion and viral growth, enhancing customer stickiness and transaction levels.

4. Difficulties and Problems in Social Media Marketing of Small and Medium-Sized Retail Enterprises

4.1 Blurred Positioning Leading to Dispersed Resources

Due to limitations in scale and capital, small and medium-sized retail enterprises cannot expand comprehensively like large enterprises and must follow paths of specialization, refinement, and differentiation. However, many enterprises still adopt a "scattershot" approach in social media marketing, lacking accurate self-awareness, with vague strategic positioning and unclear goals, which leads to the dispersion of already limited marketing resources. For instance, some SMEs simultaneously pursue multiple goals such as brand exposure, traffic generation, and conversion without a core focus. Under limited resources and investment, this may result in unsatisfactory outcomes. For example, if an educational institution positions itself as "obtaining 3,000 valuable target parent inquiries within one month," it should focus on channels like WeChat communities and search engines, while appropriately adjusting its use of traffic-oriented platforms like Douyin and Xiaohongshu. In addition, some enterprises lack sufficient understanding of different social platforms, resulting in weak resource coordination. Consequently, the chain of "traffic generation–new customer acquisition–sales conversion" is not smooth, with bottlenecks still present.

4.2 Homogenized Content Weakening Competitiveness

Unlike large enterprises with their own professional teams or outsourced creative agencies, SMEs often exhibit a "follow-the-trend imitation" phenomenon in content creation on social media. They lack uniqueness and creative innovation, making it difficult to effectively stimulate audience interest and resulting in poor marketing outcomes. For example, some SMEs rely heavily on templates, with promotional content overly dependent on AI-generated material, lacking independent innovation. In particular, they fail to fully tap into their own professionalism and unique features, making it hard to showcase advantages. At the same time, their content often lacks emotional warmth, leading to weak brand guidance and inability to effectively resonate with audiences. Activity formats such as voting, group buying, and bargaining have become homogenized, lacking distinctive highlights, which reduces audience engagement enthusiasm.

4.3 Blockages and Blind Spots in Conversion Processes

Sales conversion is the most critical link in marketing. No matter how much traffic is acquired, if it cannot be converted, the marketing effort fails. Although many SMEs are able to obtain considerable traffic, they face numerous blockages and blind spots in the conversion stage, ultimately leading to customer loss. This is reflected in insufficient follow-up mechanisms: after attracting users through various platforms, subsequent engagement is often disconnected—failure to make timely phone calls or add WeChat contacts, or to promptly follow up with incentives such as "collect coupons" or "discounts for new customers," results in traffic loss. Layered operation systems are also inadequate: SMEs often fail to adopt targeted measures or differentiated solutions based on the characteristics of attracted users. Online and offline scenarios are fragmented, lacking coordination—for instance, online coupons may not be applicable offline; or the process of jumping from livestreams to shopping carts is cumbersome—both of which cause customer attrition.

4.4 Weakness in Resources, Technology, and Data Application Capabilities

Due to limitations in capital, technology, and talent, SMEs still face significant shortcomings compared with large enterprises in terms of technology openness and big data application, resulting in data gaps and information asymmetry. Most SMEs find it difficult to establish specialized data analysis teams, relying instead on automated statistical functions of various e-commerce platforms and systems. However, this may lead to incomplete data and delayed information. Moreover, SMEs face barriers between different marketing systems, between different social platforms, and among different types of

data (e.g., social media traffic data, sales data, and membership data). Since the information is not integrated, they cannot effectively conduct comprehensive analysis and evaluation, making it difficult for overall marketing efforts to achieve breakthroughs.

5. Optimization Suggestions for Social Media Marketing of Small and Medium-Sized Retail Enterprises

5.1 Clarify Positioning and Optimize Marketing Strategy

For SMEs, before carrying out any marketing activities, they must first establish a clear and precise positioning. Based on their own strengths and characteristics, they should conduct detailed market segmentation, formulate explicit social media operation strategies, avoid blindly following trends, and ensure that advantageous resources are concentrated for maximum effectiveness. Enterprises should align strategies with their development stage: in the early stage, focus on user acquisition and popularity building; in the growth stage, emphasize sales conversion and brand exposure; in the maturity stage, concentrate on brand building and enhancing user stickiness.They should create marketing strategies based on the user's entire lifecycle: use "hook content" to attract undeveloped audiences; provide "value content" to gradually build trust with interested users; offer personalized "persuasive content" to convert potential users into customers; and engage loyal customers through "product interaction" to encourage repeat purchases and enhance stickiness.Promotional content should be scientifically arranged according to the strengths and content preferences of different platforms. For instance, Douyin and Kuaishou are suitable for short "pure tips" within 20 seconds; Xiaohongshu is suitable for "scenario-based recommendation," using "text-and-image reviews" to build trust among new users; WeChat Official Accounts can publish "in-depth long articles"; Bilibili, with more space for video, can be used to develop tutorial-style long videos to establish a professional brand image. Through systematic coordination, SMEs can build a complete closed loop of "traffic acquisition–trust building–sales conversion–consolidation and upgrading."

5.2 Deepen Content Innovation and Promote Scenario Integration

Content innovation is the key to breaking homogeneous competition and building differentiated advantages as well as core competitiveness. SMEs should leverage product features and user needs, further explore their unique strengths, and combine local cultural scenarios to create a personalized social media communication matrix.Focusing on products, they should explore highlights from production, processing, distribution, and sales stages, extracting fresh and creative content to enhance traffic generation. For example, in bakery promotion, rather than just displaying cake styles, they can show the baking process to convey culture, craftsmanship, and emotion; hardware stores can attract broad audiences with "magical repair" videos.They should go beyond traditional social media promotion models by deeply integrating with local hotspots and cultural activities to create immersive shopping experiences. For example, the influencer "Dao Dao Fu," nicknamed by netizens as "Two-Sided Thirteen Nagging," watches games with fans while explaining Suzhou's history and culture, simultaneously promoting cultural and creative products, achieving excellent traffic and conversion effects. Enterprises should design innovative marketing activities that align with platform characteristics and product strengths. For instance, retail chains could launch "discount blind box" activities where users vote to decide the next round of discounted products; milk tea shops could invite wide participation by hosting a "Latte Art PK Competition," where posting photos earns participants a free in-store coffee, thus gathering popularity and significantly increasing traffic.

5.3 Build Differentiated Services and Optimize the Conversion Path

SMEs should closely align with their own realities, identify weaknesses and gaps in social media marketing activities, and establish a closed and complete conversion path to improve marketing effectiveness. Enterprises should tailor differentiated strategies for new users, active users, and dormant users, designing "newbie benefits," "exclusive discounts," and "re-engagement rewards" to achieve precise marketing.By analyzing users' online behavior patterns, they can reasonably apply layered models such as the RFM model, behavioral segmentation, and interest-based segmentation. Based on user needs and value orientations, differentiated service models can be implemented—for example, pushing new company products to high-value users, recommending bestsellers to medium-value users, sending limited-time discount coupons to users who added items to cart but did not complete payment, and promoting complementary products to users who purchased similar items. Furthermore, SMEs should shorten the conversion path, improve livestreaming and platform functions, fix existing system loopholes, and ensure user experience is convenient and smooth.

5.4 Technology Empowerment and Data-Driven Use of Platform Resources

SMEs should moderately increase technological investment in social media marketing activities according to their

actual situation, building low-cost and highly efficient tool combinations to break down data barriers and bridge the digital divide. For enterprises using third-party platforms such as "Ready Share," basic updates should be maintained while making full use of e-commerce platform software. For instance, leveraging Douyin's heatmap analysis can help identify content deficiencies, such as analyzing user drop-off points to optimize the pacing of short video content.Pragmatic cooperation with upstream and downstream enterprises should be strengthened, integrating API ecosystems to connect data links across different systems, thereby achieving shared information, co-built data, and seamless functional collaboration. Examples include linking WeChat mini-program orders with Douyin promotions, or connecting customer service systems with user behavior data.SMEs should also be alert to platform dividend periods, actively participate in official campaigns, make full use of platform support policies, integrate cross-industry resources, and strive for traffic benefits. For example, actively joining Douyin's "Taste of Daily Life" campaign to accumulate "popularity points," or registering for the "Su Super City Good Products List" to leverage event hotspots and enhance exposure. Moreover, they should explore cluster-based cooperation and industry collaboration models.

6. Conclusion

Currently, Internet marketing is still in a growth phase, and the era of "traffic is king" continues. Small and medium-sized retail enterprises should seize this strategic opportunity, consistently adhere to planning-led guidance and clear goal positioning; excel at storytelling and deeply cultivate content; build differentiated service strategies and optimize conversion paths; strengthen technological support and leverage platform resources. Through social media marketing, SMEs can shape their core competitiveness and promote high-quality development.

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