


Social Media Marketing as a Catalyst of Digital Transformation of Business Operations

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Abstract:

In today's dynamic digital environment, social media marketing has become a pivotal element of digital transformation, fundamentally reshaping how businesses approach advertising, marketing strategies, and fostering customer engagement and value creation. This write-up highlights the multifaceted role of social media in enhancing brand visibility, fostering customer interactions, and driving customer value creation across economic, functional, and social dimensions. Leveraging insights from industry studies, it discusses the use of platforms to optimise operations, conduct market research, and create personalised customer experiences. Challenges such as data privacy concerns and regulatory compliance should be addressed, emphasising the need for robust data governance frameworks. The insights from the discussion underscore the importance of integrating advanced tools like AI for operational efficiency and personalised interactions. By aligning social media efforts with broader digital strategies, businesses can achieve sustainable growth in a competitive, customer-centric digital economy.

Keywords: customer engagement, data privacy, operational efficiency, regulatory compliance, socially driven digital strategy

In the rapidly evolving digital landscape, social media marketing has become indispensable for businesses undergoing digital transformation. As companies seek to enhance customer engagement, improve operational efficiencies, and leverage data-driven insights, integrating social media into their digital strategies presents both vast opportunities and significant challenges.

Social media marketing has become essential for businesses in the modern era (Naveenkumar, et al, 2024). Social media marketing is seen majorly that Facebook, Twitter, LinkedIn, YouTube, Snapchat, and Instagram are used as the predominant platforms of social media marketing,

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depending upon the requirements of the business (Constantinides, 2014). Panda et al. (2024) projects social media as the catalyst for the hotel business growth in the Indian context

A Catalyst for Digital Transformation

Social media has transformed the ways businesses approach marketing, advertising, and promotion, offering immense potential for entrepreneurial ventures and business opportunities (Azhar & Akhtar, 2020) through technological transformation. Among others, since social media marketing would help enhance brand awareness, build brands (Sthapit & Sthapit, 2022), foster customer engagement and interaction, promote customer value creation (Sthapit et al., 2023), conduct market research and gain insights, create and distribute content, as well as generate sales and leads (Ama, 2024), while Laradi et al. (2023) also found that social media platforms would offer users the opportunity to express their interests and provide brands with a powerful tool for their marketing communications. These elements collectively contribute to the overall success of a business.

Social media marketing is often one of the first steps in the digitisation of marketing (Sthapit & Khadka, 2016; Sthapit et al., 2023) and business operations. Platforms like Instagram, Facebook, and LinkedIn give businesses direct access to millions of potential customers, allowing them to increase brand awareness and client loyalty to new sizes. Vaidya (2020) discovered that Nepalese Facebook users were more interested in the quality of the items and services provided, as well as the affinity, entertainment, and personalisation for effective marketing.

A study conducted by Sthapit et al. (2023) revealed that brand coverage and visibility on social media significantly influenced value creation across various dimensions of value, including economic, functional, and social aspects, as well as total value creation (TVC). These insights highlight the critical role social media marketing plays in shaping customer perceptions, enhancing brand interactions, and driving business growth. According to research by Deloitte (2023), social media marketing enables businesses to connect with customers in real-time, allowing for enhanced responsiveness and personalisation in customer interactions.

Cao and Weerawardena (2023) reveal that social media marketing significantly enhances brand management, enabling small and medium enterprises (SMEs) in B2B transactions to strategically utilise it for improved business performance. They report that the strategic use of social media strengthens market-sensing capabilities (MSC) to effectively seize market opportunities through (re) developing their MSCs and customer-linking capabilities (CLCs) that drive enhanced marketing and business performance. This responsiveness has become a critical factor in digital transformation, as customers now expect seamless, fast, and personalised experiences across all digital touchpoints.

Moreover, the data generated from social media interactions can provide valuable insights into customer preferences, behaviours, and trends (Sthapit & Khadka, 2016). By integrating this data into broader digital ecosystems, businesses can make informed decisions that optimise various aspects of their operations, from product development to supply chain management. Huseynov (2023) highlights that companies using data-driven social media

strategies are often more agile, as they can quickly respond to market changes and emerging trends, thereby staying competitive in a digital-first economy.

Challenges in Data Privacy and Compliance

Despite its benefits, the intersection of social media marketing and digital operations presents a unique set of challenges, especially concerning data privacy. Social media platforms collect extensive user data, and when businesses leverage this data, they must ensure compliance with data protection regulations. According to a report by [Accenture \(2023\)](#), businesses are increasingly challenged to balance the personalisation of customer experiences with the protection of customer data. Mishandling customer data can lead to substantial financial penalties and damage to a company's reputation as per the national regulation.

Regulatory compliance in social media marketing requires not only stringent data handling practices but also clear communication with customers about how their data is used. As part of their digitisation efforts, businesses must build robust data governance frameworks to ensure transparency and accountability, thereby fostering trust with their customers. [Deloitte \(2023\)](#) suggested that companies that prioritise data privacy in their digital strategy reduce regulatory risks and gain competitive advantages. In Nepal, the Government introduced the Directives for Managing the Use of Social Networks, 2023, exercising the authority granted under Section 79 of the Electronic Transaction Act, 2008. Similarly, Clause 4 of directives outline guidelines for ethical use of social media platforms. These directives emphasize responsible behavior, cultural norms, and compliance with national laws, ensuring social media use aligns with public interest and safeguards digital interactions in the Nepalese context.

Leveraging Social Media for Operational Efficiency

Social media marketing also contributes to the digitisation of internal business operations by streamlining communication and collaboration within organisations. Platforms like LinkedIn and Twitter have emerged as powerful tools for business-to-business (B2B) networking, allowing companies to connect with partners, suppliers, and other stakeholders in the digital ecosystem. As noted by [Gartner \(2023\)](#) social media can facilitate smoother and more efficient supply chain coordination, particularly in industries where speed and responsiveness are critical.

Furthermore, social media analytics provide insights that can be integrated into broader business intelligence systems, enabling companies to make data-driven operational decisions. For instance, real-time customer feedback from social media can inform inventory management and production planning, leading to reduced waste and optimised resources. As such, social media has become an important asset for businesses looking to enhance operational efficiencies through digitisation.

Building a Socially Driven Digital Strategy

Businesses should develop strategies that align social media marketing with their digital transformation goals, involving the marketing team, IT, operations, and customer service departments. [Accenture \(2023\)](#) highlighted that successful social media strategies are typically integrated across multiple functions, enabling companies to create a unified customer experience and streamline internal operations.

A socially driven digital strategy also involves the adoption of advanced tools and technologies, such as AI and machine learning, to automate and enhance social media interactions. Huseynov (2023) reports that companies using AI-driven chatbots on social media can significantly improve customer engagement, providing fast, personalised responses while freeing up human resources for more complex tasks; and this integration of social media and AI is expected to play an increasingly prominent role as businesses continue to digitise their operations.

Conclusion

The integration of social media marketing into the digitisation of business operations offers a powerful path to enhancing customer engagement, operational efficiency, and data-driven decision-making. However, it also requires careful attention to data privacy, regulatory compliance, and cross-functional alignment. By adopting a socially driven digital strategy, businesses can position themselves at the forefront of the digital economy, ready to meet the demands of a connected, customer-centric world.

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