

THE ROLE OF SOCIAL MEDIA MARKETING IN SHAPING BUSINESS

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Abstract: Social media marketing is the new mantra for several brands since early few years. Marketers are taking note of many different social media opportunities and beginning to implement new social initiatives at a higher rate than ever before. Social media marketing and the businesses that utilize it have become more sophisticated. One cannot afford to have no presence on the social channels if the competitor is making waves with its products and services. The explosion of social media phenomenon is as mind boggling as that and the pace at which it is growing is maddening. Global companies have recognized social media marketing as a potential marketing platform, utilized them with innovations to power their advertising campaign with social media marketing. This paper discusses about the social media outlets and social media marketing and other aspects like the growth and benefits, social media marketing strategies

Keywords: Social media outlets, Significance of Social Media Marketing, Growth of Social Media Marketing in India, Social Media Marketing Strategies.

I. INTRODUCTION

First off, let's talk about what social media is. Social media represents low-cost tools that are used to combine technology and social interaction with the use of words. These tools are typically internet or mobile based. A few that we have probably heard of include Twitter, Facebook, MySpace and YouTube.

There is a saying that it takes a village to raise a child - perhaps today it takes a social media community to grow a business. Social media is not just about dealing with what people say about us online though, it's about communicating with our customers and future customers, it's about building a community, being part of other communities; it's about educating people, listening to them, and letting them know all about us, our company, the people that work for us, our products, our services, our business philosophy, our integrity and our organizational culture.

It's the latest "buzz" in marketing. India is probably among the first proponents of social media marketing. These days, the organizational cause has replaced the social cause as companies seek to engage with their audience via the online platforms. A corporate message spreads from user to user and presumably resonates because it appears to come from a trusted, third-party source, as opposed to the brand or company itself. Hence, this form of marketing is driven by word-of-mouth, meaning it results in earned media rather than paid media.

II. OBJECTIVES

1. To analyse the significance of social media marketing
2. To make a study on the growth of social media marketing in India
3. To make a study on social media marketing strategies

III. RESEARCH METHODOLOGY

The study is entirely based on secondary data collected through journals, magazines, books and related websites.

Social Media Outlets/Platforms:

Social networking websites allow people to stay in contact, whether it is through pictures or writing. When products or companies join those sites, people can interact with the product or company. That interaction feels personal to users because of their previous experiences with social networking site interactions. Social networking sites like Twitter, Facebook, GooglePlus, YouTube, Pinterest and blogs allow individual followers to “re tweet” or “repost” comments made by the product being promoted. By repeating the message, all of the users connections are able to see the message, therefore reaching more people. Social networking sites act as word of mouth. Because the information about the product is being put out there and is getting repeated, more traffic is brought to the product/company.

Twitter:

Twitter allows companies to promote products on an individual level. The use of a product can be explained in short messages that followers are more likely to read. These messages appear on followers’ home pages. Messages can link to the product’s website, Facebook profile, photos, videos, etc. product online. This interaction can create a loyal connection between product and individual and can also lead to larger advertising opportunities. Twitter promotes a product in real-time and brings customers in.

Facebook:

Facebook profiles are more detailed than Twitter. They allow a product to provide videos, photos, and longer descriptions. Videos can show when a product can be used as well as how to use it. These also can include testimonials as other followers can comment on the product pages for others to see. Facebook can link back to the product’s Twitter page as well as send out event reminders. Facebook promotes a product in real-time and brings customers in. As marketers see more value in social media marketing, advertisers continue to increase sequential ad spend in social by 25%. Strategies to extend the reach with Sponsored Stories and acquire new fans with Facebook ads continue to an uptick in spend across the site. The study attributes 84% of "engagement" or clicks to Likes that link back to Facebook advertising. Today, brands increase fan counts on average of 9% monthly, increasing their fan base by two-times the amount annually.

You Tube:

Video has become an integral part of Internet users' online experience, and no site hosts more videos than YouTube. The site boasts more than 3 billion video views per day, making it an excellent place for marketers to find consumers. Its reach is global, too; 70 percent of its traffic originates outside of the United States, making it more than a place to find only American customers.

- ***Viral***

YouTube is the home of the viral video, the term for a video that spreads quickly to a large audience on the Internet. Marketers can use other social media avenues, such as Facebook or Twitter, to direct consumers to YouTube videos as a way of trying to get the videos to catch fire with the public. Especially popular videos make it to the YouTube home page, further strengthening traffic.

- ***Channels***

On YouTube, you can host your own channel. This allows you to centralize an online location for all manner of videos related to the product or service that you are marketing. You can create a series of related videos this way. It also helps you keep a fresh library of videos. You can update, revise or create completely new videos about your product or service, while maintaining an outlet for the older, related videos. Marketers have the option to establish a free user channel, such as the one many individuals create, or to pay a fee to host a branded channel, which gives marketers more options and features to improve their pages.

- ***Measurement***

One of YouTube's greatest strengths is the way that it allows anyone to track how many views each video is receiving. There are no complicated searches or evaluations necessary. Instead, the number of viewers for each video is posted right beneath the video image. This allows marketers to gauge instantly how widely their videos are being received, and how successfully they are finding an audience. You can also see how many people are recommending your video or commenting on it.

- ***Miscellaneous***

In addition to brand channels, YouTube offers other options for marketers attempting to reach the site's many users. These opportunities include buying advertising on the home page or buying advertising that runs beside certain videos. Marketers can also use keywords so that, when certain search terms are used on YouTube, it will trigger their videos to appear as an option for users. Marketers then pay based on how many users choose to watch their video.

Blogs:

Blogs allow a product or company to provide longer descriptions of products or services. The longer description can include reasoning and uses. It can include testimonials and can link to and from Facebook, Twitter and many social network and blog pages. Blogs can be updated frequently and are promotional techniques for keeping customers. Other promotional uses are acquiring followers and subscribers and direct them to your social network pages.

Significance of Social Media Marketing:

To some entrepreneurs, social media marketing is the “next big thing,” a temporary yet powerful fad that must be taken advantage of while it’s still in the spotlight. To others, it’s a buzzword with no practical advantages and a steep, complicated learning curve. Because it appeared quickly, social media has developed a reputation by some for being a passing marketing interest, and therefore, an unprofitable one. The statistics, however, illustrate a different picture. According to Hubspot, 92% of marketers in 2014 claimed that social media marketing was important for their business, with 80% indicating their efforts increased traffic to their websites. And according to Social Media Examiner, 97% of marketers are currently participating in social media—but 85% of participants aren’t sure what social media tools are the best to use.

This demonstrates a huge potential for social media marketing to increase sales, but a lack of understanding on how to achieve those results. Here’s a look at just some of the ways social media marketing can improve your business:

Increased Brand Recognition:

Every opportunity you have to syndicate your content and increase your visibility is valuable. Your social media networks are just new channels for your brand’s voice and content. This is important because it simultaneously makes you easier and more accessible for new customers, and makes you more familiar and recognizable for existing customers. For example, a frequent Twitter user could hear about your company for the first time only after stumbling upon it in a newsfeed. Or, an otherwise apathetic customer might become better acquainted with your brand after seeing your presence on multiple networks.

Improved Brand Loyalty:

According to a report published by Texas Tech University, brands who engage on social media channels enjoy higher loyalty from their customers. The report concludes “Companies should take advantage of the tools social media gives them when it comes to connecting with their audience. A strategic and open social media plan could prove influential in morphing consumers into being brand loyal.” Another study published by Convince&Convert found that 53% of Americans who follow brands in social are more loyal to those brands.

More Opportunities to Convert:

Every post you make on a social media platform is an opportunity for customers to convert. When you build a following, you’ll simultaneously have access to new customers, recent customers, and old customers, and you’ll be able to interact with all of them. Every blog post, image, video, or comment you share is a chance for someone to react, and every reaction could lead to a site visit, and eventually a conversion. Not every interaction with your brand results in a conversion, but every positive interaction increases the likelihood of an eventual conversion. Even if your click-through rates are low, the sheer number of opportunities you have on social media is significant.

Higher Conversion Rates:

Social media marketing results in higher conversion rates in a few distinct ways. Perhaps the most significant is its humanization element; the fact that brands become more humanized by interacting in social media channels. Social media is a place where brands can act like people do, and this is important because people like doing business with other people; not with companies.

Additionally, studies have shown that social media has a 100% higher lead-to-close rate than outbound marketing, and a higher number of social media followers tends to improve trust and credibility in your brand, representing social proof. As such, simply building your audience in social media can improve conversion rates on your existing traffic.

Higher Brand Authority:

Interacting with your customers regularly is a show of good faith for other customers. When people go to compliment or brag about a product or service, they turn to social media. And when they post your brand name, new audience members

will want to follow you for updates. The more people that are talking about you on social media, the more valuable and authoritative your brand will seem to new users. Not to mention, if you can interact with major influencers on Twitter or other social networks, your visible authority and reach will skyrocket.

Increased Inbound Traffic:

Without social media, your inbound traffic is limited to people already familiar with your brand and individuals searching for keywords you currently rank for. Every social media profile you add is another path leading back to your site, and every piece of content you syndicate on those profiles is another opportunity for a new visitor. The more quality content you syndicate on social media, the more inbound traffic you'll generate, and more traffic means more leads and more conversions.

Decreased Marketing Costs:

According to Hubspot, 84% of marketers found as little as six hours of effort per week were enough to generate increased traffic. Six hours is not a significant investment for a channel as large as social media. If you can lend just one hour a day to developing your content and syndication strategy, you could start seeing the results of your efforts. Even paid advertising through Facebook and Twitter is relatively cheap (depending on your goals, of course). Start small and you'll never have to worry about going over budget—once you get a better feel for what to expect, you can increase your budget and increase your conversions correspondingly.

Better Search Engine Rankings:

SEO is the best way to capture relevant traffic from search engines, but the requirements for success are always changing. It's no longer enough to regularly update your blog, ensure optimized title tags and meta descriptions, and distribute links pointing back to your site. Google and other search engines may be calculating their rankings using social media presence as a significant factor, because of the fact that strong brands almost always use social media. As such, being active on social media could act as a "brand signal" to search engines that your brand is legitimate, credible, and trustworthy. That means, if you want to rank for a given set of keywords, having a strong social media presence could be almost mandatory.

Richer Customer Experiences:

Social media, at its core, is a communication channel like email or phone calls. Every customer interaction you have on social media is an opportunity to publicly demonstrate your customer service level and enrich your relationship with your customers. For example, if a customer complains about your product on Twitter, you can immediately address the comment, apologize publicly, and take action to make it right. Or, if a customer compliments you, you can thank them and recommend additional products. It's a personal experience that lets customers know you care about them.

Improved Customer Insights:

Social media also gives you an opportunity to gain valuable information about what your customers are interested in and how they behave, via social listening. For example, you can monitor user comments to see what people think of your business directly. You can segment your content syndication lists based on topic and see which types of content generate the most interest—and then produce more of that type of content. You can measure conversions based on different promotions posted on various social media channels and eventually find a perfect combination to generate revenue.

Growth of Social Media Marketing In India:

More Indians are logging into Facebook and Twitter accounts, as evident from a record growth of 37 percent in social networking during 2013, "Indians are increasingly logging into Facebook and Twitter accounts, with the country recording the highest social networking growth of 37.4 percent in 2013," the US-based independent market research firm, which provides insights and trends in digital marketing, media and commerce. Though the growth rate of social network users may be slowing globally, there is no stopping in India, as the number of social media users in urban India is projected to cross a whopping 80 million this year from 63 million years ago.

With the second largest Facebook user base outside the US, India is expected to have the largest Facebook population in the world by 2016.

A survey by the Internet and Mobile Association of India found that 78 million netizens across the country were active users of Facebook in early 2013, registering a 50 percent growth over the same period in 2012, followed by 33 million users on Twitter and 20 million users on LinkedIn.

"The boom has established social media as an imperative part of a holistic marketing strategy as it proved to be hugely beneficial for businesses to reduce costs, improve customer services and create an online personality,"

With increasing number of people becoming internet friendly, the need for marketing the services and products have become a lucrative platform. Most of the marketing and promotional activities are targeted towards youth as they are the main target audience that spends their time online, especially the social media like Orkut, Facebook, twitter, LinkedIn and others. Due to a recent report, the number of people joining these social media platforms has witnessed a vertical growth. Even India has been a part of this growth as large number of youths spends most of their time on these websites as it provides a cheap, easy and fun way to be in touch with your friends and colleagues. Young entrepreneurs, film production houses and big brands are also present on these social networking websites as it proves to be a good platform to promote their business. Even Indian companies are being a part of it as with changing times it is wise to change the strategies as well. Marketing as we all know is an important aspect to convey the features, utility and arrival of the products or services.

Apart from young people, there are people in the age group of 25-40 as well who are present on these places as this medium has turned out be a socializing hub. The best thing about the social media is that it helps to make communication easy between two strangers and also assist in finding an old friend or colleague who is a member on these social media. These medium have grown so strong that it has become very important or necessary for you to be a part of it as it not only helps you to socialize but also express your views or promote things that you wish to.

Social media have also become a talent searching grounds. Many HR firms and executives look out for suitable profiles on these websites and people end up getting a good offer. Many people also post recruitment opportunities for their business or firms and receive good response. This not only saves money and time but also helps you to know the person better by reading his comments, likings and the groups that he is a member of.

The best advantage of the social media is that it allows you to expand your reach to millions of people all around the world. Reports proves that from giant corporations to small companies, all have witness a growth in their sales figure by using social media as a platform to promote their business. The popularity and importance of the social media cannot be ignored. With changing market and consumers it is time to adopt new measures to grow your business. With developing nations like India, which is a huge market and has great potentials, it is vital for business concerns to be present at these forums. Social media is the buzz word today and with increasing growth of social media in India, it is important to be a part of it. Below figure gives an idea of the active users from different groups in the social platform till January 2014.

Social Media Marketing Strategies:

Social media marketing is still in its infancy. Most of the online retailers though appreciate its positives fallouts on the brand awareness and promotion; they are still in the early stages of adoption. For an organization willing to invest in social media marketing, it is important to understand why social media marketing is an important marketing strategy and how it can help.

This is the age of consumer satisfaction. It is not about selling it is more about interacting. There is a lot to learn from the customers. Using social media one can identify customers, listen to their feedback and use them to improve and innovate on products or services.

Social media marketing is not a mass advertising strategy. It can be used to identify peer groups and advertise to that particular group. Social Media can help in identifying influencers and through them one can guide a prospective customer into making a purchase.

Social media marketing calls for novel advertising methods as the attention span of online junta is very low. This is largely due to the multitasking phenomena. A person watching a video clip on YouTube might be simultaneously updating a blog, while reading another one and watching friend's photographs on Facebook. In order to garner their attention away from distractions the advertisement must be innovative and interesting to hold the imagination and attention of the prospect. At the same time the message must also provoke the recipient into action; like seeking a detailed description of the product/service, or suggesting to a friend, or initiating purchase. So, if the advertisement is trying to sell something then it should be conveniently placed with links so that the prospect can make a purchase with least effort.

Similarly Social Media can be used to increase customer loyalty through customer support services and hence improve customer retention. Social Media Marketing can also be used by brands to ward off any negative publicity. But the brands

will have to be cautious here as over doing it may further aggravate their customers / stakeholders. Companies using traditional marketing methods (e.g. surveys, focus groups, test marketing) often spend millions to locate their target markets. Establishing a social media strategy will help them see where potential customers are hanging out. The companies can search for related groups and Fan Pages through Facebook, start accounts on social bookmarking sites such as Digg or Stumble Upon, and check on who is linking to your site to find out who's interested. Social media gives businesses on small budgets the ability to find out what people are saying about them (and others) in their industry, without paying large sums on market research. With it's ear to the ground on social media, the company will be the first to know if its product is working or if changes need to be made. To successfully implement one's social media marketing strategy the following points must be kept in mind:

- The company shouldn't just jump on to the bandwagon just because others are jumping into it. The market should be analyzed first to understand whether their brand would really benefit from social media marketing. It should try and find out whether social media marketing strategies fit its brand.
- The company shouldn't expect results over night. Social media marketing is a long term strategy. It will not happen overnight. The results might become visible anywhere from three to six months.

Social media marketing is not a standalone tool for marketing. It has to be used along with all the other conventional marketing strategies. There are many things that social media can do for business. Developing a strategy for using it means that the firms need to think about what they want to accomplish this year and determine how social media fits into the plan. One of the benefits of a social media strategy is the fact that the available tools can be customized for their particular needs. The firms can choose to concentrate their efforts on the sites that seem to offer the best return on investment, while taking a "wait and see" stand on the others.

IV. CONCLUSION

Social media isn't about money or institutions. It isn't about stockholders making billions of dollars. It isn't about corporate ownership. Social media is about ordinary people taking control of the world around them and finding creative new ways to bring their collective voices together to get what they want. Social Media Marketing (SMM) is primarily internet-based but has similarities with non internet-based, marketing methods like word-of mouth marketing. SMM is the way of promoting a website, brand or business by interacting with or attracting the interest of current or prospective customers through the channels of social media. Facebook, Twitter and YouTube are the most popular social media that are widely used by the companies and the celebrities in promoting themselves and their brands. With the number of users rising each day in Facebook and other social networking sites, it is bound to bring in more customers for the business and much more promotions and marketing thus making social media, the better platform for marketing in shaping business.

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