

A STUDY ON NEW AGE SOCIAL MEDIA AND ITS IMPACT ON MARKETING: STRATEGIES REVISITED

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ABSTRACT

Social Media, today, is among the 'best opportunities available' to a brand for connecting with prospective consumers. Social media is the medium to socialize. These new media win the trust of consumers by connecting with them at a deeper level. Social media marketing is the new mantra for several brands since early last year. 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. Internet marketing has explored many new techniques of marketing their products. Marketing on social networking is also one of them. 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 concepts of social media and social media marketing and other aspects like the growth and benefits, role and relevance of social media in marketing, social media marketing strategies. It also presents an overview on social media marketing in India.

Keywords: *Social Media Marketing, Internet Marketing.*

INTRODUCTION

Social media is hot. Social Media is now the trend. And for businesses it represents a marketing opportunity that transcends the traditional middleman and connects companies directly with customers. This is why nearly every business on the planet—from giants like Starbucks and IBM to the local ice cream shop—are exploring social media marketing initiatives. A year ago, businesses were uncertain about social media. Now it's here to stay

and companies are rapidly adopting social media marketing. Much like email and websites first empowered businesses, social media is the next marketing wave. Social media marketing is marketing using online communities, social networks, blog marketing and more. 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. The explosion of social media phenomenon is as mind boggling as that and the pace at which it is growing is maddening. Trust and goodwill are the basis of social networking, and by marketing in the realm of social media these fundamental notions need to be adhered. It is probably the only marketing platform that encourages fool proof communication and accountability among sellers as well as consumers. 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.

SOCIAL MEDIA

Social media is engaging with consumers online. According to Wikipedia, social media is internet-based tools for sharing and discussing information among human beings. Social media is all about networking and networking in a way that espouses trust among parties and communities involved. Any website which allows user to share their content, opinions, views and encourages interaction and community building can be classified as a social media.

Some popular social media sites are: Facebook, YouTube, Twitter, Digg, MySpace, StumbleUpon, Delicious, Scribd, Flickr etc. The meaning of the term 'social media' can be derived from two words which constitute it. *Media* generally refers to advertising and the communication of ideas or information through publications/channels. *Social* implies the interaction of individuals within a group or community. Taken together, *social media* simply refers to communication/publication platforms which are generated and sustained by the interpersonal interaction of individuals through the specific medium or tool.

Wikipedia has a general definition of the term: Social Media is the democratization of information, transforming people from content readers into content publishers. It is the shift from a broadcast mechanism to a many-to-many model, rooted in conversations between authors, people, and peers. Social media uses the "wisdom of crowds" to connect information in a collaborative manner. Social media can take many different forms, including Internet forums, message boards, weblogs, wikis, podcasts, pictures, and video. Social media are media for social interaction, using highly accessible and scalable publishing techniques.

Social media uses web-based technologies to turn communication into interactive dialogues. Andreas Kaplan and Michael Haenlein define social media as "a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content." Social media is the medium to socialize. They use web-based technology to quickly disseminate knowledge and information to a huge number of users.

They allow creation and exchange of user-generated content. Facebook, Twitter, Hi5, Orkut and other social networking sites are collectively referred social media. 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 like Twitter, Facebook, MySpace and YouTube.

There are two **benefits** of social media that are important to businesses, they include:

1. Cost reduction by decreasing staff time.
2. Increase of probability of revenue generation.

Social media **enables** companies to:

1. Share their expertise and knowledge.
2. Tap into the wisdom of their consumers.
3. Enables customers helping customers.
4. Engages prospects through customer evangelism.

Thus the benefits of social media include: brand reach and awareness, consumer interactions through transactions, referrals and reputation management.

SOCIAL MEDIA MARKETING

Social media marketing consists of the attempt to use social media to persuade consumers that one's company, products and/or services are worthwhile. Social media marketing is marketing using online communities, social networks, blog marketing and more. Lazer and Kelly's (1973) define social marketing as "concerned with the application of marketing knowledge, concepts, and techniques to enhance social as well as economic ends. It is also concerned with the analysis of the social consequences of marketing policies, decisions and activities." Social media marketing is not merely about hitting the frontpage of Digg or any other social news

website. It is a strategic and methodical process to establish the company's influence, reputation and brand within communities of potential customers, readers or supporters.

GROWTH OF SOCIAL MEDIA MARKETING

A recent study, "The State of Small Business Report," sponsored by Network Solutions, LLC and the University of Maryland's Robert H. Smith School of Business, points to economic struggles as the catalyst for social media's rapid popularity. The study results show that social media usage by small business owners increased from 12% to 24% in just the last year, and almost 1 out of 5, actively uses social media as part of his or her marketing strategy. In 2009, only 23% of marketers were using social media for years. Now that number has grown to 31%. Here's a breakdown of what the small businesses reported as the main uses of social media marketing:

1. 75% have a company page on a social networking site.
2. 69% post status updates or articles of interest on social media sites.
3. 57% build a network through a site such as LinkedIn.
4. 54% monitor feedback about the business.
5. 39% maintain a blog.
6. 26% tweet about areas of expertise.
7. 16% use Twitter as a service channel.

According to the study, different industries are adopting social media marketing at different rates, and while many industries have started using social media marketing in their efforts to reach more customers, many still have not positioned it as their top priority. A research shows that charitable organizations are still outpacing the business world and academia in their use of social media. In a study conducted in 2008, a remarkable eighty-nine percent of charitable organizations are using some form of social media including blogs, podcasts, message boards, social networking, video blogging and wikis. A majority (57%) of the organizations are blogging. Forty-five percent of those studied report social media is very important to their fundraising strategy. While these organizations are best known for their non-profit status and their fundraising campaigns, they demonstrate an acute, and still growing, awareness of the importance of Web 2.0 strategies in meeting their objectives.

BENEFITS OF SOCIAL MEDIA MARKETING

Significantly different from conventional marketing strategies, Social Media Marketing (SMM) offers three distinct advantages. One, it provides a window to marketers to not only present products / services to customers but also to listen to customers' grievances and suggestions. Two, it makes it easy for marketers to identify various peer groups or influencers among various groups, who in turn can become brand evangelist and help in organic growth of a brand. And, three, all this is done at nearly zero cost (as compared to conventional customer outreach programmes) as most of the social networking sites are free.

Social media marketing helps in:

1. Generating exposure to businesses.
2. Increasing traffic/subscribers.
3. Building new business partnerships.
4. Rise in search engine rankings.
5. Generating qualified leads due to better lead generation efforts.
6. Selling more products and services.
7. Reduction in overall marketing expenses.

Companies in the west are investing increasingly in SMM to get in touch with their customers. They are indulging in constant interaction with their prospects in order to understand their needs and hence make products better. It's the best way to learn from your customers about their needs and your own shortcomings. However, SMM is a very personalized way of advertising and promotions can be targeted only to particular groups which are interested in a particular domain, quite unlike conventional advertising.

UNDERSTANDING THE RELEVANCE OF SOCIAL MEDIA IN MARKETING

The role of social media in marketing is to use it as a communication tool that makes the companies accessible to those interested in their product and makes them visible to those that don't know their product. It should be used as a tool that creates a personality behind their brand and creates relationships that they otherwise may never gain. This creates not only repeat-buyers, but customer loyalty. Fact is social media is so diversified that it can be used in whatever way best suits the interest and the needs of the business used by marketers, in order. A significant 81% of marketers plan on increasing their use of blogs. A majority of the marketers are employing social media for marketing purposes and small businesses were slightly more likely to use social media. 76% of marketers are

spending at least 4 hours each week on their social media marketing efforts. Social media gives marketers a voice and a way to communicate with peers, customers and potential consumers. It personalizes the "brand" and helps you to spread the message in a relaxed and conversational way. Adult beverage companies, exotic automobile manufacturers, pastry shops have been using social media tool. Pepsi Coke, Nokia and many of the top brands have effectively used social media for achieving their business objectives.

ROLE OF SOCIAL MEDIA IN MARKETING:

Social media is now increasingly becoming an ingrained aspect of political campaigns, national defense strategies, public policy, public relations, brand management and even intra company communication. Since the major task of marketing as tool used to inform consumers about the company's products, who they are and what they offer, social marketing plays an important role in marketing.

- Social media can be used to provide an identity about the companies and the products or services that they offer.
- Social media helps in creating relationships with people who might not otherwise know about the products or service or what the companies represent.
- Social media makes companies "real" to consumers. If they want people to follow them they need not just talk about the latest product news, but share their personality with them.
- Social media can be used to associate themselves with their peers that may be serving the same target market.
- Social media can be used to communicate and provide the interaction that consumers look for.

SOCIAL MEDIA MARKETING IN INDIA - AN OVERVIEW

India has 71 million active internet users. Social Media is really picking up new heights in India. According to the 2010 Regus Global Survey of business social networking, India tops the usage of social networking by business – it has the highest activity index, 127, far more than the US'97, and 52% of the Indian respondent companies said that they had acquired new customers using social networks while 35% American companies managed that. Many companies are coming big way for Social Media Optimization for their Product or Services nowadays. During Election 2009 Social Media was used for Influence Indian Voters. Social Media Marketing in India is being undertaken by brands like Tata Docomo, MTV India, ChannelV, Clear Trip, Tata Photon, Axe deodorants, Microsoft, Naukri, Shaadi and many more. Besides, numerous Indian celebrities are also using SMM platform to promote their movies, music and events via Twitter, Facebook and personalized blogs. Social Media Marketing is

also boosting public relations business. Several PR agencies in India are undertaking brand building exercises for corporate organizations, brands and celebrities. However, to the delight of many among us, the biggest gainers from SMM till date have been the organizations from the Not-for-Profit sector. Several Campaigns like ‘Bell Bajao’ and ‘Jaago Re’ have been quite successful on Social Networking Sites. These campaigns have been spreading the word about their cause through blogs, Twitter and Facebook.

SOCIAL MEDIA MARKETING STRATEGIES

SMM 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 SMM 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.

- SMM 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.
- SMM 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 its 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 SMM 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 SMM. It should try and find out whether SMM strategies fit its brand.
- The company shouldn't expect results over night. SMM is a long term strategy. It will not happen overnight. The results might become visible anywhere from three to six months.
- SMM 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.

CONCLUSION

There is no escaping social media these days, either for individuals or for businesses. Today, it is impossible to separate social media from the online world. The social media conversation is no longer considered a Web 2.0 fad -- it is taking place in homes, small businesses and corporate boardrooms, and extending its reach into the nonprofit, education and health sectors. From feeling excitement, novelty, bewilderment, and overwhelmed, a growing number of people now speak of social media as simply another channel or tactic. Blogging can have a very positive effect on your Company's branding & growth. As per the Hub spot report, Customers with blogs gathered 68% more leads than customers without blogs. It is imperative to understand that today, social media have exponential potential. They are part of an ever-growing online network of people who discuss, comment, participate, share and create. Whether you are an individual, a startup, small business or a large corporation, an

online presence and an ongoing conversation with your constituents is a baseline requirement – and will take time and expertise. Companies are diverting resources and rethinking their traditional outreach strategies. And as the social media wave dissipates into the vast ocean of connected experiences, the term itself will become an entry in dictionaries and encyclopedias and we will embark on a new era of knowledge, accessibility and experiences unbound by distance, time or physical walls. It is high time that every business adopts social media and takes it seriously!

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