

Social Media: A New Communication Medium in Marketing

*Sharad Malhotra **

Abstract

Social media as the name indicates is the best way to socialize in the world. It is in fact the major tool today used by any organization to communicate with the consumer about the products. Big companies do branding through it for improving their market share. It is a new trend of communication that has come up and has modified the behaviour of firm and consumer in the market. Many companies think their existence on social media network as a strong base for their success in the market. From one perspective it is clear that social media is of utmost use to communicate between businesses to business (B to B) and from business to customer (B to C) most efficiently and effectively. To many business organizations it has proved to be the boon that has created huge brand awareness and the business revenue in this operation. This new approach is not only brand awareness but also a trust among the new customers. The change in the thinking of the customer, the purchasing style he feels mostly related to the market through this new tool. People share their views and in today's trend it has not only become the marketing tool but a major platform to communicate the voice of the people. From producer's aspect it has developed as a tool that reaches to the customer beyond its imagination and at the same time it has given consumer the freedom and liberty to examine the products carefully and critically.

This study aims to study the impact of social media in the market. How it has helped the managements to market their products and the relevance of social media in today's life.

Key Words: *Social media, marketing, benefits of social media.*

Introduction

With the invention of web2.0 it has become clearer that it is going to change the face of market in number of ways. It has applications not only in technology and high ended offices, but also in every sphere of life. No industry

remains untouched with the charisma of internet. It is clearly mentioned in the statistics that 75% of the world's population was using internet in the year 2014. Out of the vast internet users 48.4% lives in Asia that

** Assistant Professor, Vidya Jyoti Educational Society*

itself it has been a big opportunity for the users to get information or communicate instantly with the others. (<http://www.internetlivestats.com/internet-users/>) With the rapid change in technology and the fast changing world lot of great ideas have given rise to innovative, effective, and measurable social business programs. It has settled a platform where customer and the seller get ample opportunity to interact with each other overcoming the mediators. In the beginning it was not certain whether this social media is going to stay for the longer periods or not. Later on with the maximum participation of the people in the process of marketing and putting their reviews online and the overall increase in the revenue due to this effort has clearly shown that there is a considerably high amount of business done on the basis of the social media.

Social media in other words is also called as consumer generated media. It gives ample opportunities to the entrepreneurs not only to communicate but also to interact with the consumer directly. Social media is characterised by the regular participation of the people not only in communication but interaction in the form of likes, dislikes, demand and supply. In western countries people are very much active on social media telling all the likes and dislikes. This has helped the manufacturer on the one side to create the products according to the choice and secondly it has also given opportunity to the consumer to come in contact with the producer to tell his choice. It is not a monologue but a dialogue between the people sharing similar interests and hobbies. It has also created openness among the users to interact freely between the groups and share their views. Social media has provided connectedness. It has formed a bridge between the people resources life styles.

The major benefit of the of the social media in the business is to attract the clients and prospects for their products, services and at the same time it helps them to share the views and on the topic of their interest in their way. It is a direct and open dialogue of the group or the individual that helps in forming the public opinion. Companies are using social media for advertising their product and services. It has helped them to reach the masses. Secondly social media is broadly used for customer feedback and customer service purposes. In India most of the companies either big or small are taking help of this medium to reach the maximum number of people and use it wisely to improve their revenue. It has also talked about the cultural change in the society.

This study aims at studying the impact of social media on the business enterprises. How they grow and what are the effects of the application of this tool. Most of the companies have not only applied social media in the marketing and sales of their product and services but also in the different departments of the company such as human resources, customer services and advertisements.

Methodology

Both primary and secondary sources of data are collected from the books and the questionnaires sent and filled by the customers and the company heads to access the impact of social media in the development of the business and its impact on the present day society. Study is also done on 30 companies to understand the use of social media in their daily activities to promote their business in the area.

Social media and the market

Market today is characterised by diverse

activities ranging from manufacturing to selling and again to solve the queries of the consumer. Companies from the diverse sectors like banking, insurance, hospitality, health care, manufacturing, fashion, textile, automation, airlines, education, retail etc all are using social media to a large extent to reach the people in a very effective and economic way. It is the new method adopted by the companies to tap the market. The companies are using social media not only to convey the information to the people but also in brand building, product promotion, product development, customer service, collaboration with stakeholders, employee engagement, and recruitment etc. A recent Burson- Marsteller study found that 79 percent of the largest 100 companies in the Fortune Global 500 index are using at least one of the most popular social media platforms: Twitter, Face book, YouTube or corporate blogs. (<http://www.burson-marsteller.com/bm-blog/burson-marsteller-fortune-global-100-social-media-study/>) Indian companies are not lagging behind in this scenario. Most of the Indian companies are on social networks and are using social media to reach the prospects and aware the consumer in the market. It is one of the economic ways adopted by the business houses to reach their customers. The same study shows that out of fortune global 100 companies 65% are socially active on social media. 54% of the companies have created their face book pages. 50% of the companies have their YouTube channels. Many companies are having blogs. This all shows that most of the business enterprises are using social media in different areas of operations so that they can get maximum output such as increased revenue, maximum branding, consumer satisfaction and feedback. It has not only helped to improve the productivity and revenue but also helped the companies to

monitor themselves and the competition. It allows the companies to change the strategy if required and improve their performance in the competition. Y. Marwaha director of Pioneer Sales says that working on social media has helped him to create a brand among the people. People have come to know about his product and started getting reviews on the face book pages. This clearly shows that, that companies can make use of these opportunities in a very positive way. Social networking sites like Plaxo and LinkedIn are helping the companies to hire the most intelligent talent in their groups. Social networking sites have given both companies and people a huge platform to share and show their competencies. Social Media Examiner has come up with a report in 2015 that says that marketing is done mostly on twitter, face book, YouTube and LinkedIn. About 66% of the people are engaged in the marketing through these channels. 92% of the companies are using face book out of which 62% are planning to increase their activities on the face book. More than 35% of the companies are doing social media activities for more than ten hours in a week. (<https://www.socialmediaexaminer.com/SocialMediaMarketingIndustryReport2015.pdf>)

Observations

After studying the primary and secondary data and upon the interviews conducted on the companies following observations can be noted down.

1. Benefits of using social media: Social media as discussed earlier is one of the major tools used by the companies to boost their products and presence in the market. Many companies have started a special cell in their company to promote social media awareness among the people. Many consultant

companies are working who do the work of S.E.O and other related work of the companies present in the market. Ms Seema the director of Edupoint an educational company maintains that social media has helped her branding the concept at local area and also she got lot of queries regarding the courses she ran in her institute. To understand this term in detail it needs to discuss how this tool helps the people.

- a) **Increased Exposure:** Face book, twitter, instagram, YouTube etc are the social mediums where companies and consumer connects with each other. All the companies involved in this activity are of the view that it gives us recognition immediately and effectively. Within no time one can put the products and information on these Medias and it is read by hundreds of people visiting these networks. It has propagated the products in such a way that the likeminded people like and recommend the products. It is a kind of exposure that one cannot get from the traditional type of advertisements etc. Social media has enabled the companies to reach the people in vast numbers. Breaking the barriers of the region state and the nation it has helped the excessive fan following of the companies. Among top ten companies on social networking sites are coca cola, red bull and Oreo. At the end of 2010 coca cola has boasted a fan following of more than 20 million likes on the face book page. (Social media: usage and impacts by Hana S Noor Aldeen & John Allen Hendrick, Lexington books publications, pp145.)
- b) **Developed Loyal fans:** Social media marketing has developed lot of fan following for the companies. These fan are the sure leads for the companies.

(<https://books.google.co.in/books?id=MDQDaw9F2AwC&printsec=frontcover&dq=impacts+of+social+media&hl=en&sa=X&ved>)

- c) **Guaranteed Leads:** it s found that the leads one get from the social media like face book; YouTube, twitter etc are mostly the confirmed one. The people on the networking sites are the followers and appreciators of the products and services they tend to be the prospective clients of the companies. Dr. S Aggarwal says that he has found many clients from his face book page. There is a great thing that should be noted that the reference that a person gets from these sites are really helpful and convert easily into the clientele.
- d) **Increased traffic:** It has been observed that the traffic on the internet is increasing daily. It is ever increasing and is going to multiply manifold. According to internet live stat survey India has only 7.5% users of internet in the year 2010. It rose to 27% in 2015 and 34.8% in 2016. The data has shown that there is considerable increase in the population using internet year on year basis. It is like foot fall, more the footfall, and more the sales. (<http://www.internetlivestats.com/internet-users/india/>)
- e) **Grown business partnership:** It means the people investing time in social media has increased considerably. The study shows that people investing more time in social media are getting better results than before. There is huge difference between the sales figures in the companies that use social media and the companies that do not.
- f) **Economic:** It is found to be the most cheaper form of marketing as compared to

others, At least 52% of businesses with 10 or fewer employees agreed social media reduced marketing expenses, while only 41% of businesses with 1000 or more employees agreed to the same. (2015 Social Media Marketing SocialMediaExaminer.com Page 19 of Industry Report) People using internet and social media as a medium of interaction helped them a lot with more number of clients at reduced marketing budget. Overall if we look at the scenario it concludes that use of social media has helped the companies to reduce the cost, with less number of employees and less budget one can get good results. Radha owner of THE MASTERS language institute shares a story that with the use of social media continuously she started getting response in the time of around six months. The people who contacted her company were genuine and face book has helped a lot to generate business, it looks very wonderful that media is helping her business at comparative costs.

- g) **Created Jobs:** The usage of social media and web supported media for the development of the business has provided lot of new job opportunities to the people. The jobs of computer professionals may be software or hard ware have been created. It has created a new segment of computer professionals.

Usage of social media

As per the survey conducted on the business organizations it is clear that social media is a tool that is applied by different people according to the number of factors like type of product, age of the entrepreneur, availability of the time and resources, experience on social media. Many people are using social media to

boost their product in their market depend of one or combination of the many factors. Out of 96 people contacted 62 people were of the opinion that time devoted on the social media yields better results than anything. 46.8% of the people in the survey group say that it depends upon the type of the product or services that can help to boost the product on the media. Following points can be discussed under this that how companies are using media.

1. **Time Factor:** time is one of the major factors that contribute to the success of the company using social media. Most of the people are of the view that the time devoted on social networking sites measures the success of the company. 85 out of 96 people are of the view that companies devoting more than 10 hrs in a week see better results than the organizations devoting less time say 4 to 5 hours in a week. 88.54% quoted that most of the companies with good IT setup are spending more than 10 hours in a week. Such companies find many good results in their companies. It has developed 61% of the sales in the company as compared to the previous year says Pooja managing partner of the educational institute. She says out of the admissions done in two quarters the much focus was done on internet marketing through face book and YouTube. These interactive associations on social media helped out to bring about 61% of the admissions. Reports also indicate that people with good and purposeful interaction in social media has helped the companies to boost the sales. Most of the services are scoring good number of likes on the pages created by the companies on the face book. What's app is also gaining momentum to generate awareness among the people.

2. **Experience of social media:** Previous experience in the use and application of social media matters a lot. People using social media for longer time are very much result oriented than the people who are new to this approach. Companies using social media for many years are confident and yielding good results in the market. They hold better share in the market. Experience also comes up with the more dedication and commitment. There's a direct relationship between how long marketers have been using social media and their weekly time commitment. For people just beginning with social media (less than 12 months of experience), 49% spend 5 or fewer hours per week. However, of folks who have been doing this for 2 years or longer, at least 68% spend 6 hours or more per week on social media activities. (2015 Social Media Marketing SocialMediaExaminer.com Page 15 of Industry Report) J.P Singh who runs Holiday Company and sells tours and packages to the people is having a rich experience in handling social media. He spends more than 15 hours per week. T helps the company to get maximum leads from the likes. He said that in the beginning when he started using face book page he got only 16 likes but later on with the increase in the sales from the social media, he got motivated and spent more time on the media, this has further increased the hourly involvement in the social media. People who are computer savvy are of the opinion that social media is one of the major tools of branding, marketing and sharing information in the society and particularly the market.
3. **Type of the products and services:** It is one of the major factors that what are the types of the products that one is going to

sell through it. The type of consumer: educated, uneducated, urban, rural, and the degree of penetration are the major points that effects a lot in the use of social media. In India where maximum population is in village and not having enough resources of internet and other related resources, in such situations social media is not much successful. Products exclusively made for agriculture and rural people cannot be marketed through social media. On the other hand the products selling in cities with maximum approachability and resources see a good success rate through social media. Services like consultations, education, medicine, travel and tourism etc can be marketed easily through social media. However, products like electronic gadgets and small appliances have a huge share in social media. It is very important to understand that the nature of products and services and their utility matters a lot in the application and implementation through social media. Yadvinder Singh a rural agriculturist has never been to social media like face book and you tube etc for the purchase of any product.

4. **Content:** Most of the marketers find it comfortable to use social media for the further development of their business. The experts share different opinion on this issue. Rohan kumar, a PR consultant finds it simple and good to share good level of content on the social media. According to him the content that one use in the advertisement on social media is of utmost importance. The usage of the embellished language persuades the people to think about the products and motivate them to buy the things. For this purpose specialized and skilled content writers are hired to display the product effectively. The presentation of the products on the media

helps a lot to convince the prospects and convert them into good clients. Use of correct but catchy and appealing language helps the people to get attracted towards the products immediately. Many customers are of the view that in the busy schedule of office and house hold activities most of the people purchase things after seeing it from the media, it is the reason that e-commerce is increasing day by day. Consumers prefer to see good videos and audios on the sites. A catchy language and better pictures and videos can help the customer to attract.

5. **Industry wise usage of social media:** The questionnaire was sent to people through e mails and also filled through face to face interaction. This result has shown that the companies in the marketing and public relation industry depend mostly on the social media and internet based services. 21.6% of the people from the collected data

have voted in the favor of social research media. Consumer product companies rely 10% of their marketing activities on social media. A detailed breakup of industry wise dependence or usage as taken from 2015 social media report.

Conclusions

After analyzing the data collected from the primary and secondary sources it has been concluded that social media is one of the important tools to boost the business. Social media and its presence have given lot of opportunities to the new as well as the old established business. Social media has given the better opportunities to the producers and consumers to project their work and also to check the merits and demerits of products. It gives ample opportunities to the people to know about the new products and services in the market.

Industry	Usage percentage wise	Industry	Usage percentage wise
Marketing / PR	21.6	Manufacturing	2.8
Consumer goods	9.7	Hospitality	2.6
Media / Publications	6.7	Financial services	2.4
Education	6.5	Printing & design	1.6
N.G.O	6.3	Government Depts.	1.4
Arts & Entertainment	6.0	H.R	1.1
Training/Coaching	5.0	Automotive	1.1
Travel / Tourism	5.0	Insurance	1
Health Care	4.6	Telecommunications	0.8
I.T Services	4.5	Industrial goods	0.8
Technology	3.6	Utilities	0.7
Real estate	2.9	Legislation	0.5

Source: 2015 social media marketing industry report.

Many new services like on line marketing and internet based jobs have grown to new heights. People have started putting online orders. The share of on line services have increased manifold. Online Tiffin services, taxi services, medical facilities, insurance are some of the examples. If we look at the scenario the internet based social media marketing has boosted the new business. Many new segments have come up with in the industry. It has, in other words, helped to establish new form of business in the market.

Many people who are against this internet marketing are found to follow the wrong steps in the use of social media. There should be balanced use of internet and related activities in the business to be successful. Social media along with other field and physical activities related to branding and marketing in right proportion brings about the best results. In the absence of the right proportion there is a doubt that a person get successful.

On the whole we can see that on line and social media marketing is a new and powerful tool to establish the business. It can be used not only to market the products but also to take feedback and analysis in the business, may it be services or products. To be successful in the market this tool should be used judiciously. It should always remembered that social media marketing is a tool and not an end in itself.

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