



Role of Social Media in Marketing

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social media, social media marketing, growth and benefits of social media, social media marketing strategy, social media marketing in India

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ABSTRACT Importance of Social Media today is among the 'best opportunities available' to a brand for connecting with prospective consumers. 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.

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. 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. 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.

Introduction:

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:

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 is made up of user-driven websites that are usually centered on a specific focus (Digg = news) or feature (del.icio.us = bookmarking). Sometimes, the community itself is the main attraction (Facebook and Myspace = networking) 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.

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 crea-

tion 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:
- Share their expertise and knowledge.
 - Tap into the wisdom of their consumers.
 - Enables customers helping customers.
 - 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

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:

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

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:

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.

In just the last few months, marketers have shifted their attitudes toward social media marketing spending. This was recently affirmed in the new study, "The CMO Survey", from Duke University's Fuqua School of Business and the American Marketing Association. A key finding: Social media marketing budgets continue to rise. According to the results, businesses currently allocate 6% of their marketing budgets to social media, an allotment they expect to increase to 10% during the next year and 18% over the next 5 years.

Back in August 2009, marketers had already planned on devoting more money to social media. However, in February 2010, marketers reported that they plan to allocate one-fifth of their marketing budgets to social media marketing in the next 5 years. This is a definite increase from the 2009 projections. The study features the following comparison from August 2009 to February 2010:

Current marketing budget spending on social media:

August 2009: 3.5%
February 2010: 5.6%

Marketing budget spending on social media in the next 12 months:

August 2009: 6.1%
February 2010: 9.9%

Marketing budget spending on social media in the next 5 years:

August 2009: 13.7%
February 2010: 17.7%

It can be understood that even though many are still experimenting and learning how best to use social media tools, these results indicate that marketers think social media marketing is here to stay and will play an increasingly important role in their work in acquiring and retaining customers in the future.

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 be-

come 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.