

Social Media Marketing: Word-Of-Mouth Marketing For the Digital Age

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Abstract

In today's scenario, there is a radical shift in how business is being conducted and how people interact. The introduction of personal computers, the Internet, and e-commerce have had a tremendous impact on how businesses operate and market. The introduction of social media technology is accelerating and can expect it to have a similar impact on businesses now and into the future. As new technologies became available, a business that learns to use new technologies gain great benefits. In a short span of time, social media has become one of the most loved mediums for the Indian youths today. Social Media Marketing is the hottest new marketing concept and every business owner wants to know how social media can generate value for their business. The purpose of this paper is to analyse the business benefits of Social Media Marketing and to provide some solutions towards the complex choice of Social Media channels. The paper presents the theoretical considerations based on which the business benefits of Social Media Marketing can be defined. It promotes extreme cross-communication and interaction. Unlike traditional media channels, which offer a one-way experience, social media is based on a two-way interactive experience between the consumer and the company.

Keywords: E-commerce, Social Media Marketing, Cross-communication, Social Media channels, Traditional media.

Introduction

In today's technology driven world, social networking sites have become an avenue where retailers can extend their marketing campaigns to a wider range of consumers. Social technologies, on a mass scale, connect people in ways that facilitate sharing information, thereby reducing the opportunities for marketplace exploitation—whether by charging more than a competing supplier for otherwise identical goods and services or charging anything at all for products that simply don't work. Sunlight is a powerful disinfectant, and the collective knowledge that powers the Social media marketing is the sunlight that shines in these new connected marketplaces. The Social media marketing dramatically levels the playing field by making information plentiful, just as it also levels businesses and organizations that operate on the principles of making information scarce. Social Media is a revolution. The challenges facing global businesses and the people who lead them are now, more than ever, intertwined in the direct empowerment and involvement of customers and stakeholders. The increasing dependence on technology for basic communication highlights the importance of analyzing how these networking sites are affecting daily processes. Anyone including teens and young adults, women, men, affluent consumers, and older individuals can join a social network site. Once registered the person can begin to socialize and create his/her own network of friends with common interests or goals. Sites like Face book, Twitter, LinkedIn are influencing the way users establish, maintain a range of social relationships, from close friendships to casual acquaintances.

Need of the study

Nowadays, Social Media Marketing and more particularly Social Networks are becoming

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increasingly important in consumers' purchasing decisions, mainly because they amplify word-of-mouth. They may even become more important than advertising as a trusted source of information. Looking on a business perspective; it goes without saying that Social Media Marketing has offered a large variety of new opportunities for companies to promote their brand, products and services.

Definition

- ❖ *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".

- ❖ *According to Evans* (2008), Social Media relates to a self-generated, authentic conversation between people about a particular subject of mutual interest, built on the thoughts and experiences of the participants. Therefore, Social Media is definitely all about sharing and aiming at a collective vision, often intending to offer a more-appropriated or informed choice at the end. Furthermore, Social Media changes over time as it allows people to generate the content in a participative way whenever they want to add any additional piece of information. Social Media are also evolving constantly as they are part of internet high technologies, which are modified regularly with additional or replacing features.

- ❖ *Hollensen, 2011*: Social Media covers a wide variety of "online and mobile, word-of-mouth forums including social networking websites, blogs, company sponsored discussion boards and chat rooms, consumer-to-consumer email, consumer product or service ratings websites and forums, Internet discussion boards and forums, and sites containing digital audio, images, movies, or photographs, to name a few".

The Development of Social Media Marketing

In recent years, social media have increased its popularity, at a global level. For instance, Facebook is said to have more than a billion active users (as of 2012) since its beginning in 2004 (www.facebook.com). The unique aspects of social media and its immense popularity have revolutionized marketing practices such as advertising and promotion (Hanna, Rohm, & Crittenden, 2011). Social media has also influenced consumer behavior from information acquisition to post-purchase behavior such as dissatisfaction statements or behaviors (Mangold & Faulds, 2009) and patterns of Internet usage (Ross et al., 2009; Laroche et al., 2012). Social media is "a group of internet based applications that builds on the ideological and technological foundations of Web 2.0, and it allows the creation and exchange of user-generated content" (Kaplan & Haenlein, 2010, p.61). Social media has many advantages as it helps connect businesses to consumers, develop relationships and foster those relationships in a timely manner and at a low cost as Kaplan and Haenlein discovered (2010).

Other functions of social media involve affecting and influencing perceptions, attitudes and end behavior (Williams & Cothrell, 2000), while bringing together different like-minded people (Hagel & Armstrong, 1997). In an online environment, Laroche (2012) pointed out that people like the idea of contributing, creating, and joining communities to fulfill needs of belongingness, being socially connected and recognized or simply enjoying interactions with other like-minded members.

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, Channel V, 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.

Classification of social media

Social-media technologies take on many different forms including magazines, Internet forums, weblogs, social blogs, microblogging, wikis, social networks, podcasts, photographs or pictures, video, rating and social bookmarking. Technologies include blogging, picture sharing, blogs, wall-posting, music-sharing, crowdsourcing and voice over IP, to name a few. Social network aggregation can integrate many of the platforms in use.

Blogs-Zarella (2010) defines a blog is a website that contains an online personal journal with reflections, comments and often hyperlinks provided by the writer. Blogs provide a variety of social features, including comments, blog rolls, tracbacks and subscriptions that make it perfect for marketing purposes. In addition, Weber (2009) explains blogs in a similar manner and states that they are online journals that can be personal or corporate, where people can post ideas, images and links to other websites.

Social networks -Zarella (2010) describes social networks as a websites where people connect with friends, both those they know offline and those who are online-only buddies. Boyd & Ellison (2007) illustrates as "Web based services that allow individuals to (1) construct a public or semi public profile within a bounded system (2) articulate a list of other users with whom they share a connection and (3) view and traverse their list of connections and those made by others within the system.

By applying a set of theories in the field of media research (social presence, media richness) and social processes (self-presentation, self-disclosure), Kaplan and Haenlein created a classification scheme in their *Business Horizons* (2010) article,^[9] with four different types of social media:

- collaborative projects (e.g. Wikipedia)
- blogs and microblogs (e.g. Twitter and Tumblr)
- content communities (e.g. YouTube and Daily Motion)

- social networking sites (e.g. Facebook)

Some famous social media networks are

Wikis: Wikis are websites, which provide a database or a public document, where people can add or change content found on the website. Wikipedia the online encyclopedia, which is probably the best known wiki, provides users with definitions and explanations in a wide variety of languages on almost every topic. Each user can share new information on the wiki or change already existing content on the page (Frey & Rudloff, 2010)

Twitter: Twitter is a real-time information network that connects you to the latest information about what you find interesting. Simply find the public streams you find most compelling and follow the conversations. Acting as a live news feed, Twitter allows users to continuously update their profile with a new line of text. Twitter is a real time short-messaging system. Twitter connects businesses to customers in real-time. Businesses use Twitter to quickly share information with people interested in their products and services, gather real-time market intelligence and feedback, and build relationships with customers, partners and influential people. From brand lift, to CRM, to direct sales, Twitter offers businesses a chance to reach an engaged audience (www.twitter.com).

Youtube: founded in February 2005, YouTube allows billions of people to discover watch and share originally-created videos. YouTube provides a forum for people to connect, inform, and inspire others across the globe and acts as a distribution platform for original content creators and advertisers large and small. More than 13 million hours of video uploaded and 35 hours of video are uploaded every minute. YouTube is localized in 25 countries across 43 languages (www.youtube.com).

Facebook: Facebook is one of the most popular social networks. Facebook currently reaches over 500 million active users. About 50% of the active users log on to Facebook in any given day and spend over 700 billion minutes per month on Facebook. Entrepreneurs and developers from more than 190 countries have built their business Platform with Facebook. Operating with a similar structure as MySpace, Facebook users create a personalized profile with pictures. Facebook also created numerous applications that users can add to their profile (www.facebook.com).

LinkedIn: LinkedIn operates the world's largest professional network on the Internet with more than 100 million members in over 200 countries and territories. More than one million companies have LinkedIn Company Pages. This network allows you to connect with colleagues, clients, and potential employers to accomplish professional goals. Users create a public profile, can send and receive professional recommendations, and join groups with those of similar interests (www.linkedin.com).

MySpace- One of the first widely accepted social networks, MySpace brands itself as "A Place for Friends" Users create personalized profiles with pictures, interests, and favourite songs, and invite others to join their personal network. MySpace users

access the site to search for music, old classmates, or new friends, creating a personal online community. Myspace has more than 100 million users worldwide. Myspace is localized in 30 countries and translated into 16 languages (www.myspace.com).

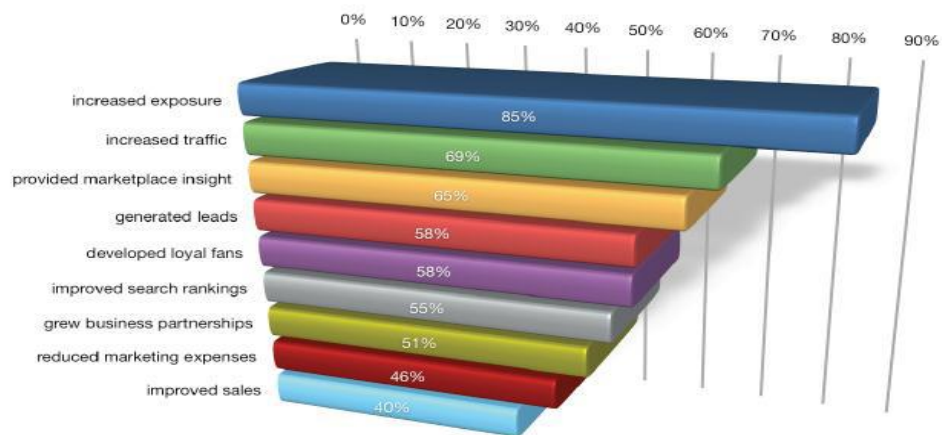
Social media statistics

- Facebook has 250 million active users
- Time spent per day on Facebook: 5 billion minutes
- More than 1 million posts on Twitter every hour
- Over 100 million YouTube videos are viewed every day
- 73% of active online users have read a blog; there are more than
- 346 million blog readers worldwide
- 55% have uploaded photos to share

Source: <http://thefuturebuzz.com/2009/01/12/social-media-web-20-internet-numbers-stats>

Benefits of social media marketing

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



Source: *The Social Media Starfish*, by Stelzner, 2012.

The Types of Social Media channels



Source: *The Social Media Starfish*, by Robert Scoble, Scobleizer, 2007.

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.

- 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.

Role of social media 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.

Steps for developing strategic social media planning

Discovering how customers would like to engage on social media, there is a need to develop a social media strategy that will generate meaningful and real returns for the business.

The 10 steps in developing a strategic social media are

1. Align with the business
2. Discover opportunities
3. Define goals
4. Identify KPIs(key performance indicators)
5. Assign values to KPIs(key performance indicators)
6. Decide on channels
7. Determine tactics
8. Select analytics
9. Roll out strategy
10. Measure and refine

Limitation and risk of social media marketing

- Social Media Marketing offers to businesses a large variety of resources in terms of Social Media channels available, and a large variety of benefits, such as brand exposure, targeted traffic and leads generation. However, Social Media Marketing for businesses

also demands efforts and hard work, and has its own limitations and risks before achieving notable success.

- Indeed, Social Media Marketing is not always easy, quick or cheap.
- The Social Media staff needs to be extremely trained and qualified in order to have answers to every questions and to be able to react when negative comments are made before they get too viral and uncontrollable.
- Social Media Marketing strategy need to be controlled and measured regularly in order to understand what is working and what is not.
- One of the main risks for businesses using Social Media Marketing will be to damage their reputation by using their Social Media sites ineffectively.

Conclusion

- In conclusion, business today is being transformed from a transactional relationship to a social relationship.
- There is no escaping social media these days, either for individuals or for businesses. Today, it's impossible to separate social media from the online world.
- Every major social network (Facebook, Twitter, Pinterest, LinkedIn, etc.) offer free mobile apps that let business owner manage their presence on-the-go.
- Marketers are taking note of many different social media opportunities and beginning to implement new social initiatives at a higher rate than ever before.
- Nowadays, Social Media Marketing and more particularly Social Networks are becoming increasingly important in consumers' purchasing decisions, mainly because they amplify word-of-mouth.

Suggestions

- 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.
- 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 and check on who is linking to your site to find out who's interested.
- By giving exclusive coupons to your social community, business can create rewarding and reminding them that you are not only a brand to engage with, but also to buy from.
- Social networking is also a suitable framework for core activities in marketing on the Internet.
- It is advisable that business do not ignore the opportunities to jump in to spread out and her customer base.

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