

FROM A PLAN TO GENERATING REVENUE: HOW IS SOCIAL MEDIA STRATEGY USED TO GENERATE BUSINESS IN THE RETAIL INDUSTRY IN INDIA?

Priyanka.P.V*

Dr.Padma Srinivasan**

Abstract

Five years ago, few general managers outside the technological industry had heard the term “social media.” As social networking services such as Facebook and Twitter broke loose on the mainstream business scene, the majority of companies stood on the sidelines trying to derive a meaning and develop a direction towards which the market was developing.

Despite the proliferation of corporate Facebook pages and Twitter accounts during the last couple of years, most businesses still effectively remain on the sidelines. The gap between the early adopters and those waiting to take the plunge has actually widened. While the average billion-dollar company spends \$750,000 a year on social media, according to Bain & Company analysis, some early adopters such as Dell, Wal-Mart, Starbucks, and American Express invest significantly more. In some instances, the investment is tens of millions of dollars. Who is right—the early adopters or the companies still waiting it out?

This research would give an insight on how India being an early adopter is using social media as a strategy in the retail industry and their attempt to gain real economic value from their investments in social media.

Key Words: Social Media Strategy, Retailing Industry in India, Revenue Generation

* Research Scholar & Assistant Professor, Jain University & Jyoti Nivas College, Bangalore

** Professor, Christ University, Bangalore

1.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. Chi (2011, 46) defines social media marketing as a "connection between brands and consumers, while offering a personal channel and currency for user centered networking and social interaction." The tools and approaches for communicating with customers have changed greatly with the emergence of social media; therefore, businesses must learn how to use social media in a way that is consistent with their business plan (Mangold and Faulds 2009). This is especially true for companies striving to gain a competitive advantage in an emerging market like India.

Digital experiences, such as online shopping and mobile apps, are now a standard part of daily life. Leading companies recognize that new digital technologies present multiple growth opportunities, including delighting their customers with heightened convenience and customization options, leveraging the wealth of data trails from digital activity to get even closer to the customer and using technology to operate faster and better.

Digital leaders are capitalizing on macro forces that are affecting daily change in the way companies think about their brand, their products, their service experience—every element of the value proposition:

Several early adopters have captured real economic value from their investments. But the social media scene is so turbulent and frothy that many others have poured good money after bad in their attempts to engage customers. The leaders typically employ the same tried-and-true business principles—refined through traditional marketing, service and operations— applied in new ways. While they often experiment and sometimes fail, they don't allow themselves to fall into the trap of thinking that somehow "everything has changed" in this new world.

As part of a broader customer engagement strategy, social media can be an effective and cost-efficient marketing, sales, service, insight and retention tool.

2.Social Media Marketing and the Retailing Industry- An Indian Perspective

Retailers in India are considering the strategy to harness the power of social media and integrate it into their organization. They are finding new and more creative ways to harness the power of social media in the Indian scenario.

Social media investment has gained importance across the globe. Forrester research suggests marketers will spend €4.3bn (£3.4bn) on social media by 2019, up from €2.6bn (£2.1bn) this year, and a compound annual growth rate of 10.5%. Its *Western European Social Media Marketing Forecast, 2014 to 2019* suggests that in five years 82% of spending will be on social mobile advertising.

Retailers are investing in specialist staff as well. High street stalwart Marks & Spencer has an in-house social media team that works round the clock through its UK and Indian contact centres

Social media marketing in India 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 retail firms who are 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 but it is more about interacting. There is a lot to learn from the customers. Through 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 final purchase.
- Social Media Marketing calls for novel advertising methods as the attention span of online customers is very low. This is largely due to the multi-tasking 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.

- The message must provoke the recipient into action; like seeking a detailed description of the product/service, or suggesting to a friend, or the process of conversation with the end customer to initiate the process of purchase. So, if the advertisement is trying to sell a product or service, then it should be conveniently placed with the appropriate links so that the prospect can make a purchase with least effort.
- Social Media can be used to increase customer loyalty through customer support services and hence improve customer retention.

3. Embracing Empowered Customers

Social media leaders understand and appreciate the magnitude of the shift in customer empowerment and the opportunities and risks that these tools create. As a result, they approach their social media efforts differently. While the average company may maintain Facebook and Twitter accounts and have other discrete programs run by their marketing or customer service teams, in our experience, these efforts tend to be uncoordinated, with different business units, brands or geographies conducting their own social media experiments.

Table:3.1 : Companies Using Social Media to Serve the Needs of Customers that can achieve real returns at every touch point

Awareness	Ford achieved same level of brand recognition with a Fiesta social media campaign at 10% of traditional TV ad cost
Purchase	Wet Seal reports that social shoppers have a 2.5 times greater conversion rate than the average customer
Use	Nike+ product and social community credited with increasing Nike running shoe market share from 48% to 61%
Service	Intuit's own QuickBooks customers answer 70% of fellow customer service questions online

Feedback	LEGO credits customer ideasourcing with its decision to launch more expensive and customerinnovated sets, such as the 500piece Star Wars product
Retention	eBay community users spend 54% more than other customers

Source: Industry Publications and Websites(2011)

Table: 3.2:-Who's Online: Design the Social Strategy with Target Consumers in Mind

Social Media Consumer Segmentation				
<p>Social Butterflies (18%)</p> <p>Heavy users of personal networks</p> <ul style="list-style-type: none"> •Skew to female users, younger and working •“Moms”represent a large share 	<p>Fact finders (12%)</p> <ul style="list-style-type: none"> • Heavy users of multimedia sites, ratings and review sites, branded communities • Skew to male users, older 	<p>Contributors (12%)</p> <ul style="list-style-type: none"> •Disproportionate creators and posters of content • Heavy users of locationbased games, crowdsourcing sites, branded communities, social shopping 	<p>Blog Readers (11%)</p> <p>Moderate social media use and disproportionate presence on blog sites</p> <ul style="list-style-type: none"> •Skew to male users, older 	<p>Observers (10%)</p> <p>Maintain passive presence on social networking sites</p> <ul style="list-style-type: none"> •Skew to female users, older
<p>Deal Hunters (10%)</p> <p>Heavy users of ratings and review sites, groupbuying sites, branded communities</p> <ul style="list-style-type: none"> • Disproportionate share of spending occurs online 	<p>Young and Mobile (9%)</p> <p>Heavy users of microblogs, social networkmale rking and locationbased games</p>	<p>Social Gamers (8%)</p> <ul style="list-style-type: none"> • Active on social gaming and engaged in location based gaming • Significant contingent skews older 	<p>Showgoers (6%)</p> <ul style="list-style-type: none"> • Tend to be passive consumers of entertainment and content generated by others 	<p>Professional Networkers (4%)</p> <ul style="list-style-type: none"> • Heavy users of professional networking sites and microblogs • Skew to users, affluent

	<ul style="list-style-type: none"> • Skew to younger demographics 			
--	--	--	--	--

(Source: Social Media Consumer Survey,2011)

Thus, social media shouldn't be viewed as a mere channel for marketing or public relations or as simply an effective customer service tool. While many companies started out using social media to get information about the various products available and offered in the market, the most successful have significantly expanded their efforts to engage their customers at every step of their social media strategy called as the "customer corridor," which touch points a potential customer, communicates the information about the product, engages the customer and facilitates repeat purchase of the product offered by the organization.

4. Social Media Sales Funnel Adoption

Figure:4.1

Populating the Top of the Sales Funnel Through Social Media



(Source: Populating the Top of the Sales Funnel Through Social Media, October 5th, 2009)

Social media networks relationships between the brand (marketer) and the online networking community which can be developed so as to bring value to the business. There is great need for company to know when and where to network efficiently in order to attract quality prospects and maintain a relationship with the right customer. To achieve this from a business perspective, streaming can be done by focusing on the right customer groups online with the right social

networking services. The process of doing this can be equated to sales funnel. The funnel is used as a metaphor, wide at the top and narrow at the bottom to monitor the sales process. At the top of the funnel are the many people that a company perceives might need products/services and hence draws them to their social networking constructs. Further down at the bottom are sales a company makes by delivering the products/services to those who find them to be of value. The above figure demonstrates the sales funnel; how people within the “Internet jungle” are streamlined from different forms of social networking sites of their preferences into the marketer’s domain.

Many marketers today are advertising using different types of social networking sites that are authentic to their present and prospective clients. Kotler et al. (2006) insinuate that marketing function vary significantly from company to company. In their view they see small businesses as not establishing formal marketing groups at all; however such companies get their marketing ideas from managers, the sales force or an advertising agency (Kotler et al. 2006). The networking sites used by marketers are all trying to win people into their own sales funnel. Once the right group of people have been used as the target, it will help in solidifying the relationship to keep the customer and also to satisfy the customer in such a way that they become unpaid marketers by spreading good word of mouth (good word of mouth in online community refers to written comments about marketers products/service, alternatively the customer can also speak about marketers offerings offline.) to friend, relatives, colleagues etc.

Therefore, from one single customer network the chain can grow vastly to a very complex network.

5. Social Media Metrics

Social media metrics is a tool that would help the organization to track the performance of various online communications and marketing tactics against the broader goals of the organization.

“SEE, SAY, FEEL,DO” is a metric and a reporting structure for each of the broad organizational goals and for each campaign that is being launched in the market.

5.1. “Do”- Conversational Goal

The first metric to consider is the conversion goal of the product or service offered by the organization to the end consumer. Every communication and marketing effort should be driving people to do something – or “convert” it into action

The “Do” metric includes:

- A. Events
- B. Product/Service
- C. Membership
- D. Sales

For each “Do” metric there are specific conversion-related Key Performance Indicators that should be grouped with the broader “Do” metrics

5.2. “See” Metrics

Once the audience is known by the organization for its product or service, it is critical that the message being communicated to the target group of customers. The audience needs to be exposed to the organizational brand and messaging before they are able to “Do”.

“See” tactics are critical to helping the organization achieve its goal, and “See” metrics are an important indicator of success, but they represent potential exposure. People may need to be exposed multiple times to the message communicated by the organization before they become aware and are motivated to act.

“See” Metrics include:

- A. Facebook Like Totals
- B. Twitter Follower Totals
- C. Website Traffic
- D. Email Sign Ups
- E. RSS Feeds
- F. Advertising Impressions
- G. Earned Media Impressions

Many would argue that a Facebook Page Like, a Twitter Follower, a website visit, and an email sign-up represent a level of engagement beyond the traditional media impressions.

They would be right. That would be included as a “See” metrics because once someone establishes a direct connection to the message of the organization, it must now be coupled noisy Facebook Walls, Twitter Feeds, and inboxes. The ultimate aim here is to make the audience engage with the message being communicated by the organization.

5.3. “Say” Metrics

“Say” metrics are when people take the message of the organization and repeat them verbatim across their networks. These engagements are clear indicators that people are responding to the organization’s message and turning into messengers for the ideas and mission.

“Say” metrics include:

- A. Facebook Content Likes
- B. Facebook Shares
- C. Twitter Re-Tweets
- D. Google+
- E. Email Forwards

“Say” metrics are great indicators of messaging successes and failures and a great way to identify champions of your cause for specific outreach.

5.4. “Feel” Metrics

“Feel” metrics take “Say” metrics one step further. A “Feel” metric captures instances when people engage with the organization’s messages or content, internalize your messages, and add their two cents. In the social media world this is often referred to as sentiment. How someone feels about your brand is valuable information, but equally valuable are the words they use to respond and the specific things they are responding to.

“Feel” metrics involve:

- A. Facebook Shares with personalized messages
- B. Facebook Comments
- C. Twitter re-tweets with personalized messages
- D. Blog Comments

Additionally, the specific words people use and the tone of their response can inform every aspect of your communications and marketing efforts.

5.5. Social Media Metric Tool For Measurement of Social Media

According to the 2014 Social Media Industry Report “How Marketers Are Using Social Media to Grow Their Business”(May,2014),A survey of 2800 marketing firms was done to understand the significant goal of using social media and it was found that a significant 88% of marketers want to know how to measure their return on investment for social media activities. This question has been top of mind for marketers for the last four years. There was a need to understand the marketers' ability to measure their social media activities,

Social Media Metric: Evans.D, Social Media and Marketing (2008, 145)

Table:5.5

Target Knowledge	Interpreted Information	Underlying Metric
Audience	Who's Reading	Aggregate Profile
Unique Visitors	Page views, visitors information, blog mentions, click analysis, traffic patterns, source of traffic via Referrer measure	Web Analytics: Unique visitors
Influence	Memes(thoughts, ideas etc) and intensity overtime	Time on site, blog context, review polarity
Engagement	Clicked on length of stay conversation	Time on site, passalongs, comment-to-post ratio, blog mentions, reviews, bounce rates
Action	Conversions	Pass-alongs, conversions, reviews
Loyalty	Trends: subscribers, repeat visitors, referrals	Pass-alongs, blog mentions, time on site, bounce rate

Audience and Unique visitors: The most important factor to be considered is how well the brand is recognizable by the audience. It takes the effort of a marketer to communicate the brand frequently in order to create brand awareness. A well recognizable brand online will attract a wider mass of visitors. The marketer is able to know the kind of exposure their products/services have in the social media platform. This is crucial as it would give a lead to sales. The marketer should keep a monthly track of those who visit their sites. With time, the marketer should be able to determine how promotional campaigns on social media influence the new followers.

Influence: A marketer should check whether the kind of influence they have on their audience is negative, positive or neutral. This can be assessed by the kind of comments people post. The information acquired will enable marketer make readjustments wherever necessary. Negative influence might be as a result of dissatisfaction of customers to the brand. On the contrary, there might be a state of dominance if the marketer is not actively interacting with the audience as needed. To measure, the influence of the customer for the product should be assessed by the marketer and that individual should be able to track the comments posted by audience.

Engagement: The level of engagement can be determined by the number of people who actually respond to the brand message. A strong customer engagement can only be built by consumption process. Consumption in this context means, downloading, reading, watching or listening to digital content. (Evans with McKee 2010: 16).

It is important to establish how many times the comment a marketer posted was retweeted, or the number of those who clicked on their like button. How much a customer is engaged is a clear indicator that they have interest in what the marketer is offering.

Action and Loyalty: This can be substantiated by how often the audience keeps commenting on the marketer's messages. The kind of messages the audience post can help determine whether they are loyal or not. Customer loyalty can be determined with the kind of testimonials but by the return on investment which is got by the organization using social media strategy.

6. Conclusion

Social media marketing is still in the early days and it is being expected that the gap between social media leaders and others to continue to grow. New applications and social platforms will proliferate and enable even greater personalization and real-time, location-based engagement. Today's social media winners won't necessarily be tomorrow's. But amid the continuous disruption of a rapidly evolving game, companies that link social media to business objectives, target and tailor their strategies and engagements to key customers, build a coordinated organization, track results and close the loop, and stay flexible will significantly increase their odds of capturing real value from social media.

7. References

1. http://www.bain.com/Images/BAIN_BRIEF_Putting_social_media_to_work.pdf (Access Date: January,20th,2015)
2. http://digitalcommons.uri.edu/cgi/viewcontent.cgi?article=1001&context=tmd_major_papers(Access Date: January,20th,2015)
3. <http://www.handshake20.com/2009/10/populating-the-top-of-the-sales-funnel-through-social-media.html>(Access Date: January,20th,2015)
4. <http://www.retailgazette.co.uk/articles/12304-from-social-media-to-social-commerce> (Access Date: January,20th,2015)
5. <http://www.fenton.com/media/social-media-metrics-guide.pdf>
6. Bampo, Mauro, Michael T. Ewing, Dineli R. Mather, David Stewart, and Mark Wallace. 2008. "The Effects of the Social Structure of Digital Networks on Viral Marketing Performance." *Information Systems Research* 19: 273-290.
7. Bourlakis, Michael, Savvas Papagiannidis, and Feng Li. 2009. "Retail Spatial Evolution: paving the way from traditional to metaverse retailing." *Electronic Consumer Research* 9:135-148.
8. Colin, Leyland F. Pitt, Michael Parent, and Pierre R. Berthon. 2011. "Understanding Consumer Conversations around Ads in a Web 2.0 World." *Journal of Advertising* 40:87-102.
9. Casaló, Luis V., Flavián Carlos, and Miguel Guinalú. 2008. "Promoting Consumer's Participation in Virtual Brand Communities: A New Paradigm in Branding Strategy." *Journal*

of Marketing Communications 14: 19-36.

10. Cha, Jiyoung. 2009. "Shopping on Social Networking Websites: Attitudes towards real versus virtual items." *Journal of Interactive Advertising*, 10: 77-93.
11. Cheong, Hyuk Jun, and Margaret A. Morrison. 2008. "Consumers' Reliance on Product Information and Recommendations Found in UGC." *Journal of Interactive Advertising* 8: 38-49

