

Effect of social media marketing on businesses

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Abstract

This paper's goal is to provide a thorough discussion of the advantages and disadvantages of marketing through social media such that businesses may decide whether to proceed or hold off on incorporating it into their overall advertising strategy. Social networking has shown to be an incredibly effective marketing instrument. The use of marketing through social media has given businesses new ways to interact with their intended audience. It is proving to be an affordable option for companies of all sizes. Despite all the advantages associated with social media marketing, there are several risks that, if ignored, might be fatal to a business. These risks include copyright theft, data theft, and many others.

Businesses are utilizing social networking advertising techniques to develop relationships with customers and gain a deeper understanding of their needs. This way of thinking is also assisting them in cultivating customer loyalty among some of the intended markets.

Keywords: Marketing; social media; advertising; business; customers

Introduction

For small to medium-sized enterprises, connecting has been cited as a very significant and critical marketing activity. Effective networking will aid these businesses in starting their operations, taking them to the next level, and ultimately achieving total growth (Walsh & Lipinski, 2009). Social media networks are internet services that let individuals and companies create public profiles in a controlled setting, communicate with a group of individuals who have been decided to add to their own profiles and to whom those who have connections, and then navigate their own profiles and the profiles of people they have connected with built in the framework (Boyd & Ellison, 2007).

According to data provided by Pragmatic Commerce, Fb has been named the largest social networking site in the globe, with more than 1.4 billion users globally. Twitter consists of 300 million active users. They check in at minimum once every day (in 2010, there were over 2 billion daily views on YouTube) (Metekohy, 2010). In a nutshell, social media is a popular phenomenon that has transformed how people communicate on a daily basis.

Describe social media.

The websites or platforms that connect people across the entire world who share the same interests and pastimes are referred to as social media or social networking sites. Social networking sites are frequently used by customers of all income levels. Blogging, YouTube, Facebook, and Zynga are a few instances. 2012 (Sin et al.)

Social media is crucial to the transformation of advertising (Berthon et al.2012; Harris and Rae 2009,;Mangold and Faulds 2009). Nowadays, individuals aren't particularly receptive to conventional kinds of marketing (Vollmer and Precourt 2008). Social networking is evolving with the changes, to become a highly favored method for learning about a good or service and serving as a foundation for buying decisions (Harrison-Walker 2001).

Data is generated by customers and distributed to others via a variety of methods in the social networking world of today. Each communication is the name for this communication method (Tariq-Wahid, 2011). The primary characteristic of social media platforms—User Generated Content—has provided a bigger threat to conventional types of marketing, that rely on one-way interaction. Furthermore, this has assisted social media advertising in developing and improving its methods for obtaining outcomes (Coon 2010). Due to subscriber content, the distribution of such content is becoming increasingly more democratic (Evans, 2008), turning content users into content creators (Botha et al.,2011).

Marketing on social media: What is it?

A hybrid part of the advertising strategy, marketing on social media promotes both traditional commercial marketing or cases positive (Mangold and Faulds,2009,). Using social networking sites to spread brand recognition among customers via word-of-mouth concepts is the concept of social media advertising that is most frequently used (Drury 2008; Ma et al. 2008). Nair (2011) defined marketing via social media as the application of internet tools with a focus on the

exchange of content, views, insights, and information as well as interactions and relationships among customers and businesses.

Important Marketing Strategies for Social Media Elements

Before creating a social network strategic plan, there are a few crucial aspects of social media advertising that should receive equal emphasis.

Establishing business objectives

Prior to beginning any social media strategy, establishing business objectives constitutes an important stage. In this area, social media marketers are required to constantly watch each company's needs in order to plan a campaign that will satisfy them. Several are the common end results anticipated from the effort, though goals might vary according on the company. Increasing brand recognition, keeping customers, and lowering marketing expenses are just a few.

Setting marketing objectives.

These are the secondary objectives that a social media marketer will set in order to accomplish their main organisational objectives. While creating an objective, the SMART method should be taken into account. The goals set out should align with those of the organisation.

Customer identification

Another key element in marketing through social media is consumer identification. Determine your target audience's age, budget, hobbies, profession, issues, habits, like, dislikes, and sticking points. Also, this will help in the creation of precisely focused paid advertising for their goods or services.

The following details are crucial to recognise and comprehend while developing a character:

Details about persona

Interests and Education

Sex, age and income

Competition Research

Competitiveness ought to be constantly thoroughly studied to allow for the integration of any significant strategies that may be beneficial. A few aspects need to be looked at in social networking marketing's competitive strategy, such as the kind of material the rivals are

publishing and their content optimization. Additional crucial factor that can be constantly observed and monitored

Channel choice

The choice of the channel is entirely dependent on the chosen target audience. A corporation can then enhance its visibility on that medium after doing a thorough research of the platforms the chosen personas are utilising for communicating in the previous phase.

Content Management

The importance of content management in social media marketing cannot be overstated. Social media profiles can post a variety of content, including text-only posts, posts with pictures, links, movies, blogs, and much more. The written material should hold readers' attention and encourage them to visit the website again. Facebook Insider, an online resource, can be used to determine the level of engagement.

Finances Allocated

A strategy ought to be established before assigning a budget. All of the aforementioned considerations should be made in your budget. Goals for the organisation should be the main focus. In order to project a ROI, the cost of trainings and workshops for analysis, CRM, designers, and video production experts should be considered when establishing the budgets for email advertising instruments.

Choosing Roles

The range of marketing operations that may be carried out using social media is enormous. Several roles should indeed be assigned to various persons because one individual is unable to perform every job. Creators of visual and moving images, advertisers, customer care representatives, and more.

Social media advertising variations

Depending on the kinds of instruments, advertising on social media can be further categorized (Mangold-Faulds,2009; Botha et al.,2010; Kaplan-Haenlein, 2010).

Blogs are platforms where people post their own material. It can range from being a man's individual website to a forum where many individuals may visit and speak on the subject they want to write about. Writers of content can distribute their work as text, graphics, videos, links,

and much more.

Social media marketing variations

Platforms called collaborative networks are where the material is produced in tandem. In these situations, the end - users are the content makers.

Individuals are able to share their material with thousands of other individuals on sites called content communities. These groups can use both image- and video-based material. The subject matter might range from customer reviews to how videos are made and much more.

Microblogs are a medium that sits in between blogs and social media sites (SNS). Of that kind websites have word limits that must be followed. Anyone can appropriate subject and create new messages on these weblogs. Twitter is a fantastic example of one of these websites.

Social networking sites enable users to build profiles and connect with others, including friends, family, coworkers, and even complete strangers. Individuals may share their photos, videos, statuses, take part in surveys and quiz, like other people's photos, leave comments on them, and much more on these accounts.

Individuals may post news from all over the world on social news websites.

Individuals can contribute pertinent news, vote on other news content, and remark on the news that is published by others.

Avatars can be customized in Order To imagine, a three-dimensional setting where users can communicate with one another. Virtual Society World and Virtual Gaming World are two possible categories (Kaplan-Haenlein, 2010 p.6).

On a social news website, users can share breaking news from anywhere in the world.

Social Networking (Figure 1) displays the many social media platforms that individuals use to communicate online. Even though this paradigm was created in 2007, it still includes all significant social media communications outlets.

Figure 1: The Social Media Starfish, by Robert Scoble



Source: Scobleizer, 2007.

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Social Networking (Figure 1) displays the many social media platforms that individuals use to communicate online. Even though this paradigm was created in 2007, it still includes all significant social media communications outlets.

In the most recent report on social media published by Cavazza, Twitter, Facebook, and Google all share the center spot. By doing so, he draws attention to the fact that these development systems offer their users a variety of functionalities (Cavazza, 2016). This graph demonstrates the various social media channels that individuals use to communicate with one another.

Social Media Landscape 2016



Fig 2: The Social Media Landscape 2016, by Fred Cavazza

Metrics for social media

Since many businesses utilize social networking sites, it is crucial to assess the entire effect that social media advertising has on their operations. Social media measurements can be used to gauge this effect. The relationship between social media and salesman activities including lead generation, customer awareness, relationship development, sales performance appraisal, and other sales-based results was the subject of a study by Rodriguez, Peterson, and Krishnan (2012). This study came to the conclusion that social media has a very favourable effect on social innovation, comprehending the requirements of the intended customers, establishing a connection with the specific market, and raising consumer awareness.

Table No 1: Metrics of Social Media Marketing

	Influencer	Consumers	Customers
Awareness	Ad Exposures Number of Company Posts Page Views Click Through's Time on Site	Ad Exposures Number of Company Posts Page Views Click Through's Time on Site	Conversion Rate Size of Social Network
Engagement	Number/Frequency/Tone of: Mentions Comments(+/-) Retweets Shares +1's Likes	Number/Frequency/Tone of: Mentions Comments(+/-) Retweets Shares +1's Likes	Reviews (+/-) Recommendations
Performance	Reviews (+/-) Recommendations Size of Social Network Credibility	Relationship Quality Contact Permissions Conversion Rate Size of Social Network	Number of Purchases Revenue Per Customer Profit Per Customer Repeat Purchase Rate Average Customer Life

Benefits of Social Media Marketing: Social Media Metrics

Because digital marketing is becoming more and more popular, more businesses are making investments in it and using it to advertise their products and offerings to particular demographics. (Watson et al., 2002; Sheth and Sharma) (2005). The marketing function has been dramatically revolutionized by social media platforms.

1. Economical Ness

Marketing had long been viewed as an expensive endeavor. This has entirely changed because of social media marketing, which has brought about a more affordable method of addressing the general public (Watson et al., 2002; Sheth and Sharma (2005). Due to its affordability, social media marketing is becoming more and more significant (Weinberg 2009). It has few or no financial restrictions. There are numerous free platforms available where businesses may set up

their profiles and communicate pertinent information to their audiences. Social media sites allow for highly personalised marketing that do not require a large expense to be successful. On these sites, paid advertisements can also be run, with relevant to the problems like geotargeting, demographic targeting, and interests targeting.

In 2009, Weinberg again made reference to social media's capacity to communicate relevant data with its audience, which may then be replicated by them and result in either positive or bad eWOM.

2. Tool for Communication

As additional social platforms have emerged, people have begun to spend greater amounts of time online using these networking websites (Riegner,2007;Hill & Moran,2011). Social networking sites are being used by both individuals and businesses for communications. Businesses provide pertinent information, such as product launches and discounts, on their social networking pages so that their intended audience is informed of what is popular within their organization.

3. Acknowledgement of Brands

SMM is a modern marketing strategy in which businesses use social networking sites to market themselves, their goods, and their services (Akar & Topçu, 2011; B Arefoot & Szabo, 2009). Marketers are using these platforms to reach to the general public and increase and improve brand recognition so that addressing the general public is simple and approachable (Pannunzio,2008)

4. The promotional tool

Facebook obtains the biggest money by running adverts for small and medium size businesses (Hof,2011) (Hof,2011). These adverts are placed on Facebook Ads where an interesting ad copy is developed and tailored to the audience for creating interaction through either likes or \ comments. Businesses deploy Facebook ads in a variety of formats, including video, text, photo, smartphone apps, event, desktop versions, and much more.

5. The use of relationship marketing

A bong is being built with the client using social networking sites as a platform (Szmigin, Canning, &Reppel,2005). Today's marketing companies believe that social media platforms are

more useful because social media advertising is all about developing relationships with the audience (Kozinets,1999). Relationship marketing and sales core concept is keeping in touch with customers. Conversations with customers aid businesses in fostering greater brand loyalty.

6. Improved Client Support

Social networking sites give businesses the chance to give their clients superior customer service (Ridings and Gefen 2004). On their social media profiles, consumers can actually share their opinions about their shopping experiences with the business. The communication between customers on these digital platforms fosters trust (lu et al.2010). This also raises the likelihood of purchasing a product (Gefen 2002).

7. Social Commerce: Social Commerce is a relatively new development in e-commerce that promotes customer engagement on social media and influences their purchasing behaviour (Hajli 2013).

Customers aid businesses in fostering greater brand loyalty

You can better grasp the benefits and hazards of social media marketing by reading this article. In terms of the advantages and dangers involved, social networking platforms have undergone significant development on both an individual as well as a company level. The review's conclusion covers both the benefits and drawbacks of social media advertising. The biggest unsettling difficulties with SMM revolve around issues of privacy, identity theft, and content theft. Consumers today participate actively in the marketing and sales processes rather than simply being onlookers. Consumers produce content for businesses in the form of reviews and comments. Their ability to express their content and displeasure with the business when it comes to making a purchase or using a service has grown as a consequence.

Building a strong and lengthy connection with consumers is every company's top priority because it can increase overall sales volume and foster customer loyalty.

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