Social Media Marketing-A Tool of Innovative Marketing

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ABSTRACT

The latest developments in the field of marketing, communication and information are leading to new innovative business and consumption models, in which users are gaining a leading role and are increasingly important. Social Media is rapidly emerging as the next big frontier for customer engagement and interactions. There are millions of customer interactions taking place every day on Social Media sites such as Facebook, Twitter, YouTube, etc. as well as a vast number of customer support forums and online communities. Social Media emerged and continues to be as a cultural phenomenon. It is also quickly becoming a business phenomenon. Increasingly, current and prospective customers are using Social Media to communicate about the products and services they buy or intend to buy. Leading enterprises have recognized the importance of tapping such communications. Social Media are new innovative tools that collects millions of users all around the globe and they offer several possibilities and opportunities to companies that want to develop communication and marketing strategies while gaining competitive advantage on their competitors. This paper presents the definition of Social Media marketing with its strategies; it also attempts to identify the challenges and opportunities facing by Social Media sector and find out the current and future trend in the area of Social Media marketing.

Keywords

Customer engagement, Social Media, customer relationships, interactivity

1. Introduction

Social Media marketing refers to the process of gaining website traffic or attention through Social Media sites. Social Media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it with their social networks. A corporate message spreads from user to user and presumably resonates because it appears to come from a trusted, third-party source, as opposed to the brand or company itself. Hence, this form of marketing is driven by word-of-mouth, meaning it results in earned media rather than paid media. Social Media has become a platform that is easily accessible to anyone with internet access. Increased communication for organizations fosters brand awareness and often, improved customer service. Additionally, Social Media serves as a relatively inexpensive platform for organizations to implement marketing campaigns. Social networking websites allow individuals to interact with one another and build
relationships. When products or companies join those sites, people can interact with the product or company. That interaction feels personal to users because of their previous experiences with social networking site interactions. Social networking sites and blogs allow individual followers to “retweet” or “repost” comments made by the product being promoted. By repeating the message, all of the user’s connections are able to see the message, therefore reaching more people. Social Media Marketing makes use of Social Media sites to raise visibility on the Internet and to promote products and services. Social Media sites are useful for building social as well as business networks, and for exchanging ideas and knowledge. Social Media marketing provides organizations with a way to connect with their customers. However, organizations must protect their information as well as closely watch comments and concerns on the Social Media they use. A flash poll done on 1225 IT executives from 33 countries revealed that Social Media mishaps caused organizations a combined $4.3 million in damages in 2010. The top three Social Media incidents an organization faced during the previous year included employees sharing too much information in public forums, loss or exposure of confidential information, and increased exposure to litigation. Due to the viral nature of the internet, a mistake by a single employee has in some cases shown to result in devastating consequences for organizations.

1.1 Definition of Social Media marketing
Social Media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of SMM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach.

1.2 Advantages and Disadvantages of Social Media marketing

1.2.1 Advantages
The Social Media marketing is cost effective than any other form of marketing. Building a profile in the most followed Social Media platform is not going to cost much. Social Media marketing helps in building the brand name of the company, and establishes the company as an authority in the market. The companies become ubiquitous through Social Media Marketing in term that they are found everywhere by the customers and anyone, anywhere can access company’s social profile. Thus engaging and interacting with the customers becomes easy. By making it easy for others to communicate with company, company can answer all queries and issues promptly.

1.2.2 Disadvantages
A presence in Social Media would necessarily mean that company is going to get flooded with rave reviews; chances are a higher visibility will get a few negative comments or reviews. Lots of creativity and time is required to make the Social Media marketing successful. Though at the onset it seems to be costless, the resources are to be paid to create the profile, update it and answer to the queries posted by clients, on regular basis. There is a lot of understanding involved in Social Media marketing. It is possible for the employees to leak out information through the media and if company does not check the profiles several times, it could find out that some of the latest news have been pre-released, resulting in more negative press.

Challenges in the area of Social Media Marketing are as follows:
- Lack of sufficient resources.
- Measuring ROI (Return on investment).
- Managing and growing social presence.
- Integrating Social Media with lead gen and sales.
- Integrating Social Media with rest of the marketing.
- Monitoring Social Media

Figure 1 shows the different challenges faced by the companies in their Social Media marketing campaign according to the percentage of their existence in the Social Media marketing sector.

2. Objective of the study
The main objectives of the study are:

i. To find out the tools for innovative Social Media marketing
ii. To identify the effective strategies for implementing Social Media marketing.
iii. To outline present trend and see the future possibilities in the area of Social Media marketing
3. Literature Review

Social Media network are applications that allow users to build personal web sites accessible to other users for exchange of personal content and communication (Bowden and Lewis 2009). Social Media according to Bowden and Lewis can be characterized as: online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content.

According to Forrester research study (2011) by Ernst. J, David M. and Cooperstein, Dernoga M, companies (brands) are gradually shifting their advertising priorities to align better with today's buyers. Today's buyers are tech savvy and Social Media maniacs. Therefore it is the proliferation of the Social Media network services in brand management and marketing that bring us to the attention of Social Media networks. First, the researcher will define Social Media and then outline those networks that are driving the debate.

Evans .D. argue that though communication is the core dimension of Social Media networks, not all platform categories are equally suitable for all marketing objectives because most of the platforms are not equally well suited for information, collaboration, and even for cultivating relationships.

The purpose of social networks is primarily for communication and exchange of ideas of common interest among peer groups or communities. However, it is through frequent communication initiated by the marketer on the interactive social networks (Gummesson, 2002).

Cheung et al. (2011) have initiated a study exploring customer engagement in online social platforms. The authors of the research-in-progress paper have defined it as “the level of a customer's physical, cognitive, and emotional presence in connections with a particular online social platform”. The conceptual model developed suggests that customer engagement in an online social platform is a construct comprising vigor (level of energy and mental resilience), absorption (level of concentration and engrossment) and dedication (sense of significance, enthusiasm, inspiration, pride and challenge) towards the online social platform, which are driven by involvement and social interaction.

According to Kozinets et al. (2010,) As brands continue to infiltrate relations within social networks, the “self-interested logics” of the market may undermine the “sharing/caring” communal ideal and threaten the traditional social contract of the group. Interaction with these brands in terms of adding content, providing comments and spreading messages therefore causes tension for the individual engaged and makes them less likely to share content with their strong ties.

According to (Warc, 2012a) the context of online Social Media has become of great interest to marketing practitioners as the new Social Media platforms quickly emerged as valuable tools central to their effort of customer engagement.

The ground-breaking study of Katz and Lazarsfeld (2009), on personal influence, argued that marketing messages were not delivered in the “hypodermic needle” style in which marketers influenced the conversations
and purchasing behaviors directly within mass publics. But rather, these messages were received and interpreted first by opinion leaders who then disseminated the message to the larger population, leading to a two-step communication flow.

4. Tools of Social Media Marketing

When it comes to Social Media marketing, every business has different needs. But many of those needs can be met with the same marketing tools tailored to a business’s specific situation. All it takes is a little creativity and the ability to communicate your company’s message to the right audience. Following are some of Social Media marketing tools that can be relevant to almost any business.

Company Blog – company can interact with its customers and potential clients, field questions, handle customer service issues, and develop communications through their business blog. Social Networks – This marketing solution includes sites like Face book and Twitter. You show up, interact with people as you would at a party or offline social event and once you have built the relationship you can take that relationship deeper on your business website. Micro blog – A micro blog is a type of blog where company posts are shorter than a traditional blog. With blog, company can have posts up to several thousand words, but limited to the number of characters per post. Social Bookmarking – Social bookmarking websites are marketing solutions that allow one to save, organize, and share links and other resources with other users. Q&A Websites – This type of marketing solution includes sites like Quora, Answers.com, and Yahoo! Answers. Participants ask questions, answer them, and vote on each other’s answers.

Video Sharing – YouTube is the largest and most well known video sharing website. Companies can vote on other videos, share videos with audience and market business less expensively than by using television ads. Professional Social Networks –It’s a niche social network for busy professionals who aren’t interested in playing games or participating in other frivolous activities. It’s the perfect type of marketing solution for B2B businesses, freelancers, and other professionals. Podcasting Communities – Podcasting communities are similar to video and photo sharing sites except that they are based around audio uploads. Presentation-Sharing Websites – As a marketing solution, a community that allows uploading presentations and sharing them with customers is a great tool for any business.

4.1 How to choose an effective tool for Social Media marketing

This is one of the biggest issues that how a company can choose tools for its Social Media marketing project that will be prove effective and able to create huge customer base. Some of the points needs to be considered while choosing a tool for Social Media marketing campaign are-

Clarity of Mission, Analysis of opportunities for future Mission, Use detailed questionnaire to get information about that, what kind of content should be used, when content should be shared, how presence, values and ethics should be shared, Analysis of different research tools.

Choose an effective tool after analysis.

5. Strategies for effective Social Media marketing

While Social Media marketing (or Social Media optimization) is being focused by every business in today’s world, it is important to consider a range of effective Social Media marketing strategies as described below:

Companies today give lucrative offers to their customer as free coupons, discount on immediate cash payment and gift offer to promote their business, encouraging foot traffic in store, and also giving an incentive to keep checking back. Keep coupons fresh, and aim to switch them up every month to stay relevant and keep customers interested. Business is part of a community; it is a better idea to use social networking sites by creating web pages to interact with the customers. It’s easy and beneficial to give thanks online to all of the brands that help to make business shine. We all know that company can’t sell 24-7, especially when company is trying to establish a meaningful relationship with its customers and fans. It should try let customer known about the nature of business, and Social Media can play a vital role by Sharing a photo or joke with the prospects.

Whether a car dealership, retail chain, or local dealer – all are the part of an ever changing industry, full of new products and developments. So it is a good idea to share your information, creativity with the world. It could be anything from a new color of denim that popular this season to a concept car that was just revealed in Japan. No matter what type of posts are shared but make sure it is relevant to their interest area. This engages customer because Customers are the greatest ambassadors, so keeping their attention is crucial, and content is key! Share with them solid information, and they’ll keep coming back for more.
6. Current and Future Trends in Social Media Marketing

6.1 Current Trend in Social Media Marketing

In a survey of 700 marketers from all over the globe, Wildfire App discovered that nearly all marketers find value from Social Media marketing and that 75% of marketers plan to increase their media spending. The top two benefits highlighted by these marketers are increased brand awareness and the ability to engage in dialogue directly with their customers.

![Figure 2 Avg. No. of accounts per co. on social networking sites](source: www.heidicohen.com 24/01/2013)

**Nine out of ten businesses are present on at least one Social Media platform** - The subtext is that Social Media is becoming a mature communications system. It's acceptable to be on these platforms and to use them to achieve business goals. As an interesting contrast to a company's perception of Social Media's value, Marketing Sherpa surveyed marketing agencies to understand how they calculate the value of Social Media for their clients. The survey found that Social Media clearly helps search results for many businesses, but the largest majority of companies benefit from posting content on their company blog.

Since companies have gained experience from being on Social Media platforms, they're no longer hindered by fear of the unknown. Specifically, about half of firms are on Google+ (although this could be a defensive search strategy) and about a quarter are on Pinterest. Further, they are adapting to local needs. Wherever necessarily, some firms are using multiple languages either through one account or via targeted accounts.

6.2 Future trend in Social Media Marketing

Total Social Media users are forecast to grow by just 4.1 percent in North America in 2013. Compare that with growth rates of 21.1 percent in Asia-Pacific (including China, India, and Indonesia), 12.6 percent in Latin America, and 23.3 percent in the Middle East and Africa. To solve the mobile revenue puzzle, social networks will push ahead next year with new social ad models. Traditional banner and interruption ads will decline, replaced by innovative offerings like Promoted Tweets and Sponsored Stories. What makes these so-called native ads unique is that they don’t look like ads at all, apart from small disclaimers. They appear in-stream and read exactly like another piece of user-generated content.

It is anticipated that the rate of growth in mobile usage will exceed the growth in usage through personal computers for the foreseeable future. Mobile Internet users are set to overtake wired Internet users by 2015 in the U.S., but this shift is happening far faster on social platforms. At the same time, developing viable advertising options for mobile platforms is more critical than ever. Borrell Associates found that small- and medium-sized businesses (SMB) will double their Social Media advertising budget in 2013. Although businesses are increasing their investment in Social Media, they are more reluctant to put large advertising budgets toward it. Awareness found that 75% of businesses spend $10,000 or less, with most businesses solely investing people's time toward the effort. Figure 3 shows the budget allocated for the Social Media marketing campaign by different businesses over the globe in 2013.
Social Media will allow consumers to get real user experience before making purchase decisions.

7. Conclusion

Social Media have gained a fundamental role in communication and marketing strategies. The new generations of consumers have very high brand awareness, they act on international markets through the internet and their opinion can have a great effect on people in different parts of the world. So it is very important for companies, when managing fan pages and brands’ Facebook presence, to create high quality contents and to exactly know the users’ behavioral dynamics on the social network, in order to reach the higher possible user engagement. For an effective result and in order to create successful promotional campaigns, they need to know what drives engagements are needed to keep things in line with their fans’ needs. Posts of brands’ Facebook fan pages can have different characteristics and their content can have different effects on different consumers. The benefits of Social Media marketing speak for themselves: by creating high level of brand loyalty and minimizing the communication gap between the company and its customer. It serves as the innovative tool of marketing for engaging more and more customers towards the organization. It is also cost effective i.e. not huge funds are required for Social Media marketing. On the other hand it has some limitation and challenges that needs to be addressed to achieve greater growth in customer satisfaction and organization's profitability. Hence it can conclude that Social Media marketing is not just a contact centre imperative, but also an important enterprise-wide phenomenon that impacts several business functions. This includes sales, marketing, customer service, product development, corporate communications and PR, and employee communication and collaboration. Although Social Media marketing may not be appropriate for every company or product so it should be carefully implemented in the company.

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