

The role of Social Media as a Marketing Tool - a Qualitative Analysis

Mohana Sundari V¹ and Kiruthiga V²

¹Assistant Professor, Dept. of Management Studies, SRMIST

²Assistant Professor, Dept. of Management Studies, SRMIST

Abstract

Social media allows individual to interact with one another and build relationships. When companies join the social channels, consumers can interact with them and they can communicate with consumers directly. Social media revolution, it is more than obvious that social media like Facebook, Twitter, Orkut, MySpace, Skype etc., are used extensively for the purpose of communication. One of the most important advantages of the use of social media is the online sharing of knowledge and information among the different groups of people. It is practically impossible to design a marketing strategy without considering social networks. Social media has become really important in today's marketing mix in general and in promoting the new product and existing on in particular. The paper carries out empirical research to understand the effectiveness of social media as a marketing tool.

Keywords: Marketing, Social media, Communication, Strategy, Promotion

1. Introduction

Over the past 40 years, we have experienced a radical change in how business is 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. Social media takes on many different forms including magazines, Internet forums, weblogs, social blogs, microblogging, wikis, podcasts, photographs or pictures, video, rating and social bookmarking. With the world in the midst of a social media revolution, it is more than obvious that social media like Facebook, twitter, Orkut, myspace, skype etc., are used extensively for the purpose of communication.

Nowadays social media becomes part of a person's life. Social media such as Facebook, Twitter, Instagram or LinkedIn has a numeral number of the user and keeps growing every day. It is estimated that over 500 million people are interacting with social media (Ostrow, 2010). The number of social media users growing have attracted marketers. Marketers have recognized that social media marketing as an important part of their marketing communication strategies. Also, social media helps organizations to communicate with their customers. These interactions help marketers determine customer needs and understand what their market might look like. Key business factors of social media allow consumers to estimate products, make recommendations to contacts or friends, and share any of the purchases through their social media.

Communication through social media has found an impact on consumer decision-making and marketing strategies. Consumer socialization theory predicts that communication among consumers affects their cognitive, affective, and behavioral attitudes (Ward, 1974). Also, the advertising on social media page has built new

consumer's behavior. Consumers tend to make purchases or conduct business on social media.

Recommendations by friends or connections on social media also could help consumers on decision- making. Those recommendations could help brand attitudes, purchasing attitudes, and advertising attitudes. The more good responses on the products or services, the more attractive for consumer purchasing. Most of the top brands and services notice it and started to focus on social media marketing.

1.1 Meaning and Definition

The term Social media refers to the use of web- based and mobile technologies to turn communication into an interactive dialogue. Social media marketing refers to the process of gaining website traffic or attention through social media sites. Social marketing means building a business through many different media, like viral videos and blogs, because these give your promotion exposure of products. Social media as a medium of promotion contributes, through its immediacy, to a healthy and direct relation between brands and their public in an online environment.

According to Andreas Kaplan and Michael Haenlein, social media is "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content."

According to Charlene Li and Josh Bernoff Social networks and social media are part of a phenomenon that is changing the way we communicate with our members and potential members.

1.2 History of Social Media

When we think of social media, we generally think of Facebook and twitter. However, in reality, it is more than that. The earliest ways to send messages over long distances were probably both audio and visual. People used to communicate smoke signals by day and beacon fires by night in ancient China, Egypt, and Greece. Drums were used in many parts of the world to extend the range of the human voice for communication as well. The seeds of social media were sown during 550 BC when the regular postal system was established in Iran where horse riders and horse-drawn wagons carried mail. Usually, mail consisted of governmental dispatches and was delivered from one place to another. The 18th and 19th century were the breakthrough periods where devices like the telegraph (1792), telephone (1890) and radio (1891) ushered in a new era of the sending and receiving messages over long distances. The increasing number of express messages between businesses, financial and legal offices and banks in growing cities, as well as busy street traffic, gave rise to new methods of telegram and letter transportation. The pneumatic post was introduced to combat the shortcomings of the telegraphic network in Paris. The invention of the telephone and the radio took the meaning of communication to another level. The 20th century was marked by the growth and development of the internet. With the growth and development of the internet, there came an era of exchange of messages from one person to another digitally or via web. Email, ARPANET, USENET, BBS (Bulletin Board System), IRC (Internet Relay Chat), Listserv, Blogger, Six Degrees, Live journal, Napster were some of the important sites for social interactions and sharing.

The 21st century saw a spurt in the growth of social networking sites by the launching of Friendster, Fotolog, Photobucket, Flickr, Orkut, Facebook, Ning, Digg,

Twitter, Netlog, Youtube etc. Social media has come a long way since the days of the telegraph and even the more recent days of Internet relay chats (IRC), and it continues to evolve. In the last few years, social media has become a convention of the online landscape. Major social networks and social media websites make changes and improvements on a fairly regular basis, so it's sure to keep evolving in coming years. The following figure explains the History of Social Media.

2. Literature Review

The influence of social media on buying behavior can be in any services or products. Quality, brand, advertising or price could affect consumer decision-making. In 2003, Western Kentucky University used a sample of 249 consumers' purchases to analyze the type of product purchased and the cost of the item. The results of this research present that consumers are buying either inexpensive or expensive items and are doing so based on recommendations from social media by their contacts or friends on social media (Forbes & Vespoli, 2013). Marketers could consider that social media does influence buying behavior. According to the recommendations on purchases, 59% of all respondents were using Facebook as their social media tool when they received a product recommendation. Thirty-seven percent of all users were using Twitter. From these results, social media has influenced their buying behavior.

The relationship between social media and consumer decision-making present that social media affects advertising attitudes, brand attitudes, and purchasing intentions of the consumer. It will not necessarily affect consumer's decision-making but might possess a mediating effect (Taining, 2012). Social media can build brand attitudes that affect buying behavior. The good image of brand or product can lead the consumer to make the decision on their purchases. When consumer's friend on social media shares or recommends services or products on their social media, it affects brand attitude and influences their decision-making. Yet, advertising on social media, which is provided by commercial sources affect both consumer brand attitudes and purchasing intention (Yang, 2012). From that information, it helps marketers plan their marketing strategies. Many marketers use social media for marketing campaigns. It is the easy way to communicate with consumers; also it is inexpensive to advertise their brands or services.

Social media is not only for advertising, but it can also be a tool for brands or services to connect with their consumers. Another study shows that social media allows consumers and prospective consumers to communicate directly to a brand representative. Since most consumers are using the social media as the tool to search and purchase items, brands or services use this advantage to advertise their products. The online consumer is a booming market worldwide, however, it is giving a globalized level of segmentation cross-culturally (Vinerean, Cetina & Tichindelean, 2013). If they have some problems on products or services, consumers could reach the company via social media, which is an easy way to connect and contact with them. Companies are challenged by how they chose to react to comments or responses on social media. Their reactions and responses can build strong brand images and get more consumers to purchase products or services. When a consumer wants to make the decision on the product, every single detail could be an influence to their decision-making.

Consumer motives for engaging in social media provide insights into consumers' activities. Consumers have three main gratifications or motives for using the Internet as

a medium, namely, information, entertainment, and social aspects (Heinonen, 2011). The motivation is in two main groups: rational motives, such as knowledge-sharing and advocacy, and emotional motives, such as social connection and self-expression (Krishnamurthy & Dou, 2008). Consumers' activities in social media have been found based on consumers' conduct online. Nowadays consumers are using the Internet as their tools to achieve their motivations. Their motivation could be connected to their old friends, business, or reviews to support their decision-making. Reviews on social media become second-hand resources to support consumer's decision-making because they want they want value for their dollar. Reviews on social media not only affect too expensive items but also inexpensive items as well. People can see the reviews on cosmetics, books, cars, hotels, or even nail polishes. Those reviews can motivate purchases or support consumer's decision-making by making it more reasonable to spend the money on it.

Social media does not only affect consumers' decision-making on products or services but also it helps in other fields of studies or careers such as political or juror impartiality and fair trials too. In the context of the justice system, the easily accessible nature of the Internet has resulted in jurors having the ability to consult an online social media source in order to aid their decision-making and deliberations (Simpler, 2012). Social media helps juror to broadcast their options about the ongoing court. Jurors find some advantages of information or any evidence that can support their decision and help them making their decision. Twitter is the most important for sharing news, and information, which is up-to-date.

This information may not be confirmed that it is true or not true but at least it will give the jurors the idea and know what other people think about the case. Today researchers have found that social media helps jurors to have a wide-open vision of the case and can also influence the juror's decision making (Simpler, 2012).

Another study examined the effect of social media on a person's decision-making by sharing health information on news and social media. The study observed the coverage of influenza vaccination on Dutch news sites and social media websites. Dutch news sites and social media websites were promoting the campaigns of influenza vaccine during February, March, and April 2012. From this study, the results showed that news media and social media give different tones in messages. News media reports tended to be more objective and non-judgmental, while social media more critical of behaviors of Internet users and may influence the success of vaccination campaigns and recommendations made by health authorities (Lehmann, Ruiter & Kok, 2013). However, this study concludes that it was the first step in e- Health announcements. People tend to respond to the news on social media more than news media. It is attractive and influences people on their decision- making due to the Internet and might be an important source of health information.

Since people can't try travel-related products and services before they consume them, dynamic processes with various amounts and types of information sources have been used (Fodness, & Murray, 1977). Many studies have found that many travelers used social media as a guideline for their trip. Reviews of places, hotels, transportation, food, or restaurants could have large effects on traveler's decisions. Travel organizations and businesses have used social media as a communication tool for their audience by posting travel information; uploading photos, warnings, advice, or sharing personal traveler reviews. Those things can influence trip's decisions and even create future trip destination impressions.

Fifty-eight percent of U.S. online travel used ratings for their travel information: 49% of them checked reviews and recommendations: 18% used photos and friends' social network sites: 12% read blogs: and 5% watched videos (eMarketer, 2007). Venkatesh, Speir, and Morris (2002) showed the theory of social influence affected person's decision-making. People participating in social media activities are usually in communities and appear to be socially influenced by the community group members. Social influence is defined as the degree to which a person believes that person to perform a particular behavior (Venkatesh, Speir, & Morris, 2002). From the social theory, it shows the support of the idea that social media has become a key influence in a person's decision-making process, they need confirmation on what they decide is the best.

3. Why is social media marketing needed?

Social media does help get the word out First and foremost social media does, in fact, help get the word out about the business. But even more important than the exposure it provides the opportunity to an organization and it provides to grow the relationships with that target audience. Facebook Fans, Twitter followers, and LinkedIn connections are people who know the organization, have likely done business with in the past, and will be most likely to tell their friends about the organization. Social media allows concern to strengthen relationships with these connections through social engagement. And because that engagement is easily visible to the connections of current fans and followers, social media can introduce the business to a whole new audience and enable to reach your next great customer.

3.1 Social media is popular

It needs to be a dedicated reader of tech blogs or an expert in online marketing to know that social media is really popular among consumers. With more than 1 billion (yes, 1 billion) people on Facebook, 200 million people on Twitter, and 200 million more on LinkedIn social media will touch nearly every customer that walks through the door. For most small businesses, Facebook is the jumping-off point for getting started with social media marketing. With its extensive reach and dynamic functionality, there are very few businesses that couldn't benefit from having a presence on Facebook. And starting there will make it easier when they want to try something new.

3.2 Social media sites are free

There's no catch getting started on social media is completely free. Facebook, Twitter, and LinkedIn all offer free accounts to users and businesses and signing up won't require anything more than an email address. Some sites like LinkedIn do offer paid accounts with features that are targeted at more advanced users, but for the purposes of getting started, there's no upfront cost for most of the social networks.

3.3 Social media reaches all ages and demographics

Social media has really broken down all of the age barriers that once accompanied the ways people thought about social media.

3.4 Social media encourages two-way communication

There is no marketing tool available to small businesses today that provide the type of two-way communication that comes with using social media. It has the power to take any of the feedback may receive from using a tool like an email marketing and

supercharge it letting customers share their thoughts, questions, and ideas quickly and publicly without having to take the time to write an entire email. Social media is perfect for customer service

Providing stellar customer service is likely already a top priority for small business. But along with the two-way communication that social media provides, it also offers a unique opportunity to step up the customer service game and provide instant gratification to target audience. This will allow you to showcase just how much care about providing a memorable experience and will ensure that no customer inquiry goes unnoticed. And by monitoring social media for customer feedback and offering a response, it really helps to drive real business results.

3.5 Social Media Can Make a Big Difference for Your Email Marketing

Social media has completely changed the game when it comes to how small businesses think of email marketing. Sharing email newsletter across social networks can open content up to a whole new audience and finally generate the type of buzz have been looking for. Together, these powerful tools have reshaped the marketing landscape and have really leveled the playing field for small businesses trying to better connect with current customers and reach new audiences for their business. Sharing your email newsletter across your social networks can open content up to a whole new audience.

4. Benefits of Social Media Marketing

The benefits to marketing via social networks are numerous and largely gained at a very low cost. Through social networks, the company can:

1. Increase product and brand awareness
2. Increase web traffic
3. Increase customer loyalty
4. Increase success of new product launches

4.1 Increase Product & Brand Awareness

Marketing on social networking sites will increase awareness by increasing the online presence of your products and brand. When the company creates a group or organizes a promotion on a social networking site, the members are reminded of your brand and website with every interaction. Since the customers are deciding what groups they want to join and what information they want to receive, this information is usually positively received.

4.2 Increase Web Traffic

Communications, recommendations, and other postings on social networking sites often contain web links. If the company is mentioned and a link is included, these postings drive traffic to your site, increasing brand and product awareness. Due to the makeup of social networking sites, these links are naturally targeted to potential customers that are interested in the company, products, or services.

4.3 Increase Customer Loyalty

If done correctly, promoting the company or products by building a social network can greatly enhance customer loyalty. If the participation of the company is consistent and honest, adds value by supplying useful content, and appears personal, it will greatly enhance company's reputation while building trust and credibility. Offer

help first, and promote products only when asked and when appropriate; otherwise, your attempts could be considered spam

4.4 Increase Success of New Product Launches

Social networks provide a unique opportunity to survey the relevant community on their products wants and needs. The community can guide and participate in the product development process. Giving them a voice in the process can increase loyalty and guarantee success when a new product is launched. Users of social networking sites profile themselves upon joining a network. These profiles can be very detailed, and their purpose is to help the user connect with others who share similar interests and activities. The profiles contain, not only basic information about the user, but also information on their education, areas of technical expertise, publications, memberships in other groups, geographic location, and job position (among other information). For marketers, this information is invaluable as it can be used to develop highly targeted marketing messages.

5. Methods of Social Network Marketing

Social media marketing is popularly called as Internet marketing. Today people can find many ways for internet marketing. Many people who enter this online marketing are less worried because of its guaranteed success. The Internet attracts many business people to promote their business online. Social network marketing is grown to such a height that today many people can't earn without it. Some of the most recognized network marketing tools are Facebook, MySpace, Twitter and LinkedIn. Twitter became the regular place for people who have newly entered the field of social network marketing.

There are some most popular methods of social network marketing:

5.1 Blogging

When the person starts blogging or posting data about any product, later it can become big business via the blog. Websites and blogs are most powerful tools for social network marketing when matched with other networking tools. A blog is an amazing tool which provides many other facilities in addition to just marketing business. It also helps to communicate with other clients in case of any problems. Very effective can be to combine social media with article marketing and blogging, for example, creating links back to landing pages and get maximum exposure for products. There are many article directories that allow for free article submission. Each article should be unique. Blogging is also very popular for creating the brand. As with anything, it is important to make sure that brand stands out from the rest.

5.2 Personal website or blog

It is important to have private which will help clients to know about the company and it will make them clear that the company has a serious business and help to make huge revenue via online marketing.

5.3 Article selling

It is also best and cheap internet marketing method. It is a mode of advertising trade just by writing articles and attracting an endless number of users across the world.

Today it provided free business to many advertisers and publishers and they are really benefited through their articles.

5.4 Sending Email

Sending an electronic mail is the best way to marketing. The best way is to collect the list of email addresses through portfolio websites and email about business to all internet users. Email should be attractive in such a way that recipient will be impressed to get back to you. It is also difficult to tread that fine line between spam and building up a social media audience. If individuals are contacted purely to make money then the company is sending out spam. This is a very unprofitable way to go about marketing.

5.5 Using social networking websites

Social networking websites like Twitter and Facebook can be used to promote sales. These provide the best platform for all who are thinking of online marketing.

5.6 Video promotion

In social media particularly video marketing can also be very effective. Millions of Internet look at videos every day. A short video about your services and products can reach millions of potential customers. Several video distribution websites are very important for marketing. These websites uploads service to the whole world. All that is needed to do is film a video about marketing and send it to video uploading sites like YouTube. It seems it is the easiest way of marketing than any other modes since many people will be interested in view videos rather than word form of advertisement.

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