

EFFECTIVENESS OF SOCIAL MEDIA AS A MARKETING TOOL

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ABSTRACT

In the current technological world, driven by high competition organizations need to keep themselves updated to meet the challenges imposed by trending market demands for avoiding the risk of being outdated. The traditional business models don't seem to work in today's world determined by internet and smart phones. Hence, designing a marketing strategy that incorporates social media and networking is imperative. Marketing and promotional mix of companies these days involve Social media as an important gradient. Online marketing using social networking sites has been adopted and embraced by all businesses as a key element. This type of marketing has been proved to be more fruitful in an industry where frequent changes in trends have been observed like handicrafts and fashion industry. This paper attempts to perform "empirical research to understand the effectiveness of social media as a marketing tool" with special reference to the Gujarat state of India. More importantly, the paper seeks to identify how to capitalize on over social media marketing strategies for enhancing efficiency. Different statistical tools were utilized for analysis. Finally, Self-developed online questionnaire has been developed and shared with the respondents over email with an aim to find the perception of respondents about Social Media Marketing (SMM). Results of the study reveal that the field of social media marketing is penetrating in the market at an exponential rate with enormous scope in the future. SMM possess vast future prospects with huge potential to explore, companies now requires leveraging over SMM and design strategies in order to maximize profits and capture greater share of customer base to become business leaders.

KEYWORDS: *Marketing, Social Media, Social Media Marketing, Innovation and Technology.*

Introduction

Social media is trending and acquiring an unavoidable position in the market. Businesses view social media as a marketing opportunity that enables them to surpass the conventional middleman (traders, distributors, wholesalers and retailers) and create a direct connection between the companies with customers. Because of this, almost every business on the earth right from big companies like Reliance Trends & Genpact to the small coffee shop is seeking social media marketing strategies for their marketing campaigns. Just about a year ago, social media was very much uncertain for the companies. But now the condition has dramatically changed and businesses are promptly embracing SMM. Just like a revolution in the '80s due to internet SMM is the current marketing revolution and is expected to grow at the same rapid pace due to increased internet access to people in the country. Along with the launch of 4G, it becomes more convenient for people to become a part of social media networking through their smart phones and hence companies are now taking advantage of this for marketing their products over social media.

Social Media was launched in the form of websites but gradually along with the development of smart phones and cost-effective data plans have entered into the mobile app business and this has emerged as the 'best opportunities available' for a company for getting connected to its future customers. "Social media is the medium to socialize". Social media gain customers commitment by connecting with

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them at the ground level and providing more customized solutions to their needs. SMM has made the life of a customer as well as a marketer more easy and streamlined. Everything that you want is just at the tip of your fingers using social media. This is what a marketer is searching for and thus they can advertise their products over social media to market their products over a large customer base and also specifically to one who is actually searching for these products and services. "Social media marketing is the new mantra for several brands since early last year". Companies and their marketing teams are observing trends in the emerging opportunities and hence starting to leverage this new social media market opportunities at a much faster speed. SMM and the businesses which exploit this market have developed more refined. Brands who fail to put themselves on social media channels for marketing cannot survive if their competitor is breaking the grounds with its products and services over social media. This SMM is expanding at an astonishing rate. MNC's have identified social media promotion as a strong marketing niche, and are utilizing this SMM platform to empower their marketing operation with SMM.

Social Media Marketing and Its Features

As discussed SMM is the latest trend in the market and is developing as an approach to connect the brands with their focused customers effectively. "Social media marketing can be just characterized as the utilization of social media channels to market an organization and its products. This sort of marketing can be thought of as a subset of web-based marketing exercises that completes conventional Web-based marketing techniques, for example, email pamphlets and web-based marketing efforts (Barefoot and Szabo 2010)". As per Hafele, 2011, he stated that by making a customer to disseminate the information about a particular brand to their specific individual contacts; SMM has evolved as an entirely new way to disperse the brand image of products and service to mass-communication and bulk marketing (Hafele, 2011). "By this new methodology of outreach and marketing, new devices are being created and expanded thusly for companies. Social media advertisers are currently going better and enhanced effective knowledge through the presentation of logical applications by official social network site stages (Hafele, 2011)".

As already mentioned social media is expanding at an ever-increasing rate. Thus very frequently new social media destinations are being introduced to the customers, these social networking platforms comprise different features. Without a doubt, Facebook is the most well-known social networking site that first rings a bell in the mind when talked about social networking. Along with that many new social networking platforms have been introduced like Twitter, Instagram, linked in, tiktok, etc. "Facebook was first launched in February 2004, owned and operated by Facebook, Inc. As of May 2012; Facebook has over 900 million active users. Users must register before using the site; they may create a personal profile, add other users as friends, and exchange messages, including automatic notifications when they update their profile (**Facebook, 2012**). In addition, users may join common-interest user groups; categorize their friends into lists such as People from Work or Close Friends. Facebook's main mission is to give people the power to share and make the world more open and connected (**Facebook, 2012**)". Remaining social networking sites, for example, Twitter, Google Furthermore, and LinkedIn might vary here and there, however basically they work utilizing similar standards. Social media marketing like these can assume different shapes. "The conventional Facebook model, specifically, includes substituting the idea of a human friend with a brand or physical product or making a page or group (**Facebook, 2011**). A user who elects to like a product or company advertises that connection to their own private network of contacts. This concept extends to other forms of social media as well".

As per **Bernie Borges (2009)**, "Twitter is a combination of micro blogging and social network (**Borges, 2009**). Twitter, allows users to receive small updates and advertisements from favored producers as well (**Hafele, 2011**). Twitter gives the opportunity to users to involve in real time sharing. A tweet is usually no more than 140 characters, which followers of the user can see (**Borges, 2009**). These two social media channels are among the most popular and heavily used options now, but they are far from being the only ones. As observed by **Kaplan and Haenlein (2010)** cited by **Nick Hafele (2011)** have identified several channels that fall under the category of social media, each of which has opportunities and unique advantages for marketing use. Collaborative projects, such as wikis, or editable data-sources, are particularly poignant avenues of contact. In fact, trends indicate that they are quickly becoming the predominant source of information among consumer populations (**Kaplan & Haenlein, 2010**) cited by (**Hafele, 2011**)".

Online journals, overseen by both people and companies, are a different intensely utilized marketing medium. Brand awareness can be done by using websites; this can be achieved via "sharing

insider data, updating customers on new products, as well as providing links to the main sales channels. Fans will be updated time to time on any special events, contests or a new promotion organized by the brand or product. Blogs also facilitate the posting of comments and feedbacks, allowing fans and detractors to post opinions and questions to producers. This encourages the exchange of ideas between peers and can also promote honest discussion between individuals and companies to improve their defaults (Hafele, 2011). "Social media strategies are required to be measured to ensure the greatest possibility of success with SMM. According to Ray et al. (2011) cited by Nick Hafele (2011) emphasize the need for diversifying a social media strategy to ensure that messages are reaching appropriate audiences; there is no single correct approach".

Literature Review

As per "Mangold and Faulds (2009), social media empowers companies to effectively communicate with their customers and also permits their customers to form a network with each other for communication. This two-way Communication between companies and their customers assist in building brand loyalty further than outdated approaches (Jackson, 2011; Kaplan & Haenlein, 2010), which acknowledge to the marketing of products and services and also establishing online groups of followers of the brand (Kaplan & Haenlein, 2010)". Additionally, talks between customers enable the companies with innovative means of enhanced "brand awareness, brand recognition, and brand recall"(Gunelius, 2011) Scholars like Castronovo and Huang (2012) maintain that "marketing strategies involving marketing intelligence, promotions, public relations, product and customer management, and marketing communications should begin exploring and leveraging social media, not only because there is a growing interest among consumers in Internet usage, but also due to the fact that consumers consider information shared on social media as more reliable than information issued directly by firms (Constantinides et al., 2010)".

Objective of the Study

- To analyse the role of social media marketing strategies and practices in the marketing of products and services by marketers.
- To evaluate the perception of marketers about the effectiveness of SMM.

Research Methodology

The study under process is an empirical analysis of "Social media marketing is an effective tool for marketers- An investigation on marketers of Gujarat state". Quantitative methodology is followed for this study. To achieve this objective primary data survey has been conducted with the help of structured and questionnaire that was tested on various dimensions social media marketing. Self-developed questionnaire are framed to seek the perception of respondents and then respondents are requested to fill these online questionnaires which were shared with them over e-mail. The questionnaire was used to find out the perception of marketers reasons, philosophy, strategies, explicit plans, and knowledge about Social Media Marketing (SMM). At first primary data was gathered from respondents through providing questionnaire to the respondents and collecting them over emails back, the information thus obtained is coded, edited, tabulated and presented in the form of tables, in a systematic manner to enable purposeful analysis and for drawing meaningful interpretation.

Data Analysis

Table 1: Reasons for Employing SMM in their Company

Statements	Strongly Agree %	Agree %	Neutral %	Disagree %	Strongly Disagree %
To provide information about existing and forthcoming products/Services.	40	48	3	7	2
To gain new and retain existing customers.	39.68	45.01	8	6	1.31
To generate awareness about company products/services.	34.5	47.8	11.12	4.2	2.38
To develop a brand image of our product.	40.2	39.9	15.12	2.78	2
To build a positive word-of-mouth for products/services.	21.8	48.2	20.99	7.9	1.11
To understand the behaviour of the customer.	29.8	34.5	29.3	3.36	3.04

Data given in the table above shows that almost 80 % of the total respondents questioned about their reason behind using SMM strongly agree or agree over the question that they are using social media marketing platform for endorsing their businesses. Major reasons that were identified for marketers' social media adoption involves the following:

- Providing information about existing and forthcoming products/Services
- Attracting new customers and retaining existing customers.
- Creating a brand image of the product
- Creating positive word-of-mouth for products/services
- Understanding consumer behaviour.

Table 2: Strategies of SMM

Statements	Yes %	No %
Companies have a distinctive department to handle SMM activities.	56.5	43.5
A special provision of the budget is allocated for SMM activities.	60.99	39.01
SMM experts were appointed to take guidance.	51.2	48.8

Data given in the table above shows that out of a total number of respondents 56.5% agree that their companies have a separate department to tackle issues related to SMM, however, 43.5% disagree with the fact. This indicates that more companies are required to focus on having a separate SMM department to get the most out of SMM activities. Regarding the next question, 60.9% of the respondents agree that their companies allocate funds in a special budget for SMM activities. However, the percentage of companies who disagree with this is also significant (39%). Thus to leverage over SMM, companies are ought to have a separate budget for marketing campaign via social media. The table also reveals that for 51.2% of the respondents under consideration their companies are seeking help and guidance from SMM field experts whereas, 48.8% are not doing the same. Therefore in order to optimize SMM activities, this remaining 48 % should also focus on hiring experts from SMM field.

Table 5: SMM Philosophies

Statements	Strongly Agree %	Agree %	Neutral %	Disagree %	Strongly Disagree %
Collaborative efforts of Social media and traditional media will be encouraged.	28.42	57.24	10.98	1.36	2
Only latest marketing mission i.e. SMM will be followed.	39.9	42.7	14.2	6	1
SMM will not be fruitful in the long run.	7.1	11.89	19.4	19.7	41.91

Table 5 shows the data collected for marketers' philosophy that they follow in their company about SMM, 85.66% marketers believe in the philosophy that for gaining success collaborative efforts of Social media and traditional media of marketing should be encouraged. 82.6% agree that SMM is the latest marketing strategy should be followed. However, 7% of marketers disagree with the statement. Just 19% agree that 'SMM is the latest wave and will fade with the time and hence will not be proved fruitful in the long run. And 52% disagree with the fact i.e. they agree that this trend will continue in future also which is a good indicator of SMM adoption, implementation and of course for its future.

Table 6: Explicit Plan for SMM

Statements	Strongly Agree %	Agree %	Neutral %	Disagree %	Strongly Disagree %
Customer queries received through networking sites are being addresses properly.	28.9	47.01	18.2	2.89	3
Information about the latest offers & discounts are being provided through SMM.	32.1	39	18.24	8.7	1.96
We are running Advertisements on social media.	30.1	41.2	19.9	7.24	1.56
We accept queries through social networking sites.	27.1	41.6	21.8	8.7	1
We update our Blogs on regular basis.	29.7	32.7	26.7	8.9	2
We upload interesting videos and images.	23.1	37.4	29.1	5.1	5.3

Surveys concerning customer feedback are being conducted through social media.	23.14	32.4	21.2	18.2	5.06
Open group discussions are being conducted through social media.	18.8	34.7	25.7	14.9	5.9
Online chatting services are being provided to customers.	23.4	25.7	24.2	15.55	11.15
Promotional competitions are being conducted on Social Media.	21.8	20.8	32.7	17.8	6.9
Corporate Social Responsibility (CSR) Campaigns are also launched on Social Media.	11.4	24.8	32.6	23.8	6.14

Table given above represents the data collected for explicit plans of the respondents for SMM, from the data it is clear that 75.91 % of respondents agree that their companies are solving Customer queries received through networking sites properly, 71.1 % agree that Information about latest offers & discounts are being provided through SMM, 71.3 % agree that they are running Advertisements on social media, 68.7 % agree that they accept queries through social networking sites, 62.4% agree that they update their Blogs on a regular basis, 60.5 % agree that they upload interesting videos and images, 55.54 % agree that Surveys concerning customer feedback are being conducted through social media, 53.5 % agree that Open group discussions are being conducted through social media, 49.1 % agree that Online chatting services are being provided to customers, 42.6 % agree that Promotional competitions are being conducted on Social Media and only 36.2 % agree that Corporate Social Responsibility (CSR) Campaigns are also being launched by their companies on Social Media. Thus, the table shows that a maximum number of respondents agree their companies are resolving customer queries via SMM to gain trust and commitment of customers.

Table 7: Feedback about SMM

Statements	Strongly Agree %	Agree %	Neutral %	Disagree %	Strongly Disagree %
Social Media can be used as an effective tool of marketing.	34.6	44.6	14.8	3	3
Social media marketing is very cost effective.	27.6	43.6	23.8	2	3
Social media helps us identify our loyal customers.	19.8	37.6	28.7	10.9	3
Handling negative response of customers through social media is very challenging.	11.9	44.6	30.7	9.9	3
In SMM evaluation of ROI is not possible.	5	34.6	43.6	14.9	1.9

The table given above shows the data for respondents, overall social media feedback through his experiences. Table shows that 79.2 % of respondents agree over the feedback that Social Media can be used as an effective tool of marketing, 71.2 % agree for Social media marketing is very cost effective, 57.4 % agree for Social media helps us identify our loyal customers, 56.5 % agree for Handling negative response of customers through social media is very challenging and just 39.6 % agree for the fact that In SMM evaluation of ROI is not possible.

Conclusion

Concluding the above discussion we can now say that, companies are now striving hard to cope-up with the changed business environment due to social media and its implications. Organizations are designing policies that help them in gaining and retaining a large online customer base. Social media marketing can be used as an effective engagement drive for companies to attract customers and also to influence their buying behaviour through building brand image. Using SMM companies are capable to provide not only quality products but also all the relevant Information that a customer seeks. Information asked by the customer can be provided round the clock at any place of their choice. Advertiser's main responsibility is to deliver information effectively so as to create a positive brand image and a positive word of mouth publicity to impact the buying decision of customers. Online penetration of the country is expanding at an exponential rate, enabling the companies to market their through the social medium. SMM possess vast future prospects with huge potential to explore, companies are now required to leverage over SMM and design strategies in order to maximize profits and capture a greater share of the customer base to become business leaders.

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