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# Social Media Marketing: A Paradigm Shift in Business

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## Abstract

*This is the era of borderless world. Social Networks have undergone a dramatic growth in recent years. The rapid growth of social networking taking place in India. Social networking is a method to communicate with others. In today's challenging scenario many companies are using social networking sites as an effective marketing tool for online marketing. Now a- days social networks are used by billions of people around the world. The emergence and popularity of online social networking in recent years has changed the definition of online marketing. Social networks provide a powerful reflection of the structure and dynamics of the society in 21<sup>st</sup> century. Social networking internet services are changing the way we communicate with others. Social networking sites have become increasingly important to both small and large business. Social networks are trusted because of shared experiences and the perception of shared values or shared needs. However, these days it has been witnessed that most of the business houses also engage in social networking while promoting their products and services. Very often, the head honchos of the business groups tries to maintain a healthy relationship with their valued customers. Social networking sites are now seen as a promising means of publicity, which every brand must embrace. 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. This immediacy offers the public the ability to be present, to communicate, to influence and retain a stronger position towards brands. In addition to using social platforms to monitor conversations about their industry, competitors, and products, companies are increasingly reaching out to their customers via the social Web to communicate messages about what they have to offer. In fact, social media is transforming the way organizations communicate — the many social tools that are available today are very cost-effective compared to traditional approaches such as email and online advertising. Blog posts and tweets enable businesses to create communities, offer immediate feedback or assistance, and promote their products and services.*

*The purpose of this paper is to evaluate the importance of Social networking sites as an effective marketing tool. We will explore the impact of Social networking sites in growth of companies and how Social networking sites helps to build relationship with customers. We will evaluate the impact of social media on branding of company, and the factor which influence internet marketing strategy adopted by company.*

**Keywords:** Promotional Tool, Marketing Strategy, SNS, Social Media, Online Branding.

## Types of Social Networking Sites:

- Facebook.com
- Twitter.com
- Google+
- linkedIn.com
- orkut.com
- Bharatstudent.com
- Ibibo.com
- hi5.com
- MySpace
- BIGADDA.com
- PerfSpot.com
- Fropper.com

## Literature Review:

**Williams et al (2008)** in A review of online social networking profiles by adolescents states that Social networking profiles involve individuals creating and maintaining personal Internet sites allowing authors and other users to post content, thus creating a personal network.

**Boyd (2007)** says that gender appears to influence participation on social network sites. Younger boys are more likely to participate than younger girls (46% vs. 44%) but older girls are far more likely to participate than older boys (70% vs. 57%). Older boys are twice as likely to use the sites to flirt and slightly more likely to use the sites to meet new people than girls of their age. Older girls are far more likely to use these sites to communicate with friends they see in person than younger people or boys of their age.

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**Larsen (2009)**, based on the empirical data, says that both genders seek the acknowledgement they get from having their looks commented on, but the girls are more preoccupied with what kind of comments they get and whom they come from. In general, it is very important that the comments come from friends and people they know, rather than strangers. This indicates that photo comments are not just about having ones outer looks valued and acknowledged(identity construction), but also about practicing and maintaining friendships.

**Lenhart (2009)** reveals that the share of adult Internet users who have a profile on an online social network site has more than quadrupled in the past four years – from 8% in 2005 to 35%now, according to the Pew Internet & American Life Projects December 2008 tracking survey. While media coverage and policy attention focus heavily on how children and youth use social network sites, adults still make up the bulk of the users of these websites. Adults make up a larger portion of the US population than teens, which is why the 35% number represents a larger number of users than the 65% of online teens who also use online social networks. Still, younger online adults are much more likely than their older counterparts to use social networks, with 75% of adults (18-24) using these networks, compared to just 7% of adults 65and older. At its core, use of online social networks is still a phenomenon of the young.

**Lenhart and Madden (2007)** in Adolescent social networking, said that in the past five years social networking has “rocketed from a niche activity into a phenomenon that engages tens of millions of Internet users. The study proposes that online social networking profiles posted by adolescents contain intimate, candid, and observable self-disclosure and peer interaction that can be analyzed creating an overall picture of adolescent behavior, highlighting specific areas needing additional research, and addressing implications for parental monitoring and intervention. Lehn hart and Madden state that fifty-five percent of teenagers use and create online social networking profiles. They opine that with more than half of teenage Internet users interacting online, the concept of blogging is a salient research topic investigating what adolescents are blogging about, how they are socially interacting, and what potential effects this phenomena may have on other dimensions of their lives.

**Knight (2006)** in the article is Social Networking Losing Clout with Youth? Explains that according to ratings, in 2003, teens were most likely to visit icon sites for instant messaging. The most popular sites then were OriginalIcons.com (77%) and BluntTruth.com (76%). Today (in 2006) the most popular sites are PLYrics.com (68%) and SnapVine.com (67%). Both of these sites offer

social networking tools. The older generation is also visiting these sites, according to com Score. More than half of the visitors to popular MySpace were 35 and over. For marketers, this is a good thing. A new report from Compete indicates that social networkers, no matter their age, are creating their own e-commerce system. According to the report, those on social networking sites have more discretionary income, shop online more and pay less attention to traditional media. That is a host of potential customers just waiting to be tapped into.

**Subrahmanyam (2006)** suggests that youth spending on data services represents almost 50 percent of all mobile spending in most mature markets. Notonly are youth the early adopters of most new technologies, they are also among the more sophisticated users of it as well. In fact, Livingstone and Bober (2005) have coined the term reverse socialization to characterize the shifting nature of socialization that occurs in many families, as teenage children are often more knowledgeable than their parent about these technologies. Research has also suggested that adolescents' interactions with these new technologies are often at the vanguard of trends. Among adolescents, communications the most important use of the Internet and the popular communication applications include, e-mail, instant messaging (private, one-on-one, text-based conversations), chat rooms (communication systems that allow text-based conversation among multiple users), and the newest craze social networking sites (connects people together) including blogs (www.livejournal.com), My Space and Facebook. Although we know that adolescents are spending considerable amounts of time on these applications, many questions remain. Firstly, what are teens doing in communication forums such as chat room sand blogs? What do they talk about? Secondly, are these online communication activities fundamentally changing adolescent behavior or are they simply providing new venues for traditional adolescent behavior? Lastly, what is the relation between teen virtual worlds and real worlds? Are teen participants leaving behind real lives when interacting online or do virtual worlds reflect themes that are traditionally adolescent ones?

**Weber (2009)** said that promoting a community is just like as promoting a new brand product or service to the consumers. Social media is used to communicate people in the promotional aspect and inclined to involve the people. Traditional advertising and direct marketing in social media is to send people to the digital community to be informed, entertained and heard. Users find appealing, a value high enough to encourage them to participate.

**Stroud (2007)** described that the ability of social networking sites to generate these huge volumes of web

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traffic is proof of their huge popularity. Google, Yahoo and News International have bought themselves a presence in the social networking arena. The detailed rationale for these acquisitions differ but all have a common theme of wanting access to the enormous audiences.

**Wintour (2009)** in the article titled Facebook and Bebo: infantilizing the human mind says that Social networking sites, such as Facebook, are putting attention span in jeopardy. Wintour refers to Baroness Greenfield who believes ministers have not yet looked at the broad cultural and psychological effect of on-screen friendships via Facebook, Bebo and Twitter; She has told the House of Lords that children's experiences on social networking sites "are devoid of cohesive narrative and long-term significance and as a consequence, the mid-21st century mind might almost be infantilized, characterized by short attention spans, sensationalism, inability to empathize and a shaky sense of identity". Arguing that social network sites are putting attention span in jeopardy, she said: "If the young brain is exposed from the outset to a world of fast action and reaction, of instant new screen images flashing up with the press of a key, such rapid interchange might accustom the brain to operate over such timescales. Perhaps when in the real world such responses are not immediately forthcoming, we will see such behaviors and call them attention-deficit disorder. "It might be helpful to investigate whether the near total submersion of our culture in screen technologies over the last decade might in some way be linked to the threefold increase over this period in prescriptions for methylphenidate, the drug prescribed for attention-deficit hyperactivity disorder."

**Smith (2010)** says that Facebook is becoming one of the great internet communications of people time now days. Whereas many companies have tried to emulate Facebook's success or challenge it in one geography or another, Facebook has proven that the core asset on which all of its services are built - the social graph - is much more defensible and powerful than many others once anticipated.

**Brinlee (2007)** interpreted that Visitors to social networking sites are significantly more likely than average to visit leisure-oriented retail site categories, such as music, jewelry/luxury goods/accessories, consumer electronics and apparel. Heavy social networking visitors are defined as the top 20% of visitors based on time spent on social networking sites. People typically enjoy sharing their experiences with these products, whether it is to talk about their new iPhone or the pair of designer jeans they just bought. Social networking sites offer the venue for those conversations to occur. Social media advertising is ideal for promoting

brand recognition, although click-through rates are not so strong. Still, there is no doubt that advertising via social media sites is an effective way to increase your overall revenue stream.

**Ricadela (2007)** says, Coca-Cola has been running promotions on MySpace for the past two years for brands including Cherry Coke and Fanta and has promoted Diet Coke and other drinks on Google's YouTube.

**Shih (2009)** says that there are hundreds of millions of active users across sites like Facebook, Hi5, Twitter, YouTube and MySpace. 2.6 billion min are spent on Facebook each day. These websites are enabling brands to engage the right people in the right conversation at right time. Marketing the brands through social media is becoming precise, personal, interesting, interactive and social.

**Lacy and Hernandez (2009)** conclude Twitter gives the ability to share nearly 140-character thoughts in a split second, where user can easily share links to press releases and stories about their business, service or product. Making tweets interesting and diverse, there is a more possibility of increasing the followers, by consider with news sharing and stories about the industry that they serve.

**Tynes (2007)** in an article Internet Safety Gone Wild? Sacrificing the Educational and Psychosocial Benefits of Online Social Environments indicates that online socialization through networks like Facebook is more beneficial to the development of adolescents than they are harmful or dangerous. "Many Internet safety and parenting experts suggest that parents prohibit their teens from social networking sites and other online spaces where predators may lurk[But] banning adolescents from social networking sites - if this were even feasible- as well as monitoring too closely might close off avenues for beneficial cognitive and psychosocial development that are available to young people in the online social world," claims Tynes, Assistant Professor of African American Studies and Educational Psychology at the University of Illinois at Urbana-Champaign.

In **Mumbai mirror daily (2006)**, it was reported that so many terrorists and underworld people have got connected through Orkut, for example Davood Ibrahim, Chotta Shakkil and so many underworld dawns are getting new manpower through Orkut. Times of India (2006) in Hatred communities - with spreading violence among the people- India court accuses Google's Orkut of spreading hatred states that the Aurangabad bench of Bombay high court has directed the Maharashtra government to issue notice to Google for the alleged spread of hatred about India by its social network services. The article says that the petition has stated that a picture of

burning the national tricolor, bearing anti-India messages, has been put on www.orkut.com and a community We hate India has been created on the site.

**MacKelworth (2007)** outlines the need for a different approach to reaching and engaging customers in online social networks and the subsequent power that has been best owed upon consumers as the result of these networks. He finds trust and tie strength are essential factors influencing consumer purchasing decisions. In addition, a two-way dialogue between the source of information and the consumer will be of more influence than one-way communications. A survey conducted by MacKelworth (2007) with 899 business professionals in the business-to-business sector found respondents' professional contacts from their SNS were 'most worthwhile' or 'very worthwhile' (73 per cent) in terms of the level of influence their recommendations would have on respondents, although they did not often use their professional contacts as a means of acquiring recommendations. Business professionals surveyed did outline that their most trusted sources of information were friends and professional contacts.

#### Objectives of Study:

1. To study impact of social media on consumers buying decision

2. To study the effectiveness of social media as an effective marketing tool.
3. To study the impact of social media on branding of company.
4. To analysis the factor which influence internet marketing strategy adopted by company.

#### Research Methodology:

##### Research Design:

This research study adopted survey and content analysis in order to find the effectiveness and the impact of marketing through social networking sites like Face book, Twitter and LinkedIn.

##### Experimental with Descriptive Research:

As the research is related to the study of effectiveness of SNS in online marketing, which can more effectively be studied through direct questions, experimental design is suitable as marketers and descriptive design depends on the experiments done in past about marketing campaign.

##### Sample Design:

- Sample Size** : 100  
**Sample Area** : Indore  
**Sample Method** : Random Sampling Method

**Table 1: Data Reduction**

S. No.	Need of Social Media	Factor loading	Eigen value value	% of variation explained
1	Promotion of brands	0.76	5.35	18.63
2	Engage with clients	0.86		
3	Networking			
4	To promote sales	0.74		
5	For online presence	0.78		
6	For more Likes	0.77		
<b>Marketers &amp; social media</b>				
1	Helpful in creating global brands	0.89	1.40	8.32
2	Helpful in Understanding customers	0.52		
3	Helpful in taking customers feedback	0.88		
4	Helpful in Increasing presence	0.87		
5	Helpful in creation of brand value	0.77		
6	Helpful in competitors analysis	0.76		
<b>Consumers &amp; social media</b>				
1	Purchase decision influenced by Social media	0.69	1.85	9.98
2	Get more option	0.85		
3	New offers easily available	0.65		
4	Gather product information	0.89		
5	Time saving	0.64		
6	Cost effective	0.68		

### Method for Data Collection:

The survey method helped to identify the reach of the marketer to its target audience, ways of impact, usage of these social networking sites and access to these form of communication.

**Primary** : Through Questionnaire.

**Secondary** : Through Magazine, Internet, Journals.

### Tool for Data Analysis:

The content analysis method used to analyze the marketing strategy through different social networking sites with certain parameters among top three Indian social networking sites.

The questionnaires were tabulated using tally method. The tabulated data was analyzed and inferences were drawn. The tabulated data has been depicted in the form of graphs, Pie charts, bar diagram are used to inference the data.

### Data Interpretation:

**Observations:** The factor analysis resulted in 3 factors, namely Need of Social Media Aspect, Marketers & social media Aspect, Consumers & social media Aspect. The variables which displayed cross-loadings were deleted from the model. These 3 factors were found to have Eigen

values greater than 1 and hence they are significant. The factor loading of each factor, Eigen value and the percent of variation explained by each factor are shown in the above table.

The most important factor was found to be “Need of Social Media” since the Eigen value is 5.35 and the percent of variation explained by this factor is 18.63 and this factor consisted of 6 variables.

The next two important factors were found to be “Marketers & social media Aspect” and “Consumers & social media Aspect” with Eigen values 1.40 and 1.85 respectively and percent of variation explained by them were 8.32 and 9.98 respectively.

### Observations:

- The lower mean scores strongly indicate that the social media is not very much helpful in creating global brand.
- Social media is not very much helpful in creating online presence.
- Social media is not very much helpful in promoting brands.

### Findings:

- In marketer's perspective social networking sites is the most important attribute for online marketing.
- 57% owner/organization/businessman is strongly agreed that they are strongly satisfied with promote their Product/Brand through social networking sites.
- 66% owner/organization/businessman is strongly agreed that “the Brand name” of the product is very important to advertise their product through social networking sites.
- 43% owner/organization/businessman is agreed that marketing through social media differ from marketing through traditional media.
- 43% owner/organization/businessman is neutral response that Social Networking Sites help them to target a specific audience when they market their product.
- 41% owner/organization/businessman is neutral response for the help of social media (Facebook/ twitter) to attract enough customers for satisfaction.
- 31% owner/organization/businessman is neutral response for the feedback from social networking sites is valuable for the marketing in proper evaluation and planning of future strategy.
- 53% people believed that the uses of social media in marketing through improve communications with

**Table 2 - Descriptive Statistics**

S. No.	Need of Social Media	Mean
1	Promotion of brands	2.68
2	Engage with clients	3.09
3	Networking	3.28
4	To promote sales	3.24
5	For online presence	2.42
6	For more Likes	3.12
	<b>Marketers Aspect</b>	
1	Helpful in creating global brands	2.41
2	Helpful in Understanding customers	3.78
3	Helpful in taking customers feedback	3.95
4	Helpful in reaching new audience	3.86
5	Helpful in reach to your target market	3.34
6	Helpful in competitors analysis	3.43
	<b>Consumers Aspect</b>	
1	Purchase decision influenced by Social media	3.54
2	Get more option	3.56
3	New offers easily available	3.21
4	Gather product information	3.11
5	Time saving	3.71
6	Cost effective	3.37

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customers.

- 56% people believed that in increased customer base is the key benefit of using social media.
- 45% people believed that Brand value is the biggest impact on a company's performance when it accepts social media.
- 81% people are male.
- 37% people are in between the age group of 30-40 years.
- 38% people are in between the group of 750000-1000000 income per annum.
- 81% owner/organization/businessman is use Facebook for online marketing.
- 42% people have franchisee store.

#### **Suggestions:**

- Brand name of the product/service is important attribute to attract online audience while they using social networking sites.
- Communication should be more preferred than advertising: people do not prefer buying products through social networking sites. So, if the brand is communicated well and remembered by the audience, then it is a greatest success to the company for their promotion through social media.
- Promotional way of advertising is best: the usual banner ads and pop-up ads make the users to ignore them. So advertising must be interactive, promotional and in innovative form to hold the audience. It should target the individuals than the mass. If an ad is hosted for a group then that would be no advantage in delivering specified information. Adding more multimedia elements to have more interactive factors in fan pages and group would benefit the brand user.

**Conclusion:** The research work has been successfully completed and it has helped us to understand the influence of Social Networking Sites for online marketing it affects consumers and helping brand building.

Communication about the product or service provides a major contribution to brand competition in the market. It not only provides information about a product or service but also promotes creative innovation. Besides advertising, it also facilitates consumer satisfaction. The

hidden fact is that no brand can progress without effective communication strategy to attract their customers or users.

Big and small variety of brands nowadays laid their base on social network communication to get recognized in the target market. Social networking sites users of Face book, Twitter and LinkedIn have become a personal, product and corporate branding hub in India nowadays in digital era. Every brand that exists on social networking sites has the same core features and benefits, such as the ability to create a page, share resources, add multimedia and much more.

Social networking sites are filled with potential users who are mainly young adults. They spend more time in these networking sites due to heavy commercial contents, entertainment and social gathering. So, product or service communicators through their ads in these areas with more and more interactive and with fascinating factors so that their brand identity is developed among the right choice of focused audience. Advertisers and brands uses social networking sites as the major resource for their promotion and developing brand identity among the focused market.

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