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## Impact of Social Media Analytics in Electronic Commerce for Branding and ROI: A Period Case Research on Facebook in India in a Week's Time

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### Keywords

Social Media,  
Analytics,  
Branding,  
ROI,  
Electronic Commerce

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### Abstract

To survive in the competitive electronic commerce global market, social media plays a significant role in promotion and branding. One cannot place a yellow pages advertisement in an irrelevant place and time, expecting anyone would see and give a call. One cannot also spend lakhs of rupees on a billboard advertisement placed where there is not any traffic. Unclear objectives and numerous metrics add confusion and will get some bad return on investment. Social media analytics can help a business to identify the right place and right time for promoting the brand. It can contribute to gauge reputation and visibility in the market by protecting its brand image, targeting prospective customers and altering its marketing strategies, as required.

The objective of this research article is to understand the impact of social media analytics for better branding and return on investment through Facebook. Marketing strategy adopted by organizations for creating brands through social media marketing strategy has an important role of social media analytics. It is required to reach the right customer pertinently at the right time and right place. This will help organizations/readers to understand on social media delivery with real business objective, and the ways to get utmost value and highest ROI, from social media analytics by virtue of efforts.

The demand to quantify the value of social media is increasing and the marketers has been advised to do less with more. This study will help the marketers to enhance their understanding of quickly developing social media analytics and their subsequent effects on the branding and ROI.

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## Introduction

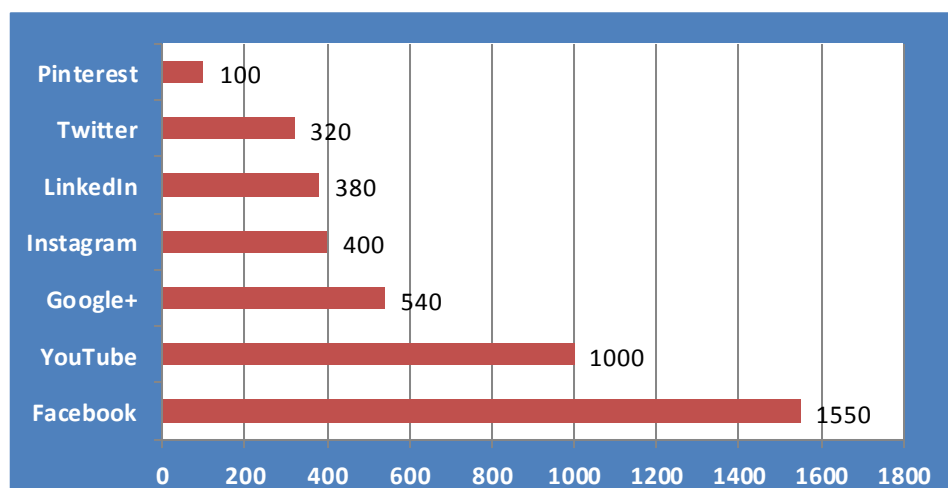
Social media plays a significant role in branding in Electronic Commerce. One cannot place a yellow pages advertisement in an irrelevant place and time, expecting anyone would see then visit the portal and purchase online. One cannot also spend lakhs of rupees on a billboard advertisement placed where there is not any traffic. Unclear objectives and numerous metrics add confusion and will get some bad return on investment. Social media analytics can help a business to identify the right place and right time for promoting the brand. It can contribute to gauge reputation and visibility in the market by protecting its brand image, targeting prospective customers and altering its marketing strategies, as required.

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As marketers are tasked with the challenge of doing less with more, there's an increasing demand to quantify the value of social media. This article is a guide to map social media strategy with meaningful key performance indicators (KPIs) that align to business objectives for tangible measurement. The focus of this article is to enhance understanding of quickly developing social media analytics and their subsequent effects on the branding and ROI.

## Social Media Analytics

Social media is a way to communicate with others who are members of a particular social media website. These websites enable online users or members to communicate with each other by sharing text, pictures, and videos through blogs and online group discussions on various topics.



Source: Own Compiled on Usage of Internet, 2016

**Figure 1: Active Users in Millions in 2015 Across Social Networks**

According to market research, there is much talk about the rapid growth of social media

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networking, the multiple channels of social media and the massive scope of the content available on social media websites. With the advent and explosion of mobile devices and the mobile Internet, social media seems to exist everywhere and has a huge and immediate impact on people everywhere. The social media networking that started as a harmless technology trend a few years back has now become a powerful source to herald a social revolution. It has empowered people to make a change at the click of a mouse.

In the existing business world, social networking sites are used as an influential marketing tool. They help businesses discover newer utilities and gain fresh users every day. Social media has an offering for all sections of the society. It can be used as a medium to share news about corporate events in a way that is quite close to sharing news on a real-time basis. It is quite instrumental in creating a buzz about a new product as soon as it is launched in the market. It can also be used as a medium to share grievances about an unpleasant customer service experience as quickly as it creates the buzz.

### **Social Media Analytics and Application**

Social media analytics is reshaping the way organisations conduct business. It is inspiring enterprises to engage their customer and cultivate relationships with their brands, products, and services. For market experts, the value of social media lies in collecting communities with common interests, identifying geographical boundaries and enabling experts in segmenting and managing their target customers. It helps them to capture people's interaction with a brand or a specific offering so that they can analyse the buyers' interest in purchasing their offerings.

Social media analytics help to attain an accurate balance between media messages and different segments of target customers. This balance is achieved by the use of the appropriate technology to capture customer preferences and then applying predictive analytics to identify the set of business patterns and locate new business opportunities. Using these analytical insights, companies can build marketing strategies and campaigns to target consumers and benefit the business.

However, the most common error committed by analysts while using social media analytics is that they treat the data patterns derived using social media as a separate entity from the consumer data derived using other analytical methods. This is not the right way. To succeed in using social media analytics, the data from social media should be integrated with the data from other sources to achieve greater customer insight. This collective insight should then be used to run the business. Business experts should always be keen on creating brand value for their products and services by defining the value of their brand and advocating the brand equity, reputation, and loyalty on social media websites. The experts should be quick to judge the latest customer trends and apply predictive models to determine the expected target customers and maximize the ROI on their business.

The mantra for social media analytics is to "act now". The market budget is quickly switching channels from traditional methods such as print and broadcast media to digital media. As a result, social media is emerging as a significant catalyst for obtaining customer insight.

## **Impact of Social Media on Branding**

For the success of business, we have to understand the opportunities provided by social media. We need to understand the social marketing landscape. We have to analyze following the success of branding and a good ROI.

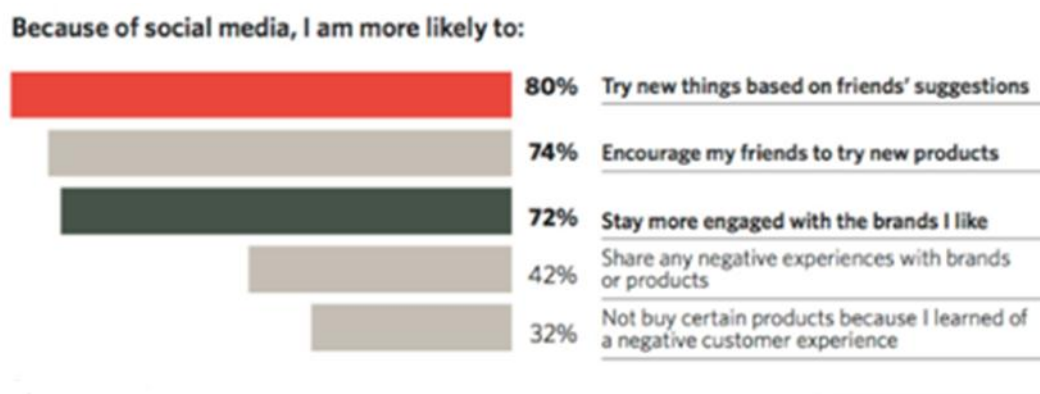
- How are the users spending time in social media?
- What are their activities?
- How are they interacting with brands?
- What are their positive views about the brand?
- How are they affected by Social Media?

Many researchers show that social media is increasingly a platform consumers use to express their loyalty to their favorite brands, and many companies seek to reap benefits from brands for helping promote their products. According to Nielsen (2011) to receive the discount, 41% share their experiences with the brand. The users have most faith on the recommendations of their friends and family members. According to an online survey by Nielsen's, two out of three respondents were influenced by advertising with a social context. Protecting brands is also a key role of Social Media. To protect others from negative experiences, around 60 percent of users write product reviews. To punish companies, nearly one in four shares their negative experiences with brands. 42% of users in the age group of 18 to 35 expect customer support within 24 hours of complaints. As per a report by PewResearch Center, 2015 around 72% internet users have a Facebook account, so we cannot afford to deny the value of social media.

## **How Does Social Media Influence Users to Recommend and Buy?**

According to a study of 12,000 consumers by MarketForce (2012), around 80% of users likely to try new products based on friends' suggestions. In addition to this, 72% of users recommend and encourage their friends to try those products.

All 'Like's are not purchasers, and those users are not fans. They are different from customers. According to further analysis, around 81% of respondents claim that their purchase decision is influenced by the posts of friends and relatives. 78% of respondents claim that the posts of companies influence their purchase decision.



**Source:** MarketForce, 2012

**Figure 2: Analysis of Influence of Social Media on User Actions**

Users listen, pay attention, follow and react to the posts they “hear” through social media.

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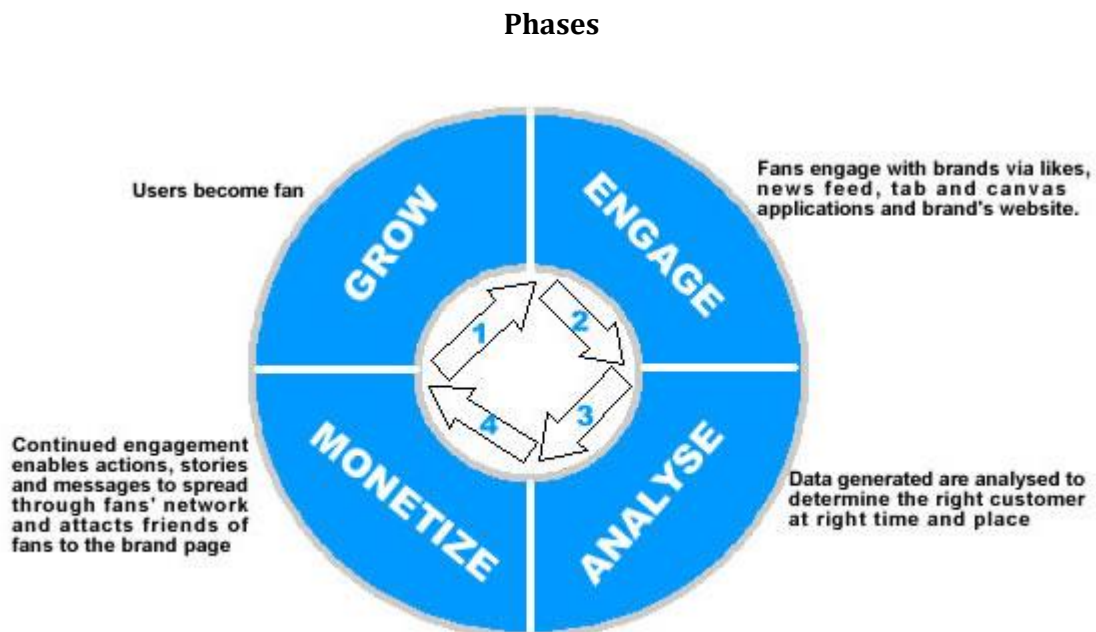
A person cannot be convinced by the users who are more active and engaged because around 42% of users share any negative experiences and 32% claim that they don't buy certain products because of negative experience shared by customers.

Now we are going to explain the four phases social media marketing framework to understand the expectations and approach of users. It will make you understand the benefits offered by social media and how there can be a positive return on investment.

### 1. Growth Phase

The objective of this phase is to increase the fan base. Then it is important to understand the business benefits out of it and also the users thinking. For this, we have to set a quarterly and a yearly goal. A proper social media marketing strategy is required to achieve this goal.

To shape the social media marketing strategy we have to understand the users' expectations. To understand the user's expectations, we need continuous interaction with customers through exclusive content writing, offers, and promotions. Once the user becomes a fan and trusts the brand, we have to analyse their expectations, likes, and dislikes before monetization.



Sources: Own compilation, 2015

**Figure 3: Social Media Marketing Initiatives Typically Align within 4 Cyclical**

To increase the fan base, we have to use paid content strategy and exclusive promotions. It will attract traffic to the brand in addition to word of mouth.

### 2. Engagement Phase

After the users become a fan, now we have to continuously engage them with brands. It

needs an appropriate plan for the engagement through likes, shares, and comments. Due to lack of engagement initiatives fans have little reason to return to your page. A successful engagement initiatives brand lifts brand and brand advocacy.

There are four types of marketing content: Paid, Owned, Earned, and Collaboration. Each brand has its own social profile page that contents active conversations. In paid media strategy we have to craft advertisements to influence the user action. These owned properties attract traffic by properly planned paid media strategies. The brands are also getting earned media that is the coverage you can't buy and includes mentions, recommendations, and shares generated by users who are so engaged with your brand. Earned media is the most valuable business benefit that emerges from social media marketing. In collaboration one brand can recommend other brands in the different product category and also can share fan base for promotion and branding.

### **3. Analysis Phase**

Social media analysis can help a business to gauge its reputation and visibility in the market by protecting its brand image, targeting prospective customers and altering its marketing strategies, as required. It can reduce the effort of branding by ensuring the right time and place for promoting the brand. It can also reduce the time and money by identifying the right platform for advertisement. It ensures that maximum target customers will be online at that particular time and place. Data generated by social media are analyzed to determine the right customer at the right time and place.

### **4. Monetize Phase**

After building trust and engagement with the brand, now a fan will move for monetization and advocacy. In this phase, we collect high-quality leads through analysis and convert those leads to sales. Account retention is also an important activity in this phase by understanding the purchasing behaviors of customers. This can be achieved through advanced demographic and psychographic profiling. Proper segmentation strategies are used to offer users personalized and meaningful experiences.

### **Case Study on Facebook:**

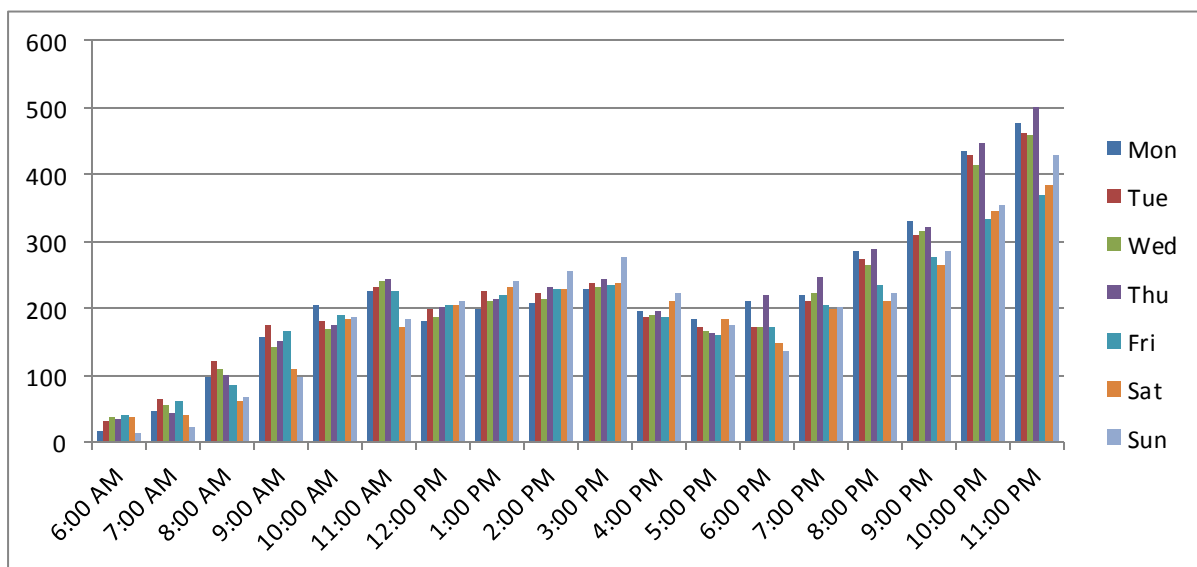
By the end of 2015, the highest number of active users in Facebook was around 1600 which is the highest among all the social media. So we consider the Facebook platform for our research taking a sample of 5000 users. We checked the no of active user day wise from 6 p.m. morning to 11 p.m. and following table generated.

**Table-1: Number of Active User Day Wise**

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
6:00 AM	18	33	38	35	40	38	15
7:00 AM	45	65	56	42	61	40	22
8:00 AM	97	120	108	99	85	62	67
9:00 AM	156	175	143	152	166	110	98
10:00 AM	204	180	168	174	189	183	187
11:00 AM	226	232	240	244	225	171	185
12:00 PM	180	198	186	201	206	205	210
1:00 PM	198	227	211	215	221	233	240
2:00 PM	207	222	215	231	228	230	256
3:00 PM	228	238	232	245	234	238	278
4:00 PM	196	187	190	195	188	211	222
5:00 PM	185	172	165	162	160	183	175
6:00 PM	210	172	173	219	172	148	136
7:00 PM	221	210	224	246	205	198	201
8:00 PM	285	275	266	288	234	210	223
9:00 PM	330	310	314	321	277	266	287
10:00 PM	435	429	415	446	332	345	354
11:00 PM	478	462	459	501	370	384	429

Source: Own Compilation, 2016

From the above table it has been observed that during weekdays between 8 p.m. to 11 p.m. maximum users are active and during weekends this figure comes down. During daytime, the best time for branding and advertisement is after lunch when maximum users are active. This data may vary from accounts to account depending on the location, age group and month.



Source: Own compilation, 2016

**Figure 4: Active Users Day Wise**

Above graph provide more clarity on the day and time for promoting brands on Facebook so that we can have a good return on investment.

## **Conclusion**

Successful social media analysis can lead to a good marketing initiative that provides target place and time for branding. Continuous analysis and engagement with social media users help the businesses to increase the brand value through fans' networks. It attracts the relatives and friends of fans to the brand page in social media. The four cyclic phases will increase the efficiency and effectiveness of branding through social media and there will be a positive return on investment.

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