
Effectiveness of Social Media as a Marketing Tool

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Abstract

Social Media Marketing (SMM) is a form of internet marketing that utilizes social networking websites as a marketing tool. The goal of Social Media Marketing is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach. Social Media Marketing is a new trend and rapidly growing way in which businesses are reaching out to targeted customers easily. Social Media Marketing can be simply defined as the use of social media channels to promote a company and its products. Social Media Platforms are Facebook, Instagram, Snapchat, LinkedIn, Twitter, Pinterest. Marketing which occurs via social media is known as Social Media Marketing. The research paper argues on social media marketing's advantages in present era. This paper helps to understand the effectiveness of social media as a marketing tool. Social Media Marketing provides companies with a way to reach new customers, engage with existing customers and promote its desired culture, mission also known as "Digital Marketing" and "e-marketing". Social Media Marketing is a key element for success in marketing and many marketers realize the potential for business growth using the platform.

Keywords: Social Media Marketing, Facebook, Twitter, Marketing, Social Media.

Introduction

The emergence of new information and communication technologies, particularly the Internet and social networks, has changed market dynamics, threatening the competitive position of firms (Porter, 2001) [1] and increasing the power of consumers (Urban, 2005) [2].

According to Mangold and Faulds (2009), social media enables firms to communicate with their customers and also allows customers to communicate with each other [3].

The introduction of personal computers, the Internet, and e-commerce have had a tremendous impact on how businesses operate in market. The introduction of social media technology is accelerating and we can expect it to have a similar impact on businesses now and into the future. As new technologies became available, businesses that learn to use new technologies gain great benefits. Some of the best-known examples include technology-driven companies such as Microsoft, eBay, Amazon and Google. More and more of your customers, whether for personal use, business-to-consumer or business-to-business reasons use social media in every aspect of their daily life.



Objectives of the Study

- To examine the extent, social media that helps consumers in buying decision making.
- To know the concept of Social Media Marketing.
- To argue on social media marketing's advantages in present era.
- To understand the effectiveness of social media as a marketing tool.

Research Methodology

This study is based on secondary sources of data or information.

The paper is prepared with the help of secondary data by analyzing the different research papers, articles and journals.

Different books, newspapers and relevant websites have been consulted in order to make the study effective one.

Review of Literature

Kaplan and Haenlein (2010, 61) define social media as “a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user generated content” [4].

Consumers' Sentiment toward Marketing (CSM) is a factor consider by researchers to measure how well consumers will perceive social media marketing. CSM is defined as a concept which refers to the general feelings that consumers have for marketing and the market place (Lawson et al. 2001 as cited by Mady 2011) [5].

Social Media Marketing

The phrase social networking sites' is often used interchangeably with social media. However, social media is different because it allows participants to unite by generating personal information profiles and inviting friends and colleagues to have access to those profiles. Thus, social media is the environment in which social networking takes place and has altered the way in which consumers gather information and make buying decisions.

Social media has advanced from simply providing a platform for individuals to stay in touch with their family and friends. Now it is a place where consumers can learn more about their favorite companies and products they sell. Marketers and retailers are utilizing these sites as another way to reach consumers and provide a new way to shop.

Social Media Marketing (SMM) refers to the process of gaining traffic or attention through social media sites. Social media itself is a catch-all term for sites that may provide radically different social action. For instance, Twitter is a social site designed to let people share short messages or “updates” with others. 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 Media Platforms

- Facebook
- Twitter
- Google+
- Blogs
- Youtube
- LinkedIn
- Pinterest

Advantages of Social Media Marketing

Reasons for Effectiveness of Social Media as a Marketing Tool and Advantages of using Social Media to market your business are:

- **Increased Brand Awareness –**
Social media is one of the most cost-efficient digital marketing methods used to syndicate content and increase your business' visibility. Implementing a social media strategy will greatly increase your brand recognition since you will be engaging with a broad audience of consumers. To get started, create social media profiles for your business and begin interacting with others. Get employees, business partners, and sponsors to "like" and "share" your page. Simply having people interact with your content will increase brand awareness and begin building your reputation as a business. Each post that is shared will be introduced to a new network of individuals, which can lead them to becoming potential customers, and the more people who know about your business, the better.
- **More Inbound Traffic –**
Without marketing your business on social media, your inbound traffic is limited to your usual customers. Without utilizing social media as part of your marketing strategy, you'll have much more difficulty reaching anyone outside of your loyal customer circle. Every social media profile you add to your marketing mix is a gateway to your website, and every piece of content you post is another opportunity to acquire a new customer. By marketing on social media you can effectively open your business to a wider variety of versatile consumers all over the world.
- **Improved Search Engine Rankings –**
Although posting on social media might get your business some site traffic, more effort than that is required to see significant success. Search Engine Optimization is very important for achieving higher page rankings and obtaining traffic to your business website. Once you begin posting quality content, you'll begin to build a social media community where followers will "like" and "share" your content.
Most importantly, it gives you more opportunities to get in front of industry influencers who will write about your business and provide links back - which will help to directly increase search engine rankings.
- **Higher Conversion Rates –**



With increased visibility, your business gains more opportunities for conversion. Every blog post, image, video, or comment may lead viewers to your company's website and increase traffic. Social media marketing allows your business to give a positive impression through a humanization factor. When brands are interactive by sharing content, commenting, and posting statuses on social media, it personifies a brand. People prefer to do business with other people, rather than companies. People use social media platforms to stay connected to their friends, family, and communities.

As reported by Social Media Examiner, about 66% of marketers saw lead generation benefits by using social media platforms at least 6 hours per week. Putting your brand in an atmosphere where people are sharing, liking, and talking, can only improve the conversion rates on your existing traffic.

- **Better Customer Satisfaction –**

Social media is a networking and communication platform. Creating a voice for your company through these platforms is important in humanizing your company. Customers appreciate knowing that when they post comments on your pages, they will receive a personalized response rather than an automated message. Being able to acknowledge each comment shows that you are attentive of your visitors' needs and aim to provide the best experience.

- **Improved Brand Loyalty –**

One of the main goals of almost all businesses is developing a loyal customer base. Considering that customer satisfaction and brand loyalty typically go hand in hand, it is important to regularly engage with consumers and begin developing a bond with them. Social media is not just limited to introducing your brand's products and promotional campaigns. Customers see these platforms as a service channel where they can communicate directly with the business.

- **Cost-Effective –**

Social media marketing is possibly the most cost-efficient part of an advertising strategy. Signing up and creating a profile is free for almost all social networking platforms, and any paid promotions you decide to invest in are a relatively low cost compared to other marketing tactics. Being cost-effective is such an advantage because you can see a greater return on investment and retain a bigger budget for other marketing and business expenses. If you decide to use paid advertising on social media, always start small to see what you should expect. As you become more comfortable, fine tune your strategy and try increasing your budget. Just by spending a small amount of time and money you can significantly increase your conversion rates and eventually get return on investment on the money you initially invested.

- **Gain Marketplace Insights –**

One of the most valuable advantages of social media is marketplace insight. What better way to know the thoughts and needs of your consumers than by directly talking to them? By monitoring the activity on your profiles, you can see customer' interests and opinions that you might not otherwise be aware of if your business didn't have a social media

presence. Using social media as a complementary research tool can help gain information that will aid you in understanding your industry. Once you gain a large following, you can use additional tools to analyze the demographics of your consumers. Another insightful aspect of social media marketing is the ability to segment your content syndication lists based on topic, and identify which types of content generate the most impressions. These tools give you the ability to measure conversions based on posts on various social media platforms to find the perfect combination for generating revenue [6].

Recommendations [7]

Social media channels have a remarkable ability to attract customers with very brief statements, and they can lead your prospects and customers to valuable content located on your website. On the other hand, your website can encourage visitors to engage with your company by prominently linking to your social media channels.

In order to accomplish this goal the following steps may be followed:

- Modify your website to complement your Social Media Strategy.
- Identify the Actions you want your Customers and Prospects to take.
- Implement your Conversations.
- Provide the Content your Visitors Want.
- Maintain a consistent Communication Style.
- Send Advertisements.
- Use your Web Properties to drive people to take the actions you are targeting.

In order to influence your prospects and customers, your sales effort must follow a process that captivates and transforms your prospects by implementing these steps, which must be integral part of Social Media Marketing strategy.

- ❖ Develop the proper context of your message.
- ❖ Create the proper content that engages.
- ❖ Provide a sample offering.
- ❖ Ensure you follow-up.
- ❖ Request they share.

Conclusion

In conclusion, business today is being transformed from a transactional relationship to a social relationship. Information which are demanded by target market at a time and place of their choice (24/7 and 365 days/year). Social Media Marketing helps a company get direct feedback from customers (and potential customers) while making the company seem more personable. The interactive parts of social media give customers the opportunity to ask questions or voice complaints and feel they are being heard. This aspect of Social Media Marketing is called Social Customer Relationship Management (Social CRM). Social Media Marketing became more common with the increased popularity of websites such as Facebook, Twitter, LinkedIn, and YouTube.



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