

ROLE OF SOCIAL MEDIA IN DIGITAL ECONOMY– A BUSINESS PERSPECTIVE REVIEW

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Abstract: *The rapid growth of Internet technologies and Social Media that brought huge number of people into network over the time has cherished the growth of Digital Economy. The rapid increase in computing power in all manner of devices like smart phones, laptops, desktops, tablets etc., has also contributed to the surge of social media. Digital Economy is a socio-economic system comprises of highly intelligent space which contains both information access tools and processing and communicating capabilities. The key technologies like Digital Marketing, Web Analytics and Key Performance Indicators can play a significant role in formulating marketing strategies. E-Commerce is considered as one of the main instruments to foster business growth and to improve business relationships. It's a need of the day for all types of companies to adapt their business practices to the available or in progress technology, new management techniques and marketing strategies. This paper gives an insight how social media, its applications ,web analytics and many more factors which plays a vital role in formulating marketing strategies and in business intelligence.*

INTRODUCTION

a. Social Media

Social media are Web 2.0 interactive computer-assisted Internet-based applications which facilitate the creation of innovative ideas, to share information, discuss about career interests and other forms of expression over the internet. Social media applications and websites are designed to allow users to share content quickly, efficiently, and in real-time. Though the truth is social media communication tools started with computers, now-a-days, social media is only apps on their handheld devices like smart phone or tablet. The ability to share photos, opinions, events, etc in real-time has transformed the way we live and, also, the way we do business. Social media

yield measurable results to the retailers if they use it as an integral part of their marketing strategy and treat it with the same care, respect, and attention that they do all of their other marketing efforts instead of treating it as an extra appendage.

Some common features of Social media are –

* Social media are internet-based Web 2.0 applications which bring interactivity and flexibility into Web pages, providing enhanced user experience by gaining Web-based access to all the functions that are normally found in desktop applications.

* The soul of social media is User-generated content - text posts or comments, digital photos or video uploads and data generated through all online interactions.

* Social media companies design and maintain apps and websites for which user creates Service-oriented profiles. It also facilitates the user to connect and share those profiles with other individuals or groups by developing online social network. Thus providing interactive platforms, through which individuals, communities, and organizations can share, co-create, discuss, and modify user-generated content or pre-made content posted online.

*Users typically access social media services via web-based technologies on desktops and laptops, or download services that offer social media functionality to their mobile devices (e.g., smartphones and tablets).

Social media introduce considerable and ubiquitous changes to the way how groups of people interact and communicate. Communication between organizations, communities, and individuals has drifted from monologic transmission model (one source to many receivers) to dialogic transmission system (many sources to many receivers). That is, from traditional paper-based media (e.g., magazines and newspapers) and traditional electronic media such as TV broadcasting to Social media which has quality, reach, frequency, interactivity, usability, immediacy, and performance.

Some of the most popular social media websites, with over 100 million registered users, include Facebook (and its associated Facebook Messenger), YouTube, WeChat, Instagram, QQ, QZone, Weibo, Twitter, Tumblr, Telegram, Reddit, Baidu Tieba, LinkedIn, LINE, Snapchat, Pinterest, Viber, VK, Google Docs, Google Maps, de.li.cious, Blogger, Wikipedia, etc.

b. Mobile social media

Mobile social media refer to access of social media using handheld mobile devices like smartphones and tablet computers. The heavy usage of smartphones among people relates to the significant percentage of social media users.

Mobile social media differ from others because they incorporate the current location of the user (location-sensitivity) or the time delay between sending and receiving messages (time-sensitivity). According to Andreas Kaplan [5], mobile social media applications can be categorized into four types.

- Space-timers (location and time sensitive)
- Space-locators (only location sensitive)
- Quick-timers (only time sensitive)
- Slow-timers (neither location nor time sensitive)

Business applications of social media

- Social media is becoming an integral part of life online as social websites and applications proliferate. Most traditional online media platforms include social components, such as comment fields for users. In business, social media is used to market products, promote brands, connect to current customers and foster new business.
- Social media analytics is the practice of gathering data from blogs and social media websites and analyzing that data to make business decisions. The most common use of social media analytics is to mine customer sentiment to support marketing and customer service activities.
- Social media marketing (SMM) takes advantage of social networking to help a company increase brand exposure and broaden customer reach. The goal is usually to create content compelling enough that users will share it with their social networks. One of the key components of SMM is social media optimization (SMO). Like search engine optimization (SEO), SMO is a strategy for drawing new and unique visitors to a website. SMO can be done two ways: by adding social media links to content such as RSS feeds and sharing buttons, or by promoting activity through social media via status updates, tweets, or blog posts.
- Social CRM (customer relationship marketing) can be a very powerful business tool. For example, establishing a Facebook page allows people who like your brand and the way you conduct business to like your page, which creates a venue for communication, marketing and networking. Through social media sites, you can follow conversations about your brand for real-time market data and feedback.
- In terms of customer feedback, social media makes it easy to tell a company and everyone else about their experiences with that company, whether those experiences are good or bad. The business can also respond very quickly to both positive and negative

feedback, attend to customer problems and maintain, regain or rebuild customer confidence.

- Enterprise social networking allows a company to connect individuals who share similar business interests or activities. Internally, social tools can help employees access information and resources they need to work together effectively and solve business problems. Externally, public social media platforms help an organization stay close to their customers and make it easier to conduct research that they can use to improve business processes and operations.
- Social media is also often used for crowdsourcing. Customers can use social networking sites to offer ideas for future products or tweaks to current ones. In IT projects, crowdsourcing usually involves engaging and blending business and IT services from a mix of internal and external providers, sometimes with input from customers and/or the general public.
- If you're not taking advantage of social, you're missing out on a fast, inexpensive, and effective way to reach almost half the world's population.
- With nearly half of the world's population using social media platforms, they're a natural place to reach new and highly targeted potential customers.



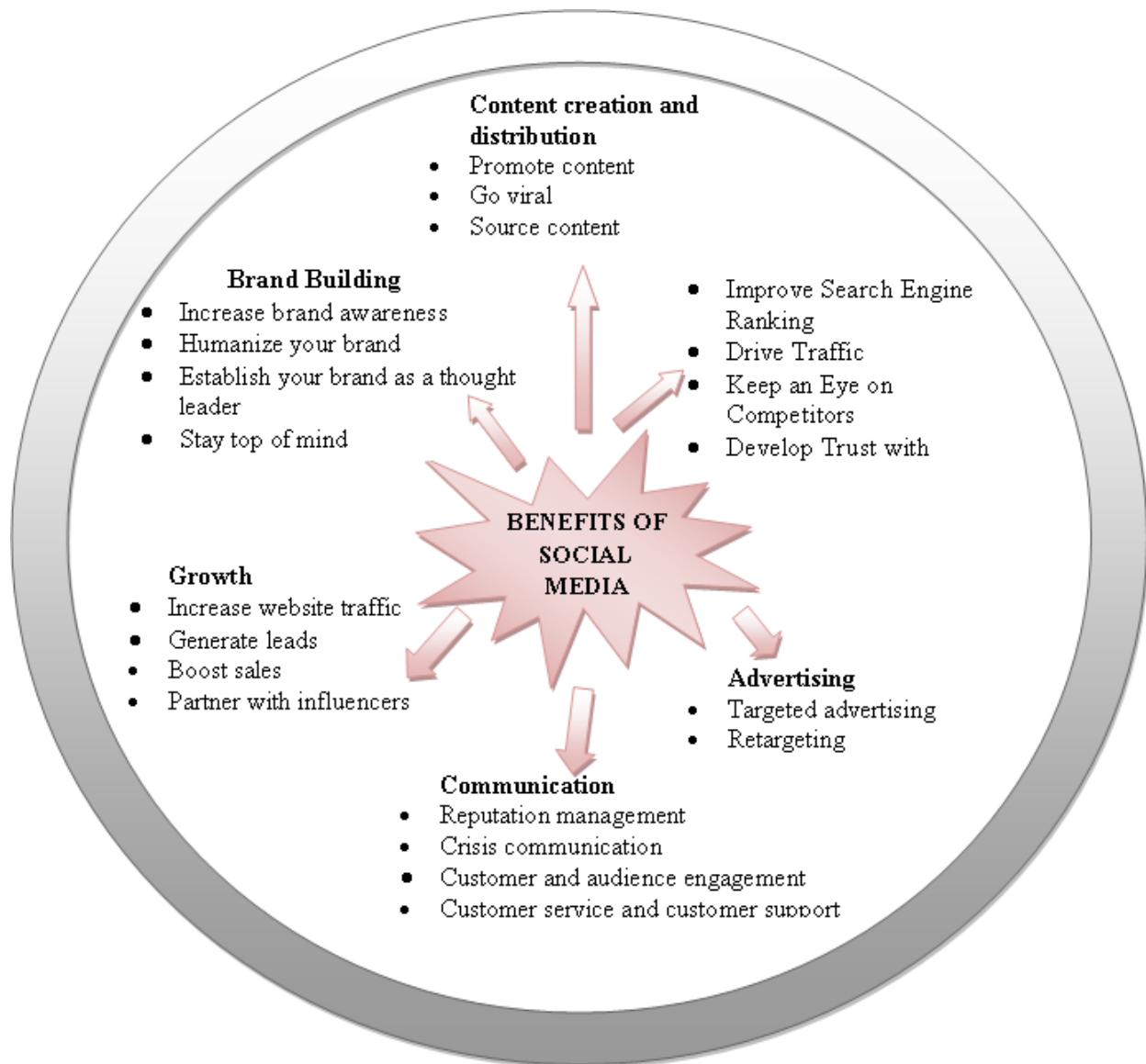


Figure 1: Benefits of social media for business [1]

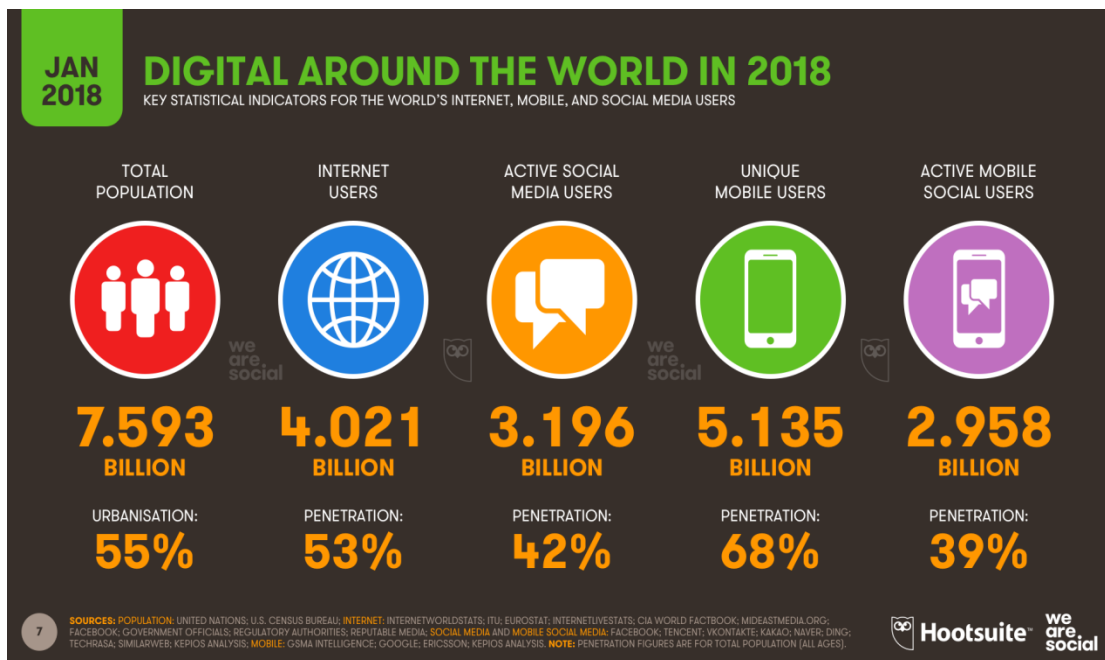
See some statistics from various sources:

- On Instagram alone 80 percent of people follow at least one business.
- 60 percent of Instagram users say they discover new products on the platform.
- More than half of adults do not trust a brand until they see “real-world proof” that the brand is keeping its promises. (A UK study from Trinity Mirror Solutions).
- More than 80 percent of buyers said thought leadership builds trust.
- Word of mouth drives 20 to 50 percent of purchasing decisions.
- 63 percent of people trust technical experts, compared to only 42 percent of people who trust businesses. (The 2018 Edelman Trust Barometer).
- Most social media users log into their accounts at least once per day and many people are checking social multiple times per day (According to Pew Research Center).

- Nearly 70 percent of online shopping carts are abandoned.
- According an infographic published by Ambassador, 71% of consumers are more likely to recommend a brand to others if they have a positive experience with it on social media.



Figure 2: infographic published by Ambassador



Source: Hootsuite.com



Few strategies to improve business using Social media:

- Introduce your followers to the people who make up your company and showcase how existing customers are using and benefiting from your products.
- A social media advocacy program can be a great way to humanize your brand.
- Social media posts and ads are key ways to drive traffic to your website. Sharing great content from your blog or website to your social channels is a great way to get readers as soon as you publish a new post.

- Participating in social chats can also be a great way to increase your visibility, get attention from new people, showcase your expertise, and drive traffic to your website.
- Social media offers an easy and low-commitment way for potential customers to express interest in your business and your products. Lead generation is such an important benefit of social media for business that many social networks offer advertising[3] formats specifically designed to collect leads.
- No matter what you sell, social media can help you sell it. Your social accounts are a critical part of your sales funnel—the process through which a new contact becomes a customer.
- When you get people talking about your product or company on social media, you build brand awareness and credibility, and set yourself up for more sales.
- One key way to drive social word of mouth is to partner with influencers—people who have a large following on social media and can draw the attention of that following to your brand.
- Going viral is no easy task, of course, but without social media it would be next to impossible.
- Social networks give you the opportunity to interact directly with customers and fans, and likewise give them the chance to interact directly with your brand. Unlike traditional media, which offers only one-way communication, social media is a two-way street.
- Monitor conversations that are relevant to your brand
- Learn more about your customers - Social media generates a huge amount of data about your customers in real time. You can use that information to make smarter business decisions.
- Gauge sentiment around your brand
- While it's important to know how much people are talking about your brand online, it's also important to know how people actually feel about your brand. Using social media for your business allows you to stay on top of sentiment analysis so you can protect your brand reputation.
- Keep an eye on the competition
- Stay on top of industry news.
- Social ads are an inexpensive way to promote your business and distribute content. They also offer powerful targeting options so you can reach the right audience and make the most of your budget.
- Retargeting - Nearly 70 percent of online shopping carts are abandoned. People who have abandoned products in a shopping cart are prime potential customers. They have already found your website, browsed your products, and made a decision about what they might want. People abandon shopping carts for many reasons, but someone who has expressed this degree of interest in your company should not be ignored.

- Designing graphics that are "on brand" and visually appealing [2].
- Improve Search Engine Ranking - More visits to your social media profiles will boost your social media page ranking, and improve their chances of appearing among the top ranked pages.
- Keep an Eye on Competitors - It gives you the opportunity to monitor and draw inspiration from their performance. You can see what type of content they're posting, and how they're interacting with their followers. Social media can also help you learn from your competitors. There has to be a good reason why your competitors are performing better than you. Competitive analysis on social media is all about learning from the successes and mistakes of your competitors. It's also useful and important to self-analyze and see where you stand compared to your competition.
- Organize Contest, Giveaways, or Offer Discounts - Regardless of the type of business, this method is super cost-effective and an impactful way to generate sales. It can also help to promote your products. This can increase the awareness of your service or product as customers excitedly share news about the discounts with their friends.



How to Turn Your Social Media Followers into Customers



- Analyze Each Social Channel - If you want to make better connections and turn fans and followers into leads and sales, you need to understand which social channel is supporting your efforts. Begin by analyzing the data you have available for each social media platform.



Some questions to consider include:

- Which of your social media channels has the most followers?
- Which one has been most successful in engaging your audience?
- Which one has generated the most sales leads for your business?
- What is your audience saying about your business on social media?
- What is your audience saying in general on social media, and how does that relate to your business?

Use tools like Google Analytics, Facebook Insights, and Twitter data to dig deeper and inform your decisions. Understanding your audience allows you to focus your efforts and create content that appeals to that audience – or various audiences - rather than creating general content that doesn't appeal to.

- Think Beyond Your Company and Be Active and Responsive - Once you have gained a presence, gotten many followers, and achieved some sales goals with your social media presence, you have to continue to be active, and you have to respond to your customers. One of the most important pieces of work is to post regularly, and continue to be relevant to your audience.

Table 1: Most popular Social media analytics and marketing tools: (Source: Internet)

10 top social media tools for analytics	Most Effective Social Media Marketing Tools
<ul style="list-style-type: none"> • BuzzSumo • Google Trends • Buffer Publish • Canva • Unsplash • Animoto • Feedly • Buffer Reply • Native Analytics: Facebook, Instagram, Twitter analytics • Todoist • Honorable Mentions 	<ul style="list-style-type: none"> • Hootsuite • Buffer • Lithium • Sprout Social • Socialbakers • Tagboard • Agorapulse • SocialOomph • Post Planner • Tailwind

Challenges

On the other hand, the integration of social media in the business world can also pose challenges. Social media policies are designed to set expectations for appropriate behavior and ensure that an employee's posts will not expose the company to legal problems or public embarrassment. Such policies include directives for when an employee should identify himself as a representative of the company on a social networking website, as well as rules for what types of information can be shared.

Conclusion

Using social media to market and promote your business can be time-consuming but it can also be rewarding. Spending time on your strategy before taking a deep dive can create the results you want. Use the data you have, understand and cater to your audience, understand your platform and create content relevant to it and your audience, and be sure to stay active and responsive. Through it all, don't be discouraged. Evaluate and adjust as needed, and social media will be a helpful addition to your overall business strategy. You now have a better understanding of how social media can be beneficial to your small business. Just remember: not all types of content or strategies mentioned will work for your company. Test each one, learn from your findings, and continue to make improvements. The approach is quiet simple.

Listen, Evaluate & Act.

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