

Leveraging Marketing Communication through Social Media

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I've never had comfort with Wikipedia's complex definitions. Surprisingly so, in relatively simpler words this time, Wiki says "Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it across their social networks. The resulting electronic word of mouth refers to any statement consumers share via the Internet (e.g., web sites, social networks, instant messages, news feeds) about an event, product, service, brand or company." Easy interpretation isn't it? Furthermore, in this article, I'll talk about how marketing through social media communication is leveraging businesses and marketing strategies and its importance in today's world.

People have been marketing, communicating, buying and selling for thousands of years so what is the big deal? So, if we look back, 10 years ago, what do you think-Web 1.0 or the Internet? Forget about the new media, the Facebooks of the world. What has changed and what hasn't?

- *Speed of transaction, Cost of reaching people, Size of Marketplace, Virtual*

Relationships (Buyer-Seller), Customers have more Power/Knowledge, Dissemination & Proliferation of Information has been changed; leading to customization.

Thus, if we look at all these, we could see there are many things which are changed but some fundamentals of business haven't changed, i.e., Profit is still Revenue *minus* Cost. What the web has done is basically to reduce transaction cost. And that's why you have things that didn't exist before, the Olx and eBays of the world. You couldn't sell your old stuff from your garage because the transaction cost for finding the buyers would have been very high, and the cost of Rs. 500 stuff that you're selling is not worth it. Now that transaction cost has gone down, so now we have the creation of the platform. Eventually lots of platforms started developing, which are really not selling anything, but they're providing a platform for buyers and sellers to meet.

Web 2.0

Let's now go to the second era. What is Web 2.0? Somebody created this term "1.0 and 2.0." What is Web 2.0, and what's so different about it?

- Interaction between web users and sites
- User-generated content is dominating as compared to someone telling you what to do
- It's experiential: A lot of rich media has a lot of experiential components
- Social Networking: Facebook, Twitter, YouTube, LinkedIn etc

Social Media: A marketer's view

Facebook right now has 1.3 billion users (approx.) worldwide. There was a 22% increase in Facebook users from 2012 to 2013. Having said that, we must not forget Facebook is just 10 years old and already phenomenally has a market value of over \$190 billion. It makes Facebook bigger than such bellwethers as Coca-Cola and AT&T. A 100-year-old company (Coca Cola) with real assets versus a company (Facebook) admittedly with virtual assets and they are trading at the same market cap – crazy!

Twitter has 645.7 million users. In a survey conducted by Craig Smith from expandedramblings.com it has been known that:

- 50% of UK Twitter users have tried a new restaurant based on a Twitter recommendation. 74% of people follow SMEs on Twitter to get product updates.

- 377 out of Fortune 500 companies have a corporate Twitter account.
- Total amount of websites that have integrated with Facebook is 2.5 million.

This clearly shows how integral Facebook & Twitter are becoming for businesses lately.

How many years do you think it took the telephone to get 50 million users? 75 years. It took seventy-five years for telephone to get 150! Radio: 38 years. Cell phones: 14 years. Television: 13 years. iPod: 7 years. Facebook, it took 3.5 years and Angry Bird Space: 35 days! Today a simple mobile app like "Candy Crush" can reach that milestone in a matter of days. In the past 10 years, the rate of adoption of new technologies has accelerated at dizzying speed and is just phenomenal.

So these numbers are mind-boggling; they just keep changing literally every day. And if you look at a company like Twitter or even Facebook, it started obviously within the United States. But if you see the transition over time, it is all over the world. In India, Social Media adoption among Internet Users is around 84% today. This translates to around 110 million social network users in India. This includes mainly accessing Social networking sites like Facebook, Twitter, LinkedIn and YouTube. Other new Social networking sites like Pinterest, Tumbler and Foursquare are yet to take off in a major way in India. The age distribution also is changing dramatically. So even if you don't care, the next generation of consumers is going to be coming up from this particular era. So we've got to at least understand if there are 110 million Indian users on social-media, what they are doing

right there, right? And how can we actually engage them, what actually is the reason why they're there? And how can we leverage these figures for our business?

Some of the advertising agencies' research I've read shows that where the young users get the information is not from television alone. It's a source of information, a source of trust, a source of friends. It's very, very different. In fact, what customers trust is the recommendations of other customers. That's where the social network of friends comes in handy, not from the TV ads. So if the purpose of a television ad is to influence consumer behaviour; that's not what is happening. The good old saying that "fifty percent of my advertising works, I just don't know which fifty percent" is probably truer now because marketers throw all this stuff out there and so you're not quite sure what is working and what's not working.

Five Steps to Leveraging Social Media

If you're one of those guys (marketers) I've talked of above, you'd want to know "what can I do with this medium; how do I think about a framework to leverage this kind of a social media?" So this is my attempt to have some structure around that and say, "What are the ways to think about leveraging this new medium?"

1. **Immerse:** At least involve yourself deeply in social media. You may not do anything. It may seem like a waste of time, but you've got to experience it yourself. Get a social media account. Start doing the blogging. Nobody will listen to your blog, and that's information in itself. But after few months you'll

see both the good side as well as the bad side of it as to what works individually for you, and then you'd slowly understand this medium. Because if there are 1.3 billion people somewhere, we have to at least be there and understand what's going on. And then you will have to decide for yourself whether it has some value for you and for your business or not.

2. **Manifest: Is this medium for you?** Recognize that the new medium is not for everybody. You have to be open to taking criticism from consumers. People will say something about you publically and you can't say, "Well if you say good things fine, but if you say bad things, no way. I'm going to censor it."
3. **Define (Set Objectives):** What exactly you want to get out of it? What is your objective? It could be as simple as using these tools as a market research tool to get customer feedback.
4. **Engage:** If you're using it for marketing purposes, you've got to create an engaging product. It's not good enough to create a Website and tell people, "Hey, go to my Website." I mean, there are millions of Websites. Ideal ex: Narendra Modi had a grassroots campaign. Many of us have seen tons of these YouTube videos that were not created by the Modi campaign but were created by lots of other common people outside his campaign which had a very

clear message of change “*Abki baar modi sarkar*”. And everybody was building around that. So he’s let the control go even for a prime-ministerial candidate, and it became a huge success.

- 5. Evaluate:** And finally you’ve got to evaluate, because you’re spending money. You’ve got to figure out what you are getting as a result of this. Simple things, like time spent on the Website, or the amount of buzz you create (e.g. *Neilson* has BuzzMetrics), and so forth.

(*Classic example*) **ESPN:** Being a die-hard football fan I think they’re doing a fantastic job of combining what is on television and what is on ESPN.com. So you build your fantasy team on ESPN.com, and then you want to know what that team is doing. Resultantly you watch the television to do that. Users communicate with each other and create a discussion about matches. They integrated Online Marketing with their core business magnificently.

Future Growth of Social Media Marketing & Advertising

With most of the growth now coming from virgin rural markets and huge pockets of rural townships in India, the usage of Social networking sites will grow in near future. Sheryl Sandberg, COO Facebook, said "Online advertising driven strategy for India is going to work. Because people are spending more time on digital media,

marketers will go where people are. In India, on an average, people spend up to three hours a day on a smartphone and an hour-and-a-half on TV. And so, marketers will go where people are".

In conclusion, we cannot avoid the winds of change brought about by social media and thus, it is better to be on the right side of this revolution and take advantage of it in whatever way possible.

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