

SOCIAL MEDIA AS A FUTURE MARKETING TOOL IN INDIA: AN OVERVIEW

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Abstract Social media includes web and mobile technologies used to roll communication into interactive discussion. Social media is media for social interaction as a super-set beyond social communication. Social media is facilitated by globally reachable and scalable communication techniques and has significantly changed the way organizations, communities and individuals communicate. Social media marketing refers to the process of gaining website traffic or attention through social media sites like Facebook, Twitter, Blogs, YouTube etc. Marketers are witnessing the change in the marketing era from Customer-centric to Values-driven. In a world full of confusion, today's customers are searching for companies that address their deepest needs for social, economic, and environmental justice in their mission, vision and values. They look for not only functional and emotional fulfillment but also human values and spirit fulfillment in the products and services they choose. Hence, companies will have to expand their focus to humankind issues.

Keywords: Social Media, Values-Driven Marketing, Evolution of Marketing, New Wave Technology.

1. INTRODUCTION

Over the past 60 years, there is a paradigm shift in marketing from being *product-centric to being consumer-centric*. Today, companies see marketing as transforming once again to *Values-driven* in response to the new dynamics in the environment. We see companies expanding their focus from products to consumers to humankind issues. Companies will balance profitability with corporate responsibility.

In *Values-driven era*, companies need *participation and collaborative marketing* through *new wave technology*. *New wave technology* (Copeland and Malik, 2005) is technology that enables connectivity and interactivity of individuals and groups. One of the enablers of *new wave technology* is *Social Media*. Hence, *Social media* is a marketing tool for companies in the *values-driven era* which we are witnessing now and is future of marketing. This study explains the evolution of Marketing, its transformation to new *Values-driven era* and how *Social Media* can be used a marketing tool in the new values-driven era.

2. EVOLUTION OF MARKETING

Marketing has evolved mainly through three stages over past 60 years. First was *product-centric era* (Kotler et al., 2010) during 1950s and 1960s wherein during industrial age – when core technology was industrial machinery-marketing was all about selling factory's output of products to all who would buy them. The products were fairly basic and were designed to serve a mass market. The goal was standardization and

achieving economics of scale to produce product at low cost and making it affordable to more buyers.

Second is customer-oriented era (Kotler et al., 2010) which came out in today's information age-where the core is information technology. Today's consumers are well informed and can easily compare several similar product offering. The product value is defined by the consumers. Consumers differ greatly in their preferences. Golden rule of '*Customer is king*' works here. The marketer must segment the market and develop a superior product for specific target market. Customers are better off because their needs and wants are well addressed. They can choose from wide range of functional characteristics and alternatives. Marketers try to touch the consumer's mind and heart. Unfortunately, the customer-centric approach implicitly assumes the view that consumers are passive targets of marketing companies.

Now, companies are witnessing the rise of third era i.e. *values-driven era* (Kotler et al., 2010). Instead of treating people simply consumers, marketers will have to approach them as whole human beings with minds, hearts and spirits. Increasingly, consumers are looking for solutions to their anxieties about making the globalized world a better place. Like customer-oriented marketing, values-driven marketing also aims to satisfy the consumers. However, companies practicing values-driven marketing have bigger mission, visions and values to contribute to the world; they aim to provide solutions to address problems in the society. Values-driven marketing lifts the concept of marketing into arena of human *aspirations, values and spirit*. Values-driven marketing believes that consumers are complete human

beings whose other needs and hopes should never be neglected.

3. SOCIAL MEDIA

Social media is based on internet applications and the technological foundations of World Wide Web (www), and allows the creation and sharing of content generated by users. *Social media* is media for social interaction as a super-set beyond social communication.

Social media marketing (Evans and McKee, 2010) programs usually focuses on creation of unique and genuine content by marketer which attracts users and encourage them to share it with other users and social networks e.g. *Blogs, Facebook, Twitter, YouTube* etc. Content may go viral if it attracts users as it appears from trusted outside source other than company itself. This type of marketing is motivated by word-of-mouth. *Social media* has become a platform that is easily accessible to anyone with internet access. *Social Media* increases interactive communications between organizations and customers which increases brand awareness and customer service due to feedback from customers. *Social media* is comparatively economical and hence it can reduce the cost of marketing campaigns. *Social media marketing* (Evans and McKee, 2010) refers to the process of gaining website traffic or attention through social media sites like *Facebook, Twitter, Blogs, and YouTube* etc.

3.1. Blogs

Blog is an abbreviation of 'weblog' (Blood, 2000) and is a Website or its part on which an individual or group of users record opinions, information etc. on regular basis. *Blogs* are usually maintained by an individual or organizations with regular entries of commentary, descriptions of events, or other material such as graphics or video. Entries are commonly displayed in reverse-chronological order. A *blog* can thus be regarded as a personal journal published on the World Wide Web. *Blogs* can be started by individual or organizations normally mainly based on single subject.

Most of the *blogs* are interactive in nature i.e. they allow visitors to leave comments on the post and even message on the *blogs*. This interactivity distinguishes blogs from other static websites wherein visitors cannot leave comments and interact. Hence, *blogging* can be seen as a form of *social networking*. In addition to posting the content on *blogs*, *bloggers* make social relations with their readers and other *bloggers* due to interactive nature of *blogs*. Hence, *blogs and blogging* is very popular.

Many *blogs* provide information on a meticulous subject or topic including personal information while some others act as an online brand advertising of an individual or organization. Bloggers can publish post on the *blog* using text, photos and videos. Bloggers can also link the posts to other blogs and other *social media*. Most blogs are mainly uses texts. But, there are also other types of *blogs* e.g. art blog focuses on art, photoblog centers on photos, video blogging edges on videos, podcasting focuses on audio etc. Companies can provide detailed descriptions of products or services and also include product photos and videos on *Blogs*. Details of the products or services can include the product applications and reasoning. *Bloggers* can promote the *blogs* by requesting visitors to subscribe their *blogs* and also advice these subscribers to organizations' other social networks.

Before starting *blogs*, a company or individual has to purchase *Web Hosting Services*. Individuals and companies can make their own *blogs* or websites using *Web Hosting Services*. *Web hosting services* are available at very reasonable rates and some of the popular Web Hosting Service Providers are *godaddy.com, bluehost.com, hostmonster.com, hostgator.com, justhost.com* etc. A company or individual also has to buy the 'Domain Name' while buying *Web Hosting Services*. The blog domain is the web address where people will find *blog* on internet.

Blog marketing (Holtz and Demopoulos, 2006) is the term used to describe internet marketing via *blogs*. Typically, corporations use *blogs* to create a dialog with customers and explain features of their products and services. Since customers can post comments on the *blogs* posts, it acts as a direct customer feedback from the customer to the companies which helps in improving product and services offering of the Companies. Companies can also start interactive dialogues with the customers to address their concerns and thus improve customer service. *Olay Regenerist* from *P & G* is a successful outcome of customers' interaction on *P & G blog*. Companies can promote their *blogs* on other popular social networking sites like *Facebook, Twitter, Youtube* and also using *e-mail marketing*.

Figure I shows continuous growth of *blogs* worldwide. There is five-fold growth in number of *blogs* from 2006 to 2011 which indicates the popularity of blogs worldwide and users' engagement in blogs. As of December 2011 (2011 -02-16), there were over 181 million public *blogs* in existence.

*Source: <http://nmincite.com>

3.2. Facebook

Facebook (Zuckerberg, 2004) is a *social networking* service and website started in 2004 by Mark Zuckerberg. As of

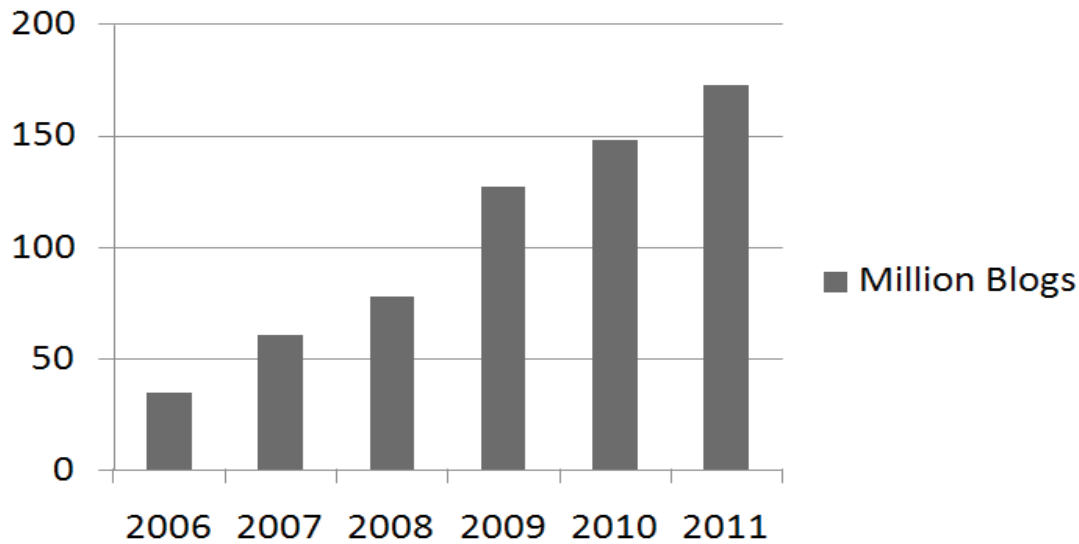


Figure I: Worldwide Growth of Blogs*

October 2012^[update], *Facebook* has over one billion active users with about 700,000 new people joining each day. It is a platform of sharing information. *Facebook* is a social utility that connects people with friends and others who work, study and live around them. *Facebook* is now world's most visited website.

Users must sign-up or register themselves on *Facebook* before using the site. User can sign-up on *Facebook* by simply visiting www.facebook.com and entering name, e-mail, password, gender, date of birth and clicking sign-up. After sign-up user can create a personal profile for him, add other *Facebook* users as friends, send and receive messages and receive automatic notifications from *Facebook* for updates. Users also can share photos and videos on *Facebook*. Users can also join *Facebook* groups for sharing common-interest e.g. Groups for School, closed friends or workplace etc. User must declare himself to be 13 years old to sign-up to *Facebook*.

Facebook helps to keep up with old friends and acquaintances passively i.e. without calling them or sending message to them ,learn things about friends using Profile data and status updates etc., opportunity to comment on friends' opinions, shared links, and random thoughts ,Socializing through photos, events, playing games, and social applications.

Facebook had 65 million monthly active users in India as of October 2012, an increase of 84 percent compared to the same period in 2011. This is an *eight-fold jump* in a span of two years. *Facebook* is currently available in over 70 languages. In India, it is available in Hindi, Bengali, Punjabi, Tamil, Telugu and Malayalam.

Figure II clearly shows exponential growth of *Facebook* from 2006 to 2011. *Facebook* has grown from 12 Million users in 2006 to 845 users in 2011 worldwide showing amazing 70 fold growth in 6 years. Now, it has crossed 1 Billion Mark and tops the list of *social media websites* in the world.

* Source: <http://www.Facebook.com> and <http://readwrite.com>

Companies can market their products and Services on *Facebook* using *Pages and Ads & Sponsored Stories*. *Pages* (Smith and Treadaway, 2010) are for businesses, organizations and brands to share their stories and connect with people. Companies can engage and grow his audience by posting regularly. People who like marketer's Page will get updates in their news feeds. If marketer is the official representative of an organization, business, celebrity, or band, he can create a *Page* at <http://www.facebook.com/pages/create.php> to represent his organization on *Facebook*. Companies can also target the audience by Gender, Relationship Status, Interested In, Age, Location, and Language in *Pages*.

Facebook Ads (Zarrella and Zarrella, 2010) for *Pages and Events* allow other users to engage with company's ads the same way they interact with other content on *Facebook* – without leaving the page they are viewing. *Sponsored stories* (Smith, 2009) are messages coming from customer about them engaging with company's Page, app or event that a business, organization or individual has paid to highlight so there is a better chance people see them. Marketer can create *Facebook Ads* or *sponsored stories* on www.facebook.com.

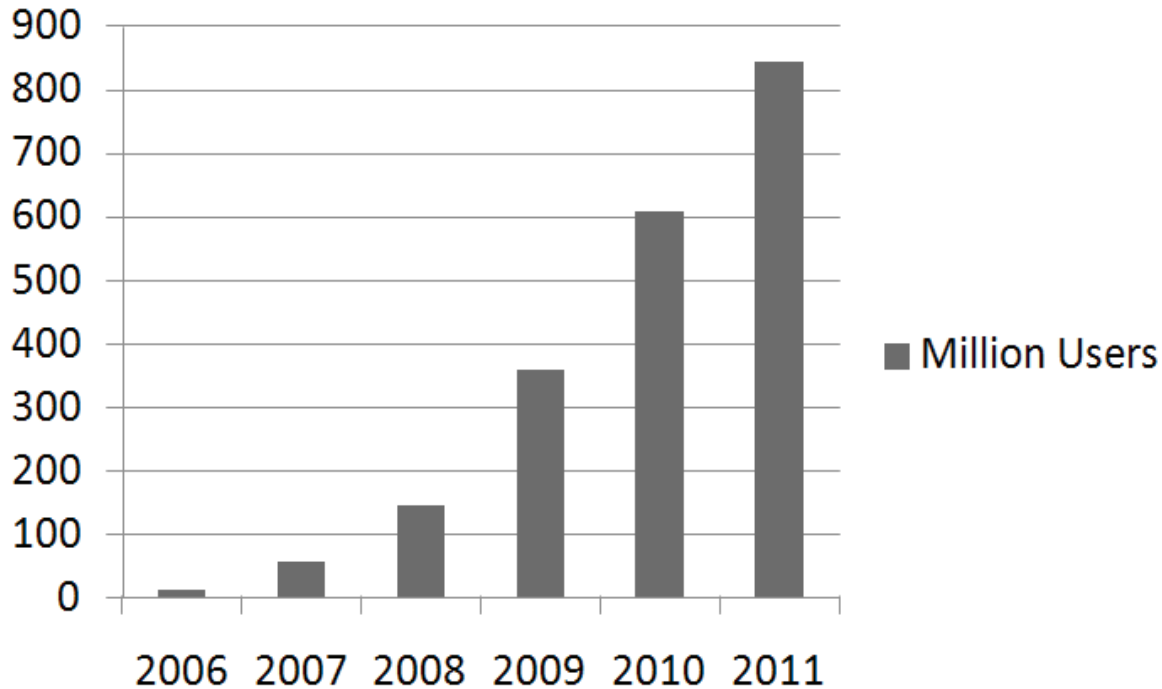


Figure II: Worldwide Facebook Users*

com/ads/create. Companies can also target the audience by Gender, Relationship Status, Interested In, Age, Location, and Language in *Ads & Sponsored stories*.

3.3. Twitter

Twitter (Dorsey, 2006) is an online social networking and micro_blogging site created by Jack Dorsey in 2006. *Twitter* is an information network that brings people closer to what is important to them. It allows its users to send and read text-based messages of up to 140 characters, called as 'tweets'. Every day, millions of people visit *Twitter* to connect to their interests, to share information and to interact. *Twitter* has 500 million registered users as of December 2012 and very popular worldwide. *Twitter* is now one of the top ten most visited websites on the Internet worldwide.

Users have to sign-up or register with *Twitter* to send *tweets* through *Twitter Website* or mobile SMS. To register or sign-up, users can visit www.twitter.com, enter name, e-mail and password and click sign up for *Twitter*. Users who are not registered with *Twitter* can only view the *tweets*. *Tweets* by default are visible to public. But, users have an option to restrict their *tweet* to their *followers*. If users subscribe to other users' *tweets*, it is called as following and these subscribers are called as followers or tweepers. Users can also un-subscribe other user's *tweets* and it is called as *unfollowing*. *Tweets* come out in reverse chronological order on the user's main *Twitter* page. *Twitter* started its

own integrated photo-sharing on June 2011 to allow users to upload photo along with the *tweets* on *Twitter*.

*Source: <http://twitter.com>

Figure III shows the vertical growth of *Twitter* in past three years. Monthly active users have grown from 17.5 million to 140 million in less than three years period indicating eight fold increase in monthly active users of *Twitter* in less than 3 years. Massive engagement by users describes popularity of *Twitter* amongst the users. There are more than 20 million monthly active users of *Twitter* in India as on December 2012.

Twitter has been used for a variety of purposes. Though not designed, it is used for emergency communication systems for breaking news. It is also used in schools and colleges for communication and learning tool. *Twitter* users list ranges from top politicians to top celebrities of the world.

It took *Twitter* three years, two months and one day to touch first billion *Tweets*. Today, there are over a billion *Tweets* sent every three days. These *Tweets* represent conversations related to almost any topic imaginable. For businesses and brands (Thomases, 2010), these conversations provide a rich canvas and a powerful context in which to connect companies' messages and brand to what people are talking about right now. It is a canvas for telling engaging stories, for participating in cultural events, for broadcasting content, for connecting directly with consumers, and for driving

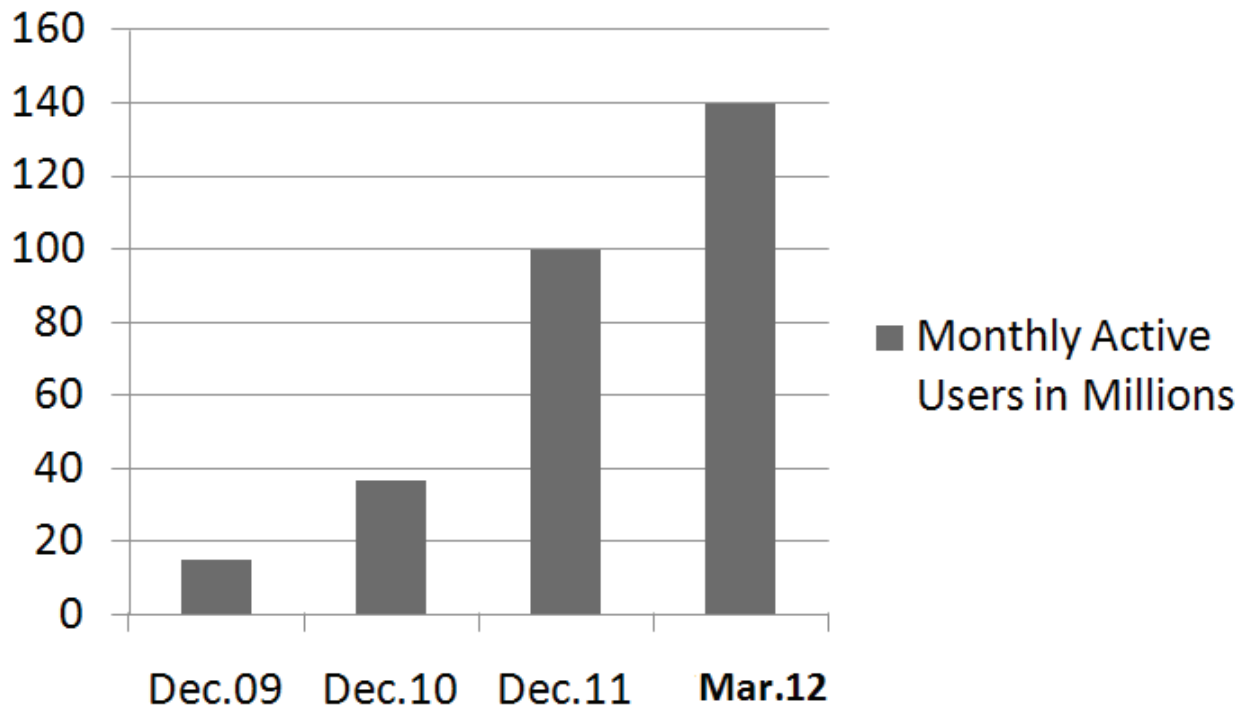


Figure III- Worldwide Monthly Active User's on Twitter *

transactions. Businesses (Lacy, 2011) can influence and participate in real-time conversations on *Twitter* to drive consumer action with integrated paid, earned and owned campaigns, delivering results throughout the marketing funnel. Businesses can also use *Twitter* to listen and gather market intelligence and insights. It is likely that people are already having conversations about marketer's business, competitors or industry on *Twitter*.

Companies can advertise their products and services on *Twitter* and *Twitter* helps businesses to set-up their advertising account with *Twitter*. Companies can visit <https://business.twitter.com/en/advertise/start/> and <https://business.twitter.com/en/smallbiz/> to start advertising with *Twitter* to target millions of potential customers.

3.4. YouTube

YouTube (Chen et al., 2005) is an online video-sharing website founded by Steve Chen, Chad Hurley and Jawed Karim in February 2005. While unregistered user can only view the video, registered users can upload, view and share unlimited videos on *YouTube*. Users can sign-in or register themselves on *YouTube* by visiting www.youtube.com, entering e-mail, password and clicking sign-up. Users can upload variety of user-generated video content, small movie clips, various TV clips, music videos and educational videos. Content on

YouTube has been uploaded mainly by individuals and some corporations. *YouTube* was bought by Google, Inc. in 2006.

All registered *YouTube* users can upload videos up to 15 minutes each in duration. But, some users are offered to upload videos up to 12 hours based on their good track records. Normally, 2 GB file can be uploaded from *YouTube* web page. But, user can upload 20 GB if latest browsers are used. *YouTube* accepts videos in almost all the formats. *YouTube* now also accepts HD Video and 3D Videos.

Users can also watch *YouTube* videos on other sites than their own website by using HTML code of *YouTube* and inserting it on any webpage. This is mainly used by users to insert *YouTube* videos in *blogs and social networking sites*. *YouTube* prefers that user should view the videos on its site. Hence, it does not normally provide download link for its videos.

Figure IV shows the consistent growth of *YouTube* users worldwide over past 5 years and indicates popularity and user engagement in *YouTube* worldwide. In India, *YouTube* has more than 35 million users as of June 2012.

Song 'Gangnam Style' by PSY is the most watched video on *YouTube* and it is first video which received more than 1 billion views. Song 'Kolaveri Di' by singer Dhanush from India also received more than 65 million views. These examples strengthen the social media impact of *YouTube*.

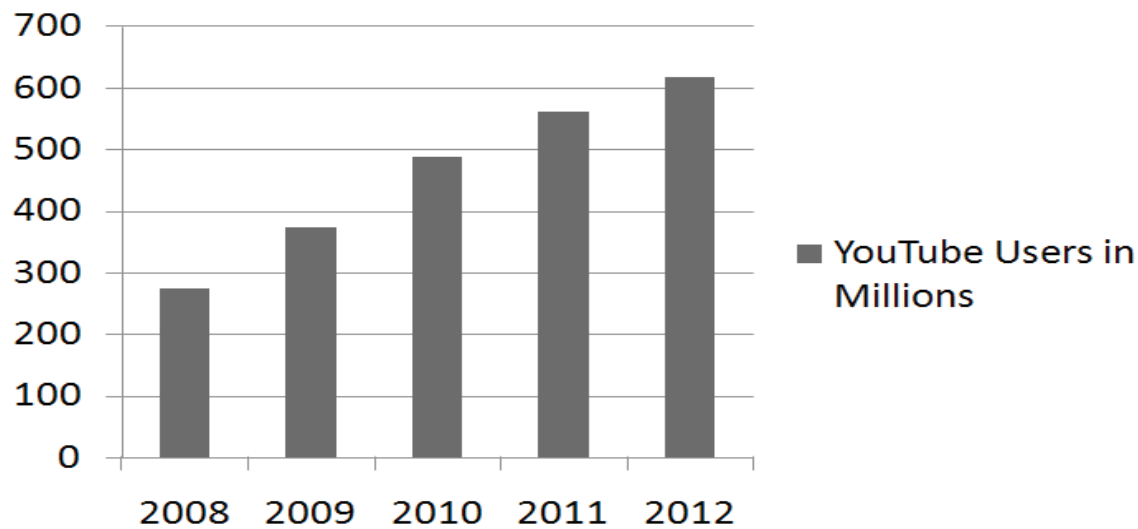


Figure IV: Worldwide YouTube Users*

* Source: <http://www.youtube.com> and <http://www.trefis.com>

YouTube has partner program to help companies to advertize and monetize (Jarboe, 2011) using *Youtube*. For more detail on partner program, companies can visit <http://support.google.com/youtube>. *YouTube* has millions of users and it has a potential to make Ads viral if they are creative and genuine.

Majority of Companies in the developed countries have started *Social Media marketing*. Many multinationals in India like Vodafone, IBM, Maruti Suzuki etc. have already started *Social Media marketing* in India. Some of the top Indian companies in like Airtel, Times of India etc. have also started marketing on *social media*.

4. CONCLUSIONS

With the rise of third era i.e. *values-driven era*, the job of marketing is no longer simple and the earlier two era i.e. *product-centric marketing* and *customer-oriented marketing* will not be so appropriate in future due to their inherent assumptions and changing customers expectations marketers' are witnessing now. Hence, to be successful in *values-driven era* companies need *participation* and *collaborative marketing*.

Since Social media allows the creation and sharing of content generated by users i.e. *participation and collaboration*, it is future marketing tool in values-driven marketing. *Social Networking sites and blogs* have shown exponential growth in number of users within a short span 4-5 years which indicates the popularity, users' engagement and interest in these sites. There are hundreds of millions of users active on

social media sites today and they interact regularly. Since *Social Media* is low-cost and bias free, it will be future of marketing communications.

Millions of Indians are also actively engaged in the *social media* sites. *Social media* is also exponentially growing in India. Exponential growth of *Social Media* and millions of active users substantiates the transformation of marketing era from *customer-centric* to *values-driven*. Indian marketers can effectively use *Social media* to market their products and services with the various marketing, advertizing and promotion tools available with *social networking sites* and *blogs*.

Thus, *Social media* is a future marketing tool for Indian marketers and will provide *competitive advantage* to Indian Marketers in future.

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