



Impact of social media on business

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Abstract

Social media, although a relatively recent phenomenon, is becoming an increasingly important part of any business's marketing and client base development platform. The perception of social media marketing has shifted quickly—no longer viewed as a trendy, having a flexible and well-managed presence in each of the “big three” (Facebook, Twitter, and Google+) has become a must for any business seeking to secure a place in both the traditional and digital marketplace. What could once be accomplished by a traditional website now needs to be supplemented by a robust and responsive utilization of the tools social media offers. Navigating this strange, new world can be quite confusing at first, so social media is helpful for those looking to bring their business up to speed.

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Introduction

Social networking websites allow individuals to interact with one another and build relationships. When companies join the social channels, consumers can interact with them. That interaction feels personal to users because of their previous experiences with social networking site interactions. Social networking sites and blogs allow individual followers to “retweet” or “repost” comments made by the product being promoted. By repeating the message, all of the users connections are able to see the message, therefore reaching more people. Social networking sites act as word of mouth. Because the information about the product is being put out there and is getting repeated, more traffic is brought to the product/company. In 2009, bloggers had an enormous impact on fashion, affecting everything from print publishing to how brands market themselves online. There are thousands of style-related blogs on the web these days, and those dedicated to their craft have earned industry recognition. Gala Darling, Bryan Boy, 13-year-old Tavi, Scott Schuman of the Satorialist and Garance Dore have earned recognition from Dolce & Gabanna, Burberry, Alexander McQueen and leading publications such as Vogue. They've participated in fashion design collection collaborations and received front-row, international Fashion Week seats next to some of the most notable figures in the couture world. A recent Financial Times article notes that being a style blogger is a perfectly respectable career for someone in the fashion industry. The social web has removed the gatekeepers of an industry that was notoriously hard to penetrate and build a name in. These sites have succeeded because of the quality of their content. While each is unique, they've built a cult following around their areas of expertise and passion. Through social networking sites, companies can interact with individual followers. This personal interaction can instill a feeling of loyalty into followers and potential customers. Also, by choosing whom to follow on these sites, products can reach a very narrow

target audience. Social networking sites also include a vast amount of information about what products and services prospective clients might be interested in. Through the use of new Semantic Analysis technologies, marketers can detect buying signals, such as content shared by people and questions posted online. Understanding of buying signals can help sales people target relevant prospects and marketers run micro-targeted campaigns.

Definition

Social media is communication channels or tools used to store, aggregate, share, discuss or deliver information within online communities. The focus is on interaction and relationships. Social media is a collection of online platforms and tools that people use to share content, profiles, opinions, insights, experiences, perspectives and media itself, facilitating conversations and interactions online between groups of people.

The “Big Three”

There are three primary social media outlets that businesses use. Here is a basic overview of each outlet:

Facebook: Facebook’s modest beginning, as a simple networking tool for college students (mainly designed to allow students to let their friends know where the parties were, and to look at the pictures from those parties afterward), belies its current status as a variable and integrated tool for business marketing. The primary method that businesses use to exploit Facebook’s marketing possibilities is by creating a “page” for their business (akin to having a website “on” Facebook itself—think of it as having an interactive yellow pages listing), which Facebook users can follow. Businesses can then use their page to market their products, offer deals, and build their brand.

Twitter: Like Facebook, Twitter began as a social networking tool—a way for friends to keep in touch—but has blossomed into a full-scale business marketing tool. Twitter uses 140 character “tweets” (short messages) that appear in the homepage of all users who “follow” the account. Businesses can use these to release news, market their products, and direct attention to special offers and new content. Hashtags (a word or phrase preceded by a pound sign) can also be searched for on twitter, meaning that followers or users looking for info on that topic can be directed to your account by simply attaching a hashtag to particular concepts or ideas in your business’s tweets.

Google+: Google+ is a relative newcomer but is quickly becoming an important tool for businesses looking to increase their presence in the world of social media marketing. Google+ has features that enable businesses to utilize its model in the ways Twitter and Facebook are used (product marketing, news release, the building of a “follower” base, etc.), but also has several facets these others do not. Google+’s “Promote” option allows you to customize your promotional content by creating different groupings of followers that you can then market differently to, and their “Measure” feature gives businesses an interactive measurement of how their Google+ page is being used. Google+ also offers a tutorial for businesses which gives advice on how best to use its features.

Know Your Business

One of the keys to a successful social media marketing platform is knowing your own business. A large corporation is going to have needs and attributes which require a very different approach to social media marketing than a small, local business will need to be successful. Play to your strengths—if you're a larger company, focus on using social media to connect with a larger audience in order to get national exposure for your brand and products. If you're a small, local business, use social media to build a dedicated, loyal customer base by offering the personal touch that only a local business can provide. If your business has a product or service that is primarily used or purchased by other businesses, use social media to network with other businesses in order to increase your visibility in the commercial marketplace. If your business offers a product or service which is primarily used or purchased by individual consumers, aim to use social media as a way to develop a pool of customers who see your brand as quality, hip, and available. No matter the size or nature of your business, knowledge of your company's strengths, target market, and product or service niche is an essential part of any successful social media marketing platform.

Social Networking and Business Humans being social animals always feel a natural need to socialize, share their feelings and stay connected. Social networking sites help you meet with your old friends, relatives and school mates. It breaks the barriers of boundaries and helping people from anywhere across the world to come together, share their views, and stay connected – a business opportunity that enterprises across the globe are exploiting with maximum effect. Nobody can deny the power of social media in generating revenues albeit the objective sometimes goes unfulfilled if you lack the right strategy. When it comes to employing the social networking sites for business development, the key to success is to reach to your target audience and share relevant and adroitly branded content with them. Then, they pass the information to like-minded people and serve as a medium to reach out to your potential customers. This exchange of ideas and information through social networking websites facilitates companies to build a strong client-brand relationship. Advantages of social networking for business development Social Media Marketing (SMM) along with Social Media Optimization aims at getting maximum web traffic and developing a mass appeal about company's offerings. The major benefits of social networking include: Generates enormous website traffic Provides a brand recognition Increases your brand value Helps you get users' feedback Gathers relevant information pertaining to trends and customers' behavior Builds healthy client-brand relationship Helps you know the reach and success of your existing and latest products Helps you keep an eye on social interaction to identify issues and nip them at bud The above points emphasize on utilizing online marketing tools such as SMO, SMM in tandem with social networking. When employed with effective strategic planning, these online marketing tools boost the prospects for enterprises to reach increased number of clients and get maximized return on investment-

Marketing techniques

Social media marketing involves the use of social networks, COBRAs and eWOM to successfully advertise online. Social networks such as Facebook and Twitter provide advertisers with information about the likes and dislikes of their consumers. This technique is crucial, as it provides the businesses with a "target audience". With social networks, information relevant to

the user's likes is available to businesses; who then advertise accordingly. Consumer's online brand related activities (COBRAs) is another method used by advertisers to promote their products. Activities such as uploading a picture of your "new Converse sneakers to Facebook" is an example of a COBRA. Another technique for social media marketing is electronic word of mouth (eWOM). Electronic recommendations and appraisals are a convenient manner to have a product promoted via "consumer-to-consumer interactions". An example of eWOM would be an online hotel review; the hotel company can have two possible outcomes based on their service. A good service would result in a positive review which gets the hotel free advertisement via social media, however a poor service will result in a negative consumer review which can potentially ruin the company's reputation.

Social Media Marketing Position

Lastly, if it is within your company's financial position to do so, consider creating a position specially designed to create, develop, and maintain your company's social media marketing presence. More and more colleges are offering degrees specifically tailored to social media marketing, and graduates of these programs are trained and ready to help utilize the powerful marketing tools social media offers to increase the exposure of your brand and the sales of your products. If your company is not able to afford a dedicated in house position for social media management, be sure to hire a third-party service provider that specializes in social media marketing. It is much easier and effective to hire a trained expert in this field instead of attempting to figure it out on your own or task one of your other employees—whose training and expertise are better used elsewhere—to try to manage your social media marketing.

The impact of social media on business

The use of social media is growing at an astronomical rate. With Facebook floating on the stock exchange at a mind boggling \$104 billion, many naysayers predict a bubble. However, there is no denying the power of social media and the impact that it can have on the business of marketing.

Tactics

Social media websites such as Facebook, Twitter, LinkedIn and Pinterest represent a huge opportunity for businesses to grab the attention of customers while simultaneously building a brand image. There are plenty of tactics that businesses can employ to do this including the creation of brand profiles on social networks such as Facebook fan pages and creative advertising via branded podcasts and applications, also known as apps.

Word of Mouth

Social media platforms provide the perfect opportunity to take advantage of word of mouth and to see it spread. Social media is growing at its fastest rate in developing countries. People are connected on a global scale and casually participate in each others lives through online observation. Something as simple as "Liking" a brand on Facebook can spread virally very quickly throughout the various social media channels. It is worth noting that individuals trust the opinions of their peers far more than a glossy magazine advert. Millions of people review

products and services directly via social media sites using video through Youtube, which in many cases is then shared and disseminated via various other social media websites. As a consequence, the public increasingly look to social media to find reviews on various products and services to help them to make buying decisions. As a result, companies can and do provide products to popular Youtube users to review for their subscribers as well as create their own branded Youtube channels with branded videos about their products.

Communicating with Customers

Companies may see the spread of negative reviews about their products or services as a bad thing, when they can use it to their advantage. By utilising social media effectively, companies can reach out to dissatisfied customers directly, within their own social media environment, to find innovative ways of improving the product or service they have on offer.

Influence

When creating a social media marketing strategy, it is worth thinking very carefully about who is being targeted. There will be people within your social networks who may not necessarily be customers, but who nevertheless can have a massive impact on your marketing efforts.

Considerations

Social media has had and is continuing to have a huge influence on business, marketing and on how businesses engage with their target market. The use of social media to share and engage with others continues to grow at an astounding rate, so it would be wise for any business to develop and implement a sustainable social media strategy in order to successfully take advantage of this rapidly changing environment.

Social Media Quick Facts

Here are some quick facts about the role social media is currently playing in the business world, courtesy of the 2012 Social Media Marketing Industry Report:

1. 94% of all businesses with a marketing department used social media as part of their marketing platform.
2. Almost 60% of marketers are devoting the equivalent of a full work day to social media marketing development and maintenance.
3. 43% of people aged 20-29 spend more than 10 hours a week on social media sites.
4. 85% of all businesses that have a dedicated social media platform as part of their marketing strategy reported an increase in their market exposure.
5. 58% of businesses that have used social media marketing for over 3 years reported an increase in sales over that period

Seven Truths of Social Networks

A social network is only a few years old, we already know a lot about how consumers use them. Besides a few years is a generation in Internet Parlance anyway. There are seven truths of Social networks that you can rely upon.

1. Social media is preferred way of people in younger demographics to communicate with each other.

2. Social media is based on the concept of friends, but that term today is very loosely applied. Similarly, profiles are loosely defined & can be used in a variety of way by people, companies, brands & so on
3. The more active a consumer is on the Internet, the more likely they participate in multiple social networks. Oftentimes, these people are influencers within a circle of friends have a tremendous impact on the opinions of others.
4. Once Information is shared on a social network, it is out there & can't easily be contained. Everything is out in the open & largely visible for other people to see.
5. When building a strategy, you must think comprehensively.
6. The rules are still being made. Social media "Etiquette" is still relatively immature. Tread carefully.
7. The factors that contribute to social media usage. Everyone on social networks is motivated by some combination of the following human needs.

New Role of Customers: Social Interactions

The "Social" in "Social Web" implies more than technology, more than the networks where people post photos and review books: It's less about the "what" and more about "How, Why, and among whom" that distinguish the social web from earlier, transactional online technologies. The term "Social" refers to the ways in which people connect. Friends, requiring a two way acknowledgement of a relationship are different than more casually associated followers. The term "Social" also provides insight into only they are connecting perhaps to learn something, to share on experience, or to collaborate on a project.

It is the relationships and interaction between participants that connect community members and define the social graph, a term of out that means simply who you are, who you are connected to and what you are doing. The social graph is to building relationships what ordinary links between websites are to building an information network: they define the social connections. Without the social graph without the profiles and friends, followers, and similar relations that forms between them online social communities are reduced to taskoriented, self-serve utilities much as a basic website or shopping catalog might present itself.

Social ecosystem

Three fundamental opportunities for understanding and leveraging the behaviours associated with collaborative interaction. These opportunities the social graph social applications, and social platforms.

The Social Graph

The social graph is the collection of lines, relationships, interaction and other connections that comprise a social network. Relationships and interactions are typically building around a set of primary participants' activities. This section course three of the primary actions: finding and following, reputation managements and moderation along with the development of conduct and use policies that are essential to maintaining a healthy, collaborative environment each of these plays a fundamental role in developing purpose driven communitiesthink support sites, supplies networks, and employee knowledge sharing and therefore, in Implementing a successful social business strategy.

Social Applications

"Social application: Software that co-ordinates group interaction that is important to running your business or organization extension to the core capabilities of the social platforms & software services that support social networks-provide the additional, specific functionality of facebook are examples of social applications. Social applications enable the extension of relationship between a brand, product, service to the individual level by providing very specific, member selected functionality, social applications are also important is that they facilitate the overall growth of the network.

Social Platforms

Social communications and other social platforms-build around passions, life-styles, and causes or similar higher callings-provide the gathering parts for individuals interested in socializing & collaboration in pursuit of the specific activities they enjoy together. By building a community around a passion lifestyle, or cause & then fostering and strengthening the relationships between the brand, product, or service and customers and Influences, the progression to collaborative participation and higher-level engagement is enabled. Importantly, these three-the social graph, social application, and social platform (community) drive each other.

Social Network/Networking Sites

We define social network sites as web-based services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site. When we use the term "social network site" to describe this phenomenon, the term "social networking sites" also appears in public discourse, and the two terms are often used interchangeably. We chose not to employ the term "networking" for two reasons: emphasis and scope. "Networking" emphasizes relationship initiation, often between strangers. While network is possible on these sites, it is not the primary practice on many of them, nor is it what differentiates them from other forms of computer-mediated communication. But there is a matter of long discussion. What makes social network sites unique is not that they allow individuals to meet strangers, but rather that they enable users to articulate and make visible their social networks. This can result in connections between individuals that would not otherwise be made, but that is often not the goal, and these meetings are frequently between "latent ties" who share some offline connection. On many of the large SNSs, participants are not necessarily "networking" or looking to meet new people; instead, they are primarily communicating with people who are already a part of their extended social network. To emphasize this articulated social network as a critical organizing feature of these sites, we label them "social network sites."

Features of Social Networking Sites

When SNSs have implemented a wide variety of technical features, their backbone consists of visible profiles that display an articulated list of Friends. Who are also users of the system. Profiles are unique pages where one can "type oneself into being. The profile includes descriptors such as age, location, interests, and an "about me" section. Most sites also encourage users to upload a profile photo. Some sites allow users to enhance their profiles by adding multimedia content or modifying their profile's look and feel. After joining a social network site, users are prompted to identify others in the system with whom they have a relationship. The public display of connections is a crucial component of SNSs. The Friends list contains links to each Friend's profile, enabling viewers to traverse the network graph by clicking through the Friends lists. Most SNSs also provide a mechanism for users to leave messages on their Friends' profiles. Beyond profiles, Friends, comments, and private messaging, SNSs vary greatly in their features and user base. Some have photo-sharing or video-sharing capabilities; others have built-in blogging and instant messaging technology. While SNSs are often designed to be widely accessible, many attract homogeneous populations initially.

Purposes of Social Networking Sites

Social networking sites play a big role among people to connect family and friends for various purposes which are : General, Music, Research, Games, Hospitality, Talent search, Language-learning, Blogging, Hobbies, Locating Friends, Student and Education, Social polling, photo/video sharing, sports, movies and series (TV), travel, book lovers and books, dating medical support, teaching and learning, mobile community. Apart from these we have a long list of purposes of social networking sites. These purposes cannot be bind in list because of these are connected with social needs and feelings which have no boundaries.

Conclusions

Social Networking website is a revolutionary idea with a very bright future with further scope for advancements. The opportunities provided from this medium are immense and many organisations are making use of this medium to better their practices. Organisations are no longer at the mercy of the media to advertise or convey their message. With the help of social networking they can advertise or communicate in a more efficient way. For example, Starbucks have started a very successful program in which a person from any part of the world can login to a website to write comments and discuss issues. Similarly people don't have to rely on newspapers or TV to get their daily dose of news it can all be obtained from a social networking site. People can follow or get information from any part of the world. For example Twitter allows a user to follow anything from airline timing to the next breaking news from China. It is even used by politicians to get their message across.

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