

SOCIAL MEDIA MARKETING : AN IMPECCABLE APPROACH TO E-COMMERCE

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ABSTRACT

E-commerce has always been a much-discussed issue in India and the same can now be alleged for social media. Social media is a theme presently at the tip of everyone's finger. Whether we use it once an hour or once in a week, it turns to be an indubitable reality that social media has now impacted the way society communicates. However in this changing scenario, new landscape social media refuses to be an easy target attached into the plural perspective. In just a few short years, it has gone from simply being a fun way to connect with long lost friends and family members to becoming one of the biggest reasons, if not the biggest reason why some online retailers succeed. Social media is all about exchange of ideas and conversations have always been known to compel commerce as there is no other better sales arena than the word-of-mouth. Therefore, in this paper I had strategically scanned out the impact of social media over an e-commerce business and the need of coordination and integration to thrive social media activity.

INTRODUCTION

Internet marketing has become a large business. This is where we may observe a lot of strategies to advertise ones company and get more attention starting with SEO and going to content marketing. However, one part of internet marketing that user cannot get around is social web. The internet is heading in the direction of a smaller social environment every day. This is pushing social media marketing to the next level. This is the kind of marketing where user makes use of social interactions to move towards their prospects and let others perceive their products. This right of entry is the closest through which user can have a path defining measure and to be online.

E-COMMERCE IN INDIA

Firstly, let us understand the e-commerce market in the Indian context. E-commerce is on its way in India if the recent report by IAMAI is to be believed. According to the report, the online commerce industry clocked Rs.19,688 crore by year-end 2009, which increased to an estimated Rs.31,598 crore in 2010 and crosses around 46,000 crore in year 2011, according to a report by First Data Corp. and ICICI Merchant Services.

Now, the total E-commerce market in India is expected to increase 50 percent in 2012 (i.e. around 70,000 crore), as a result of sustained growth of the online travel booking industry and new business models for the insurance and mutual funds sectors, according to a recent survey.

Since, E-commerce in India is dominated by travel ticketing, with over 80 percent of sales falling in this category and the rest 20 percent is made up of e-tailing or e-shopping, digital downloads financial services and online classifieds, it holds a strapping implication of its utilization in India.

So, as one can make out, 'non travel-based e-commerce' is fairly small in India. Before discussing e-commerce further, let us look at social media in India.

INTRODUCTION TO SOCIAL MEDIA

Few Facts

- 3 out of 4 people use social networks regularly.
- Social media has overtaken email as the no. 1 activity on the web (17% of all web uses)
- More than 200 Million Blogs are available on the entire web. (900000 blogs posts every day) (34% post opinions about companies, brands and products)
- 93% of Social media users believe companies should have a presence in social media.

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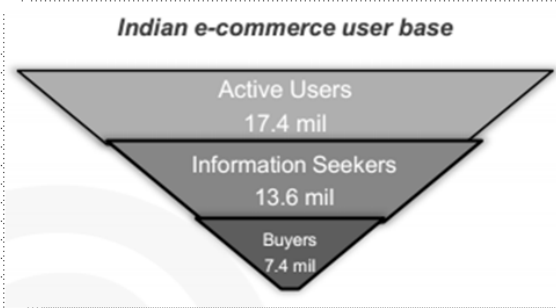


Figure-1

Now, social media users hooked onto networking sites such as Facebook and Twitter are set to give a big boost to the already burgeoning domestic e-commerce market that touched the Rs. 50,000 crore mark last year. India, with an online population of 150 million, is the third largest in terms of Internet users after China and the US, a study by Internet & Mobile Association of India has found.

Of this, 50 million are on Facebook and 13 million on Twitter, taking the size of social media universe to 63 million. This also makes the country the second-largest Facebook market after the US, while the sixth-largest for Twitter, said Amrish Rau, general manager, ICICI Merchant Services and First Data. Most of these social media members are also actively taking up e-commerce transactions, he added.

“Social e-commerce is the next step in evolution, combining the comfort and ease of use of social media and e-tailing,” said Rau.

Social commerce continues to gain popularity around the globe, especially in the US, with the rising popularity of e-gifting, under which users send tangible gifts to their loved ones from retailers through Facebook and email, he added.

SOCIAL MEDIA IN INDIA

Social media in India is powered by large platforms like Facebook which has almost 22 million users followed by LinkedIn which has about 8 million users and Twitter which has near about 5 million users. There is Orkut too, which boasts of 18 million users but, as most would know, it’s now retreating down when it comes to being ‘cool’ among users. Now, these statistics cannot be overlooked if anyone seems to be an e-commerce player in India as these figure widely includes metropolitan and general city-based users base as these people have credit/debit cards apart

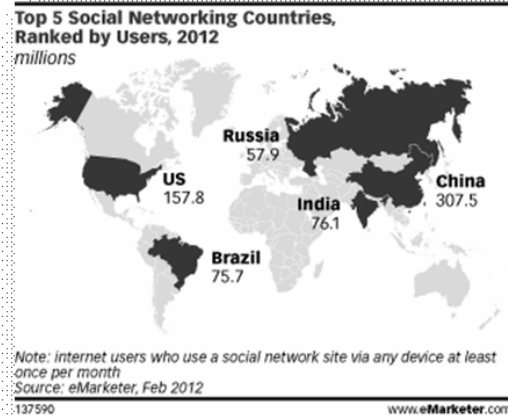


Figure-2

from net banking features and use these freely on travel and ticketing sites for flights and movie tickets.

SOCIAL MEDIA AND E-COMMERCE: A PERFECT MATCH

Fashionandyou has over 6.45 lakh fans on Facebook and Snapdeal has over 2.7 lakh fans across

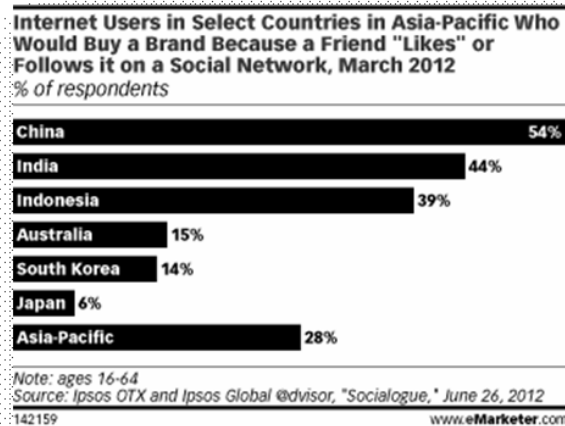


Figure-3

its city pages. On Twitter too, these brands constantly engage with followers and provide up-to-date details on new deals. Earlier, e-commerce sites like these would have to buy media on Yahoo and Rediff to popularize them and drive sales or discount buys. But now they can simply disseminate this information freely from social media sites like Facebook and Twitter.

Globally, social media is known to drive sales through e-commerce. Dell, which sells laptops and accessories, claimed in 2009 that it had sold products

over Rs.29.2 crore purely via its Twitter account at dell outlet. Even in India, the number would be quite encouraging; given how many fans the above two young e-commerce sites have on social media.

According to a study by Eventbrite (an online ticketing site), likes on an event that is posted on Facebook draws more on ticket sales than each tweet for the same event. Though this is a global study, it's surely indicative of how Facebook drags more revenue in e-commerce than Twitter. This could happen because Facebook is considered as connections of friends who 'knows' and 'trusts' users and shared links of users while Twitter is apparently a network of followers who may have never met user but are interested in what one's tweeting.

In all the way, both Facebook and Twitter seem great starting points in social media for e-commerce sites to drive sales.

The whole world seems to be integrated in the virtual world of social networking websites. What started as a hub for friends and like-minded people to meet has quickly turned into something so large that it could set the prospects of your business soaring.

Following are few motivations for social media which can easily drive e-commerce:

- i. **Popularity:** Any person who makes use of internet will certainly admit the budding popularity of social networking websites. Thousands of people join every day, they have millions of people they can choose to the concerned network with and updating happens within few seconds. For example, if we take the case of Twitter in year 2012, the number of exclusive visitors from India reached 58 million in August 2012, i.e. about 22% increase from March 2012 [1]. There is hardly anything on earth which can beat such a pace in popularity.
- ii. **Communities:** There is every chance that user may get lost in the puddle of people, communities bring in some organization. Therefore, in order to apply this to e-commerce, one can join communities related to his/her business which immediately bring about the connection with people who belong to a business like ones. Members of the community are constantly updating and pinging and there are high chances of finding people who would like to involve in a particular business directly or become ones client.
- iii. **Interactivity:** In a conventional advertising mode, advertisement is typically a well planned piece

with a lot of time and effort put into its making. So, there is no way of getting feedback from the people who view it. In a social networking site, this is lined away. Firstly users need not to plan an advertisement actually. If it is just written on an information mode, it works excellent. In addition to this, one can share links with people online and by this way they can be able to increase traffic to their website and also having interested people getting there.

- iv. **Speed:** Speed is the need of every individual in present scenario. Social networking is now considered as the easiest and quickest means to advertise and even used for selling product across the globe. Even the biggest brands in the world now connect with their customers through social networking websites. No **need to worry much over writing an advertisement that audience may like. Now, a simple message written** in a conversational manner may also serve the desired purpose.
- v. **Operating cost:** There is barely any money involved in using social media marketing for e-Commerce. All user need is a PC along with an internet connection and proficiency with required skills on the web. This is certainly the inexpensive but the most powerful approach to e-commerce.

MOST POPULAR SOCIAL MEDIA PLATFORMS AVAILABLE ON THE WEB

There are innumerable social media interfaces which are available across the World Wide Web infrastructure. Few of them (on the basis of Alexa Ranking) are as follows:

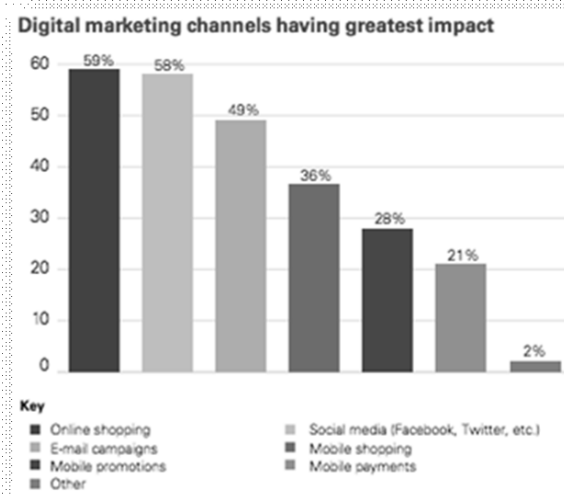


Figure-4

Facebook: Facebook is the biggest Social Media site, and still growing. Initially used literally for “social” purposes, Facebook is now progressively more used by businesses. It’s an excellent place to communicate with your customers and their friends. And some companies can make use of the demographic information held in Facebook for targeting advertising.

Twitter: Twitter is a micro blogging site, where users post updates in limited words i.e. not more than 140 characters. By establishing a “follow”, user can create a growing base of connections along with the opportunity to give and receive/sharing a lot of information among the users.

YouTube: YouTube is the second most popular search engine after Google. People like to observe and hear rather than just simply reading text on a web page, so they usually search for the products and services in YouTube just as they would in Google. No doubt, Google also includes video is its main search results listings. Therefore videos can help users a lot in Google. Now a days, its comparatively cheaper to create videos. One may choose product demonstrations, thus a “video brochure” or video testimonials from satisfied customers may craft their work simple.

LinkedIn: For professionals and businesses, LinkedIn is considered as the best Social Networking site. A professional’s LinkedIn profile is like an online CV. By connecting with their work colleagues and business associates one can network online with them and get introduced to other people easily.

Simply, by joining groups and getting involved in discussions, one can position himself as an expert in his field which will help him a lot to grow his network.

Beyond Facebook and Twitter: There are many other opportunities with e-commerce sites which possibly include blogs and bloggers that can be engaged via contests or exclusive memberships. Review sites which would check out user’s e-commerce portal for good services and platforms.

CREATING SOCIAL MEDIA PLAN

If anyone plans to use Social Media for online marketing, dare to think that just because it is new area, there are no rules. Superior business practices will always prevail over trashy ones. People always feels a little doubtful of spending money online so it is users job itself to make their prospects so that customers may feel like they know them very well and can make a trust on user as well as on user’s product. Social

Media is the faultless venue for achieving this but there are no shortcuts to the success.

Before creating a plan, an entrepreneur must make a promise. Initiation of a healthy social media may be an extremely slow process. One can’t expect their list of fans, followers or subscribers to grow up hastily and one should not start their business presence simply by posting and updating the stuffs on social media every time, only to get bored, loosing attention and forget to log in when there’s no immediate bliss. Therefore, in order to prevent such, simply make a commitment.

It is exceptionally important to establish a presence on a giant social media like Facebook, twitter or youtube but one should make sure about to set up a genuine shop/e-Shoppe where one should definitely be visible.

Need of coordination and integration to succeed in social media activity

As social media matures, it’s no longer a test outside of your budget. Adding to this pressure, social media conversion rates are low relative to other marketing strategies. Therefore user must coordinates and assimilates social media marketing into their overall marketing plans to maximize efficiency and effectiveness.

1. Influential power of social associations: Consumers are more likely to response on the recommendations from their friends than social media ads.

The recommendation therefore holds an unstated endorsement. Therefore, encouraging customers to share their valuable information on social media venues may create a proper use with social media advertising to target audience and to send them to the desired page rather than off of the social media site.

2. Sense ahead of Facebook for social media: Facebook is too large to ignore as a marketing platform, however, it’s not as effective as other social media options for converting to sales.

Specifically, miscellaneous research by Shop.org, comScore found that 70 percent of consumers click through on a retail blog to the firm’s website and 68 percent of consumer uses YouTube to browse and research products. Further, consumers follow more brands on social media platforms other than Facebook.

Therefore, building own media in the form of a blog and video is considered as better option and to

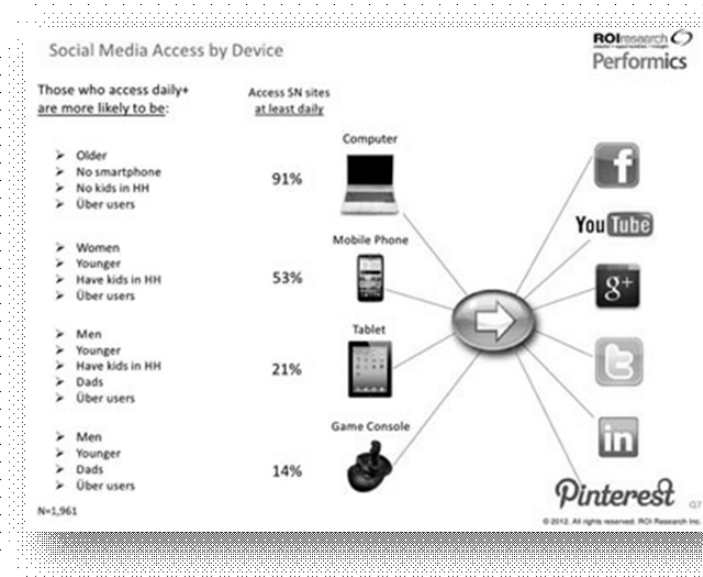


Figure-5

distribute the contents on YouTube, Facebook, and Twitter in addition to social sharing.

3. Be Platform independent to maximize reach. According to Performics and ROI Research, they found that consumer uses a variety of connected devices to access social media. Interestingly, they didn't include televisions.

Therefore, user must have at least a mobile strategy to ensure that consumers can access their site from social media location regardless of whether they're using a computer, laptop, ultrabook, leaptop, PDA's, smartphone or tablet etc.

4. Adding viral contents with emotional showcasing: Wharton professors Jonah Berger and Katherine L. Milkman in an article entitled, "What Makes Online Content Viral?" from the Journal of Marketing Research found that positive, emotional, and/or surprising, useful information increases social transmission.

Therefore, creating remarkable contents to enhance the chances of engagement and social sharing is the best idea among the available ones.

5. Leave promotional-speak to build customer trust: Today, customers are very savvy and can smell an ad even worse, they never trust ads. They trust and seek content in a variety of formats.

Therefore, it is recommendable to develop useful contents which often shoppers seek before purchasing. It is also considered that to answer

customer's questions, show them how to use the products and also to provide genuine customer reviews.

6. Entertain with admirable photographs: Picture speaks louder than words. Photographs are audience magnets. Images attract attention and pulls audience in.

Therefore, create an integrated content strategy around photographs using Facebook, Pinterest and/or Instagram to attract customer's base.

7. Maintain customer relationships initiated on social media with personal email: The truth behind social media is its low conversion rates relative to email i.e. seller is more concerned with activities like "Buy Now" rather to maintain healthier

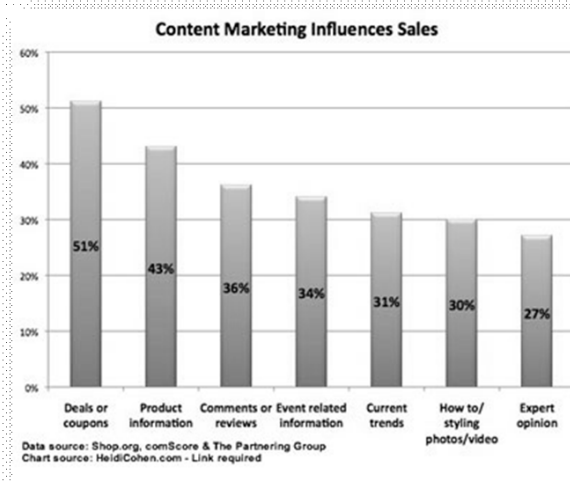


Figure-6

Therefore, building an emotional trust with email house file is a better alternative and to continue the dialogue with prospects and then to convert them.

Therefore, to improve marketing results from social media strategies, start by acknowledging that consumers are active on social media venues to socialize. Then leverage the power of social media to engage with prospects, customers, and the public to build trust and continue the relationships on email and other owned media where one can easily convert users to sales. It's often recommendable to determine ones level of engagement and budget for time accordingly.



Figure-7

Suggestions for Social media optimization Search Engine Optimization (SEO) for websites has been sharpened into a fine art with entire companionship dedicating considerable effort to defining finest observations and to peddle the value of SEO for elevating a site's performance on organic search listings. While in contrast with the power of SEO, there is a new offering which may call as Social Media Optimization (SMO). The concept behind SMO is to apply changes to optimize a site so that it is more easily linked to & more highly visible in social media searches on custom search engines and more frequently included in relevant posts on blogs, podcasts and vlogs. Here are few suggestions which may guide SMO for a client's website on social media front:

i. Improve Back linking – This is the most significant priority for websites. Many websites are “static” – i.e. they are rarely updated and used simply for a storefront. Therefore to optimize a site for social media, we need to increase the linkability of the content. Simply adding a blog is a great march, however there are many other pertinent ways such as creating white papers and reflection pieces or even simply comprehensive content that exists elsewhere into a useful format.

ii. Adding Tags and bookmarks – Adding content features like quick buttons to “Like” are one way to make the process of tagging pages easier, but we may go beyond this, making sure that pages includes a list of relevant tags, suggested notes for a link, and making sure to tag out pages first on popular social bookmarking sites (may include more than just the homepage).

iii. Encourage inbound links – Such links often used as an indicator for success of a blog (as well as a website), inbound links are vital to rising in search results and overall rankings. To encourage more of them, user needs to make it easy and provide clear rewards. From using Permalinks to recreating the listing & recent linking blogs on your site provides the reward of visibility for those who link to the concern.

iv. Content Sharing – In contrast with SEO, SMO is not just about making changes to a site. When user have content that can be portable (such as PDFs, video files, animation and audio files), submitting them to significant sites will help the content travel further and ultimately drive links back to user's site.

v. Support mash up – Letting others using particular content (within reason) is a better idea for creating mash up and recycling of the similar content

on the entire web space. YouTube's idea of providing code to cut and paste so one can push in videos from their site has fueled the growth. Syndicating user content through RSS also makes it easy for others to create mash ups that can drive traffic or augment one's content.

There are many other conventions and techniques that users has started to uncover as this idea gets more refined. In the meantime users are always on the lookout for new ideas in Social Media Optimization to encourage even better thinking. Perhaps users may even see the rise of entire groups or agencies devoted to SMO in the future.

CONCLUSION

Social media marketing offers organizations with a way to connect with their customers. However, organizations must protect their information as well as closely watch comments and concerns on the social media they are using. A flash poll done on 1225 IT executives from 33 countries revealed that social media mishaps caused organizations a combined \$4.3 million in damages in year 2010. The top three social media incidents an organization faced during the previous year included sharing too much information in public forums, loss or exposure of confidential information and increased exposure to litigation. Due to the viral nature of the internet, a mistake by a single fellow has in some cases shown to result in devastating consequences for organizations.

No doubt, social media marketing is an effective and natural formula for building new strategies for monitoring and enforcing the Code in light of emerging challenges, including suggested content. In fact, it's a great source of web traffic and achieves great results at a low cost. In future, this form of marketing would work well with any other advertising campaign because it is now emerging as a new endeavor for present marketing tactics.

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