

# SOCIAL MEDIA: TECHNOLOGY FOR RELATIONSHIP MARKETING

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**Abstract:** The Internet has become a mass media communication. Penetration in internet is dramatically growing all over the world. This paper aims to discuss about the role of marketing mix on social media in contemporary environment. Effective marketing mix strategy creates an image among the customers. Face book, twitter, Google plus and other sites are examples of social media where people can interact each other through sending their news, views and comment about the products in websites. In this study found that currently face book users are 45 million people in India. Moreover, social media marketing is playing a significant role in the contemporary environment. Barack Obama's campaign in USA is the good example for the strength of social media marketing. To summarise, social media is an advanced tool in marketing. It serves as a relatively inexpensive platform for organizations to implement marketing campaigns. Now, this platform has become an excellent marketplace to market the products and promote the business effectively.

**Keywords:** CRM, Marketing, Marketing Mix, Social Media

## INTRODUCTION

Social media has been playing a significant role for establishing and commercializing relationship among people. Social Media described as, "the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction. This interaction can encompass text, audio, images, video and other media, individually or in any combination. It can involve the generation of new content; the recommendation of and sharing of existing content; reviewing and rating products, services and brands; discussing the hot topics of the day; pursuing hobbies, interests and passions; sharing experience and expertise – in fact, almost anything that can be distributed and shared through digital channels is fair game." [1]. Presently, social media are web-based technologies which are a discontinuous innovation in e-commerce and changed the traditional buyer behaviour. Social media allow users to become the key contributors on the web (short form for world wide web); they provide information exchange experiences and thus influence their peers in making buying decisions [2]. Social media is based on content sharing, and interaction between people online. It includes communication and networking tools (blogs, micro blogs, social networks and social network aggregation), events (local, personal and group), collaboration (wikis, social bookmarking and social news), multimedia sharing (photos and art, video, live casting, music and presentations), reviews and opinions (product and business reviews) and entertainment (virtual word and game sharing). Presently, Social media has turned into a buzzword in to the corporate world. For example,

Barack Obama had effectively used social media for his campaigns in US election compare to the competitors. In 2008, Obama had more "friends" on facebook and Myspace and more followers on Twitter than rival John McCain. In 2012, Barack 2.0 was more effective campaign than the challenger Mitt Romney. Campaign was in Facebook, Twitter, YouTube and other sites which had a meaningfully connection with people to build long-lasting relationships, turning clicks into customers, and using content to convert strangers into collaborators. These are the true lessons about the social media that got from Barack Obama's campaign. Moreover, social media is an effective marketing tool.

## Social Media Marketing

In social media transform the mass marketing into relationship marketing, which is given importance to wallet shares rather than market share. Social media marketing is marketing using online communities, social networks, blog marketing and more. Social marketing defined as, "concerned with the application of marketing knowledge, concepts, and techniques to enhance social as well as economic ends. It is also concerned with the analysis of the social consequences of marketing policies, decisions and activities"

Consumers are slowly shifting from the traditional sources of advertising: radio, television, magazines, and newspapers. Social media is perceived by consumers as a more trustworthy source of information regarding products and services than corporate-sponsored communications transmitted via the traditional elements of the promotion

mix [4]. Consumer’s required immediate access to information at their own convenience [5]. Hence, social media is useful to conduct their information searches and to make their purchasing decisions.

**Study Objective & Methodology**

The objective of this study is to know the role of marketing mix on social media. The study reveals the internet penetration in India and appropriate websites for the examples of marketing mix. This study provides significant

facts and figures based on relevant research studies and literature. Secondary data had been used for the information.

**Internet Users in India**

The benefit of the internet is shop through websites, chat with friends in face book or Skype, and watch videos in you tube. Moreover, it is one of the easy communication. Internet penetration in India is mentioned in Table1.

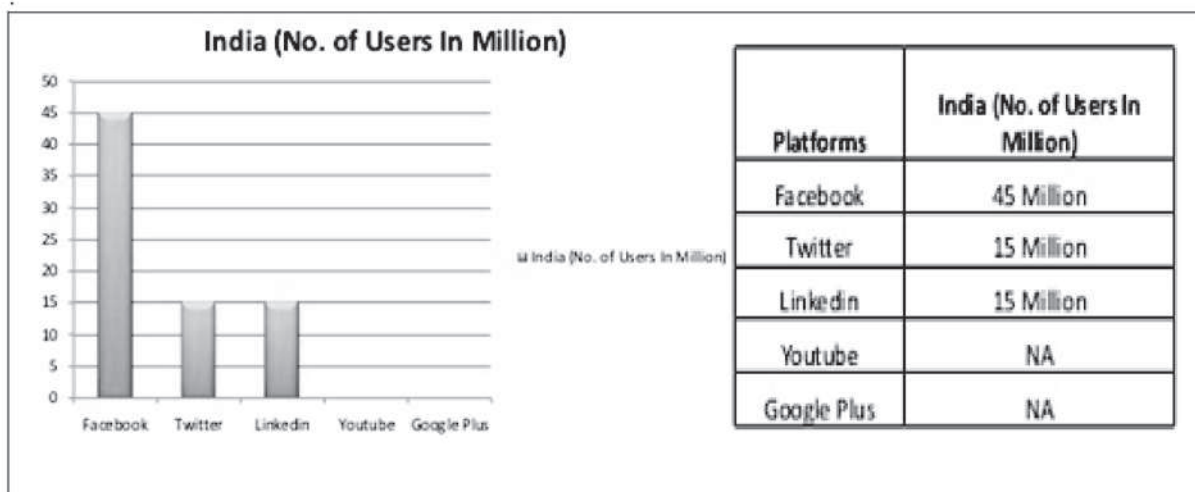
**Table 1 Internet Users- till June 30, 2012**

Country or Region	Population, 2012 Est	Internet Users Year 2000	Internet Users Latest Data	Penetration (% Population)	Users % World
India	1,205,073,612	5,000,000	137,000,000	11.4 %	5.7 %

Source: www.internetworldstats.com.

Above table provides the details of Internet users in India. 11.4% of people are using internet which means 5.7% of the world

users. Rest of the people are not using internet. It is one of the barriers in the internet communication



Source: www.slideshare.net/watconsult/latest-social-media-statistics-india

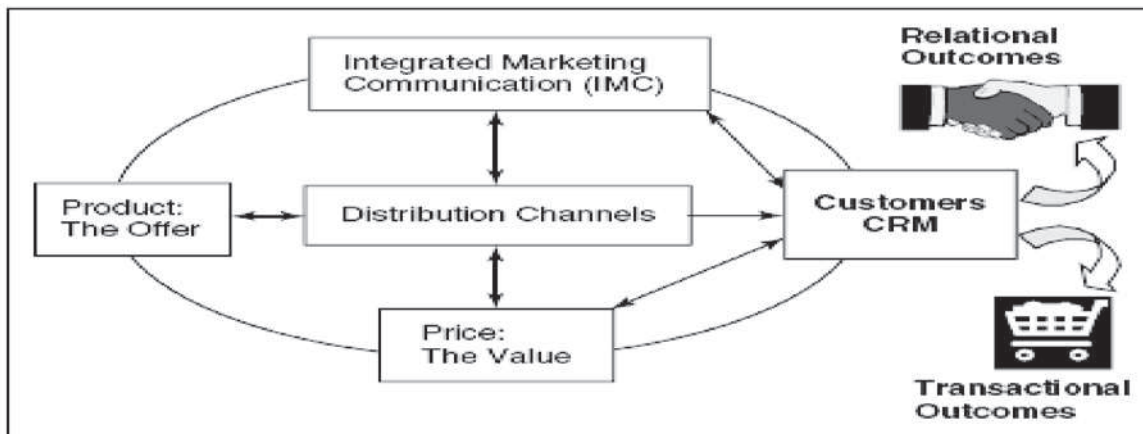
**Fig. 1 Internet Users in Various Platforms in India**

Fig 1 shows, major users in the social media platform are face book which is 45 million followed by twitter and LinkedIn 15 million respectively

**Marketing Mix**

Marketing mix & CRM work together to produce relational and transactional outcomes with customers [6].

Components of the marketing mix are product, price, IMC and distribution channel, which is shown in Fig. 2. For example, PepsiCo has used social networks to gather customer insights via its DEW mocracy promotions, which have led to the creation of new varieties of its Mountain Dew brand. Since 2008, the company has sold more than 36 million cases. Proper mix of ingredients is helpful to the organisation to create an image among the customers.



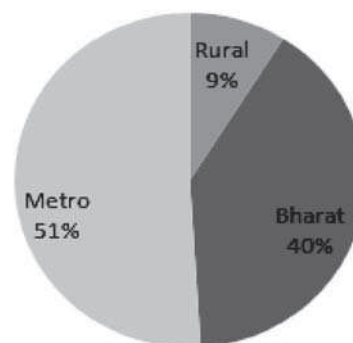
Source: Judy Strauss & Raymond Frost (2012) 6<sup>th</sup> edition, E-Marketing, P.203

Fig. 2 Ingredients of Marketing Mix

**PRODUCT**

Product is a bundle of benefits that satisfies the needs of the organization as well as consumers. product is defined as, "...a product is anything that can be offered to a market to satisfy a want or need, and consists of a set of attributes, including physical goods, services, experiences, events, persons, places, properties, organizations, information and ideas"[7].

Product assortment refers to the total number of product lines that a company offers to its customers. Eventhough search engines and social networks are unique to the internet. For example, Google took the fastest growing global brand of the year award with a huge increase in brand value from 2008, putting it in the top 10 of all brands. Product mixes in google are Web based products, Operating systems, Desktop applications, Mobile applications, Hardware and Services. Online shoppers benefit is great variety through organisation's websites . Internet and Mobile Association of India (IAMAI) has sized the online shopping market at Rs.2,050 crore in 2010. eBay India Census 2011 identified buyers from 3311 Indian cities which are shopping online covering all 28 states and 7 Union Territories of India .e-purchases habits in India is shown in figure 3.



Source: B.Muralikrishnan, The e-commerce way, The Hindu Survey of Indian Industry 2012 P.197

Fig. 3: e-purchases

Metros have 51% of online shoppers. In Tier-2 and3 cities (Bharat) catching up 40% but rural contribute 9% transactions. But, the challenge is Nearly 70% of the country's population lives in rural areas, which shown in fig. 3. Strength in India is economic growth as well as people ready to explore the internet facility.

**Top Traded Products:** Online shoppers are given more preference to the durable goods in India. First place goes to the cell phones followed by other products which are shown in Table 2



Table 2 Top Traded Products

Ranking	Products
1	Cell phones
2	Wrist watches
3	Solitaire pendants
4	India common wealth stamp
5	Republic of India currency notes
6	DVDs
7	8 GB pen drives
8	Homeopathic remedies
9	Headphone with mica
10	PC video games

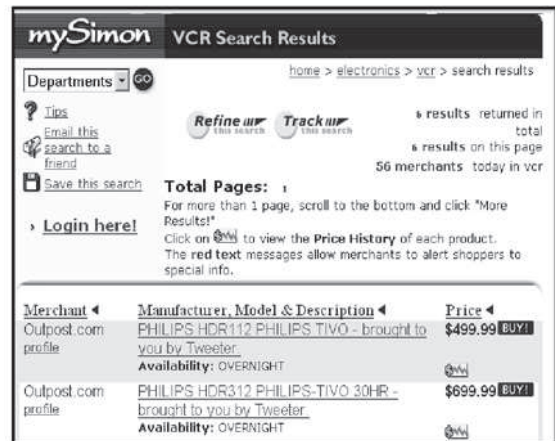
Source: B. Muralikrishnan, The e-commerce way, The Hindu Survey of Indian Industry 2012 P.197

Consumers can directly identify the goods or services through web sites and make an order through websites. Online shopping is available at 24 hours a day, and many consumers have internet access both at work and at home. Fig. 4 is an example of website of social network of Kotak.



Fig. 4 Website of a Product (Kotak)

**Price:** Price is the amount of money charged for a product or service. Today, online buyers can easily access the information because Internet is convenient, fast and save time. Social networking such as face book and twitter give the consumers the power to find the best products without even consulting company sites. Companies can build a larger customer base through social media by different types of pricing which is shown below:



Source: www.mysimon.com

Fig. 5 Different Types of Pricing

The above figure shows the various type of pricing in VCR. low price and high price mentioned in the website. Generally low price build market share. In the organizations point of view, firms can easily access the competitive price changes and update their online prices. Online sellers can change prices much more easily than traditional stores. Pricing can use for short-term demand management [8]. Besides dynamic posted prices; common online pricing policies include various types of auctions [9].

**Integrated Marketing Communication (IMC)**

A cross-functional process for planning, executing, and monitoring brand communications designed to profitably acquire, retain and grow customers. Companies can join such social networks in order to observe consumer conversations, increase their awareness, and energize consumers [10]. Candy stand Web site, sponsored by Life Savers candy: Each link at the site leads to a game sponsored by one of the Life Savers candies. Consumers know that this content is brought to them by Life Savers in conjunction with Candystand.

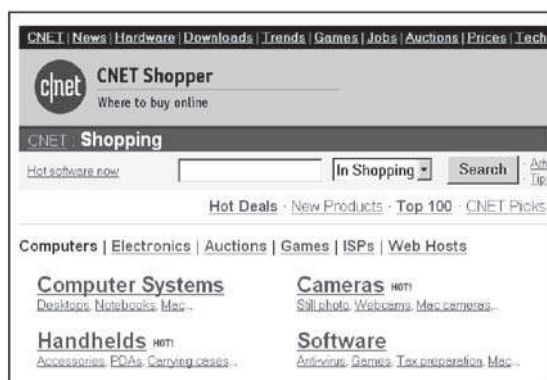


Source: www.candystand.com

Fig. 6 Integrated Marketing Communications of Candy stand Web site

## Distribution Channel

Online sales of digital or tangible products are done by directed distribution, with intermediaries or by using multichannel marketing. New and existing companies can reduce some costs for their firms such as the cost of printing the brochures, leaflets, or catalogue for introducing new products to the market. Companies can launch a marketing campaign over the Internet, people from everywhere can see it if they access to the website. Having the website over the Internet can bring the chance for companies to have more potential customers than in offline marketing. Another problem is the cost of product purchase by the buyer's perspective is high due to additional hidden charges because of shipping cost. Small delivery of goods is challenge due to additional expenses added in delivery. Even though, it is an opportunity for online shoppers in searching suppliers through web and it facilitate current relationship with customers. Online retailers normally hold inventory and perform the pick, pack, and ship functions in response to a customer order. One of the website for identify channel is given below:



Source:www.shopper.com

Fig. 7 Website for Online Shopping

Customer relationship is the output of marketing mix. CRM is a model for managing a company's interactions with current and future customers. It involves using technology to organize, automate, and synchronize sales, marketing, customer service, and support.

According to Gartner group, "CRM is an IT enabled business strategy, the outcomes of which optimize profitability, revenue and customer satisfaction by organizing around customer segments, fostering customer-satisfying behaviour and implementing a customer-centric process" [11]. Peppers, Rogers and Dorf, point out CRM can be viewed as an application of one-to-one marketing and relationship marketing, responding to an individual customer on the basis of what the customer says and what else is known about that customer [12]. A major shift in marketing practice: from mass marketing to individualized

marketing, from focusing on acquiring lots of new customers to retaining and building more business. Currently, CRM software is useful to the organisations for retaining relationship among customers.

## Findings

Internet usage is increasing in India especially social media usage. Face book usage has been increasing because of sharing the knowledge with others in the social media platform. Metros, Tier-2 and 3 cities are ready to depend on online shopping. Most of the online shoppers are preferred cell phones followed by wrist watches, solitaire pendants and India common wealth stamp. Even though, rural areas are given less importance to the online shopping. But, 70% of people in India are residing in rural areas. The study highlighted various types of websites among marketing mix. Outcome of the mix is transitional outcome and relational outcome.

## CONCLUSION

Remarkably, social media is a shift from product to solution. This shift in the information control is dramatically influencing the way consumers receive and react to market information [13], [14]. Companies can use social media to interact with their customers on a more informal way. It is a way of building brand awareness and increasing customer loyalty. Moreover, ingredients of marketing mix are useful for improving corporate image. Websites has mentioned in the paper provides more insight about the mix. Rural people are growing segment in India. Pursue the people of rural areas about the internet usage is an opportunity in increasing market share.

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