The Significance of Strategic Marketing with Social Media

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Abstract: *In the last few decades, technological innovation has increased at a rate that is unusual. Creating a variety of open channels for online display Social media's widespread use has given consumers new tools for searching, evaluating, selecting, and purchasing marketing offerings in addition to empowering and engaging them in their brand relationships. As a result, these advancements have an impact on marketing strategies from a tactical to a strategic level. Due to its capacity to produce co-created value, engage consumers in interactive brand-supplier connections, track brand-related conversations and sentiments, assist consumers in decision-making, foster customer-to-customer interactions, and turn consumers into brand advocates, social media has evolved into a crucial component of modern marketing strategies. Examining social media marketing's strategic potential for businesses is the aim of this research. This study describes the function of social media marketing in advertising, CRM, and electronic word-of-mouth by offering a thorough conceptualization and definition of the field.*

Keywords: Advertising, customer relationship management, e-word-of- mouth, online consumer behavior, digital marketing.

I. THE ORITICAL FRAMEWORK

Why Social Media is Important in Today's Business Environment According to Boyd and Ellison's (2007) discussion of the history of social network sites (SNS), the idea of social media began approximately fifteen years ago. In the late 1990"s SNSs were very limited, allowing users to only create personal profiles and connect to "friends" (Boyd & Ellison, 2007). Technologies available for SNSs at that time were part of the web known as Web 1.0 and consisted mainly of static web pages and file management (O'Reilly, 2005).

Around 2001, professionally affiliated SNSs started to appear, allowing users to connect and collaborate for business and professional purposes (Boyd & Ellison, 2007). Soon after, Web 2.0 technologies created an online environment of electronic media sharing and user generated content, giving users the ability to create, aggregate, link, and share created content instantly (O'Reilly, 2005).

These continuously created social media conversations take place among several different types of consumers: a current customer, a prospective customer, a fan of the product or service, or a critic of the product or service (Ramsay, 2010). Product branding and customer relationships are two business areas that can be affected positively or negatively by the way organizations choose to participate in the conversations (Ramsay, 2010). Not only should organizations participate in these conversations, they should initiate activities

thathelptoanswerthequestionwhyconsumersdoordonotbuytheirproducts and services (Zack, 1999). Knowledge produced from these conversations can help to positively impact product branding and customer relationships. To complicate matters, these conversations are not just about product reviews and services received during the purchase; they are taking place during all the steps in the buying process. These steps are described by Court, Elzinga, Mulder, and Vetvik (2009) as the "consumer decision journey," and include the following phases: consideration of certain products/services, evaluation of those products/services, selection and purchase of the products/services, and experiencing the products/services.

It is clear that social media communications are increasingly influencing customer perceptions and purchase decisions(Courtet al., 2009; Edelman, 2010). The reach of these communications is spreading in a "viral" fashion. A

study conducted by Fulgoni (2011) of three successful companies‟ Facebook communications estimated the increased reach to be between 125% and 169% when friends of fans were included in the companies‟ communications.

Social networks continue to gain popularity and are fast becoming the preferred communication channel for personal and business interactions (Ramsay, 2010). Van de Ketterij‟s (2012) report on the current usage of social networking showed that people worldwide spend one out of every five minutes online in some type of social networking environment. If companies do not begin to listen to these social media conversations and use them to create competitive knowledge, they will continue to lose any competitive advantage they may have (Ramsay, 2010). As such, using social media to better understand why customers buy (or do not buy) an organization's products or services undoubtedly plays an important role in establishing a competitive position. User generated content from social media sites has changed the way people find and buy products and services, a trend identified by Steve Hasker, Nielsen‟s President of Media Products and Advertiser Solutions (Innovating to Keep up with the Ever changing Consumer, 2011). This trend has an enormous potential impact on businesses, as more and more customers find products from social media conversations. Often they continue to discuss the product/service in social media environments after the completed purchase (Court et al., 2009).

It is just as important for employees of a firm to know when and how to respond to communications within social media environments(Ramsay, 2010; Brandel, 2010). Ramsay (2010) gives examples of how a lack of response or a negative response to complaints can damage a business‟ reputation. At the same time, negative effects can ensue when businesses participate in unsolicited social media conversations. They may be interpreted as "pushy" or unwanted, similar to spam email and, many times, will be ignored. This is not an effective way to increase customer loyalty (Ramsay, 2010). Finally, social media allows information to be spread rapidly from one person to many people through self replication (Phillips, McFadden, & Sullins, 2010). Social networks have the built-in capability for this replication, and businesses realize a larger reach can be achieved through using social networks in this manner (Phillips et al., 2010). This "viral marketing" concept has been beneficial to companies trying to reach different prospective consumer groups. Fulgoni‟s (2011) study of three companies‟ use of social media communications illustrates this concept and shows that when a company sends communications through a social media channel such as Facebook, "Friends of Fans" are much more likely to visit the company's website than someone just "surfing" the Internet.

II. LIMITATIONS OF THE STUDY

Several limitations to the current study suggest potentially valuable avenues for future research. First, this article is theoretical and conceptual, thus it lacks the empirical analysis of social media marketing and online consumer behavior. Future research should focus on examining consumer behavior on social media marketing, by proposing and validating a scale that would explain this behavior. Moreover, researchers should investigate the differences of online consumer behavior based on different social media platforms (Facebook, Twitter, Instagram, Snapchat). Social media aspects are still in the early stage of research in examining their extent for digital marketing. As a result, Alalwan et al. (2017) note this might be the main obstacle in studying the attitudinal and behavioral responses of consumers toward digital marketing tactics on social media platforms.

As described above, a related area of social media marketing that has lacks academic perspectives is influencer marketing in online frameworks. Finding the premises that lead to influencers‟ role in SMM is a research path will multiple managerial and practical implications for marketing. Interactivity has been another imperative factor in consumer engagement on social media. Subsequently, future studies should aim to clarify how this factor could have an impact on the customers‟ responses for the advertising activities as part of social media marketing.

1. Social Media Marketing Concept utilization

Before explaining the concept of ‚social media marketing‟ (SMM), it is important to consider and understand the term‚ social media‟. As proposed by Kaplan and Haenlein (2010,p.61),social media is based applications that are available on the Internet and allow developing, consuming and sharing User Generated Content. These applications have created many opportunities for anyone to create personal content, share it and exchange ideas in interactive frameworks, that take different forms, from blogs, wikis, , and general social networking website. Also, from a general

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DOI: 10.48175/IJARSCT-17711

ISSN
2581-9429
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perspective, Filo et al. (2015) explained the concept of „social media" by focusing on its interactivity and co-creation of user-generated content in the relationships established between organizations and individuals.

With increased popularity in academia and practice, social media marketing (SMM) has gained multiple points of view of different authors. Some researchers define this concept as a facilitator of connectivity and interactions with existing and prospective customers (Dwivedi et al., 2015; Yadav and Rahman, 2017; Choi et al., 2016; Pham and Gammoh, 2015; Tuten and Solomon, 2016), whereas other authors establish the root of SMM in meeting business goals, as they relate to consumer equity, loyalty, satisfaction and purchase intention (Choi et al., 2016; Felix et al., 2017; Yadav and Rahman, 2017; Tuten and Solomon, 2016).

From a marketing perspective, Dwivedi et al. (2015, p.291) provided a conceptualization of social media marketing by focusing on the dialogue (provided by the interactivity) that is created around a marketing offering. This dialogue helps other social media users to come in contact with promotional information or learn from other people's experiences with a certain marketing offering. Felix et al. (2017) proposed a new definition of social media marketing, based on their comprehensive study aimed at providing a holistic framework for this online marketing concept.

Thus, Felix et al. (2017) defined a holistic approach of social media marketing and also explained the strategic level of social media marketing which „covers an organization's decisions about social media marketing scope (ranging from defenders to explorers), culture (ranging from conservatism to modernism), structure (ranging from hierarchies to networks), and governance (ranging from autocracy to anarchy).

As it can be observed in Table 1, there are various conceptualizations that focus on different perspectives. Social media marketing (SMM) has provided opportunities for consumers and organizations to participate in discussions about products or services, contribute and collaborate on creating them, as well as empowering customers to become advocates and influencers of particular marketing offerings for a wide audience. Based on SMM" sability tocreatevalueontheseonline platforms, as well as communicate it and deliver it to main targeted audiences, this concept can be traced to both relationship marketing and digital (or online)marketing.

2. Strategic Opportunities of Social Media Marketing for Organizations

Social media offers many opportunities for both consumers and organizations. On one hand, in using social media, consumers have developed new ways to interact with brands, to voice their opinions about particular brand experiences, and have also helped them in searching, evaluating, choosing and buying goods and services (Albors et al., 2008). On the other hand, organizations have the opportunity to invest in their social media presence and develop more targeted campaigns, communicate with consumers, use the medium to drive direct sales, gain insights into how customers perceive and appreciate a brand, as well as lifetime value targets, such as customer acquisition and retention.

2.1 Social Media Marketing and its Advertising Potential

Social media marketing is highly correlated with advertising and its potential for driving business and conducting promotional activities to reach and communicated with targeted customers (Alalwan et al., 2017).

Facebook achieved in $27.6 billion in total revenue in 2016, with $8.62 billion in the final quarter (Facebook, 2016). Moreover, as reported by Facebook itself (Facebook,2016),ithadanoveralldailyactiveusersof66%,ofitstotalof1.8billion users. That means that approximately 1.18 billion people are actively engaging in socialmediaactivitiesonFacebook,providingmarketingopportunitiesforglobaland local brands that can target this large audience based on various demographics and interests. In June 2017, this highly popular social media platform reached a new milestone as now more than 2 billion people from all around the world use Facebook (Facebook, 2017).

Twitter is another social media platform used by organizations for advertising, generating $2.5 billion in ad revenue in 2016 (Twitter, 2016). Snapchat (2017), a newly public social media company based on a photo-sharing app, reported in its first three-month period of 2017 a revenue generated by ads of $149 million.

Based on the strategic importance of social media in advertising, a number of studies (Duffett, 2015; Carrillat et al., 2014; Mir, 2012) have examined this subject related to promotion on social platforms. In his study, Duffett (2015) explored the behavioral attitudes of South African Millennials towards Facebook advertising, extending the study to answer research questions related to the efficiency and effectiveness of social media practices in relation to intention-to-purchase and purchase perceptions.

In a similar study, Carrillat et al. (2014) raised attention to hedonism and proposed it should be included in social media advertising to create positive and pleasurable brand experiences in online mediums. Mir (2012) also proposed that SMM and online advertising on these platforms, can lead to favorable attitudes of existing and potential customers.

Conversely, other studies showed advertising on social media does not exhibit positive and favorable behavior for consumers, presenting divergent behavioral attitudinal responses (Bannister et al., 2013; Chandra et al., 2013; Kodjamanis and Angelopoulos, 2013). For instance, Bannister et al. (2013) examined US students" attitudes for advertisement, and their study found negative attitudes as most students ignored the ads, without generating any purchasing decisions.

In a another study, Chandra et al. (2013) discovered that students used Facebook advertisements to compare prices, however they tended to experience negative cognitive and affective attitudes for brands appearing in the ads. Moreover, Kodjamanis and Angelopoulos (2013) in their UK empirical primary research found that more than half of the respondents did not consider that Facebook advertisements had an impact on their buying intentions or behaviors, and one third of the respondents felt that they had a low effect on them.

2.2 Impact of E-Word-of-Mouth on Social Media Marketing

On social media platforms, existing customers are able to talk about their brand experience, influencing other potential customers. Meanwhile, companies can listen in on these public comments and recalibrate their social media marketing strategies accordingly.

As a result, electronic word of mouth has a higher impact on social media marketing because it can reach more people in online settings and influence their future decisions or perceptions related to various brands, relative to traditional interactions between people.

Using the premises of a secondary study for examining research trends related to social media marketing, Alalwan et al. (2017) found that social media platforms lead to a more intense and extensive impact of WOM compared to traditional marketing tools. Moreover, Hudson et al. (2015)demonstrate the value and relevancy of brand relationship quality for social media marketing and help identify how this concept is related to other behavioral results, such as electronic word of mouth.

On the other side, Barreto (2013) based her eye tracking experiment to study advertising effectiveness based on empirical data and to examine banner blindness and found that Facebook advertisements registered lower consideration for buying, compared to eWOM from friends on this social media platform. Based on this finding,marketersshouldfocusonstimulatinginteractivityandeWOMbyadoptinga proactive endorsement of sharing (as promoted posts or ad campaigns on social media) content created by consumers (also known as user-generated content).Various types of content and marketing communications that are created, developed and shared on social media by consumers and customers of a brand or organization can then be re-purposed and transformed in advertising campaigns.

III. CONCLUSION

By closer reviewing the main body of literature of the social media marketing, this paper was able to explore several marketing applications and themes covered. This study contributes to the existent literature on social media marketing (SMM) (Felix et al., 2017; Wang and Kim, 2017) and increases the understanding of the strategic ramifications of this concept for organizations that aim to gain new brand awareness or new customers from online settings. The current study has addressed the differences between the concepts of social media and social media marketing. Moreover, the article provides a comprehensive foundation to extend the main opportunities for strategic social media marketing in online mediums.

For instance, there is a necessity to discover the impact of the kind and nature of social media platform(i.e. Facebook, YouTube, Instagram) on the effectiveness of promotional activities to reach the targeted customers. In the line with this, Filo et al. (2015) call for further interest to explain how customers" attitudes could be differently formed based on the kind of Facebook advertising. Moreover, Wang and Kim"s (2017)results indicate that companies that are more active on social media can improve their value even more.

E-WOM and CRM have derived a significant amount of interest from a good number of social media marketing studies. This research interest provides clues on the relevancy of social media for marketing objectives, particularly those related to CRM, e-WOM and customer equity. Consequently, more research Media for these aims(Alalwanetal.,2017).

As observed from the definitions of social media marketing, as well as this concept's impact on CRM, eWOM and advertising, for organizations to success on these platforms it is necessary for them to allocate the necessary resources to create viral content, but also to monitor and share user generated content that was developed by loyal consumers. Especially in online frameworks, a type of content (video, photo, blog, meme, podcast, ebook, SlideShare, post) that was generated by a consumer will gain much more traction online than a similar type of content that was created by a company or organization. As a similarity to word-of-mouth, a type of recommendation or critique from someone relatable is more likely to get noticed and enhanced in online settings.

As companies observed this trend, they have allocated a part of their online marketing budget to influencers. As Morrison (2017) from Adweek proposed in early 2017, influencer marketing is becoming an integral part of social media marketing and it implies the promotion and selling products and services through people (influencers) who have a large base of followers. Further, the main purpose of influencer marketing it to determine certain behavioral results, in the form of purchases or intent to buy of their followers. Even if influencer marketing has similarities to celebrity marketing, its distinction is based on the fact that anyone who has a large following of different social media platforms can become an influencer for a brand or product.

Companies should also allocate resources to monitor social media discussions about their brands, and observe the general sentiment about their products, and examine which developed content (by the company or by other consumers) is generating positive word or mouth or has viral tendencies.

Therefore, this study provides strong evidence that social media and their application should be the focus of attention for both perspectives practitioners and researchers.

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DOI: 10.48175/IJARSCT-17711

ISSN
2581-9429
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