
An Empirical study on Social Media and its Business Implications in India

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Abstract

Social media in the 21st century has taken the centrepiece in every digitally conscious individual's life . Corporates and business houses too are toeing the same trend. Ease of transaction , brand building process by focusing on enhancing brand equity, real time customer feedback, swift communication of companies information on products and services and effective time management thereby allowing management to focus on core business activities are few of the benefits of social media usage. This study highlights the dynamics of social media and its exponential growth focused on the lucrative Indian market.

In the Indian context, utilization of social media platforms has grown exponentially, and this idea can be supported by the fact that internet users in India has crossed 302 million as on Dec 2014. (Ken Research, 2014). Social media giants consider India as a large lucrative market because the active number of social media user is approximately 106 million. India ranks as one of the top 3 countries where number of Facebook users are over 100 million (Ken Research, 2014). Mobile Web penetration can be considered as primary contributor for this kind of growth in the use of social media. A large(81%) of the marketers consider Facebook as the most potent platform for promoting and marketing their brands closely followed by Twitter and YouTube. (Ken Research, 2014).

The Indian diaspora and business houses identify the importance of a social media platform to transact business especially because of the ease and comfort it affords to both the parties. The primary goal of corporates to use social media platform lies in achieving the hidden agenda of obtaining valuable customers insights, accelerating brand awareness and loyalty, running advertisements with real time results provide rich customer experience , monitoring competition and most importantly building and enriching customer relationship. India companies tend to spend 15% of their annual budget for marketing reasons. Consumers in India account for 75% of the Indian population who are online. (Ken Research, 2014)

The marketing and promotion cost of the companies are on the rise especially because of the need to be seen and heard too often amongst a host of growing competition. This coupled with growing digital penetration , the online advertising revenue in India is projected to reach 101.5 billion rupees by 2017.

The top 3 industries in the context of expenditures , in online advertisement till the end of financial yert 2014, are FMCG , E-Commerce and Telecom. (IMRB, 2014) E- Commerce companies expenditure on advertisements account for approx. 18%.

Social media has been a prime focus for marketing scholars today especially in the context of its policies, uses and strategies (Peltier, 2013, pp. 2-21). Since social media uses a technology based conceptual platform, new applications have been conceptualized. This led to the creation of creative websites resulting into the sharing of more knowledge and information (Faulds, 2009) .Social media connoisseurs contribute in creating their own set of information, post it as per their choice, upload content on various platforms, express their views on other's opinion on the digital space and in the process market and promote their ideas. Due to the quick

penetration of information on real-time basis on social media, it is more popular among the young population. (Edosomwan, 2011).

Self zoning as a process is observed among internet users because of like-minded individuals coming together to form a platform of their own (Canhoto, 2013). Social media can be best described as an information-generating cohort that contributes to the formation and utilization of information which has sensitized online users and made them aware of various brands , goods, services and other issues of varied importance (Schultz, 2011)

The omnipresence and extensive use of social media makes it vital for companies to make their presence on social media a top priority. Marketing one's product and creating a sustainable brand through a rigorous and highly expensive brand building process requires not only adoption of new age process and techniques like social media corporate strategies but the courage to extensively employ it because social media marketing can be a stunningly effective stepping stone in the current age brand building exercise. But it may be noted that it is also a double layered sword which can make or break a brand (Saha, 2017).

The 21st century is an era of information .The usage of social media as a primary platform for business is at an interestingly positive stage in the context of India. This is primarily because of the growing demand for digitalization in India and people's positive response to it. This origin of this idea can be traced to the whopping growth in business of Paytm during the post demonetization phase. Paytm was the biggest beneficiary of demonetization where it did seven million transactions a day worth 120 crore a day (2016).Hence, in this perspective it may not be wrong to reiterate that social media as a potent force will rule our lives in the near future thereby adding substantial value to one of us.

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