

The role of social media and its implication on economic growth on society in India

Ishwar Lal Sharma

Department of Commerce, Ch. Bansi Lal Govt. College, Loharu, Bhiwani, Haryana, India

Abstract

The attachment of information with technology has led to the growth of so many countries with India no more an exception as the impact of information dissemination leads to democratic decision making and policy formulation for better governance. The composite impact of convergence of information, technology, media and particularly social media leads to easy life, faster accessibility of services, transparent governance, cost effective delivery to goods, growth of business and employment opportunities and many more. With the advent of internet and web based technology people have come closer because the usage and accessibility of faster and efficient communication networks including quicker social networking sites like – twitter, Face book, YouTube, LinkedIn etc. Which provide blogging, micro-blogging, micro-blogging, video-blogging, chatting, information sharing services are gaining importance day to day.

Keywords: role of social, implication, economic growth

1. Introduction

India is on a threshold of becoming a lead economy of the world as her demographic dividend will be the highest i.e. the largest population between the age group 18-59 years within not so distance future. While talking of the return from this vast working human resource known as demographic dividend, it would be pertinent to look into another big opportunity which has recently emerged and likely to grow in what is termed as information driven economy and society. In the age of information-led economy, it is the information dividend which can yield socio-economic benefits to the large section of masses. In recent years social media and its various forms have brought significant contribution to the social and economic growth and development.

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in India. How the information infrastructure project 'Digital India' can help in developing social media in India?

1.1 Rise of Internet and social media in India

The role of social media and its implication on economic growth is well researched and as the largest democracy of world with huge customer base, India acquires significant position as still the potential of information yield remains untapped. According to the internet and mobile Association of India (IAMAI) and Indian Market Research Bureau (IMRB) report 'the growth in the number of social networking users can be attributed to the rising internet penetration in India, through increasing affordability of Smartphone and consequent mobile internet use.' Internet being the pre-requirement for the spread of social media is important for study as social media interaction and information sharing are possible only through internet or web connectivity.

As per the authentic sources, more than three quarters of internet users in are India engaged in social networking. That accounts for nearly 165 million social media users in urban India. India is the third largest internet user country in the world having 400 million (40 crores) internet users. India has 5.7% users of internet users world-wide and has 34% population penetration of internet users. And there are more than 300 million computer literates in India and 990 million mobile owners in India. According to Mckinsey Global institute report on 'Internet matters: the net's sweeping impact on jobs, growth and prosperity', China and India have already 500 million internet users which are estimated to go up to 1200 million users by the year 2015.

The number of internet users in the country is expected to go up to 50 crore, from the present over 40 crore, in the next 5-8 months, Telecom Minister Ravi Shankar Prasad said recently. According to Govt. estimate, out of these, 70 percent people are going to access Internet through mobile phones. About 100 crore people, out of the population of India of nearly 125 crore, have mobile phones and every month, 20-35 lakh mobile users are added.

The NDA government, led by Prime Minister Narendra Modi, is trying to awaken the efficiency and innovation in the public. They are constantly simplifying the government policies and procedures for good governance and development. The present Narendra Modi government is actively setting up information Highways. The Information technology enabled about 95 crore Aadhar card Holders in the country and the government has made the Aadhar card mandatory for reaping the benefits of many schemes to promote good governance. If the Supreme Court gives nod, then the Aadhar card will be made mandatory for all government schemes in due course. The government is working towards connecting 2.50 lakh gram panchayats in the country through optical fiber network, and then e-business, e-education, e-health and other projects could be started in villages as well. There will be more users from the rural areas, more people will access internet from their phones and the number of women users will also rise significantly, says the report by the Internet and mobile Association of India. In 2013, India had 60 percent users under 25 by 2018, more than half the users are likely to be above 25. Users in rural areas are expected to go up from 29 percent in 2013 to nearly 50 percent in 2016. The numbers of women users are expected to increase from 28 percent in 2013 to 35 percent by 2018.

As far as internet users using social media sites are connected, India has the biggest networking social site Face book out of total the face book user's worldwide while there are huge number of user's of Orkut, Twitter and ibibo social networking social networking sites (SNES) respectively. According to internet and mobile Association of India (IAMAI), the number of social media users is expected to grow further. Youth and college-going students form the largest user base of social networking, accounting for 84% of active internet user. The rise of Internet users also depends on the telephone connectivity and telecom reforms during the last few years have enhanced the growth of telephone and wireless users which is an indicator of growing social media.

1.2 Internet, social media and growth in society

It has been proven that internet plays a role in contribution to the GDP of a country. As per recent study by Mckinsey Global Institute Report internet contributes 3.2% of the GDP in India while developed nations like Sweden, UK, South Korea and Japan have equal to or more than 4 percent of GDP contribution by internet. Thus, India still has a potential for growth of its internet penetration and social media can facilitate the trend. Nations around the world have recognized the contribution of broadband infrastructure to speed up growth and spurt development in developing economies.

Social media is dependent on internet penetration; India still possesses a lot of potential for the growth of internet penetration which would ensure parallel growth of social media.

Internet and social media also have a tendency to improve the business prospects of a country as more than 70 percent of organizations operating around the world are now active on social media and adoption of social media is widespread for businesses in the emerging markets of China, India and Brazil who on average are 20 to 30 percentage points more likely to use social media than counterparts in the UK, Australia, Germany or Canada.

This is due to the fact that, social networks tend to be consumer focused and, therefore, provides a cost effective marketing

channel. But they also enable retailers and wholesalers to capture a rich source of customer information to better direct their product development and planning.

The changing life style, aspiration to use branded products, increasing income of middle class, fashion consciousness, changing tastes and preferences are factors which contribute to the growth of e-commerce which includes e-business, e-shopping, online retailing, e-gifting and many more. Social media has accelerated the growth of e-commerce as India has vast population of the aspiring youth.

According to the data provided by Social Media Marketing Industry based on survey of some companies, 94 percent of all businesses with a marketing department used social media as part of their marketing platform and about 60 percent of marketers are devoting the equivalent of a full work day to social media marketing development and maintenance. 43 percent of people between the age group 20-29 years spend more than 10 hours a week on social media sites.

The power of social media in terms of convincing the customers, disseminating speedy and accurate information about the product, reduced operating costs, spontaneous feedbacks and response, brand building and customer relationship is well established. Thus, use of social media in business leads to value addition to their products, promotion and revenue generation and ultimately helping the customers. The leverage of the usage of internet by Government can further lead to better performance and competitiveness of various sectors in India.

1.3 Social media and Information Infrastructure Project 'Digital India'

How social media can be made more useful for the people? For reaping the benefits of information dividend, the information infrastructure is a must as the government of India is planning to establish the National Optic Fiber network, with an aim to provide broadband connectivity to India's 2,50,000 panchayats and with the deployment of 3G, 4G etc. India could have more mobile broadband connections by the end of the year 2016.

The network would be like super highways where everybody would be connected and information will reach to the remotest person. The real benefit of video conferencing was for education and there were similar benefits for health, vocational education and other activities. The Government initiative to make the information accessible to each citizen through the information infrastructure with 27 missions in 17 states, e-courts, Akash Ganga projects etc. Which are meant for making the information available to the role is a step to grow the social media and related business.

Once the information infrastructure is established, it will boost up connectivity of people with government, business, small scale industries and open avenues for the growth of personal computing devices ranging from the smart phones, tablets to the PCs. The peripheral services provided by the increased use to the hardware would definitely multiply the growth driven by consumption, income, investment, employment, entrepreneurship and revenue. The people having information access will become connected to the social media networks and the dividend could thus be distributed. Now the government has initiated taking help of the websites for receiving public opinion on various policy issues. The experiment is showing positive results as the people are coming up with their own

suggestions on a policy-which is a much democratic way to policy formulation.

2. Conclusion

In the information led economy, social media has emerged as a powerful influential apparatus to ensure growth as reflected and empirically tested in various studies. Since social media is an outcome of internet and IT, the information sharing about products, services, business practices, enterprises, governance, policy formulation and behavior changes which are driven by increasing income level, spiraling aspirations of middle classes, changing habits of consumers and cost effective mode, its impact on business, entrepreneurs, investment, consumption and employment is inevitable. The multiplier effect of social media on the growth of web-based technology, peripheral services, innovative tele-communication devices, mobile telephony, tablets and PCs cannot be taken lightly.

The increasing information needs of the people have made the business, industries, entrepreneurs, banks, financial service organizations, public services like- health, education, police and judiciary think that they must integrate and adopt proper information infrastructure as it not only enhances their performance but also contributes to the economy as a whole. There is a strong need to understand and en-cash the rich information dividend by optimizing the use of social media and its various forms by both the public and private sectors in harnessing the hidden potential for economic growth and development of the society.

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