

A Literature Review On The Impact Of Social Media And Its Role In Marketing

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Abstract

With the growth of new communication technologies, the power of social media has gained more importance. The social media is crucial in defining what we think about, how we look at things and our social place and to discuss about the various issues in the society. Social media has been considerably influencing the various aspects of society like cultural, spiritual, social, economic, political and religious as well as influencing a personal level of thinking, feeling and reacting to particular issues. Social Media in a way disseminates information and had created the need for marketers to be present online to market their products. Social media plays both positive and negative role in marketing. In this article an extensive review of literature has been carried on to analyse and to get a good understanding on the impact of social media and its role in marketing. Literature review has been done from various books, journals, published papers etc. These studies have been reviewed and presented in the following manner. Literature review has been collected from both within India and outside India.

1. INRODUCTION

Communication is a process of sharing meaning and experience between people (Okunna, 1999, p.72). This article intends to put the research problem into perspective by reviewing the related literature and explaining the current understanding of social media and its role in Marketing. However, understanding social media and its role in marketing requires an understanding of marketing in general and the effects of the social media. Increasing

dispersion of information by the social media has introduced a relatively new line of social media studies in marketing environment. This article highlights on the various researches being carried and how such knowledge can be a guiding tool in analyzing the impact of social media and its role in marketing.

2. REVIEW OF LITERATURE ON SOCIAL MEDIA AND ITS ROLE IN MARKETING

Social Media has a very significant role in furnishing the information to the consumers in much a faster pace which leads them to decision making. Hence, the present study was designed to study the impact of social media and its role in marketing. The following were the major efforts at research in the subject, which have been referred for the research purpose.

1. The study made by **Bhagwat and Goutam (2013)** is in line with the study done by Jati and Mohanty (2012) where they assert the need for social networking sites in a business. They highlight that social technology is connecting people in ways to share information and other things to each other. From their study they found Facebook to be the leading Social media networking site. They have also provided with statistical data which shows that social media sites are growing and providing facilities to both business organizations and the people. Their reputation in short time is in lieu of their requirement in society for communication and also for business as well.
2. Likewise, **Kumar and Singh (2013)** makes the case that how social media as a marketing communication tool helps in building brand equity and customer relationship. In their study they have examined the strategy “Live the moment” used in social media campaign by Maruti Suzuki for its Ritz car to creating awareness and preference for its car. They found that using social media strategy used became a most successful campaign by the company and was capable of building a strong brand and strengthen its customer relationship through social media network. This tool not only stimulated the interest among its online fans community it also increased the awareness of other stakeholders.
3. **Ramnarain and Govender (2013)** in their exploratory research work among 150 youths aged 18- 24 studying at the University of KwaZulu-Natal of Durban, South Africa using a structured questionnaire found that there exists a relationship among the gender, social media browsing and purchasing behaviour of the respondents. They also found that social media browsing has influenced the youths purchasing behaviour through three factors, viz., important channel for communication, enhanced product and brand choice and spending power. The implication of their research findings was that through a complete investigation into the social media, the marketers need to re-evaluate their marketing and communication strategies in order to influence the purchasing behaviour of youths of South Africa.
4. **Shabnam et al. (2013)** observed the boom of social media marketing in their study and emphasized on the chances available for marketers to develop a personal relationship with the target population. They have carried out an exploratory research among the campus

youths in Bangladesh to explore the social media networking platforms and found consumers' responses toward the social media as a marketing communiqué option through a pilot study considering brand image, association, awareness, loyalty and consumer experience as independent variable and social media effectiveness as the dependent variable, measuring it through klout scores. They also conducted an in-depth interview to look at the marketers view towards social media usage for brand building and to ascertain different techniques and practices of social media platforms for brand building.

5. **Valeecha and Reza (2013)** tried to analyse how far social media is helping the telecom brands in Karachi, Pakistan and how consumers are responding to it by identifying those factors that are crucial for the success of telecom brands. They did an exploratory qualitative research using primary data collected from 108 social media users, 5 telecom companies and 8 social media agencies. They conclude from their survey based on the data collected from all the three perspectives that the active social media users expect companies to be there on social media by integrating with it the customer relationship strategies and always be ready to interact with the customers.
6. **Bajpai and Pandey (2012)** examines how viral marketing as a concept marks its place through social networking sites. They have taken Facebook for their analysis. They have clearly put forward that those direct marketers with intelligent strategies for Facebook environment will definitely taste success. They also highlight upon the offers provided by Facebook for brand marketers and conclude that there are many things left to learn and marketers are still in the early stages.
7. In another study by **Bajpai et al.(2012)** social media marketing: strategies and its impact highlights on the various social media marketing strategies for small businesses that can take this viral marketing form beyond the present social media to build the community powerful enough to make an initiative buying and marketing effective. They also compare it with the implications of traditional means of marketing.
8. Similarly, **Bashar et al. (2012)** through an empirical research find out the effectiveness of social media as a marketing tool. They conducted their study among 150 social networkers in Delhi & NCR region using an online questionnaire method and through a non-probability convenience sampling method. The researcher finally found that social media as a marketing tool will be effective only if it provides a concrete and timely information wanted by the consumers to bridge the gap between the consumers' expectations and what the consumers actually want. And recommended that today's businesses have to be transformed from a transactional relationship to a social relationship. They have also suggested few steps to attain this goal.
9. **Castronovo and Huang (2012)** in their study had described the role of social media as an alternative marketing communication model. The main purpose of their paper was to outline WOM Marketing, social media and alternative marketing communications as possible components of integrated marketing communications. Additionally, they have also developed an integrated alternative marketing communication conceptual model that can be used by industrial practitioners to assist them in realizing their marketing objectives viz., increase

sales, increase consumer awareness; and increase consumer loyalty, where in all the different components of the model could be integrated to synergise and achieve success.

10. **Jati and Mohanty (2012)** emphasized on the recent growth and trends in the Social Networking Media, for which the presence of marketers in social media is need of the hour. They focused on the importance of Social Media Marketing to be a crucial element for building company's brand and to bring in success. In this article, they have given ten recommendations for best possible alternative selection for the companies that tend to be working in a global environment and also highlight on the Reuters' social media recommendations.
11. **Ranjitha and Sinnor (2012)** tried to explore the preference of the people and the usage pattern of social media sites among various age groups and profession. Based on age a sample of 120 and based on profession 360 sample were selected and tracked their communication of facebook usage for one month using "Communication tracking"- a research method. They have finally brought forward that facebook is the cheapest source which can be used for promotion by any company and without any doubt the customers are gaining insights about the products and also the companies get a direct one to one interface with the customer's inturn increasing their market share. But they also put forward one opinion that it is not the only source for promotion as there are also other source available which can be used by the marketers for their promotion and services.
12. **Edosomwan et al. (2011)** depict social media as a fact that has transformed the interface and communication of individuals all over the world. They have done a qualitative study by describing the features and how social media has evolved over time. They have also discussed about CyWorld, Facebook, Lunar Storm, YouTube, Twitter and MySpace. They further discuss the best situations where social media can be used viz., to communicate properly between the management and the employee, to make employees work efficiently in teams and to share ideas, etc.,
13. **Greer & Ferguson (2011)** studied the use of twitter for promotion and branding using a content analysis. They used a tactical and strategic model of media promotion to examine the Twitter sites of 488 local television stations in the United States. One finding of their study was that news stories were the most commonly occurring items on the sites and also found that, however, stations that offered news items also seldom promoted their regular newscasts. However, other items in this category such as contest promos, breaking news, or invitations for user interaction did not occur many a times. They conclude their study by saying that overall, stations did not come out to use Twitter to direct viewers to the station's on-air programming.
14. **Hanna et al. (2011)** analyzed the dynamic role taken consumers in co-creating marketing content along with the companies and their brands. They also found that there are many challenges faced by companies; they do not exactly understand how to be active in social media effectively, what performance indicators they should be measuring, and how they should measure them. In their article, taking the example of the social media strategy devised and implemented by the Recording Academy for conducting the 52nd Grammy Awards for

Music held in 2010, they offer a systematic way of understanding and conceptualizing online social media, as an ecosystem of related elements involving both digital and traditional media. Then, they concluded with several insights and five lessons (viz., visualisation, tracking, storytelling, no budgeting and to be unique) related to the strategic integration of social media into a firm's marketing communications strategy.

15. **Moise (2011)** makes his point that, many marketers believe that the organizations should aggressively promote only one advantage in the market concerned and social networks in the online environment allows them to appear more attractive to consumers. The organization can analyze the way in which the target market has answered to previous communication and recognize the channels to which the stakeholder groups had the most effective response.
16. **Asur and Huberman (2010)** in their study on predicting the future with social media has brought out how social media content is used for predicting the real-world outcomes. They used the chatter from Twitter.com to predict box-office revenues for movies. They then focussed on the means of viral marketing and also the pre-release excitement on Twitter where they analysed the part that attention plays in predicting real-world box office outcomes. Finally they also viewed on the sentiments created due to dissemination of positive and negative opinions.
17. **Kaplan et al. (2010)** discusses the idea of social media being the top of the plan for business executives. To make a firm profitable decision makers, as well as consultants are trying to identify modes for it through use of various social media. They also put forward a clear understanding of what the term "Social Media" exactly means. At last, they have provided with 10 pieces of guidance for organisations which have decided to use Social Media.
18. **Mangold & Faulds (2009)** in their study purported social media as a new hybrid element of promotion mix. They strongly put forward that modern marketing should include social media as a promotional tool when crafting and implementing their Integrated Marketing Communication strategies. As Social media tools reaches a large mass of audience, the managers must take into consideration consumer discussions in a manner that is relied with the organization's mission and performance goals. They have also highlighted on the methods that can be used to accomplish this viz., providing the customers with good networking platforms, promotional tools to engage customers, etc.,
19. This argument, made by Mangold & Faulds, is consistent with **Boone and Kurtz's (2007)** assertion that the purpose of integrated marketing communications is an effort to coordinate and control almost all the elements of the promotional mix viz., Sales promotion, publicity, advertising, direct marketing, personal selling, and public relations to construct a unified customer-focused communication and, therefore, accomplish various organizational objectives. To achieve this objective the organisation has to adapt to a new communication paradigm where information can be exchanged among users in the social media space.
20. **McIntyre (2009)** studied the role of twitter as a marketing tool for many companies. Twitter is another social media tool used by almost all nowadays like Myspace and Facebook. He describes it as one of the largest platforms in the world for sharing real-time data and further states that Twitter has become a place where companies conduct e-commerce, send

information to customers and create communities with the customers and to sell goods and services for individuals.

21. **Li and Bernoff (2008)** illustrated via 25 cases as to how organisation can increase raise their market knowledge, create income, save funds and systematize their employees using “social technologies”. Such organisations follow a “groundswell” model, similar to that of a wave that sweeps markets. They also highlight on the importance of understanding how new relationships are created in social media.
22. **Yang et al. (2007)** has examined the role of new business models and new trends introduced frequently in the e-marketing world by using a 7C framework. Here they discuss on social networking sites, a latest trend which has drawn not only the attention of a large number of people, but also online advertising companies. By taking Ning.com as an example they analyzed it using a Porter’s Five Force Model by developing a business model intended for online social networking sites. They also discussed about the major revenue models which can be used by companies giving online social networking services.
23. **Berthon et al. (2003)** has tried to explore the role of Business-to-business (B2B) marketing on the Internet. They also tried to study the notion between the two and the linkage value to exhibit why business to business marketing phenomena on the Internet are so important. They also explored how Web can trim down the transaction costs, thereby facilitating more resourceful market exchanges.

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