



IMPLICATIONS OF SOCIAL MEDIA MARKETING FOR THE MARKETER AND THE CUSTOMER

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ABSTRACT

Exploiting social media for marketing goods and services has come to stay in India. This is understandable considering the ever-rising mobile penetration in rural India and the ever-rising mobile user numbers. This contrasts starkly with the scepticism that emerged in some quarters when the mobile phones arrived in the country. Many doubted that rural India would welcome mobile penetration. However, recent history has proved them wrong. Doomsayers were proved wrong again when marketers began to market their products and services through the social media. Going by what is seen on the ground the marketers will ignore the social media at their own peril. Surprisingly, rural India too has been more than receptive to social media marketing. This study reveals that social media helps marketers improve their bottom lines provided they play fair. Additionally, it helps them cut costs and pass on the resultant benefit to the customers. However, grey areas in the regulatory regime and customer naiveness may play the spoilsport for the stakeholder categories. They warrant that the marketers protect themselves against any adverse consequences. Aggressive social media marketing could prove counter-productive. To rein in such marketing, the regulator should mandate the marketers to adhere to privacy and transparency standards. On their part, the customers had better be careful about what they are walking into.

KEYWORDS: regulatory regime; rural customers; social media; social media marketing.

1.1 Theoretical background of the topic

Social media represents a bunch of internet services that lets one interact with others and share and create content through online communities. Social media presents wonderful marketing opportunities to businesses of all sizes. Social media marketing is an exercise that seeks to generate website traffic or attention by leveraging social media sites. Social media marketing draws the attention of readers by using concise content. The concise content leads the readers to share the content with their social networks. In other words, word-of-mouth is replaced by electronic word-of-mouth or eWoM. eWoM can thus be regarded as statements / information shared by readers / customers through Internet-driven channels like web sites, social networks, instant messages, news feeds, etc, about an event, product, service, brand or company. When the statement / information travels from one user to another, chances are, it will resonate with the said users. This is because the recipient user is convinced that the information has come from a trustworthy third party and not from a brand or marketer.

1.2 Statement of the problem

Social media marketing comes with its own set of hiccups. Its primary role is perceived differently by different stakeholders. Then there are the ubiquitous demerits as is the case with any activity. How to make a success of social media marketing in such a scenario needs to be examined. More importantly, the right metric to gauge the success achieved by social media marketing is a big X factor. The ecosystem requires the right regulatory guidelines and customer protection measures. These are the problems that need to be addressed.

1.3 Review of literature

- 1 Anil Bhatt in his paper in "Blog Popularity And Activity On Social Media :An Exploratory Research" has made an attempt to find out the impact of the popularity of some social media websites on ROI. (Anil Bhatt, 2012) Social media provides a global opportunity for brands to use them as an effective channel for marketing of products and services. However the effectiveness of any marketing channel is largely dependent on a very important factor, the return on investment or ROI. ROI is something that most marketers look at when they have to determine the effectiveness of any marketing channel. The study therefore examined ROI for weblogs and how their promotions through two highly popular social networking sites, namely Facebook and Twitter affected their popularity and in turn increased their revenues through advertisements. The number of page views is a direct measure of the traffic a particular blog generates and therefore a correlation between page views and Facebook fans and twitter fans was established to gauge the effect of promotion of brands through social media. The findings of the study revealed a positive correlation across all blog categories and hence it was concluded that a positive change in Facebook followers and Twitter followers increased the number of page views. It was also found that the page views increased with the increase in time owing to an increase in fans or followers.
- 2 Shahir Bhatt and Amola Bhatt, in their study, "Online Shopping: An Empirical Study in Ahmedabad" discuss the factors that influence the customers' buy decision during online shopping (Shahir Bhatt and Amola Bhatt, 2012). The study identifies the seamless operation of the website, the service quality of the website and website security as the three important factors. The paper proves that that these factors are related to the type of customers. Customers are classified as occasional, frequent and regular, for the purpose. The study concludes that regular buyers are most influenced by the ease/attractiveness and the user-friendliness associated with the website, whereas the occasional buyers value website security to a greater extent.
- 3 Sheetal Thapar and Navneet Sharmain their thesis examine the growing popularity of social networking sites in some key cases (Sheetal Thapar and Navneet Sharma, 2013). They conclude that social media networking gives people an opportunity to raise their voice and assert their rights. The researchers are of the view that social media leads to true democratization of information. They further conclude that it helps in dismantling all caste and class barriers.
- 4 Ambrose Jagongo and Catherine Kinyua in their study, "The Social Media and Entrepreneurship Growth" focus on the effect of social media on the growth of SMEs in Nairobi (Ambrose Jagongo, Catherine Kinyua, 2013). Their study establish that social media tools ensure greater market accessibility and CRM which in turn have a significant impact on the growth of SMEs. This study recommends that the policy makers come up with competitive internet surfing rates and e-business policies to promote the kind of technological adoption that would grow the SME industry.

1.4 Research gap

Interesting though are the findings arrived at by the researchers, their work ignores the pronounced urban-rural divide obtaining in India, its rapid pace of urbanisations notwithstanding in the context of social media marketing. Then there are regulatory constraints and regulatory overlaps in certain areas which could

seriously affect the marketers and the customers as well. These issues have not been dealt with adequately in the reviewed literature. The present study seeks to bridge this gap.

1.5 Scope of the present study

The study confines itself to customers from in and around Bangalore urban district who patronise social media marketers. The study covers 30 social media marketers and 30 consumers.

1.6 Objectives of the study

The objectives of the study are to:

1. Ascertain the reasons for marketers preferring social media for marketing products and services
2. Identify the possible adverse outcomes of the application of social media as a marketing tool

1.7 Hypothesis proposed to be tested

The study proposes to test the following hypothesis:

“Social media marketing triggers eWoMcommunication”

1.8 Research design

1.8.1 Research methodology

The study is descriptive in nature and has used the ‘fact-finding’ survey method

1.8.2 Sources of data

Primary data has been collected from the respondents, viz., social media marketers (30) and customers (30).

Secondary data has been collected from reputed journals, magazines, newspapers, annual reports and house journals of manufacturers, trade / industry bodies in hard version and electronic form.

1.8.3 Sampling plan

Social media marketers: Simple random sampling under the probability sampling method was employed to select the marketers since it gave each of them an equal and independent chance of being selected. Accordingly, Interview Schedules were administered to 60 marketers based in Bangalore urban district. Duly completed Interview Schedules received from the first 30 respondents were selected for the study.

Customers: Simple random sampling under the probability sampling method was deployed to select the customers. It ensured that each element got an equal and independent chance of being selected. Accordingly, Interview Schedules were administered to 60 customers. Duly completed Interview Schedules received from the first 30 respondents were selected for the study.

1.8.4 Data collection instruments

Interview schedules, specially designed for the purpose, were administered to the respondents for collection of primary data.

1.8.5 Data processing and analysis plan

Non-parametric statistical units were used to test the association between some qualitative characters and conclusions were drawn on the basis of formation of H_0 and H_1 .

1.8.6 Limitations of the study

Primary data has also been deduced through constant topic-oriented discussions with the respondents. It is possible that a certain degree of subjectivity, even if negligible, has influenced their views. But the researcher is confident that the level of subjectivity will be too insignificant to affect the accuracy of the findings of the study.

1.9 Social media marketers

In the following paragraphs, the primary data collected from social media marketers is analysed.

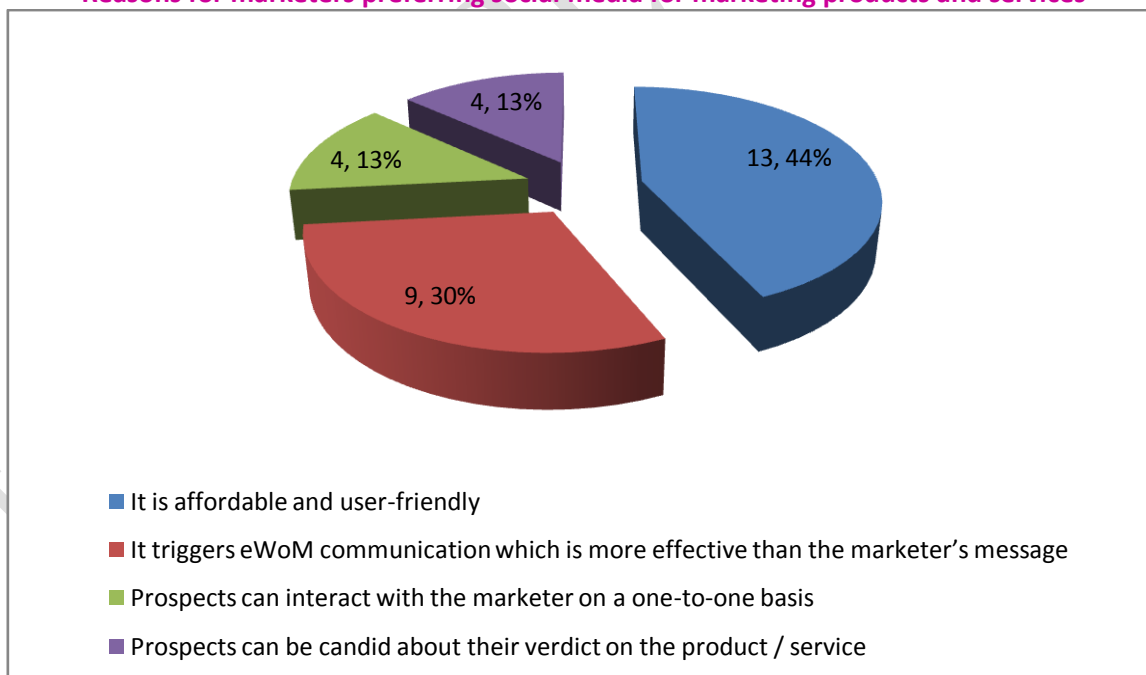
1.9.1 Reasons for marketers preferring social media for marketing products and services

Social media, at least in the Indian context, is increasingly being exploited by the marketers. Hence the researcher sought to know from the respondents the reasons for preferring social media for marketing their products and services. Their replies to the query appear in the following Table and Figure.

Table-1
Reasons for marketers preferring social media for marketing products and services

Reasons	Number of respondents	Percentage
It is affordable and user-friendly	13	44
It triggers eWoM communication which is more effective than the marketer’s message	9	30
Prospects can interact with the marketer on a one-to-one basis	4	13
Prospects can be candid about their verdict on the product / service	4	13
Total	30	100

Figure-1
Reasons for marketers preferring social media for marketing products and services



It is affordable and user-friendly, aver 44 percent of the respondents. It triggers eWoM communication which is more effective than the marketer’s message assert 30 percent of the respondents. Prospects can interact with the marketer on a one-to-one basis, declare 13 percent of the respondents. Prospects can be candid about their verdict on the product / service, declare 13 percent of the respondents.

It is affordable and user-friendly, aver 44 percent of the respondents.

1.9.2 Possible adverse outcomes of the application of social media as a marketing tool

According to one school of thought, as a marketing tool, social media could lead to some adverse outcomes for the marketer. Hence the researcher requested the respondents to disclose the adverse outcomes the exploitation of social media could lead to, for the marketer. Their replies to the query appear in the following Table and Figure.

Table-2
Possible adverse outcomes of the application of social media as a marketing tool

Adverse outcomes	Number of respondents
Inaccurate information inadvertently posted by the marketer spreads like wildfire	27
Marketer’s ignorance could lead to violation of regulations concerning privacy, spam, copyright and other online issues	26
For the marketer, obligations in terms of product / service quality, superior customer service, etc, continue	25
Returns generated by social marketing may not be commensurate with the time and money expended on social media by the marketer.	22

Inaccurate information inadvertently posted by the marketer spreads like wildfire, aver 27 respondents. Marketer’s ignorance could lead to violation of regulations concerning privacy, spam, copyright and other online issues, argue 26 respondents. For the marketer, obligations in terms of product / service quality, superior customer service, etc, continue, declare 25 respondents. Returns generated by social marketing may not be commensurate with the time and money expended on social media by the marketer, caution 22 respondents.

1.10 Customers

In the following paragraphs, the primary data collected from customers is analysed.

1.10.1 Reasons for marketers preferring social media for marketing products and services

Social media, at least in the Indian context, is increasingly being exploited by the marketers. Hence the researcher sought to know from the respondents the reasons for preferring social media for marketing their products and services. Their replies to the query appear in the following Table and Figure.

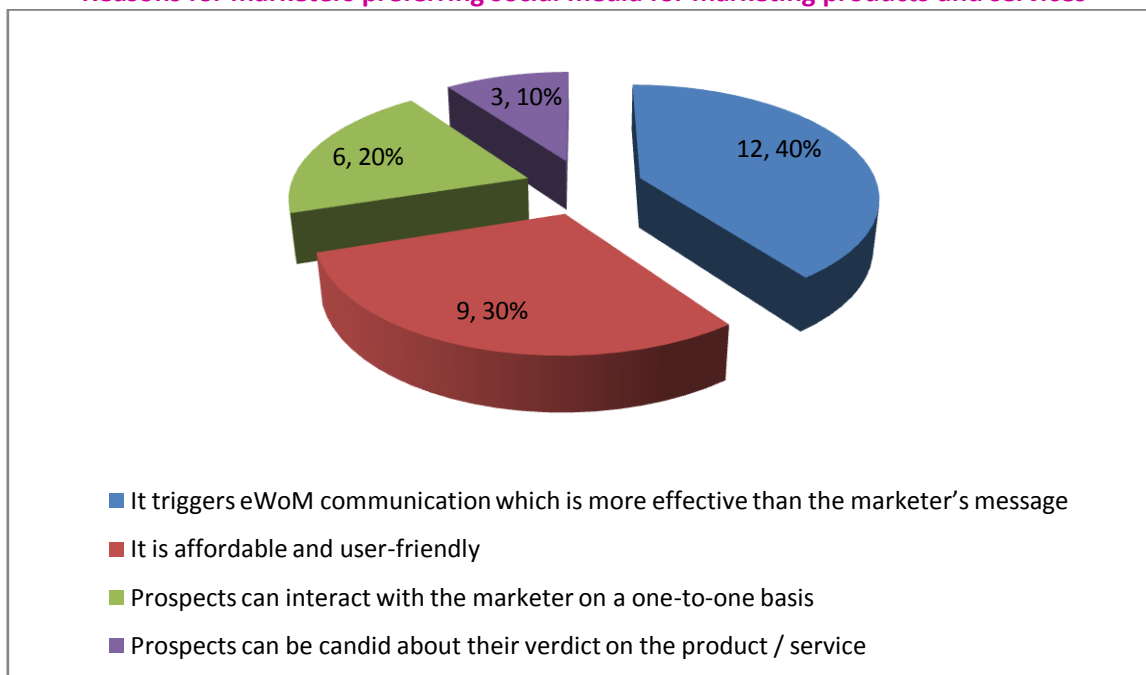
Table-3
Reasons for marketers preferring social media for marketing products and services

Reasons	Number of respondents	Percentage
It triggers eWoM communication which is more effective than the marketer’s message	12	40
It is affordable and user-friendly	9	30
Prospects can interact with the marketer on a one-to-one basis	6	20
Prospects can be candid about their verdict on the product /	3	10

service		
Total	30	100

Figure-2

Reasons for marketers preferring social media for marketing products and services



It triggers eWoM communication which is more effective than the marketer's message 40 percent of the respondents. It is affordable and user-friendly, aver 30 percent of the respondents. Prospects can interact with the marketer on a one-to-one basis, declare 20 percent of the respondents. Prospects can be candid about their verdict on the product / service, declare 10 percent of the respondents.

It triggers eWoM communication which is more effective than the marketer's message assert 40 percent of the respondents.

1.10.2 Possible adverse outcomes of the application of social media as a marketing tool

According to one school of thought, as a marketing tool, social media could lead to some adverse outcomes for the marketer. Hence the researcher requested the respondents to disclose the adverse outcomes the exploitation of social media could lead to, for the marketer. Their replies to the query appear in the following Table and Figure.

Table-4

Possible adverse outcomes of the application of social media as a marketing tool

Adverse outcomes	Number of respondents
Inaccurate information inadvertently posted by the marketer spreads like wildfire, leading to customer unrest	26
Some marketers may take the gullible section of the customers for a ride	25
<i>The marketers may tend to distort the truth, and hence their trustworthiness may be debatable</i>	23
For the marketer, obligations in terms of product / service quality, superior customer service, etc, continue	22

Inaccurate information inadvertently posted by the marketer spreads like wildfire, leading to customer unrest, according to 26 respondents. Some marketers may take the gullible section of the customers for a ride, fear 25 respondents. *The marketers may tend to distort the truth, and hence their trustworthiness may be debatable, declare 23 respondents.* For the marketer, obligations in terms of product / service quality, superior customer service, etc, continue, assert 22 respondents.

1.11 Summary of findings

In the following paragraphs, a summarised version of the findings arrived at in respect of the two categories of respondents is furnished.

1.11.1 Social media marketers

- ✓ It is affordable and user-friendly, aver 44 percent of the respondents.
- ✓ Inaccurate information inadvertently posted by the marketer spreads like wildfire, aver 27 respondents. Marketer's ignorance could lead to violation of regulations concerning privacy, spam, copyright and other online issues, argue 26 respondents. For the marketer, obligations in terms of product / service quality, superior customer service, etc, continue, declare 25 respondents. Returns generated by social marketing may not be commensurate with the time and money expended on social media by the marketer, caution 22 respondents.

1.11.2 Customers

- ✓ It triggers eWoM communication which is more effective than the marketer's message assert 40 percent of the respondents.
- ✓ Inaccurate information inadvertently posted by the marketer spreads like wildfire, leading to customer unrest, according to 26 respondents. Some marketers may take the gullible section of the customers for a ride, fear 25 respondents. *The marketers may tend to distort the truth, and hence their trustworthiness may be debatable, declare 23 respondents.* For the marketer, obligations in terms of product / service quality, superior customer service, etc, continue, assert 22 respondents.

1.12 Conclusions

Conclusions relate to the hypotheses. They are answers to the research questions.

1.12.1 Hypothesis testing

First hypothesis:

As explained, the following is the first hypothesis proposed to be tested:

"Social media marketing triggers eWoMcommunication"

Hence H0 and H1 are as follows:

H0: Social media marketing does not trigger eWoMcommunication

H1: Social media marketing triggers eWoMcommunication

On the basis of the primary data collected from the respondents, vide Tables: 1 and 3 and Figures: 1 and 2, a chi-square test was applied to ascertain the association, if any, between the two variables. The following Table reveals the computation made using MS-Excel:

		Observed Values		
Category		Yes	No	Total
	Social media marketer	9	21	30
	Customer	12	18	30
	Total	21	39	60
		Expected Values		
Category		Yes	No	Total
	Social media marketer	10.5	19.5	30
	Consumer	10.5	19.5	30
	Total	21	39	60
		Yes	No	
2	o-e	-1.5000	1.5000	
		1.5000	-1.5000	
	(o-e)^2	2.2500	2.2500	
		2.2500	2.2500	
	((o-e)^2)/e	0.2143	0.1154	
		0.2143	0.1154	
	CV	0.4286	0.2308	0.6593
	TV			3.8415
	p			0.9562

The calculated value of χ^2 is 0.6593, lower than the table value of 3.8415 for an alpha of 0.05 at one degree of freedom. Hence the null hypothesis is not rejected, and the research hypothesis is rejected.

1.13 Researcher’s recommendations

1. With eWoM being more trustworthy than the marketer’s message, marketers would do well to associate actively with customers, present as well as prospective, through the social media. In addition to being cost-effective, this route is the most effective in terms of bagging new customers. Such customers will remain loyal to the marketer come rain or shine. eWoM is a positive sum game since the marketers as well as the customers are benefited by it.
2. However, eWoM does not render other sales promotion activities like good product / service, superior customer service or other traditional marketing tools superfluous. The marketer should continue to pursue these activities simultaneously.
3. Rural customers too will adopt technology, adopt to technology and learn to live with technology sooner than later as they did in the case of cell phones. However, in the multi-lingual Indian market, marketers would do well to use the local language to interact with the customers through the social media. This will warrant investment of additional resources in the technology platform but considering the opportunities the base of the social pyramid presents in India, the investment will be more than worth it.
4. There is no one-size-fits-all metric to gauge the success of social media marketing. Marketers define their success in terms of the impact they expect the social marketing exercise to have. However, marketers should take the negative comments in their stride and ensure that they give no room for such comments in future by getting to the root of the problem and addressing it.

5. Aggressive social media marketing could harm customer interests. To rein in such marketing, the regulator should mandate the marketers to adhere to certain standards like the Digital Signage Federation's privacy and transparency standards.
6. Marketers of the devil-may-care kind in particular should be doubly careful. They may become wiser after the event but then the damage inflicted cannot be undone. Hence the regulator should mandate the marketers to adhere to fair practices like the Online Reputation Management (ORM) practices.

1.14 References

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