



SOCIAL MEDIA AND ITS IMPACT ON TODAY'S BUSINESS

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Abstract

With the world in the midst of a social media revolution, it is more than obvious that social media like Facebook, twitter, whatsapp, instagram, telegram, MySpace, Skype, Viber, etc., are used extensively for the purpose of communication. One of the most important advantages of the use of social media is the online sharing of knowledge and information among the different groups of people. This online sharing of information also promotes the increase in the communication skills among the people. Social media have the potential to fundamentally change the character of our social lives, both on an interpersonal and a community level.

Keywords: *Social Media, Consumers, Marketing.*

An Overview of Social Media

The term Social media refers to the use of web-based and mobile technologies to turn communication into an interactive dialogue. Social media is media for social interaction as a superset beyond social communication. Enabled by ubiquitously accessible and scalable communication techniques, social media has substantially changed the way organizations, communities, and individuals communicate. Social media takes on many different forms including magazines, Internet forums, weblogs, social blogs, micro blogging, wikis, podcasts, photographs or pictures, video, rating and social bookmarking. However, these days it has been witnessed that most of the business houses also engage in social networking while promoting their products and services. Social networking sites are now seen as a promising means of publicity, which every brand must embrace. Social media helps in maintaining a healthy and direct relation between brands and their public in an online environment. This makes the public to be present, to communicate, to influence and retain a stronger position towards brands. In addition to using social platforms to monitor conversations about their industry, competitors, and products, companies are increasingly reaching out to their customers via the social web to communicate messages about what they have to offer. In fact, social media tools that are available today are very cost-effective compared to traditional approaches such as email and online advertising.



Impact of Social Media in Today's Business

In the development of the social media based business model the most important factor can be identified as customer connectivity and the interactivity function by the small scale company. The smaller companies were able to realize through this model that the new innovation in the field of advertising and marketing can be implemented through this model. The social media model allows the company to develop an interactive relation with the customers. In this perceptive the customers are provide with the opportunity to interact with the management of the company and share their opinions regarding the various products and services. This is a much differentiated role from the traditional perspective. This business model allow the contemporary marketers to fully utilize the benefits provide by the internet communication medium. In the traditional perspective the markets had a one way communication with the consumers.

In this communication model the customers were treated as the final products. However the social media platform can allow the management of the contemporary organization to treat the consumer as a part of the marketing process. The revenues are attained from the mass volume of the consumers that visit the website. Hence the objective of these companies is to provide the consumers with the greatest level of online social experience. Although the significant websites such as Facebook, YouTube, Blogger, Twitter, whatsapp; provide a specialized social experience to the online users, they do provide a similar set of functions. The role of these websites is to ensure that the individuals from the global community have the ability to community a mass amount of information with each other without any filters. These websites have allowed the overall global population to gain a significant amount of authority and knowledge. The role of the companies has been changed due to the amount of information power which has been provided to the online community.

Impact of Social Media in Marketing

Social media is now increasingly becoming an ingrained aspect of political campaigns, national defense strategies, public policy, public relations, brand management and even intra company communication. Since the major task of marketing as tool used to inform consumers about the company's products, who they are and what they offer, social marketing plays an important role in marketing. Social media can be used to provide an identity about the companies and the products or services that they offer. Social media helps in creating relationships with people who might not otherwise know about the products or service or what the companies represent. Social media makes companies "real" to consumers. If they want people to follow them they need not just talk about the latest product news, but share their personality with them. Social media can be used to associate themselves with their peers



that may be serving the same target market. Social media can be used to communicate and provide the interaction that consumers look for.

Making Connections Instead of Trying to Sell

Currently many top rated companies are using various means, including sites like Facebook and Twitter to socially communicate and get involved with people. This is because they understood that in this era the aim of customer relationship should be directed towards connecting and interacting with customers instead of trying to sell. They tend to convey more about the people and personality of the companies rather than conveying about their products. The consequence is that people gain confidence to do business with such companies.

Real case scenarios - Mr. Jeff Swartz, the President and CEO of the Timberland Company, understood this fact very well and so he regularly “tweets” about his life and the social issues he is obsessive about rather than tweeting about the shoes of his company. Additionally he uses his twitter account to convey the message about Timberland’s Earth-keeper project about environmental awareness. The idea behind is to make a connection with people by something that goes beyond the products that Timberland sells.

Social Networking: An Innovation in Communication

Probably one of the most decorated innovation or creative idea of the century is the development of social networks. A social network is a social structure made of persons, businesses or organizations denoted as "nodes," interconnected by various factors such as friendship, kinship, common interest, financial exchange, dislike, sexual relationships, or relationships of beliefs, knowledge or prestige. In such network, participation of users is the main ingredients of value creation. The architecture of such systems is neatly explained by Tim O’Reilly who advanced a community and media phenomenon under the flag of Web 2.0. By now we know that the dominators in social web are Wikipedia, MySpace, YouTube, Flickr, Facebook, and Technorati. “Collective intelligence” is often associated with the social web. This denotes the value formed by the joint contributions of all these people writing articles for Wikipedia, sharing tagged photos on Flickr, sharing bookmarks on Del.icio.us, or streaming their personal blogs. Thus the potential of knowledge sharing has never been to this extreme before where so many creative and knowledgeable minds are linked through efficient and universal network. Thus it has become possible for new companies with limited budgets to disseminate innovative new services to millions of people online. All these resulted in the expansion of information and diversity of perspective, and a culture of group contribution that maintains a spring of publicly available content. Past research shows that social networks play a vital role in determining the way problems are solved, organizations are run, and the degree to which individuals succeed in achieving their goals.



Social Media Revolutionizing Businesses

Social media is serving to form a new era in business transparency and engagement, generating new challenge as well as opportunities. In today' world, the effectiveness of relying solely on carefully crafted press releases or flashy ad campaigns to promote the product is at stake. In the age of social media, the rules have transformed drastically where people demand a transparent and direct linkage with the companies they are involved with. This phenomenon is forcing companies to use social media to link with the interconnected world of people. This helps the companies to promote sale through various sites like Flipkart, Amazon, shopclues, jabong, snapdeal, askmebazzar, etc.

Conclusion

The corporate entities present in the current business environment have to ensure that they integrate the social media tools. The attributes of the current business environment have changed drastically, where the consumers have now shifted to the online social community. There are several important factors that the companies have to consider while developing their strategic approach. They have to ensure that they develop the social media strategy which is in line with their short and long term objectives. The companies also have to critically analyse the attributes of their relevant target markets, and hence focus on the social media websites which have the greatest impact on the consumers. The development of the social media business model is not only a technology oriented initiative by the company; rather it has to be based on the holistic approach. The management of the company has to ensure that the company has the ability to capitalize on the strategic opportunities created by the social media business model, which would provide the company with the opportunity to have a greater interaction with the customer base, and hence have the ability to create a positive brand image. With clearly and precisely defined social media code they may establish a trustworthy company image, attract new customers and manage to grow in the future.



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