

Social media marketing in India

¹ Urooj Ahmad Siddiqui, ² Dr. MS Khan

¹ Ph.D. Research Scholar, Babasaheb Bhimrao Ambedkar University (A Central University), Lucknow, Uttar Pradesh, India

² Head/Coordinator, MBA Program, Babasaheb Bhimrao Ambedkar University (A Central University), Lucknow, Uttar Pradesh, India

Abstract

The information technology revolution in India has led to wide spread adoption of the online channels for majority of the services be it banking, payment of various bills, insurance premiums, tickets bookings, mobile recharge and not to mention the online shopping. Consumers are spending their time online more than ever specifically on online social media platforms. This has become possible due to the meteoric growth of the internet access in India. According to an estimate there will be 500 million internet users in 2016. TRAI predicts that in coming years a major chunk of internet users will be from among the smart phone users. Marketers are also chasing them online and practicing the principle of catching the consumers online where they actually are. The role of social media in marketing is become more important. This paper discusses the increasing use of social media platforms in marketing activities ranging from creating awareness, customer service and feedback to membership programs for consumer loyalty. The study is conceptual in nature and the data is collected from various secondary sources. The collected data is analyzed through the technique of content analysis to bring about certain facts, status and trends. The study unfolds the present status of internet based marketing growth and status of different social platforms, highlighting the cases of Nokia, Uniliver, Tata, IBM and Dell, describing how they are making effective strategies to create niche in vast Indian market through social networking sites and the challenges they face.

Keywords: social media/interactive marketing, social media strategies, social marketing

1. Introduction

Today's age as called by the specialists is e-age. 'e' refers to the electronic mode of communication/transaction. With the advent of information technology our methods of communication has changed dramatically. As a result our ways of doing business have also changed inexorably. IT has facilitated all the facets of business in different ways be it Finance/Accounting, Production, Acquisition, Inventory, Human Resource Management or Marketing. Technology has changed dimensions of marketing. More and more firms are now relying on IT or e-mode for their marketing functions.

One of most important IT technology that has brought revolution in business is "internet". With the increase in internet penetration coupled with changes in the environmental conditions, it is expected that in the next two or three years every facet of marketing will be radically influenced by digital media. The digital landscape in the country is evolving very rapidly in the country.

2. Internet Penetration

The factor that is strategically contributing to the same is availability of fast speed internet through the advent of 3G and penetration of wireless broadband services. This development has made the Notebooks/Laptops and Mobile Phones very handy tools to access internet at the convenience of users. One important factor leading to increase in the usage of these tools is the ever decreasing price of the gadgets. Today, fully loaded and featured phones are available at the prices range as low as Rs. 3500-5000 and the net books at around Rs. 14000, which fits into the pockets of most of the middle class individuals of India.

Although, in the developed world the exponential growth in this sector has been provided by the launch of IPAD, the first tablet computer by Apple; India is not behind the world has shown the way to India also. Very shortly this will lead to the cheap Chinese imitation of tablet computer which are expected to be available in the price range of even less than Rs. 10,000.

As the economy grows at a brisk pace of about 8-9% and the internet penetration multiplies manifold in the coming years the future of internet marketing is definitely optimistic. Though the growth of internet users in India was quite slow but from 2001 India has seen a meteoric rise. In 2009 India has about 62 mn users of internet which grew to 232 mn in 2014 and is slated to grow to 462 mn in 2016 (World Bank Development Indicator, 2014). This internet access is through computers only. Now let us see how the mobiles will contribute to internet reach.

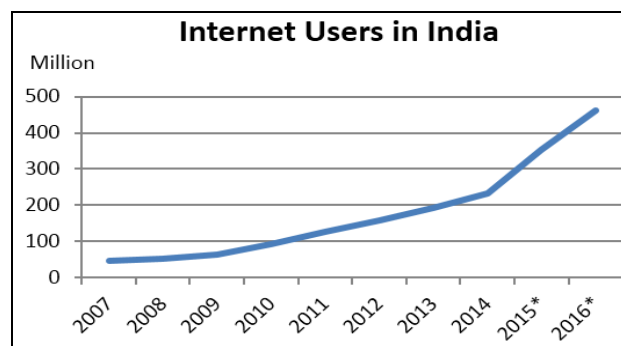


Fig 1: Data source: WB, World Development Indicators- 2014.

In India mobile reach is already well over 500mn and as more and more users start experiencing the benefits of 3G services there will definitely be an exponential rise in the mobile internet users. In the next three years, at least 30% of ever growing mobile users will be using the mobile wireless internet services in some form or the other (TRAI Annual Report, 2014).

The above analyses indicates that India is definitely heading towards an internet penetration explosion in coming years either through internet usage on laptops, big screen mobile phones, small screen mobile or tablets. Considering the above data the internet penetration is expected to reach over 300mn users over the next three to five years. However a major chunk of this growth will come from hand held devices i.e. mobiles, PDAs or tablets.

Thus given the fact that internet penetration is increasing and lots of people are using small screen devices to access the internet, website developers need to redesign themselves to suit the functionalities of small screen devices. Already many internet companies have developed applications for small screens like Gmail, Yahoo, Skype and others are catching fast. Recently Times of India launched its application to read its news paper on different platforms like Androids, Java Blackberry and others.

Coming back to our main discussion the internet penetration will lead to explosion in digital marketing. Already digital marketing is creating waves and the advent of Social Media or Web 2.0 technologies is an evolution in the development of social connectivity and is the new buzz-word amongst the corporate. From regional conversations to international friendships, the social media is vibrant and becoming an important platform for communications where the word of mouth counts.

3. Social Media

Social media represents low-cost tools that are used to combine technology and social interaction with the use of words. These tools are typically internet or mobile based. A few of these include Orkut, Twitter, Facebook, MySpace and YouTube.

Originally internet has created vital and through communications throughout the business world and for personal communications. But now the Social Media is allowing the connections between the people in way that has never happened before. News is travelling faster, trends are spreading and gathering pace like never before and exhausting level of information is available on internet. Not only the people from same field or business are getting connected but also people from different traits and arena are in discussions on a wide variety of topics. Thus creating a platform where people are listening to one another.

Social media has become an inclusive part of online or virtual world. According to an estimate around 66% of the world's internet population visits social networking blogs. Total time spent on networking sites 9% of the total time spent on the internet (Sanjeev Bikhchandani, Socia Media report in Marketing Whitebook 2010-11). This has important implications for marketing managers as the customers to whom they are providing the products or services are evolving with social media and the tools it offers.

Top ten networking sites of the world are

Table 1: Top ten networking sites of the world

1	Facebook	6	Tagged
2	MySpace	7	Hi5
3	Twitter	8	Zorpia
4	Flixter	9	Bebo
5	Linkedin	10	Netlog

Source: www.onlinemarketingblog.in/2010/01/top-ten-social-networking-site.

Growth of Top 10 Social Networking Markets Worldwide

Table 2: Growth of Top 10 Social Networking Markets Worldwide

July 2010 vs. July 2009			
Total Worldwide – Age 15+, Home & Work Locations*			
Social Networking Unique Visitors (000)			
Worldwide	Jul-09	Jul-10	% Change
		770,092	945,040
United States	131,088	174,429	33%
China	N/A	97,151	N/A
Germany	25,743	37,938	47%
Russian Federation	20,245	35,306	74%
Brazil	23,966	35,221	47%
United Kingdom	30,587	35,153	15%
India	23,255	33,158	43%
France	25,121	32,744	30%
Japan	23,691	31,957	35%
South Korea	15,910	24,962	57%

Source: ComScore Media Matrix, *Excludes visitation from public computers such as Internet cafes or access from mobile phones or PDAs.

“The social networking phenomenon continues to gain steam worldwide, and India represents one of the fastest growing markets at the moment,” said Will Hodgman, comScore executive vice president for the Asia-Pacific region. “Though Facebook has tripled its audience in the past year to pace the growth for the category, several other social networking sites have posted their own sizeable gains.” According to their report (comScore Media Matrix as on 25 Aug. 2010)

- More than 33 million Internet users age 15 and older in India visited social networking sites in July 2010, representing 84 percent of the total Internet audience.
- India now ranks as the seventh largest market worldwide for social networking, after the U.S., China, Germany, Russian Federation, Brazil and the U.K.
- The total Indian social networking audience grew 43 percent in the past year, more than tripling the rate of growth of the total Internet audience in India.

The report also reveals that in India Facebook grabs the number one ranking in the category for the 1st time in July 2010. Facebook grew at a meteoric rate of 179% whereas its closest competitor Orkut grew at a modest rate of 16% only. Also India is the fourth fastest growing market of the world after Russia, S. Korea and Brazil.

4. Adoption of the Media by Companies

The increase in penetration of internet world wide and especially in India has increased the reach of the people (the customers) to the online digital media, especially to the Social Media leading inexorably to the adoption of the medium by the corporate. If one thinks that social media is only for the small business owners that are trying out an experiment then one needs to get corrected. Here are just a few companies that

have become involved in social media. Companies like Nokia, BMW, Coke, Pepsi etc. have initiated their well known campaigns on social networking sites.

Social media gives marketers a voice and a way to communicate with peers, customers and potential consumers. It personalizes the "brand" and helps you to spread your message in a relaxed and conversational way. Social media lays emphasis on Word of Mouth tool for promoting the

product or services. Mostly companies are using it for brand building, brand awareness, brand reinforcement. They create and initiate a dialogue engaging the right target audience, spreading the word around thus. These words then are discussed with other persons on the media (often also with the persons off line or not on the social media). This creates a multiplier effect. Companies are using the social media for a wide variety of business areas.

Table 3

India	Total Unique Visitors (000)		
	Jul-09	Jul-10	% Change
Total Internet: Total Audience	35,028	39,562	13
Social Networking	23,255	33,158	43
Facebook.com	7,472	20,873	179
Orkut	17,069	19,871	16
Bharatstudent.com	4,292	4,432	3
Yahoo! Pulse	N/A	3,507	N/A
Twitter.com	984	3,341	239
LinkedIn.com	N/A	3,267	N/A
Zedge.net	1,767	3,206	81
Ibibo.com	1,562	2,960	89
Yahoo! Buzz	542	1,807	233

Source: ComScore Media Metrix, *Excludes visitation from public computers such as Internet cafes or access from mobile phones or PDAs.

Companies across variety of industries like FMCF, Consumer Durables, Airlines, Automobiles, Books Distribution, Education, BFSI, Life sciences, Fashion are using social

media to grab their piece of share and opportunity. They foray into the social media for various activities shown above in the table.

Table 3

Branding Brand Awareness, Brand Building
Engaging With Customers Customer Feedback, Customer Service, Customer Preferences, Customer Understanding
Others Generate Relevant Traffic, Social Causes Promotion, Employee Relationship Fostering, etc

Source: "Harnessing the Power of social Media", Infosys iEngage Platform.

4.1 Indian Companies using Social Media

Indian companies not behind in following the bandwagon. Corporate across major verticals are making their presence felt on social media. Infosys, TCS, HCL, Rediff, Cleartrip, Naukri

and Indian arms of MNCs like Nokia, (as mentioned above) Pepsi (in cricket world cup 2011), Microsoft, IBM and Unilever are a few names that have launched their social media presence with corporate blogging.

4.2 Companies using Social Media Effectively

Table 5

Nokia		
Activity Done	Result	Area
Placed IPL campaign on Facebook with slogan 'KKR tension mat le yaar'. Asking and encouraging fans to recommend fun and innovative ways to reduce stress levels of the KKR team.	It was a raging success, according to Viral Oza, marketing director, Nokia. The campaign got 2,00,000 entries from the fans.	BRAND-ING Creating Brand Awareness and Reinforce-ment
Unilever		
Activity Done	Result	Area
Dove, a Unilever-owned brand of soap and hygiene products, released a thought-provoking mini-film, "evolution". It is a time-lapse photography view of how a plain-looking model becomes a sexy billboard face, thanks to an army of make-up artists and doctoring on PhotoShop.	The video went viral getting almost 5.5 million views on YouTube within a year. The video, which ends with the comment, "No wonder our perception of beauty is distorted," is part of Dove's Campaign for Real Beauty, which includes advertising, websites, billboards, real-world events according to Kathy O'Brien, Dove's marketing director.	PRODUCT PROMOTION
IBM		
Activity Done	Result	Area
IBM has been encouraging social networking among its employees with in-house versions of Web 2.0 hits such as Facebook and Twitter to bring employees, alumni, partners together.	More than 60,000 blog users, 17000 different blogs. Launch of corporate social networking visualisation and analysis tools	Employee Engage-Ment

Table 6

Dell		
Activity Done	Result	Area
For evidence, Owyang points not only to, Luanchd online platform IdeaStorm.com, on its corporate blog, Direct2Dell.com where customers make suggestions to Dell and then vote on one another's ideas. It's an example of how customers can shape the product development process.	As a result of customer feedback on IdeaStorm earlier this year, Dell started offering Linux-based Ubuntu operating systems, rather than that of their longstanding partner, Microsoft, on some of its desktop and notebook products.	Customer feedback and product development
Nike		
Activity Done	Result	Area
Nike has launched a viral video campaign named 'Write the Future'. The content is displayed on YouTube and the Nike Facebook page. The video is designed to spread virally through Facebook, as it requires users to 'like' the footage before they are able to view it.	To date of June 2010 the footage has been viewed over 15 million times on YouTube, making it the fourth most viewed YouTube video in June	Brand recognition and brand value

Indian companies have increased their usage of social networks like Facebook, besides blogs, micro blogs like Twitter and other on-line forums to win new business in 2011, a survey said.

An increasing number of Indian companies are using social media as an effective business tool with 83% firms in India agreeing that without social media activity, marketing strategies cannot hope to be successful, while globally, 74% companies endorse the view, according to the survey by Regus (2010), a leading office-space solutions provider.

"Around 52% of businesses globally and 64% in India use sites like Twitter and Weibo to engage, connect with and inform existing customers. In India 67% of firms encourage their employees to join social networks such as LinkedIn, Xing and Video, compared to 53% globally. Two-fifths or 39% of companies globally and 49% of Indian companies devote up to 20% of their marketing budgets to business social networking activity," the survey said.

Importantly, two fifths (39 per cent) of companies globally and almost half in India (49 per cent) devote up to 20 per cent of their marketing budget to business social networking activity, the study noted. The global Regus survey findings are based on the responses of over 17,000 managers and business owners across 80 countries. In 2010, Regus found that 52% of Indian firms were successfully winning new customers through business social networking activity.

A year later, the proportion has risen by 9 percentage points to 61%. The research also reveals that globally also more firms are using social media to connect and engage with existing customers than a year ago.

The rising awareness among businesses internationally has seen social networking evolve from a 'nice-to-have' to a necessity.

Around 66% of Indian companies and 61% of global firms also emphasized the need for a balance of marketing media, confirming their belief that without a combination of traditional and digital techniques, marketing campaigns would not work.

"From supply chain management, to leaner working practices, to cloud computing, to increased use of video communications and mobile working, no area of business is being overlooked. Particularly in India, where Nielsen (2010) has reported that three out of four social media users visit a social networking site at least once a day, and a discussion forum once a week; more and more companies are leveraging this channel to increase the loyalty of existing customers, and as a successful acquisition tool," Regus South Asia's regional Vice-President, Madhusudan Thakur, said.

In India Social media is more popular with youth brands like apparel, accessories, electronics and automobiles. Regular advertisers like travel and hospitality and banking/financial services companies are not placing too many bets on social media in India yet. It's just retail and consumer product firms like gaming companies, dating sites which are beginning to advertise on social media.

Some specific companies making use of social media are

Table 7

Companies	Activities
Tata	Brand Promotion for Nano
Titan	Seeking feedback
Apollo Hospitals	Brand Awareness
MTV India	Product and Brand Promotion
Kingfisher Airlines	Customer Support
PVR Cinemas	Customer Support

5. Conclusion

Even as it brings a world of opportunity, social media comes with its own set of challenges for companies where security, privacy, information sharing and controlling are of utmost importance. Before embarking on a large-scale social media implementation, enterprises need to have a strategy in place to address some of these issues in a proactive manner. Some of the key challenges while implementing social media include:

- Need for tight information security controls to ensure that only correct and consistent information is shared with the outside world across multiple channels.
- Define and rollout comprehensive social media policies and guidelines and make sure awareness is created both internally and externally.
- Strategy must be constantly revisited and updated in a fast-changing technology landscape.
- Provide an integrated and consistent social media experience, rather than using point solutions for various social media initiatives.
- There is no proven way of measuring the ROI in social media initiatives and enterprises need to develop their own model based on experience
- Need to seamlessly integrate an enterprise's social channels with third-party sites such as Facebook, Youtube, Twitter, etc.

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