

A Study of Impact Analysis of Social Media on Business Practices

Poonam Heda¹, Ekta Bhutra², Abhijeet Jhanwar³ and Ashishkumar Laddha⁴

¹MBA Student, Sanjay Ghodawat University, poonamheda.03@gmail.com

²MBA Student, Sanjay Ghodawat University, harekrishnacottex@gmail.com

³MBA Student, Sanjay Ghodawat University, abhijhanwar356@gmail.com

⁴MBA Student Sanjay Ghodawat University, ashishladdham@gmail.com

ABSTRACT

Social media is like any other media such as newspaper, radio and television but it is far more than just about sharing information and ideas. Social networking tools like Twitter, Facebook, Flickr and Blogs have facilitated creation and exchange of ideas so quickly and widely than the conventional media. Today, it is crucial to determine the impact of social media on business practices. This paper includes information on various aspects of social media, challenges faced by business houses, return on investment measurement and statistics related to social media usage. Social media is the booming industry in market.

Key Words: Social media, Business, Challenges, ROI

1. Introduction of Social Media in Business

Despite the growing popularity, social media for business is still put on the back burner for a lot of organizations. There's skepticism around its effectiveness for local or small businesses.

Businesses in today's world are relying on Social Media for advertising, Brand awareness, to find out what customers think about goods, can be used to attract new customers. Businesses also consider social media as means of connecting with customers and establishing long-term relationship. Different types of social media are good for different marketing activities. Facebook, Twitter, LinkedIn, YouTube, are giant social media channels.

In today's fast moving world social media has become the crucial part of digital communications strategies. Social media presents enormous marketing possibilities for businesses such as sales, leads, and branding. A large number of people can be reached simultaneously and the social media networks is dynamic and in constant change. So let's have a look on the statistics behind it.

2. Social Media Marketing Statistics

- Consumers who have experienced great good social media service with a brand are likely to recommend it to others, which amount to about 72%. Social media is an effective customer service tool that can be used to increase brand engagement and win new customers.
- 96% of the people that discuss brands online do not follow those brands' owned profiles. To manage valuable insights and brand health of company, the companies need to go beyond their own channels.
- In 2015 Facebook influenced 52 % of consumers' online and offline purchases, up from 36% in 2014. **Purchase behaviour of consumer is influenced by social media channels, so managing social media profiles will be helpful for retailers to grow business.**
- 80% of people who complain to a brand via Twitter expect a response within an hour. Make sure you are actively engaged on your social networks, as now-a-days customers are unleashing their frustration or questions regarding the product or services on social media platforms.
- Recently people use Instagram frequently and also follow their most preferred brands, which is beneficial for marketers as people are aware of new products launched.
- Even YouTube on mobile alone, reaches more 18-49 year olds than any cable network.
- YouTube is the main channel for moving pictures.
- More than half of YouTube views come from mobile devices. Amount of time spent by an average Youtube user every day is over an hour.

3. How ROI is impacted by Social Media?

The amount of return on an investment relative to investments cost can be measured using ROI. For evaluating the efficiency or to compare efficiency of different investments a performance measure named ROI is used. ROI is measured in percentage parameter, which assists in easy comparison on returns from investments also allowing one to measure a variety of types of investments against one another.

Social media ROI boils down to how much you're currently spending and how much your social media impact matters to your business right now. This can pose some difficult questions and decisions. In fact, 2017 marked the first year that digital marketing surpassed TV ad spend. Social Media ROI is seen as a typical parameter used to evaluate the success of a marketing campaign, it helps companies to calculate the revenue generated on amount invested on campaigning held on various social media platforms like facebook, twitter, linkedin etc.

4. Challenges faced by social media

With new platforms, competitors, roles and changing customer demands, maintaining an effective social strategy across the board is very complex. These are following challenges faced by companies:

4.1 To choose between a global & local strategy

Framing strategies is the biggest task for the companies, especially for the large organizations. While one company might benefit from a global strategy, where consistency across all channels will be guaranteed and another company might find that the opportunity to speak to an audience in a colloquial or cultural context outweighs this.

4.2 To maintain brand reputation

It's a daunting prospect to hold a brand's entire reputation in your hands. Commenting on social media platform on behalf of an organization is a very crucial task. As it is a huge responsibility, it is necessary that inexperienced employees are provided with training and guidelines regarding social media channels for proper brand set up. Naturally, this can in itself prove to be an incredibly difficult task.

4.3 To resolve issues

While effective brand guidelines can help to prevent social media gaffes, no brand can guarantee that an audience won't take offence – even if it is entirely unintentional. In this case, the biggest challenge for social media strategists is crafting the best possible way to respond. For many brands, the tendency to use social media as a customer care platform. However, this can easily spiral out of control. If you reply to one comment, you might feel it compulsory to reply to them all, ultimately leading to a loss of credibility and reputation. Instead of giving an immediate and defensive reaction, the brand came to the decision to wait, plan and eventually issue an appropriate and considered response.

4.4 To create an effective cross-channel strategy

If you're working hard to grow your organic reach, you're already optimizing your content by channel. Translating your content across many channels and making it work within the channel is a great skill for a Social Media Marketer (SMM). Multichannel strategies can be challenging because each channel has its own format and tone that dictates how your content should fit. Additionally, your target audience has their own preferences and habits, and will often consult different channels while getting to know your company. Having each of these channels work together in synergy creates a cohesive brand impression in response to your audience's social behavior.

5. Conclusion:

Social media with all its challenges and problems is boon for every business being small, medium or large. In today's fast moving and developing world social media helps businesses to grow and increase their customers and revenue using social media channels. Digital marketing is best channel for marketing and expanding the business for their services and products. Social Media ROI is seen as a typical parameter used to evaluate the success of a marketing campaign. By giving your business brand the social media touch, you not only generate more business but also connect with your customers better and serve them on higher level. In short social media is the best form to grow business and expand it all over the world with the help of social media platform. The social media wave isn't ending soon, so if u want to survive, your business should take advantage of it.

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