

Effectiveness of Social Media Advertisement in Promoting Business: A Study with Special Reference To NCR

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Abstract

Social media has been widely used for acquiring markets by new business ventures. Many established organizations are undergoing operational change in their traditional practices in order to adapt to this online environment for promoting their products and services globally. Much research has not been done on social media in the Indian context and more precisely in National Capital Region (NCR), therefore Social Media has been selected as the topic for research for exploratory research. The primary objective is to study the online buyer consumer behavior in relation with social media advertising. And overall this research is initiated to examine the effectiveness of social media marketing. Primary data is collected through questionnaire for gaining the views of respondents about social media marketing. It is found that more than 98% of the respondent access social media for getting knowledge of electronic products. Out of this 98%: only 45% access social media to know about mobiles, 25% access social media to know about the features of LAPTOP, 15% for TV, and 8% use social media marketing to know about kitchen appliance rest for other electronics items. The survey revealed that 90% of respondent agreed that social media marketing have increased the sale of electronic product in last few years. The survey revealed that more than 92% of respondent agreed social media marketing is time saving.

Keywords: *Social Media Marketing, Advertisement, and Consumer Behaviour.*

1. Introduction

Social media (SM) marketing is the use of social media platforms and websites to promote a product or service. Most of these social media platforms have their own built-in data analytics tools, which enable

companies to track the progress, success, and engagement of ad campaigns.

Companies address a range of stakeholders through social media marketing including current and potential customers, current and potential employees, journalists, bloggers, and the general public. On a strategic level, social media marketing includes the management of the implementation of a marketing campaign, governance, setting the scope and the establishment of a firm's desired social media "culture" and "tone".

To use social media effectively, firms should learn to allow customers and Internet users to post user-generated content (e.g., online comments, product reviews, etc.), rather than use marketer-prepared advertising copy. While social media marketing is often associated with companies, as of 2016, a range of not-for-profit organizations and government organizations are engaging in social media marketing of their programs or services. There are two basic strategies for using the social media as marketing tools: one is active approach and other is passive approach.

Social media engagement measures the public shares, likes and comments for an online business' social media efforts. Engagement has historically been a common metric for evaluating social media performance but doesn't necessarily translate to sales.

Social reach is defined as the total number of people you are able to reach across all of your various social media networks. Subsequently, this means that there are also individual social reach numbers such as Twitter reach, Facebook Reach, LinkedIn Reach, etc.

1.1 Global Scenario

Over the last decade, social media has evolved from being a mere platform to a part and parcel of the everyday life of users. Social media marketing is

rapidly gaining popularity primarily due to the increasing active participation of social media users. Several figures indicate that Facebook had 1.39 billion monthly active users as of third quarter of 2016. Businesses today are using social networking sites such as Facebook and Twitter to exhibit their brands/products, to build brand image, and expand their client base. Due to the immense potential of social media, the global social networking market is expected to tread along a healthy growth track.

Most of the players in the global social networking market are focusing on innovating and updating their platforms/solutions to consolidate their presence in the market. Mergers and acquisitions are the commonly adopted strategies by key players to maximize their shares in the market. Some of the key companies operating in the global social networking market are Ask.fm, Classmates, Facebook Inc., Flickr, Google+, Instagram, LinkedIn Corporation, Meetup, MeetMe Inc., Pinterest, Tagged Inc., Tumblr Inc., Twitter Inc., Vine, and V Kontakte.

Chart-1.1: Timeline for Social Media Business Developments



1.2 Indian Scenario:

From the collects of January, 2016 we can observe that total population was 1,319 million out of which 375 million were active internet users with a penetration rate of 28%. active users on social media websites/ app were 136 million with a penetration rate of 10%. By January 2016, 1,012 million people had mobile connections with a penetration rate of 77% out of which 116 million people were active mobile users with a penetration rate of 9%.

2. Review of Literature

Andreas M. Kaplan and Michael Haenlein (2010) in **Users of the world, unite! The challenges and opportunities of Social Media**, have defined Social Media as a group of Internet-based applications that is built on ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content. This paper recommends companies, for developing their own Social Media

strategies in order to be a part of this new trend and gain more profits.

Aine Dunne, Margaret-Anne Lawlor, Jennifer Rowley (2010) in their study **Young people’s use of online social networkingsites-a uses and gratifications perspective** have made an attempt to find out the reason behind young people’s use of social networking site with special reference to bebo. The results of the study indicate that the participants were using bebo for their personal motives and in order to maintain a certain persona and identity in social context. The impersonal nature of the Social media has lead to facilitate the young people where they can negotiate the practicalities and forge the identities and maintain relationships.

Pollach I (Oct-Dec 2008) in their study on **Media Richness in Online Consumer Interactions : An Exploratory Study of Consumer-Opinion Web Sites** have exclusively discussed on Consumer Opinion websites which provide opportunities to people to share their opinions or views about a product or service, read others opinions and also interact with other consumers. The writers conclude that consumers should consider both positive and negative points about a product or service before stating their opinion.

Anil Bhatt (May 2012) in his paper on **Blog Popularity And Activity On Social Media: An Exploratory Research** has made an attempt to find out the impact of some social media website’s popularity on ROI. The study examined Return on Investment (ROI) for weblogs and how their promotions through two highly popular social networking sites, namely Facebook and Twitter affects their popularity and in turn increases their revenue through advertisements. Page views is a direct measure of the traffic a particular blog has and therefore a correlation between page views and Facebook fans and twitter fans was established to understand 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 increases the number of page views. It was also found that the page views increased with the increase in time due to an increase in fans or followers.

Ambrose Jagongo, Catherine Kinyua (2013) in their study **The Social Media and Entrepreneurship Growth** focused on the effect of social media on the growth of SMEs in NCR. The study established that social media tools offer greater market accessibility and CRM which in turn have a significant impact on the growth of SMEs.

Shahir Bhatt and Amola Bhatt (2012) in their research paper **Factors influencing Online Shopping : An Empirical Study in Ahmedabad** writes about the factors which influence the perceptions of consumers regarding online shopping. The study has revealed ease/attractiveness of website, service quality of websites and website security as the three important factors which have prominently emerged from the study.

Thirushen Naidoo (November 2011) in his research paper **“The effectiveness of advertising through the social media in Gauteng”** has made an attempt to investigate the effectiveness of advertising through the medium of social media and has focused mainly on Facebook. The paper also talks about brands having strong market presence automatically getting more attention from consumers on Social media. The author concludes that in order to be effective, a brand needs to be established and must have strong brand reputation.

A study has been conducted on social networking sites like Facebook, Twitter and Orkut by authors **P. Sri Jothi, M. Neelamalar and R. Shakthi Prasad (March 2011)** in their research paper **“Analysis of social networking strategy in developing brand communication”**, with the primary objective of determining the effectiveness of brand communication strategy in advertising products and promoting brands on social networking sites. The characteristics of online marketing strategies used by E-entrepreneurs have been explored by **S. Vivin. Richard, Ms. Sri. Jothi (Aug. 2012)** in the research study **“ A study on online marketing strategies used by E-Entrepreneurs in India”**. The study has analysed E-Entrepreneurs like [www. Amazon.com](http://www.amazon.com), [www. Flipkart.com](http://www.flipkart.com), [www. Naptool.com](http://www.naptool.com) etc. for the purpose of studying the nature and extent of marketing strategies used by successful online Entrepreneurs

The usage of social media among the destination marketing organizations (DMO) of the top 10 most visited countries by international tourists has been examined by **Stephanie Hays, Stephen John Page & Dimitrios Buhalis (2012)** in their research study **“ Social Media as a destination marketing tool: its use by national tourism organisations”**. Social media are gaining more importance in the marketing strategies of DMOs as it helps in seeking greater value in the way marketing budgets are spent. The usage of social media and customer centric management systems and its contribution to firm-level capability of social customer relationship management (CRM) has been investigated by **Kevin J. Trainor, James (Mick) Andzulis, Adam Rapp, Raj Agnihotri (June 2014)** in their research work

“Social media technology usage and customer relationship performance : A capabilities-based examination of social CRM”.

Tan, Wei Jia; Kwek, Choon Ling; Li, Zhongwei (March 2013) in paper **“The Antecedents of Effectiveness Interactive Advertising in the Social Media”**, have tried to find out consumer’s attitude towards interactive advertising and its impact on purchase intention.

Applying Anthropological theories into the social marketing practices has been advocated by the authors **Guang Tian, Luis Borges (2012)** in their study **“The effectiveness of social marketing mix strategy : Towards an Anthropological Approach”**. The author has described social marketing as a new science that seeks to improve the overall life quality of human beings by adopting marketing strategies and skills without aiming for making profits.

Discussing the impact of social media on marketing has been the main goal of this study **“Impact of Social Media on Marketing”** by **Rajiv Kaushik (March 2012)**. Different media of marketing before social media revolution have been discussed, followed by the evolution of Social media. The impact of social media on marketing is discussed in detail with the help of standard metrics like online advertising, public relations and search engine optimization.

Simona Vinerean, Iuliana Cetina, Luigi Dumitrescu & Mihai Tichindelean (June,2013) in their exploratory research work **The Effects of Social Media Marketing on Online Consumer Behaviour**, have tried to determine the students pattern of using social media and social networking sites in relation to their reactions to the advertisements on social media, where they have the freedom to choose the information they engage with.

Logan, Keltly; Bright, Laura F; Gangadharbatla, Harsha (2012) in paper **Facebook versus television : advertising value perceptions among females** the writers compared the perceptions of female students regarding value of advertising on social network sites and value of advertising on television.

3. Research Methodology

An exploratory study is initiated through questionnaire with the help of primary data. The target respondent for this study was students in NCR. The techniques used were Content analysis, tabulation, Descriptive statistics, percentile, central tendency, etc. The sample size is 100 units, 50 from

Greater Noida and 25 from Delhi and 25 from Surajpur.

3.1 Sampling Technique

Random Sampling technique has been used for this study. In a Random sample from infinite population selection of each item is controlled by the same probabilities and the successive selections are independent of one another. (C.R.Kothari, Research Methodology Methods and Techniques, 1990).

Table- 3.1: Table Showing the Variables of Study:

Dependent Variables	Independent Variables
Buying Behaviour with respect to Social Media Advertising	Online Purchase Behaviour
	Consumer Buying Behaviour
	Complex Buying Behaviour
	Habitual Buying Behaviour
	Variety Seeking Buying Behaviour
	Dissonance Buying Behaviour
	Impulsive Buying Behaviour

3.2 Limitations of the Study

The study was conducted based on the data collected from Delhi, Gr.Noida and Surajpur and therefore findings of this study may not be applicable to other cities in India and the world at large because of the socio-cultural and economic differences.

3.3 Utility of the study

The study would be very useful to markets which would now be able to use social media as a platform for promoting their products and services.

4. Data Analysis and Findings

Q (1) Do you use social media? If yes then continue else switch to next person.?

4.1 Finding of question no-1 - only those respondents were taken who uses social media for buying products and services.

Q(2) Do you access promotional advertisement?

(A)Yes (B)No

4.2 Finding of question no-2 - The survey revealed that more than 98% of the respondent access social media for getting knowledge of electronic products.

Q (3) which social media do you use?

(A) Facebook (B) twitter (C) linked in (D) others

4.3 Finding of question no 3 – The survey revealed that 50% of the respondent use youtube for electronic products knowledge.25% use facebook for product knowledge.15% use twitter for knowledge and rest 10% use others.

Q (4) which marketing/promotional advertisement do you access vis a vis electronic products?

(A) Mobile (B) kitchen and other appliance (C)laptop (D) AC (E) TV

4.4 Finding of question no 4- The survey revealed that more than 98% of the respondent access social media for getting knowledge of electronic products. Out of 98% ,45% access social media to know about mobiles.25% access social media to know about the features of LAPTOP.15% for TV . 8% use social media marketing to know about kitchen appliance rest for other electronics items.

Q (5) Do you think that Social media helps in increasing the sale of electronic products?

(A) Yes (B) No

4.5 Finding of question no 5 -The survey revealed that 90% of respondent are agreed that social media marketing has been increased the sale of electronic product in last few years . But rest 8% of disagreed .

Q (6) Is it time saving ?

(A) Yes (B) No

4.6 Finding of question no 6 -The survey revealed that more than 92% of respondent are agreed social media marketing is time saving and rest are disagreed.

Q (7) Is it cost effective ?

(A) Yes (B) No

4.7 Finding of question no 7 - The survey revealed that more than 88% of the respondent are agreed social media marketing is cost effective as compare to traditional marketing.

Q (8) How many advertisement you watch in a week?

(A) 1-10 (B) 11-20 (C) 21-30 (D) More than 30

4.8 Finding of question no 8 - The data revealed the frequency of promotional advertisement accessed by

the respondent in a week, 1-10 are 20% , 11-20 are 40% , 21-30 are 25% and rest are accessing more than 30 in a week.

Q (9) How many times have you purchased getting influenced from social media in last year?

- (A) 1-5 (B) 6-10 (C) 11-15 (D) More than 15

4.9 Finding of question no 9 -The data revealed the frequency of purchasing. influenced from social media in last year, 40% of the respondent purchased 1-5 items , 25% of respondent 6-10 items , 15% of respondent purchased 11-15 items and rest percentage above 15 items.

Q (10) Have you suggested someone else to purchase any electronic items through social media in last year?

- (A) 1-10 (B) 11-20 (C) 21-30 (D) More than 30

4.10 Findings of question no 10- The data revealed the frequency of suggestion given by anyone to other are, 40% of respondent said they have tagged their friend on social media site at least 1-10 times in last year , 30% said they suggested company's page to their friend more than 20 times and rest said more than 30 times ,even more than 30 times.

Q (11) Would you like to advertise your product through social marketing?

- (A) Yes (B) No

4.11 Finding of question no 11- The survey revealed that more than 95% of the respondent are ready to do social media marketing for their electronic products.

5. Conclusion

It can be concluded that the penetration of social media and access to promotional advertisement is pretty strong as came out in research. This could be attributed to the factors like cost effectiveness, time saving and better option to the customers to select the right one for him/her.

Therefore we can say social media advertisement has changed the orientation of electronic products in last few years and has significant impact on it.

The study has revealed that the impact of social media advertising is more on undergraduates, business class and student having annual income around three lakhs.

Therefore there is a need for the consumer electronics companies to find out the reasons for not accessing social media, among the student belonging to other educational, economic and occupational background and spreading awareness among them about the Social Media tools and to reach out to them

through social media in order to tap more consumers and increase the business.

So consumer electronics segment should take social media to smaller cities and spread awareness about social media in smaller cities so that their social media promotions can target the consumers from smaller cities which are not currently active users of SNS and tap this less explored market.

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