

## **Social Media and Its Impact on Growth and Performance of Business**

**Vivek Katiyar**

Research Scholar, Dr. A.P.J. Abdul Kalam Technical University,

Lucknow, Uttar Pradesh, India

**Dr. Pankaj Kant Dixit**

Professor & Director, MBA Department, Axis Institute of Technology and Management,

Kanpur, Uttar Pradesh, India

### **Abstract**

Television, newspapers and radio were only form of media available for businesses till late 1990's after that change came into it and social media took its place. Social media is a communication tool. It is used for social interaction. It uses advanced communication techniques. Social media is beneficial for both company and its customers. Social media has become important tool for marketers. It requires very small amount of investment. Online presence has become important for companies. Social media helps companies to make its social presence. Social media has become strong tool for marketing at international level. Its role in India is also increasing day by day. This study focuses on advantages, significance and effect of social media on business and its growth.

### **Keywords**

Social Media, Impact, Influence, Brand awareness, Business performance and growth

### **Introduction**

Advertising is a medium to get attention of people. Public relation is another important medium for promotion. In personal selling you contact people individually. In present time you can publish content online to get attention of people. There are different social media platforms, tools and applications available online to interact and share information. It is almost freely available. It is very convenient.

### **Literature Review**

Chen, S. (2001) studied the effect of the internet on different brands of different products. He reviewed different market studies. There are various factors on which effect depends for example type of product and type of purchase. Role of internet according to brand. Effect also changes with internet technology used. In this way internet technology plays its role in brand management.

Corcoran, et al. (2009) in their research paper studied use of social media by different brands and retailer in USA. They concluded that role of social media is increasing day by day in sales and awareness about brand.

Scott Galloway says that luxury brands are using Facebook for relationship with customers. Transactions are taking place online. Companies are making their own social networks.

Dutta, Soumitra (2010) publish an article on social media strategy in Harvard Business Review. He says, “Social media has changed the way of business. It has changed perception also. Top most businesses are making strategy in this field. Many corporate leaders have account on different social media platforms such as Facebook and LinkedIn. There are various reasons why today’s leaders should use social media. Cost is low and platform is highly accessible on which a brand can be made. It provides an identity. We can contact rapidly with other people using social media. Instant information can be transferred and feedback can be provided.”

Aula, P. (2010), in his article, has mentioned about threats and risks of using social media to the image of business companies. He has given several examples of negative effect of social media on image of company. Most popular social media services from corporate point of view are Facebook, My Space, Twitter and LinkedIn. Use of social media has associated risks.

Hunt, Kristin Gunderson (2010) in his article throw light on role of social media in the recruitment process in a company. In this way we can understand social media is not just used for socialization but also for recruitment purpose. If you are not using social media, then you may lose quality candidates.

Andreas Kaplan and Michael Haenlein(2010) in his article talk about opportunities and challenges of social media for business organizations. It talks about profitable use of different social media platforms. This article tries to explain the real meaning of social media. It differentiates between social media and other online platforms. It categorizes social media in different groups on the basis of blogs, social networking sites etc.

## **Objectives**

This study has following important objectives:

1. To study use of social media by organizations as a tool in business activities that helps connect with customers rapidly.
2. To know how business performance and growth is affected by social media.

## **Research Methodology**

A secondary study has been performed for understanding social media and its significance. In this study we have analyzed role of social media as a tool to access consumers and its effect on consumers.

## **Advantages of Social Media for Businesses**

We can understand use of social media for business in following way:

### **1. Better understanding of customers**

Business organizations can get better understanding of customers. Customers can interact with company in a better way. Companies can reach their potential customers. Networking becomes easy.

## 2. Superior customer service

Social media helps in quick response. Grievances, doubts can be solved without any delay. Survey of Forbes says if consumers get quick response then they will suggest that brand to other people also.

## 3. Economical

If you want to minimize your marketing budget, then social media is best. It is most economical marketing and promotional tool. Social networking websites for example Facebook, Twitter, Pinterest etc. can be used almost free.

## 4. Connectivity

Social media is medium to be in touch with customers always. Changing interest of the consumers can be adapted. Marketing strategy can be changed and innovated according to the dynamic interests of customers.

## 5. Helpful in Brand Awareness

Brand awareness can be increased with the help of social media by building company image.

## 6. Sales

Social media increases exposure for business. Traffic towards company increases. Potential customers can be converted in to actual customers. In this way sales can be increased.

Some known examples of social media are given below.

- **Facebook** is a popular free social networking site. You can create your profile, upload photos, videos, messages can be sent. You may connect to your friends, family members and coworkers. Facebook has commercial use also. Different brands advertise here.
- **Twitter** is a microblogging site. Registered users are allowed to make short posts known as tweets. You can follow other members of twitter. Several other features are also available on twitter.
- **Google+** was a social network run by Google. It was launched on June 28, 2011. It was closed on April 2, 2019. It failed because they were unable to understand customers' wants and needs.
- **Wikipedia** is free. It has open content. It is an online encyclopedia. It is run by collaboration of group of users known as wikipedians. Articles are created, published and edited. It was initiated in January of 2001.
- **LinkedIn** is also a social networking site. It deals with corporate world. You can create your profile here and connect with other people of similar or different domain. It is in favour both employee and employer.
- **Reddit** is also a social media platform. You can submit links, text posts, images and videos here. Posts may be related to news, politics, religion, science, movies, video games, music, books etc.
- **Pinterest** is also a social media platform. Images are shared here. Animate GIFs and videos are also posted here.
- **Quora** is a place for gaining and sharing knowledge. You can ask questions, get quality answers or give answers of questions.

- **YouTube** is also a social media platform. You can get different channels, videos related to different streams and you may also upload your videos. Various other features are also available here.

### **Social Media's Importance**

Social media is a platform for communication based on internet communication, sharing of information and creation of web content takes place here. Social media has different forms as mentioned above. Social media is used worldwide. Its main purpose is to connect and share information. Social media has personal and professional use. We can connect and communicate with family and friends. We can also connect with colleagues and other professionals. Consumer needs can be catered in a well manner and feedback can be taken with the use of social media. Social media is very simple and not complicated. It has opened new options for marketers. Social media is very powerful tool. Content can be shared with the world in few seconds.

Strong social media presence helps in making brand image. Companies can regularly update details about its activities and social happenings and prospective customers can easily get it.

Social media gives you worldwide exposure. Social media has a lot of daily users. Information is delivered instantly in the digital market and products can be advertised going beyond distances. According to statistical data, interacting 2-3 times per week on social media makes your strong presence in digital market place.

Social media is a proactive tool. Company trustworthiness can be increased. Social media can convert negative experience of customer into positive one.

Products can be personalized with the help of social media. Due to individual and special catering prospective customers become potential customers. Their special requirements are greeted in a well manner.

Social media is cost efficient method of marketing and branding business. Return on investment is high in case of social media promotion of business. In advertising you have option to show your creativity when you use social media. Public relations can be established with less monetary commitment.

### **Impact due to Social Media on Business Performance and Growth**

World and business have been greatly affected by social media. It has brought revolution in the field of connection and communication. Social media helps business in several ways. Traditional methods of marketing for example radio, TV, and print media are obsolete now. These methods are expensive compared to social media. Social media is almost free. You require only efforts and time. Marketing cost can be reduced by using social media. Social networking sites unite people. Specific objectives can be achieved. A positive change may took place in society.

Social media effects politics also. Today social media plays an important role in election. Mind set of people can be changed by social media. Politicians, common people react over social media about any issue.

## Social Media and Its Impact on Growth and Performance of Business

Prime minister Narendra Modi's followers on different social media platforms are given below.

Social Media	Followers(approx.)
Twitter	70 million
Instagram	57.7 million
Facebook	45 million
Pinterest	17,854

Source: social networking sites

Social media presence of Narendra Modi has made him most trusted politician.

Social media has huge impact on business growth and performance. Facebook, Twitter, LinkedIn, and Pinterest provide a chance for business to catch the attention of the customers and build brand image.

We can check likes, preferences of our relatives, friends and decision about product can be made. Customers provide review about product on different social media platforms after using it. A positive review works as a booster for product of company. Negative review tarnish image of product.

When we make social media marketing strategy, we should keep in mind our target audience. People who are not customers but they may effect decision making. Social media influencers have category social broadcasters, mass influencers and potential influencers respectively.

McDonald is the biggest chain of hamburger fast food restaurants. It has 37,000 outlets in 120 countries all over the world. It employs 1.7 million people and serves around 70 million people daily. It has 80 million followers across all platforms. Social media presence has a positive effect on its business and performance.

### **Social Media as an Indispensable Marketing Tool**

Traditional form of marketing such as TV, radio, print media etc. has its own drawbacks. These methods of advertisements are out of fashion now. In these methods same advertisement strategy is followed over many years. Social media allows you innovation as well as creativity. Strong online presence can be made with the help of social media. You can always reach to your customers and can provide them great service. In social media advertising different approaches can be used. Awareness among target audience can be increased. Social tools help in making brand image strong by informing about core values of products to a wider audience. Business grow, new followers and potential customers are made.

On social media companies have to face competition with other companies. To fight competition, companies have to create differences. You have to give something new other than already existing.

Companies that are unable to adopt social media will be left behind.

Promotion tool	Cost(approx.)
Direct Mail	51\$
Broad cost TV	28\$
Magazine	16\$

Newspaper	16\$
Radio	10\$
Billboards	5\$
Social media	2.5\$

Source: internet

## Conclusion

We see that many companies are using traditional media as well as social media for marketing their products. It provides a better platform to connect with customers. You can reach to more customers with the help of social media. Social media helps in making brand image. Innovative strategies are used in social media in place of old monotonous strategies. Social media has positive effect on business growth and performance. Social media is need of the day otherwise your business will go down in coming years. Your competitors will be ahead of you.

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