

An assessment of Social Media Marketing in Bangalore City

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Comments by the Faculty

Our Prime Minister Narendra Modi inaugurating the “Digital India Week” on 1 July 2015 reiterated that his government is resolved not to allow the “Digital Divide” to become a barrier between people. Corporates have promised to plough in Rs 4.5 lakh crore into this movement. This is expected to create employment to 18 lakh people.

This paper by Ms Ruchi Jain, a student of PGDM batch 2014-16, is a documentation of the summer internship project carried out at Infopine during April- May 2015 and demonstrates how the Social Media Marketing is to be planned and executed.

The study gains importance as the number of social network users in India in 2017 is estimated to be around 197 million; up from 86.7 million in 2013. The battles of the future years are going to be fought on internet turfs and in this context, this study by Ms Ruchi gains strategic importance. As competition for market share increases with the improved economy and corresponding increase in opportunities, need for companies to be internet marketing savvy increases.

Infopine is an IT and Online Marketing solutions provider, offering Software Development, Software Project Management, Applications, Market Research, Internet Marketing (Social Media Marketing). Services provided by company include Domain Registration, Web Development, Internet Marketing, Mobility, e-Ticketing Solution, Software Development and Bookkeeping.

An interesting managerial implication is that while taking up a study of this nature, researcher could either be taking up the survey route or work like an entrepreneur to understand and cultivate business. The researcher in this case chose entrepreneurial route as competitors in market are already targeting and approaching clients for offering social media marketing and may not be interested in filling up yet another long survey forms! This is a clear indicator of acceptance of this form of marketing. This is a clear paradigm shift in marketing and has important managerial implication.

While using internet marketing, the target audience are to be kept in mind. For example, the study uncovered that the conversion rate was highest while marketing the services of Infopine to Pubs owners because the target customers of Pubs are young people who are active on social media platforms like Facebook. Additionally, pub business depends largely upon branding and requires lot of visibility to compete and hence this study has important managerial implication.

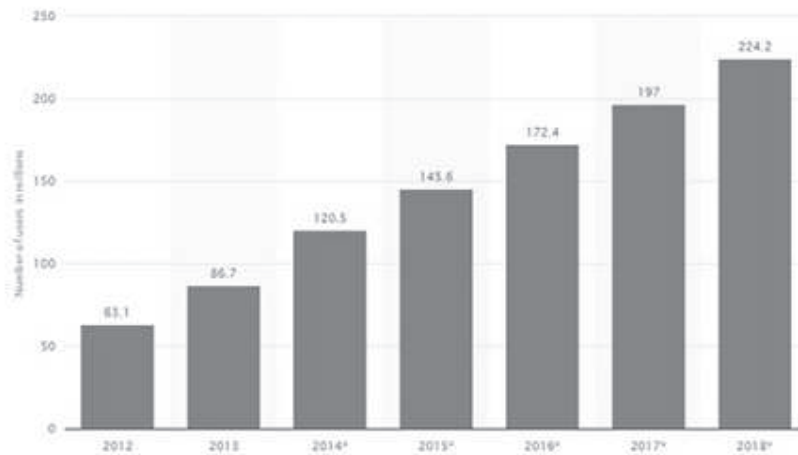
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Introduction

Social media refers to variety of web based platforms, applications and technologies that enable people to socially interact with one another online. (Wikipedia, n.d.)Some of the common examples of social media are Facebook, YouTube, and Twitter etc. Apart from these, other platforms are also available such as LinkedIn which is used social as well as professional interaction. As social media is growing, “Purpose Specific Platforms”¹ are coming into existence.

Number of social network users in India in 2017 is estimated to be around 197 million; up from 86.7 million in 2013. (Statista, 2015).



Source: (Statista, 2015)

In India Facebook is the most browsed social network with a large base of 100 Million users, Twitter users are 33 Million and LinkedIn has 26 Million users. (Ajmera, 2014)

Social media marketing refers to the process of gaining website traffic or attention by using social media sites as a tool. (Wikipedia, n.d.) Social media serves as relatively inexpensive platform for organizations to implement marketing campaigns because of its cost effective feature and ability to provide a greater customer reach in all parts of the world, all organizations are entering into social media marketing. Right from building a brand to having free opinion sharing from millions of users, it is helping organizations on how to strategize and improvise.

Company Profile : Infopine

Infopine was incorporated in November 2013. Infopine is an IT and Online Marketing solutions provider, offering Software Development, Software Project Management, Applications (Windows Application, Web application and Mobile application), Website development/Hosting, Domain

¹ Purpose Specific Platforms: Social media is no longer used just for networking but is used for business specific tasks like branding, client engagement, and marketing campaigns. (Traffick online, n.d.)¹

Registration, Market Research, Internet Marketing (Social Media Marketing), Ticketing/Online Booking Product services through a combination of technology know how, domain and process expertise. It delivers technology services and accelerates growth for companies by solving complex business challenges with breakthrough technical innovations. (Infopine, n.d.)

Services provided by company include Domain Registration, Web Development, Internet Marketing, Mobility, e-Ticketing Solution, Software Development and Bookkeeping.

Though a start-up Infopine also faced many challenges but it stand strong and now it has clients like

- Ujjivan Financial Services(<http://www.ujjivan.com>)
- Hi-Tech Bitumen Products (<http://hitechbitumen.com/>)
- Mysore JillaPrakrithikaChikitsaSamasthe(<http://naturecurewellness.org/>)
- Shri KalyanamsthuMatrimonials: (<http://shrikalyanamasthu.com/>)
- CRMZilla (<http://www.crmzilla.com/>) (US based company)
- University of Mysore
- KSRTC
- Bharat International Travels

Objective of the Study

The objective of the study was to

1. Analyse the scope of social media marketing in Bangalore city.
2. Explore various targeted sectors (healthcare, hospitality, consultancy firm, Jewellery shops and Microfinance sector) regarding their web and social media presence.
3. Increase the client base of the company
4. Create awareness among customers regarding efficiency of social media as a marketing platform by the use of social media marketing itself (Facebook page, blogs).

Scope of Project

Though in the current scenario, every type of business is marketing on social media platform but this report is based on specific sectors which are chosen area wise. They are specified below

1. Hospitality sector
2. Healthcare Sector
3. Consultancy firms
4. Gems and Jewellery Sector
5. Microfinance Sector

The Geographical areas which were targeted where namely Indira Nagar, M.G Road, Brigade Road and Kormangala.

Choice of Alternative for the Study

In order to study the scope of social media marketing, there were two alternatives which could be considered.

1. Survey Approach: Conducting a survey by preparing systematic questionnaire and visiting door to door to get customers feedback.
2. Business Approach (Strategize and work like an entrepreneur): Another possible way was to approach the client for business. This will include approaching the potential clients via telemarketing/ cold-calling and explain to them the services offered by Infopine. The most important part being what is in for them which can provide a competitive edge.

The issues related to conducting survey were:

- In two months, it was not practically possible to entirely cover more than one sector. For example when we talk about restaurants in the hospitality sector, some of the localities have more 250 restaurants. Sorting them according to parameters like popularity, pricing, taste etc. would be time consuming and possibilities of errors is also high
- How to decide upon the number of samples to be taken
- Apart from sorting and categorization, the next difficulty is to get the marketing manager or owner of that place to fill the survey. Whether it be hotels, restaurants, hospitals or consultancy firms, meeting the owner is practically not possible.
- Marketing managers may refuse to give response or fill the questionnaire for various reasons such as privacy.
- Competitors in market are already targeting and approaching clients for offering social media marketing. This is a clear indicator of acceptance of this form of marketing.

Taking into consideration all these points, the business approach was selected. Since there exist a demand in the market which can be deducted by secondary research. In all the sectors which were considered, the major players have social presence. So it is likely that the medium and small enterprizes will also use this approach to expand.

The following steps were taken:

- Decide upon the sectors which are to be covered. These sectors were selected based on the clients for whom company was already providing the similar service and the sectors which need maximum visibility to attract customers.
- Once the sectors are finalised; particular sector was targeted and database prepared. The database consisted of list of 50 firms/restaurants/enterprizes.
- Based on online research and customers reviews available on various websites such as makemytrip, cleartrip, zomato, justdial etc. the top 50 players can be recognized. These are the potential clients who are approached. Bigger players are more interested in making marketing investments as compared to smaller ones.

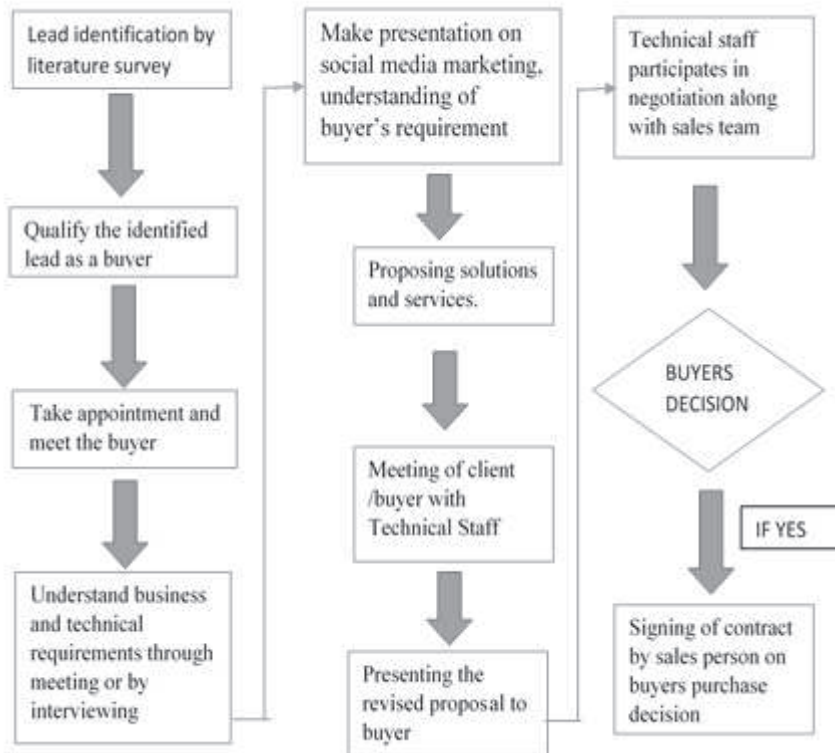
- Also if that particular sector was not appropriate, it can be concluded from the response received via cold calling. This helped to conclude whether to move further with a particular sector.
- For every social media platform that the company covers, a presentation is prepared which contains what approach is followed to increase visibility and audience engagement.
- List of frequently asked questions is prepared. Though sectors may change but customers have common doubts about certain things.

This approach is served for multiple purposes:

- Branding of the company. Even if the potential customers are interested but not willing to invest at present, constant follow ups can convert them into clients in future.
- It helps build contacts which is very important in any business
- Earn business wherever there exist an opportunity. Since this is a cost effective approach which provides greater visibility, clients who are looking for marketing will more readily invest.
- Database will help company for future follow-ups and to generate leads. Also which sectors are not fruitful can be recognised.
- It gives an opportunity to the intern to directly deal with clients. This gives key learnings and knowledge and a real experience of the business.

Execution of the Work

1. Selection of a particular sector based on opportunities; that is sectors whose business are majorly dependent on popularity and visibility among people.
2. Preparing database of potential clients. The database includes name of the organization, their address and contact details and information regarding their web presence (website, Facebook page and linked in profile).
3. Cold callings to the potential clients giving basic description of what we do and what we are offering.
4. Taking appointment for meeting. Ask the client for their requirements and make a rough draft.
5. Forward the requirements to technical team.
6. Follow up the client for further meeting. Present the prototype and clarify if any further modifications are needed.
7. Sales team along with technical team make negotiation for pricing.
8. Sales team sign the contract with client and deal is closed.



Stages in Marketing Cycle

Source: (K, 2009)

Environmental Analysis

Environmental analysis is done for the application of theoretical concepts to the corporate experience again

SWOT Analysis

The SWOT analysis for social media marketing service provided by company is as follows. It helps to analyse how beneficial it will be for the company and further scope of improvements and opportunities.

- **Strength**

- Social media is an easy way to learn about target segment/audience and helps target more effectively. This knowledge can help to cater campaigns and product offers to target audience, which will provide company a better return on investment.
- Quick information exchange. Twitter is in a strong market position in micro-messaging. Facebook is the only real competitor here- and they attract users for different reasons.

- Focus on quality content rather than quantity.
- It helps to find new audience and expand the customer base.
- It helps to receive instant feedback from customer's perspective.
- It can help increase website traffic and search ranking.
- Sharing of content is easier and faster
- Helps generate leads for one third of the cost.
- Increase brand awareness with little or no budget.
- Create "Human "factor for the brand. It helps to create a meaningful relationship with customers
- **Weakness**
 - Faceless relationships with consumers: one of the most common social media marketing problems that business owners have to face has to do with lack of personalization.
 - Managing content: Content posted has to be monitored very closely because it directly affects the company's image/ brand. A single negative comment can turn a successful campaign into failure
 - There is no such guarantee of the maximum number of customers that can be reached through this approach. It becomes difficult to keep track of the footfalls.
 - The web is flooded with information of how to make ones Facebook page popular which makes buyers sceptical about price quotations and whether to go forward for social media marketing via a third party provider or not.
 - Security issue prevails. There are possibilities of hacking.
 - Creativity is the key to attract audience. Consistency sometimes turn into weakness since one needs to be active 24/7 in order to grab all opportunities failing of which may result in poor audience engagement.
 - Campaigns and events run on social platforms are time consuming.
 - Low retention rate since there are more switchers than loyal customers.
 - Difficult to analyse which social media platform should be used. While there are thousands of tweets every day and your company's tweet may get disappeared somewhere. Big companies have an option to be active on two to three platforms simultaneously but for SME's it is a not possible.
 - The time period for return on investment is practically no measurable. While one may be having a huge audience engagement but sales can still be staggering.
 - One cannot claim the money generated through social media marketing.

- **Opportunities**

- Target niche market that are untapped; students, the public.
- Get instant customer responses, reviews and support.
- Run social media contest and campaigns to engage more audience. Promotions, news, events can easily be offered via these platforms.
- Penetration into new geographical segments.
- Opportunity for recruitment of talented individuals.
- Allows building short and long term relationships with prospects.
- Reach out to certain groups that traditional media didn't allow you to. Because Social media is for everyone, sooner or later you will come across people you never thought of as your client. This opens the door to building new relationships but also to valuable feedback that can help develop products and services more intelligently.

- **Threats**

- Aggressive marketing campaigns from other competitors on same platform. This divides audience attention and can result in poor engagement.
- Negative comments and feedbacks from audience which may deteriorate image.
- Other modes of digital marketing.

Competition Analysis

Application of Porters Five Force Model will provide a convenient framework for exploring the economic factors that affect the profits and prices in social media marketing. It will give answers to various questions regarding why small as well as large enterprise are still sceptical regarding the use of social media as a marketing tool even though it has now become a need rather than luxury.

Porter's Five Force Model Analysis

1) Threats of New Entry

- Low entry barrier which comes with economies of scale, providing them opportunity to analyse the market properly.
- Agencies initially have to face low buyer loyalty.
- Lack of knowledge or talent or experience can prove to be setback which can directly affect the reputation in the industry.
- Low entry barrier also indicate low exit barriers.

2) Bargaining Power of Suppliers

- Lot of suppliers are there like Facebook, Google AdWords, but some suppliers who have experience, high reach and affinity will charge high price for placing ads in their portals.
- Real time bidding will lead to increase the demand of some portals.
- Seasonal campaigns put pressure on supply side to charge high.

3) Bargaining Power of Buyers

- The switching cost for users is low, making it easy for them to opt for other company.
- Since customer can choose from a wide array of marketing platforms, this always restricts the fees company can charge.

4) Threats of Substitutes

- No. of substitutes is high, substitutes include TV, Radio, Newspaper, Magazines.
- Substitutes are too popular among buyers. They had high demand in past years.
- Other marketing options like Search Engine Optimization (SEO) and Search Engine marketing (SEM).

5) Rivalry by Existing Competitors

- At present competitors are low, but it can be increase in future. Because lot new players are trying to enter in Social media marketing.
- Most of the traditional agencies now started concentrating in digital.
- Existing firms in the Industry are creating variety and unique campaign for clients.

(Philip Kotler K. I.)

Marketing Mix

Social media marketing comes under service category where Infopine provides its service of creating and maintaining Facebook pages, LinkedIn profiles and Twitter profiles to various organizations. Due to the unique nature of services, the implication of 4 P's of marketing are slightly different. There exist additional factors which makes it to be 7 P's of marketing services.

Application of the 7 P's of Marketing on Social Media

Product

Social media is used as a tool to access target audience and find out their desires and adequate expectations from an organization and its products. Social media channels serve as a perfect

platform to overcome the gap that exists between what customers actually want and what is being actually offered.

Target market can be easily reached online, focus group discussions can be run to do a market research rather than traditional methods of one to one questionnaire.

Place

Place refers to the distribution channel which is needed to help product reach market. With social media, companies can sell and promote their products online. Providing website links and offers on Facebook can direct customers. Especially for small business, it is easier to display goods online. This helps in a cost effective way to catapult online sales.

Price

Social media allows online marketers to adjust prices according to target markets. Since all the varying social media platforms and networks have different demographics, online marketers can adjust price per target segment. Apart from this, it also helps in deciding price of products by getting instant customer reviews.

Promotion

Promotion is the very essence of social media. Content marketing and customer engagement are vital when promoting a company. For example, Infopine manages the Facebook page of Ujjivan, where it created women's day campaign in order to increase customer engagement. Use of events, campaigns, tweets, discussions over current topic (as in case of LinkedIn) provides a great connect with existing as well as new audience.

While doing promotion, it is necessary to choose the right platform and right channel to promote right segment. For example, when in need of manpower, LinkedIn is the right platform.

People

Through social media people connect with each other in the quickest and easiest way possible. Social media platforms should be used to connect with right audience; which includes stakeholders to business such as local and online community, competitors, trade associations and trade bodies. Employees of a company act as ambassadors on these platforms and helps in brand building.

Physical Environment

Mobile devices, personal computers, laptops etc. all comes under environment. With increase in the number of internet users worldwide, it is serving as an opportunity for marketers since target audience is available and accessible at almost all points of time.

Processes

Customer service processes can be facilitated through social media platforms. Customers and prospects can receive quick response to support questions, get information about the upcoming products, give complains outright.

It is essential that the social media platforms be checked from time to time, keeping a close eye on all the tweets, comments etc. (Valarie A Zeithm)

Service Marketing

Inbound Marketing: this form of marketing includes promoting a company or an organization through blogs, video, eBooks, whitepapers, SEO, social media marketing etc. and divert the traffic to company's website.

Inbound marketing is "permission-based" marketing. There exist two premises here:

1. Communicate via mediums in which audience has given permission to communicate
2. Answer the questions people are asking and proliferate those answers around the web in anticipation of the question.

Social media comes under the first premise. The four marketing actions which are taken while doing social media marketing are as follows:

- **Attract:** Posting relevant contents to right platforms helps a company to meet the right customers, engage them and put a human face to its brand.
- **Convert:** once the customers are attracted to Facebook Page or on LinkedIn, the next step is to convert those visitors into leads by gathering their contact information. This may be done either by diverting the traffic from social media platform to company's website or providing some exciting offers (Facebook specifically) and getting them to fill contact details for availing the same.
- **Close:** This involves converting the leads into clients. Social media can only deviate the traffic to company's website; the rest is based on how well company does customer relationship management (keeping a track of clients) and on the sales team.
- **Delight:** Keeping track of customers on the social media platforms and get their feedbacks, answer queries and try to reach out to them with relevant content. (HubSpot, n.d.)

Managing Social Media Marketing Service

Infopine sells social media marketing as a service to its customers so it becomes necessary to study how the company manages and fulfils customer's expectations.

Customer expectations and perceptions is the primary determinant of customer's service-quality assessments. Customer service expectations exist at two different levels

- Desired level
- Adequate level

Adequate Services

- Increase in number of likes and followers

- Maximize the social media presence
- Daily updates should be done
- To reach out the right audience and maximum number of people as possible.
- To get return on investment so as to assess whether it is good for company or not.
- Daily reports of social media activities.
- To build a positive relationship with customers. There should be responses from customer's side on the shared content

Desired Services

- Innovative campaigns and content sharing which are not only related to the client's product/ organization but is also in synergy with latest trends.
- Trial period should be available before endorsing for regular services.
- Increase the frequency of content sharing on special occasions and peak seasons



Source: (Leonard L. Berry)

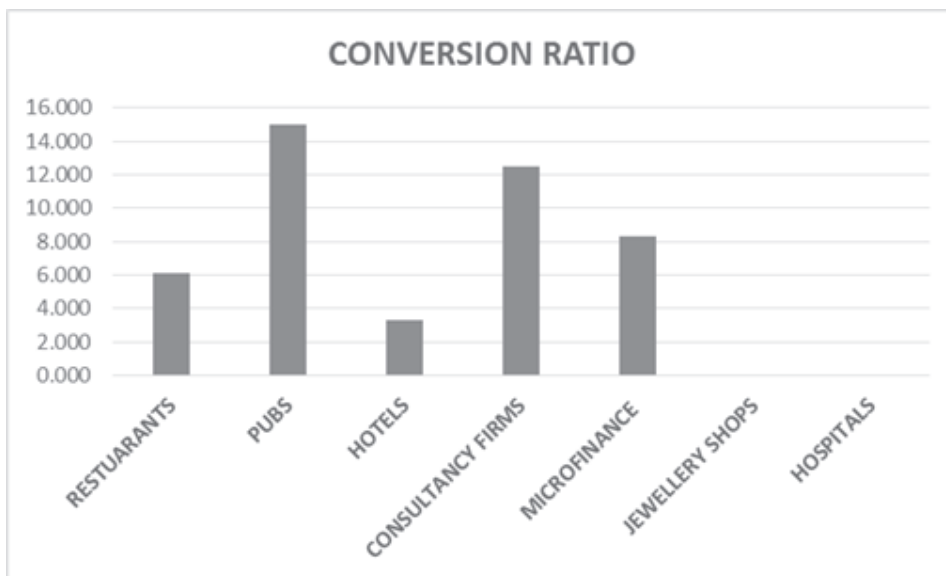
The difference between adequate expectations and desired expectations creates a gap known as "ZONE OF TOLERANCE" which is a range of service performance that a customer considers satisfactory. (Leonard L. Berry)

Findings

Cold Calls to Conversion Ratio

A minimum of 50 cold calls were made in each of the targeted sector based on which client preferences for availing social media marketing as their marketing source is specified below.

Sector	Total Cold Calls	Total Conversions	Percentage
Restuarants	98	6	6.122
Pubs	20	3	15
Hotels	60	2	3.333
Consultancy Firms	40	5	12.5
Microfinance	12	1	8.333
Jewellery Shops	30	0	0
Hospitals	35	0	0.0



Conversion rate was high in Pubs because it depends largely upon branding and requires lot of visibility to compete and since the target segment of Pubs is young population so being active on social media platforms like Facebook give them good opportunity to increase business.

Whereas in case of Hotel rather than engaging in social media marketing they were more interested in website development also to trace "original buyer" was difficult which served as another hurdle.

Challenges

Following are the challenges which came across while working as a business development intern:

- Convincing the clients about social media marketing being the most effective medium of digital marketing. Even though Facebook has 1.44 billion active monthly users, it has various features such as news updates, sponsored ads, twitter is full of discussions on current news, but still social networking sites are viewed as mere medium of communication between friends and family. Business getting generated out of it seems impractical for many people. Especially for small and medium enterprises it is a boon, but they are the ones who would prefer it the least.
- Return on investment is the most important thing for any client. Marketing activity generate sales and when a company goes for online marketing, the exact number of customers gained or monetary gain cannot be measured. There are ways of doing so but not accurate.
- Recognizing the “BUYER” is another challenge. Marketing manager or the human resource managers are sometimes just the mediators and not the decision makers.
- It is important to understand which prospects could be potential clients.
- Understanding the requirements of the clients and clearly communicate them to the technical team. While designing any proposal or design layouts of a website, the technical team invest a lot of time and hard work. So it is very necessary that the work done should be exactly what the client wants otherwise it would lead to loss of client.
- Keeping in touch with the prospects and timely follow up. This is a challenge in a way because some clients may ask you to call back after two weeks or even one month. This does not mean that they are not interested but if you fail to follow up, competitors may take advantage.

Key Learning's

Having worked for five sectors and approaching clients for social media marketing in hospitality sectors (restaurants and pubs), healthcare sector, jewellery shops, and microfinance firms various difficulties come up:

- The most important learning is clients judge the end product and also the quality which they have demanded. It is the duty of the service provider to meet client expectations at par. Customer satisfaction is a gradual process which builds up right from the time we begin till we close the deal.
- Human resource management skills are very important. While doing follow up calls, we must try not to disturb the clients by haphazardly calling up at any time. Deadlines must be followed.
- Follow up of each client is necessary. To make client feel his/her importance and that we are genuinely interested. Follow up not only helps to grab opportunity whenever possible but also it helps build a better brand image for the company. The client may not be in need today, but tomorrow when there is one the chances of getting the deal is more due to constant follow ups.

- **Healthcare Sector**

- Hospitals require software database management rather than socialmedia marketing.
- Large scale hospital use website, Facebook page but not the medium or small scale hospitals including clinics.
- Hospitals and clinics do not prefer social media market. The demand in that sector is of software applications which make their work easy for example patient management system, hospital staff management system, billing software etc.

- **Jewellery Shops**

- Jewellery shops clients demand for fancy websites rather than social media marketing.
- Jewellery shop owners are more interested in fascinating websites rather than social media marketing. Also the demand for software applications is less in this sector. The usage of IT in this sector is low.

- **Hospitality Sector**

- Hotels are more interested in Facebook marketing as compared to individual restaurants. This is so because they require country wide visibility. Engaging customers via social media is the way for them to create a brand and increase customer base.
- The most common issue is was to trace the point of contact in case of restaurants. It becomes really important how we deal with the receptionist or customer care department since they provide a way through.

- **Microfinance**

- While working with bank applicants, it is important to do a detailed background study of the organization. Because many of them are diversified into other sectors. It is important to talk about already existing clients in microfinance sector in order to gain clients trust.

Conclusion

- Social networking sites have gained huge popularity over the past years, people have been spending an excessive amount of time on the Internet in general and social networking sites in specific.
- Social media marketing serves as a boon for Small-Medium Enterprises as it helps in generating leads , drive sales, increase brand awareness, publicity and that too at low cost.
- The best use of social networks is not to make money 'directly' off them, but to harness their marketing potential and to use them to market your own business. For example by giving exclusive coupons to your social community, you are rewarding and reminding them that your company is not only a brand to engage with, but also to buy from.

Recommendations

- The company should focus on consultancy sector as it holds huge opportunity, the target audience being young population who have are always active on social media
- New upcoming pubs and restaurants are in need of software applications and websites apart from social media marketing. So the company can keep this into consideration while targeting clients new to this sector.
- Increase awareness among the consumers as to why social media marketing is more preferable over other means of digital marketing.
- Pricing is very critical factor since social media is a free platform. So it should be done in a convincing way so that the client is assured of reliability and specifically return on investments.
- Since the competition has increased in large number, the service provide should focus on building their brand as well in order to gain client trust and reach new clients.

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