

Impact of Social Media Marketing on SME Business

Author:

Rahul Jain, Director – Digital Marketing & Chief Strategist,

InnoServ Digital, InnoServ Solutions Pvt. Ltd.

ABSTRACT

With the growth of Internet and smartphone penetration in India, The Social Media is touching large section of the society in many ways. The Social Media's adoption led by Facebook, Twitter and LinkedIn offers tremendous power to the marketers to do precise targeting in a very cost efficient way. The best part of these platforms is they offer excellent reporting and analytics thus helping the executor to stay on top of campaign performance and take appropriate timely decisions to make the campaign more effective and result oriented.

The traditional media like TV, Print, Radio etc are far from reachability of the SME's of India and mainly works well for large brands and business with deep pockets. The Digital Marketing and especially Social Media has emerged as a very cost effective medium for SME's and good adaption of these mediums can bring significant benefits to the business and help achieve the growth objective of the organization not only domestically but globally as well.

The social media leaderboard includes Facebook with 90 Million user base followed by 20 Million each of Twitter & LinkedIn. A comprehensive social media strategy coupled with other digital marketing tools like SEO & SEM can provide excellent platform for SME's to reach out to its target clients and can result in building lifelong communities of potential and existing clients.

This paper attempts to highlight the impact of Digital Marketing and Social Media strategy on the SME's and the earned benefits.

SME Marketing Obstacles

Large businesses have great opportunities and large marketing budgets and they can easily gain visibility through multi channel marketing effort whereas SME's are always constrained with the choices and options to market themselves and gain visibility due to limited budgets at hand. Mostly SME's are quite dependent on the word of mouth of the happy customers and keep their effort revolving around few minimum channels which they can afford thus limiting their growth potential.

Successful small businesses have long thrived on word-of-mouth to help promote their products & services. Small businesses with social media are now able to use free tools to help increase word-of-mouth while decreasing the need for outbound advertising platforms like the cable television ads, newspaper ads, yellow pages, etc.

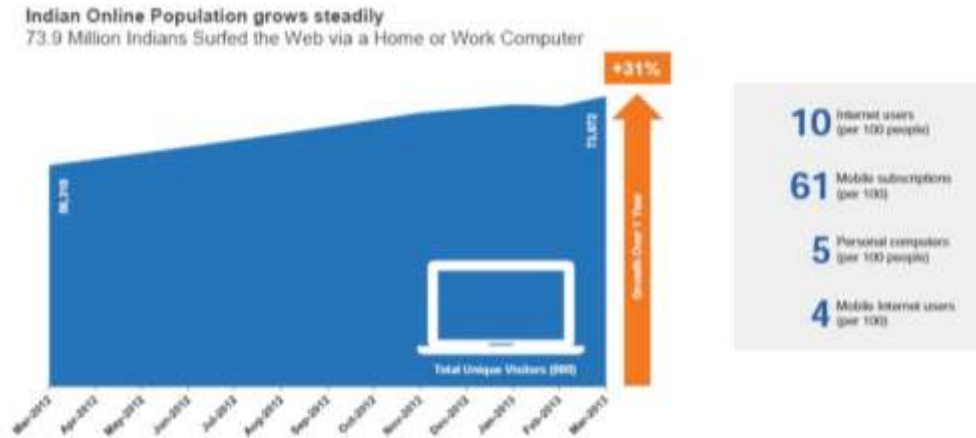
During the past few years, the affordability and accessibility of Digital Marketing tools, coupled with the awareness of Digital Marketing in general, have opened up digital marketing to smaller businesses as a viable channel to find and engage with their customers.

Digital Marketing - a great opportunity for SME's

The key characteristics of Digital Marketing is its ability to target right customers, cost efficiency and analytics. These factors makes it very attractive to the small business and these platforms offers great potential to be explored by SME's. The icing on the candy is you have the option to adjust the campaigns at every stage based on the performance and insights thus making the effort meaningful and result oriented.

Internet Penetration in India:

The latest round of I-Cube, a research conducted by IAMAI and IMRB International in June 2013, indicates that the Internet usage in India has gone up with more and more Internet Users using the Internet on a regular basis. In June 2013, India had 190 Million Internet Users. Of this, 130 Million belonged to Urban India and the rest 60 Million were from Rural India. In October, the number of internet users reached 205 Million and is estimated to reach 213 Million by December 2013. The number of internet users in urban India is 137 Million in October 2013 and is estimated to touch 141 Million by December 2013. In Rural India, there are 68 Million Internet users in October 2013 and will reach 72 Million by December 2013. Mobile Internet, too, has garnered a huge base among the Active Internet Users.



Source: McKinsey Digital Consumer Research 2012
Comscore 2013

What is Digital Marketing?

Digital marketing is marketing that makes use of electronic devices (computers) such as personal computers, smartphones, cellphones, tablets and game consoles to engage with stakeholders. Digital marketing applies technologies or platforms such as websites, e-mail, apps (classic and mobile) and social networks.

Growth of Digital Marketing over the last few years:

FICCI-KPMG Report on Media and Marketing 2013 has projected the growth of Digital Marketing over the conventional medium @ 32% CAGR for next five years.

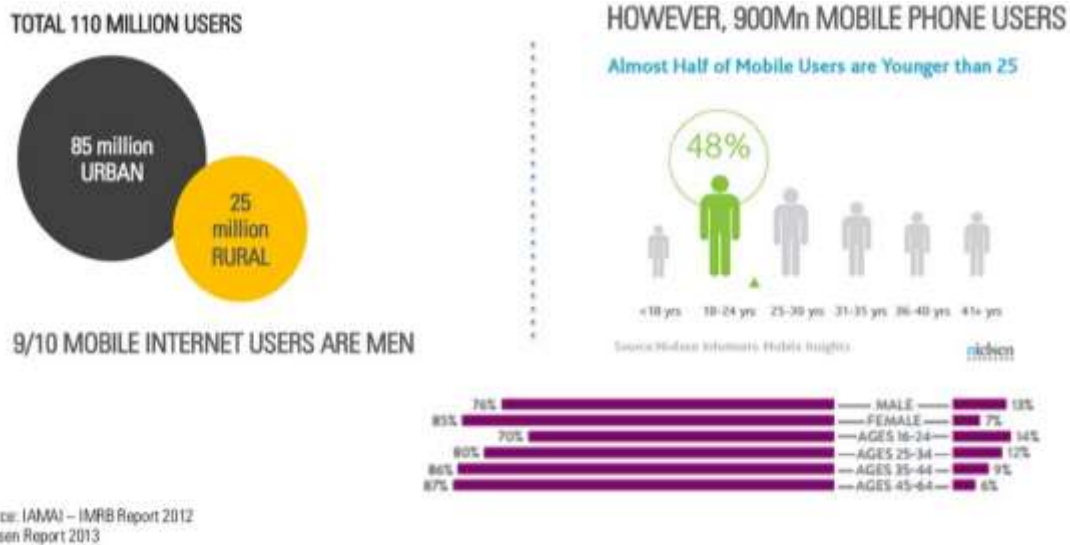
Overall Industry Size and Projections:

Overall industry size (INR Billion) (For Calendar Years)	2007	2008	2009	2010	2011	2012	Growth in 2012					CAGR (2012-2017)	
							over 2011	2013P	2014P	2015P	2016P		2017P
TV	211.0	241.0	257.0	297.0	329.0	370.1	12.5%	419.9	501.4	607.4	725.0	847.6	18.0%
Print	160.0	172.0	175.2	192.9	208.8	224.1	7.3%	241.1	261.4	285.6	311.2	340.2	8.7%
Films	92.7	104.4	89.3	83.3	92.9	112.4	21.0%	122.4	138.3	153.6	171.7	193.3	11.5%
Radio	7.4	8.4	8.3	10.0	11.5	12.7	10.4%	14.0	15.4	18.7	22.7	27.4	16.6%
Music	7.4	7.4	7.8	8.6	9.0	10.6	18.1%	11.6	13.1	15.3	18.3	22.5	16.2%
OOH	14.0	16.1	13.7	16.5	17.8	18.2	2.4%	19.3	21.1	23.0	25.0	27.3	8.4%
Animation and VFX	14.0	17.5	20.1	23.6	31.0	35.3	13.9%	40.6	46.9	54.2	63.1	73.5	15.8%
Gaming	4.0	7.0	8.0	10.0	13.0	15.3	17.7%	20.1	23.8	30.9	36.2	42.1	22.4%
Digital Advertising	4.0	6.0	8.0	10.0	15.4	21.7	40.9%	28.3	37.1	48.9	65.1	87.2	32.1%
Total	514.5	579.8	587.4	651.9	728.4	820.5	12.6%	917.4	1058.5	1237.5	1438.4	1661.1	15.2%

As per the last annual report of IAMA and IMRB on the Digital Marketing Spent in India, the amount spent on Digital advertising was INR 4,391 Cr.

Mobile Internet Usage:

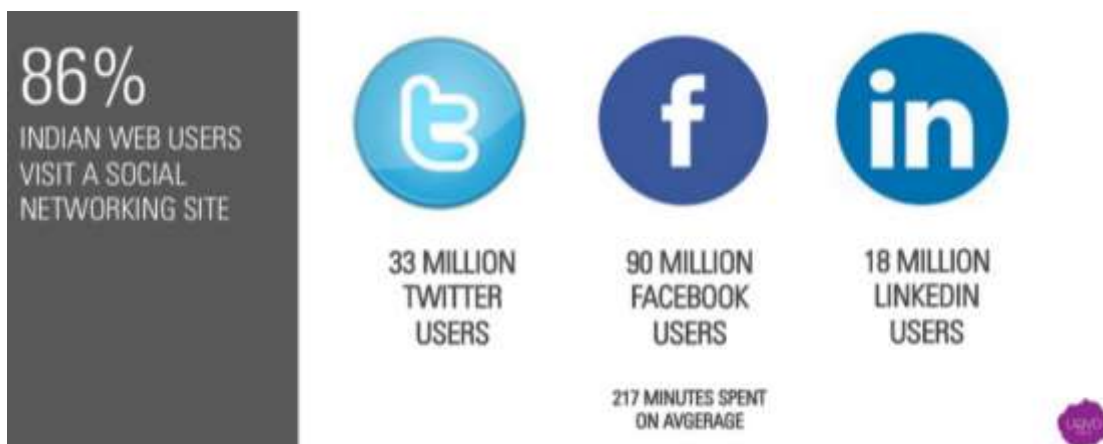
India is expected to have close to 165 Million mobile internet users by March 2015 as more people access the internet through mobile devices and dongles, according to the report by IAMAI and IMRB.



Visual Courtesy: <http://www.slideshare.net/mitraarnab1/india-on-internet-2014>

Social Media in India:

The number of social media users in Urban India would reach 86 million in October this year, and 91 million by the end of this year, according to the report 'Social Media in India – 2013' by the Internet and Mobile Association Of India (IAMAI) and IMRB released in Oct 2013. Social media users in urban India are expected to grow by 19% between June and December 2013. The report further found that 19.8 million users use mobile phones to access social media platforms in urban India.



Visual Courtesy: <http://www.slideshare.net/mitraarnab1/india-on-internet-2014>

The roadmap for SMB Digital Marketing

The SMB roadmap for Digital Marketing is as follow:

- Plan – Goals, Audience and Platforms
- Develop a Content / Communication Strategy
- Getting Found – SEO & SMM
- SEM - Reach others when they are searching for services you offer
- Measure

Plan

Identify the goals you wish to achieve through your Digital Marketing strategies. Figure out the customer persona and the platforms where you can tap them online.

This is the most crucial stage to any Digital Marketing strategy. Identifying these parameters takes the most attention while initiating your activity.

Develop a Content / Communication Strategy

Any marketing is always dependent on 2 C's – Communication & Content. In Digital Marketing strategies, content plays a very significant role.

Planning a good content mix and deciding on which content platforms to utilize is very critical to the success of your digital marketing strategies.

Example Content Channels are:

- Website
- Social Media
- Email
- Webinars
- Videos
- Ad Campaigns

Example Content Deliverables are:

- Fan Pages on Facebook / Twitter / LinkedIn etc
- Landing Pages
- Videos
- Case Studies & Testimonials
- News and Product Updates
- Ad Creatives

SEO & SMM:

It's very important to establish your online brand presence and making it visible to others those who are searching for services that SMB offer. The Search Engine Marketing is a proven method universally adapted by businesses of all size and remains a very important strategy to make your business visible to the users looking for the services offered by the business. The key strategies includes the Onpage and Offpage implementation which includes actions like Keyword Strategy, Landing Page setup, Blog Setup Link Building etc.

As evident by the rapid Social Media adaption by Business, these platforms offers excellent opportunity to engage with the end customers. Depending on the nature of business, tool selection can be made and a content strategy can be rolled out to generate the desired impact.

Search Engine Marketing:

Advertising your business at the time when some one is looking for it is a best way to increase your chances of engaging your hot prospect and covert the same in sale. Search Engine Marketing tools like Google Adword is globally adapted by Small business to increase their leads and thus sales.

Online advertising through Google is available several formats viz text ads, image ads, video ads delivered via Search and Display network. Google adword is the most cost effective medium and offers higher ROI as the user pays for Pay per Click. This means the advertiser doesn't pay for the ads to be shown but the payments are deducted when the prospective customer clicks on the advertisement. SEM / PPC advertising is considered a revolutionary method for many large and small business and its usage is very high among the global SME's.

With growing Internet population, India is also a large consumer for Google Advertising. Indian business with global clientele finds it as the best option to reach out to the global clients with ease and cost effectiveness. Most ecommerce business are using Online advertising in order to gain the market penetration and revenue.

Measure:

Analytics is an inbuilt feature of most Digital Marketing tools. The availability of insights and data makes these platforms complete and offers excellent opportunity to the marketers to make inferences and take right decisions.

By measuring the performance of each campaign you are continuously learning and thereby improving which allows you to fine tune campaigns and understand how your target audience interacts with the various touch points and messages you broadcast. The digital world has made tracking online behaviour and visitors much easier as marketers strive to understand where visitors come from, what pages they viewed, how long they spent on your website, which sources are sending quality traffic and most importantly, did visitors turn into leads or conversions.

Integrating marketing activities such as paid search, social media, email, print and your website is essential in delivering consistent and relevant messages through to your target audience and being able to achieve your objectives and goals for your marketing activities.

Current Adaption of Digital Marketing by SMB's

What SME's can do through Digital Marketing:

- Generate leads, Drive Sales
- Increase Brand Awareness
- Reach new customer segments
- Drive customer engagement
- Gain customer insights
- Cost savings / Productivity Improvement

What Tools / Solutions are used by SME's in its Digital Marketing Strategy:

- Website
- Social Media
- Email for Marketing / Promotions
- Search Engine Optimisation (SEO)
- Blogs and White Papers
- Videos and Photos
- Online Store or other ecommerce solutions
- Online events like Webinars
- Search Engine Marketing – Paid banner Ads
- Mobile Apps
- SMS
- Messaging tools like WhatsApp

What marketing Success SMB's achieve through Digital Marketing?

- Sales
- Leads
- Top Rank in Search
- Publicity / Awareness for the Products & Services
- Fan Followers
- Attracted Talent to Join the company