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## *The Power of Social Media Era and Its Impact on the Current Business Environment*

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**Abstract:** *This paper will discuss the impact of social media on today's business environment. It will start by understanding the changes in organizations from the industrial age to the digital age. Then it will explore companies reactions to the rapid changes in technology and the popularity of social media tools. While many organizations often think that social media influences communication and relationships outside of the enterprise firewall, recent data and studies have shown that organizations are affected by social media in all aspects of their structure and culture. Examples of social media impact on various types of organization's will be presented. Finally problems and possible solutions to integrating social media in today's organizations will be discussed.*

**Key Words:** *Business Environment, Digital, organisation, Social media etc.*

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### I. INTRODUCTION

The number of internet users has increased over the last decade due to the development of new technologies, internet availability and improved connectivity. Various online communications platforms have been invented and are widely used for both personal and business purposes worldwide and social networking is the latest communication platform helping people connect to each other across different places. Its introduction has changed the way groups of people are connecting and communicating in business via online communities and professional networks. In business, many multi-national companies are currently moving beyond traditional media channels and using different web sites. Due to the fact that these two social networking services possess millions of people's profiles, demographics and personal interests, thousands of multinational companies have turned their focus on new social media strategy to reach their target online. The term 'social media' has become the most recent area focused on by marketers, advertisers and public relations professionals in various business sectors and many experts have studied and tried to understand the benefits and functions of the term social media. According to Turner (2011), the Chief Content Officer of the 60 Second marketer reported that social media is about creating and having conversations among networks in online forums, blogs, and social networking sites. The key fundamental function is to use them as a medium for contacting, sharing and promoting data and contents. But when it comes to business, the main objective of operating social media is far beyond that.

### II. OBJECTIVES OF THE STUDY

- To evaluate how social media impact on current business environment
- To classify different social media applications impact on business sections
- To understand social media helps to business ventures to explore their Promotions

**III. REVIEW OF LITERATURE**

**Ateş Bayazıt Hayta (2013)** studied that social media is on the most important tools communication channels. Consumers do access to information about goods and services to be purchased as per need by means of social media to a great extent. Also studied social media which affects our live in recent years that brings a new dimension to Internet and determine the effects of social media networks on purchasing behaviours of consumers.

**Priyanka P. (2015)** studied that social media can be used for increasing customer loyalty. With the help of continuous customer support services leads to improvement in customer retention. New applications and social platforms will flourish and allow even greater personalization and real-time, location-based engagements in media

**R.A.Gbadeyan (2010)** study examined that there are opportunities for businesses in the market, businesses can grow with the help of social media marketing. Uses of SNS explored that organization can do direct marketing for online social network there are people who spend more time on SNS. Study also finds the reasons for people were using social networking sites due to safety concerned reason, technically inexperience due to lack of confidence in using internet, intellectual rejecters who feel waste of time

**Russell S. Winer (2008)** described the different kinds of new media which was used by companies to engage customers that is social networking sites like Facebook, MySpace, Second Life, and You Tube etc have generated perhaps the most publicity and also describe challenges that these media were present from the perspectives of the marketing manager where Marketers have been cautious in using this new medium because of the risk that members of a community will become offended from an over-commercialization of the site. Study also shows that the growth of these sites has led to the notion. Importance of Web 2.0 era where user generated content and discussions can create powerful communities that facilitate the interactions of people with common interests

**Mehmood Rehmani (2011)** studied because of social media it was easier for e-commerce marketers to communicate directly with their target audiences. This is due to people can take complete information of product also make comparison with different brands which results to buying of product as per choice which leads to brand commitment. Study explored due to increasing number of mobile phone users and internet users, people tend to get influence for purchasing of products. The study intends to explore the impact of social media on purchase intention of mobile phone customers in Pakistan

**Tesfaye Nekatibeb (May 2012)**, Studied social media provides benefits of long-term engagement between brands and consumers also provided an opportunity for everyone to communicate effectively and efficiently in a way unprecedented by any other media it can be considered as the communication tool of modern era

**Amrita Pani & Mahesh Sharma (2011)** study revealed that Social networking sites like MySpace, Orkut & Facebook were widely used. To get influenced by Gen-next consumers in India, there should be changes in their brand choices, shopping behaviour and lifestyle pattern which resulting through their social media. Marketer should implement well designed marketing campaign for penetrating new media segment.

**Roland Rust, Christine Moorman & Gaurav Bhalla, (2010)** explored that companies uses powerful technologies such as social media for understanding and interacting with

Customers as a medium. The change in shift from the firms focused that was from profitability of products to profitability for customer this can be measured by metrics of customer lifetime value and customer equity

**Sisira Neti (2011)** study overviewed on social media marketing in India. It discussed about strategies of social media and their role and relevance in the growth and benefits aspects of the marketers. The explosion of social media phenomenon recognized by global companies which was utilized potential platform for marketing with new power of

advertising campaigns by using social media. The key findings of study was blogging have a very positive impact on companies branding & growth.

**Brian Cugelman, MA (2010)** study assessed the usefulness of online interventions which are suitable for applications of social marketing. The study presents through model which integrate behavioural change and psychological principles which were used to design interventions of online behavioural change. The study used meta-analytical techniques to assess the impact of these interventions which are targeting to voluntary behaviours

**J.Jaya Pradha (2012)**, study highlights the importance of Social Networking Sites in present scenario, compared various social networking websites and services offered by them to different age group users, understands the reasons for using this websites and their benefits, relevance and usefulness to society. Study showcase the Social Networking Sites like Facebook, Twitter, Orkut, Google buzz, YouTube, blogger.com, Myspace etc. Study found that students takes lots of interest in using Social Networking Sites, speaking with their friends through Social Networking Sites also useful to society with highly influencing by rank using Facebook, twitter, bloggers.com, MySpace etc.

**Ghania Bilal et al (2014)**,the study was to examine the role of Social Media like YouTube, Blogs, and Twitter etc. and Social Networks like Facebook, Google, and Linked In etc. on consumer's decision making in context of the Apparel Industry. This study provides an input especially to apparel industry regarding effect of social media and networks presence on the customers and their loyalty for the brand. This paper contributes to communicating how companies gain an online presence which is compulsory these days to earn a profitable market share and competitive edge. The results highlighted the fact that the use of these online media has a strong effecton the buying decisions of the users which means people used online social networks and Social Media sites as sources for obtaining information about different companies, their brands, products and services.

**Santosh Hulagabali (2015)**, 'study covered the scope of online commerce for bookstores. As per Google Indian report said that 90% of online shoppers were planning to buy more online products and out of around 62% a book has been sold in market. Study covered best collection of books and e-information sources on web with more attractive discount rates which has introduced by five Indian online bookstores which are very popular and successful in India.

**Karan Joshi (2017)**, 'study focused on potential growth of online shopping has triggered the idea of conducting a study on factors affecting on attitude of consumer towards online shopping. Study revealed that online shopping in Himachal Pradesh is significant affected by various mac economic factors including benefits and risk like privacy, convenience, source, fun, wider selection, homepage, price, customer service. Online shopping retailers can used the relevant variables and factors formulate their strategies, can prioritize the consumer implicit and explicit requirement in online shopping environment.

**Vibha Gupta (2018)** studied that e-tailing is a challenge for Indian customers. They faced real time problems related to trust to quality. Consumers do not rust shopping style as they can see and choose a product virtually without any kind of physical touch, study shows some rigid behaviour towards e-tailing. Study suggested that online shopping vendors should made their customised strategies based on the consumer behaviour. (touch and feel) also not only to invest in bringing new customer base which creates loyalty will generate revenues in the long run through e-tailing. Irrespective of online shoppers are satisfied by their respective service providers and online vendors.

#### IV. BENEFITS OF SOCIAL MEDIA

##### *Social media:*

The online platforms and tools that people use to share opinions, experiences, including photos, videos, music, insights and perceptions with each other.

**Social network:**

A special structure made of individuals (or organizations). It includes the ways in which individuals are connected through various social familiarities

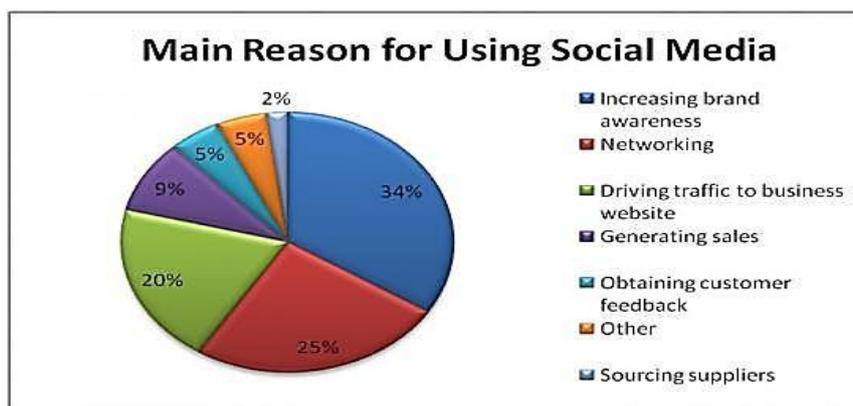
**Benefits of Social Media:**

- Increase brand awareness
- Reporting and analytics
- Humanize your brand
- Company branding
- Establish your brand as a thought leader
- Improved brand awareness
- Increase website traffic
- Word-of-mouth advertising
- Increased customer loyalty and trust
- Improved audience reach and influence

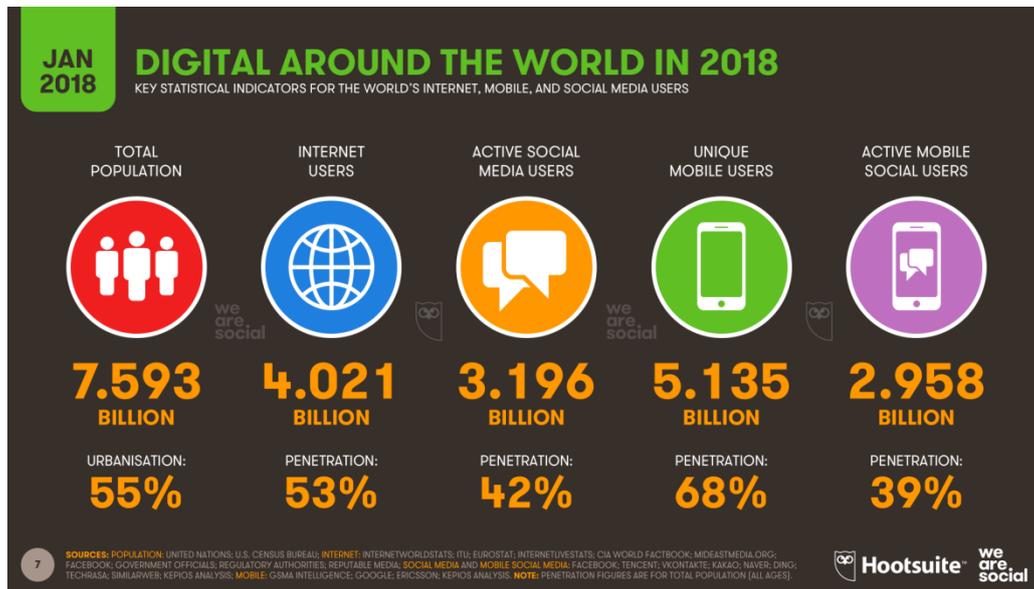
The number of internet users has increased over the last decade due to the development of new technologies, internet availability and improved connectivity. Various online communications platforms have been invented and are widely used for both personal and business purposes worldwide and social networking is the latest communication platform helping people connect to each other across different places. Its introduction has changed the way groups of people are connecting and communicating in business via online communities and professional networks. In business, many multi-national companies are currently moving beyond traditional media channels and using social network sites as a medium to reach their targets consumers instead. There is no argument that social networking is the key player driving new media communications in the digital era and its benefits and functions are impacting business considerably.

**How social media helps business:**

Using social media is a great way to make your business friendlier and to form closer relationships with your customers. By engaging in social media, your company can interact directly with customers. By creating interesting and useful content you can position yourself as a trusted source of information in your field, as well as a place to buy.



## The Satirical Report of Digital Media Around the world:

**Major social media sites:**

As on 2013 'Digital Influence' survey found that social media was very effective at influencing online sales, with 30.8% saying Facebook would influence a decision to buy, and 31.1% of respondents saying blogs would be likely to influence a purchase. While many online services now have a social element, the most important social media sites for businesses are:

**Facebook:** Facebook, a social network service that allows users to create their own profile, status, interest and preferences and also share information with friends and contacts. Social network available in 70 languages with over 1 billion users worldwide, and more than 33 million users in the UK.



**Twitter:** Twitter, a social network platform that allows users to generate and share messages, or "Tweets", up to a maximum of 140 characters. According to Chiang (2011), claimed that there are nearly 200 million Twitter's users' worldwide. There are more than half a billion tweets sent every day.



**YouTube:** Video sharing site owned by Google, with 800 million unique users million unique visitors. YouTube is a consumer media company where people can watch and share original videos worldwide through a Web experience.



**LinkedIn:** Business focussed networking site with over 8 million members in the UK, and 2 million companies profiles worldwide.



**Google+:** Social network launched in 2011, attracted 25 million members in its first month, and has grown fast since. Google '+1' buttons are used 5 billion times every day.



**Pinterest:** Pinterest has just over 25 million active users, roughly 10% of whom are in the UK . 80% of pinterest users are women.

**Instagram:** This photo sharing social network quickly overtook Flickr, and is now used by more than 100 million users every month, with 40 million photos shared every day.



*Instagram*

**Blog:** Alongside using the above services to help promote your business, many retailers include a social dimension tool on their own sites by adding a blog. A blog consists of a chronologically ordered list of entries (blog posts) where readers can add comments. Blogs are great for adding interesting, original and frequently updated content to your site, which help engage your existing fans, and help you to bring in new readers from search engines and social networks.

## V. NOVELTY (NEW INFORMATION)

According to We Are Social's Digital in 2018 Global Overview, Facebook is the second most visited website in the world, followed by YouTube, with Google leading the list. Facebook was also the most searched query on Google, followed again by the video-sharing platform YouTube. These numbers prove that the four billion active internet users turn to social media platforms every single day.

### *Effects of Social Media on Brand Loyalty*

A 2017 survey of 5,700 marketers revealed that 69% are developing loyal fans for their brands via social media marketing. In the same vein, 66% of users between the ages of 18 and 24 years old are more loyal to the brands they follow on social media, while 60% of 25- to 34-year-olds favor the businesses they follow on Facebook, Twitter and Instagram.

### *Effects of Social Media on Sales*

We Are Social's Digital in 2018 Global Overview reported that 17% of the world's population makes online purchases and pays their bills online. Strong economies like the UK (78%), South Korea (74%), Germany (74%), Sweden (70%) and the U.S. (69%) have the highest e-commerce penetration, or percentage of the population that has purchased online

In a survey of more than 600 senior marketers, 39% said they saw a medium return on investment (ROI) from organic social media posts, while 20% said they received the highest ROI from this form of marketing channel. In addition, 36% said paid social media ads brought in medium ROI, while 17% said the channel provided high ROI

### *Social Media impact towards Students*

- Parents are busy in professional and daily life activities. They don't have that much time to communicate with kids. Kids or students can't stay too long without communicating with others.
- Even it's tough for adults to stay in silence. So, students or teenagers feel bored during study times, and then they turn to social media appreciations and discussion about themselves.
- For that they invented selfies, and they post it 2-3 times in a day, as I saw new generation living around me.

Social media is a new playground for students.

- Students living with their parents in cities are unable to find a playground to connect with friends. And they saw Facebook and other social media websites for fun and joy.
- They are not playing cricket on Facebook but they have invented new kind of games such as watching profiles, sending friends request to unknown people, chatting with opposite sex for pleasure and fun or for time pass etc.

#### ***Social Media impact towards Society:***

- Staying in touch with family members and friends has never been easier through the use of social media. I myself can vouch for about 7 different occasions where my grandmother has shown me an old school friend and then proceeded to express her absolute amazement of Facebook's capabilities, considering the nearest thing she had to a social media platform growing up was a speed dating profile written on an A4 piece of paper in the local town hall.
- Social Media is one of the best ways to find and interact with new people who have the same interests as you, as social media allows you to seek out groups that are focused towards your own interests and hobbies. This can be great for meeting new friends but also for love interests and internet dating which has become more popular than traditional face to face meeting, thanks to social media and the likes of Tinder.
- Social media is a great way to spread news quickly across the globe, with "breaking news" tweets receiving tens of thousands of retweets in minutes. This can be highly useful when updating individuals on important information such as weather updates and missing children.
- Social media is also a great way to catch international criminals and terrorists, as anyone with a social media profile can be tracked and located. This can be highly beneficial when it comes to solving and preventing crimes.
- As mentioned above social media has overall changed society in multiple positive ways but for absolutely no extra cost as all major social media platforms are free. Try and think of another product or service that has ever changed your life as much as social media and then think about its cost

#### ***Social Media impact towards Business ventures:***

- Social media ROI is difficult to measure
- Your employees represent your brand image
- Less control on stuffs which are shared
- A mistake made on social media is hard to rectify
- Negative customer reviews are harmful
- Highly time consuming
- The web is crowded with more and more content

#### ***Advertising:***

- Viral marketing
- Classifieds and job listing
- Mobile advertising

**a) Social media –online marketing web**

Derived from the combination of social networking and marketplaces, such that a social marketplace acts like an online community harnessing the power of one's social networks for introducing, buying, and selling of products, services, and resources, including people's own creations.

Social media technologies have drastically reduced the cost of content creation, distribution and discovery methods. Organizations and individuals are able to create an online presence easily and economically. This presence could produce a large following depending on the interest in the content created and information shared. An online community is the dream of every business in the social media arena given its relatively low cost and instantaneous customer access.

**b) E-Commerce in Social Media:**

Social media platforms have become popular tools with corporate marketing teams to spread the word about the products and services. The traditional word of mouth marketing has become "word of mouse", a digital marketing term used to describe promoting products or services virally through the web. Companies realized that social media is a powerful medium that is changing the way the world communicates. Its power stems from crowd-sourced communities that allow the instant sharing of information between people with related interests. However many organizations are often shocked by the impact of online communities on their internal organization structure.

The convergence of the Internet, Web 2.0, and mobile technologies has created a disruptive shift in business. The era of Business-to-Person (B2P) communications driven by all things social.

**c) Marketing:**

The business function most commonly charged with engaging customers through social media has been the marketing department. However, the growing prevalence of online communities that allow consumers to exchange information about products or services, and to compare prices among competitors, has also meant that marketers have lost control over how and where their products are presented to potential customers.

Other campaigns take advantage of the immediacy of social media to create a sense of urgency regarding limited-time offers. Airlines including JetBlue and United have begun using Twitter to promote fixed availability or last-minute flight deals—tasks ideally suited to the dynamic environment of social media. Online store and community Woot, which focuses on selling "cool stuff cheap," has built a strong following on the basis of selling one and only one item per day at a discount.

**d) Customer:**

It's quick and easy to set up a company profile on the major social media sites and then start publishing your own content. If your content is interesting, other users will share it with their friends, which can generate interest in your business and visits to your site. Such personal recommendations are a highly effective way to promote a business and using social media has the potential to massively expand your reach.

Social media also opens ways to conduct market research more quickly and cheaply than ever before, and to engage in a real-time dialogue with a wide range of customers, replicating the insights traditionally provided from direct customer feedback or expensive and time-consuming focus groups. Electronics retailer Best Buy, for instance, engages in about 5,000 customer dialogues per week through online forums, and has more than 1.3 million followers on Facebook, with whom it interacts regularly. This direct interaction can also help companies benchmark themselves against the competition and gather valuable input on what shoppers like about them.

**e) *closer relationship with the customers:***

Websites used to communicate every so often with their customers via email. Because so many users are now active on social media, it's easy to communicate with your customers much more frequently. That has the potential to increase the amount they purchase from you, to increase the likelihood they'll share your content with others, and allows you to gather valuable feedback and improve your service.

**f) *Sales***

The once clear-cut boundary between marketing and sales continues to blur as online advertising and links to third-party comparison sites allow companies to drive traffic to their retail websites. As a result, firms can rapidly convert shoppers into buyers, and those buyers into salespeople.

Computer maker Dell has experimented with Dell Swarm, an application that invited customers in Singapore and Canada to enjoy volume discounts by joining group purchases. The results of these pilots have led to plans to roll out similar apps on the company's website in 2011. Mobile apps such as Find Starbucks also allow customers to locate physical outlets quickly, while others such as Dunkin' Donuts' Dunkin' Run make it possible to compile orders from friends or colleagues that can be picked up by one person in the group.

Customer expectations regarding the online purchase experience continue to climb, as leading retailers such as Amazon.com continue to raise the bar by customizing recommendations, providing intuitive, straightforward online navigation and minimizing the number of clicks needed to complete a purchase.

**g) *Innovation***

Social media has an increasingly important role to play in helping companies identify and address unmet customer needs. Firms can engage employees, customers, suppliers and other third parties as active participants in the innovation process, expanding the range of ideas and gathering real-time feedback on their potential take-up. For example, Nokia operates an online lab that allows users around the world to download beta applications and provide feedback to its product development teams. This provides an early opportunity to identify potential problems and alerts the developers to customer differences across geographic markets that need to be addressed.

**h) *Customer service and problem resolution***

Innovative companies are using social media to be more proactive in seeking customer feedback and engaging customers to diagnose and resolve problems.

**i) *Communicating with customers***

Companies may see the spread of negative reviews about their products or services as a bad thing, when they can use it to their advantage. By utilising social media effectively, companies can reach out to dissatisfied customers directly, within their own social media environment, to find innovative ways of improving the product or service they have on offer. More than 80 per cent of that population is made up of "potential influencers". It is worth making the effort to identify who these people are in your network and connect with them to attract shares and likes which ultimately help to spread your brand name.

**j) *Give instant message***

Social media is not just a way to talk to your customers, but also a great way to listen. By monitoring what people are saying about you on Twitter, blogs and other social networking sites and talking to customers directly, you can get real time feedback on what customers are thinking about your products and services. Lots of free tools exist for monitoring and listening on the social web, including Google Alerts.

**VI. CONCLUSION**

Social media has had and is continuing to have a huge influence on business, marketing and on how businesses engage with their target market. The use of social media to share and engage with others continues to grow at an astounding rate, so it would be wise for any business to develop and implement a sustainable social media strategy in order to successfully take advantage of this rapidly changing environment.

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