

**AN INSIGHT ON USING SOCIAL MEDIA AS A STRATEGY TO
FACILITATE GROWTH IN THE INDIAN RETAIL INDUSTRY**

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ABSTRACT

Social media in the Indian retail industry continues to thread its way into the fiber of reaching out to all the organizations across the industry. There are many firms that are still lagging behind when it comes to using social media as an organizational strategy in the retail industry in India

In the past, developing a social media strategy and an online relationship with the customers was considered as a means to get a competitive advantage over its competitors; now it's the basic requirement of doing business.

The 21st Century is an Information Age. It is where every organization is trying to penetrate into the online medium to facilitate a higher performance for the organization.

“Strategy” has become very crucial to survive in the highly competitive market. Identification of the key performance indicators for strategy development has become a challenge in the social media landscape.

This research paper will give an insight on the development of the Indian retail industry and the strategies used in the online spectrum in order to facilitate sales.

Key Words: Social Media Strategy, Indian Retail Industry, Growth Strategy, Competitive Advantage

1. Introduction

Social media marketing refers to the process of gaining **website traffic** or attention through social media sites. Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it with their **social networks**. A corporate message spreads from user to user and presumably resonates because it appears to come from a trusted, third-party source, as opposed to the brand or company itself. Hence, this form of **Marketing** is driven by word-of-mouth, meaning it results in earned media rather than paid media. **Social media** is a platform that is easily accessible to anyone with internet access. Increased communication for **Organizations** fosters brand awareness and often, improved customer service. Additionally, social media serves as a relatively inexpensive platform for organizations to implement marketing campaigns

Modern retail has in India has experienced a remarkable transformation over the last two decades. The rapid growth of the Indian retail industry is because of four factors. They are

1.Income Growth

2.Urbanization

3.Proliferation and Development of Technology

4.Attitudinal Shifts

According to a survey conducted by the Boston Consulting Group, (2015), The usage of e-commerce and social media in India is expected to quadruple to 60-70 billion over the next 5 years, driven by faster growth in goods and services. It is predicted that internet users are expected to increase 3 times from 200 million in 2014 to 600 million by 2020.

The key implications for Indian retailers with growth of increased usage of online and internet and the increased proliferation of smart phones and high usage of social media and connectivity 24/7 are the following:

- a. Proactively conceptualize and execute a digital and social media strategy with clarity on the reasons why shoppers use the online medium to get and disseminate information
- b. Smartly leverage social media and word of mouth marketing
- c. Design a seamless and connected customer journey as shoppers migrate across channels.

Social media has changed the way people communicate and it has urged the retailers in a developing country like India to transform its strategy to engage the well informed customers.

2. Review Of Literature

New phenomena come and go on a frequent basis. But every now and then something with potential to change the business environment comes to the forefront. The business world is not immune to any impact that may arise. Social media is one such phenomenon. Social media which is sometimes referred to as social networking and Web 2.0 refers to collaboratively produced and shared media content and to network communities. The users of social media have the ability of sharing their views and encounters. This assists in creativity, open communication and sharing of knowledge among users. Facebook, Skype and discussion forums are examples of social media tools (Tapscott and Williams, 2008).

Social networking allows businesses to gain access to resources that might otherwise not be available to them. It can also aid the development of a firm's worthiness, increase the customer and supplier contacts, bring to light where resources and funding are available, promote innovation and help in the cultivation of strategic partnerships (Zontanos and Anderson, 2004). Business owners rarely possess all the skills and knowledge needed to expand their enterprise, and finding people with the necessary skills, and getting them to contribute, is a vital aspect of

their networking (Simon, 2012). The sky is the limit with social media. Owing to of the flexibility of social networking tools, businesses can realize different benefits. These according to Simon (2012) are greater access to different audiences, improved customer service, improved products and services and adoption of favorable pricing practices.

The 21st century has seen a shift in the way businesses market their products and services. Smith and Taylor (2004) reveal that companies are presently experiencing several new unanticipated events and the development of the Internet as a communication channel is almost certainly one of the most influential factors. The internet has brought about several new elements – it has made consumers more accessible, it has emerged with a completely new set of communication tools that make the process of exchanging information much easier and faster, and it has compelled companies to rethink how they are communicating with their customers (Jaokar, Jacobs, Moore and Ahvenainen, 2009). Entrepreneurs, marketers and consumers are witness the appearance of virtual social media. As of January 2012, there were more than 800 million active Facebook users, with over 250 million of them logging in everyday. In addition, the average Facebook user has 130 friends and likes 80 pages but this figure is expected to expand with time. Additionally, over 3.5 billion pieces of contents such as blog posts, web links and news stories are shared on this social network (Digital Buzz, 2012). The Internet and the online social networks allow individuals to connect with one another. It is important for entrepreneurs and marketer to grasp how the Internet functions and the expectations of its users.

Many businesses are now turning to social networks as a worthwhile communication tool and, if used adequately, they can significantly improve their online presence, in the form of effective promotion. To achieve success with the online marketing, the marketers need to have a presence in the environment that their customers inhabit. Mark Zuckerberg, co-founder of Facebook supports this by saying that advertising is fast changing and businesses need to understand the usage of Internet technologies in order to remain relevant (Maymann, 2008). As there are low barriers to the use of social networking technologies, small businesses can make use of social media in the same ways that large corporate can, without the need for extensive resources.

Fruhling and Digman (2000) set out that the adoption of the Internet can help a business increase its customer and market base and this makes a contribution towards the business' growth strategy. The internet can also facilitate a business to expand its scope and extending its main business through market penetration and development or product development. Porter (2001) goes further to say that the relationships formed via the internet can boost sales and generate opportunities to come up with new products and services.

Mangold and Faulds (2009) recognize that social media allows a retailer to connect with both existing and potential customers, engage with them and reinforce a sense of community around the enterprise's offering(s). Further, an information rich website can help a business to develop relationships with customers by providing more effective marketing, new communication and distribution channels, shorter time to market, customized products, 24 hour online technical support and online interactive community. Social networking can be an excellent way to acquire new customers and retain existing ones. The real challenge lies in the way to engage with the audience on a personal level. Social networking sites can build online groups around various companies, where clients and prospective customers can interact with like-minded individuals. These groups provide valuable insights, plus useful feedback that help the marketers improve their products to suit the needs of their customers. This important feedback can assist in advancing their marketing efforts, and the general brand values their company projects. The use of social media as a marketing tool allows companies to mingle with fellow professionals in the field, conduct research, connect with the community and get business opportunities (Smith and Taylor, 2004). Social networking has led to the introduction of social media marketing and presented new ways of communicating to expanse audiences on various Internet platforms. Marketers can no longer rely on mass media channels alone to communicate with their consumers. They must adopt new strategies if they wish to succeed (Kotler and Armstrong, 2011).

3. BCG Transformation In The Retail Industry In India

In the spirit of retrospect, reinvent and re-write, retailers should aim for fundamental transformation, not incremental changes.

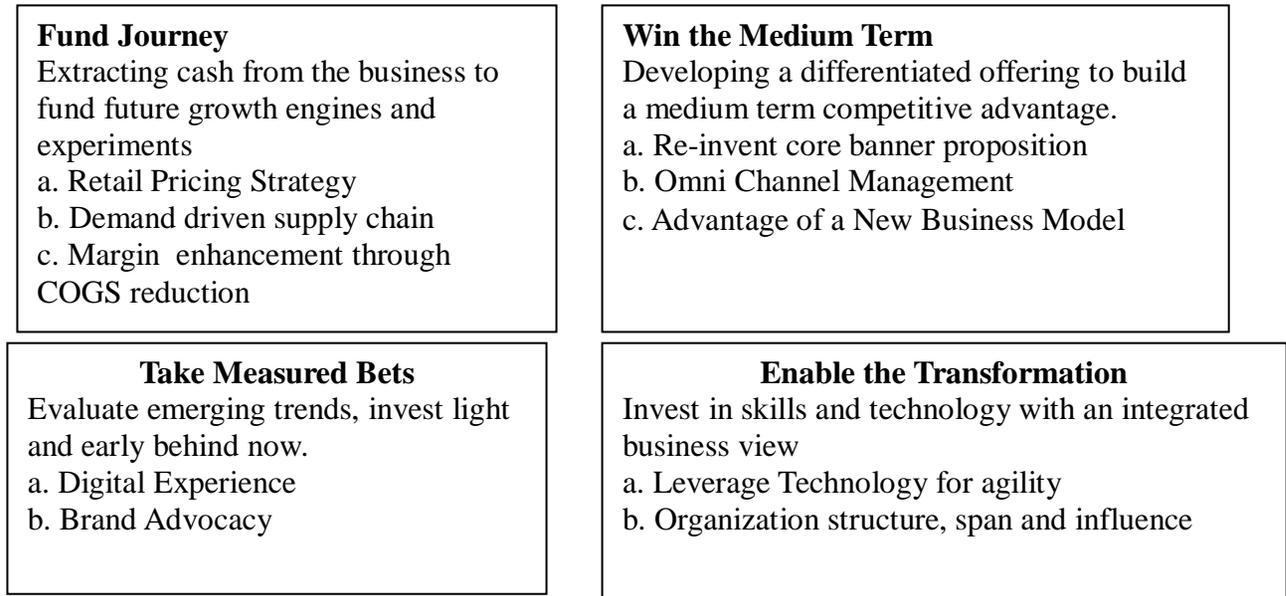
- Optimally avail the remarkable growth opportunity
- Operate in the new digital reality serving empowered customers
- Build capabilities in quality and Omni-channel experience, talent management and supply chain optimization
- Recognize the importance of economics and prioritize profitability

This requires four pillars to work simultaneously,

1. Fund the Journey: Generate cash quickly from the existing operations by re-looking at core business
2. Win the medium term: Identify the true winning consumer proposition for the next 6-8 years and design the operation model to suit the modern requirements of the Indian retail industry
3. Take measured bets: Invest in 2-3 most emerging trends in retail
4. Enable the Transformation: Invest in people and technology to improve productivity, efficiency and morale.

Transformation of the Retail Sector in India

Figure:3.1



4.Strategy: What Has Changed?

Social media is an increasingly important tactic in companies' marketing strategy and yet results from various surveys continue to indicate that many companies manage social media as a separate activity.

The market has transformed itself with the advancement of technology. The way companies look at "strategy" in the 21st century has undergone a transformation because of the emergence of social technologies.

Transformation of Strategy in the 21st Century

Figure 4.1

Then	Now
<p>Broad Advertising</p> <p>It used to be that yellow pages, billboards, radio and TV ads are the best way to get your message and generate new leads</p>	<p>Social Profiles And Content</p> <p>A presence on social media provides a big impact for little investment. Now, it can be findable and easily nurture leads with a flow of relevant content</p>
<p>Cold Calling</p> <p>Did you know it takes an average of 8 calls to reach someone and only 2% of those result in business meetings? It talks of inefficiency</p>	<p>Reaching Out With Social Context</p> <p>Now, every conversation can be started about your prospect. Extra leverage can be given if the firm gets someone from the peer network of any employee working in the organization</p>
<p>Rolodexes</p> <p>The list of contacts from an individual can be used to be static, and required for manual updates when someone moved or changed jobs</p>	<p>LinkedIn, Facebook And Twitter</p> <p>Social networks can help keep in touch with contacts anytime, anywhere.</p>
<p>Generic Quarterly Outreach</p> <p>For prospects, they weren't ready to buy or customers that may have been interested in additional</p>	<p>Social Signals</p> <p>The customers and prospects are sharing information about the key life events on social networks on a daily basis. Instead of randomly reaching out, pay</p>

products, tried to reach out on a regular basis and it was being predicted that it was the right time	attention to social signals and call them when a relevant change is being observed that can be used in order to generate new leads.
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Source: BCG: Retail 2020: Retrospect, Re-Invent and Re-Write

Thus, social media is a new phenomenon that has changed how the business environment operates. Businesses are able to gain access to resources that were otherwise not available to them. It has also helped businesses to increase their worthiness, cultivate strategic partnerships and increase their contact with customers and suppliers. It has become important for business owners and marketers to understand how social media work as a communication and marketing tool and how they can significantly grow their businesses.

5. Integration of Social Media Across Sectors and Departments

1. Choose strategy over tools.

Social media is still in its infancy, so change is constant and new tools are being introduced at lightning speed. Using the latest and greatest technology may benefit the company, especially when its target audience includes younger and more media-savvy customers. However, it is always important to judge the value and impact of a social media tool against the company's marketing strategy rather than its innovativeness.

2. Drive social media actions against marketing goals.

If social media actions are undertaken without a clear customer objective, integration is likely to be elusive. This means that marketers should always identify a specific customer objective when employing social media tactics. One common approach we observed was marketers using social media to help move the customer into and through the purchase funnel.

3.Be forward looking.

Like traditional media campaigns, social media is often used to generate brand, product, or company awareness. If awareness is the goal, marketers must have a clear understanding of what happens next in the company's marketing strategy to convert awareness into purchase intent. Likewise, if building brand advocacy is the goal, marketers should be clear about how to use these evangelists to amplify the company's message and increase customer loyalty.

4.Align social media channel to marketing strategy

While practically every brand is on Facebook and Twitter, there are many other social media platforms, such as Instagram and Snapchat. Brands typically do not have the resources to be on every social media platform, so how do marketers prioritize? They should choose the social media platforms that fit the company's target audience and brand positioning. For instance, Facebook and Twitter tend to reach a broad demographic, while Instagram and Snapchat have a younger user base.

5.Create social media toolkits.

Brand toolkits have become standard procedure for many companies and are effectively used to guide local markets on how to portray global brands by providing templates and guidelines for tailoring content. In a similar way, some companies are starting to create social media toolkits which include templates for Facebook and Twitter posts. These kits can ensure strategic alignment and create a more cohesive brand image across geographies and platforms while reducing the time and resources required to develop social media content.

6.Put social media experts on brand and customer teams.

When social media operates from a separate group or from a separate location, there is a greater probability of poor integration. Instead, social media experts should be closely linked to the brand and customer teams so they are involved as soon as communication objectives have been

established. This involvement pays off because social media experts are tuned in to the latest platforms and know what approaches generate interest from current and potential customers, fans, and enthusiasts. As a result, these experts can guide brand teams to the most effective results.

7. Balance in-house and agency expertise

With so much to learn and social media moving at such a fast pace, many companies outsource social media activities to multiple agencies. This structure threatens the integration of social media because agencies rarely understand the totality of a company's marketing strategy. This concern leads some companies to move more social media activities in house or utilize deep partnership models with their agencies.

8. Convert to purchase.

Social media is one of the very few places where companies can engage with their customers in an ongoing, personal, and real-time manner. As such, it can serve as a key touch point that brings the company's marketing strategy to its raison d'être—purchase. If, for example, a follower posts she is going shopping for a particular item, companies can respond with a tweet containing helpful information or personalized discounts, and/or promotions.

9. Be willing to say no.

Given the buzz surrounding social media, every brand or customer-facing function likely wants its own Facebook page and Twitter account. Marketing leaders need to hold the line and decide which social media platforms are ideal for a given brand from a strategic and customer point of view. Controlling social media access through a social media group ensures that someone is accountable and knowledgeable about the best ways to use it as part of a company's or brand's marketing strategy.

10. Champion integration.

For integration to be valued and sought, leaders need to share success stories throughout the organization. Success stories can become part of the company's ethos and organically influence the integration of social media in marketing activities.

11.Sort out attribution.

If social media is part of a company's marketing strategy, questions will be raised about its contribution to sales revenue and how it works alone and in conjunction with other tactics. These are worthy questions and steps must be taken to understand and measure the effects of social media in order to integrate it with the company's marketing strategy in the most efficient and effective manner. Marketers shouldn't let these attribution questions keep them from pursuing social media, but instead consider them an opportunity to demonstrate its value.

12.Learn from failures.

Because it is much easier to experiment with social media than traditional media, companies can test and learn quickly. Also, social media execution costs tend to be much smaller than traditional media, so the losses from failures are less severe. By experimenting with social media, companies can more accurately determine which social media posts and campaigns have the greatest impact on their marketing strategies—helping to further integration efforts.

When social media is integrated with the company's marketing strategy, the company's management of its customer and brand assets is seamless. Strategic elements such as segmentation, targeting, positioning, and all go-to-market activities reflect a clear and consistent understanding of the value the company offers to its customers and how the company seeks to capture value from attracting and retaining these customers over time. The result of social media integrated into marketing strategy is improved efficiency and effectiveness in all aspects of the marketing plan.

6.Capturing Business Value Using Social Technologies

Social technologies, in their relatively brief period of existence, have found favor with consumers faster than previous technologies did. It took 13 years for commercial television to reach 50 million households and 3 years for Internet service providers to sign their 50 millionth subscriber. Facebook hit the 50 million–user mark in just a year and Twitter in nine months. Sweeping cultural, economic, and social changes have accompanied this accelerated pace of adoption by the world’s consumers.

Companies, too, have adopted these technologies but have generated only a small fraction of the potential value they can create. Two-thirds of the value creation opportunity in the developing retail sector in the Indian economy is untapped and it lies in improving communication and collaboration within and across enterprises.

Frequently, these improvements will go well beyond the areas many companies have focused on to date in their social-media efforts: connecting with consumers, deriving customer insights for marketing and product development, and providing customer service.

Since “social” features can be added to almost any digital application that involves interactions among people, the range of uses is immense and measurement correspondingly challenging. Of late, some bearish sentiments surround social technologies after disappointments for several companies in the capital markets. It’s worth noting, however, that today only 5 percent of communications occur on social networks. Moreover, almost all digital human interactions can ultimately become “social,” and jobs involving physical labor and the processing of transactions are giving way, across the globe, to work requiring complex interactions with other people, independent judgment, and the analysis of information.

7.Social Technologies: An Industry Perspective

7.1.Consumer packaged goods

CPG companies have been among the early adopters of consumer social media, both to engage customers and to derive insights. However, substantial gains could arise from additional applications, particularly in marketing and sales, where these companies spend an average of 15 to 20 percent of their revenues. Some leading companies have gained the same level of consumer insight, at only 60 to 80 percent of the previous cost, by substituting insights from extensive online communities for more traditional marketing panels and focus groups

Interactive product campaigns that deploy social technologies, our research further shows, can increase the productivity of advertising expenditures by as much as 30 to 60 percent. New, collaborative forms of engagement with customers too can improve product development, both in speed and level of understanding.

7.2. Professional services

Interactions with colleagues and clients lie at the heart of how professional-service firms, such as advertising, accounting, engineering, and consulting businesses, create value. Productivity gains from the effective use of social technologies could be correspondingly significant, principally by reforming internal work flows and by providing meaningful real-time interactions with customers. Management resistance and legitimate fears of breaching client confidentiality are factors limiting the potential of social technologies, executives say. Of course, this resistance comes at a cost: service providers risk failing to satisfy the rising demands of clients, some of which could be further along the social-learning curve than they are.

Innovations are emerging, however. Some entrepreneurial firms are experimenting with social networks to cocreate new services with their clients, speeding up knowledge access and implementation. One London engineering firm uses social platforms to manage project communications with road contractors. Disruptive new business models are appearing as well.

At Choosa, a global design firm, clients post requests for proposals on a company social platform. The work is crowdsourced to contractors, who submit competing design proposals.

7.3. Consumer-Facing Financial Services

In the retail-banking, life insurance, and property and casualty insurance industries, social technologies can help improve service delivery, reduce costs, and enhance the customer experience. Consumers are increasingly open to using these channels for easier, more transparent interactions with their financial institutions. New processes are surfacing across a sector often typified by organizational complexity, siloed personnel, and fragmented processes that stymie collaboration, innovation, and efficiency.

8.Next Practices And Conclusion

The landscape is evolving swiftly and remains largely uncharted, a universal set of prescriptions for business leaders to follow in exploiting these opportunities has yet to emerge in the Indian retail industry. Furthermore, there are risks to be managed, including concerns about productivity-dampening distractions, privacy, the potential loss of proprietary information, and reputational issues.

Some companies have begun to develop a body of knowledge on how to use social technologies for applications such as marketing. However, for most applications of social technologies—particularly enhancing collaboration and communication—it is recommended that instead of focusing on *best* practices in the early stages of the journey, executives should be open to discovering *next* practices, to which broader principles apply:

- Since these are *social* technologies, the decisions that will make the most difference often won't be about the choice of the technologies themselves but about how to encourage interactions among people. Social technologies can bring the scope, scale, and economics of the Internet to human interactions, but a successful transformation will ultimately rest on practices and culture. The companies that have the greatest successes will be those with cultures conducive to broad collaboration and sharing.
- Activities appropriate to one organization may not succeed in another with a different workforce, competitive context, or customer base. Purposeful experimentation that tests an array of practices and technologies will therefore be crucial. Testing “minimal viable products” to

determine what works should help companies learn and implement the right practices for them while they develop new “muscles” that allow the organization to pivot quickly and opportunistically to new models.

- Creating a critical mass of participation is crucial, and companies will need to nurture self-reinforcing cycles of adoption. Bottom-up use of technologies is essential, but our research also has shown that role modeling and vocal support by leaders can be decisive. In addition, technologies should be baked into employees’ day-to-day work flows, or usage will probably decline after an initial burst of interest.

Thus, the adoption of social technologies is growing rapidly, a huge untapped potential for them to create value remains in the Indian retail sector. Companies open to the principles and practices that have been outlined here and can begin to exploit these possibilities and may find that the resulting gains form the basis of a competitive edge over their rivals.

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