

Chapter 50

How Social Media is Transforming Marketing?

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ABSTRACT

Integrating companies to digital channels is a necessity to build and maintain a competitive advantage in today's market conditions. In the business environment, companies realize that sustainable competitive advantage can be gained only by understanding customers' needs and expectations, developing activities that meet their demands, ease their work, and engage them to the brand to create difference and value. Success in marketing will be driven by an effective communication and consumer experience. Marketing and brand managers are in the process of determining how social media tools impact them and what their digital transformation approach and communication strategy should be. This chapter examines the importance of social media for companies and benefits of social media on the performance of marketing processes that enable better communication, planning, and execution from consumer engagement to consumer purchase.

INTRODUCTION

Marketing is in a state of change since digital technologies have become so pervasive in social media channels and consumer expectations. Companies are adopting changes through the adoption of social media channels and technology. Social media provide an individualized opportunity for marketing executives to help them make better informed strategic decisions. Companies can catch the opportunity to carry their operations and make customer communication faster, focused, continuously and multichannel with the right data gained from social media platforms and in this way companies can present their segments differentiated and valuable experience.

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How Social Media is Transforming Marketing?

Social media plays an important role in the shifting of marketing, along with different consumption patterns and various communication ways. Today, social media is an important interactive communication channel that allows for two-way, real-time interaction and feedback. Interaction and engagement with social media can help businesses to more effectively market to and communicate with its customers. Also, most of the consumers engage with brands through social media and brands use social media platforms as an information and a fundamental contact point with consumers (Clark, Black, & Judson, 2017).

Social media delivers measurable results in sales, leads, and branding. It also enables to reach a large number of people at a low cost. Relevant market and consumer data can be collected through different social media tools. The data gathered from social media channels can be designed to help marketing executives understand and capitalize on the evolving insights and trends that are impacting the company across all segments. With the data obtained from various social media channels, marketing managers identify and prioritize segments, develop comprehensive and relevant offerings, focus on and apply valuable social media marketing strategies to improve the omnichannel customer communication. By tracking and analyzing important trends and consumers on social media, companies can achieve higher levels of information while reducing costs. The objective of the chapter is to indicate the significance of social media channels in the marketing strategies of businesses with the rapid development of technology and innovations.

THE IMPORTANCE OF SOCIAL MEDIA PLATFORMS

In an increasingly competitive environment for each company main purpose is to offer faster, better quality and more affordable proposals than main competitors. For this purpose, companies utilize all kinds of technological innovation and possibilities. On the other hand, customer expectations are increasing and these high expectations are driving businesses. Focusing only on product or service quality is not enough, also it is important to meet customer expectations almost on a personal basis, to facilitate sales and after-sales processes and to provide the customer with a unique experience. However, for companies, it is not enough to communicate only with the customer, but also to interact with them. Being able to interact with customers is crucial in terms of knowing, understanding, meeting their expectations by interacting. Companies that are interacting with customers are more successful superior to competitors. Innovations in social media and continuous improvements are now key components of competitive and differentiation strategy that directly impact consumers.

The world of social media networks is dynamic and in constant change. Social media just keeps growing. According to statistical information by WeareSocial (2018); the number of internet users in 2018 is 4.021 billion, the number of social media users in 2018 is 3.196 billion, equaling 42% penetration. The average social media user spends 135 minutes a day online. Facebook's platform still dominates the global social landscape, with total users up 15 percent year-on-year to reach almost 2.17 billion at the beginning of 2018. There are now more than 50 million small businesses using Facebook Pages to connect with their customers. 4 million of those businesses pay for social media advertising on Facebook. 68% of marketers have published video content on Facebook. (Hainla, 2018). YouTube has 1.5 billion users and on average, people spend 40 minutes a day watching YouTube. Instagram has 1 billion monthly active users and Instagram Stories has 300 million users worldwide. Twitter has 300 million monthly active users. LinkedIn has 500 million, Pinterest has 200 million, Snapchat has 178 million

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