

The Role of Social Media in Driving the Economy

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Abstract:

Social media encompasses a variety of Internet based technologies such as social networking sites, blogs and micro blog content communities, collaborative projects and virtual game worlds. Social Media is one of several technology trends that will be responsible for shaping the freelance economy. The use of social media for personal, professional and business purposes is rising quickly, as are the number of tools available. Most economic development organizations have recognized the enormous potential of social media for place marketing, boosting their SEO (search engine optimization) and engagement.

Economic development agencies have an excellent opportunity to use social media to effectively deliver their programs and services. Social media tools provide timely, engaging, interactive, targeted and low-cost ways to market a community, gain, intelligence, and communicate and build relationships with stakeholders.

Ever since social media has grown its status from the basement to the penthouse, people have started to look at social media jobs respectfully. Every industry is making money hand over fist from social media and there's no denial in that. Hence, the paper highlights the role of Social media in driving the economy.

Keywords: Social Media, Economy, Facebook, Internet.

I) Introduction:

Social media is transforming many aspect of society and the labor force is no exception. As a global phenomenon and platform for knowledge information and person to group communications the social media has come to shape our lives in very fascinating and remarkable ways.

Today, social media is not just a tool to have personal conversation and friends. Moreover, it is a resource to obtain information, insights, and advice for personal and professional decision making. It is a way to make and build affinity with people around the world for both personal and professional gain.

Scholars have expressed in varying degrees the power the media could exercise upon the individual and society. The social media in particular has come to represent the perfect example of the democratization of information and technology with Demonstrable capacity to migrate communication to interactive dialogue and social activation.

Social media offers economic developers to the opportunity to start conversation and make corrections that can finally assist their agency or community achieve its goals. If understood effectively and strategically, social media can be powerful tool for economic developers.

II) Methodology:

The Primary method followed in this paper is documentary. We are arguing that it is documentary for the simple reason that our primary source material depended upon the writing of various scholars.

III) Objectives:

- 1) To understand what is Social Media?
- 2) To know how is social media driving the economy?
- 3) To identity effective use of social media.
- 4) To find out the impact of social media in India.

IV) What is Social Media?

The word social media was first used in 2004. Merriam Webster (2014) defined it as forms of electronic communication (as web sites for social networking and micro blogging) through which user create online communities to share information, ideas, personal messages, and other content (as videos)¹ Further, “social media is digital content and interaction that is created by and between people”²

Social media is redefining the landscape of everything we do from the way we connect to family and friends, how brands and celebrities capture attention, to the way business and journalism function Hundreds of millions of people, across the world use social networks like Facebook, Twitter, and Linked In. If any technology promised to shatter the constraint of geography, overcome distance, and flatten the world, social media would be It.³

Social media is becoming notorious for making many traditional business vanish, chase bank, for example, is one obvious casualty of the rising role of twitter, facebook, text message and whatsApp.

Social media encompasses a variety of Internet based technologies such as social networking sites, blogs and micro blog content communities, collaborative projects and virtual game worlds (Kalpana and

Haenlein, 2010)⁴. However, there are diverse forms including podcasts, wikis magazines and social networks, to name just a few. There are hundreds of social networking services, or sites, that house this technology including these popular platforms: facebook, Twitter, Linked In, You tube, Pinter set and Instagram (social networking “service”, 2014)⁵

In addition to the impact on business, social media is also playing a significant role in spreading religious and political messages of unlimited variety. As a social media is more popular amongst the middle and upper classes of Society, religious intolerance and extremism is fast emerging as a middle class phenomenon.

V) Usage of Social Media:

73% of online adults in the United States use a social networking site of somekind, according to research published in January 2014 (Duggan and Smith)⁶. Canadian statistics are similar. In Canada 69% of the country’s population visited at least one social networking site. In 2013 up three percent from the year before (Canadian Internet Registration Authority, 2014)⁷.

Reports clearly indicates that there is substantial increases in social media, and general Internet, use year by year, both in time spent using social media and the number of tools employed. In the United States, 42% on line adults use two or more social media network, and the majority access them daily.

VI) Consequence of Social Media in India:

Around 2/3 of Indian online spend time on diverse social networking sites similar to Facebook, Twitter, You Tube, Pinterest. Etc. Even the trend of sending personal emails seems to have become discarded as compared to social media. But why is this media becoming so popular in India? Interaction, live chat status updates, image as well as video sharing are few of the major aspects that play a role in the popularity of social media. Further, customers responses, interaction and brand awareness is why the companies are using social media in India and across the globe. There by, multiple roles played by social communicating information are leading to its popularity.

By December 2012, the number of social media users in urban India had reached 62 millions. A sudden availability of smart phones and mobile Internet has led to a spurt in the use of social media. All the business ventures in India rely on social media to understand their consumer base, for brand awareness and interaction Indian citizens use social media to build virtual communities, groups and interact and chat. So, there is no doubt that Information and Technology, in particular rapidly increasing social media plays an important role in shaping the mind of customers towards certain product and brands. At the same time, it is used for entertainment and leisure by most of the Indian online. Each day, about 100 millions are engaged in social media, more than the population of Germany ⁸ (<http://www-2017>)

VII) The Role of Social Media:

Social Media and Business:

Undoubtedly, the social media has changed the face of business, marketing and communications in India. It is the change in the consumers behavior that is the changing role of social media in India. The use of social media has seen a drastic change from just used for him to fun plus knowledge and marketing. For business purpose, Facebook is the most important social media platform as there is customers engagement, followed by Twitter, YouTube and blogging. Social media is used by brands to build communities for interaction and spreading news.

Therefore, not merely individual but every organization, whether it is big or small has on online presence on Facebook, Twitter, Pinterest, YouTube channels and other related social media platform 95% of organization in India use social media to build communities. 76% for highlighting brand news, platform specific parameters such as member of likes, share, comments, people taking about the company are consider by 81% of the organization to measure the success. Regarding the budget is concerned, most of the organization set budget below INR 10 million on their social media spending that makes 1.5% of total marketing budget. Social media interaction provides useful information about the behavior of the consumers to the organization on regular basis.⁹ (<https://www.maps of India>).

Dave Evans (2010) in his book Social Media marketing: The Next Generation of Business engagement, exclaimed the advent of Social media a “game changer.”

The well-established norms of Business marketing have undergone a forced change. No longer satisfied with advertising and promotional information as a sole source for learning about new products and service, consumer have taken to the social web in an effort to share among themselves their own direct experience with brand, products and services to experience ¹⁰ (Evans,-p4).

VIII) Is Social Media Driving the Economy?

VIII.1) Economic Development and Income: It stands to reason that the adoption of the use of social media at the city level would rise alongside local incomes and the overall level of economic development. And that is what we find. Social media is associated with both economic output and income. The correlations for each are substantial (in the range of. 6 and 7).

VIII.2) High-Tech Industry and Innovation: It also stands to reason that social media would be more commonly used in place with higher levels of high-tech industry and higher rates of innovation. And again that is what we find. The correlation between social media centers and concentration of high-tech industry is about the same as for economic development (ranging from. 6 to 7). While social, media at the city level is correlation is more modest (about.4)

VIII.3) Human Capital: Social media use is also associated with higher levels of human capital, measured as the share of adults with a bachelor's degree or more education (with correlations in the range of .55 to .6).

VIII.4) Creative Class vs. working class: The class structure of the economy also seems to play a substantial role. Social media centers are also associated with higher concentrations of creative class jobs in fields like science and technology; business, management and finance; arts, culture, and entertainment; and health care and education (with correlations in the range of .55). Social media centers are also significantly associated with artistic and culture creative's specifically (with correlations ranging from .525 to more than .7). On the other hand, places with a larger blue-collar working class labor force tend to have lower concentrations of social media (with correlations ranging from .3 to nearly .4)¹¹. (Richard Florida, Oct 27, 2010)

On the economic front, the Social Media has become a market place of ideas and creativity. Product and services are sold online, thus providing opportunity for start-ups to commence businesses on a small scale. Many Nigerians, like citizens of other nations, have honed amazing entrepreneurial skills to make a living through opportunities provided by social media platforms. And have equally become employers of labour. Huge financial transactions have been conducted by individuals and organizations online. Banking transactions such as online deposit and transfers, have made financial transactions easier. In the past it was difficult to travel without physically going to transporting and tourism organizations to make booking and other logistics.¹² (The Cable, Oct 21, 2017)

VIII.5) Economic Development: Use of Social Media: Economic development organizations and economic development professional across Canada and the United States play a variety of roles in their communities and regions. The duties of an economic developer range widely from strategic planning to business counseling to investment attraction marketing. As with marketers and corporate communications professional, social media has become an important instrument in the economic developer's toolbox.

VIII.6) Economic developers are using Social Media: Like other professionals, economic developers are adopting social media. Information from the Economic Developers Association of Canada (EDAC.2014) shows its members are using social media for both gathering information relevant to their work and promoting their communities or organizations.¹³ (Sara Chamberline, E.C.D 2015)

Any economy can be either good or bad from an individual's point of view. There must be a force, which can supersede one economic phase over others. In the current global economy, social media is the driving force. It's not only because it has changed the whole concept of online marketing, but also has

been providing millions of job opportunities since 2009 both online and offline. ¹⁴
(www.researchgate.net)

IX) The 5 “musts” of social media for Economic Development:

Most economic development organization have recognized the enormous potential of social media for place marketing, boosting their SEO (search engine optimization) and engagement.

The following are five “musts” of social media for Economic Development

- 1) Balance “owned” content with lots of “earned”
- 2) Feature available sites and properties.
- 3) Tell the stories of your locations
- 4) Post pictures and videos.
- 5) Use numbers strategically¹⁵.(<http://www.gisplanning.com> 27 May, 2014)

X) Conclusion:

Social Media is one of several technology trends will be responsible for shaping the freelance economy opportunities abound for economic developers to use social media to achieve their goals. Hence, it is obvious that the number individuals and businesses availing social media is steadily increasing while the platforms and tools for social media change constantly, the purpose of social media making connections and having conversations-isn't like to change or vanish.

There are a number of uses for social media in delivering economic development programs. It is essential that economic development agencies take a strategic approach to using social media to ensure they are making the most effective use of their time and budget. The first step is to understand that social media is about sharing opinions, exchanging information, and having conversations. It is different from traditional marketing channels: social media is about talking with, not at, people.

The importance of social networks in the workplace is growing, and this culture of ‘digital dexterity’ can aid a growing digital economy. Economic development agencies are encouraged to create social media strategies that are focused, goal-oriented, and measurable. Because social media provides the opportunity to target very specific, often niche, groups of people, audience identification and research is key. Social media offers tools and opportunities that should be embraced by economic development agencies.

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