

Use of Social Media Advertisement in Electronic Gadgets Market: A Literature Review

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Abstract: Social media marketing an integral part of the marketing of products in the digital era. The platforms available to reach the consumers are innumerable. Now information technology gives consumer the power to investigate products to identify and criticize them in equal measure for purchasing and analyzing. Therefore maximum companies today have connected on social networks to complement the information held about products, held by the feedback of consumers about products and tend to relate more to a company after reading various reviews. Although social media marketing is important researched topic, it affects not only the company's policy but also affects the consumer behaviour. Whereas the electronic gadgets market which symbolizes the status symbol and very much affected by social media. This research paper describes the influence of social media marketing on consumers of electronic gadgets.

Index Terms - Social Media, Social Media Marketing, Consumer behavior, Electronic Gadgets

I. INTRODUCTION

In recent years the online environment is viewed by users from a new perspective, in a commercial way. Its development and the emergence of online stores have turned users into consumers. Also the most important role of social media has changed the way of how consumers and marketers communicate. [1]

Informational society influences affects the consumer decision processes and product evaluations. Social media provides a new channel to acquire product information through peer communication [2] Moreover, by using social media, consumers have the power to influence other buyers through reviews of products or services used. Disruption of advanced digital innovation technology has in many cases forced companies into re-adapting their business strategies in order to fit within the modern business environment. Along with digital innovation, the emergence and acceptance of social media, as part of most global population's daily lives, has dramatically changed the dynamics of business. With no exception to this phenomenon, the industry has been greatly affected by the power of social media[3-4].

According to smart insights, in 2016, the worldwide number of Internet users reached 3.4 billion with 2.3 billion active social media users. Social media users between the ages of 16-64 have an average of seven different social platform accounts. Face book alone, remains the largest social media platform with over 1,5 million users worldwide (Taking into consideration the magnitude of these trends, both practitioners and scholars are seeking to further understand to which extent social interactions through these various digital channels influence business [2-3]

Nowadays, the Internet is no longer presumed to be a task-oriented technology. The mentioned advance and popularity of social networks suggests that individuals use the Internet seeking for entertainment and leisure based on hedonic use rather than utilitarian use.

II. SOCIAL MEDIA

The consumers can use their consumer power by having control over their choices in terms of channels and retailers. Associated with consumer power, is the ability to share and communicate via different digital channels [6]. The social media influences all aspects of information flow and their interaction with retailing. Consumer's interactions with social media channels can and should influence business strategies. A crucial aspect of building brand loyalty and value is interacting with consumers through social media [12].



Figure 1: Social Media

Source:- <http://www.ydeveloper.com>

In a recent study recognized that social media will not directly sell products, however, it will critically support the increase of digital presence and therefore create stronger relationships with consumers [20]. To complement this frame of thought, researcher suggests that offers and promotions through social media platforms heavily impacts sales growth. This occurrence is known as social commerce [22].

Social media can be classified into six different categories: collaborative projects, social networking sites, blogs, content communities, virtual game worlds, and virtual social worlds.

III. SOCIAL MEDIA MARKETING

Social media marketing is a new marketing strategy which almost every business is adopting to reach their consumers on the virtual networks. If you have an idea and you want it to reach millions, at a very little cost, then social media is the only way-out. Entertainment companies were the first to adopt the social media as a promotional tool [11]. social media marketing as the process that empowers individuals to promote their websites, products, or services through online social channels and tap into a much larger community that may not have been available via traditional channels[31]. So, social media marketing is the process where organizations use social media websites to build rush on their company official websites [40]. It does not stop here but organizations also inform the potential customers of happenings in the organization, launch of the new model or product and latest news about the organization through social media applications. social media marketing to the relationship marketing where firms need to shift from “trying to sell” to “making connections” with the consumers. This explanations of social media marketing takes us to the other side of marketing, where building relations with the potential consumers is the key to repeated purchases and enhanced brand loyalty. Social Media is an innovative tool that organizations use for creating a very strong public relation with the customers on the virtual networks [20, 31].Maintaining public relations through social media has become easy because a large number of potential consumers are available on the virtual networks. And making connection with consumers using social media is only some clicks away. Today’s customers are more powerful and busy; therefore, companies should be reachable and available in every social media communication channel such as Face book, Twitter, Blogs, Forums at any time [35]. Exploiting the opportunities provided by the social media communication channels is important for every organization.

IV. ELECTRONIC GADGETS MARKET IN INDIA

The electronics market of India is one of the largest in the world and is anticipated to reach US\$ 400 billion in 2022 from US\$ 69.6 billion in 2012. The market is projected to grow at a compound annual growth rate (CAGR) of 24.4 per cent during 2012-2020.

Total production of electronics hardware goods in India is estimated to reach US\$ 104 billion by 2020. The communication and broadcasting equipment segment constituted 31 per cent, which is the highest share of total production of electronic goods in India in FY13, followed by consumer electronics at 23 per cent.

Electronic exports from India was expected to reach US\$ 8.3 billion in FY13, a CAGR of 27.9 per cent during FY07–12. Technological improvements and competitively cost effectiveness are main drivers for demand of Indian electronics products abroad.

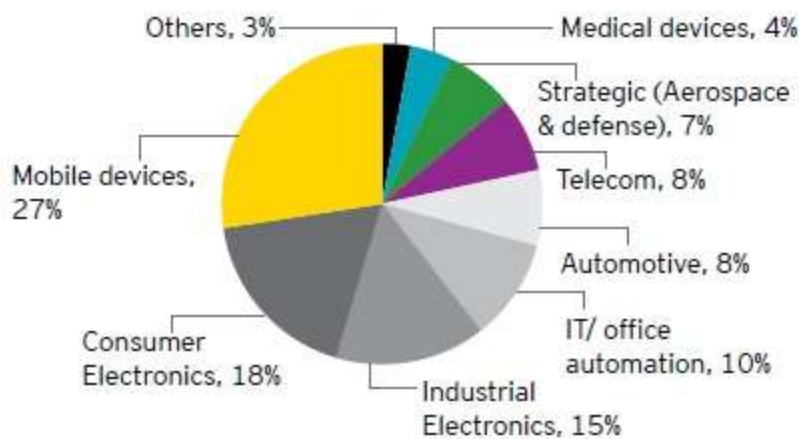


Figure 1: Electronics Product Revenue

Source : EY Analysis

The electronics and hardware sector includes electronic products and components. The Indian electronics and hardware market grew by 8.6% YoY to reach US\$ 75 billion in 2015. Rising consumer demand for electronics products can be attributed to growing middle class, rising disposable incomes, declining prices of electronics, and numerous GoI initiatives such as widespread broadband connectivity and e-governance programs. The electronics products segment contributed 82% to the overall market in 2015, and the rest comprised electronic components. On the supply side, the domestic manufacturing of the Indian electronics and hardware picked up in 2015, as more global and domestic companies expand their manufacturing base in the country. During 2013–15, the domestic manufacturing of electronics has catered to an increasing share of local demand.

However, local value addition is still limited as majority of manufacturing is final assembly in the country. The Indian electronics and hardware industry is expected to grow at a CAGR of 13% – 16% during 2013–18 to reach US\$ 112– 130 billion by 2018. However, given the local manufacturing state, the dependence on imports is likely to remain similar. Hence, the focus on growing India's electronics manufacturing capability is increasing due to widening demand-supply gap.

V. SOCIAL MEDIA & CONSUMER BEHAVIOUR

The raise of Social Media usage by both consumers and companies seem to affect consumer behaviour. Also, Social Media influence the way consumers behave during the different stages of their purchase decision-making processes [25]. Consumer behavior is a study of how individuals make decision to spend their available resources (time, money and effort) on consumption related items (what they buy, why they buy, When they buy, Where they buy, How often they buy and use a product or service). Consumer behavior is a study of how individuals make decision to spend their available resources (time, money and effort) on consumption related items (what they buy, why they buy, where they buy, how often they buy and use a product or service), especially the factors related to occupation [5].

Social Media has changed the way consumers behave in their consumption. When before consumers were waiting for companies to push messages toward them; they are now directly seeking for information on Social Media [14]. Consumers can recognize new needs on Social Media when 'surfing' on some social networks such as Facebook where they can see friends displaying pictures of products they bought or using the 'like' button to mention brands that they like for example. The Need Recognition stage seems thus to be influenced by Social Media [19].

Today, online communities have more and more influence on consumers' purchasing decision-making. When people are in the research or "education" phase of the buying cycle, they have access to a wider audience of prospective customers worldwide that they can consult before making their decision. With Social Media, digitally empowered shoppers have access to a wide range of new tools to find and research products and they now consult with peers and experts. These possibilities offered by Social Media seem to be influential at the Information Search stage of the consumer decision-making process [32-35].

With the emergence of Social Media, consumers have changed their approach of consuming. They are now comparing products and services thanks to tools and websites such as review and opinions platforms that allow them these comparisons [38]. They can read reviews and ratings about products, services and companies performance that are shared by their peers that had good but also

bad consuming experiences. Forums for example allow interactions where they can seek opinions and ask questions to more people than before. Social Media appear to be influential on the consumers at their Evaluation of Alternatives stage [24]. In addition to this interaction with peers they can also use Social Media to interact directly with brands. Indeed, consumers can get more information about products and services by directly engaging with brands on Social Media [16].

Social Media brought new challenges for marketers that have to change the way they interact and communicate with consumers. They cannot only push messages like they used to do in the past since consumers are no longer listening these kinds of messages. Indeed, because consumers are now overwhelmed by marketing messages they tend to filter them out [30]. Moreover, the fact that, consumers tend to trust more peers than corporate brought new implications and push marketers to change the way they communicate and interact with them [32]. Social Media seem thus to play an influential role at the different stages of the consumer's decision-making process presented above.

There is a strong consensus among scholars and practitioners that developments in information technology (IT) will affect several aspects of marketing in significant ways [19]. In particular, the role of information technology in influencing buying behavior has been well recognized. A central concern in marketing, organizational buying behavior has been an important domain of scholarly investigation for a long time [25]. The use of new information and communications technology allows a better flow of information and thus a greater connection between the different actors. Social networking web sites act as a platform for coming together of people with similar interests, beliefs, and ideas. Users of social networking web sites connect to each other with the purpose of finding and exchanging content. Some of the other ways in which social networking can be used are for self-disclosure and self-representation and thus create and manage a social or even a professional identity [41]. Social media, especially social network sites, might be an important agent of consumer socialization because provide a virtual space for people to communicate through the use of Internet. Social media provide three conditions that encourage consumer socialization among peers online. First of all, blogs and social networking sites all provide communication tools that make the socialization process easy and convenient [44]. Second, increasing numbers of consumers visit social media websites to find information to help them make various buying decisions [29]. In the end, social media provide vast product information and evaluations quickly acting as a socialization agent between friend and peer because facilitate education and information [33].

Retailers should encourage such communication by setting up tell-a-friend functions on websites because they find that peer communications online can influence consumers so strongly that they convert others into Internet shoppers. So one of the factors that could, in some way, contribute to a change in the way consumers purchase is the use of social networks [42]. Actually, the rapid growth of social media has revolutionized the ways of communication and sharing information and interests redefining the priorities of businesses and marketers and creating a new place of interaction and communication among people [36]. A key business component of social media is that allows consumers to evaluate product, make recommendations to contacts, and link current purchases to future purchases through status updates and twitter feeds. In addition, the use of social media presents a valuable tool for firms in which a satisfied user of a product could recommend that product to other potential users.

consumer who made a purchase of an item based on the recommendation of a peer or contact via social media results indicate that consumers are buying either very inexpensive or not, and are doing so based on recommendations from people they would not considered "opinion influencers or leaders" [42]. So this means that companies could influence the opinions favoring the effect Word of Mouth among consumers by encouraging consumers to recommend their products through social. Online Word-Of-Mouth communication allows consumers to share and obtain information from variety of groups of people, not only from people they know and it has a more impact than traditional tools marketing [25]. In fact before making any purchasing decision, especially when it comes to buy something new, many consumers check other consumers' recommendations too [12]. One of the main advantages of online social networking is the ability to create and manage a diffuse network of weak ties [27]. Information exchange on social networking web sites is between a larger and a broader group of actors and encourages amassing of as many contacts as possible without deepening connections between the actors in order to gain business advantages. These benefits are transferred also on consumer behavior; in fact, Network effect is the extra utility that a consumer derives from the consumption of a good or the service when there is an increase in the network size of that good or service [45]. The customers ranked in order of importance relative advantage, trust, perceived risk, compatibility as the factors that encourages or discouraged them from purchasing product through Facebook. The academic literature on the subject shows that the spread of social networks and their use may affect the behavior of social factors [19].

VI. CONCLUSION

The growing customer base and the increased penetration in consumer durables segment has provided enough scope for the growth of the Indian electronics sector. Also, digitization of cable could lead to increased broadband penetration in the country and open up new avenues for companies in the electronics industry. As businesses change rapidly to embrace new technologies, innovations in the field of augmented reality (AR) and virtual reality (VR) have revolutionized customer buying experience. In that case now social media advertisement having a good potential for affecting customer decision.

Social media is currently utilized both as broadcasting platform to amplify messages from traditional media sources (e.g., radio, television, print media) to demographics who are abandoning traditional broadcast technologies (e.g., telephones, television) and as an entirely new way of collaborating and co-creating content with target audiences. In this paper we made an effort to understand the concepts of social media and social media marketing with the influence on consumers of electronic gadgets.

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