

What is Social Media?

Social media is a series of websites and applications designed to allow people to share content quickly, efficiently and in real-time.

Most people today define social media as apps on their smartphone or tablet, but it started with computers.

The ability to share photos, opinions, events, etc in real-time has transformed the way we do life and it is also transforming the way we do business.

Why Social Media used for marketing

- Social media can be used to provide an identity to the company and the products or services it offers.
- It can create relationships using social media with people who might not otherwise know about the products or service or what the companies represent
- Social media makes brands real to consumers. Personality sharing is important
- Social media can be used to associate with peers, that may be serving the same target market.
- We can use social media to communicate and provide the interaction that consumers look for.

Social Media marketing

- Social media gives marketers a voice and a way to communicate with peers, customers, and potential consumers. It personalizes the "brand" and helps you to spread your message in a relaxed and conversational way.
- The downfall to social media, if you could call it, that is that it must be a part of your everyday life to keep the momentum and attention you need for it to be successful.
- All types of companies of varying sizes, brands, celebrities, movies and even political campaigns are done on the internet.
- Few examples include:
 - Absolut Vodka - Online Video on YouTube and using Facebook to house their Top Bartender fan page.
 - BMW - Utilizing Facebook to promote their 1-Series Road Trip and they have created a Rampenfest Page for fans.
 - Dunkin Donuts - microblogging Twitter account to promote themselves
 - Barack Obama - use of Twitter during the Presidential Election.

Business Model

Retailers who engage social media as part of their marketing strategy have seen great results. But the key to success with social media is to treat it with the same care, respect and attention you do all of your marketing.

Social media by its very nature is a "short attention span" media, it is 10 times harder to get their attention than it was with a newspaper ad. The ad headlines and copy are harder to write on Twitter or Instagram than in print.

Having no account with social media is better than having an inactive account

Talk about what is important to the customer rather than taking about themselves

Company's goal should be to provide content that is relevant to your customer and engages them to the point that they want to share your post to others. If you engage social media, engage your customer. Involve them in a dialogue. Ask them their opinions. Post a picture of two items you are considering to carry in the store and ask your customers which one they like better. It creates a conversation and a dialogue which leads to shared posts which leads to engaged followers.

Another thing to consider is that the most commonly shared content on social media involves an image.

Think of it this way, a post or tweet that you put out there might get read, but when it has been shared or forwarded or favorited by someone who got it, it now has that person's endorsement.

Regulation to control data harvesting

European Union privacy watchdogs are responding to the Facebook data scandal by taking a closer look at the harvesting of personal data from social media sites for economic or political purposes.

Britain's Information Commissioner's Office (ICO) is leading the European probe into the Cambridge Analytica scandal.

On May 25, the EU's landmark data protection regulations will go into effect. The EU Data Protection Reform establishes fundamental rights for citizens, modern guidelines and rules for businesses and benefits for companies of all sizes.

General Data Protection Regulation (GDPR)

It is the culmination of four years of efforts to update data protection for the 21st century, in which people regularly grant permissions to use their personal information for a variety of reasons in exchange for 'free' services.

In the UK, GDPR will replace the Data Protection Act 1998, which was brought into law as a way to implement the 1995 EU Data Protection Directive. GDPR seeks to give people more control over how organisations use their data, and introduced hefty penalties for organisations that fail to comply with the rules, and for those that suffer data breaches. It also ensures data protection law is almost identical across the EU.

Why?

There are two main factors behind the introduction of GDPR. The biggest one is the EU's desire to bring data protection law in line with how people's data is being used, especially considering that firms like Amazon, Google, Twitter and Facebook offer their services for free, as long as people offer their data to these tech giants. The dangers of granting such vast permissions can be illustrated by the ongoing Cambridge Analytica scandal, where 50 million Facebook profiles were harvested to influence the 2016 US election.

Basically, the internet and the cloud allowed organisations to invent numerous methods to use (and abuse) people's data, and GDPR aims to rectify this.

The second driver is the EU's desire to give organisations more clarity over the legal environment that dictates how they can behave. By making data protection law identical throughout member states, the EU believes this will collectively save companies €2.3 billion annually.

The GDPR will apply in all EU member states from 25 May 2018.

Problems With Social Media

- **Privacy issues-**

All your private information is in the public domain and can be easily tracked even after taking the best possible measures to maintain your privacy

- **Data about non users is collected:**

Data about people who do not use these channels is also collected which is against the principle of privacy

- **Data about teens should not be shared:**

Data regarding teens – those who are 16 years or less should not be shared with the every advertiser as they need to be protected and hence a less personalised version of facebook as they need to be protected

- **Increased regulatory compliance costs:**

With the introduction of GDPR and possible other such laws across the world, the costs are bound to go up

- **Possible decrease in revenues :**

If people get affixed with privacy and there is a general movement towards not allowing private information for targeted marketing, there is increased probability of lower add revenues. According to general consensus of research conducted by bloomberg, cnbc, businessinsider etc due to tighter regulation in EU, possibly even in US & other countries there is an increasingly likelihood of losing out 4-5 bn USD annually in the coming years

- **Non reliability of information:**

the information shown on the pages is not always reliable as almost all of the information is shared or given out through ads which puts more onus on the company to check the source of the information to maintain its reputation

- **Increasing competition in the industry**



From outside it may seem that the Social media industry is not very competitive, but with the flurry of new companies coming up like Snapchat, Instagram, Quora, Twitter etc coming up & providing customized solutions leading to various acquisitions being done by Facebook including that of Whatapp, Instagram and many more. Some of the reasons for people to shift to other social media platforms include –

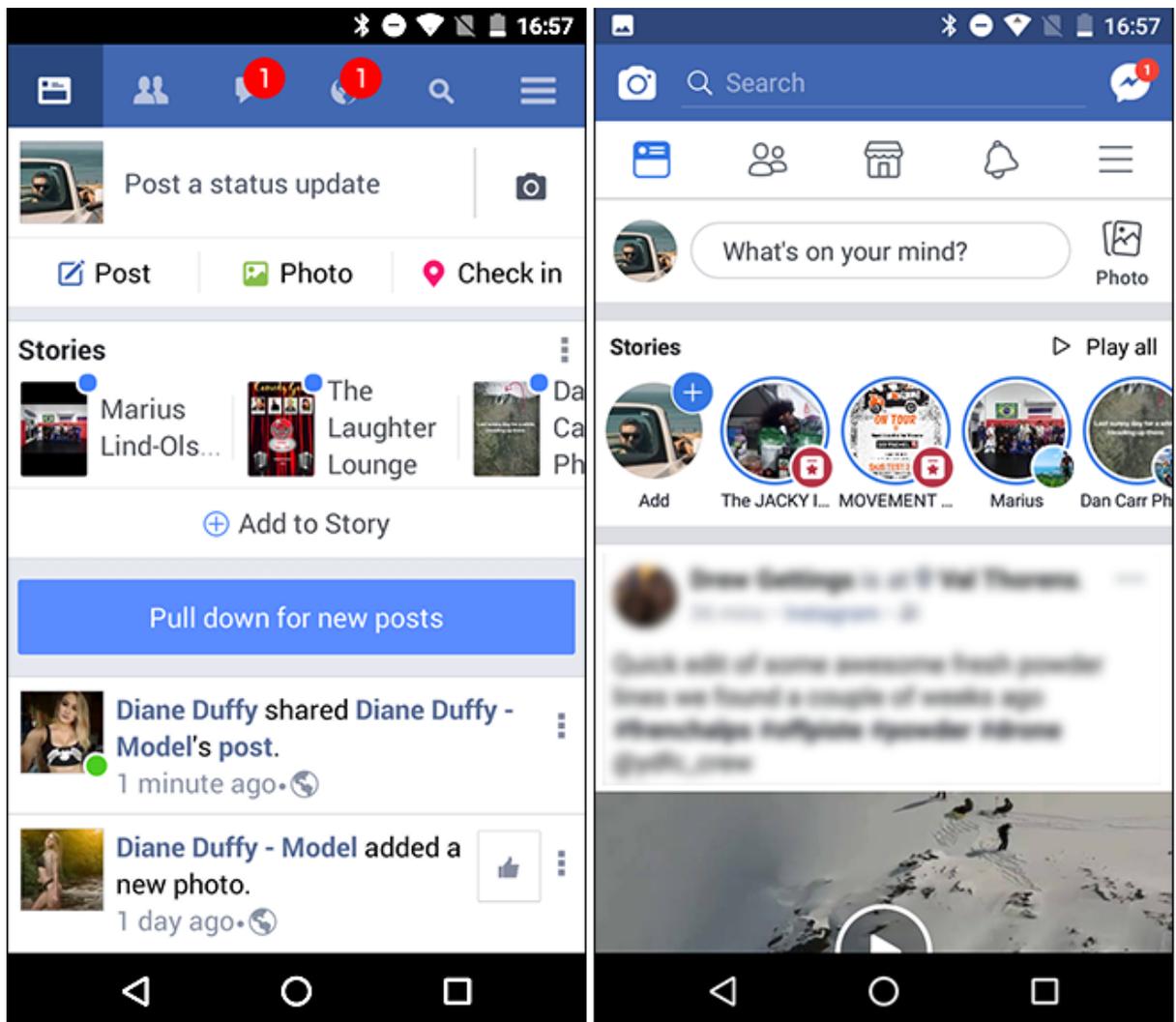
- Launch of new apps and sites catering to personalized audience like business professionals like LinkedIn
- Government restrictions in countries like China & Russia making apps and companies like Tencent, Weibo & WeChat among others
- Young people are turning away from Facebook as they seek more novelty & exclusivity which new age Social media platforms like Sanpchat (Source: eMarketer survey)

- **Launching apps for places where the speed is low or unreliable:**

Facebook has launched apps like Facebook Lite to take care of the problem of slow data connections back in 2015 but it is still a stripped down version of the normal facebook .

Below is the comparison of the two apps. While on the left is the normal app, on right is the

lite version. The normal app comes with preloaded images, the lite version comes with its own limitations and looks a bit dated



- **Problems of fake news:**
Facebook is best known for promulgating fake news, which has been used by different people, organisations and even governments to a varying degree. Many cases have come up from time to time including high profile cases like the Cambridge Analytica scandal
- **Data harvested could be used to influencing people decisions:**
As in the case of Cambridge Analytica and also done on micro level by targeting the general profile of a particular type of people to spread fake news for