

Social Media Ad Its Impact on Economy – A Theoretical Study

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1. INTRODUCTION

Social media are computer-mediated technologies that facilitate the creation and sharing of information, ideas, career interests and other forms of expression via virtual communities and networks. The variety of stand-alone and built-in social media services currently available introduces challenges of definition; however, there are some common features. Social media are interactive Web 2.0 Internet-based applications.

User-generated content, such as text posts or comments, digital photos or videos, and data generated through all online interactions, is the lifeblood of social media.

Users create service-specific profiles for the website or app that are designed, and maintained by the social media organization.

Social media facilitate the development of online social networks by connecting a user's profile with those of other individuals or groups.

2. HISTORY OF SOCIAL MEDIA

The earliest methods of communicating across great distances used written correspondence delivered by hand from one person to another. In other words, letters. The earliest form of postal service dates back to 550 B.C., and this primitive delivery system would become more widespread and streamlined in future centuries.

In 1792, the telegraph was invented. This allowed messages to be delivered over a long distance far faster than a horse and rider could carry them.

Although telegraph messages were short, they were a revolutionary way to convey news and information.

Although no longer popular outside of drive-through banking, the pneumatic post, developed in 1865, created another way for letters to be delivered quickly between recipients. A pneumatic post utilizes underground pressurized air tubes to carry capsules from one area to another.

Two important discoveries happened in the last decade of the 1800s: The telephone in 1890 and the radio in 1891.

Both technologies are still in use today, although the modern versions are much more sophisticated than their predecessors. Telephone lines and radio signals enabled people to communicate across great distances instantaneously, something that mankind had never experienced before.

Technology began to change very rapidly in the 20th Century. After the first super computers were created in the 1940s, scientists and engineers began to develop ways to create networks between those computers, and this would later lead to the birth of the Internet.

The earliest forms of the Internet, such as CompuServe, were developed in the 1960s. Primitive forms of email were also developed during this time. By the 70s, networking technology had improved, and 1979's UseNet allowed users to communicate through a virtual newsletter.

By the 1980s, home computers were becoming more common and social media was becoming more sophisticated. Internet relay chats, or IRCs, were first used in 1988 and continued to be popular well into the 1990's.

The first recognizable social media site, Six Degrees, was created in 1997. It enabled users to upload a profile and make friends with other users. In 1999, the first blogging sites became popular, creating a social media sAfter the invention of blogging, social media began to explode in popularity. Sites like MySpace and LinkedIn gained prominence in the early 2000s, and sites like Photobucket and Flickr facilitated online photo sharing. YouTube came out in 2005, creating an entirely new way for people to communicate and share with each other across great distances.

By 2006, Facebook and Twitter both became available to users throughout the world. These sites remain some of the most popular social networks on the Internet. Other sites like Tumblr, Spotify, Foursquare and Pinterest began popping up to fill specific social networking niches.

Today, there is a tremendous variety of social networking sites, and many of them can be linked to allow cross-posting. This creates an environment where users can reach the maximum number of people without sacrificing the intimacy of person-to-person communication. We can only speculate about what the future of social networking may look in the next decade or even 100 years from now, but it seems clear that it will exist in some form for as long as humans are alive. ensation that’s still popular today.

3. SOCIAL MEDIA INFLUENCES ECONOMY

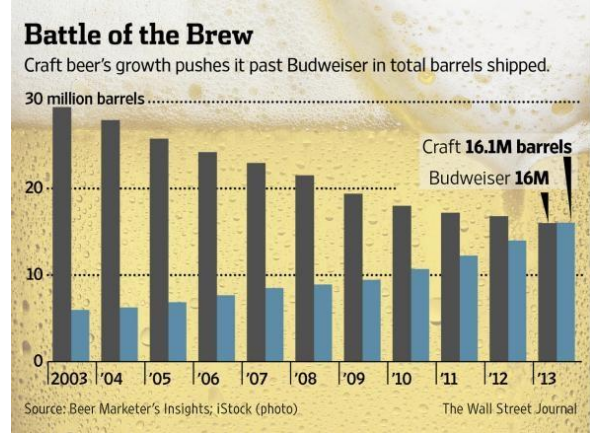
3.1 Democratization of information.

Before social media, you had to pay to get out information about your business. Now, every person and company is its own media brand - and there are significantly less barriers to reaching people.

This has allowed smaller brands to gain a foothold in the market much easier. When we see trends like craft beer, food trucks, and local fashion that is often the result of harnessing social media platforms to build a following in a cost effective way.

Prior to Smartphone’s and social adoption, it was much more difficult (and expensive) to reach people, especially if your location wasn’t on a main street. One or two small businesses aren’t enough to worry a big brand, but millions of them around the country can make a serious dent in their market share.

Beer is the perfect example:

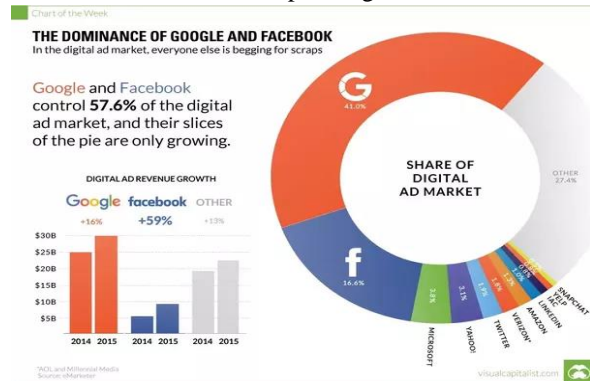


3.2 Platform economy

Social media is deeply linked to a series of platforms (Facebook, LinkedIn, YouTube, etc.) that control distribution. They are the plumbing that allows (or doesn't allow) content to spread.

This has disrupted the traditional advertising model, and these platforms have become some of the world's biggest companies by market capitalization as a result.

Facebook and Google, for example, control almost 60% of all online media spending now:



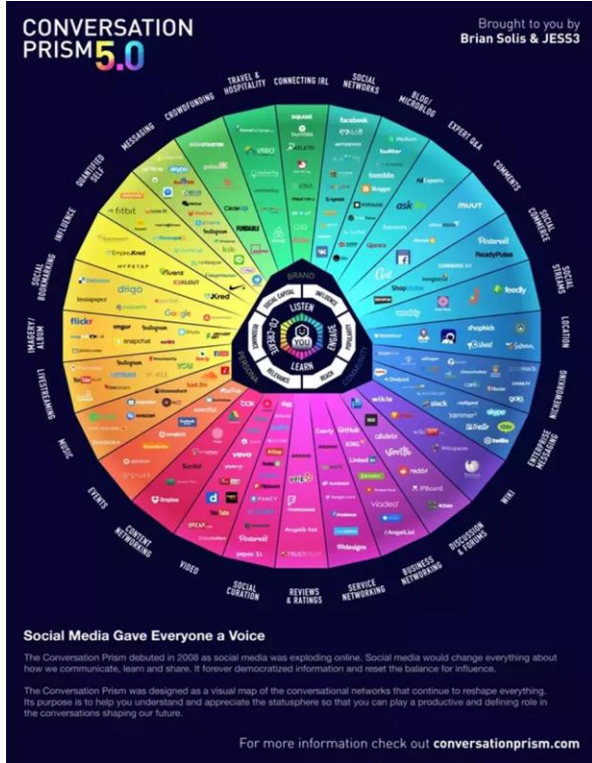
And as a result, they have passed traditional leaders in market valuation:



3.3. New ecosystems

Even though these platforms are dominating, they also provide a whole new ecosystem for entrepreneurs to build off of.

Here's a chart of the social media universe. It's quite big so go here to see a larger version.



4. CONCLUSION

The study Concluded that social media is powerful medium that influences the economy in many ways, compared to 1990-2000 nowadays the impact of social media in retail and service sectors more that will lead to ultimately impact on economy.