

## SOCIAL MEDIA EMPOWERING YOUNG ENTREPRENEURS – A CASE OF DISCOUNT DISTRICT DUO

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### ABSTRACT

*The paper is a case study of young entrepreneurs from the Gujarat State and showcases the innovative use of Social Media. The methodology used is an interview with the owner of the organization, i.e. Discount District. Also the secondary resources are been explored to support the study and the relationship between entrepreneurship and technology. This case can also be treated as teaching material in an entrepreneurship classes and so a teaching note is also supported at the end of the case. Social Media is an emerging area of marketing and entrepreneurs and other businesses have slowly started relying on it for their marketing needs. This study presents a perfect example for the said situation.*

**Keywords:** *Social Media, Technology, Entrepreneurship, Social Media Marketing, Communication*

### Introduction:

The word technology means to shift or to change, and was used originally in relation to changing nature. As Bacon, Locke, and Descartes recognized, this idea of man changing nature, rather than being controlled by it, was essential to the emergence of the autonomous self, and eventually to the very notion of the entrepreneur. Thus, technology and entrepreneurship are tightly related. Today we think of technology as being about electronics like computers, software, web applications, etc., but I would suggest that smart entrepreneurs still view technology in whatever form as a means to an end, and not an end of itself. Successful entrepreneurs are those who have a clear concept of what they are trying to accomplish and leverage technology in order to help them achieve their goals more quickly. In order to ascertain which technology will align with their goals, entrepreneurs must have a very open and inquisitive bias towards technology.

Today, we cannot think of any single organisation which does not use technology for its survival. Entrepreneurs must be incredibly tech savvy because he is a one-man army. This does not mean that he should know complex things like coding, software development, languages, etc. But he should be competent enough to understand the dynamically changing trends of technology. To use an analogy, let's take an example of a musician. The musician is not an engineer but still he is fluent with the tools of the recording studio, and can easily and effectively communicate with the engineer and producer in order to get the perfect sound he wants to hear. It is the same deal

with the technology. As an entrepreneur, one needs to make their vision clear in any number of ways, being able to efficiently convey the goals to the people who will help them achieve their vision. It is also very much essential that entrepreneurs embrace that technology which has a deep and direct connection to their overall business plan.

The growing use of internet portrays that it has become a widely used communication channel. If we talk about facts and figures, according to a survey conducted by Internet and Mobile Association of India (IAMAI), 20 million Indians use Internet every day. The survey also says that 36 percent of all web users are from small towns like Kolhapur, Thrissur, Panipat, etc. This depicts that the rural areas are also becoming net savvy alike urban population. Alike the big business houses, small businesses are also moving towards tech savvy communication channels like owning a website, emails, video conferencing, video meeting, etc.

### Social Media & Business:

With the growth of internet, use of social media networks is also growing. As defined by Wikipedia, "Social media is information content created by people using highly accessible and scalable publishing technologies. At its most basic sense, social media is a shift in how people discover, read and share news, information and content. It's a fusion of sociology and technology, transforming monologue (one to many) into dialog (many to many) and is the democratization of information, transforming people from content readers into publishers."

In very simple words, Social Media connects a business to its customers through social technologies. Anyone one who has the internet access and an opinion to share is a user of social media. It is simply a real time conversation made online. It can be through various mediums like networking sites, photo sharing sites, gaming sites, video sharing sites, document sharing sites, and lot more. These social technologies facilitate business world to connect with their customers in an exciting way, which was never been so quick and exciting before.

The latest trend of using social media network for professional networking in been seen through the presence of products and services on sites like Facebook, YouTube, LinkedIn, etc. The Nielsen-Community Engine 2010 Social Media Business Benchmarking Study, among the Australian organizations, confirms that businesses are taking social media more seriously as a marketing tool. More than half of large businesses, (more than 100 employees), are allocating funds away from traditional media to social networking. Among those businesses already using social networking, the vast majority say they will put 5-20% of their marketing budget to social media. Not only in other countries but India, too is catching fire of social media into business. Director of National Intelligence, DNI (Dec 2010) report titled, "Overview of Leading Indian Social Media" published in Economic Times states that "The Indian social media scene represents a fast-emerging and influential domain of information exchange involving nearly 60 per cent of the 83 million Internet users in the country. Although the use of social media by Indians was first highlighted during the 2008 Mumbai terror attacks, social media tools is being effectively used by a cross section of society in India". According to Telecom Regulatory Authority of India data, the number of mobile social network users in India is expected to reach around 72 million by 2014. ViziSense, an online audience measurement service, recently reported that Facebook has the highest reach, with 22.1 million people accessing Facebook in July, followed by Google's Orkut with 18.5 million. Together, they cater to 90 per cent of the users of social media sites.

These facts and figures are an alarming situation to the business community. Businesses need to be where their customers are present. If it is been looked purely from a business perspective, it's clear that social networking is arguably the opportunity of a generation in terms of creating a long-term connection with customers. Traditional media works in short campaigns. It starts with a certain date, ends with a certain date and then you need to start all over again. Social networking adds a specific long-term presence and negates that traditional form. According to Piers Hogarth-Scott, Managing Director at Community Engine – Australia, consumer base is changing, and businesses must change with it. Instead of directly speaking with consumers, businesses must now interact with many consumers at once and provide opportunities for consumers to interact with each other, and essentially, become brand advocates. The book by

Dave Evans and Jake McKee on Social Media Marketing explains the concept of social media thoroughly as a next generation of business engagement.

The most powerful form of selling products or services is no longer business-to-consumer, but consumer-to-consumer. It is the power of word-of-mouth. This trend indicates a big change – Rise of New Movement: Power to People. This power gave birth to Social Media, which is truly democratized, powerful, convincing, credible media created by the people and for the people. Young Entrepreneurs are utilising social media with much ease and comfort. It has already become a tool for mass communication, and hence proved itself a "Super Hero" among all the tools of marketing and business communication. Entrepreneurs always have a struggle finding cost effective ways to carry out business activities including communication, marketing, PR activities, Corporate Social Responsibilities, etc. Social Media comes to their rescue and makes a very efficient way out to reach to their customers and other business contacts. Carrying our business in a 'Social way' is the new mantra of today's entrepreneur. Being socially connected to customers gives an edge to these entrepreneurs over other formal and non-social tools of communication and marketing. This case study explains the use of social media by two young entrepreneurs of Gujarat.

#### Case - The DD Way:

The case of "Discount District" stands out to be a perfect example when we talk about entrepreneurs taking a social route to carry out their business. Discount District is headed by two young entrepreneurs in Gujarat - Sowmya Nagarajan & Bhavin Tharvani. They heavily depend on social mediums like Facebook, Twitter, Blogger, etc for almost every business communication and marketing needs. They reach out to their customers through social media networks only. Discount District does not have any other promotion strategy other than using social media. The entrepreneurs believe in their unique strategy of "Being Social and Simple".

#### The Organization:

**Registered Name:** Discount District

**Founders:** Sowmya Nagarajan & Bhavin Tharvani

**Location:** Vadodara, Gujarat, India

**No. of Employees :** 7 (Part – Time employees)

**Website:** <http://www.discountdistrict.in>

**Facebook:** <http://www.facebook.com/DiscountDistrict>

**Twitter:** <http://twitter.com/DiscountDist#>

**Blog** <http://discount-district.blogspot.com/>

#### Background:

Discount District is a unique retail discount concept, which gives discounts and offers at various well known eating and shopping joints across Vadodara, Gujarat. A single card caters to all the outlets and hence one does not have to carry multiple loyalty cards in their pocket. The card gives

discounts round the year once it is purchased. The icing on the cake is that the card can be used unlimited times at every member outlet. For just Rs. 400/-, one gets year – round discounts at more than 30 outlets like The Chocolate Room, Rocia, Domino's, Jawed Habib, Vision Express, Barista, Dalson watches, Only Parathas and many more. Discount District was established in mid 2010 and in just few months made its mark in whole Vadodara City. Very few start-ups are able to spread its business across the city in this short span of time. Not only in Vadodara city, but people in Mumbai, Surat, and many more cities know about Discount District card and appreciate the success of the organization. The entrepreneurs consistently receive messages from people of other cities for making available the product to them. These messages signify the spread of product awareness and likeability. It goes without saying that these messages are sent on social media networks.

### Know the Entrepreneurs:

At the age of 25, Sowmya Nagarajan, established her own business – Discount District, which is a recent talk of the town. Sowmya finished her BBA from M.S. University, Vadodara and worked with PT Education for a few years before joining the 2 year MBA program at SCMHRD Pune in 2009.

Discount District Co – Founder, Bhavin Tharvani (26 years) is Mechanical Engineer from Faculty of Technology and Engineering, M.S. University, Vadodara. Bhavin worked for Kotak Mahindra Bank in Mumbai and TecSo Global, a start-up in Vadodara, after completing his MBA from IIFT Delhi in 2008.

### Social Media Approach:

District Discount heavily uses Facebook, Twitter and Blogger for its various business activities. Social Media was already a part of Bhavin and Sowmya's life since college days. Just like every teenager, they utilised it for social networking and staying connected with friends. Later on when they started with their Own Venture, they utilised the same network for promotion and awareness of their Business. Being Management students and having an amidst Wi-Fi campus around them, both of them always looked at social media as a way of spreading the word out about their businesses. With Discount District, every little thing from the inception of an idea, to the launch and every other thing that needed for promotion and post promotion has been first put up on their private Facebook page.

Let me put up my conversation with Sowmya Nagarajan (SN) down here:

Why you chose social media as a tool for marketing?

**SN:** Social Media is as much a part of our lives as, say, food and a nightly bout of TV. Social media makes for a very cost-efficient channel to inform and engage the consumer. It is also something that comes naturally to us (Sowmya and Bhavin). Facebooking and Blogging is second nature to us. Hence, it made sense to use social media.

How do you measure your social media success?

**SN:** We keep a very close watch on the number of people who actively engage with us on the blog and on Facebook. Both the sites come well-endowed with metrics. Besides,

we give out some freebies only to those people who found us through Social Media. Hence the number of people who collect such freebies is an indication of the effectiveness of a message communicated on social media. When we advertise on Facebook, naturally, click-through rates are an indicator. These are our 3 time-tested methods of measuring ROI on social media.

What is your overall experience of using social media for your business?

**SN:** We love Facebook for having given us a voice at barely any cost at all. It is a great way to keep our target market in touch with our special brand of whimsy. We love that we can be exactly who we are on Facebook - we can get our customers to experience our fresh energetic fun brand personality first hand. I guess that's something that no ad will ever give a business.

### Impact – Outcome:

Since the inception of Discount District, everything was been put up on social media networks. Even before the start – up, Entrepreneurs made their company an exciting thing on their Blog. The concept was new in the city and it was long awaited specially by the youth of the city.

The Facebook Pages of the company has more than 2000 Facebook Likes (combined of three cities – Vadodara, Ahmedabad and Vallabh Vidhyanagar). Through its Facebook page, the entrepreneurs' continuously remain in contact with its users and customers. Facebook is a dynamic space for them to interact, also their customers are always eager to comment and share their reviews and feedback. Customers always look out for company's status messages for current and new offers, especially on Sundays and festive seasons. And Discount District never misses a chance to surprise their customers. Its twitter presence also creates a niche space for its followers to stay updated about the company. The company's blog has always remained an interactive platform for discussions.

Not only the customers benefit with DD Card, but the college student also gets a chance to work with Discount District either part time or full time. The company does all its recruiting through social media networks by simply posting the vacancies online on social sites. Recruiting was never such simple and cost free before.

The company conducts various competitions and games through social media. This excites its users. They give out their District Discount Membership Cards at discount and sometimes absolutely free as a gesture towards the winning person. This enables to increase the usage of the DD Card and also spread the positive word of mouth.

### Way Forward for Discount District:

Entrepreneurs have a plan to continue using social media as a major tool for all its marketing and communication needs. Being successful in one city motivates them to expand to other cities also. Ms. Sowmya acknowledges social media tools as a major back bone behind their success.

**Conclusion:**

Social media is all about relationship building, networking, nurturing relations. Social media influences people. According to a research done by Buzz Agent, 1 word of mouth conversation has an impact of 200 TV ads. For entrepreneurs social media is an easy, straight forward, simple and mutually beneficial networking connection. Before splurging into social media playground every entrepreneur should keep in mind the four key rules of engagement, which is my usual advice. 1<sup>st</sup> – Before engaging, work out plans, 2<sup>nd</sup> – Follow your stakeholders, 3<sup>rd</sup> – Find and engage your influencers, and 4<sup>th</sup> – Pay attention to your numbers. It is all about observation and listening to your customers and then engaging them. That's what today's young entrepreneurs are doing.

**Special Notes:**

Discount District spends around Rs. 10,000/- on their social media efforts since its inception. The Owners were not comfortable disclosing their seed capital information.

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**Appendices - Teaching Notes:****Summary:**

The case describes the importance of social media tools and platforms in today's business environment. Social

media have changed the way people communicate and so the marketers and businesses should adopt the same route for marketing their offerings. Social Media offers the easiest and cost free way to reach out to your target customers. The small organisation named "Discount District" in Vadodara understood the importance and so the Entrepreneurs chose to adopt social media for almost every marketing needs of their company.

**Teaching Objectives:**

- The case serves to help the students develop the marketing skills.
- It helps students understand the importance of social media in business.
- The case presents an example of entrepreneurs, so it is also an inspiration for budding entrepreneurs.
- It helps understanding budding entrepreneurs to efficiently utilise this free medium and reap its benefits.
- Social media helps cut down marketing costs to a huge extent. It also increases the reach of products/services. Hence, this case helps students understands the same fact.

**Case Methodology:**

The case presents actual data from the entrepreneurs of the organization. One of the entrepreneurs, Ms. Sowmya Nagrajan was interviewed by me. Related literature were collected to support the fact that social media is an important platform for business. These sources are listed in Reference Section of the case. Personal observations and views also form a part in the case writing.

**In – Class Discussion:**

The case becomes a case only if is discussed in the classroom. Hence, i would suggest following methods for discussion. This case is different unlike other cases where it presents a problem. This case makes students understand the impact and importance to a tool called social media. Hence I suggest following ways to start up a discussion.

1. The case may be opened or closed by throwing following questions
  - a. What do you feel about the relationship between Technology and Business?
  - b. Why businesses strive to increase its reach to its customers?
  - c. Should businesses / entrepreneurs adopt "Social Media" as a marketing tool? Why?
  - d. "Discount District relies on Social Media for almost every marketing needs" – Are they doing right? What else should be their strategy?
  - e. How can companies use Social Media?

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