

Marketing analysis of social networking site orkut marketing essay



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Social Networking sites that allow individuals to construct a public profile, articulate with people they know by sharing their connection and view and traverse their connections and those made by people they know. The nature and nomenclature of these connections may vary from sites to sites

The leading social networks around the world are Orkut, Facebook, and My Space Twitter etc. The first social networking site that was Six Degrees. com launched in 1997 although it attracted millions of users but failed to sustain as it was considered to be ahead of its time and was closed in 2000. From 1997 to 2001 many community sites were launched but the next wave of these sites began in 2001 by the launch of Ryze. com.

Friendster was launched in 2002 as a complement to Ryze. com and had 300,000 users by the end of May 2003. By 2003 the social networking sites hit the mainstream. In 2003 the giant GOOGLE proposed to purchase Friendster but failed to do so.

Google then internally commissioned Mr Orkut Büyükkökten to work on a competing independent project. And then Orkut was launched on 24th of Jan, 2004. By the end of September 2004 Orkut's membership surpasses 2 million accounts in spite of the fact that the membership was only on invitation. As of 2007, the service claimed 67 million users. Orkut became a huge success in the United States. Orkut spread like a virus in countries like Brazil and India. It also won the YOUTH ICON AWARD 2007 in India.

Orkut members are offered various exclusive features. Members can create groups to join friends according to their wish. They can upload videos from YouTube etc. Orkut gives its member the choice to have restricted or

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unrestricted polls on these videos. Orkut has a competitive advantage of the privacy that it offers to its members. It allows anyone to visit anyone's profile, unless a visitor is on the " Ignore List"

Each member has a choice to customize their profile preferences and restrict their information according to their preferences. Gtalk has been integrated in Orkut so that the members can chat from their Orkut page.

Orkut leads in countries like India, Pakistan and Brazil. It offers its members a distinct feature called THEMES, offering them a range of colourful themes in the library in which they can change their interface.

Figure 1. Distribution of work task interruption

The below mentioned figures represent the traffic of Orkut. These even show us that Orkut has been losing its market share in most of the western countries. Orkut has been tremendously successful in Asian countries.

Traffic on Orkut by country

Traffic of Orkut on March 31, 2004

Flag of the United States. svg

United States

Flag of Japan. svg

Japan

Flag of Brazil. svg

Brazil

Flag of the Netherlands. svg

Netherlands

Flag of the United Kingdom. svg

United Kingdom

Other

Traffic of Orkut on April 13, 2010[15]

Flag of Brazil. svg

Brazil

Flag of India. svg

India

Flag of the United States. svg

United States

Flag of Japan. svg

Japan

Flag of Pakistan. svg

Pakistan

Other

Source: [http://en.. wikipedia. org/wiki/Orkut#Features](http://en..wikipedia.org/wiki/Orkut#Features)

Orkut has started losing its market share in the global market. As shown in the above diagram there has been a drastic decrease in the traffic of Orkut in countries like United States, United Kingdom etc. This is because of the rising popularity of its competitors like Facebook, Twitter, My space etc. A study conducted by Nielsen's in India shows that Facebook is ruling among the social networking sites.

Source: [http://www. indiasocial. in/nielsen-study](http://www.indiasocial.in/nielsen-study)

SWOT ANALYSIS OF ORKUT:

STRENGTHS:

ORKUT is very user friendly due to its graphic user interface. One can view people's profile and pictures regardless if the person is your friend or not. It is user friendly because navigation is easy, applications are minimal making it easy for a person who is not a tech-savvy. It is mainly focussed on scrapping friends. It is integrated with GOOGLE CHAT. ORKUT gives more privacy and security compared to some of its competitors. Menus and other applications are arranged in a organised manner making it simpler for the user. ORKUT has a free feature " PROMOTE THIS" in which you make a message and circulate and reach other in the network. There is a feature in ORKUT that provides you relevant jobs.

WEAKNESSES:

GOOGLE INC. Treated ORKUT as just a sideline business, not giving it much attention that was required and hence creating a space for competition.. The

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ORKUT account does not give you the freedom to navigate into different websites so in turn you have to go through the registration process. You cannot promote your business through ORKUT compared to that of its competitor Facebook that has a feature that through your Face book account you can go to different websites and post your adverts and add a backlink and this also gets activated on your Facebook profile allowing people in your network to know what you have done. To make friends in an ORKUT account you have to visit the person's profile and then send the friend request. ORKUT has a lot of spam. ORKUT was last redesigned in 2007.

OPPORTUNITIES:

ORKUT is very popular among Brazilians and Indians. ORKUT is a market leader in these countries so there is a lot of opportunity that ORKUT can bring to its favour in these countries. The increase in usage of broadband and wi-max technology is a big opportunity were innovations should be done.

THREATS:

ORKUT has a major threat from its arch rival Facebook as its market share is relatively increasing to that of ORKUT. The other competitors like hi5, Twitter, My Space etc.... are also picking up the pace. ORKUT is being misused by people and facing major issues like Death Threats which is becoming a major concern.. Some political groups demanding to ban ORKUT. ORKUT has been repeatedly facing issues on being medium of promotion for hatred by some religious communities, illegal drug deals and child pornography, kidnapping and murders etc... . Posing a threat to the image of the brand. Fake profiles can be created.

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PESTL ANALYSIS OF ORKUT:

POLITICAL:

There been controversies around ORKUT by various hate groups and they have a lot of followers there. This has created an anti-national and anti-ethical environment. This has led to a lot of criticism from political groups and leading to banning in some countries.

ECONOMIC :

This is quite a relevant factor that is chasing people to promote their businesses on ORKUT, in this time of recession. This is resulting in positive impact as ORKUT has a feature through which people are able to find jobs and as business ideas. Due to the economic meltdown the prices of technology and gizmos have come down, hence people can avail laptops , multimedia handsets etc and use this kind of inexpensive media of communication to the fullest.

SOCIO CULTURAL :-

There have been a lot of controversies regarding the same in Islamic countries. In these countries the government banned ORKUT in order to preserve the national security and Islamic ethical issues. To overcome this situation Orkutproxy. com was created but subsequently this has become a challenge due to the government blockage as the https pages on all the anonymous sites were closed. There a lot of hate groups that are considered to be a major threat to countries as this created an anti-national environment affecting the lives of people on a day to day basis.

TECHNOLOGICAL :

Due to the continuous advancement in the tech gadgets and gizmos the social networking has been a lot more accessible and popular. The 3GS phones, instant messaging and majorly the wifi connectivity have helped to increase the users of social networking due to the anytime accessibility levels. This has helped the users to keep in touch with their friends and community members and get the updates on their accounts and groups at all times.

LEGAL :

Earlier people could view anyone's accounts, videos, photos etc... and tamper them. There have been huge legal implications regarding the privacy issues as people started to use the photos and videos and placing them on internet with fake details. Huge number of them were vulgar, especially that of women. In June 2006 some researches discovered a worm, MW. Orc, which steals user's banking details, usernames and passwords by propagating through ORKUT. In 2007 a security advisory was published on Orkut's vulnerabilities related to the authentication issues, leading to misuse of legitimate accounts. There were similar attacks that were repeatedly reported for e. g. in 2007 the W32/ Kut Wormer, in 2008 W32/ Scapkut worm affecting the Orkut users in large numbers. There have been a number of other legal issues like in 2006 the Bombay High Court's Aurangabad bench served a notice on GOOGLE for allowing a campaign against India that carried a picture of a burned Indian flag and anti-India content. Recently, the Pune police cracked a rave party filled with narcotics. There was a deliberate charge on ORKUT under the Indian Information Technology Act, 2000 as it

was believed to be a mode of communication for the same. Similar cases are reported in Brazil as well creating distrust among Orkut users.

OBJECTIVE SETTING AT DIFFERENT STRATEGIC LEVELS:

CORPORATE OBJECTIVE:

To increase profitability by 30% worldwide by 2011 and to increase the number of unique users to 20 million a day.

BUSINESS OBJECTIVE:

To increase usage of ORKUT to 80% worldwide, primarily increase the traffic in Asia-Pacific countries by 2011. I have chosen Asia Pacific because as shown in the world stats one-third of the population of the internet users are people from Asia Pacific region.

MARKETING OBJECTIVE:

To attain 50% of the market share and become the top most among all the other social networking sites worldwide. Here I would primarily focus on capturing 30% of the Asia Pacific market. This is a specific, measurable and attainable figure as according to research report released by Comscore 50.8 percent of the total online population in the Asia Pacific region visited social networking site in February 2010, reaching a total of 240.3 million visitors. This report does not include the visitation from internet cafes and mobiles. The segmented market is the Youth aged 18-35.

EXPANSION STRATEGY ACCORDING TO THE ANSOFF MATRIX:

ORKUT has been a brand for the last six years. It has been one of the most successful social networking sites and the best known as well. As we see its brand image has gone through a lot of negative publicity considering the facts Orkut should focus on rejuvenating the brand image through market penetration. Orkut should also do product development as the consumers have become a lot demanding. The features that Orkut offers are not in accordance to that of competition, being more precise Orkut should be using innovation to add new features to make it more interesting to be a part of the same.

Hence, the strategies that Orkut should follow are Market Penetration and Product Development.

EXPANSION STRATEGY ACCORDING TO THE ANSOFF MATRIX:

Market Penetration :

ORKUT is already a well known brand. We need to rejuvenate the brand image in a positive way by aggressive marketing of the brand at the right places. This strategy will not only increase the market share in the prevalent countries but also in countries of Asia Pacific where social networking is on a tremendous growth.

I am using market penetration for Orkut because according to a research conducted by Neilsens Orkut has started losing its market share in countries like India and Brazil where it was a market leader. Hence it makes it very

important that I revive the brand image to maintain the market share in the existing markets and also focus on the emerging markets like other regions of Asia Pacific.

Product Development:

I need to rejuvenate the brand by doing a lot of innovation because Orkut was last redesigned on 28 October 2009. As technology is changing in every minute we need to meet the pace. We are far behind in comparison to our competitors the features that we offer are not up to mark. We do not offer enough services to the users that is diverting our users to shift their networks to our competitors. Hence it becomes very necessary for us to work on innovation and add I

PORTER'S GENERIC COMPETITIVE STRATEGIES:

PORTER'S GENERIC COMPETITIVE STRATEGIES:

I am going to use Focus and Differentiation for Orkut.

FOCUS :

I would majorly focus on the age groups between 15 to 44. According to a report by comscore the graph represents that in Asia Pacific the age group that uses the internet the most is the the people between 15 to 44.

PORTER'S GENERIC COMPETITIVE STRATEGIES:

The report released by Comscore in 2010 clearly state that the Social networking sites have had a ubiquitous growth in Asia Pacific region. Hence going by the facts of both the reports I am choosing Asia Pacific Region as the area of focus for Orkut to grow.

DIFFERENTIATION:

Social networks are very influential, the network that we create online does not match our offline profile. People are increasingly using the web to get information they need from each other, rather than that from businesses. People know about products and brands through friends. So in order to differentiate I would recommend to add an embedded social features key on the user page. These networks are about pursuing relationships and fostering communities of consumers, hence it becomes important to understand the behaviour.

People don't care much about technology rather they care about the communication that technology enables. Through thousand of years we have formed groups and strong and weak relationships. To become successful in the long term it's important that we understand the motivation behind using a new technology before developing it. People are more comfortable with the people they have strong ties with. Studies on online gamers show that they most often play with people they have strong ties with. Hence, we need to give options the communication channels for the users like one to one or one to many at the right times. We need to design our user page supporting these interactions.

Privacy is all about controlling how much other people know about you.

Maintaining people's privacy is a major concern. In order to help our users doing this we need to make our site less complex and more transparent. So people understand the consequences of their actions. I recommend to do so we develop trust amongst our user leading to repetitive usage and more users in the long term. These are the key differentiators.

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TACTICS:**PRODUCT:**

I would recommend to use innovation to revive the brand image of ORKUT. In order to do so I would add different feature like a google search engine toolbar on the user page as I know the Asian Pacific users use the internet for navigation and entertainment . The user page would have the famous entertainment sources like for youngster is would have the famous music, for middle aged people it would have navigation to different job sites, and old people would have religious programs and world news etc on the user pages.

This would help in differentiate Orkut from its competitors.

PRICE:

Price does not have relevance as the users do not have to pay any price to use the service. It is a virtual commodity and the revenue structure is based on the number of users. Hence, price does not hold any value.

PLACE :

This is the most important out of all the tactics for Orkut. It is already available on the electronic and portable medium . In order to achieve market penetration Orkut tag should be used on the most popular sites like Google Search Engine, Gmail etc. As portable medium like cellular phones etc. are the most preferabel medium of communication by the youth Orkut should have a tie-up with cellular manufacturers like Apple Blackberry etc to have an ingrained Orkut application in their handsets.

PROMOTION:

Orkut should use aggressive marketing. As I realize that the major market segment for ORKUT is the youth.

Alliances:

Unique features like discounted tickets for movies and sports events should be introduced through alliances with the respective partners like a tie up with the Indian Premier League which is the most awaited event of the year to attract more users. Alliances with various blog to promote the Orkut tag .

Press Releases:

I propose that Orkut should relaunch it self through press releases emphasizing on the added features to create awareness and attract new users.

To generate high awareness I recommend Orkut to use the following mediums:

Print Media:

Orkut should be highly promoted on with the differentiated features on youth and sports magazines such as Sports Star.

Outdoor:

I recommend Orkut to be promoted with attractive hoardings in youth hang out areas like the cafes, colleges like Cafe coffee Day, Starbucks etc

Mobile Media:

I recommend Orkut to be promoted on mobile mediums like buses , taxis and trains which are the essential medium of communication for the youth.

New Media:

Aggressive presence of Orkut Tags on the most visited websites like you tube , journals etc.

PEOPLE:

Google Inc has been known for its creative minds To rejuvenate Orkut Google should introduce more creative minds to the tasks . In order to generate new ideas Google should use interactive workshops through which there can be a sharing of ideas.

PROCESS:

Google should continue using its Graphical User Interface in order to rejuvenate the website. The user interface is a competitive advantage of Orkut , I recommend Orkut to continue to leverage it.

PHYSICAL EVIDENCE:

Brand image is very important for Orkut , in order to do so I recommend Orkut to deliver complimentary services like leisure and entertainment. In India Orkut had a theme of a famous reality series on the website. It was immensely successful. I recommend Orkut to use such proven strategies on the web page. The packaging in terms of the whole outlook of the website should be changed . It should have attractive things like gaming tags on the top.

IDEA : The logo should be**Actions to followed to be done to achieve the tactics:**

Google has the head office in London and all the activities are controlled here. All the major actions are undertaken here.

As the marketing plan is all objective based so I recommend Orkut to use the objective and task method to set my budgets regarding the same.

The total budget for the promotional activities is \$400 million . The allocated amount is divided into six activities.

GANTTCHART

Total Budget is 300 Million:

Marketing Activities

Time (when action)

Responsibility

2011

2010

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Redesigning of the Website

âˆš

Programmers

Advertisement

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âˆš

Advertising Agency

Press Releases

âˆš

PR Executives and Marketing Executives

Relaunch of Product

âˆš

Sales Executives

Sponsorships

âˆš

âˆš

Marketing Executives

Alliances

âˆš

PR Executives

Total \$ Million

Gaining Control over the actions:

Control and monitoring of the actions will be done in the following ways.

The company's performance will be analysed through monitoring with different key performance indicators.

Auditing:

Control will be exercised through time to time audits by performing the Marketing Audits. As Google is an innovative company and is in a highly competitive industry the control should be conducted by internal auditors. The performance gaps will be identified through these audits. Henceforth, the corrective measures should be accordingly. The auditing process will allow GOOGLE to keep a close eye on the profitability of ORKUT.

Benchmarking:

As ORKUT is not a market leader in the industry I propose to use benchmarking as Facebook who is the most fierce competition does BEST PRACTICES in this industry, therefore I recommend Orkut to follow the same. Facebook benchmarks the industry in the applications like Gaming, Friend suggestions etc.

CRITICAL REFLECTION:

Orkut “ WHAT IS THAT”?:

Nowdays that is what everyone is asking. Orkut is a product from the giant of innovation ' GOOGLE INC', which is the the pioneer of search engine. I have taken Orkut as the product because in this world of globalization the social networking sites are having a huge im pact on the minds of the online population. This is the major reason for choosing Orkut as it has seen a huge success in the intital times but since a few years the brand has been overtaken by social networking sites which joined the race in the later years.

I am amazed by the attitude Google has had towards Orkut and having a inquisitive nature wanted to know the decline of the users. Orkut has been leading the market in India and their have been communities created by Indians and studies have shown that Indians love Orkut . Orkut has been the preferable social networking site of software developers in India. But in the recent times the popularity has significantly decreased.

I have been in the professional environment for the last seven years. I have been working as a Business Development Manager and a Research Analsyst. These work profiles required a lot of networking and to suffice the purpose I had joined ORKUT. As ORKUT has a lot of communities and this helped me enhance my network through Orkut and inturn lead me to financial gains . Since the inception of social networking in India which is relatively new concept, Orkut has been seen as the synonym of such inception but recent reviews and statstics reveal huge decline in the popularity of Orkut.

I have chosen Orkut because I have seen the hype about it in India and the way it had been modulated it led into every person's day to day life. But since the last few days I have seen that Orkut has been losing its presence in the market. People are switching to different networking sites due to the additional features offered on the sites. Now it is becoming a question amongst the segmented market the 'YOUTH'. People have become skeptical on being on Orkut due to the limited features.

Orkut was redesigned before two years and this has led to a loss in the value of users. The social networking is a very innovation driven industry and is promoted by its users through word of mouth. Orkut has been neglecting innovation. Thus, its hold over the customer has been lost because of the best practices carried by competition.

Wisdom Outcomes of Marketing Modules: Rejuvenation of ORKUT:

Prior to starting of MBA marketing for me was just a synonym of sales. On completion of the module and especially after doing this particular assignment the entire perception of marketing has drastically transformed. But now the conception is clear that marketing is not just sales but it goes beyond it and there are many factors that affect the same. This module has given me the in-depth view to the subject in terms of planning and implementation.

The deep concepts have been simplified to by day to day examples that we come across in our daily lives. The analytical models like "McKinsey's", "SWOT", "Segmentation", "Branding" 'The 7 P's' etc. have become

very easy. Although being a layman, using these analysis some how or the other I have been implemending these concepts but I was unaware of the terminology. Knowing the concepts in depth through the module has given me a clear picture of the concepts to help me in the future.

The module has taught me that the every product goes through the product life cycle. And the stages are defined by the parameter of sales.

The SOSTAC model that is a part of the module has given me the clear understanding of that how indepth analysis of the marketing can rejuvenate the brand image. I have used the same to carry out the analysis and have deep understaing ORKUT. This has revised my previous view that there are no amendments or solutions when the product is declining. The decline stage of the product can be identified when there is a decline in the sales.

I have applied the same to ORKUT. Orkut has been a leader in the social networking industry .

While applying the SOSTAC model, I have imbibed the fact that most of the management modules and principles are integrated, and marketing provides a common interface across all the different principles of management studies. Principles of finance, operations, human resource management are all utilised in the SOSTAC model.

During my study I followed the following pathway:

After deciding that orkut is going to be my subject of study, I first and foremost wanted to know what is the market scenario in which Orkut is

operating. For this purpose, I started with the SWOT analysis. Through SWOT <https://assignbuster.com/marketing-analysis-of-social-networking-site-orkut-marketing-essay/>

I was able to map the external and the internal and the internal environment.

After having done the SWOT, I decided to take a look at the macro environment. For this purpose I had applied the PESTLE analysis. The PESTLE gave me a closer insight of the business environment in which Orkut is operating.

The objective setting section takes into consideration the mission and vision of the company. After having a look at these aspects, I developed my strategies on the basis of SMART objectives. All the strategies of the company are interrelated with each other.

The strategy setting of the company has taught me how to analyse the activities through which the company tries to achieve its competitive advantage. The difference in the strategic perspectives such as “ Ansoff’s Matrix”, “ BCG Matrix”, “ GE McKinsie’s Matrix” , and the “ Porter’s Generic Strategies” were very well formulated in the module. This gave me an in depth way of understanding what would be the most appropriate strategy for Orkut. Thus I have taken Ansoff’s Matrix and Porter’s Generic Strategies.

While doing the Tactical recommendations, I came to understand the concepts of the 7P’s of marketing. I can now understand the the 7P’s involve all the different prospects of management. The working on promotional mix became much simpler because there were case studies on communication strategies of declining brands discussed in the class.

The part of the action plan that involves the GNATT chart was very well taught in the lecturing sessions. Allocation of duties made me dig into concepts of Human Resource Management. The human resource pay a critical part of allocating the promotional duties to the right person. The promotional activities are the most crucial part of brand awareness and this has taught me there is a lot of people management that goes into all these activities. The budget planning prompted me to have a look at the financial statements of the company.

Final the part consisting of the control and monitoring helped me to inculcate concepts of operations management in my marketing plan. The concepts of benchmarking and best practices helped me to understand how a market follower often often follows the market leader to achieve operational effectiveness.

Thus the marketing module not only teaches us the marketing concepts but also builds up a holistic approach towards MBA. In order to have a successful career in marketing it is not only important that I have in depth of the marketing theories and modules but every department of the organisation has a significant contribution towards it. The module has taught me that all the twigs of management comprising of marketing, finance, operations and strategy are all incorporated and interrelated.

PERSONAL EXPERIENCE:

This module has taught me to enjoy the process of learning and have ingrained knowledge of the subject. The way in which the concepts have been taught have given depth to the them and made them interesting. The

concepts have been linked with the real life examples of companies and products that we use on a day to day basis. The real life case studies and examples have taken the learning process to under level. These examples have taught to interlink what we do in our day to day lives and how it affects the nature of the companies and consumers.

The module has taught us to use the day to day mediums of communications like the newspapers, taxis and view the promotional skills in the context of marketing communications and link the concepts with activities the companies carry out.

Some examples like British Airways, Poundland, Motorola, Virgin Rails and many more have encouraged me to do extensive research about the companies and how they use the concept of marketing to enhance their image.

I was not aware that the companies use dirty skills to market their products and what extent they go to to enhance the sales.

The lectures have been highly interactive and they have made the process of the enjoyable. The high level of interaction in the lectures made me confident about