

Advertising on Facebook

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Abstract-Approaches to advertising have changed dramatically over the past 50 years, from Newspapers to Mass media via Radio and Cinema, from Television sets to internet and e-mail. Now the next target is in sight- Social Networking. With advances in technology consumers are now in control of the media message they want to become exposed to. They have the option of watching TV programmes without having to view advertisements, they can listen to radio without having to hear the advertisements, they can alter their mail boxes so that SPAM mail goes directly to their junk folder and they can minimise advert pop ups when surfing online. Marketers are being forced to consider another form of marketing that would reach target customers in a new way. This paper examines how Facebook, has incorporated advertising into its site and highlights the methods employed to aid companies in reaching their customers in innovative ways.

Keywords-Facebook, social networks, advertising, ads

I. INTRODUCTION

Advertising is growing and with technology changing there are now more ways than ever to market products and business. However, it is the 'people' who now want control and they have the 'acute editing skills' to listen to be exposed to whatever messages they want. Take for example SKY+ where viewers have the facility to record or pause live TV, allowing them to view the shows at a later time, where they can then fast forward through television adverts, therefore resulting in advertisers missing out on vital opportunities to promote their products. Digital TV providers such as, BT Vision and Tiscali TV include a feature called "catch up TV" and "Anytime TV", where it allows individuals to watch shows back-to-back. These shows contain no advertisements, apart from advertising various programs that are aired on that same channel. Another example of where marketers fail to benefit from advertising their products is Radio podcasts. Podcasts allow listeners to download radio shows which have been previously aired, only without the adverts. With consumers having the power to eliminate media messages been shown to them, marketers need to discover a way of reaching their customers without them knowing it is a method of advertising.

Media buying is the process of contacting the owner of a website and purchasing advertising space, usually as a banner placement, on their website. High volume websites such as CNN and The New York Times as well as thousands of other websites, all offer media buying placements. Businesses rely on the information provided by these websites to estimate how much of their target audience they will reach. When a business buys a placement on a high volume website, they may have the majority of their demographic seeing it, but they will also be paying a lot of money on users who have next to no interest in what the business has to offer. Google's pay-per-click program allows advertisers to choose words that will trigger their ad. The advertiser is charged only if their ad is displayed

and click by a searcher. The unique pricing model ensures that an advertiser's message is not only seen, but that the advertiser only pays when someone arrives at their website. Adwords also provides advertisers with the possibility of placing adverts on websites that are a part of the Adwords system registered as Google Adsense publishers, Adwords refers this deliver of advertising as their content network advertising platform. Ads in the Google Content Network are not directly triggered off of a users search and instead are placed on web pages that Google deems to be contextually relevant to the text on a page. Both forms of advertising on the Adwords network are restrictive to what keywords the advertiser uses, which is often unreliable and untargeted when a company tries to reach more of their target demographic market by using slightly untargeted keywords that does not directly reflect the message the ad is delivering, for which eBay.com has a reputation for. Yahoo Search Marketing (YSM) and Microsoft AdCenter both use the same keyword targeting concept as Adwords' search advertising in their search engines. This form of online advertising can become untargeted and businesses are limited to the number of keyword phrases they can think of. This can be ineffective for reaching their target market in greater volume [1].

Facebook offers a new model to advertise and engage with consumers. Social networking sites in general, now account for one out of every five ads people view online. As the top social media sites can deliver high reach and frequency against target segments at a low cost, it appears that some advertisers are eager to use social networking sites as a new advertising delivery vehicle. A social networking site can be used to gain new customers, keep in touch with current customers and promote new products, sales/offers and events, creating overall high-quality PR that is specific to a company. It was only a matter of time before business associates woke up to the possibilities that lie beneath Social Networking. It seems obvious that they would want to promote their brands to an audience that is continuously growing at such a healthy rate [7].

There are many different features on each Social Networking website that can be used to promote a business. Users can post links, videos, pictures, fan pages, groups and even ads on some social networking websites. Businesses can create generic pages just like standard user pages. Once the page is, 'friends' can be added in the hope they gather more friends via 'word of mouth' promotion. Once the initial network of friends is exhausted, events can be created and other friends invited. This paper provides an overview of advertising on one particular social networking site - Facebook.

II. FACEBOOK

Social Networking is continually growing and showing more and more possibilities through the various Facilities it promotes. With an undreamt 500 million members and a more

regularly visited website than Google, Facebook guarantees more than friend requests, but also acts as an excellent marketing tool for businesses. Social media is a technology allowing the nation to publish instantly and economically on the internet. It encourages live discussion on a huge range of topics, with not only friends, but businesses and consumers. It allows consumers to advertise their purchases or air their complaints and business owners to receive feedback about their products or services. As of August 2010, Facebook has over 517 million users, primarily made up of internet users from Europe, North America and Asia (Figure 2). Facebook serves 100 billion hits per day, stored 50 billion photos and generated 130TB (Terabytes) of logs every day.

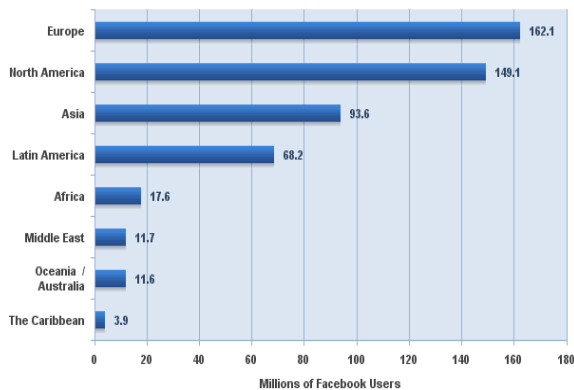


Figure 1: Facebook Worldwide Users by Region in 2010

Almost 1 in 3 people using the internet have an active user profile on Facebook, with the North American region having the highest Facebook internet penetration of 77.4%. Facebook's users are primarily made up of people in the age ranges of 18 – 24 and 25 – 34. The 18 – 24 ages range accounts for 31% and the 25 – 34 ages range account for 22.5% of Facebook's user-base. Facebook's user-base is primarily made up of 56.1% of females. Facebook has no paid subscription service, it allows users to create a free account, provided the user is willing to give a number of different personal details about themselves such as their first name, last name, email address, gender, date of birth (D.O.B), location, hobbies & interests, education level, school they are attending, workplace and relationship status. Based on the previous research it is safe to assume that no matter what the target demographic of a product/service is, the target market can be found on Facebook, because with so many people actively using Facebook, their user demographics are largely varied. Combining this wide array of demographics, with an enormous active user-base all providing their personal information for free accounts, along with an approximate average of 5h 30mins spent on the application over a month, means that Facebook has one of the most highly effective advertising platforms online [8].

The Social Networking sites original intention was to connect people socially; sharing likes, dislikes and photos, however, companies are starting to create "Fan Pages" and taking similar approaches to connect with their audience. Recent years have shown Social Networking to become one of the most popular online activities, with a huge amount of the population actively involved in such sites. Social Networking sites, in particular Facebook, account for a substantial portion

of the time Internet users spend online. Between September 2008 and February 2009 the number of Facebook users between the ages of 35 and 44 increased by 51%; Facebook users among the ages 45-54 grew by 47%; Facebook users ages 26-34 increased by 26% and more than half of the 140 million Facebook users are out of college. Moreover, the majority of members go on Facebook at least once a week, thus making advertising via Facebook a great opportunity for marketers [3].

Social networking is defined as developing a social network and relationships based on similar interests and views. Over the past few years as social networks have been developed for a number of reasons and are accessed by many different types of people. The main aspect of social networking is that it gives the user the option to socialise without leaving their home. When the internet became more commercially viable and accessible to everyone of course there was the option of chat rooms and chat systems. Although the modern term of social networks links people that have the same likes. "This new form of virtual community is generally based on Web 2.0 technologies, which aim to further enhance the reciprocity of the social interaction and exchange between community members by encouraging users to add value to the application as they use it." [10]. Not only can the user socialise when they want, but as they use the application they build on the information published. As the person makes more information available to other people to view, this may open new groups to socialise with, therefore building the friends circles. As the individual uses the application, the social network of their choice has the 'snow ball' affect where they will slowly build up the amount of people that they know on the system. It gives people the opportunity to communicate with other individuals all around the world that have similar interests.

When using Facebook, the user also has full control on whom they add to their page and who views what information. This is done using the 'Add as friend concept'. This means that only the friends they have added can view the information they have. If someone accesses their page from outside their friends list, all they can view is the name or if the user requests their photo. This gives the user full control over what data can be viewed online by other people. This of course looks like a very positive idea; people using the internet can become more social. Although in reality there can be a clear problem with this. There are many issues with becoming too involved with this sort of technology, for example having hundreds of friends on Facebook but having a small social life outside the Facebook world. One of the more obvious problems with the social networking age is sharing of data and the associated worries of who is viewing it and how much do we share.

III. ADVERTISING AND FACEBOOK

As social networks services are becoming the main platform for social activities, more than 20% of online advertisements appear on social network sites [2]. Many businesses are exploiting the new web based tools in order to achieve fast and efficient information on consumers need and preferences.

Indeed, there is a wide diffusion of advertising messages mediated by social networks. Thanks to the wide number of

users, and above all to the possibility of an easy access to their profile many companies have started to use Facebook in order to develop new efficient marketing strategies, by creating pages or groups devoted to their brand [5]. For effective social networking advertising, there are two main requirements, the first being that links in the social network are relevant to the targeted advertisements. The second requirement is that social information can be easily incorporated with existing targeting methods to predict response rates [1]. By having a connection with Facebook, businesses can access the millions of eyes, wants, needs and wallets logging on to the Social Network on a daily basis. Facebook is of course active in promoting their ad service on the site (see figure 2

Figure 2).



Figure 2: Facebook Promotes Its Advert Service

Advertising within Facebook can be achieved through an application on the site, which lets users create their own advertisements to be posted on the site. Users can create their own advertisement through the use of their own Facebook account. Facebook advertisements allows users to target their as by location, gender, age, keyword, relationship status, job title, workplace or college, and as a user selects their target audience, Facebook provides information on an approximate number of users that their targeting will cover. Facebook advertisements allow users to engage with a business advertisement the same way they can interact with other content on Facebook. The users who view advertisements on Facebook can create a story on their profile page, letting other users see this, which therefore generates distribution for a company for free.

Facebook provides reports on how particular advertisements are performing, with statistics on the amount of clicks they have received and the Click Through Rate (which is the rate of clicks the advertisement has received). They will provide a breakdown of their respective friend actions. As there is not a set cost for Facebook advertisements, there is an average cost per click (avg CPC). This is the amount users pay on average for each click their advertisement receives. Users can create a group of advertisements which is known as a campaign. These are useful for a business as they allow the user to group their advertisements together. Reports can also be generated for campaigns giving the user the opportunity to witness how the campaign is performing. Calculating the number of clicks an advertisement is viewed involves the counting of the amount of times a user clicks on an advertisement and lands on the advertising page, a click is also counted if a user 'likes' your page or RSVP's to an event within an advertisement. Users also have a daily budget in which they indicate the amount they are willing to spend on their advertisement per day.

Facebook requires each user to have a Facebook profile so as to create an advert. Once they have their own profile page, they can create their advertisement by clicking on the "Add advert" link. From here they are required to fill out a page completing all the details of the advertisement within this page. The user first needs to design their advertisement, this involves choosing where they require their advertisement to go when clicked on, and they do this by choosing their destination URL. A title for their advertisement is also required along with body text describing the advertisement. Users are also need to choose an image which they feel will be appropriate for their advertisement; this could be of the business logo, an image of the product or something of the user's choice. The second step to creating an advertisement allows advertisers to decide who they are targeting by providing options such as location, demographics; which includes age and gender, likes and interests, advanced demographics, which includes birthday, interested in, relationship status and languages and education and work. The third and final stage is the campaigns, pricing and scheduling stage. This step requires the user to complete the account currency, time zone, campaign budget and schedule and pricing. After the user has completed these steps they get to review their advertisement, make any changes they feel they have to and then place their advertisement order.

Businesses can also create group pages, where they do not have to be added as a friend, but a user simply has to click 'become a fan' or 'like' your page; then every time the business posts an update, it will appear on all members' homepages. Before you are even aware you are constantly interacting with your consumers and potential consumers. The advantage of this method is that unless a fan 'unlike' you, they are a fan for life and will continue to receive your updates. Another positive aspect of the options presented via Facebook advertising is that you are forever reaching new customers; as every time an individual 'becomes a fan' 'likes' or 'becomes a friend', it will appear on their profile where all their friends will see; providing businesses with even more opportunities to broaden their audience. You can use both these types of Facebook Pages to not only share your company information, but also to post photos, videos, applications, comments and messages; all for free. An example of a small business succeeding through Facebook is that of Peter Bryant's 'Threadswap'. The business allows individuals to swap clothes with other people. Peter said "I don't know hundreds of thousands of people and I don't have hundreds of thousands of dollars to reach people with traditional advertising but I knew this concept had legs...." people [5].

It is not only small unknown businesses that use Facebook for advertising however. International brands also recognise Facebook as an exceptional method of reaching their target audience. Promotion via Facebook is used by companies who have one on one contact with their consumer as well. When an individual chooses a hairdresser, a beautician, a marketing consultant, or a property manager for example, they are choosing a person not a company. A Facebook page can reveal the individuals (and their personalities) behind a business to potential customers, rather than the sometimes faceless business presented via traditional marketing formats. By building up profiles on their pages, consumers know exactly

what to expect when they step into the business; making them feel more relaxed and creating an overall friendly and tranquil atmosphere. Some might believe that creating a Facebook page and adding as many friends as possible will suffice for their marketing requirements. The reality, however, can be quite different. Advertising via social media, although very different to other forms of advertising, remains in essence a marketing campaign and therefore a strategy is vital. The first thing to consider is the ultimate goal to be achieved and subsequently plan your strategy based on this. The audience and consumers must always be kept in mind when thinking about description, content, visual content [6].

Advertising through social media can be one of the cheapest and most targeted forms of advertising. Businesses have to come to realise that their customers are now to be found in this domain and this necessitates their becoming comfortable within this space in order to stay relevant. However, with more and more businesses discovering this new advertising technique it will become harder to cut through and many businesses are fighting to be heard. So although Social Networking provides large scope for marketing, the ever-increasing competition makes obtaining recognition difficult: nonetheless it can be achieved via implementation of an intelligent strategy. Marketing through Facebook is not only obtained via creating a page; uploading photos and links etc it can be achieved with banner style marketing. Banner adverts are those ubiquitous interactive posters that run down the right hand side of your profile. Banner advertisements never disappear, when a user clicks on it to close it or minimise it, another ad will simply appear. Many people do not feel that this type of marketing works as individuals log on to Facebook and other social networking sites to socialise with people. If when doing this, they come across businesses and groups promoting their products and services through a page similar to theirs, they will be more inclined to check it out than they would when a blatant advert is there. It is often said that marketing works better when customers do not know they are being targeted. Promotion through a Facebook page is more social and interact able with consumers.

The truth about banner ads is that very few people actually click on them and the percentage of people who respond to them is declining steadily. Banner ads are measured by a 'Click Through Rate', calculating the amount of people that have clicked through the ads. The CTR for major web destinations, such as Google has been declining in last few years. In 2009, the average click rate on standard banner ads across the whole Web was 0.2%. Response is particularly low on sites with web-savvy audiences such as social networking sites (Ed, 2009).

IV. FACEBOOK TARGETING

Facebook have come up with a new approach that may make a big difference to banner advertisements and Click Through Rates - targeting. Facebook will allow targeting based on demographic profiles and interests that users reveal about themselves on their pages. The more targeting options that are available to a social network, the more likely they are to be able to get better prices. Targeting can make a significant difference regarding the amount of traffic you bring to a

website. The aim of sophisticated targeting through advertising is not to waste a single eyeball. However, this form of targeted marketing on Facebook has become quite controversial; not everyone welcomes this move. Consumer advocacy groups hope the Federal Trade Commission will limit the amount of data companies can collect. In addition, web advertisers are currently adopting ways to protect users' data. Greg Lastowka, a professor at US law school Rutgers, says "it's difficult to assert privacy rights when a person voluntarily shares data by posting it on a social networking site". "We talk about the ownership of coins and apples because these are objects that are subject to the control of only one person...While it is hard to share many forms of tangible property, information has the opposite characteristic. So you might say, 'it's your data', but what does that mean?" [10]

The screenshot shows the Facebook Ad Targeting interface. It includes the following sections:

- 2. Targeting**
- Location:** A dropdown menu set to "United States". Below it are radio buttons for "Everywhere" (selected), "By State/Province", and "By City".
- Age:** Two dropdown menus, both set to "Any".
- Sex:** Two checkboxes, "Male" and "Female", both of which are unchecked.
- Keywords:** A text input field with the placeholder "Enter a keyword".
- Education:** Radio buttons for "All" (selected), "College Grad", "In College", and "In High School".
- Workplaces:** A text input field with the placeholder "Enter a company, organization or other workplace".
- Relationship:** Four checkboxes: "Single" (checked), "In a Relationship", "Engaged", and "Married".
- Interested In:** Two checkboxes, "Men" and "Women", both of which are unchecked.
- Languages:** A dropdown menu set to "Spanish".
- Approximate reach:** 1,081,820
- I want to reach people in the United States who speak Spanish.**

Figure 3: Facebook Ad Targeting

Nonetheless, as receptiveness declines, ad targeting becomes more attractive (see Figure 3), marketers see significant increases in click rates when ads are customised based on criteria such as the location, content of Web pages visited, or information researched on search engines. Targeting is seen by some as rescuing all forms of digital advertising. Take for example, one individual has stated on their page that they like rock/indie music then a store like HMV may want to have a banner add down the side of their page advertising a rock band. People do not want annoyance and interruptions while they are socialising however, if they are tailored to their specific interests, it can be different, as people like relevance. However, effectiveness depends on which pieces of profile information are actually being used. A recent study [4] concluded that demographics, sexual preference, location and interests are all aspects of targeted advertising via Facebook.

Inside Facebook Gold [11] conducted an independent survey of Facebook users assessing their attitudes toward ads on the site. 73.9% of respondents said they use Facebook multiple times a day, and so make up part of the most active segment of the site's userbase. 53.7% of respondents were male, and 46.3% were female. 87.8% were between the ages of 13-25 and while 12.2% were over 25.

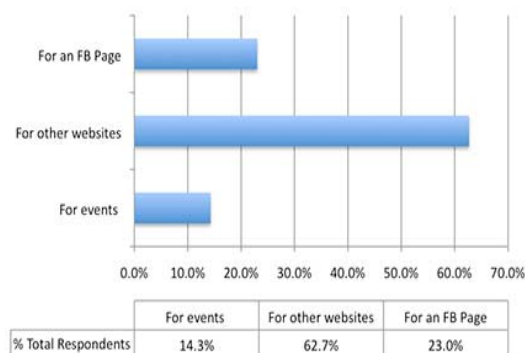


Figure 4: Facebook User Attitudes on Ads – Q. What type of ads do you like least? (Source: gold.insidenetwork.com/Facebook)

Most people were hesitant to proclaim their love of advertising, with over half of all respondents stating that they were ok with ads on Facebook. 53.5% responded that they felt “neutral” and “didn’t mind” the ads they saw while visiting the site (see Figure 4 and Figure 5).

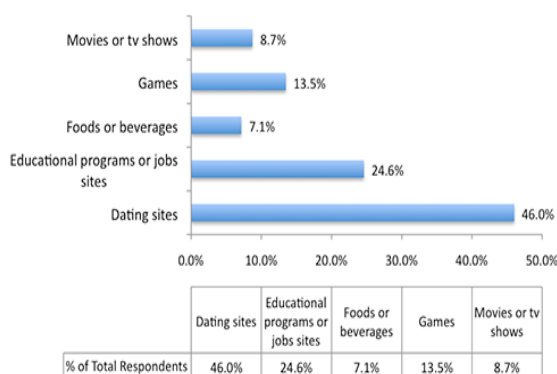


Figure 5: Facebook User Attitudes on Ads – Q. What advertised products do you like least? (Source: gold.insidenetwork.com/Facebook)

Facebook has tried to make it quite simple to target a desired audience. In fact, selecting a target audience is central to the Facebook self-serve platform. Audiences can be targeted by location, age, relationship status, and interests. They can also be targeted by language, as Facebook is available in 40 languages with many more in development [2]. Facebook has focused its advertising strategy around its vast member data, allowing advertisers to target an audience segment precisely. Facebook offers advertisers the ability to reach their exact audience — from a broad demographic, to a geographic preference, and to a more granular interest development [2]. This means Facebook’s ad platform can be beneficial for both small and large businesses, in comparison to contextual and search advertising, with the advanced targeting capabilities allowing them to zone in on their specific target audience, businesses can make full use of their advertising budgets by avoiding paying for ads that are delivered to the wrong people. Additionally, if an advertiser has their own Facebook page or Facebook application, then they have access to more targeting features such as targeting fans of the page or application, friends of the fans of the Page or application or people who are not a fan of the page or

application. With Facebook adding these extra targeting measures, they also ensure that the business/advertiser is not paying for ads to be displayed to irrelevant users.

The development of Facebook’s targeted adverts, brought a new dimension to Facebook advertising and has changed users perception of banner ads, from annoying irrelevant adverts with low click through rates, to more relevant adverts personalised to each individuals desires. In spite of this, not all Facebook members populate their profile with their interests and other personal information; resulting in it being difficult and limited for ad targeting to be used to all members of this Social Network. It seems ignorant to assume that if one friend has a certain interest, that the individual with the unpopulated profile will also have that interest as they are friends. However, if a substantial amount of friends share similar interests, it might be OK to assume similar interests. The second-degree targeting is known as “inferential targeting”. The technology will allow advertisers to select how deeply they want inferential targeting to be weighted.

What Facebook has to offer a business is something that every company looks for when advertising their products, personalized marketing. The concept of personalized marketing is when a business targets a product to an individual customer. The product or service that the company is offering them is something that the customer may be looking for or interested in. One of the initial things you notice when you begin using Facebook is the advertising that runs down the sides of your page, whether it’s your profile or the main news feed. The image below gives an example of advertising on Facebook. As you can see from the image, it isn’t just a normal advert. There are options that come with it, you can ‘create your add’ or ‘Like’ the advert. The more profile users ‘like’ the advert the more prominence it gets on Facebook. This is where direct advertising works for the company that purchased the advert. It also lets the user feel that they are a part of something bigger, as it tells the user how many other people ‘like’ the advert. They can see what aspect of the public market like their product or company and therefore target them. If you have a product or company that is for a more niche market, this form of advertising is invaluable. It is a fast way in which you can create a lot of interest about your product as popularity grows. This form of advertising is also down one side of your own profile. Here the advertising is directed at the user more depending on the information available on their Facebook account. Unlike the adverts in figures 6-8 that are sponsored, the adverts on the profile page are not. Like the adverts in figures 6-8, the user can make the decision to take the advert off the page by clicking the ‘x’ icon, although more will appear. This makes the user feel that they are more in control of what adverts they are viewing, Although this is more beneficial to the company itself as it determines which adverts are a success and more importantly which are a success when shown to certain groups of people. This is unlike the single advert on the front page of Facebook, beside the main news feed. On the users own page there is a list of the above adverts down one side. Once the user discards one of the adverts, Facebook also has taken this opportunity to get more consumer feedback on why. This gives Facebook the option of seeing adverts that haven’t worked from certain company’s. Businesses that have

advertised can also get feedback on how to improve their marketing skills and whether the product would be better shown to another group of individuals. We present here a series of examples of adverts appearing targeting different users. Figure 6 shows a sample ad targeted at a girl aged 21. Figure 7 shows an example ad delivered to the page of a 21 year old male while Figure 8 shows an ad on the page of a 37 year old woman.

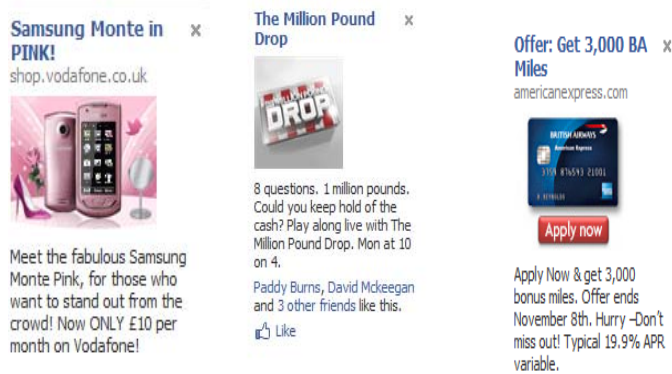


Figure 6: Female 21

Figure 7: Male age 14

Figure 8: Female Age 37

Banner advertisements may actually be removed, as Facebook's self-serve advertising platform is performing better. As a Facebook spokesperson announced, "Ad formats that feature social actions perform better and provide a better user experience since they are more consistent with the look and feel of Facebook". For now, banner ads are still in use, however as the phase out takes place, advertisers looking to place buys will be compelled towards Facebook's two primary ad distribution channels: engagement ads and self-serve performance ads. Below is an image showing Facebook's advertising methods.

Companies are also attempting to exploit indirect marketing on Facebook. An example is selecting the "check in" button when using the Facebook mobile app, which displays a list of places nearby, and then choosing the place they are physically at. This 'check-in' will then appear in the homepage and friend's news feeds. Although this is not directly advertising any business, it is in a way a form of promotion. Take for example an individual 'check-in' at a particular pub and then when friends receive this update in their news feed; they could all decide to join this friend for a drink. A new feature of this check-in application released to explicitly promote companies is Facebook Deals (see Figure 9). When users launch Facebook Places, they will see a listing of nearby venues, some of which will have special icons signifying deals. The user can then select the deal with two clicks, and claim it. When they go to the business e.g. restaurant later, they can show the staff their Facebook app to trade in the deal. "Facebook isn't taking any of the revenue for these discounts, posing a challenge to smaller competitors that use deal revenue as part of their business model. There are four kinds of offers a business can set up: Individual deals, Loyalty deals, Friend deals and Charity deals.

According to a study conducted by the Webtrends digital marketing research agency, Facebook's paid promotions

feature performed only half as well as network-driven banner ads in 2010 [9]. It seems that ads on Facebook yielded a smaller average click-through rate in 2010, compared to the previous year, even though prices had risen. For the study, Webtrends analysed 11,000 Facebook ads to create a set of digital marketing standards. They discovered that the average click through rate on Facebook has reduced from 0.063 percent in 2009 to only 0.051 percent in 2010. This means that for two consecutive years, Facebook has displayed a lower banner click-through than the industry standard of 0.1 percent. The cost-per-click in 2009 was \$0.27 and in 2010 it was \$0.49.



Figure 9: Example of Facebook Deals Application

Regardless of how easy social media tools are to use or the opportunities they offer, they also present challenges. The negative feedback about companies posted on social network sites is especially concerning to businesses. Traditionally, if customers experienced problems or faults with a service, they would call into the business, but now they can simply post it on their wall. Nonetheless, while negative comments are a part of online life, they do not always carry the ability to damage. Listening and reading negative comments can help a company understand their weak areas.

There is also an option to advertise your service or product through a branded Facebook page. This gives people on Facebook an opportunity to view more information about a company and of course 'Like' the product or service. This then appears on a person's Facebook page which everyone on their profile can view as this appears on their wall. This is an opportunity for the information on the product to spread virally. This may seem like a new, vibrant idea that Facebook has come up with, although this has been done previously Bebo and MySpace. Facebook has however taken it to a new level by integrating a strong foundation of social networking along with an option to sell a product or service. From the point of view of each Facebook user, this is also an option to meet other users that may like the same product or service and therefore building on the social element of the advertising. Direct advertising works extremely well when trying to reach a niche market. Related to this is the concept of a viral campaign which is a marketing technique to create brand awareness for a company – fast. A viral campaign is created specifically to be spread through social media – in the form of postings or messages. Businesses can attempt to create viral

campaigns with Facebook Ads. Facebook has made it easier for users to share information of what they are doing, what they are interested in and what they like. One of the features on Facebook which helps is the news feed. When a user interacts or wants to share something of particular interest on Facebook, it can easily spread among the masses. When a user indicates they 'like' something, it updates their news feed for their friends to see, this then creates a knock-on effect, if their friends see the news feed and also 'like' what they see.

For instance, IKEA's Swedish agency Forsman & Bodenfors introduced a creative way of announcing the new opening of an IKEA store in Malmo, Sweden. The initiative involved creating a profile for the Swedish IKEA manager, Gordon Gustavsson with photos of furniture showrooms added to his profile. Consumers were then asked to "tag" themselves (the Facebook method of indicating your appearance in a photo) on items of furniture. To encourage consumers to take part in the initiative, IKEA gave away each item to the first person who tagged it. The demand grew with consumers requesting more photos and actively promoting the competition to their friends [5]. Facebook users were happy to add their names to an interactive IKEA catalogue and spread the fun game throughout Facebook to their friends and family, creating great brand awareness and brand engagement for IKEA.

If a Facebook user has a Page or Application, they can promote their page with Social Ads with Social Actions (Figure 10). Facebook Pages are free to create so this encourages businesses to create their own and ultimately may lead to businesses promoting their Pages using paid Social Ads on Facebook.

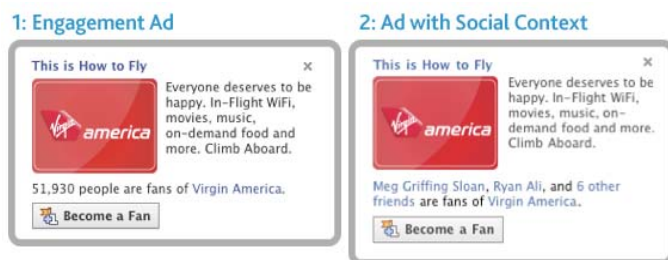


Figure 10: Facebook Social Ads Demonstrating Social Actions

Social context within Facebook ads has now become a permanent fixture in the ad platform as people who have seen an ad with social context are 68 percent more likely to remember it, and twice as likely to recall its content, compared with ads that have no "likes" (Nielson, 2010). Social context ads can also be created for businesses that have their own application. Facebook Ads for Applications show users a set of their friends that have engaged with the advertised application in the last 30 days, adding a natural endorsement to your application's ads on Facebook. For example, the ad unit for gaming applications will a set of users' friends who are playing the application. For other applications, the ad unit will include information about which of their friends are using the application. Businesses are now hiring people to create Facebook pages. Recently, Manchester council in the UK have advertised for a manager with special responsibility for

Facebook and Twitter with a salary of £38,000 to provide 'web presence' on social networking site.

As with most self serve advertising platforms, businesses and advertisers have come to expect some form of mass/bulk uploading capabilities of campaigns and ads to be industry standard. Unfortunately Facebook has no publicly available bulk uploading tool at present. The bulk uploading feature of Facebook is still currently in beta and is only offered to exclusive businesses and advertisers to test. Their bulk upload tool is an extension of the Facebook Ads product which allows the creation of multiple ads from a single transaction of data stored in a spreadsheet file. A bulk uploading feature is desirable as it cuts the campaign creation times.

Facebook also has no support for a client control centre. A client control centre is an advertising account that is setup to manage other advertising accounts. For example, a social media agency would like to own a client control advertising account and manage separate advertising accounts for each brand that they work with. A client control feature is becoming a required feature for companies advertising on Facebook as their ad platform is becoming more popular.

V. CONCLUSION

Initially, Facebook ads interrupted the content experience and were deemed to be essentially ineffective, whereas now, advertisements attempt to engage with users, Facebook changed their ad product and began offering social ads, in order to increase relevance. A prime example of this is engagement ads, which merge well within the user experience. Facebook marketing can target advertisements based on user's demographic profiles and stated interest, likes and dislikes, offering advantages over alternative forms of advertising. Recent advances in expertise and technologies, such as integration of GPS systems into Facebook enable more advanced targeting. A vital item that marketers and individuals can gain from advertising on a platform such as Facebook is targeting a specific group of people, fast. Marketers are allowed to exploit word-of-mouth interactions in order to plan targeted advertising through these new systems, as well as to achieve fast information on consumer's preferences and needs. They can thus get targeted advertising out to consumers fast and importantly, they can get feedback on their products. In turn they can tailor their products based on feedback from a social networking environment. Not only can the company tailor their advertising to suit the social networking market, consumers change their buying behaviour. If the consumer is considering buying a new product they now go on to their Facebook, view comments about what their peers thought of the product in question. It is not uncommon to now see the Facebook symbol on leaflets and posters, 'Find us on Facebook' the new, modern age of advertising gives customer feedback.

Almost 1 in every 13 person in the world is an active Facebook user which points to the potential of finding a ready market for any product or service. With social ads on Facebook together with social context and the ability for users to share information so easily among each other, shows that creating powerful social media campaigns are possible with Facebook's Ad platform. With the majority of the 500+ million

Facebook users ranging in the ages of 18 – 34, this benefits businesses more as young adults are usually more relaxed about spending online and generally have more of a disposable income to spare. The targeting options on the Facebook Ad platform allow businesses and advertisers to be very specific on who they want seeing their ads, especially when they are promoting their own Facebook Page or Application, as they are presented with even more targeting abilities to assist in building their brand further without wasting money showing ads to current users of the application or fans of the page. Facebook's pricing system is based on a bidding system. When professional social marketers are targeting across a region, they will be increasing the price that the local business owners pay for their precise target market. Facebook may benefit from offering reasonable prices to small businesses that target more precisely as these businesses are more likely to maintain a better relationship with their user and engage with them more closely.

The key to the Facebook Ad platform success is its effectiveness in targeting specific demographics and the large amount of users they have using their application, with this they can provide advertising services for even the smallest of businesses to the largest corporations accurately and at reasonable prices. Facebook has provided a platform and the tools to allow people to share experiences and information about anything and anyone. If a business understands and responds to this appropriately, they could generate a campaign taking advantage of the free positive brand awareness opportunity available. Small businesses will be able to benefit from Facebook's friendly ad platform interface to create simple local campaigns, whereas a business that depends primarily on online advertising may require the extra feature of bulk/mass uploading to expand their campaigns and reach a broader audience, whilst still analysing and maintaining their high performing ads. In terms of ad targeting, Facebook stands above other advertising platform because of the information they have stored on all of their users, no search or contextual advertising platform can offer the same type of precise targeting.

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