Facebook Promotion for Business Marketers

Oklahoma State University

Kiandra Spencer

Table of Contents

Abstract

This research paper, as titled, details the topic of Facebook Promotion for Business Marketers. A brief company background was given, as well as an analysis on the landscape of social media's role in marketing. After conducting a thorough literature search, a sample promotion strategy was created for the topic. Preliminary primary research was done to test the concept and gauge the response of future business marketers. The goal of the concept testing was to find out how well the message of the advertisement was communicated to make recommendations for revision to create a final, solid creative component. The conclusions drew generalizations from both the primary and secondary research discussed overall.

INTRODUCTION

Background

*The*Facebook (as it was originally named) was developed in 2004 by Mark Zuckerberg, a student at Harvard University. It began as a way to connect students who shared academic interests and degrees. By 2006, the *facebook.com* url was purchased and use of the social media network began to spread like wildfire. It was in 2006 that the social media network also became accessible to anyone with an email address above the age of thirteen, not just students. To begin, a brief view of the evolution of Facebook as a brand and a source for advertising and marketing is necessary.

Revenue for Facebook, even in its beginning years, came in the form of advertisement. Companies, individuals, community organizations, and others paid Facebook to advertise information about an event or product in the form of a flyer. The flyer appeared on the "newsfeed" of the site for members to view as they scrolled through the feed. This was around the time when the design and name for Facebook was also modified to a more modern version (see Appendix A).

As major companies in different industries caught on to the rising popularity of the social media network and the corresponding potential for high profits, the requests for partnerships and sponsorships came pouring in. Microsoft became a provider of unique banners and sponsored links for Facebook, while both Victoria Secret and Apple paid large amounts of money to advertise through the site. Mark Zuckerberg, the founder, carefully avoided attempted buyouts and continued to infiltrate other revenue pockets for the company (such as app services and a mobile version of Facebook).

By the year 2008, revenues for the company were soaring and had reached hundreds of millions of dollars. New innovations to the site were being added in the advertising branch. Companies now had the ability to create a "page" to advertise their business/es. During this time, Facebook did intense development on their advertising outlets. They honed in on developing features that allowed companies to target their markets based on geographic and demographic data. The "like" button was created for the pages which allowed users to see updated posts from their "liked" business pages. Mobile ads were placed in the app. Sponsored stories were introduced—a link to web pages detailing special updates and news, stories, and events. Marketing analytics features were created and added to the site (data graphs and charts concerning user trends). Through these features and other features, revenue for Facebook reached the billions by 2012.

These days, the company boasts an average of over one billion unique users per month. According to The Ebusiness Guide, Facebook is number one out of fifteen on the list of the most popular social networking sites. Facebook is also the only social media network on this list to have monthly traffic statistics in the billions. This puts it above very notable sites, such as Google, LinkedIn, Twitter, and others.

Importance of Consumer Engagement

After the 2008 recession, consumers became much more contentious of how they spend money and why they spend money. Businesses now have to work much harder than they did before to grow sales and revenue. Customer engagement, by definition, is a customer's emotional or psychological attachment to a brand, product, or company ("Why Customer Engagement Matters So Much Now", 2014). This engagement is the way that companies create

the brand equity that both attracts consumers and helps retain them. According to Gallup, there are three different kinds of customers by which companies can measure engagement: the fully engaged, the indifferent, and the actively disengaged ("Why Customer Engagement Matters So Much Now", 2014). A fully engaged customer has an emotional attachment and is loyal to the brand and will not accept substitutes. The indifferent customers do not have a preference for the company's product in either a negative or a positive way. Lastly, the actively disengaged customers are emotionally detached from the company, have a strong tendency to spread negative word of mouth, and also become resentful when they are unable to find a substitute.

Fully engaged customers contribute an average of 23% in wallet share, profitability, revenue, and relationship growth. On the other end, actively disengaged customers discount those benefits by 13% on average. This shows businesses of all sizes that it is very profitable to engage consumers by connecting with them through marketing and advertising.

Social Media vs. Traditional Media

As society grows and technology advances, a complete revolution in the way advertising and marketing is executed has occurred. Whereas forty years ago computers did not exist (C. N. Trueman "The Personal Computer") in the homes of consumers, they are now a rising source of social media advertisement in the world. The same way that television ads changed the playing field for print ads, social media advertising is beginning to break through traditional media. According to Business Insider, social media advertisement spending is forecasted to reach almost 14 billion dollars in 2018 ("The State of Social Media Advertising", 2013). On the other hand, traditional media advertising (i.e., television) provides one-way communication, is difficult to measure, provides short term affects, is costly, and nearly impossible to modify after output.

Social media has proved to be a solution to nearly all of the aforementioned issues marketers face in traditional media advertisement. Though social media advertisement can be timely to use, it is easily measurable through data analytics, it is inexpensive in comparison, and it is growing (Social Times Infographic). Social Media has proven to be a fairly easy way for companies to engage consumers, encourage brand loyalty, and increase word of mouth. Forecasting shows that not only will the social media advertisement sector grow over the next 3 years, it will *overtake* television advertising (Marketing Charts).

Social Media Advertising Benefits

According to Business Insider, each medium source for advertisement earns no more than 45% of consumer media consumption. This is one of the main reasons that social media has changed the game of marketing. The market for social media networks is currently growing. On average, Americans spend 12 hours per month on social media with 20 or more minutes being spent on Facebook. During these 20 minutes utilized on Facebook, consumers are actively participating on the site through status updates, commenting, viewing news feed updates and more.

Social media networks offer companies a quantifiable audience that can be both measured and analyzed in terms of anything from demographic variables to product interests and preferences. As technology advances, the platform of social media grows. It is also currently underutilized in terms of marketing and advertising budgets, taking up only 1-10% of most advertising budgets.

Among other outlets, many consumers now look to social media to find information on products and companies for potential purchases. Social media allows companies to incorporate

integrated marketing communications tools. An example of this would be in how social media platforms allow companies to communicate with their consumers and for consumers to communicate amongst themselves. In the past, consumers could spread positive and negative word of mouth to a few friends through literal conversation. In present times, consumers can actually review products and share both positive and negative experiences with a potentially unlimited number of consumers through a mere status update to Facebook. That said, it is important that companies tap into the power of social media by shaping the discussions. This can be done through staying current on the conversations held between their customers and also initiating company to consumer conversation (Mangold and Fauls, 2016).

Potential Concerns

As with any technological tool, there is a learning curve. Marketing analytics are a relatively new feature in the business world and there are many concerns about its future. An example of this is privacy. The data concerns a collection of consumer purchase and behavior patterns that allow companies to predict their next potential purchase as well as better target them for advertising. With this, a certain amount of education and training is needed for the data analysts who sort through this information and apply it to marketing.

The upside to this for Facebook is that it does all of the grunt work for the user. The most challenging aspect for the user is learning what the data means and how it applies to their target market. This information would then be used to create more effective marketing messages while Facebook itself targets the users directly. In simple terms, larger corporations have a marketing teams dedicated to marketing analytics. These teams complete the data collection, analyze it, and apply it to their marketing strategy. On the other hand, smaller companies can use Facebook to

do the targeting and data collection and simply interpret the information that Facebook outputs themselves. The process is more streamlined and involves less work and a need for less knowledge concerning the actual working process.

Another potential concern is the high competition in the number of ad placements due to the low cost of advertisement on Facebook. In proportion to the traffic previously discussed on the social media platform, this concern is small. Facebook advertising is very specific in who it targets down to the very location and age of the user. It can be likened to the metaphor of retail grocery stores. There are numerous chains for consumers to choose from (i.e., Food Pyramid, Aldi's, Wal-Mart, Target, and many more), but consumers make their choices based on personal preference, cost, and a variety of other reasons. Through marketing analytics, Facebook determines who to advertise to based on trends in online media consumption that reveals retail preferences. This is how advertising through Facebook remains effective despite the intense competition.

Overall, Facebook has found sources for generating revenue that are extremely lucrative. The company has been able to capitalize on these sources and even enhance them as technology advances. In the future, it is fair to anticipate further growth and for the strategy of the company to continue to align well with both company and consumer needs and preferences.

Facebook's Place: Why Facebook?

A content analysis study was completed on top brands recognized by Interbrand's Best Global Brands valuation study. The study focused on analyzing social media branding efforts based on message content and social media channel usage (Ashley et al, 2015). One of the most commonly used social media channels were social networks with Facebook being the most

favored social network. Of the 28 brands tested, there was an average presence of over 1.5

million Facebook fans. The purpose of using social media is to build branding, research,

customer relationship management, sales promotions, and more. The study exhibited that

multiple companies are using social media channels to meet these marketing objectives.

Facebook was not only found to be the most favorable social network, but also found to have

high engagement. This further supports the belief that Facebook is a great outlet to engage

consumers and also increase brand awareness (Maurer and Wiegmann, 2011).

The audience of Facebook is no longer limited to college students as it was when it first

began. Today, 71% of the Facebook audience consists of mature adults (Big Commerce). With

up to a little over one billion consumers tracking through the site every month, the network

offers guaranteed access to a huge, global audience. The tools that can be utilized through the

network for advertising are numerous with options that allow marketers to create their own

budget and spend as much or as little time as they desire in effort reaching their target market.

Facebook basically offers its own internal advertising program for any business marketer who

seeks to utilize it. Not only can marketers reach their consumers through the network, they can

track the results of their efforts through Facebook data analytics features. Ultimately, Facebook

is a proven and profitable place for marketers to expend advertising energy.

PROMOTION STRATEGY FOR AD DESIGN ON FACEBOOK

Creative Strategy

The creative strategy behind the advertisement concept was to follow an informational

strategy that would persuade viewers of the credibility of the positioning statement. The ad

concept employs brand recognition, benefits, features, and prices message sub strategies to embed the positioning of the service in the viewers' minds (Rogers 2001). The cost of the service was discussed in terms of price "ranges" to help the viewer see that a huge benefit of using Facebook Custom Audiences is that they are in complete control of their budget. The features of the service are explained in terms of what it can do for the viewers—business marketers—which is reach their target market. Next, the benefits express the rewards of the features described within the ad concept. In the case of this ad, the benefits include the ease of use, time efficiency, and budget control. Lastly, brand recognition is a huge tactic in this ad as Facebook is a global and well known business.

In order to encourage brand recognition, Facebook's color scheme, logo, and screenshots from the social media site were embedded throughout the video. As a result of the use of an informational creative strategy with multiple sub-strategies, the goal is to give an audience with all ranges of experience in social media marketing enough information to convince them that Facebook is the best option for social media marketing and to seek out further information or follow the call to action ("create audience").

Message Strategy

There are numerous message strategies in existence utilized as the foundation of advertisements. After an advertisement appeal (i.e., rationality, humor, fear, etc.) has been selected, it is necessary to choose the executional framework. These include, but are not limited to, animation, demonstrative, informative, and testimonial. An animation executional framework typically consists of a cartoon style or rotoscoping in which digital sketches are converted to live sequences. This type is mostly common on television and examples include animated Disney

films such as Toy Story, The Incredibles and more. In testimonial frameworks, a success story

or experience is presented by the customer of a service or product. The demonstrative framework

communicates product attributes to customers and might also show an example of the product

being used. This framework is common in both internet and television ads.

As the creative component is a storyboard concept of an advertisement, the informative

strategy was deemed the best way to present the content within a rational appeal. It includes a

voiceover, instrumental music, website screenshots, and visual aids to help create visual

stimulation within the viewer's mind. The theme of the ad concept is the ease of use along with

the idea that the viewer is in control of the process—from choosing how much they spend on

their target audience to the small amount of time it actually takes to create a campaign. This

theme is followed throughout the ad concept through the use of certain key words (i.e., "all you

have to do is…."), brief screenshots of the process, and the tagline ("Your Time. Your Budget")

at the end that directly reinforces it.

FACEBOOK FOR BUSINESS MARKETERS – A CREATIVE BRIEF

Overview

We seek to convince business marketers that Facebook is the best source of ad placement

for their product brands. Social media network advertising is growing and offers a large platform

for companies to reach their consumers easily anywhere at any time. Facebook can be utilized as

way to inform consumers, engage them, increase brand loyalty/awareness, and much more.

Why should business marketers use Facebook for ad placement?

- It levels the playing field with major corporations in every field *affordably*.

- It increases customer life time value through customization.

- It is more personal than mass media.

- It is temporally efficient.

Positioning Statement:

A cost and time effective way to personalize your relationship with your existing customers.

The positioning statement above summarizes the taglines emphasized throughout the creative

component. The goal is to embed within the viewers' minds that Facebook Custom Audience is

easy to use, effective, and controllable in terms of budget. This is done through certain

statements and phrases such as "You're only a click away", "Your time. You budget." And on.

Our Target Audience:

- Small Businesses – are firms with less than $50 million dollars in revenue and consisting

  of no more than 100 employees (Gartner).

- Medium Businesses – are firms that make between $50 million and $1 billion dollars in

  revenue with 100-999 employees (Gartner).

Business marketers in small to medium businesses were chosen as the target audience. The

reasoning behind this choice is that small to medium businesses often compete in the same

industries as large businesses (an example: local drugstore versus a retail supercenter). Thus,

smaller businesses do not necessarily have the funds to compete effectively with large businesses

in terms of advertising. Through careful positioning, the goal is to help these businesses level the

playing field with their larger competitors.

How we will reach our target audience:

The target audience could easily be reached through contact information on LinkedIn as

well as the Facebook custom audiences feature. In order to find business marketers who may be

interested in using Facebook custom audiences for advertising, it would be very simple to do a

search on LinkedIn, gather email addresses, and send them an email promotion containing the

creative component. The same could be done by utilizing Facebook's own custom audiences

feature to target users who have recently searched for advertising tools. Essentially, this would

be an effective way to use Facebook to market Facebook.

Creative component:

A storyboard concept for a video advertisement. The storyboard concept is a video

approximately 58 seconds in length that details an advertisement concept for Facebook Custom

Audiences. Within the storyboard, the tagline and positioning statement are placed throughout

along with screenshots of certain components of the creation of a campaign. The video contains

royalty free music (special permission granted due to nature of project), a voiceover, and slides

containing graphics of visuals that would be placed in the finalized version (see appendix B).

CONCEPT TESTING THE PROMOTION

Questionnaire and Participants

In order to gain insight into what potential business marketers think of Facebook Custom

Audiences as an advertising tool, the creative component was previewed by a group of 18 MBA

business students. The group was chosen based on their potential to actually utilize Facebook

and any other form of social media in the future for marketing purposes. Most of the individuals

within the sample are obtaining their MBA specialties in telecommunications management,

international business, marketing, or risk management.

Approximately half of the individuals had some type of work or academic experience in marketing while the other half had none but will in the future. The participants were given a questionnaire with pre-questions, shown the creative component, and then allowed to answer the rest of the related questions. All of the questions were open ended and non-leading in order to obtain genuine and objective responses. Below is a summary of the responses which will be used to discuss how the ad concept might be refined in a way that will gain more attention and attract more users.

Responses to the Creative Component

Prior to being shown the creative component, only two out of eighteen respondents stated that they had not thought of using social media as a way to advertise to a target market. One of the respondents stated this was due to the fact that they were unsure of the process. On the other hand, the majority of the respondents believe social media to be the way of the future so to speak. One respondent with formal work experience in marketing stated that, "Social media is the new trend in advertising. If you are not on social media, your customers will not know you." Others talked about the cost effectiveness and the ability of social media platforms to reach a "vast amount of people" in a short amount of time.

After viewing the creative component, the respondents were asked open ended questions directly related to the creative component. All of the respondents understood and were able to restate the key message of the ad concept using specific key words from the ad concept without prompting. Some of these key words include but are not limited to "cost effective", "target market", "easy", "marketing tool", "effective", "flexible on time", and so on. However, a majority of the respondents stated that they would like to have more information in the video ad. This additional information included the benefits of using the service versus the effects of not

using it, the specific ways a user can customize their audience, an actual timed example of

someone setting up a campaign and choosing a budget, and so on. A few of the respondents also

commented on the length of the creative component stating that it was concise and "easy to stay

focused."

Lastly, when questioned about what stood out most to them in the creative component,

there were varying responses. One respondent stated that it was the fact that "you can track and

see the impact of the campaign" while another stated that it is "A new way to reach out to target

audiences in an ingenious and easy way using Facebook profiles." Another respondent thought

that there should be more elaboration on certain concepts. One respondent stated that "The

original purpose of Facebook was to help people connect with friends. This type of

advertisement can affect this connection. Ads shouldn't be mandatory (we should be able to skip

them)." The rest of the responses to this specific question simply talked more about what

impressed them about the ad concept (i.e., cost effectiveness, ease of use, etc.).

Brief Analysis and Recommendation for Improvements

Based on the feedback from the initial stage of concept testing, I recommend making the

following changes to the promotion video before further testing or implementation:

- Include more information on audience customization

- Emphasize and explain budget customization

- Include real human interaction with the animation and voiceover

- Create two versions of the promotion videos, keeping one concise and the other with
  more specific information and demonstrations

In measures taken to improve knowledge about Facebook's Custom Audience feature,

one might add a shortened version of an example of a user going through the process of creating

and starting a campaign. The newer example should show the user choosing budget options along with the voiceover. The actual video advertisement of the storyboard concept would not be animated. It would include real human visuals and interaction with the product. It seemed as though some respondents did not understand the fact that this was a storyboard concept of a video ad, not an actual video advertisement. As the key message was understood and interpreted well, the overall flow of information presented in the storyboard should not change.

The interesting aspect of the responses was that, though individuals understood the flexibility of budget and the short amount of time it takes to start a campaign, they wanted an actual quantifiable number concerning budget and time. This could be exemplified in the actual revision but it would have to be very clear that budget does vary and this is just an example. It would be easy to mislead potential users concerning costs by giving exact numbers as the budget varies based on user preferences, length of campaign, and so on. The last aspect that could possibly be more detailed in a revision would be the audience customization. In the revision, it would be fairly simple to show the user customizing their audience based on preferences, marital status, age, and more.

Ultimately, the storyboard concept could not be revised based on this initial concept testing alone. Before creating the final advertisement version, a focus group and a survey could be done to obtain more feedback and confirm the consensus of opinion that was found in responses to the initial questionnaire. Revisions would be made based on the compilation of all responses and trends in data, the storyboard concept would be recreated, and then finalized as an actual video advertisement.

Other Recommendations

Upon revising, it would be advisable to consider adding a link near the end of the advertisement to more thorough videos, demos, and explanations on the Facebook website concerning budget options, audience customization, and more. With this aspect, the users could have access to more information without adding excessive length to the original advertisement. As stated previously, this advertisement would be placed on Facebook and also sent out to business marketers in the form of promotional emails based on contact information found on LinkedIn.

Conclusion

Facebook is currently number one in terms of unique monthly visitors. It is the only social media platform to have monthly traffic in the billions. Most people recognize that the social media platform is on its way to becoming the best way to advertise to consumers. As consumers spend an average of nine hours per day engaging in social media, 40 minutes of that time is spent on Facebook (Sprout Social). The number is smaller for Instagram, twitter, and even LinkedIn. It is clear to see from the information presented that Facebook is the best way to reach consumers in terms of exposure.

After establishing that Facebook is the way to go for marketing to consumers, the question in relation to maximizing this potential for all that it is worth is raised. As established, major companies of all industries utilize Facebook for marketing to consumers. Small to medium business can reach the same audience and still manage to control the budget and overall time they spend doing so. The benefits are limitless. Facebook is a common household term globally, but its custom audience feature is definitely not as well known. The concept testing completed suggested that potential business marketers are very interested because they want more

information on the process. Nearly all of the respondents are aware of the changes and advances in technology and want to capitalize on it.

In summary, with a finalized advertisement based on further testing and subsequent revisions, Facebook could essentially market its own product and increase its own revenue through the Custom Audience feature. It would be a win-win situation for Facebook and for the small to medium business who utilize the feature as both sides increase revenue and brand exposure in their target markets.

Appendix A

2004

2006

2008

2012

2016

Appendix B

YOU'RE ONLY ONE CLICK AWAY.
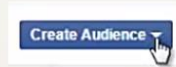
HOW MUCH MONEY DOES IT COST TO REACH YOUR TARGET AUDIENCE?
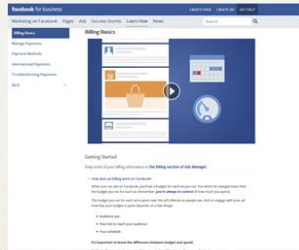
Appendix C

Questionnaire

What is your major?

Please give a brief background on any formal work experience you have related to marketing.

Have you thought advertising through social media? Why or why not?

Do you have experience in using social media to market to consumers? If yes, how so?

What was the key message from the storyboard concept?

What would you change or take away from the storyboard concept? Why or why not?

Do you have any concerns about the use of the product presented in the storyboard concept as an ad source?

What did you take away from the ad in terms of money?

What did you take away from the ad in terms of time?

Was there anything about the ad that stood out to you? Why?

References

Beese, J. (2015, June 20). 17 Powerful Facebook Stats For Marketers and Advertisers. Retrieved

from http://sproutsocial.com/insights/facebook-stats-for-marketers/

Bennett, S. (2012, July 13). Marketing 101-Social Media vs Traditional Media

[INFOGRAPHIC]. Retrieved from http://www.adweek.com/socialtimes/social-vs-

traditional-media-marketing/466873

Clow, K. E. (2004). *Integrated advertising, promotion, and marketing communications*. Pearson

Education India.

D'Onfro, J. (2015, July 8). Here's How Much Time People Spend On Facebook Per Day.

Retrieved from http://www.businessinsider.com/how-much-time-people-spend-on-

facebook-per-day-2015-7

Facebook for business. (2016). Retrieved from https://www.facebook.com/business/overview

Folger, J. (2016). Implementing a Small Business Social Media Strategy. Retrieved from

http://www.investopedia.com/university/implementing-small-business-social-media-

strategy/

Hoelzel, M. (2014, December 2). The Social-Media Advertising Report: Growth Forecasts,

Market Trends, and the Rise of Mobile. Retrieved from

http://www.businessinsider.com/social-media-advertising-spending-growth-2014-9

Kirkpatrick, D. (2011). *The Facebook Effect: The Inside Story of the Company that is

Connecting the World*. New York, NY: Simon and Schuster.

Mangold, G. and Faulds, D. (2009). Social Media: The New Hybrid Element of the Promotion

      Mix. Retrieved from http://rampages.us/moshua/2016/03/02/mangold-glynn-faulds-

      social-media-the-new-hybrid-element-of-the-promotional-mix/

McNicholas, K. (2011, September 19). How to Use Social Media to Promote Your Small

      Business. Retrieved from http://www.forbes.com/sites/kymmcnicholas/2011/09/19/how-

      to-use-social-media-to-promote-your-small-business/#eebf7bf3bbf3

Rogers, S. C. (2001). *Marketing Strategies, Tactics, and Techniques: A handbook for*

      practitioners. Greenwood Publishing Group.

Sorenson S. and Adkins A. (2014, July 22). Why Customer Engagement Matters So Much Now.

      Retrieved from http://www.gallup.com/businessjournal/172637/why-customer-

      engagement-matters.aspx

Staff, M. (2015, June 16). US Online and Traditional Media Advertising Outlook, 2015-2019.

      Retrieved from http://www.marketingcharts.com/traditional/us-online-and-traditional-

      media-advertising-outlook-2015-2019-55869/

The Social Media Advertising Ecosystem Explained. (2013, June 8). Retrieved from

      http://www.businessinsider.com/state-of-social-media-advertising-2013-5

Trueman, C.N. (2015, March 17). The Personal Computer. Retrieved from

      http://www.historylearningsite.co.uk/inventions-and-discoveries-of-the-twentieth-

      century/the-personal-computer/