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Social Media: Changing the Advertising Game as We Know it

Abstract: This paper discusses modern ways of advertising on various social media platforms. It examines similarities and differences among numerous social networks and includes success stories from different brands who practice social media marketing.

Many industries today are switching from traditional advertising to social media marketing. Advertising on social media platforms is becoming increasingly popular while print advertising is becoming a custom of the past. Social media is “any platform that provides the facility of sharing ideas, exchanging information and sending messages over an electronic medium” (Goyal, 2013). Social media is “an engaging medium that permits the user to compose, amend, and circulate digital information at a nominal cost” (Lester, 2012). “Every message is a work in progress that can be read or heard, updated at will and often edited or commented upon by the recipient and in many instances in part by the end user” (Lester, 2012). Currently, the most popular social media platforms, and the ones that most frequently come to mind, are Facebook and Twitter. Others include (but are not limited to) Pinterest, Instagram, Vine, LinkedIn and Tumblr.

The number of users joining social media networks increases significantly on a daily basis. Facebook started up in 2004 and has more than 908,000,000 registered users today (Goyal, 2013). Two years later, Twitter launched in 2006 and currently has more than 500,000,000 registered users (Goyal, 2013). Another up-and-coming social media platform, Google +, launched in 2011 and has over 250,000,000 registered users today (Goyal, 2013). These social networks have more users than a mid-sized country’s population (Goyal, 2013). For this reason alone, many businesses today are rethinking their marketing strategies and are resorting to social networks as a primary source of advertising. Industries are realizing that social media is a convenient and cost effective way to reach millions of people at the click of a mouse or the tap of a screen. Social media is taking advertising to the next level. Advertising via social media usually enjoys instant gratification. Everything today is fast paced and immediacy is something that people desire. Social media marketing is effectively making changes and adjustments to keep up with the demands of society. Because of this, advertising on social networks is thriving.

“U.S. social media advertising will increase from $5.1 billion in 2013 to $15 billion in 2018” (“Social Ad Revenues”). “Social display ad revenues will see a modest increase from $3.3 billion in 2013 to $5.6 billion in 2018, or an 11.3% increase” (“Social Ad Revenues”). “U.S. social mobile ad revenues will climb to $7.6 billion by 2018, a 38.3% increase, and will exceed social desktop revenues for the first time” (Social Ad Revenues”). Statistics don’t lie- social media is not just a fad that will enjoy temporary popularity and then quickly fade away. Social media is becoming the modern way of completing many traditional tasks. For example, many people today receive their news from Facebook and Twitter instead of a conventional news source. Social networks act as a filter for news because the only stories that are appearing in someone’s newsfeed are the ones that his/ her followers find relevant enough to share. Furthermore, values and interests among friend and follower groups are usually pretty similar. This is what makes a person’s newsfeed so intriguing to them.

What’s driving adults to use social media? According to statistics, 96% of adults in the U.S. use social media to stay in touch with friends and family (Zeckman). 29% use social media to follow the latest trends or to find specific product information (Zeckman). 20% of adults are using social networks to comment on what’s new/trendy or to write product reviews (Zeckman). Additionally, 72% of adults state that they utilize social media channels numerous times a day (Zeckman). As you can see, people of all ages and not just the younger generations are using social media. Social media platforms are used by different people of varying ages for numerous reasons. There is no wrong or right answer when it comes to social media.

Why are younger people spending so much time on social media? Well, millenials check their smart phones approximately 43 times a day and are mainly using social media to share existing information or to discover new content (“Millenial Marketing”). Thanks to social media, “pushing” information along to others has become an easy and convenient process. If someone wants to share a funny story, a cute picture, or a news article on Facebook, all he/she has to do is click the “share” button. Over 2/3 of millenials reported that they embrace brands on social networks for potential discounts while 56% do this for the possibility of free perks (“Millenial Marketing”). When someone “likes” a brand on Facebook, this will typically appear in that person’s friends’ newsfeeds, giving even more attention to that brand. Oftentimes, Twitter shows tweets from brands that your friends follow even if you aren’t personally following that brand. Social media platforms are definitely mastering their networking skills, which is why successful advertisers are bringing their ads to social media.

Millenials also favor hyper-targeted content in form of social networks, customized news feeds, and music outlets (“Millenial Marketing”). For example, “71% preferred Pandora/ Spotify and only 11% said they preferred non-targeted local stations” (“Millenial Marketing”). Social media is popular among younger people because it is tailored to fit an individual’s desires /needs. On social networks, it’s entirely up to the individual what he/she is seeing. Everyone’s newsfeed is different depending on a number of factors. A 13 year-old boy’s news feed will differ greatly from a 50 year-old woman’s. The user controls what they see and this customization is what makes social media platforms so popular and powerful at the same time.

Moreover, social media makes viral advertising possible. Viral advertising is “an unpaid peer-to-peer communication of proactive content originating from an identified sponsor using the Internet to persuade or influence an audience to pass along the content to others” (Chu, 2011). “Viral advertising involves viral messages about brands, which spread to potential consumers who then pass along the information to other potential consumers rapidly” (Chu, 2011). Thanks to social media, the way people are reacting to advertisements has been changed forever. For example, social networks such as Facebook permit targeted consumers to become message senders when they pass ads on to friends (Chu, 2011). Consumers are also allowed to comment on ads and could potentially make connections with the advertisers themselves. (Chu, 2011).

Today, when consumers want to purchase something they turn to the Internet for guidance first (Goyal, 2013). This type of guidance usually comes from product research and consumer reviews (Goyal, 2013). The most successful advertisers determine exactly where their target audiences lie and use this information to their benefit (Goyal, 2013). For example, estimated budgets and how much money customers are willing to spend are important factors for advertisers to consider (Goyal, 2013). Following this, the intelligent advertisers formulate their advertising strategy/social media plan and then push that strategy with data (Goyal, 2013). It is very important that businesses are clear about their objectives and create social media guidelines and policies for employees to follow (Goyal, 2013). The succeeding companies are the ones that realize training programs are necessary because advertising trends (especially on social networks) are changing every day. (Goyal, 2013) Social media will never be a static phenomenon.

Have you noticed Facebook ads in your feed recently? According to Facebook, these ads are based on facts and figures that you share such as pages you like, information about your account (age, gender, location, device accessing Facebook), and activity on websites and apps separate from Facebook (“Advertising on Facebook”). Facebook tracks browsing data through cookies and uses what they find to their benefit (“Advertising on Facebook”). Additionally, Twitter states that their ads are based on interactions that include what a person tweets, re-tweets, and follows (“Learn About Twitter Ads”). Twitter also uses information that is given at registration (“Learn About Twitter Ads”). Promoted tweets and promoted trends are one of Twitter’s latest features. According to Twitter, a promoted trend is when people see time-context and event sensitive trends promoted by advertisers (“Learn About Twitter Ads”). Twitter also declares that promoted tweets are purchased by the advertisers who have a desire to reach a wider audience (“Learn About Twitter Ads”).

Instagram (which is owned by Facebook) has become the preferred social media platform for many people today. Therefore, more and more companies are resorting to Instagram as an advertising outlet. For example, Ben and Jerry’s, one of the first brands to advertise on Instagram, reached 9.8 million users and made a 33 point increase in ad recall while advertising their newest ice-cream flavor, “Scotchy Scotch Scotch” (“Flavors and Fun”). Ben and Jerry’s posted 4 sponsored images featuring the ice cream over an 8-day period (“Flavors and Fun”). The targeted consumers were 18-35 year-olds living in the U.S. (“Flavors and Fun”). Instagram guaranteed that users saw the ads only 3 times (on average) and that each ad would appear in a user’s feed only once (“Flavors and Fun”). Thanks to the ads, 17% more people became aware of the new flavor “Scotchy Scotch Scotch” and associated it with Ben and Jerry’s (“Flavors and Fun”).

Levi’s was another brand that got involved with Instagram advertising early on. Levi’s reached 7.4 million people in the United States, a 24 point lift in ad recall (“Levi’s Lifestyle”). Over a 9 day period, 4 sponsored images featuring people wearing denim were used (“Levi’s Lifestyle”). The targeted consumers were 18-34 year-olds in the U.S. (“Levi’s Lifestyle”). People saw the ads twice (on average) and an ad was only inserted into a feed once (“Levi’s Lifestyle”). Instagram states, “When introducing ads, our goal is to make them enjoyable, engaging and natural to Instagram so we started by partnering with brands that were already great members of the community” (“Ads on Instagram”). According to Instagram, ads on this platform are intended to support brands desiring to reach larger audiences by using high quality content (“Ads on Instagram”).

Advertisers today need to understand that customers are not numbers but people, and they want to be treated this way (Zeckman). People want to trust a brand prior to purchasing with them (Zeckman). Social media allows consumers to gain additional information about a product and see what their friends are saying about that product as well. Social networks advertise products but in a personal and customized way. Advertisers ought to spend time where customers are spending their time and make an effort to build their trust along the way (Zeckman).

The power of social media is often underestimated. A social network has the ability to take a local advertisement to a national level. Social media ads are helping businesses and industries gain immediate attention every day. Social media marketing is completely changing the advertising game as we all know it. Social media marketing is revolutionary. It will definitely be interesting to see what the future holds for advertising and social media.

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