

Growth and Impact of Social Media Advertising

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Abstract: This study focuses on how social media advertising is growing with time and how it is becoming more and more dominating as an advertising media. It talks about the various advantages that social media has over other advertising media and how social media advertising has a different impact on the users as compared to advertisements through other media. The data for this study has been collected from secondary sources. The analysis and conclusion show the viability and profitability of the use of social media advertisements.

Keywords: Growth and Impact, social media advertising, websites allow marketers.

I. INTRODUCTION

Social media websites allow marketers to use an extensive variety of tactics and strategies to promote their ads and content. These websites allow marketers and advertisers to customize their messages according to the users they want to target as these social networks are able to provide the marketers with a large amount of information about their users. As online customers can be better segmented than the traditional marketing methods, companies can be sure that they are focusing their ads and other content towards the users that they want to target.

An important strategy used in social media marketing is to develop content that individual users will share with their family, friends, and coworkers. This strategy depends on word of mouth and provides various advantages to the companies. Firstly, it increases the reach of the message to people or groups that may not be exposed to such online content otherwise. Second, shared content carries an assumed endorsement when sent by someone that the recipient knows and trusts.

Social media also gives the advantage of letting the content to viral which is beneficial to the marketer especially when the marketer wants his/her content to spread quickly over a large number of people. This in turn will lead to influencing the customer and getting the desired action from them. This usually involves the user purchasing the product/service. Also chances are high that the user will forward the content to other people. Therefore this cycle will continue and the content will spread to over more and more people.

Social media advertising allows a company to be in direct touch and get feedback from customers. Social media provides a large scope of interaction and gives customers the opportunity to ask questions or voice complaints which in turn makes them believe that they are being heard.

Social Media advertising today is extremely popular due to the high usage of websites such as Twitter Facebook, Myspace, LinkedIn, and YouTube. The Federal Trade Commission has imposed that if a company or its advertising agency offers a blogger or online commenters with free products or other benefits to create positive buzz for a product, the online comments will lawfully be observed as endorsements. Both the blogger and the company will be held responsible for ensuring that the inducements are clearly and evidently revealed, and that the blogger's posts contain no false claims and fulfills the FTC's rules with regards to unfair or deceptive advertising.

Social media advertising has come a long way in a comparatively small time period. When Facebook launched its first advertising route in May 2005, no one could have forecast that social media advertising revenue would be projected to reach \$8.4 billion in 2015, just ten years later.

II. LITERATURE REVIEWS

The author discovers that the fast ascent of online networking has caught the consideration of advertisers and purchasers on a worldwide scale, and together with a quickly changing communications environment advertisers presently stand up to new difficulties when it comes to understanding consumer behavior today. Online networking carries with it unique openings for brands to draw in with customers, one system being through intuitive promoting. To widen our comprehension and help with overseeing promoting correspondences successfully, this exploratory examination researches the part of online networking inside of the more extensive promoting and correspondences blend. Subjective center gatherings were directed with purchasers to evaluate discernments and states of mind towards online networking promoting, and inclinations for brand engagement through this channel. Discoveries recommend that utilization of social media publicizing in a multi-channel interchanges methodology could have intense effect on brand faithfulness and engagement. (Bond, Ferrar, Luxton, & Sands, 2010)

This article discovers that social media allows customers and potential buyers to interact and be in direct touch with your brand representative or with their friends. The main issue that arises here is as who these people are and how they interact with regards to social media advertising. This paper talks about this issue on the basis of the online activities of 236 users, by identifying different types of users, a segmentation of these users and a linear model to scrutinize how different analysts related to social networking sites have a positive influence on the respondents' view of online advertisements. The answer can help determine how to include different types of audiences in order to make optimum utilization of social media advertising. (Vinerean, Cetina, Dumitrescu, & Tichindelean, 2013)

This paper explores on explaining why businesspersons, other practitioners, and faculty must understand the effects that the appropriate usage of social media has on the success of businesses. There is a crisis in mass marketing which must be looked into. With the present situation of the economy, it is vital that entrepreneurs also understand how to use social media to increase advertising benefits from such use of social media. The traditional marketing model is being challenged, and how to generate indications, increase awareness, and ways of communicating are continually evolving. This paper debates on the advantages and disadvantages of using social media and talks about issues relevant to the use of social media. (Hensel & Deis, 2010)

This study looks into the patterns and trends of social media research over the past fourteen years across four disciplines. The results show a definite increasing number of social-media-related studies. This specifies that social media have gained incremental consideration among scholars, and who have, in turn, been responding and keeping pace with the increased usage and impact of social media. The authors suggest that future scholarly happenings highlight forthcoming phases of social media, forecasting applications and technological progress and expanding theory. (Khang, Jung Ki, & Ye, 2012)

The main objective of this article is to identify theoretical foundations that can be used in research on social media in the worldwide perspective of advertising research. The main objective is to recognize future research directions which would facilitate in theory building in this area. The article focusses on identifying three key fundamentals that can be used in advertising research: networking capability; image transferability; and personal extensibility. For each of these fundamentals, the present state of knowledge, theoretical obstacles, and future research directions are summarized. These also provide strong potential for better understanding the advantages and disadvantages of using social media for advertising. (Okazaki, 2013).

III. NEED AND RELEVANCE

Today the growth of social media advertising is immense and companies need to capitalize on this medium of advertising. This research brings forward as to how social media advertising is growing and also how fast it is growing. Social media advertising today is becoming popular because of the way it connects the whole world in large network and the way it facilitates the flow of content among social media users. It talks about why social media is an important platform of advertising and how it is becoming as large as newspaper or television advertising. Social media today is used not only

reach out to the desired market segment but also to ensure a certain amount of impact on the users. This research also helps in exploring the attitudes and perceptions of the audiences towards the products/services advertised on social media.

IV. RESEARCH METHODOLOGY

Objectives:

- To find the population most inclined towards social media advertisements
- To analyze perception of internet users on social media advertisements
- To suggest ways of effective use of social media advertisements on target audiences
- To find the most effective channels and kinds of social media advertisements

Hypothesis:

H1: Social media advertisements are preferred by companies to other forms of advertising

H0: Social media advertisements are not preferred by companies to other forms of advertising

H2: Attention towards social media advertisements is more than attention to other forms

H0: Attention towards social media advertisements is less than attention to other forms

H3: Social media advertising is positively correlated to developing brand image

H0: Social media advertising is negatively correlated to developing brand image

Methodology:

The study was mainly conducted on the basis of observation and secondary sources of data. Secondary data refers to the statistical material which is not originated by the investigator himself but obtained from someone else’s records, or when Primary data is utilised for any other purpose at some subsequent enquiry it is termed as Secondary data. This type of data is generally taken from News papers, Magazines, Bulletins, Reports, Journals etc. Eg. If the data published by RBI on currency, National Income, Exports or Imports, is used in other statistical enquiry, it will be termed as Secondary. According to M.M. Blair, “ Secondary data are those already in existence for some other purpose than the answering of the question in hand.” Observation of online statistics regarding the potential and impact of social media ads were done to find the potential of it.

V. ANALYSIS

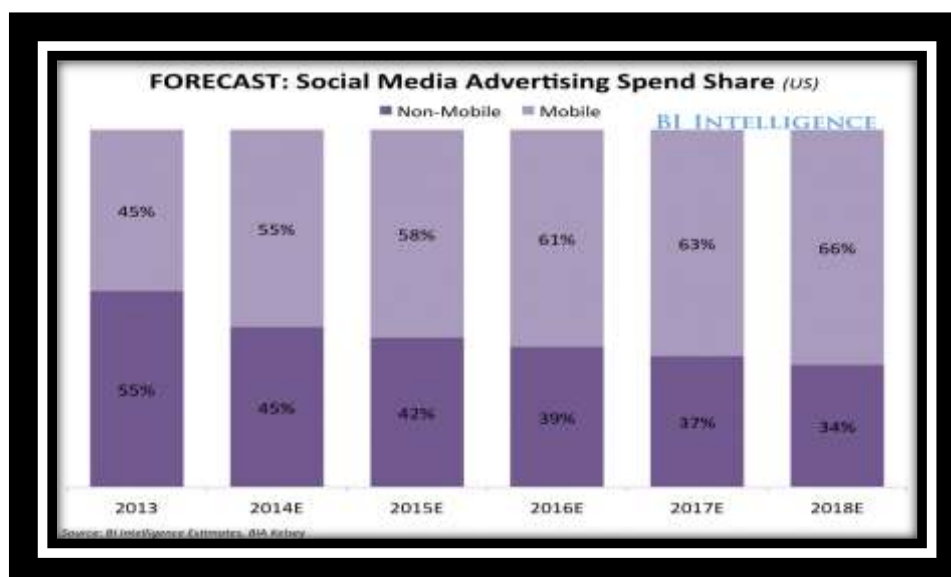


Figure 1 Forecast Of Social Media Advertising

New data from Business Insider Intelligence suggests that US social-media ad spend will top \$8.5 billion this year and reach nearly \$14 billion in 2018, up from just 6.1\$ billion in 2013.

According to the reports it suggests that social media advertising has been very effective overtime since the year 2013 and is progressively increasing. This continuously growing reach, particularly on mobile, better analytics and targeting, and performance, drives the increase in social-ad spending. The rise of programmatic social platforms has also fueled growth. Companies has chose this form of mobile advertising because as the usage of smartphones has rose consistently the though the change is a small certain percentage the impact of it in the real world is very high. Also it is estimated to reach 66% of the population by the end of 2018.

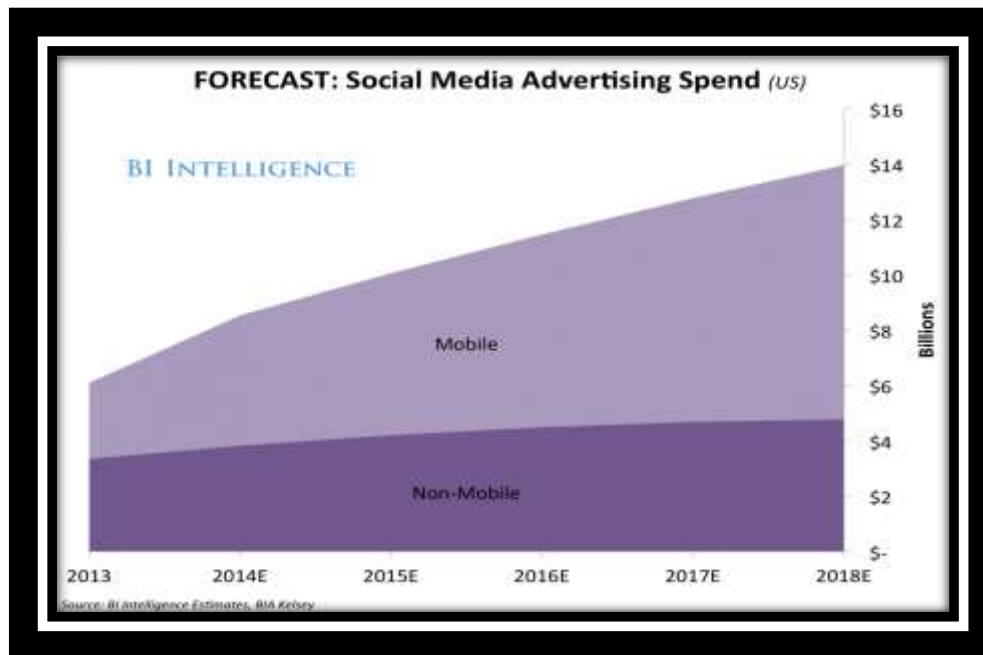


Figure 2 Spending Pattern over years

From the above graph we can see that the spending on mobile advertising has increased overtime, as the reach is better than the other social media. It is expected to reach \$14 Billion by the end of 2018.

Social Media Advertising Increases Brand Visibility:

Expanding brand perceivability is the essential objective of all promoting. That has dependably been the situation, whether that publicizing was done through TV ads, portable commercials, print advertisements or radio promotions. Some would say that promoting hasn't changed all that much throughout the years; individuals still stare at the TV and listen to the radio, and insights demonstrate that TV plugs remain the best type of publicizing. It is absurd to expect that the "best" type of promoting ought to be the main type of publicizing, be that as it may. Promoting an item anyplace will expand its perceivability, and there are such a variety of individuals utilizing Social Media Advertising consistently that it just bodes well to utilize those stages as techniques for expanding perceivability. For instance, one study demonstrates that Twitter-bolstered TV battles convey a 50 percent higher ROI than TV just crusades.

Social Media Advertisingpromoting likewise builds brand perceivability among the developing number of youngsters who don't stare at the TV. Clearly, TV publicizing will be lost on them, which makes promoting through Twitter, Facebook, Tumblr and other interpersonal organizations as vital as ever. Numerous individuals first learn of an item or brand since it was said on their Twitter channel or on their Facebook divider, and it is extremely conceivable that they wouldn't have educated of it generally.

Social Media Advertising Improves Brand Loyalty :

A best aspect regarding Social media advertising is that the overall population basically runs it. The general population makes the main part of the substance on any informal community, and this substance is the nearest thing we get the

opportunity to individuals' unfiltered considerations on an open discussion. An organization can utilize an interpersonal organization as a stage for a painstakingly thoroughly considered promoting effort, however what permits that crusade to spread and be seen by a great many individuals are the clients who offer it. Social Media Advertising publicizing becomes naturally, much the same as informal promoting. On the off chance that individuals see that their companions are going to play a part with a specific item on account of a re-tweet or the way that they "enjoyed" a Facebook page, they will probably attempt that item.

Social media additionally permits organizations to better interface with their clients. Notwithstanding clever tweets that can be re-tweeted various times, Social Media Advertising promoting can take the type of web amusements and viral recordings that can be shared everywhere throughout the Internet. The potential for virality (and the majority of the innate advantages found there) is a tremendous driver for some organizations while deciding the best advertising procedure to utilize.

Social Media Advertising promoting can possibly spread messages and brand mindfulness in a way that doesn't look like customary publicizing. Individuals are a great deal more inclined to recall a fun application on their cell phone or an amusing viral video than a print advertisement or a TV ad, and by augmentation they will affectionately recollect the item and/or business that such advertisements are intended to advance.

Social Media Advertising Is Less Expensive Than Traditional Advertising:

Regardless of how Social Media Advertising systems develop and change throughout the years, the one steady is by all accounts that they are allowed to utilize. Whether you publicize on Facebook, Twitter, Instagram or Tumblr, the main thing you have spent subsequent to setting up a record is time. A truly extraordinary and huge page on any of these stages takes just a couple of hours to make and keep up, and it can reach possibly a large number of individuals. You could surely spend the cash to make a major spending plan video much like those seen on TV consistently and trust it circulates around the web, however you could simply compose a 140-character tweet in a matter of seconds. That tweet could appear on somebody's food and alarm them to your business without costing you a dime.

On the off chance that you have a video, picture or tweet that goes viral, it essentially tackles its very own existence. Individuals offer it all over, and it is seen by a huge number of individuals. This gives you weeks or months of basically free promoting, something that numerous organizations could just want to accomplish years back. The advantages here are self-evident.

Social Media Advertising publicizing has a lot of advantages over different types of promoting. With individuals all around associated with the Internet and utilizing Social Media Advertising each day, business people in the 21st Century can't stand to overlook this sort of advertising potential. It is simple for exuberant advertisers to escape with Social Media Advertising and drive individuals away with a forceful promoting barrage, however with the right technique your Social Media Advertising publicizing effort can become naturally and build your business' perceivability. Give careful consideration to interpersonal organizations as they exist now, and watch how they change in the coming years. Social Media Advertising isn't going anyplace, and neither will Social Media Advertising promoting.

VI. CONCLUSION

Social Media Advertising showcasing is quickly advancing. In the good 'ol days, it was an elegant yet unsafe procedure held just to cut edge organizations willing to venture out on an edge for an informative point of preference over the opposition. In the years taking after, as more stages got to be accessible, and the quantity of clients blasted, social advertising was an "unquestionable requirement have" fringe system for each business in the nation. Social media advertising stages perceive the sheer force of the data they have admittance to, and the brand acknowledgment and unmistakable quality important to exploit it. While a few stages offer more differing methods for paying for focused promoting, the stages you pick will significantly affect your inevitable results, however with such a large number of alternatives accessible, it's hard to know which is best for your organization. In correlation, paid publicizing is developing more refined with more choices and more achieve potential on essentially any stage. It's additionally generally cheap—for instance, on Facebook you can begin with a financial plan as little as 5 dollars for each day and it could reach to lakhs of individuals by only a tick away.

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