The Effectiveness of Social Media Advertising
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Abstract
Over the course of the past ten years, the face of advertising has changed dramatically because of the multitude of new digital platforms for media that have been developed. Many of these platforms have come in the shape of social media websites. However, there is a major issue with digital advertisements in that there is very little available data about these vehicles and their effectiveness. For my senior symposium project, through primary and secondary research, I have collected information on the effectiveness of advertising on social media platforms.

What is Social Media
Social media is defined as a group of Internet-based applications that build on the technological foundations of Web 2.0. Social media depends on mobile and web-based technologies to create engaging platforms through which individuals and communities create, discuss, and modify user-generated content. Social media has also introduced important changes to communication between businesses, organizations, communities, and individuals.

Social Media Measurements
The first necessary element for understanding whether or not social media is an effective advertising medium is knowing the measurements that determine digital advertising effectiveness. Listed on the graph below, are some of the more important measures, as well as the average measurements for the top two social media sites: Facebook and Twitter.

<table>
<thead>
<tr>
<th></th>
<th>Facebook</th>
<th>Twitter</th>
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<tbody>
<tr>
<td>CPM - Cost Per Thousand</td>
<td>$2.50</td>
<td>$4.20</td>
</tr>
<tr>
<td>CPC - Cost Per Click</td>
<td>$0.50</td>
<td>$0.60</td>
</tr>
<tr>
<td>CTR - Click Through Rate</td>
<td>1.8%</td>
<td>3.5%</td>
</tr>
<tr>
<td>ROI - Return on Investment</td>
<td>70%</td>
<td>100%</td>
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From the comparative measurements on this chart, it can be discovered that the different social media platforms are not equally effective. These measurements are not the only elements that must be considered when advertising on social media; however, they are the easiest to compute. These can be calculated using simple equations with analytic software.

More complicated factors have to be considered when determining the effectiveness of advertising using social media. These factors include the audience's perception, awareness, engagement, and sentiment. To gain further insight into these elements, I administered a survey on Facebook that asked respondents about their usage of social media, their awareness of advertising on their social media newsfeeds, and their engagement with brands and companies on social media. The survey that I conducted reached a total of 52 respondents, I collected information from a wide range of individuals spanning from teenagers to several individuals in the 75 and older category.

The information that was collected regarding social media was slightly skewed based on the fact that it was administered on Facebook, so 100% of the respondents said that they were members of the Facebook community. However, this number is actually more accurate than one would think. According to the PEW Research Center, almost 90% of online American citizens between the ages of 18-45 have a Facebook account. In regards to sentiment, I found that 54% of respondents said that when they interact with brands on social media, it is to praise the company’s actions or performance. However, 38% responded that they do not interact with brands on social media.

More than likely, the respondents were asked to recall what products and services were advertised on the previous page without being able to go back to look. 35% of those who responded to the question that they could not recall, 40% of these respondents answered vaguely with answers such as “Dresses” and “Cell Phones” without any reference to the brands associated with the products. To a company, these answers would not be ideal. Advertising does not randomly appear on social media pages. It is specifically chosen for the people who see it, based on their digital footprint, made up by their individual profiles and search patterns. For example, it is very likely that the person featured in the newsfeed shown above is currently in the market for a new cell phone, lives near The Liberty Science Center, has done a web search for online college degrees, and has recently been to Zulily.com.

On the next page, all of the respondents were asked to recall what products and services were advertised on the previous page without being able to go back to look. 35% of those who responded to the question that they could not recall, 40% of these respondents answered vaguely with answers such as “Dresses” and “Cell Phones” without any reference to the brands associated with the products. To a company, these answers would not be ideal. Advertising does not randomly appear on social media pages. It is specifically chosen for the people who see it, based on their digital footprint, made up by their individual profiles and search patterns. For example, it is very likely that the person featured in the newsfeed shown above is currently in the market for a new cell phone, lives near The Liberty Science Center, has done a web search for online college degrees, and has recently been to Zulily.com.

As previously stated, 75% of those who said that the advertising on the newsfeed stood out to them had a negative reaction to it. However, as shown in the graph above, people enjoy communicating with brands in ways that are native to the environment of each social media platform. If companies engage with their social media communities, it is more likely that they will succeed at reaching their target audiences effectively.

Independent Research

To gauge awareness and perception of advertising on social media, I created an experiment. On the survey, I inserted the picture that you see on the left, a typical Facebook newsfeed with a variety of interesting looking posts, notifications, birthday announcements, and event invitations. In the midst of this, there were four prominent advertisements. While still on the same page, the respondent was asked to type into a textbox what stood out to them on the newsfeed. Only four people noted that the advertisements stood out to them, and three of which commented negatively about them.

In the graph above, it shows the percentage of people who were able to recall what products or services were advertised on the previous page. It also shows the percentage of respondents who were able to recall what products or services were advertised on the previous page. It also shows the percentage of respondents who were able to recall what products or services were advertised on the previous page. It also shows the percentage of respondents who were able to recall what products or services were advertised on the previous page.

Unexpected Outcomes

Unfortunately, the awareness and perception experiment was not viewable by a large number of respondents because they were using mobile devices. The survey software that I chose does not support images on the mobile versions of its surveys. At first, this was frustrating; however, this gave me another important insight. I found that 54% of the people who responded could not see the picture on the survey, meaning they were using a mobile device. The findings also showed that 15% of the total respondents stopped taking the survey as soon as they realized they could not see the picture. The important lesson to take from this is that if the content that you are promoting via social media is not supported by mobile technology, it could adversely impact a company’s advertising effectiveness.

Final Recommendations
To achieve the best results when using this medium to promote a brand, company, or even yourself, your activities on social media should:

- Conform to a predetermination strategy.
- Be a reflection of your brand and industry.
- Initiate two-way communication with your prospective and current customers.
- Take advantage of the options each platform provides.
- Include measurable benchmarks using analytics.
- Improve upon your brand image.

References
1. PEW Research Center - Social Networking Fact Sheet http://www.pewinternet.org/fact-sheets/social-networking-fact-sheet/