IMPACT OF ADVERTISING ON SOCIAL NETWORKING SITES

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ABSTRACT

Community-based websites, more commonly known as social networking websites, have come to the forefront of the online world in recent times. Even though there have been many platforms, both online and offline, that have attempted to connect people, none have succeeded as much as these websites, who each boast over 60+ million unique users per month. This paper will provide some relevant background information on the history of these networks and profile of the most prominent networks today in further detail: Facebook, Twitter, Google+, and LinkedIn. Besides providing an arena for people to interact with one another, they also display a great deal of potential for businesses to easily reach their target audiences through advertising. Most corporations have already created multiple methods of advertising in this new medium. The traditional form of search engine advertising was pioneered by Google to newer forms such as the creation of product groups that people can join on Facebook. This paper will attempt to establish the criteria for successful advertising on these social networks. In doing so, it will review some of the existing methods that are used by corporations and use relevant metrics to measure their effectiveness in reaching out to consumers. This paper concentrates on the impact of advertisement on social networking sites.

Keywords: Advertising; Social Networking Sites; Market Brand; Communication; Social Media

INTRODUCTION

Throughout the history of civilization, communication has always stood as an important part of people’s lives. From the early cave inscriptions, through letters, to the advent of the telephone and television, communicating with one another was essential for sustaining that which made us human: the desire to act together, to bond, to grow fond of each other, and finally - to share common experience. The “social” phenomenon has swept through the popular culture in the past few years, as a million of people joined online communities and started using online social platforms. These IT enabled communities have grown to more than 1.5 billion members globally. This growth indicates the almost primal appeal of social technologies, which bring the speed, scale and economics of the internet to the social interaction. However, it wasn’t until the arrival of its majesty the Internet that this need became absolutely phenomenal. For the simple reason that the Internet stemmed a unique branch of human contact: social networks.

People use social networks for various reasons, ranging from the simple “hanging out” and chatting away till the morning comes to the more complex “scientific purposes”. But one thing prevails: sharing information. It may and may not be valuable of clever, it may or may not be essential and of utmost urgency, but information as such is prevalent when it comes to social networking. And people would share almost everything: their social backgrounds, their social statuses, their emotional status, their political, religious or cultural views, opinions on various topics, private photographs, links to other Internet sites etc, etc. The things that weren’t possible in the days of letter writing and telephone
calling are now reality. A person can talk to many people (friends, colleagues, acquaintances) at the same time, without having to wait for a reply. If the reply doesn’t come in a matter of seconds—because everyone is online now!—it will come in a few minutes. Even hours seem too much now. And the most important feature of social networking is that it hits big numbers. In a matter of seconds, a person’s thought can be seen and acknowledged by millions of people. That wasn’t possible twenty years ago.

Social Media is the future of communication, a countless array of internet-based tools and platforms that increase and enhance the sharing of information. This new form of media makes the transfer of text, photos, audio, video, and information in general increasingly fluid among internet users. Social Media has relevance not only for regular internet users, but business as well. Social networks have totally changed the way in which men and women communicate. Social networking is also a great way and share information. Today, one out of every 20 online visits is to a social networking website.

Social media has become a vital part of news gathering and journalism with experts, citizens, and members of the media using networks to disseminate the news, report on breaking news, and find information. With this new media we can create and maintain a professional presence on social media, including Facebook, Twitter, Google+, LinkedIn, YouTube, etc. News organizations are shifting from a traditional media model into an ever-changing digital model ripe with innovation and experimentation. Journalism is coming into the modern, online era of paywalls, ads, and subscriptions.

**About Social Networking Sites**

**Face Book**

Face book is launched on February 4, 2004 and it’s a pioneer in social networking with 800+ million active users worldwide. Its motive is to make the world a more open place by helping people connect and share. Its revenue is mainly from banner advertisement and referral marketing. In India Face book is used by 42% of mobile user but only accounts for 27% of all mobile page views in the country. Face book, is also the second most popular site visited by Opera Mini user from India according to the state of the Mobile Web report conducted by Opera Software. Traditionally Indians are known to spend their time on search and email-related activities on the web but with the boom in the handheld-devices market, Indians have shown a major transformation in usage patterns. Today, availability of content and ease of access have catapulted a range of content-rich portals to rise up in the most visited domains list. According to the report, Face book has witnessed 1686% increase in its share since April 2010 the social media has so changed the dynamics of the internet usage trend in India (approx 3 hrs) that even Google, which was almost synonymous to the world of internet, lags far behind (1 hr 50 min) on average time spent by user searching something, to freaking on Face book. Face book continues to grow and work out how to make money from its ads and mobile users. Here are the latest facts and figures from its earnings call for the first quarter of 2013*

1. Daily active users have reached 665 million
2. Monthly active users have passed 1.1 billion for the first time
3. 751 million mobile users access Facebook every month
4. Mobile only active users total 189 million
5. Mobile now generates 30% of its ad revenue up from 23% at the end of 2012

**Twitter**

Twitter is the second largest network site in the world with 300+ million active user’s worldwide. Its motive is to follow your interests. Service type of Twitter is micro blogging. Its revenue is about $140 million as per 2010. It’s based on the principle of followers for a celebrity and total number of tweets. 57% of all Indian Twitter user have joined the platform is less than year! With such quick rise in popularity and with masses coming into fold, brands and advertisers are have to quickly adapt to the
ever changing dynamics of this medium. Twitter is the fastest growing social network in the world by active users according to a Global Web Index Study.

Some facts and figure to note about Twitter are:
1. 44% growth from June 2012 to March 2013
2. 288 million monthly active users
3. That means that 21% of the world’s internet population is using Twitter every month
4. Over 500 million registered accounts
5. Twitter’s fastest growing age demographic is 55 to 64 year olds, registering an increase in active users of 79%

You tube

When you wanted to watch a video it used to be VCR, then it became a DVD player, then we moved onto cable networks and now it is You Tube. These numbers from YouTube’s own blog put some perspective on penetration into our culture and time.

Some facts and figure to note about You Tube are
1. 1 billion unique monthly visitors
2. 6 billion hours of videos are watched every month
3. This means that 50% more hours of video are watched in March 2013 compared to last August when it was 4 billion hours a month and last May when it was 3 billion.
4. YouTube reaches more U.S. adults ages 18-34 than any cable network

Google+

Google+ is making an impact on the social media universe and is now the second largest social network. What are some of the numbers on Google’s social network built to protect it from Facebook’s growth and data capture to ensure it remains relevant?

It is Google’s social layer that enhances it’s other online assets.
1. 359 million monthly active users according to a Global Web Index study
2. Its active users base grew by 33% from June 2012 through to March 2013

LinkedIn

LinkedIn stands for its professional status in social networking. It’s the best of its kind. Globally it has 135+ million active users. Relationships matters here. Revenue is around $121 millions. LinkedIn looks like the most professional looking of the entire social toward your professional network and not your broader personal network. LinkedIn allows members to look for jobs, seeking out experts in a particular area, or to make contact with other professionals through chain of trusted connections. LinkedIn website you specify which LinkedIn member view your advertisement by selecting a target audience: by job title, job function, industry, geography, age, gender, company size, company name or LinkedIn Group. The largest professional business network on the planet continues to grow but not at the pace of Twitter or Google+.

**RESEARCH OBJECTIVE**

We take into account the fact that knowledge of the network is partial, and that gathering that knowledge can itself have a cost. Our results show the robustness and utility of our approach. By any chance you are wondering how you can be able to advertise your business, to know about its reach, its position in the stage. Our research concentrates on the impact of advertisements in social networks and
the users in advantageous ways and some key methodologies to improve its marketing potential. The proposed study includes the perspective of the consumers.

It attempts to answer the following questions:

**Does the electronic advertising is effective in SNSs**

Social networks have gained a great deal of attention over the last seven years, but advertisers have not fully embraced the medium to reach out to consumers. Currently, the time spent by consumers online far outweighs the advertising spend on online media: consumers spend 46% of their time online, but only 2% of the total advertising spend is on internet ads.

Ever since the first pop-up advertisement hit the internet in 1994, internet users have accepted advertising as a necessary evil on the internet. However, consumer preferences have evolved along with the internet: they no longer want intrusive, flashing and irrelevant ads that taint their online experience. Advertisers have had to adapt their tactics to reach out to consumers. This paper will attempt to define the criteria for creating successful online advertising in community based websites. It will also provide examples of advertising methods and campaigns that have proved successful and others that failed to have a meaningful impact on their audience.

**Does Social Network Advertising Effects the Other Marketing Tools**

Advertising appeals aim to influence the way consumers view themselves and how buying certain products can prove to be beneficial to them. The message conveyed through advertising appeals, influences the purchasing decisions of consumers. A key to social media is that the consumer-generated content and consumer-fortified content can also influence image. The viral nature of brand-relevant communication is why social media is both an opportunity and a threat for advertisers. Marketing is essential to most businesses and is generally the most important aspect of any business strategy.

In the extremely competitive world we live in today, social media marketing has become the new trend and is a trend that is here to stay by means of using social media such as blogs, community sites, video sharing sites etc. to market a product or a business. The popular websites such as Facebook, Twitter, and YouTube have close to five million visitors daily and thus have to be considered as a very important hub for marketing. The advertising in social media differs from the traditional product or other marketing tools and service marketing, in that it does not depend on a mere unidirectional relationship between the advertiser and the consumer.

**How Does the Economy Effect By SNSs Advertising**

Effects of social networks on economic activity are abundant and pervasive. It includes the role in transmitting information about jobs, new products, technologies, and political opinions etc. They also serve as channels for informal insurance and risk sharing, and network structure influences patterns of decisions regarding education, career, hobbies, criminal activity, and even participation in micro-finance. Beyond the role of “social” networks in determining various economic behaviors, there are also many business and political interactions that are networked. Networks of relationships among various firms and political organizations affect research and development, patent activity, trade patterns, etc. Today more than 1.5 billion people around the globe have an account on social networking sites. By 2011, 72% of companies are using social media and 90% of those using social media that report some business benefits from them.

**Electronic Advertising**

1. Search Advertisements: Advertisements made up of text (displayed largely as sponsored links on search engines) come under this category. These are backed by hyperlinks that when clicked on, take the potential customer to the advertiser's website.
2. Display Advertisements: Advertisements that are placed at various points on a web page that typically contain logos, photographs, other images or even text. Technologically these comprise of Image, Simple flash and Rich media with & without video ads.

3. Mobile Advertisements: Advertisements that are viewed or consumed on mobile phones or tablets come under this category. These comprise of Mobile Web ads, SMS, MMS, Mobile Video & TV ads and In-App ads.

4. Social Media Advertisements: Advertisements of any type: text, display, stamp pads etc displayed on various social media websites like: Facebook, Twitter, LinkedIn, Pinterest, Orkut etc. fall into this category.

5. Email Advertisements: Advertisements that involve sending across a commercial message to a group of people using email comprise of this ad type. Emails are used to engage with existing customers to get repeat business as well as to acquire new customers.

6. Video Advertisements: Advertisements that fall broadly under the display type but have video within them and are served before, during and/or after a video stream on the internet. This type comprises In-Video ads, Standard In-Stream ads (pre rolls, mid rolls or post rolls) and True View ads.

An Online Advertisement Campaign: Case Study BJP’S the Online Campaign “Namo”

An advertisement campaign is dependent on two things, production and media exposure. Roughly 80% of the budget is placed on the media placement the rest is spent on the actual production. The effectiveness of the advertisement is therefore highly dependent on the quality of the production and media scheduling.

COMMUNICATION OBJECTIVES

1. At the time when this campaign is in the planning phase BJP is in a challenging market situation. The political party’s share is declining and it is lost of party against the competition in the national party, even if regional in general were getting more popular as Hindu party. Furthermore research indicated that BJP had lost share in brand Modi preference in India. With BJP introducing as PM candidate, keeping in mind the current market situation one of the campaign objects is to convince voter of 2014 ELECTION “sunrise” for BJP.

2. The election objective for this campaign is to increase the awareness for Modi in India. Create visits and application downloads to mobile Store and on-boarding the consumer who interested in Narendra Modi or BJP by promoting Brand Narendra Modi.

3. Our identity, objectives, position and responses are governed by a well-defined intellectual and philosophical framework. We believe in Free Markets, Individual Liberty, a Strong National Defense, Foreign Policy driven by Realism and Limited Government.

Aims of “Namo” Digital Media Campaign

Recognition of Narendra Modi as a brand not only for state audience but also for national audience. Controlling and managing strongly how he is projected on the web space – project him focusing on development and working towards secularism. Working specifically focused on state as well national elections. Counter the opposition’s ad campaigns and marketing in a coordinated manner. His development campaign aims to cross market his achievements as well the party BJP he belongs to, on a state and national level.

NAMO, Become the King of social media

In Google+

1. First Indian politician to open an account in Google+, watched by millions of people across 160 nations.
2. In four months more than 280,330 people had him in their circle.

In Twitter

The Gujarat Chief Minister has a huge fan following on Twitter (1.1 million as on 23rd October 2012 reached within a year of opening the account), though the credibility of these accounts are questionable.

Narendra Modi has an official page with 1,398,140 likes and 107,545 talking about it. Narendra Modi.in Political blogs: http://indiapoliticalblog.com

In this campaign we have focused only on the online campaign planning and execution, but many of the things that have been presented in this thesis apply to the whole advertising campaign media-mix. It’s good to remember that even though Internet advertising has grown fast during a decade, big online campaigns like this usually are just one part of a bigger execution that utilizes the whole media-mix.

Why Social Networking Sites Are Used As An Advertising Tool?

From the last decade, social networking is on the rise for business reasons and also for personal use. With its popularity increasing day by day, the need for business tables to go social is indispensable.

There are four main reasons for social networks used as advertising tools.

1. Cost efficiency - Advertising on social networks is relatively cheap compared to other Traditional media, it usually has a similar or expanded reach at much lower costs. In addition, it is possible for companies to generate free publicity through creative Advertising techniques. There have been a number of successful viral marketing Campaigns in YouTube and Facebook in the recent years. Creating a page for a brand in face book is free which is cost efficiency and also creates a large number of active followers.

2. Large reach - Since social networking websites has millions of active users, it has become more popular and acts as a good medium for sharing their SOCALEXPERIENCE and helps in building relationships. The impact for a social network is the reach of an advertisement on a large scale. With its demand for advertisement is on the rise, displaying an advertisement is significant in such networks is essential for its improvement in potential. The reach by a social network is greater than any other mass media of its kind.

3. Targeted advertising - Advertisers have access to a great deal of information about Users and their interests, allowing them to customize and target their advertisements to a degree not yet seen in any other advertising medium. For example, if a user lists “pro Wrestling” as an interest on their Facebook profile, the websites advertising system will generate advertisements based on that particular interest. However, this can raise Privacy issues: Facebook’s Beacon targeted advertising system suffered a great deal of backlash and had to be modified heavily to appease its users.

4. Time spent online - People are spending increasing amounts of time online, especially on social networking websites, at the expense of traditional advertising media such as television and newspapers. This can be viewed as a result of many of the traditional functions – news, television shows – of the old advertising Media being shifted online to social networks such as Digg and YouTube. As a result, Advertisers are increasingly looking for ways to reach out to consumers who are spending more and more time online.

CONCLUSION

Social networking sites are the source of almost inexhaustible views of clients and situations, and the challenge is to control this information in an appropriate manner and in a meaningful way for the company and that brings real benefits for them. Social networking is also a suitable framework for core activities in marketing on the Internet. Strategically, establishing communities around products and services has been a well-known method of building brand loyalty, establishing exit barriers, and
facilitating viral marketing through self-emergent customer testimonials. One of the key success factors of social software is involving its customers and determining their needs on a personal level through encouraging consumers to participate enthusiastically and listening to their desires. In the end, the social network marketing is flourishing in the era of Web 2.0 end-user interaction. Therefore, it is advisable that business do not ignore the opportunities to jump in to spread out and her customer base. A company will not be able to make enough revenue if its product introduced in to the market fails to reach the customer properly. Likewise if an advertisement in a website is unable to convey the actual Intel to the user then the need for an advertisement is not fulfilled. Our survey dealt with all the present problems and also the necessary changes which have to be made for the inevitability the advertisement should have for its reach. By implementing all the proposed methods in the present advertising system the marketing potential for the advertising Product will be on the mount.

Future enhancement in advertisements should be lively using flash contents which will eventually leads to next state of promoting a product. Communication about the product or service provides a major contribution to brand competition in the market. It not only provides information about a product or service but also promotes creative innovation. Besides advertising, it also facilitates consumer satisfaction. The hidden fact is that no brand can progress without effective communication strategy to attract their customers or users. Big and small variety of brands nowadays laid their base on social network communication to get recognized in the target market.

Social networking sites users of Face book, Twitter and Orkut have become a personal, product and corporate branding hub in India nowadays in digital era. Every brand that exists on social networking sites has the same core features and benefits, such as the ability to create a page, share resources, add multimedia and much more. Social networking sites are filled with potential users who are mainly young adults. They spend more time in these networking sites due to heavy commercial contents, entertainment and social gathering. So, product or service communicators throng their ads in these areas with more and more interactive and with fascinating factors so that their brand identity is developed among the right choice of focused audience. Advertisers and brands uses social networking sites as the major resource for their promotion and developing brand identity among the focused market.

Communication should be more preferred than advertising: people do not prefer buying products through social networking sites. So, if the brand is communicated well and remembered by the audience, then it is a greatest success to the company for their promotion through social media.

Promotional way of advertising is best: the usual banner ads and pop-up ads make the users to ignore them. So advertising must be interactive, promotional and in innovative form to hold the audience. It should target the individuals than the mass. If an ad is hosted for a group then that would be no advantage in delivering specified information. Adding more multimedia elements to have more interactive factors in fan pages and group would benefit the brand user. Social platforms each have an ecosystem of their own. Creating a basic social media presence is easy enough, getting your community to actually do something is more difficult. Make sure your site is included in local business directories in order to help ensure that consumers find you when they need you. Customizing messages across sites help the message spread but it keeps users from receiving multiple identical communications. By giving exclusive coupons to your social community, you’re rewarding and reminding them that you are not only a brand to engage with, but also to buy from. Taking advantage of these strategies can help you build your community, make your marketing more effective, and incentivize buying.

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