

Is advertising on social media effective? An empirical study on the growth of advertisements on the Big Four (Facebook, Twitter, Instagram, WhatsApp)

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Abstract: The past decade has witnessed a rise in the use of social media for communication. Social media have created virtual spaces that businesses use to sell their goods and services. Platforms such as Facebook, Twitter, WhatsApp and Instagram (the Big Four) have become known for linking individuals through text, pictorial, and video messaging, thus creating a way of passing information to customers instantly in a way that creates appeal. An evaluation of the level of involvement of customers with the Big Four indicates that businesses choose their social media platform based on the likelihood of reaching customers. This study identified the reciprocal relationships that businesses have with their customers via the four main social media platforms. This relationship has been created because customers feel they have an individual space in social media, and because the businesses that advertise on social media use personalised messaging to their advantage. This ownership and personalisation speak to the degree to which relationships are formed between corporate entities and individuals in contemporary society.

Keywords: advertising; interactive; communication; information; social media; platforms; Big Four.

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Biographical notes: Mohammed T. Nuseir is an Associate Professor in Business and Marketing with a cross-cultural background and possessing superior academic and training experience at multinational academic institutes and corporations. He holds academic degrees from the US and Canadian universities along with his professional experience in training senior management levels in a wide variety of fields such as e-marketing strategies, marketing management, social media, international business, sales and human resources management. In addition to his experience in teaching UG and graduate level students, and his experience in conducting specialised training programs, he has been supervising Master and PhD students. Moreover, his work extended to research papers, where he has published many papers in collaboration with some fellows in peer-reviewed regional and international business journals, with a focus of topics that aim at organisational development and international organisations operating in Jordan and the ME region.

1 Introduction

Social media have, in the recent past, become an important tool at the disposal of many businesses around the world. In just over ten years, social media have influenced many aspects of our lives and dictated how business is conducted. The emergence of social media platforms such as Facebook, Instagram, WhatsApp and Twitter has changed the way people interact and how business and social information are exchanged. Social media create space for both small and large businesses to engage with their customers on a frequent basis. Often, the interval between placing an advertisement to its reaching customers is very short.

Businesses have identified the importance of using social media because they appeal to the social aspects of their customers. This study examined the extent of the influence of social media advertising by businesses. The key question was whether the use of social media for advertising increases the reach to customers and thus benefits the businesses more than the use of conventional means of advertising such as radio and television. This is because internet penetration is on the rise in many countries (see Appendix).

In many parts of the world, businesses have scrambled to create an online presence because the internet creates a space for businesses to be seen globally (Treem and Leonardi, 2013; Lee et al., 2016). It is this chance of being seen that starts the process of advertising (Schivinski and Dabrowski, 2016). The importance of advertising for businesses has never diminished because it is the first stage toward reaching customers and letting them know what they have to offer.

2 Literature review

2.1 Social media and advertising

Social media have increased in importance because they create customer ownership, thus making customers feel that the advertising is in their private space. In addition, the use of social media enables personalised or targeted reach, thus responding to the individual needs of the customers. Businesses that choose social media advertising tend to adopt this as their first, and in some cases, their only, method of advertising.

Every business must inform its customers about the goods and services that it has to offer, with the aim of ensuring that they can benefit from them. Advertising provides information, allows the creation of need, and supports knowledge acquisition by customers (Gummesson et al., 2014). Advertising provides a window through which the internal environment of a business can be seen (Felix et al., 2017).

Conventional methods of advertising are print and broadcast media, including radio, television and newspapers. Conventional media and their effects on the prospects of a business to develop have been evident for many years. Social media began as a means of linking people and improving the level of social interaction without the need for a physical presence between persons. In a way, this reason is the same as the reason for using other tools of communication such as telephone and even letters (Lee et al., 2016). Social media, however, create multi-faceted interactions featuring voice, pictorial and written information (Lee et al., 2016), which are features that define factors of human ambiance. It is these factors that are related to marketing philosophies such as

atmospheric designs when effectively used by businesses that seek to advertise in social media. The ability of customers to exchange information in various formats improves their likelihood of using a medium that they consider to be usable (Felix et al., 2017). A similar study conducted by Chu and Kim (2011) found that electronic word of mouth (e-WOM) is a quick way for businesses to reach more customers, because people who use social media platforms are likely to draw their friends on board and/or share information with others about the business' products or services.

2.2 *Social media risks and advertising*

The space that social media provides to the users is not devoid of risks. The risks of using social media in the recent past have been thought to exceed their benefits. Social media are increasingly being deemed an unprotected 'space' where anyone can access, view, or do things to others in a way that might be injurious (Fuchs et al., 2013; Whiting and Williams, 2013).

Cases of internet fraud are increasingly being directed to social media platforms that store users' private details and special moments (Paniagua and Sapena, 2014). The ability to infuse social media platforms with users' important personal information has allowed users the ease with which to engage with businesses; however, at the same time, it has exposed users to online fraud whose magnitude has captured the attention of most governments around the world (Fuchs et al., 2013). The risks of social media involve accessing the wrong advertisements or advertisements from non-existent businesses. Marketing managers must be cognisant of the need to identify the extent to which these risks could reduce the effectiveness of advertising.

Little understanding exists, especially by many business managers, of the effects of social media advertising on customers' perception of brands (Schivinski and Dabrowski, 2016). Businesses share brand information in a way that relates to how *they* view the brand, not necessarily to how their customers view the brand. The use of social media has been focused on making the product known, but not necessarily addressing the specific needs of customers. Yang et al. (2016) examined whether the efforts put into social media advertising by businesses actually results in increased sales. They found that the ability of a business to reach its customers through targeted advertising should be governed by how the business responds to their perceived needs. A similar study in South-East Asian countries identified social media as a cause of positive brand perception by customers (Van-Tien Dao et al., 2014). Some studies have begun to examine the disposition of individual customers with a view to mapping out ways of creating effective reach.

Whiting and Williams (2013) identified different types of social media gratification that customers seek and that businesses tend to exploit: information seeking, time passage, entertainment, relaxation, seeking opinions, sharing information, social interaction, communication and knowledge sharing. That study focused on the theory of gratification to explain the benefits that customers derive from using social media. The gratification theory considers the consumer aspect without offering much advice to the producers or the sellers. Another study that looked at the reasons why businesses use social media considered the accessibility that the business feel they have on the platforms (Felix et al., 2017). Most social media platforms are only a button away and only require a business to log on and create 'existence' on the platform (Treem and Leonardi, 2013). By gaining access to the media, businesses can reach their target market segments as and when needed. Studies that have looked at the question of access have mainly focused on

access by businesses (Goodrich and De Mooij, 2014; Van Noort et al., 2012); only a few have studied access by customers (Gummeson et al., 2014; Sekhon et al., 2014). The issue of access defines the essence of knowing what businesses must consider when advertising. For instance, Payne (2006) indicated that most businesses tend to look at their markets through the prism of what can be sold, and hence as revenue generators; they do not have clear ideas about what the customers are depending on and thus are unable to offer the best products and services to benefit them.

2.3 The Big Four

In our research, the focus was on the four main social media platforms, which are also among the most popular companies with vast customer-bases. The following are ways in which they are used for advertising.

2.3.1 Facebook

Facebook is probably the biggest social media platform, having close to 1.8 billion users worldwide. Facebook's customers are the companies or individuals who advertise in that medium, not the millions of users. However, the 1.8 billion users are potential customers whom businesses try to entice.

2.3.2 Twitter

Twitter is a platform that allows users to broadcast information to other users. It has a user-base of about 317 million people. Twitter facilitates the linear broadcasting of information whereby the contacts of the user will receive the information as soon as the user sends it. Twitter is operationally different from Facebook because, in Twitter, users can create and define the group to whom to broadcast; hence it is user-defined (Chaffey, 2017). Twitter users can also define the kind of information that will be received. This platform allows corporate users to create lists of followers who can be given information as soon as it is supposed to be given out.

2.3.3 WhatsApp

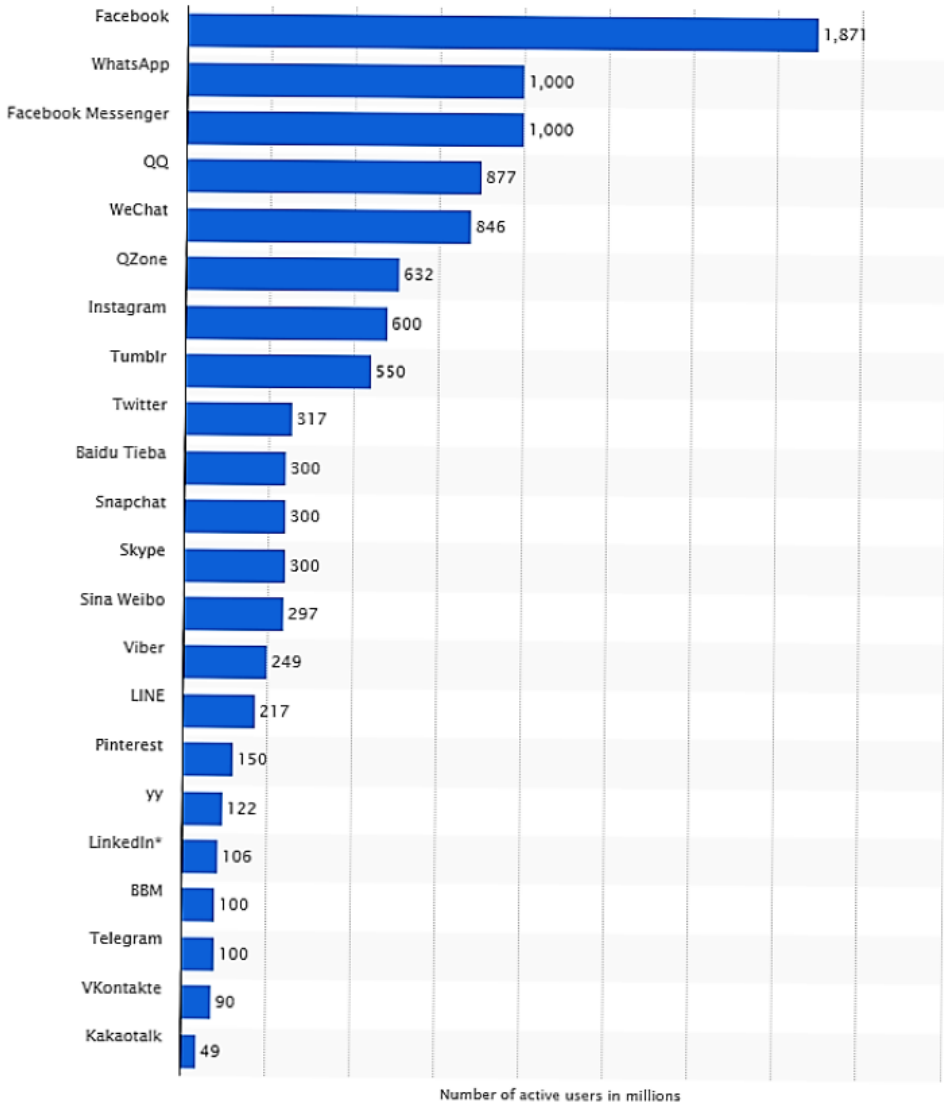
WhatsApp is a messaging service in which information can be shared among users in pictorial or text form. It has gained wide popularity over the past five years, with a user-base of about one billion people. It is an inexpensive means of sending information compared with the cost of sending information through mobile phone providers. WhatsApp is particularly popular among young people; the number of users has grown to several million in the past five years.

2.3.4 Instagram

Instagram is a photo-sharing platform that allows users to share photos with friends 'on the go'. Instagram allows for special moments and experiences to be shared among individuals and groups, and as such enhances interpersonal interaction.

Figure 1 shows the relative popularity of social media platforms.

Figure 1 Social network sites worldwide ranked by number of active users (see online version for colours)



Note: In millions, as of January 2017.

Source: Chaffey (2017)

Having examined the popularity of social media platforms, it can be said that businesses are inclined to advertise on the most popular platforms because of the increased chances of reach (Kümpel et al., 2015). Alsanie (2015) used qualitative research to examine the qualities of social media platforms and how these qualities translate into users' acceptance. The study found that Facebook has remained popular due to its ease of use. However, WhatsApp scored high in privacy as far as one-on-one interactions are concerned (Bouhnik and Deshen, 2014). The qualities of a specific social media platform are, however, very dynamic and can change due to environmental influences.

3 Methodology

In order to examine the effectiveness of social media advertising, it is worth considering the qualitative aspects of specific social media and the nature of their usage. Such information can only be accessed from published data. This study sourced data from databases and academic research bodies that have rich, up-to-date information. The searches were governed by the need to know the number of users of social media and the qualities of the social media platforms. We sought to determine whether there would be an increase or decrease in advertising on social media if such changes were to result in positive or negative purchases by customers.

4 Results

Table 1 lists the nine main reasons for using social media (Global Web Index, 2017). Establishing contact with friends and family is the main reason. Other reasons include entertainment, sharing opinions and meeting old friends (Schivinski and Dabrowski, 2016), as well as news searches, networking, dating and sharing personal activities.

Table 1 Reasons for using social media

<i>Reason</i>	<i>Global Web Index (%)</i>	<i>Mintel (%)</i>	<i>Statista (%)</i>	<i>Statistics Brain (%)</i>
Contacting family and friends	41	78	65	64
Spending spare time	41			
Consuming entertainment/news	39	26		5
Sharing opinions	39		42	
Sharing photos	38		20	
Connecting with old friends	36	55		50
Networking	33			14
Meeting new people/dating	32	7		3
Sharing my activities	27		19	

5 Discussion and conclusions

Knowing the right way for businesses to communicate with their customers requires an understanding of the social interests of the customers and responding to them. Studies have found that most marketing managers do not have a good understanding of the needs of their customers.

Advertising is the avenue through which businesses communicate with their customers and make them aware of what the business is doing. Conventional means of advertisements are gradually being overtaken by the use of social media. In this study, the focus was on the four largest social media platforms (Facebook, Twitter, WhatsApp and Instagram), which have been termed the 'Big Four'. These social media platforms have vast customer-bases, and businesses that use them can potentially attract more customers and increase their revenues.

Businesses seeking to expand their customer-bases must recognise the factors that enable customers to use social media, as well as the importance of social media to act as the point of convergence between the needs of the customers, and the ability of the business to respond to those specific needs. The reasons for people using social media should act as a guide to how businesses could formulate their messages when advertising. As the reasons for using social media are all social reasons, businesses can formulate their advertisements in two forms. Firstly, the advertisement should reflect a socialised context that can blend with the social media platform on which it is placed; secondly, the advertisement should be tailored to the specific interests of customers. By designing an advertisement to be within the social and personalised context, businesses can increase the level of effectiveness of advertising by creating interest within a familiar platform.

Our study has shown that it is incumbent upon a business to identify the main reasons for the use of social media because these reasons assume the same relative level of importance on the majority of social media platforms. For instance, in general, the need to communicate with family is the main reason people use social media; other reasons have varying importance, and hence rank differently. Having understood that family ties are probably the most important factor for engaging in social media usage, businesses can formulate their advertisements with overall themes centred around family. Other themes can respond to the factors that rank lower in the reasons for usage.

This study suggests the importance of formulating advertisements in such a way that they not only reflect the general interests of social media users but also respond to the needs of individual users. Doing this requires an internal evaluation of marketing procedures so that businesses will position themselves to understand the best ways to use social media and the right social media platforms to use in order to reach their customers.

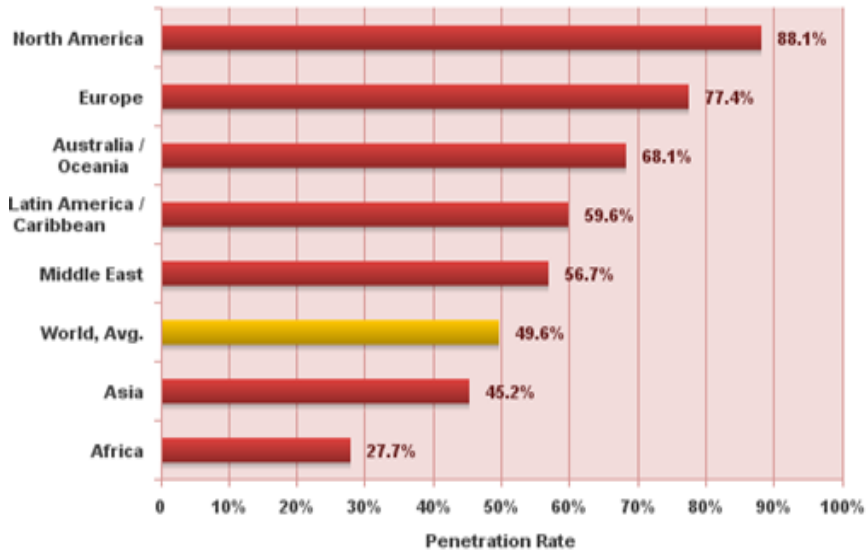
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Appendix

Figure A1 Internet world penetration rates by geographic region – March 31, 2017 (see online version for colours)



Note: Penetration rates are based on a world population of 7,519,028,970 and 3,731,973,423 estimated internet users on March 31, 2017.

Source: Miniwatts Marketing Group (2017)