

Saimaa University of Applied Sciences  
Faculty of Business Administration, Lappeenranta  
Degree Program in International Business

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# **How to effectively attract potential customers by using Facebook**

Thesis 2018

## **Abstract**

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How to effectively attract potential customers by using Facebook, 67 pages, 1 appendix

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This thesis was created in order to make further investigations in digital marketing and Facebook marketing in particular. The researcher tried to find out why social media marketing is a modern trend and what are the ways to exploit it right.

The reason for the research is a desire to understand what hides behind new internet marketing and what tools are suitable, mostly for small-businesses. The researcher wanted to know, if modern technologies in marketing, especially in acquiring clients, can be affordable for small companies, as well as easy to set up and maintain.

Data for the study were collected by an interview. The manager of the Dutch based company was asked in semi-structured format about the process, results and analysis of their digital marketing campaign on Facebook. Books, articles and blog posts were used for acquiring fundamental theoretical information.

As a result of this thesis, most effective ways of managing Facebook marketing campaign were established. Most efficient tools for doing lucrative client acquisition were defined as well. The analysis of the case company' advertisement campaign was conducted. Recommendations towards further study, especially in content marketing concept, were constituted.

Keywords: digital marketing, social media marketing, Facebook advertisement, customer acquisition

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# **1 Introduction**

## **1.1 The Purpose of the Thesis**

The purpose of the research is to describe the possibilities of Facebook social network and its inner tools as advertising instruments, which are popular among successful small-medium enterprises and are applied worldwide. The goal is to demonstrate methods, used by SME within the social network, as well as to explain the main metrics and key performance indicators. This research is useful for students, studying online marketing and advertising, as the report is quite precise and thorough. It contains some important information on how to properly execute online advertising campaigns initially, as well as how to properly analyze and correct results, based on advanced metrics and KPI, which are used by professionals of this field.

## **1.2 Research Problem, Objectives and Questions**

Technological development nowadays has brought greater possibilities for people establishing businesses from the very beginning, or developing already established ones. It is not rare to watch successful companies making thousands of euros on a daily basis, even though a couple of months ago they were struggling to earn some hundreds to pay the office rent. The pace business life goes on is very fast and the real practice shows that it might take a couple of hours from a business idea to first orders. The purpose of the study is to investigate the potential of Facebook as a marketing platform. This research covers basic concepts of Facebook activities, related to promoting products/services. The performance of advertisement campaigns, its metrics and analytics are also depicted here. Working with case companies has greatly helped to unveil the power of theoretical concepts, combined with best practices of several advertisement campaigns. This all has become possible due to elaboration and development of professional instruments, helping businesses to reach people from all the parts of our planet, and most of the instruments are available free of charge.

The Research Question (RQ) of the thesis is “How to effectively attract potential customers by using Facebook?” In order to answer this question, it is important to understand, how the concept of efficient customer acquisition works - the right allocation of funds for the marketing activities, which are then analyzed with proper metrics, and are profitable for a company, would be an example.

The research also has a sub-question (SQ) which is “What are the effective marketing tools for attracting potential customers?” The answer to the sub-question will list such instruments as targeted advertisements, content marketing, driving organic traffic from Facebook pages to company’s internal sources (website, landing page, etc.)

### **1.3 Delimitations**

Due to the lack of the author’s empirical experiences, the report is highly based on theoretical concepts, which are not affected by multiple external factors that can be seen in real life practices, such as trends, demands, logistics issues, taxes and so on. Therefore, for example, a company might lose potential customers, if the company does not provide shipping to countries, where the customers currently live. Since the topic is quite vast and complex, it is impossible to cover all the metrics and their proper interpretations in a bachelor’s thesis, so the report is definitely going to be somehow limited in terms of amounts of theoretical data described.

### **1.4 Research Method**

As some statistical data is going to be introduced, several approaches towards research method will be used in the report, including both quantitative and qualitative ones. Since the topic implies a vast knowledge of theory, qualitative research methods are to be used, while describing theory-based nuances. Quantitative research methods are going to be taken, when statistical data is to be analyzed. The main theoretical part is based on scientific articles and publications, related to the topic. The author has decided to evolve several digital marketing concepts. The main concept in the research is social media marketing. This topic has been studied from various points of view and has strong theoretical

knowledge. The second is the concept of content marketing, which has significant theoretical base as well. The quantitative part is represented by case-companies that agreed to provide some statistical data for proper metrics analysis. This is important, because it helps to demonstrate how things actually work in real life.

## **1.5 Theoretical Framework**

Theoretical framework of the thesis includes basic concepts of social media marketing. Basic concepts of evaluation of marketing activities is used in the study, as well. The main source of the theoretical knowledge will be personal and corporate blogs of marketing managers. The author considers such sources of information and theories most reliable due to a) writers are currently working marketing specialists, who know in practice what affects most and b) rapid development of social media marketing activities makes blogs the most suitable form of publication. Also, several journal articles are included in literature review.

## **1.6 Thesis Structure**

The research is a systematic descriptive analysis of contemporary online marketing and advertisement tools. It is divided into several sections. Chapter 1 is titled "Introduction" and it contains all the important information, such as phenomenon background, limitations, delimitations and methodology, which is necessary for proper understanding of the report. Chapter 2 is called "Social media marketing" and it describes the situation in fields of Social Media Marketing in 2017. Such things as Content Planning and Content Creation are explained in that part, as well as several other crucial issues, related to the topic. Chapter 3 has a title "Facebook" and it is an introduction to the professional usage of the social network. It contains such things as business profile creation, visual design, statistical metrics of profiles and analysis of the metrics, as well as setting up advertisement campaign. This includes choosing an objective of a campaign, target audience settings, budget and schedule of the campaign, placement and visual design settings of each advertising post in particular. Chapter 4 is "Empirical data collection", which answers the Research Question and Sub-questions by summarizing the findings of Chapter 2 and 3. It also brings

conclusion and useful advices. Chapter 5 is called “Research findings” and it summarizes the main findings of the research. This part contains answers to a research question as well as to a sub – question. The last part of the report is a list of figures, references and a list of literature that was used for the research.

## **2 Literature review**

### **2.1 Social Media Marketing**

It is not a secret that from the beginning of the century social media has become more popular and powerful. Statistics show that 2.46 billion people have at least one account in any social network. Those networks tend to appear and become very popular, like Snapchat or Instagram and some slowly move to “death”, like Twitter nowadays. (Conley 2016.) This market is one of the biggest in the world, because it is directly connected with people and interpersonal communication, which is one of our biological needs. In addition, SMM market is going to generate \$11 billion in revenue in 2017. This is up from just \$6.1 billion in 2013 (LePage 2017). Social Media Marketing is the use of social media websites and social networks to market a company’s products and services. Social media marketing provides companies with a way to reach new customers and engage with existing customers. (Shaffer 2016.) Social media websites allow marketers to employ a broad range of tactics and strategies to promote content. Many social networks allow users to provide detailed geographical, demographic, and personal information, which allows marketers to tailor their message to what is most likely to resonate with the user. Because Internet audiences can be better segmented than traditional marketing channels, companies can ensure that they are focusing their resources on the audience that they want to target. In 2018, it is possible to start and run a profitable business using only social media channels. One does not even need a web-site page in order to sell with the help of Facebook; however, it is not the easiest thing. (Howell 2015.) Everyone, who decides to approach social media as a strong marketing channel, have to remember the real purpose of it. Of course, nowadays we see so many advertisements and business talks on social media, so we are getting used to it. However, they were mainly

made for amusement, so people can come and rest while watching funny videos shared by their friends. Users do not react to 90% of ads in social media, unless they are the target audience and the product/service really solves their needs. Definitely, right approach has to be chosen before creating an account and starting posting. (LePage 2017.)

The main purpose of every business, which is working in social media, is to create a strong brand. People have to know what/who they follow/like/comment and the goal of any business of the kind is to create recognizability online. This means that social media marketing is not always about selling, but making people know who one is and what he/she does, why the product/service is the best choice and how to become a happy customer. This might seem a bit obvious, because in business it is the golden rule to deliver value to customers. However, when it comes to particular creation of a business profile in any social media, marketers do not really understand how to create a good and interesting content while selling specific area product/service. It becomes more obvious that classic strategy of online marketing, which is orientated on immediate “agreement” with client, is not really working in social media, when making business (Odoom 2016).

Still there are several businesses, which are not yet able to leverage any of the digital marketing tools, which are available now. In latest years, many companies, even big ones, were declining social media as a tool, because the investment conditions were not clear (Pulizzi 2012). Nowadays, it is clear that a decision to use SMM has to be seen as possible profitable investment, as well as a new important channel of communication. The web sites were good past example of such approach. Firstly, they were seen as something additional, however in most modern markets, business could not operate without it (Shaffer 2016). It has been found, that only usage of SMM is good, but not enough to be strong on the web. The best results can be achieved using the combination of SEO and SMM (Howell 2015). Social Medias open an opportunity to study their relationships with clients one more time, more precisely. It also enables the possibility to broaden the scope of services, which are offered to the customers, as well as increases chances to convert onlookers into clients. (Shaffer 2016.)

The modern person is overloaded with advertising. It falls on him from all directions: from the TV, with pages of printed media, from billboards and posters



in transport. The Internet is one of most aggressive environments from the point of view of advertising. As a result - the brain of the person develops special anti-ads filter. In a digital media, there is a term "banner blindness". It occurs when the person visits the website, and his brain blocks the perception of pages of some sites, because banners are usually placed there. (LePage 2017.) As a result, all this affects the advertising efficiency. In case with social networks, anti-advertising filters do not turn on. The matter is that SMM is not made for advertisements. Main mechanism is interactive communication on relevant for user subject and distribution of interesting content.

### **2.1.1 Suitability of Social Media Marketing**

Any business can adapt the SMM campaign to its own specifics. Let us look at how this marketing mix can be used for different business segments based on Neal Shaffer study (Shaffer 2016).

*Large businesses.* It should be said that representatives of the large business were among the first to realize the potential of social networks and began actively to use them for further growth. Through social networks, large business usually solves strategic long-term marketing tasks: branding, raising awareness of the target audience, increasing loyalty and trust in brand products, tracking opinions and attitudes among CA. (Shaffer 2016.) It determines what the support system should be. Among the features of SMM-campaigns of large business is to work on several sites and interactivity of communication. For this, communities, blogs, applications in social networks, systematically work with the most loyal opinion leaders (the creation of so-called "brand advocates"). Serious attention is also paid in large companies towards the work with their reputation, in particular, monitoring and neutralizing negativity (Howell 2015). The greatest difficulty is, as a rule, the analysis of efficiency and calculation of ROI (return on investment). Since the activities of these companies are connected to a wide distribution network, it can be problematic to track how actions influence the direct sales. Therefore, each campaign needs to have its own metrics, using the capabilities of web analytics. Representatives of the following spheres of large business manifest high activity in social networks:

- developers and developers
- producers
- banks and other financial structures
- film studios
- network operators of services
- trading networks.

*Medium and small businesses.* SMM-work has sharply lowered the threshold of entry, and the mass inflow into social networks of small and medium-sized businesses continues until the day. (Odoom 2016). In most cases, they are more relevant tools that can quickly solve tactical tasks: increasing sales, announcing discounts, encouraging users to make repeat purchases. To do this, both creating their own sites, and working with existing ones that are close in the field, approaches are used. More than others in social networks, the following industries are represented:

- trade
- local producers
- services (beauty salons, fitness clubs, etc.)
- tourist sector.

*Internet businesses.* It would be logical to assume that the representatives of the online industry are also active users of SMM. The main task for them is to obtain high-quality traffic that has a high conversion (different types of it; for example, conversion to sales, registration, or other targeted actions). (LePage 2017.) The most relevant tools for this are creation of communities, blogs and microblogging, targeted advertising, placement of teasers in "traffic-intensive" communities and blogs. In addition, social networks are often used to create hype around project, attracting attention to it. More often than not, the following types of projects can be noticed in SMM:

- online shops
- online services
- online start-ups
- discount aggregators.

*B2B sector.* Contrary to the popular belief, B2B products and services can also be effectively promoted through social networks. The main strategy in this case is to find representatives of that professional stratum, which is the target audience of the campaign. (Shaffer 2016.) To do this, one can create communities, positioned for professional or social belonging, conduct targeted work with the representatives of target audience, provide several touches through advertising systems, targeting professions or education, and work with existing professional cells. SMM mostly presents the following categories of business in this sector:

- advertising services
- IT solutions
- financial and legal services
- HR-agencies.

Raphael Odoom have found in his study (Odoom, 2016), that the interdependencies of social media motivations, as well as effects of social media usage are positive but erratic across product-based and service-based SMEs. Moreover, SMEs who offer physical products are more likely to employ social media based on cost-effective motives while service SMEs are more likely to consider interactivity as a key motivation. This means that sellers of physical goods are in better position, when strengthening top-line. The same study made an interesting conclusion, which states that Facebook is better than Twitter, considering performance benefits among SME users. (Odoom 2016.)

## **2.2 Content Marketing**

Content creation is a cornerstone of any social media. If the content is bad, not made or looking professionally, has shortcomings, which can be mentioned by anyone, then it is not the proper product to sell. When one starts to think about marketing in social media, he or she has to understand what can be shown there. Usually, shops, which have offline presence and, hence, physical product, are in the best position, because good and quality photos of product is enough to attract people and convince to go further, but what if the business is not like this? The

entire goal of anyone, who is going to be presented on social media as a company is to make people aware of your product and service. One of the best strategies of SMM is content marketing.

It is one of the latest marketing concepts, which is oriented towards the value creation through the content in order to get better business results. People now tend to work with information differently, than they did before the dot-com era. They are more marketing-smart and more critical towards the information they are engaging with (Repovienė 2017). The significance of the marketing communications within social media platforms has increased a lot. This is because of the fact that those activities are the one which often include several technological methodologies, which can improve work and make everything better for more effective and efficient results. Consistent creation of the valuable content is the way, which companies might embrace in order to attract loyal followers on both social media and offline (Howell 2015). Different channels can be used as well. However, orientation on content calls for significant customer/industry insights.

There are different definitions of content marketing. Umit Kucuk and Sandeep Krishnamurthy described it as *"Content marketing attracts potential consumers and increases their engagement and empowerment through the creation, dissemination, and sharing of free content, relevant, meaningful, valuable and able to inspire confidence in existing and potential customers"* (Krishnamurthy & Kucuk 2007). Another definition was given by Joe Pulizzi as *"the creation and distribution of educational and/or compelling content in multiple formats to attract and/or retain customers"* (Pulizzi 2012). The definition (Content Marketing Institute in the US, 2015) is a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience - and, ultimately, to drive profitable customer action. Production and distribution of essential content is the goal of the content marketing, which cannot be full without desired actions, taken by targeted audience. Consequently, it can be seen that content marketing has an interface with other processes of management, namely creation of customer value (Repovienė 2017).

There can be given five attributes, which affect the perception of value in information:

- the extent to which it resolves uncertainty
- its ease of distribution
- the extent to which can be applied by the receiver
- the nature of the content
- its relevance to any decisions to be made by the receiver.

Both emotional and utilitarian values are combining during the process of content creation. Higher stages conversions can be seen, as by-effect (Odoom, 2016).

The conclusion that content marketing is one of the most useful approaches in social media marketing nowadays, can be made. Organizations and companies have to understand one important thing – the content should be not about business, however, considering issues of customers and prospects. Content marketing approach is not about telling product' features, but helping people to understand the problems, while assisting as industry/sector experts. (Plessis 2017.) Thus, value is seen as the main perspective in the content marketing.

Content marketing is an approach, when the content of a certain profile/account is the cornerstone of online appearance of the business, but not product/service itself (Wallace 2017). Of course, all the content is made based on features and advantages of product/service, but it is not only about it. If this strategy was chosen, then potential clients of the company, who land on the profile, would be interested in the content and not only the product (LePage 2017). Interesting articles with useful tips for solving problems of the target audience might also be helpful for those who are not yet in need of product/service; the content is attracting them eventually. The best thing about this strategy is when a person needs this type of product/service – the profile would be his first and only choice, because he/she is already aware that this one has a great value for him and is trustworthy. Short-terms selling strategies (which are still applicable in selling through web site for example) are not working and will not be living on social media. Long-term strategies, which call for creating loyalty and decent amount of time, become much more profitable and successful in scale of one-two upcoming years. (LePage 2017.)

Another important part is that everyone, who is going to start business account on any social media network, has to be ready to learn how to write. How to write a post, which will be addressed to exactly the ones who are the target audience and what is much more important, the text written would engage those people to do certain actions (Conley 2016). The engagement of followers is a topic of huge importance. There is nothing in direct asking of like/share, because the post definitely worth it. Of course, there are special templates for treating people right in social media and getting actions such like or starting a discussion in comments, but it is the topic for another research.

Understanding of what channel suits business niche best is crucial in order to achieve any success in SMM, because different channels call for different content and different texts written and different call-to-actions (Conley 2016). It is needed to remember that people do not know about product/service yet (in most cases it is true), so the only information, which business gives to customer is known and everything else does not really exist in a customer' world. On this basis, here comes another compulsory step – to gather all the meanings of a business. The meaning is a key sentence, which covers very important things for customer, so he/she can start being more and more loyal towards business. The meaning can be impressed in sentences, photos, video covering main points, infographics and anything, which is suitable for the particular business. (LePage 2017.)

### **2.3 List of Definitions.**

Special list of terms is needed in order to introduce concepts and metrics, which are going to be used in the upcoming parts.

CTR – Click through Rate. It is the percentage of users who are engaging or viewing the web page and who are clicking on some specific ad present on that web page. This method is used to analyze the success of an ad in generating the interest. A high-click through rate assists the website's owners and supports them with advertising capital on the site. A typical click-through rate is 2-3 users from 1000 users as the users are desensitized to ads on web pages. (Jogi 2016.)

CPC - Cost Per Click is also known as per pay click, is one of the mostly used online marketing methods which is used to direct traffic to websites, in which the

website owner gets the pay from the advertisers once the ad from that website is clicked. It is sometimes simply regarded as the amount spent on an advertisement to be clicked. (Jogi 2016.)

CTA - A Call-To-Action is an image or line of text that prompts visitors, leads, and customers to take action. It is, quite literally, a "call" to take an "action." The action people need to take could be anything: download an eBook, sign up for a webinar, get a coupon, attend an event, etc. A CTA can be placed anywhere - on your website, in an eBook, in an email, or at the end of a blog post. (Mineo 2013.)

CAC - Cost per Acquisition is the marketing model where only after a delivery of desired acquisition or action the advertisers have to pay as per agreed costs. It is considered as the most effective marketing model, as advertisers have to pay only when the advertisement meets the desired purpose. In this model, the conversion rate totally depends on the conversion rate of the advertiser's website, which cannot be controlled by publisher. It is generally used for affiliate marketing links. (Jogi 2016.)

Virality - The Virality of the Facebook page is the percentage of people who created a story about the page after seeing activity about the page (Alidina 2016).

Engagement rate, the engagement rate metric is designed to show you the number of unique users who engaged with your content as a percentage of the number of users who were exposed to it (Marks 2013).

Total engagements - is a measure of the actions people are taking on the page and should be recorded at least monthly to make sure people are staying (or hopefully getting more) engaged with the content (Marks 2013).

Conversion - The point at which a recipient of a marketing message performs a desired action. In other words, conversion is simply getting someone to respond to your call-to-action. Getting someone to open an email is a conversion. Having them click on the call-to-action link inside that email is another conversion. Going to the landing page and filling out a registration form to read your content is a conversion. In addition, of course, buying your product is the ultimate conversion. (Kirkpatrick 2012.)

Reach - The number of people who see the content. It is a measure of how the content is spread across various social media platforms. It can be also defined as the number of unique people who see content. (Beese 2016.)

Impression - The number of times the content is displayed. An impression means that the content was delivered to someone's feed. A viewer does not have to engage with the post in order for it to count as an impression. What is tricky about impressions is that one person can have multiple impressions of the same piece of content. (Beese 2016.)

Landing – Landing or landing page is a website page that allows user to capture a visitor's information through a lead form. A good landing page will be targeted to a particular stream of traffic – for example, from an email campaign advertising a particular whitepaper - and, because it is targeted, and because it has an interesting offer behind a lead capture form, one would convert a higher percentage of the website visitors into leads with which can be followed up further. (Mirman 2016.)

Lead – Sales lead or lead is a potential sales contact, an individual or organization that expresses an interest in the particular goods or services. Leads are typically obtained through the referral of an existing customer, or through a direct response to advertising or publicity. (Rouse 2016.)

## **2.4 Facebook**

Facebook is the most popular social media network according to “Similar Web” resource (2018). More than 10 million of business accounts now exist in this social media and the number is growing every day. More and more people understand that the network is not only about amusement and about that there are strong possibilities for everyone who would like to establish successful business using Facebook as the main channel of activity/marketing. Facebook nowadays is one of the most useful channels, when there is a necessity of big amounts of web-traffic or leads needed. (Conley 2016.) In 2018, Facebook is already a huge marketplace. The social network has plans to start an inbuilt marketplace, where everyone can find things nearby them, and buy/sell them (Conley 2016). Facebook itself makes it easier for people to do business there. Before getting into the deep, first compulsory steps and actions have to be made.



## 2.4.1 Visual Appearance of the Page

The look of the page is very important. Nowadays, with the help of preliminary view function, a user can view one's page, its background, profile photos, and decide if he/she is going to join the page. The background picture is not just face of the brand itself, but place for additional advertisement: promoting products/services (in appropriate way), invite subscribers to join webinars, conferences.

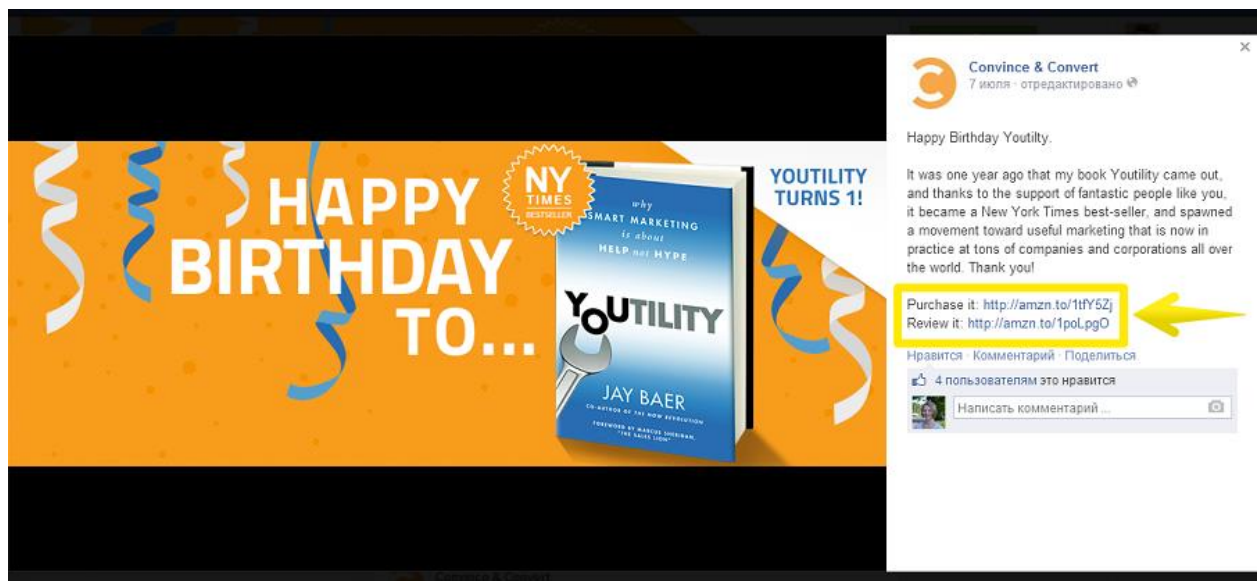


Figure 1. Convince and convert background photo. (Convince and convert Facebook page, 2018)

Company “Convince and Convert” have made such a background, on which advertisement of a new book is. There is the description and two links leading to Amazon store, where the entire book is, and feedback from customers as well. One important thing to notice is when it is needed to give a link to any social media, it has to be short. Long links with enormous amount of characters show tendency to be less clickable, rather than short ones. (Conley 2016.) Nowadays it is not a problem; special software can shorten any link. Another important moment is the quality of the background picture. One has to make sure that there are no blurred pixels. In order to make such background, the image size has to be at least 851\*315 pixels in PNG format. The basic recommendation is to use pictures of bigger resolution, in case people would open it on big widescreens and they remain of perfect quality. Here is how the small background picture (851\*315 pixels) appears on widescreen with 1920\*1080 resolution. The

background is dimmed with darker colors around and the picture itself seems small.

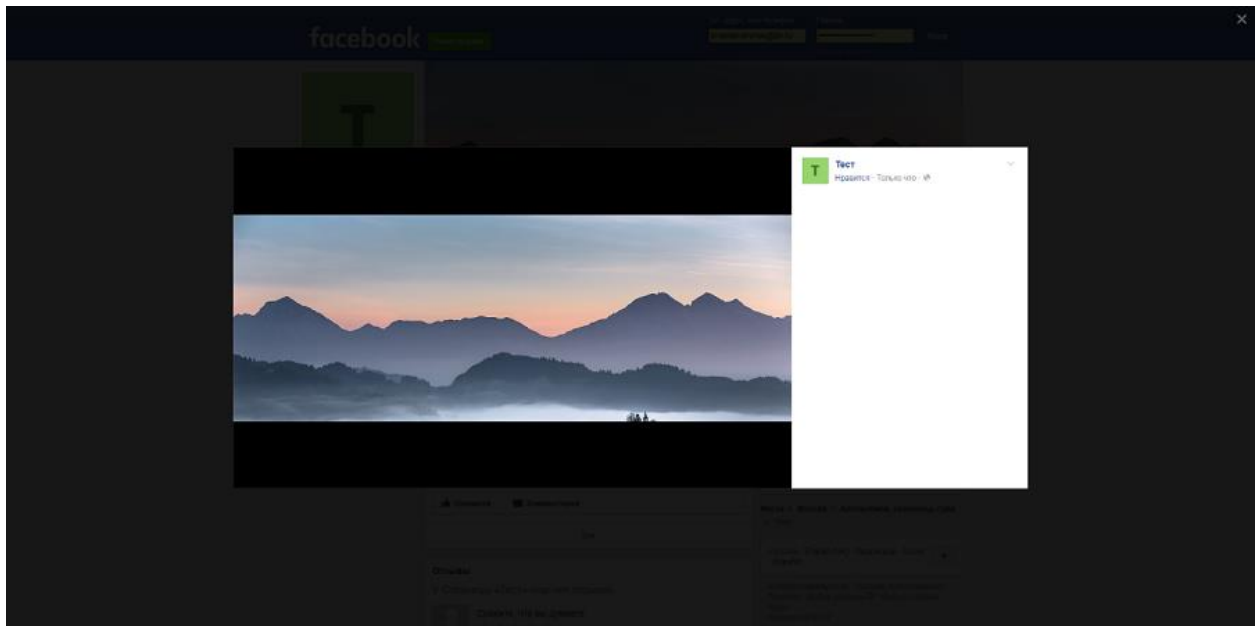


Figure 2. Facebook test main photo. (Facebook, 2018)

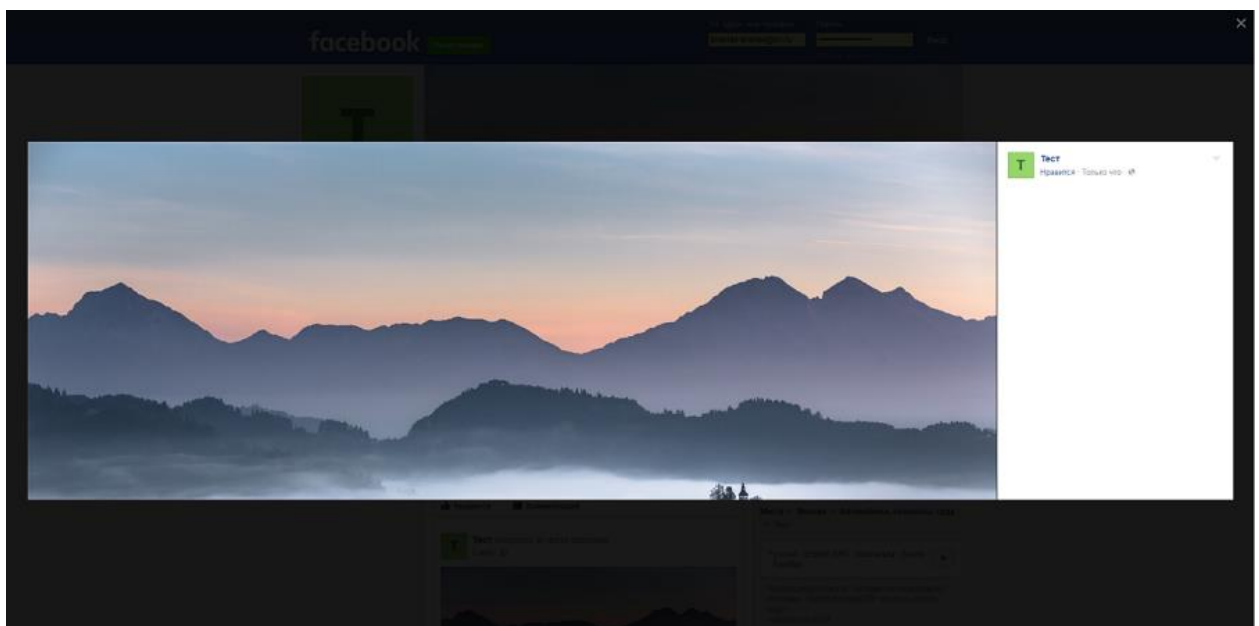


Figure 3. Facebook test background photo. (Facebook, 2018)

Here is how the big background picture (1702\*630 pixels) appears on the same widescreen. There is almost no dark space around and it is easy to look at the whole picture.

The logo. Logo has to be at least 170\*170 pixels. Again, as in the previous examples, uploading the picture of a bigger size is better, so the quality can be better, when opening it.



Figure 4. Facebook test picture. (Facebook, 2018)

When the overview and photos are done, comes the next step. In order to avoid any problems with the development of the brand in social media, it is needed to come up with the simple, catchy and nice address of the page. Facebook itself has a lot to offer when one is trying to create the business page. There are plenty of templates for different types of pages. If it is a shoe shop, then the best suitable template can be “shopping”. It is not a difficult task and Facebook gives enough help while creating a page, but they are must-do tasks. (Conley 2016.)

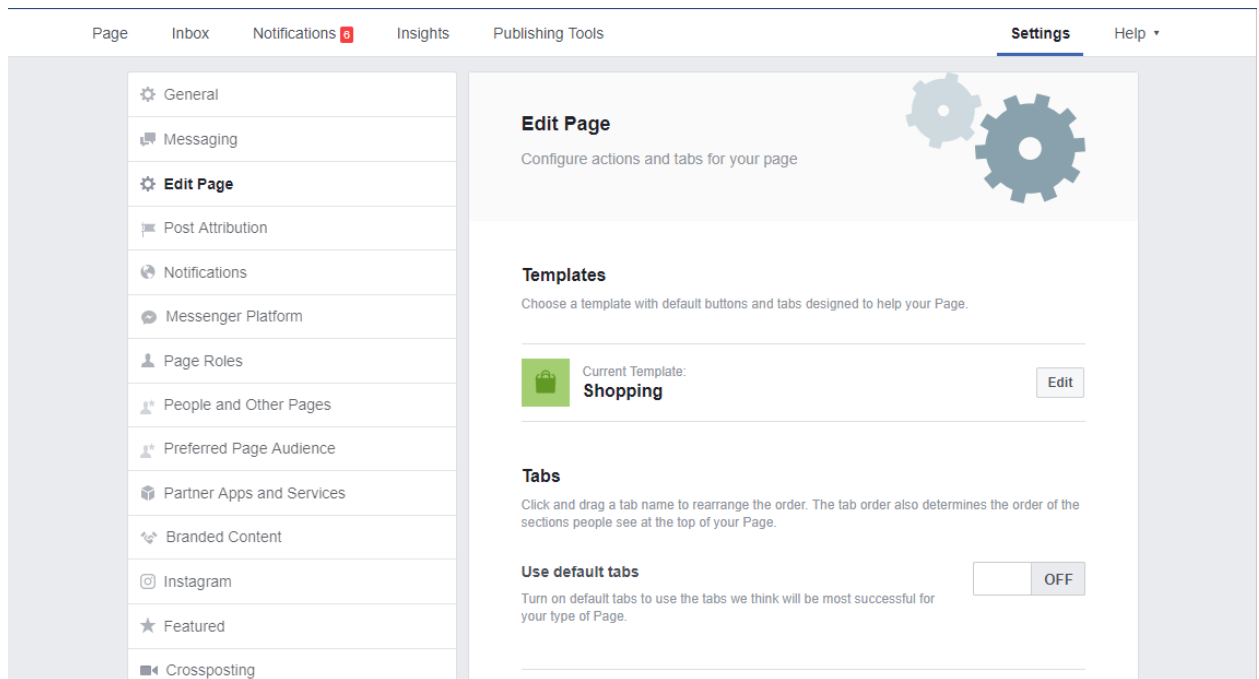


Figure 5. Facebook settings page. (Facebook, 2018)

Facebook also has one great feature to help all the businesses to get their subscribers and followers further to web-site/other. It is called “button”, which represents a built-in CTA and helps to convert more from the Facebook page. It is very important to notice, that each template of page has its own starting button. (Conley 2016.) For example, “shopping” template has starting button “Contact us”, but it can be easily changed into any one needed.

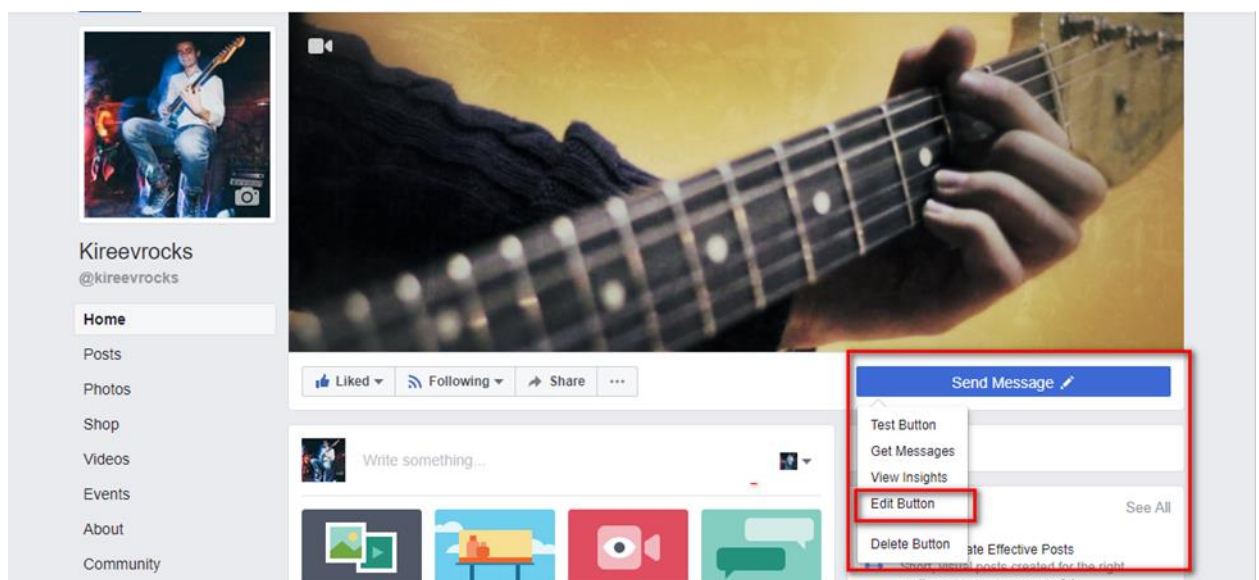


Figure 6. Facebook page functions. (Facebook, 2018)

The more important thing is that people can now easily contact businesses from their mobile devices, which are the most popular devices to browse the social

media. The statistics of the button can and should be tracked time after time. The clicks on the button within certain period of time are counted and there is function for promoting the entire button with built-in ads. (Conley 2016.) Topics on the statistics functions of Facebook and its analysis, as well as advertisement on Facebook are going to be covered fully later.

Very common issue is that many complain about having little CTR to web site, but in most cases people do not pay enough attention to the button and its settings, which might seem as insignificance, but that is definitely not. Filling in all the information about the company is also very important. For many entrepreneurs, who start being on social media, process of doing obvious and simple actions seems a bit silly, but when a business loses from 20 to 50 leads, because of unfilled geo address or opening hours, it is not silly anymore. (Conley 2016.) If a person has a personal account on Facebook as well, then it is needed to make it clean and representative, in case it is going to be connected with business profile. If a person has private account on Facebook as well, it is possible to ask friends to join the business page. Special function of “Invite friends” is available on every page templates. With the help of the tool, one can write a special invitation to every friend of his/her and send it directly to him or her. This method is good for the starters and low-cost projects, which are in need of native actions as real likes and comments. (Conley 2016.)

Getting things done with immediate replies is important. By clicking the button “Message”, people can write directly to businesses, but not always, so it is useful for the entrepreneurs. In most cases, those messages tend to be unread before the administrator checks the inbox messages. Facebook has done a great help for every business account and it is now possible to enable automatic replies. In general settings, there is category “Messaging Settings” and there is automatic response feature, which should be “On”. The text can be fully customized or one can use templates.

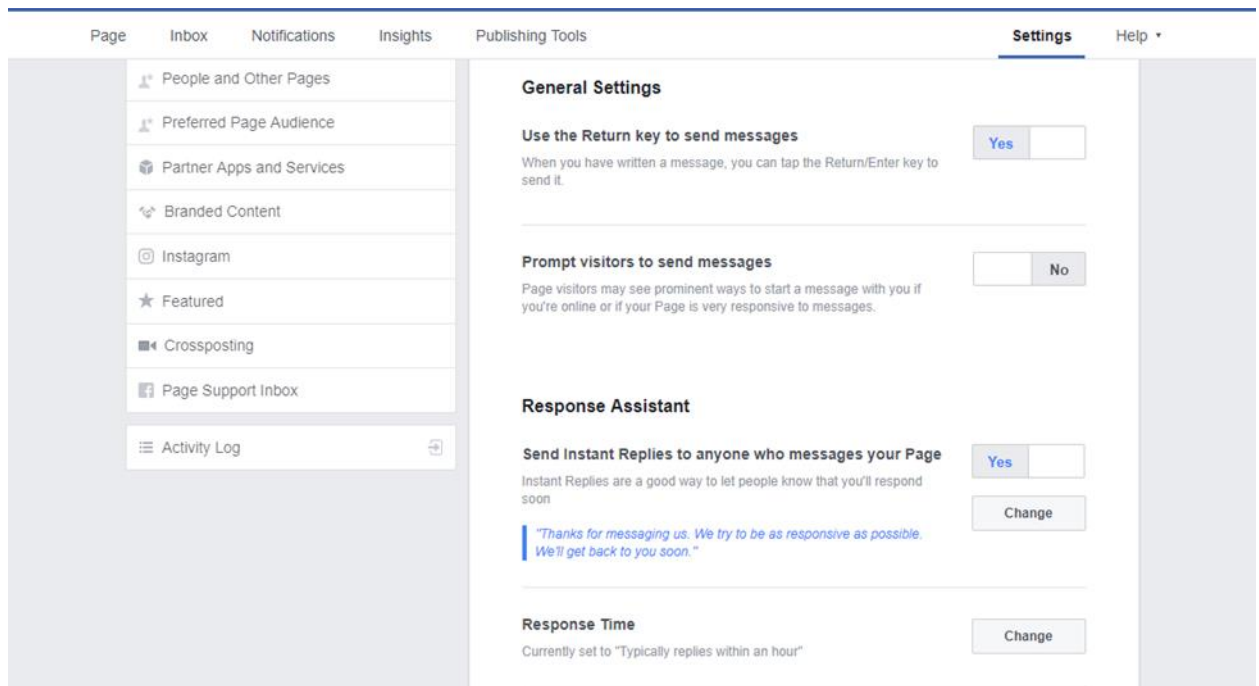


Figure 7. Facebook general setting page. (Facebook, 2018)

In order to automatize and systemize the process of posting a special plan should be created. A content plan is the schedule of posts, which are going to appear on the account in the future. Time, date, photo/video appearance and text are in the content plan. With the help of it, the person, who is in charge of SMM becomes out of operational tasks (such as posting, writing of texts). These actions are done as one process, while preparation of the content plan is being executed, and maximum automatization is implied in the case. There is no need to post every single day and specialists are able to concentrate on the significant things like A-B testing of new features or work deeper with subscribers and find new and creative ways to engage customers. Facebook itself offers great feature of planned posts, so one can upload a photo/video, text, set time, and date, when this post is going to be posted. (Conley 2016.)

Special entertainment content

Content-Plan



| Date       | Day of the week | Time     | Type of content    | Text                         | Hashtags   | Photos  |
|------------|-----------------|----------|--------------------|------------------------------|--|---|
| 14.09.2015 | Monday          | 9:00:00  | Selling            | The entire text of the post. | #premontkids#premontkids#mothercare#детскиекомбинезоны#детскиепуховики#детскаяодежда#зимняядетскаяодежда#комбинезон#красивыедети#premont   |  |
|            |                 | 17:30:00 | Clients's feedback | The entire text of the post. | #premontkids#premont#моднаядетскаяодежда#моилюбимыедети#детскаяодежда#зимняядетскаяодежда#детскийкомбинезон#новаяколлекция#детскиепуховики |  |

Figure 8. Content plan template.

## 2.4.2 Statistics and Insights

According to the statistics, one of the most successful posting strategy is to make posts 2 times per day. When the profile has been issued and set-up, subscribers number is not that small (at least 100 subscribers active) and posts are made on a regular basis there comes another step, which is one of the most complex, but gives so many insights for the businesses – statistics of profile. In can be found on the tab named “Insights”. There are many different statistical measurements in this tab. The first one is the Overview. At this tab basic statistical indicators, which can be studied more deeply, are shown. There are metrics like “Actions on Page” (the number of clicks on Page’s contact info and call-to-action button), “Page Views”, “Page Previews”, “Page Likes”, “Reach”, “Post engagements” (number of times people have engaged with posts by likes, comments or shares), “Videos views count” and “Page Followers”. All the stats on this Overview page are limited by the time, which is set by the user. It is also possible to click on any statistical metric on this page and the expanded and in-depth statistical information on this metric will be available in the special category, which are on the left side of the statistical page. (Lua 2017.)

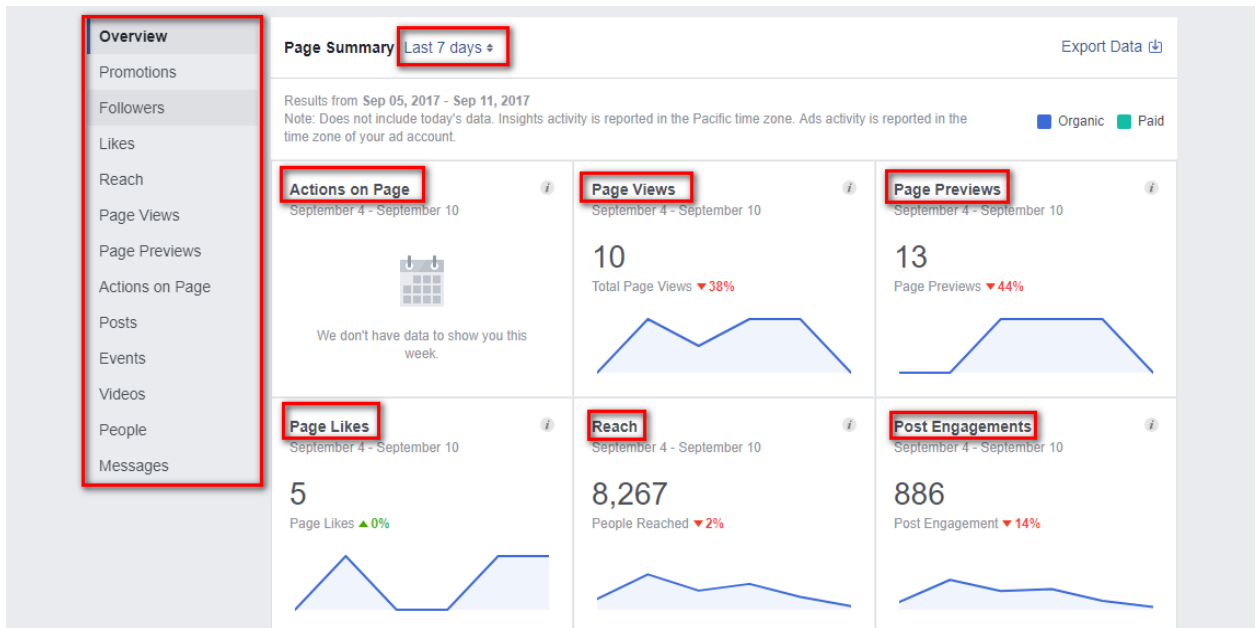


Figure 9. Statistics page. (Facebook, 2018)

Followers tab analysis is the next step. The typical time limitation and total number of followers of the Page are available for the current moment. The graph of the subscriber's movement is also available here and it is possible to track on which day there were followers and how many followers joined on the particular day. (Fontein 2016.) This statistic becomes crucial, when a business has been working on Facebook for 2-3 months, and some trends tend to appear. Business owners can compare posts and their CTA, time of the posts and engagement with the followers flow and understand if the content is still making impact, or people are not interested in the content, and it is not interesting.



Figure 10. Followers' statistics page. (Facebook, 2018)



The second graph on the follower’s page is called Net Followers that shows the number of new followers minus the number of unfollows. This graph is very useful as it offers people to see if the new follower is organic (came from any source) or paid (have heard about the Page with the help of build-in ads on Facebook). The difference between paid and organic followers has to be understood. Young and new profiles owners tend to invest in ads on Facebook, however, cases show that investing in ads on Facebook can become profitable if the organic followers number is already significant (at least 100 organic followers) and the profile has been active for the last two months (posting, commenting/replying, engagement with followers). (Lua 2017.)

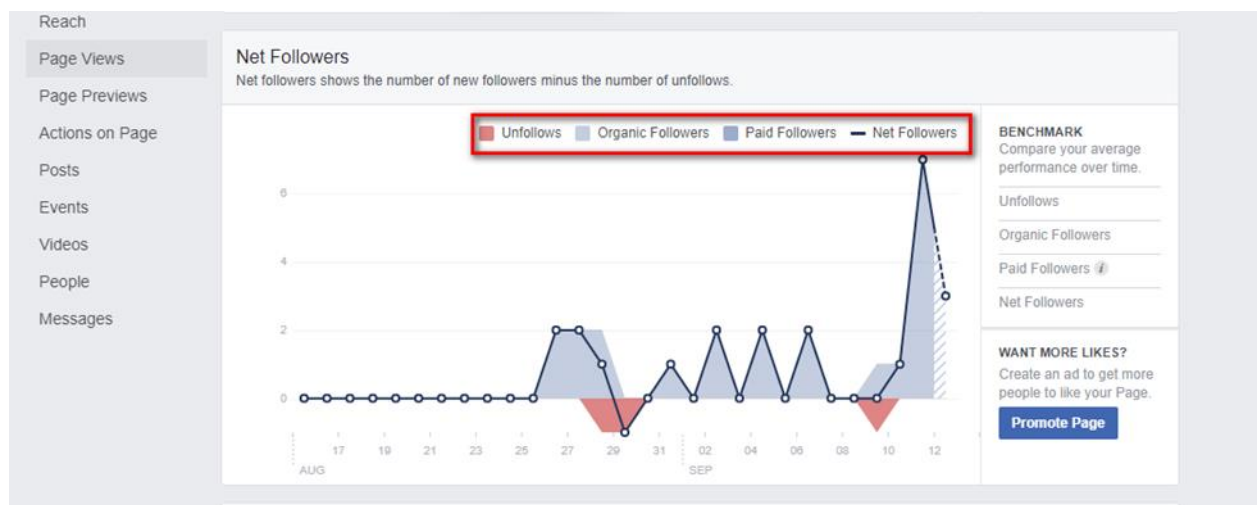


Figure 11. Net followers page. (Facebook, 2018)

The next tab is the “Reach”, which tells the number of people who have seen any posts on a given page. On the page time and date segmentation is available, and so-called “Post reach” graph, which shows the number of people the posts were served to. The graph is useful, so it can tell the total reach of the posts, which were made within the selected period are shown. (Parry 2015.)

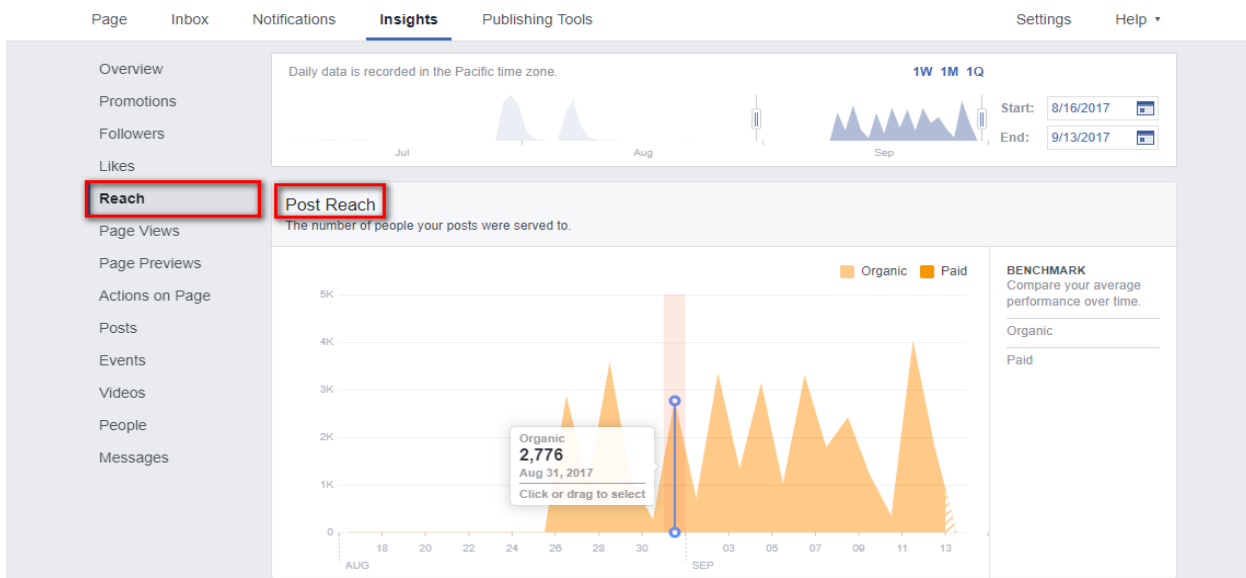


Figure 12. Reach statistics page. (Facebook, 2018)

Reactions, comments, share, and more is the next graph, which is available in the Reach tab. The information on how many reactions, etc. are on the posts within the selected period. This metrics is very important as well, as it shows real engagement of real people, who are at least called target audience. (Fontein 2016.) With the right approach towards these metrics is it possible to improve the overall engagement of the posts and the page.

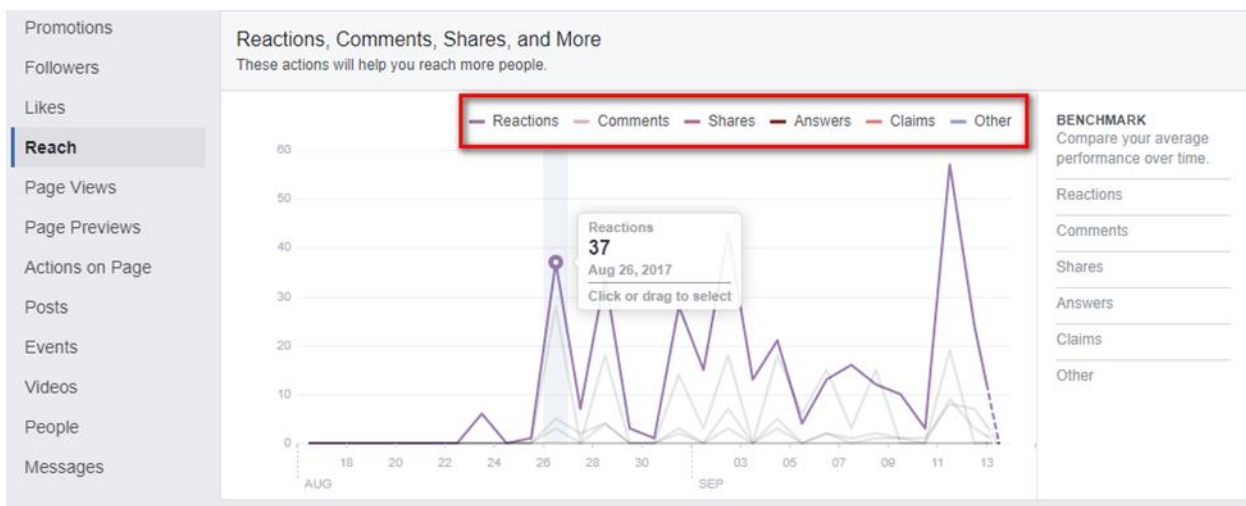


Figure 13. Reactions statistics page. (Facebook, 2018)

There is also a special graph with the segmentation of different reactions, which were made by the subscribers. As Facebook offers to its users to choose the reactions (love, like, wow, ha-ha, sad, angry), these metrics are here in the reach tab. As practical experience shows, this is more amusement stats, but the number

of angry and sad reactions can be tracked from here, which is the indicator of the correctness of the chosen audience. (Fontein 2016.)

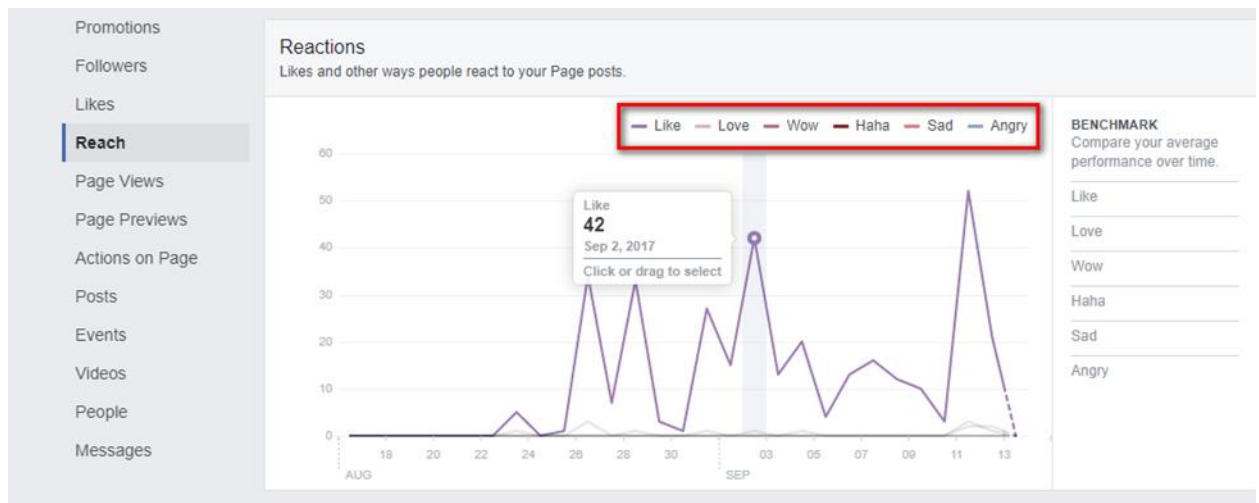


Figure 14. Likes statistics. (Facebook, 2018)

All of the graphs, which are shown here, are clickable. This means, that if one would like to see what the reach of his last post is, any of these graphs can be opened and information on each post will be given. There is information about the type of the content (photo, video, text only), targeting of the post, reach, engagement and the ad offer from Facebook. With the help of detailed metrics for each post, it is possible to track what people like, what type of content gets more reach, how people react on different type of content. (Parry 2015.)

Posts Published from August 26, 2017 to September 13, 2017

Impressions: Organic / Paid Post Clicks Reactions, Comments & Shares

| Published              | Post   | Type  | Targeting | Reach | Engagement | Promote    |
|------------------------|--|-------|-----------|-------|------------|------------|
| 09/11/2017<br>9:30 pm  | Playing some country blues for you   | Video | Global    | 5.4K  | 370<br>97  | Boost Post |
| 09/08/2017<br>10:33 pm | Have a good weekend! Like our page and subscribe to our new videos!  | Video | Global    | 3.5K  | 169<br>43  | Boost Post |
| 09/06/2017<br>9:57 pm  | I am not playing that much popular songs, but "All of me" is worth it. I got this version while rehearsing | Video | Global    | 4.9K  | 322<br>44  | Boost Post |
| 09/04/2017<br>7:27 pm  | What's up everyone! Monday was great and I have made a new video for you! Also, I would like to e          | Video | Global    | 4K    | 253<br>50  | Boost Post |
| 09/02/2017<br>7:59 pm  | Good saturday evening everyone! I am fan of the "Wicked game", hope you will enjoy it as well. I wo        | Video | Global    | 4.6K  | 348<br>75  | Boost Post |
| 08/31/2017<br>7:20 pm  | Playing a bit on Thursday evening  | Video | Global    | 3.6K  | 191<br>56  | Boost Post |
| 08/28/2017<br>7:54 pm  | Monday is a tough day for everyone, so I would like to share with you this little video. If you guys like  | Video | Global    | 4.4K  | 272<br>62  | Boost Post |
| 08/26/2017<br>6:50 pm  | Good evening everyone! Saturday is almost over and I would like to share with you little video "Prid       | Video | Global    | 3.9K  | 201<br>59  | Boost Post |

Figure 15. Posts statistics. (Facebook, 2018)

The next tab in the insights is "Page Views". The first graph shows the Total Views of the Page within the selected period and the stats for each day in the selected period are available. It is a very useful graph, so the overall activity of the Page on a certain period can be tracked, but without second graph it does not make any sense – total number of people, who viewed the page within the selected period and the stats for each day in the selected period are also available. (Lua 2017.) This makes possible to count all the unique visits, which is much more valuable metrics, than total views, because there all the views are counted. Even if the administrator of the page was online, it is counted as a view. If the difference between total views of the page and the total people who viewed the page is big, then the profile is doing bad in generating unique visits and the further development of strategy needed. (Cleary 2017.)



Figure 16. Total views statistics. (Facebook, 2018)

The next tab is “Page previews”, and the only graph is present there, which shows how many page previews have been made. “Actions on Page” is much more valuable than the previous. Here we can track what type of actions people do on the Page. This metrics does not count the engagement activity (impressions, comments, etc.), but those, which are not connected directly with the content, but the Page itself. There are four types of actions, which can be done by users on the Page: Get direction clicks, web-sites clicks, phone number clicks and action button (which was covered before) clicks. Four graphs for each type of actions exist here as well as graph covering total number of actions on the Page within selected period. (Fontein 2016.) These metrics tend to be very provocative. In case, when it is necessary to attract leads to a web-site by using a Facebook business profile, visitors’ actions on the page are very valuable, and if the amount of actions is not reaching a desired one, then it is time to start thinking on a new strategy, by changing ways of interacting with visitors, changing posting habits, etc. However, if the account does not call for any actions, but only engages people (online music selling, art selling, sales within Facebook, selling without actions on the Page), then it is not that crucial, but that has to be tracked anyway. (Lua 2017.)

The next tab is “Posts”. From there it is possible to see when the fans (followers) are usually online. Two graphs here are implied in order to show how many subscribers of the Page are online on each day of the week and how many subscribers are online on each hour of the present day. (Parry 2015.)

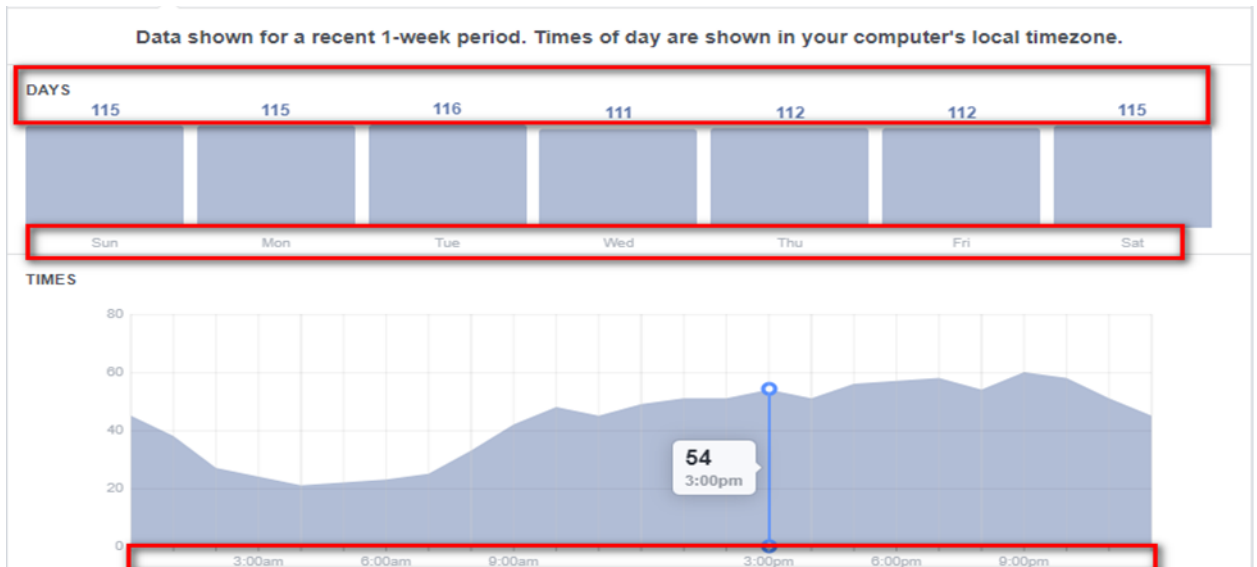


Figure 17. Time of activity page. (Facebook, 2018)

These metrics are connected closely with the content management of the account and are very useful. Therefore, a perfect timing for the posting can be easily found and the days with the highest activity of the subscribers can be determined as well. This might seem obvious, but a lot of business profiles tend to post on low-activity times, which makes overall marketing campaign useless, as target audience is not reached. Another metric, which is available from posts tab, is post types, which shows the success of different post types based on average reach and engagement. This is made very simple and interactive, so all the type of posts made are here. (Cleary, 2017) All in all, with the help of tab “posts” it is possible to track when to post and what exactly to post. (Parry 2015.) If the target audience does not appear until 7 p.m and does not like nothing but videos, posting photo at 5 p.m is useless.

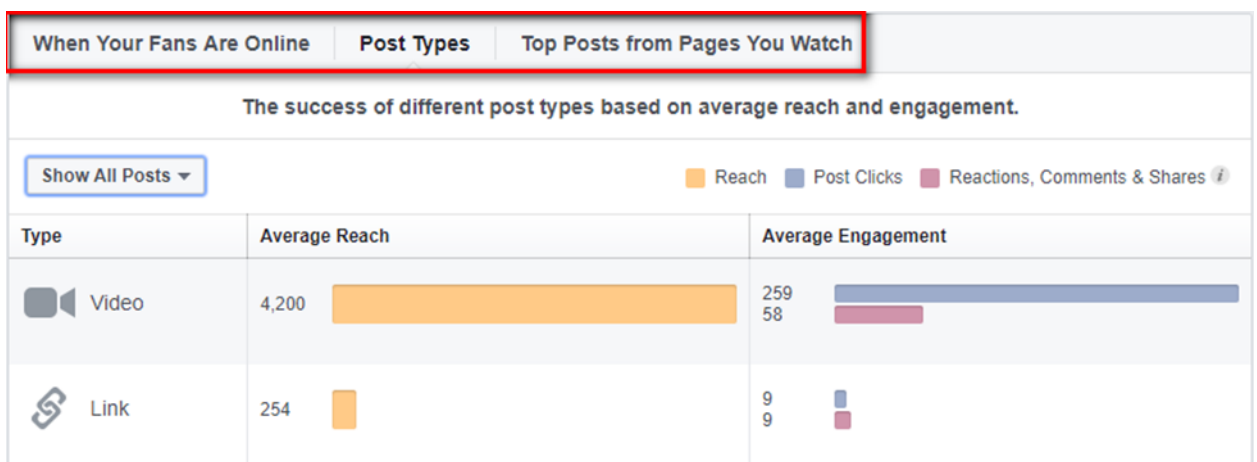


Figure 18. Post types statistics. (Facebook, 2018)

The next important tab is “Video”, especially, if the business profile has much video content. Metrics, such as minutes viewed within the selected period of time and total number of views within the selected period, can be tracked there. With the help of these metrics, business is able rather to compare than measure, because both metrics are automatically compared with figures for the previous period, so the growth or the fall of the popularity of video content can be tracked here. (Fontein 2016.)



Figure 19. Video views statistics. (Facebook, 2018)

One more thing, which is also available from this tab, is “Top Videos” table. All the videos posted within the selected period are compared by two metrics, date and time of the publication, so it is very clear to understand which videos are useless and which are popular.

**Top Videos** > HIGHEST PERFORMING VIDEOS BY VIDEO VIEWS FROM 9/7 - 9/13 ⓘ











| Video  | Published   | Minutes Viewed | Video Views |
|--|---|----------------|-------------|
|  <p>Country Blues Playing some country blues for you</p>                                    |  09/11/17<br>11:30AM | 409            | 1.3K        |
|  <p>Freefallin' Have a good weekend! Like our page and subscribe to our new videos!</p>     |  09/08/17<br>12:33PM | 191            | 612         |
|  <p>All of me I am not playing that much popular songs, but "All of me" is worth it ...</p> |  09/06/17<br>11:57AM | 131            | 404         |
|  <p>Don't know why Norah Jones "Don't know why"</p>   |  09/13/17<br>10:54AM | 99             | 359         |
|  <p>You've got a friend in me What's up everyone! Monday was great and I have...</p>        |  09/04/17<br>9:27AM  | 14             | 43          |

Figure 20. Top videos page. (Facebook, 2018)

The next tab “People” is very important for understanding the target audience and who those people are. In this tab, four different categories (Fans of the Page, Followers, People reached, and People engaged) are analyzed by gender, age, gender/age comparison, country of origin, city of origin and language spoken. (Lua 2017.) Moreover, when the People Reached are analyzed, the stats are automatically compared with the Your Fans stats. This becomes very useful, when it is needed to study if the posts reach target audience. If the Fans of the Page are 67% men, who are older than 35 years old, but People Reached are 50 % Women, who are younger than 20 years old, than the something has to be changed in order to reach right people. (Cleary 2017.) The difference between Fans and Followers has to be mentioned. Fans are those, who just like the Page, but did not follow it, Followers are the people, who have done both actions – they like the entire Page and follow it.



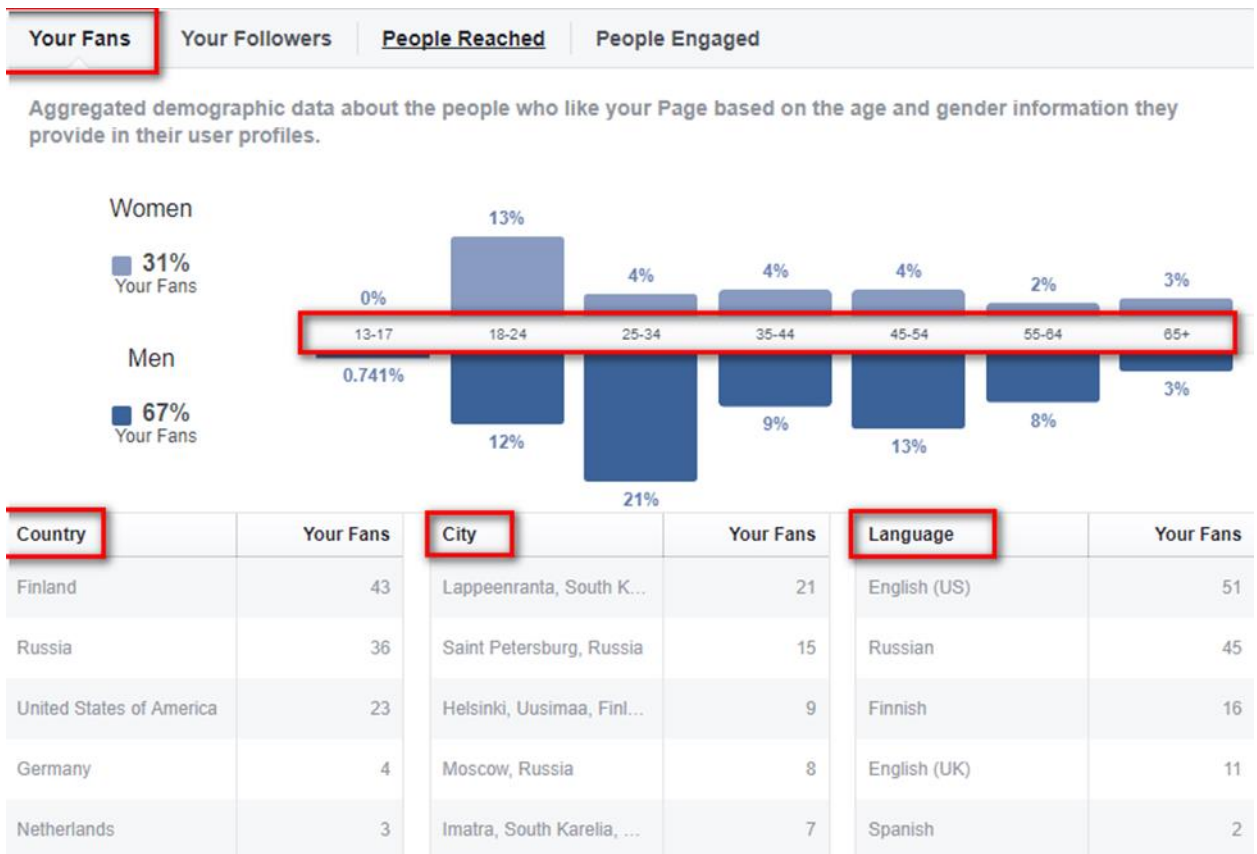


Figure 21. Your fans page. (Facebook, 2018)



Figure 22. People reached statistics. (Facebook, 2018)

Many of the metrics, which were covered before are very important for the account management. If those statistics are not counted or even are not seen by the business owner, then the Page just exists and nothing positive is going to happen with the Page. Before going to the next section, which is Advertisement in Facebook, it is important to mention that without preparatory actions with outlook of the Page or basic understanding of statistics metrics, it is useless to go to ads section and start paying money. The target audience has to be growing and already be big enough, posting management has to be adequate and statistics of Page are analyzed properly for period to period – then advertisement becomes huge boost for the business account.

The core idea of advertisement on Facebook is to make people aware of a product/service, let them know more about the company, generate more sales, build relationships with customers and those who are potential customers. Before digging into concrete practical knowledge, the understanding of goals of a particular advertisement campaign is needed. The most popular among business profiles/accounts is to attract customers to the web site.

### **2.4.3 Advertisement on Facebook**

Advertisement in Facebook is a very interesting topic, just because it can generate huge traffic for good content pages. There are three possible ways to start and advertisement campaign on Facebook: on the Page setup, with the help of Ads manager and with Facebook Power Editor.

#### **2.4.3.1 Advertisement from Page**

The first way is the simplest and is fast to make it from the entire page. On each post of the Page, there is button “Boost post” (Lee 2017).

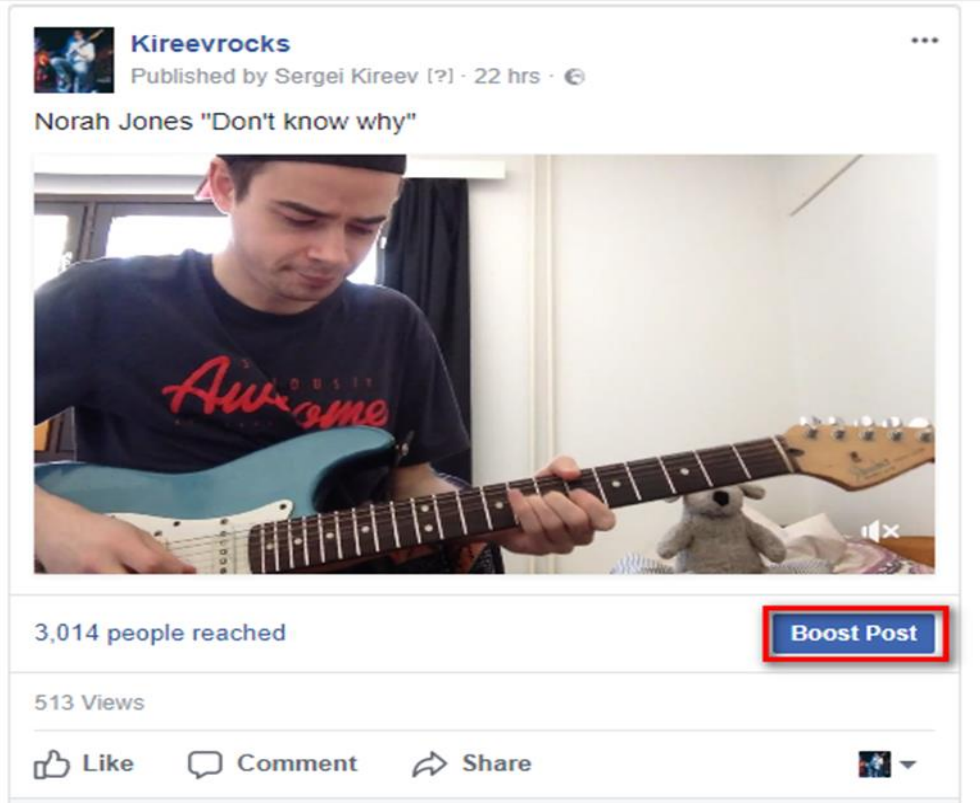


Figure 23. Post template. (Facebook, 2018)

In the window opened, the advertisement campaign for the post boosting can be set up. The first thing to notice is audience. Facebook would set up default audience settings, which were used for while setting up the Page. Those settings are not recommended to use, so the button change audience setting is needed.

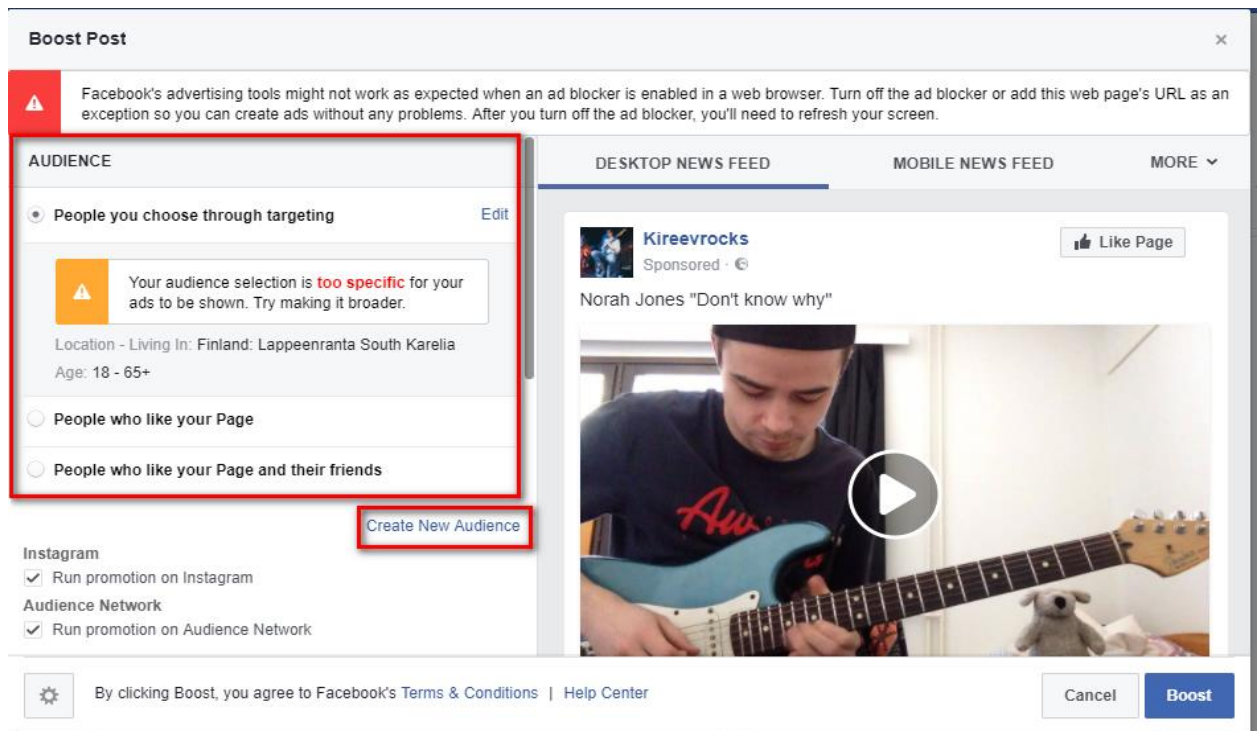


Figure 24. Audience preferences. (Facebook, 2018)

The audience has to have a clear name, in order to define what it is. The selection of gender, age, geo and basic interests. While creating ads on the Page, only simple and narrow targeting settings are available, so only those basic criteria are implied here, but still there are useful features here. For example, it is possible to set up the geo location not just as a city/country, but within the selected area' radius. In addition, interests' choice has to be made precisely and there is no mistake opportunity here. Facebook is helpful and will be give the advice while doing the process. This is not very complex actions, so after all, "Save" button is the finish of audience creation. (Lee 2017.) The next step is to set up the budget and select the period of time, in which the advertisement is going to be shown. There are no recommendations on the time choice, but selecting at least two days would save a business from spending whole budget at one day, when it is not possible to change anything. Facebook also shows the approximate number of people who are going to be reached by the campaign. This number is always approximate and is not an exact forecast. If the number is not enough, some changes in the audience settings can help. (Wallace 2017.) The last step here is to choose the currency and finally make the payment. After successful payment, Facebook moderators are going to check the campaigns for the prohibited materials. It has to be said that Facebook has a very strict advertisement

moderation policy, so it is always better to learn what is prohibited and can be shown. For example, there is a paragraph, which states that writing the word Facebook with “f” in lowercase is prohibited. Reading the rules is worth saving time and effort. Finally, if the post does not violate any rules, in 15-20 minutes it is going to start showing to the target audience. (Lee 2017.)

This was a simple example of creating advertisement from the Page. There are also other kinds of posts, which can be boosted from the Page. There is also a type of advertisement, before the content, which is going to be adverted; the ultimate goal of the campaign has to be chosen. There are several co-called goals, which Facebook offers to its users. By pressing the button promote in the end of the Page, these goals are opened for the user.

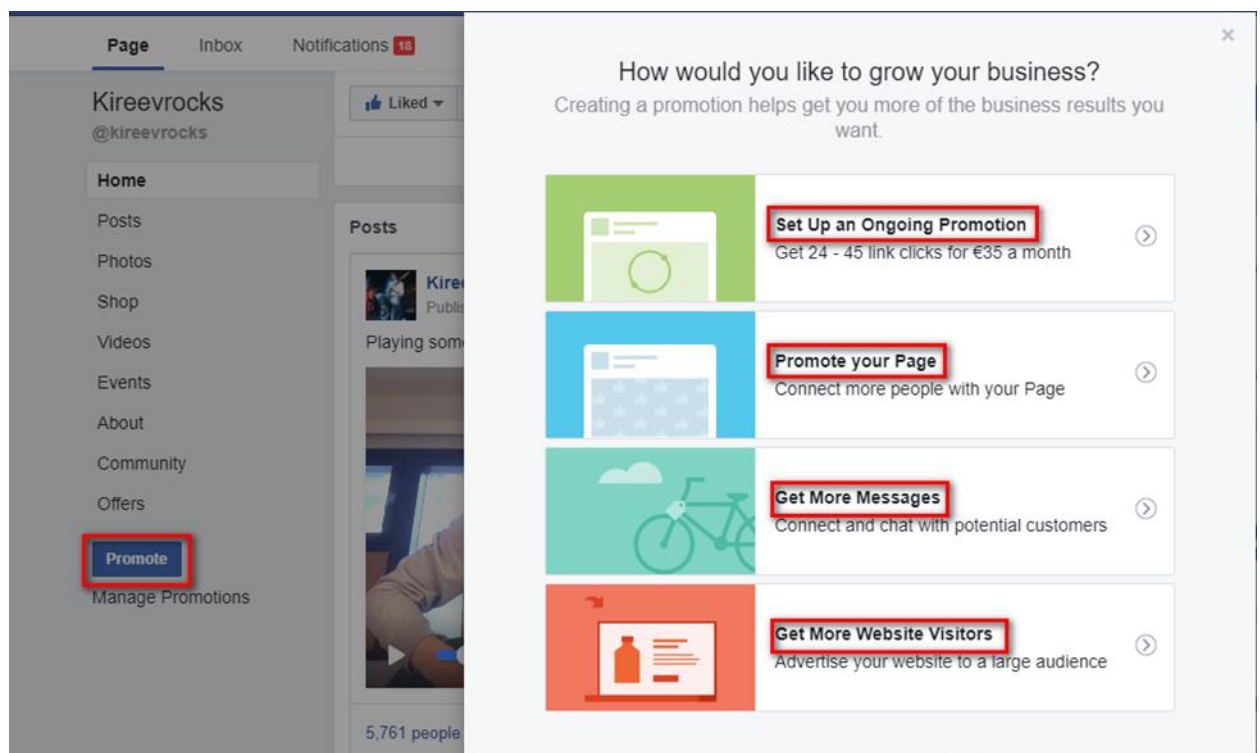


Figure 25. Options for promotions. (Facebook, 2018)

Getting more website visitors is the most interesting on the list, because entrepreneurs are looking to converting people from followers into leads. Facebook itself will identify the web site, which is needed to be promoted from the “Web-site” link on the page or it can be changed in the URL field. In addition, marketers have the opportunity to add photos, titles, call-to-action texts. (Wallace 2017.) Facebook allows users to upload up to five images in one advertisement, so there is a place for creativity with visual elements. For each image, it is

possible to add a unique subtitle. Besides, it is possible to add videos instead photos. After adding the video, Facebook chooses the preview picture, captured from the upload video and of course, this preview picture is fully custom. (Wallace 2017.)



Figure 26. Ad from page creation. (Facebook, 2018)

The last step is to add the call-to-action button. It can be seen in the right down corner of the post and leads to the web site, which was chosen. It is important to notice that if photos are chosen in posts, then the call-to-action button will be shown only in the right down corner of the post. If the videos are chosen in posts, then the call-to-action button will be shown in the same right down corner and in center after the video has ended. This is very useful feature, because after the entire video, which is already strong and convincing method of advertisement, two call-to-action buttons hit target audience, which increases the chances for the click. (Lee 2017.)

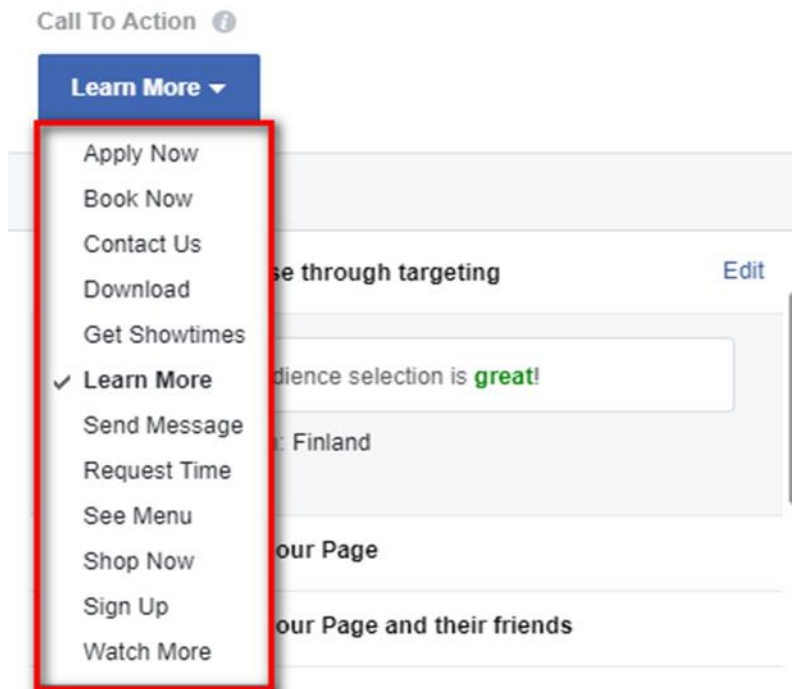


Figure 27. Call-to-action button settings. (Facebook, 2018)

Settings of the target audience, budget settings and the period of the campaign are same that have been covered in the advertisement from the Page section. There is also an option to promote the Page for locals. This type of advertisement means that business would be promoted in a particular radius. Unfortunately, there is no option to choose the interests of the targeted audience in the type of promotion. When choosing the criteria of audience, it is possible to choose the geo, gender and the age. (Newberry 2017.) Marketers can choose a point on the map and its radius, which would be the geo criteria. The maximum radius allows to use is 70 kilometers. Geo type of promotion has a unique offer of call-to-action buttons. There are five options:

- Like the Page. The easiest one, which would make more subscribers for the profile.
- Call. If there is, need for calling in order to use/get service/product. Telephone number has to be filled. This call-to-action can be shown only to users with mobile devices.
- How to get to. With the click on the CTA, map with the geo-tag would open and show the location
- More. Button, which redirects user to another resource (web site, landing, etc.)

- Send message. Option, which allows users send fast message. It is very helpful, when there is traffic of potential leads throughout the personal messages. (Lee 2017.)

The topic of local promotion is fully covered. The next type of advertisement is called “Receive for Likes for the Page”. Standard way of advertisement, which is used for one ultimate goal – to attract more people to the Page. The targeting settings are the same as in the previous types – gender, age, location and interests. Adding multiple images (like in the “Get more web-site visitors”) is unavailable here, but videos still can be used. There is also only one call-to-action button – “Like the Page”. This type of advertisement is available on desktop news feed, on mobile news feed and on the special right column for advertisement. (Newberry 2017.)

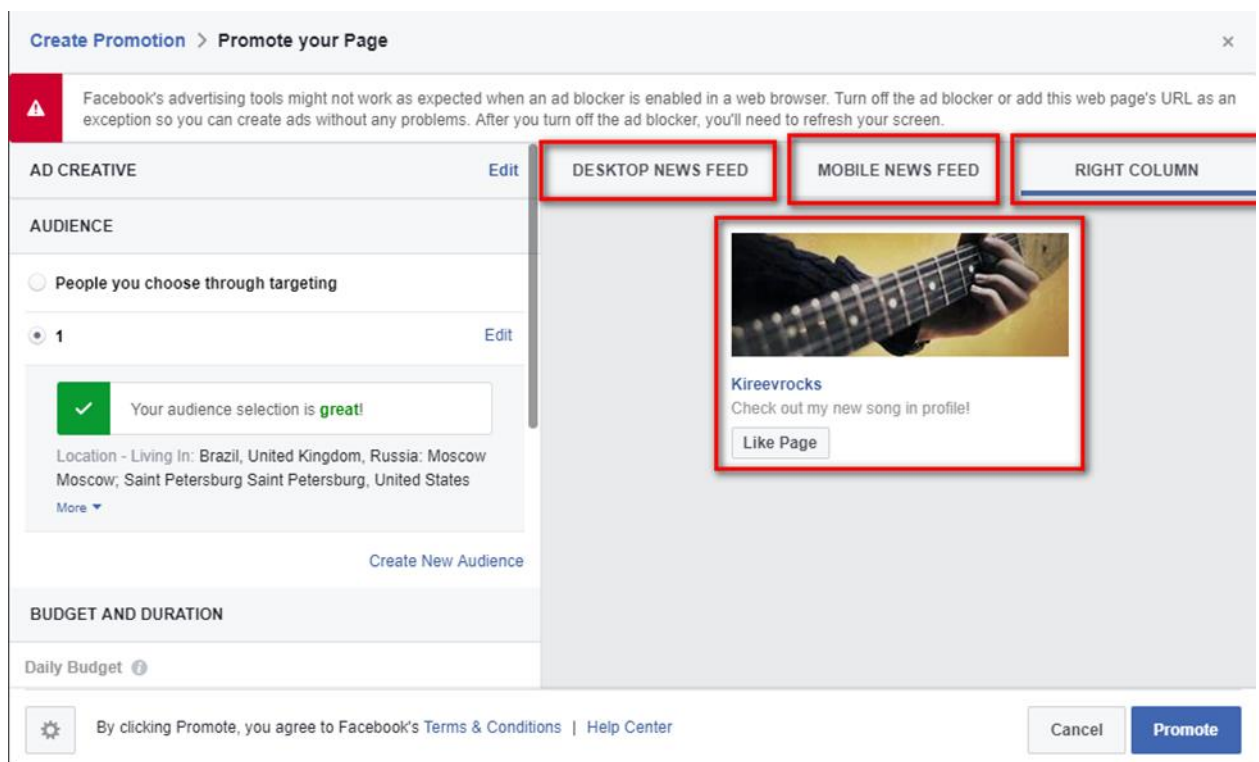


Figure 28. Ad creative page. (Facebook, 2018)

The last two types of advertisements, which can be boosted from the Page, are special offers and events and there are no any differences in setting those promotions from previous examples. In order to understand if the advertisement works properly or not, it is possible to track the statistics of each promoted (boosted) post/campaign. The effectiveness can be measured during the advertisement campaign or after. On each promoted post, there is option to open



a window with statistics of the advertisement. There is metrics of reach. It is just a comparison graph, which shows the number of paid reach to organic reach. The amount of money, which is left for the promotion of the particular post, is also available to track from here. The overall number of overall impressions and engagements can be seen, and the amount of money, which was already spent for the promotion of the post. Facebook shows link clicks statistics and it is possible to understand if the conversion from advertisement to web site exist or not. (Wallace 2017.) One thing to analyze from posts' advertisement statistics is users and countries. Users shows the demographic map of the people reached. The comparison of men/women and age segmentation can be found there. The country tab shows the country of origin of the people reached by the advertisement. This information is interesting and useful, but if the targeting settings were set properly, the marketer knows, countries, age and gender of the people reached. Based on the metrics and data, it is possible to define if the campaign is profitable and converts or non-profitable and changes have to be applied. (Wallace 2017.) Types of advertisements, which can be boosted from the Page, are very useful. The main benefit is that it is possible to start an advertisement campaign in a few minutes and settings are very easy to choose. The negative side of it that the settings are very rigid and the variety of targeting is missing. Facebook has a solution for this problem – Advertisement (Ads) Manager. In order to start it, in the top right corner there is button “more” – “create ads”. (Newberry 2017.)

#### **2.4.3.2 Advertisement with “Ads Manager”**

Before getting to setting up the advertisement campaign, few concepts are needed. Any advertising account in Facebook consists of three levels:

1. Campaign – global level
2. Ad set – middle level. Campaign can contain several ad sets. For example, promotion campaign for the new collection of clothes. In this case, several groups for dresses, t-shirts, jackets can be made.
3. Advertisements. The particular ads, which are then grouped into ad sets. For example, after creating new group for advertising jackets, it is possible to create special advertisement for each jacket or several advertisements for one jacket in order to make A/B-testing. (Newberry 2017.)

This hierarchy can be shown in the graph:

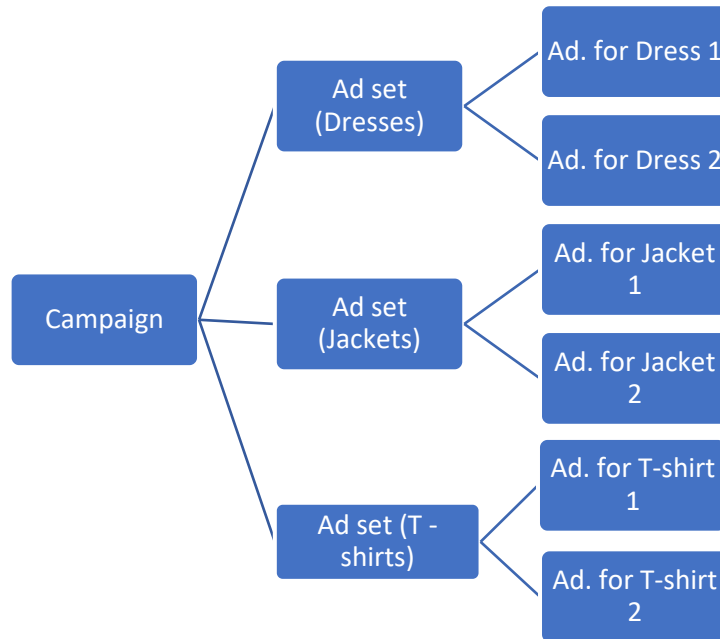


Figure 29. Advertisement structure.

The first step in setting up any advertisement campaign is to choose the objective. The starting screen offers many options. The first available one is “Engagement”. It is the example objective used to introduce the “Ads Manager” during the study. After the name has been given to the campaign, the setting up advertisements window appears. The process of creating an ad set can be structured into three stages: audience settings, placement options settings and the schedule of showing the advertisements. (Newberry 2017.)

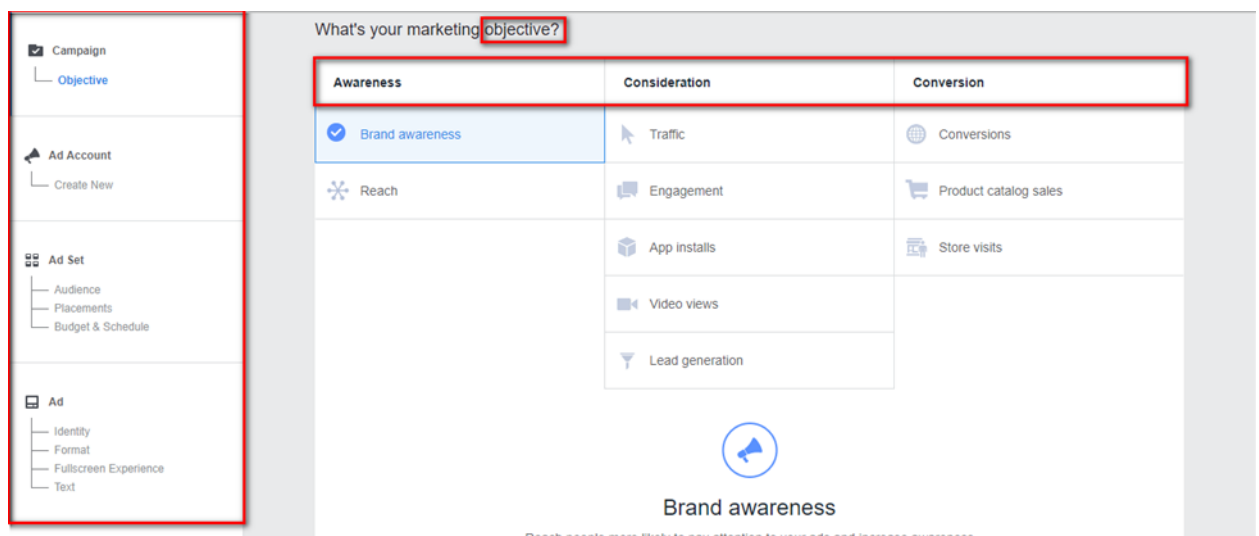


Figure 30. Creating objective page. (Facebook, 2018)

The first field is called “Custom audiences”. It is possible to create, upload or delete the target audience, which has already been engaged with the company. In order to add such audience, button “create” can be used.

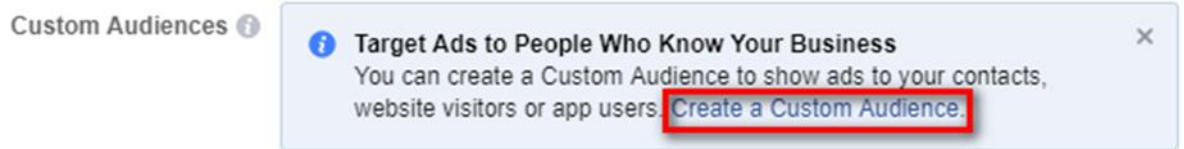


Figure 31. Custom audience settings. (Facebook, 2018)

In the window opened, “customer file” button is needed. Then there are two options to upload the information to Facebook: by file with data itself or to import it with the help of Mail Chimp. When the import is done with the help of Mail Chimp there are not any problems, because everything is done automatically, however first option has to be studied.

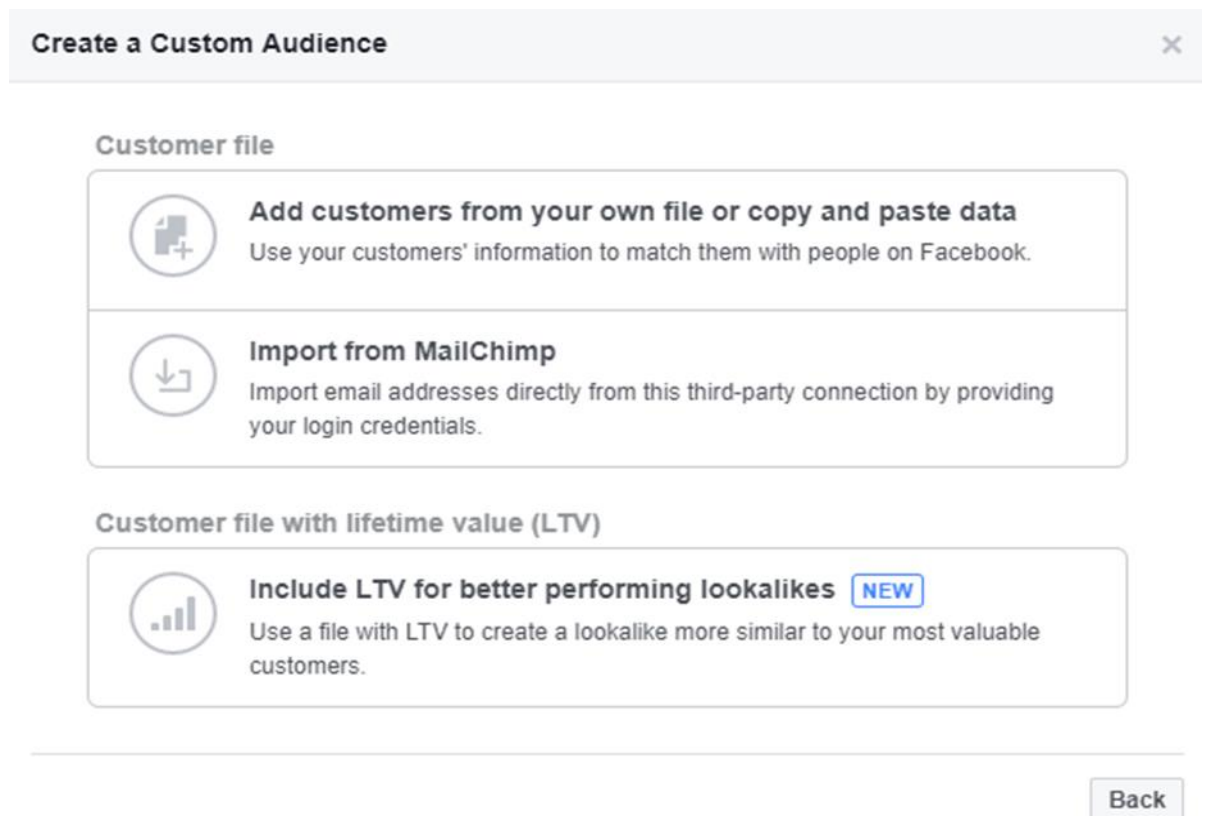


Figure 32. Custom audience creation page. (Facebook, 2018)

Facebook can identify up to 15 types of personal data. They are all mentioned in the new opened window.

Figure 33. Custom audience identifiers. (Facebook, 2018)

In the next window, data will be automatically analyzed and identified (email as email, phone as phone, names as names, etc.).

After finishing with the data information import, the next stage is already awaiting. For creating such an audience, Facebook needs as much data as possible, because with little sample audience creation would be failed – system will not be available to find enough “coincidences” in data. A good option here is to use the email addresses data, which can be imported directly from Mail chimp. If the business uses any other email-service, then the customer file (.csv) can be created and uploaded as well. It is also possible to show the advertisements to people who have already visited the business’ web site, i.e. it is classic retargeting. In order to create such type of audience, in the already mentioned field “custom audience” – button “create” and “Website traffic” should be chosen. Then, in the new opened window – “create Facebook pixel”. Facebook pixel is the retargeting code, which is very similar to what is used in the context advertisement marketing. (Lee 2017.) The next step is to choose to whom advertisements are going to be shown: to all website visitors, visitors of particular

pages and catalogs on those pages or to those, who have not been on the website for a certain period. Example: the clothes store is going to show the advertisement to those who have been in the “jeans” category. Posts are going to promote two new jeans models, which have just arrived, but there are visitors, who have already noticed them. The type of traffic “only visitors who ...” can be useful to target those who have been reviewing the category “jeans”, besides the users, who have already seen the new model jeans. The period of time, when the users/visitors would remain in the target audience, has to be implied as well. The maximum amount of days, which Facebook offers is 180 days. The audience has to have recognizable and understandable name. (Newberry 2017.) The next type of audience, which is possible to target on, is people, who have done certain actions in applications. In order to create such type of audience, in the already mentioned field “custom audience” – button “create” and “App Activity” should be chosen. Then, proper name, description of target audience and the most important, to link the app, which has to be registered on the account at Facebook Developers. (Newberry, 2017)

The next type of audience is a group of users, who have already had certain engagement with the Page. Facebook offers big opportunities to target on such kind of users. There are six types of different engagement audiences: video, lead form, full screen experience, Facebook page, Instagram business profile, and event. Video and lead form are the most popular and important on this list and they are needed to be studied deeper. (Wallace 2017.) When choosing a video, it possible to target on users, who have already viewed the Page’ videos and to choose who exactly should be in this audience depending needed engagement rates. For example, only users, who have viewed at least 25% of the page’s video, are going to in the audience. For each degree of engagement, one or many videos can be set. This feature allows making very accurate audience settings and hitting exactly ones, who are needed. (Newberry 2017.)

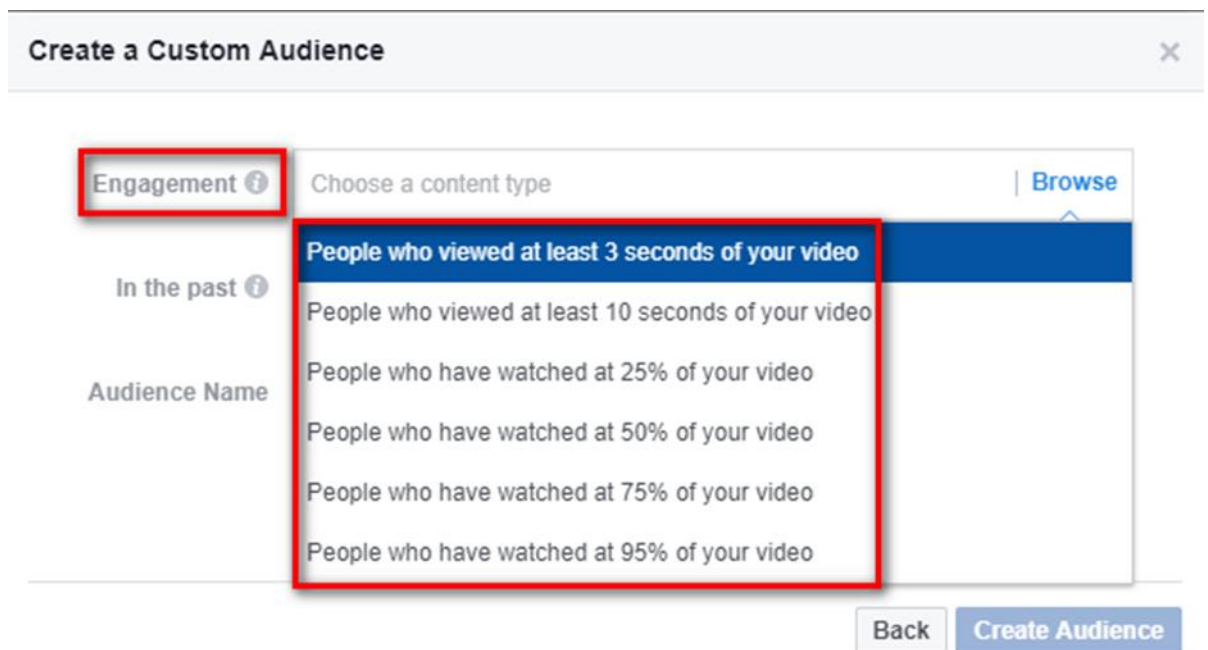


Figure 34. Video custom audience. (Facebook, 2018)

Lead form allows creating audience from users, who have engaged with the posts, where lead forms exist: just opened, opened, but did not send data, opened and sent.

There is also an option to find such users, who lookalike those, who have been targeted before. In order to create such type of audience, in the already mentioned field “custom audience” – button “create new” and “Lookalike audience” should be chosen.

In the new opened window, three compulsory parameters should be filled in source of information, based on which Facebook creates a lookalike audience. This might be a customer list, pixel, people, who are subscribed to the Page; country, from which people are going to be added; audience sample or the percentage of population of the country, which would be used for creating lookalike audience. The minimum figure for the audience sample is 1% and the maximum is 10%. In order to create lookalike audience, source should have at least 100 names from the selected country.

Figure 35. Lookalike audience. (Facebook, 2018)

Next type of audience is Geo. On the first page where the “Custom Audience” is, the second field below is “Locations”. It is possible to target advertisements on those, who are living in the selected location and on those, who have been in the location recently or who have been travelling there. Overall, there are four types of co-called “engagement with location”. With the help of such geo, targeting it is possible to reach very different goals. For example, “people travelling in this location” can be used in order to advertise the hotel.

Figure 36. Location settings. (Facebook, 2018)

As in the previous method (promotion from the Page), Facebook allows to enable current location, set targeting in the selected radius and add several places at once. (Newberry 2017.)

The next step is to define the demographic features of the audience – age, gender, language. The gender settings are not needed to be changed in the most cases, however if the product is suitable only for men, then this segmentation should be applied. (Lee, 2017)

Figure 37. Demographics settings. (Facebook, 2018)

Detailed targeting is the next step. With such settings, it is possible to create an audience based on the interests, engagements with other websites, family status, education, political views and more. All the settings of detailed targeting are structured into four categories:

Figure 38. Detailed targeting settings. (Facebook, 2018)

- Demographics. It is possible to choose people based on the education, ethnicity, generation (X – 1961-1981, Y – 1982 – 2004 or postwar generation in the USA), family structure (if there is anyone else in the family who meet the target audience filters), important events in life, work. While last autumn, there was a big trend on Facebook advertising to target the political views of the people and create brand loyalty starting from that point.



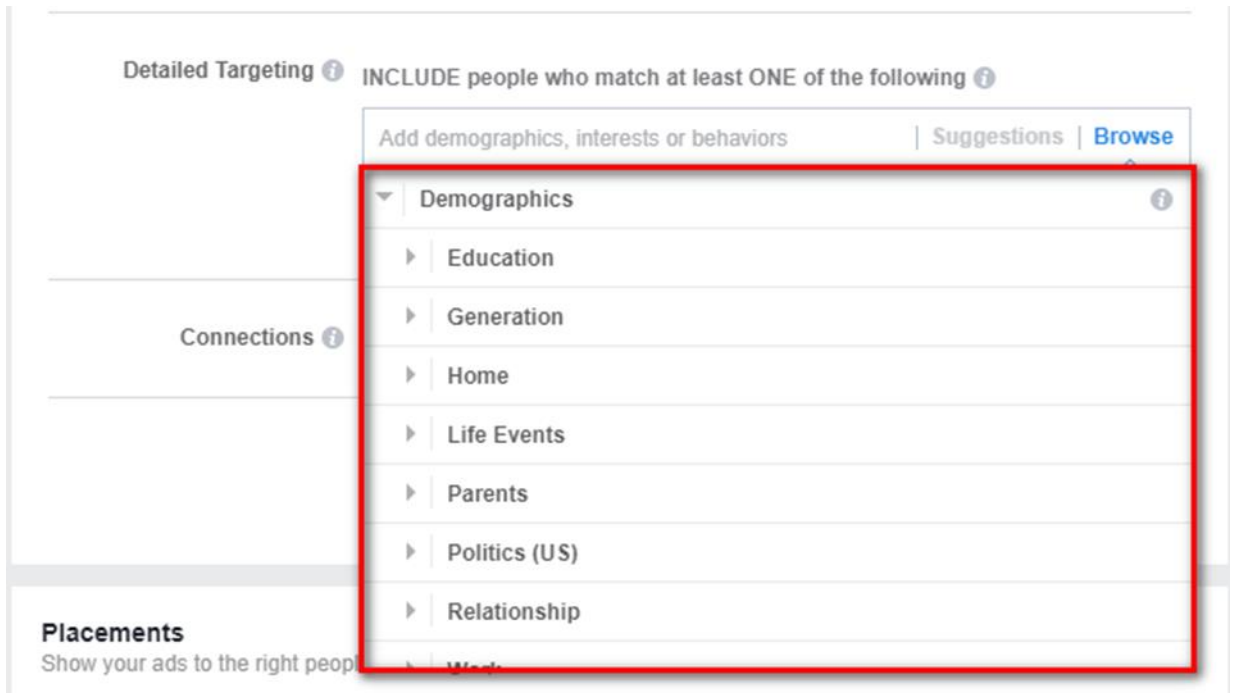


Figure 39. Demographics settings. (Facebook, 2018)

- Interests. Interests can be easily tracked and users can be targeted. For example, showing advertisement to those who do charity.

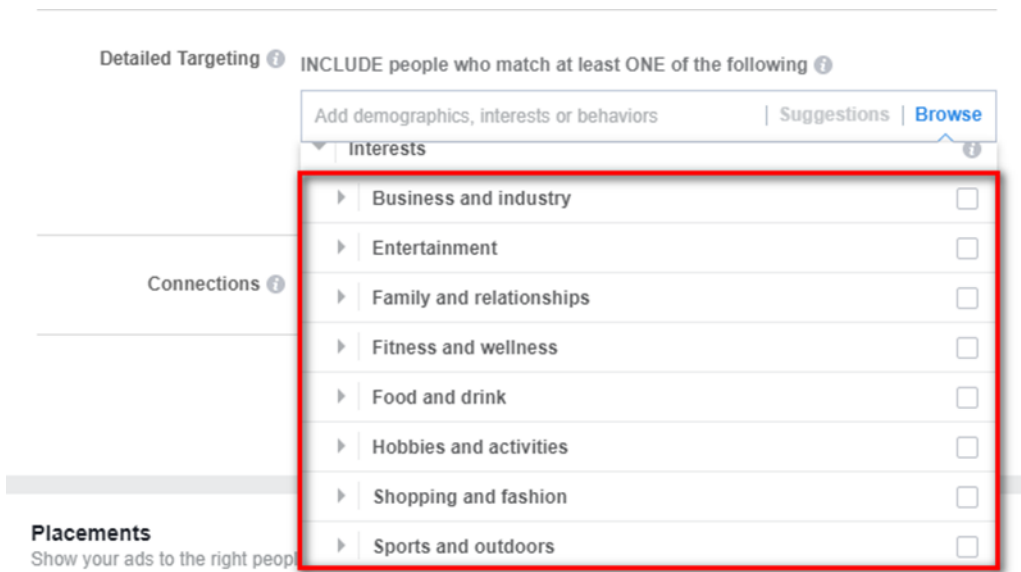


Figure 40. Placements settings. (Facebook, 2018)

- Behaviors. Based on certain actions, people can be targeted as well: business travelers, those who go home from work outside of the city or certain mobile device users.

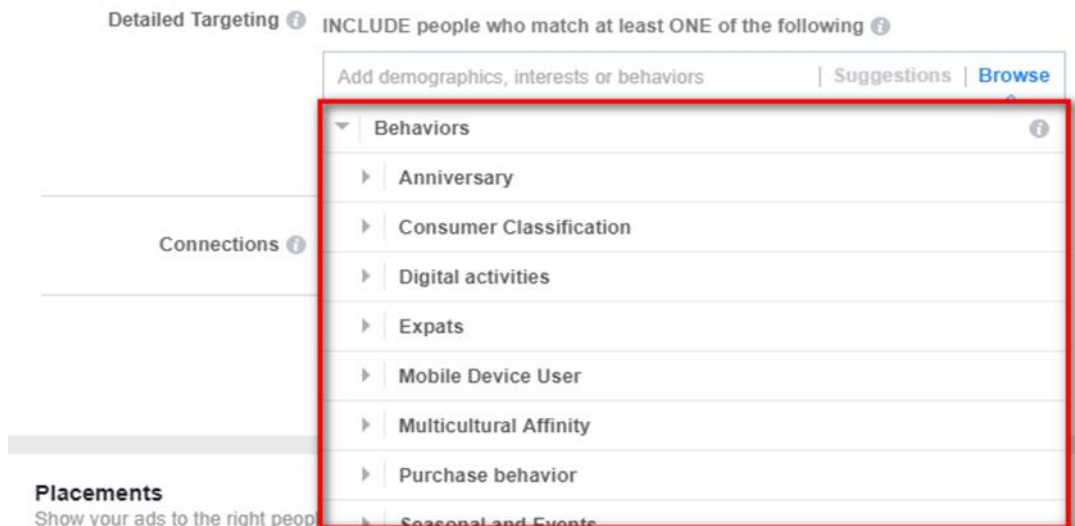


Figure 41. Behaviour settings. (Facebook, 2018)

- More categories. The last tab, which can help to add people, who prefer high-cost segment of products, love fast food, interested in manicure and more. It is important to mention that If many targeting settings (interests + behavior, for example) are set, then Facebook is going to find people, who are suitable for only one parameter. If there is need to use several settings, then the button “narrow audience” should be used and categories can be set there. (Lee 2017.)

The next section in ad set creation is connections. These settings allow adding or excluding segments/users from the targeted audience: those, who already like the promoted page, those, who have already used promoted application or add their friends, those, who have already engaged with the promoted event or add their friends. (Wallace 2017.)

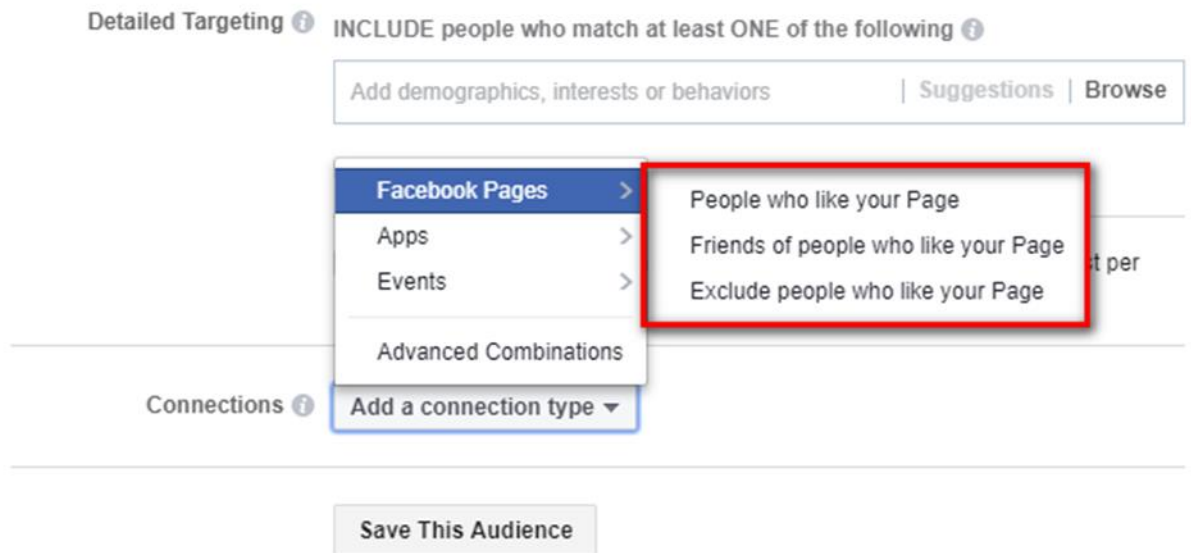


Figure 42. Connections settings. (Facebook, 2018)

The next section is Placement – place where the ad is shown. Facebook allows to place paid advertisements on the web site (in the news feed or in the right column), on Instagram or on co-called Audience Network, which is the network of partner resources of Facebook, web sites, applications and more. It is possible to show the advertisement on all three sites, which is the default option, when starting the campaign. Special device segmentation can be set in the section, for example, only PC users can be targeted. There are also advanced parameters, where deeper device targeting can be tuned (operational system model or device model, only Wi-Fi connection users and more). (Wallace 2017.)

## Placements

Show your ads to the right people in the right places.

Automatic Placements (Recommended)

Your ads will automatically be shown to your audience in the places they're likely to perform best. For this objective, placements may include Facebook, Instagram and Audience Network. [Learn more.](#)

Edit Placements

Removing placements may reduce the number of people you reach and may make it less likely that you'll meet your goals. [Learn more.](#)

Device Types: All Devices (Recommended) ▼

Platforms:

|                    |                                     |
|--------------------|-------------------------------------|
| ▶ Facebook         | <input checked="" type="checkbox"/> |
| ▶ Instagram        | <input type="checkbox"/>            |
| ▶ Audience Network | <input type="checkbox"/>            |
| Messenger          | Ineligible                          |

ADVANCED OPTIONS

- Specific Mobile Devices & Operating Systems
- Exclude Categories ⓘ
- Ad Set Block Lists ⓘ

Figure 43. Edit placements page. (Facebook, 2018)

The next section is Budget and Scheduling. Budget can be set as a daily or for the whole period of advertising. The first option is suitable in cases, when the strict and exact amount of money can be spent of one-day activity. It is important to remember that the daily budget can sometimes be higher/lower, than the figure set by the user, on particular days, because Facebook can spread the whole budget in order to maintain the average number for daily budget for the whole campaign' period. The budget for the whole period of the advertisement is useful and easy, because Facebook is going to plan daily budget by itself. Scheduling offers to choose whether Facebook will show the advertisement from the beginning until the end of the period or to set the exact days and times, when to show the advertisement. (Newberry 2017.)

**Budget & Schedule**  
 Define how much you'd like to spend, and when you'd like your ads to appear. [Learn more.](#)

**Budget** ⓘ  €11.00  
 €11.00 EUR

Actual amount spent daily may vary. ⓘ

**Schedule** ⓘ  Run my ad set continuously starting today  
 Set a start and end date

You'll spend no more than €77.00 per week.

[Show Advanced Options](#) ▾

Figure 44. Budget and schedule. (Facebook, 2018)

Budget and scheduling offer more detailed features – advanced options. There are five of them:

- **Optimization for Ad Delivery.** In this window, Facebook offers to choose the goal of the campaign. In case if the campaign is “Engagement”, then there are three possible options: post engagements, impressions and unique daily reach. The goals for optimization depend on the objective of the campaign and this topic is going to be covered later.
- **Bid strategy.** By using the auction principle, Facebook decides which advertisement to show. It is possible to let Facebook set the bid automatically or set it manually. This option has to be changed to manual mode only in case there is strong understanding of what the real price of the lead/customer is and how much a business can spend on one engagement/impression/reach. If such calculations have not been made, then changing the bid is useless and can ruin the campaign itself.
- **When you get charged.** If the objective of the campaign is “engagement”, then the default option, which is used here, is impressions. The second possible option here is post engagement.
- **Ad scheduling.** This option is not available for campaigns where the daily budget is set, but works for completely period campaign budgets. There is a special planner, which can show the advertisements on exact time and on

exact day. For example, target audience of a service is working people and advertisements are shown only on hours, when they are active.

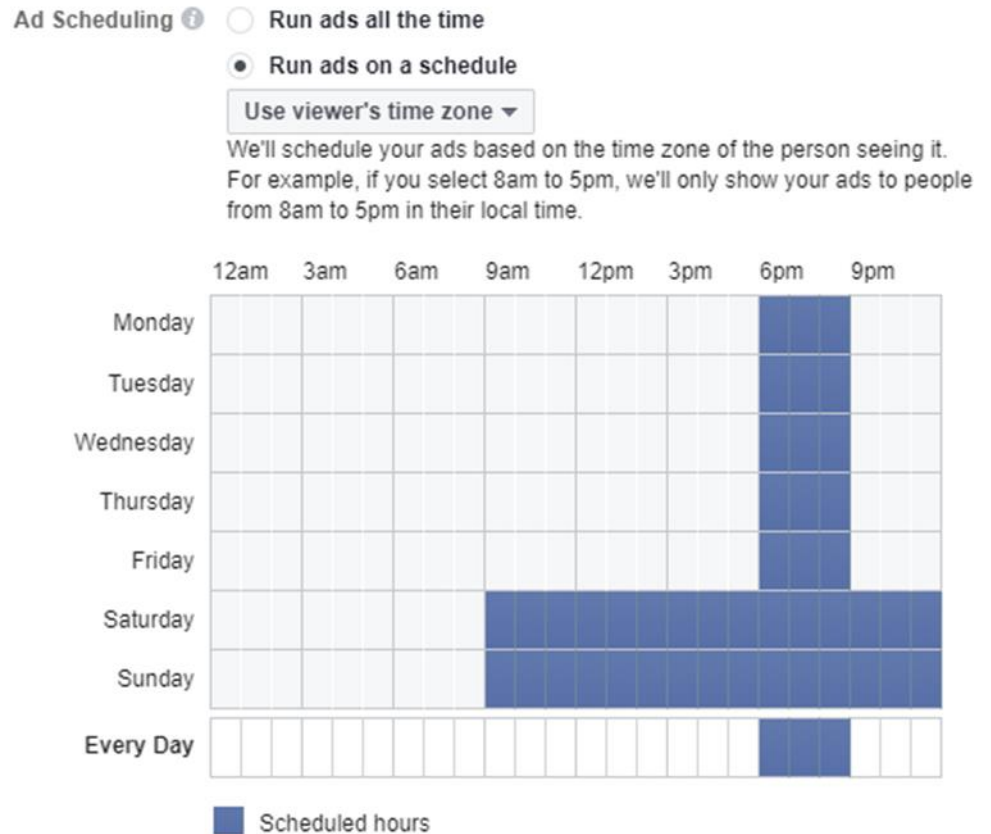


Figure 45. Custom schedule. (Facebook, 2018)

- **Delivery type.** This option is connected with bid strategy settings. If the bid strategy is automatic, then only standard delivery of advertisement is available. However, manual bid strategy option allows to use the accelerated delivery, which shows the advertisement as fast as possible. This tool is mostly used, when the event promotion is on and accelerated delivery can reach as much people as possible in the needed short period. (Lee 2017.)

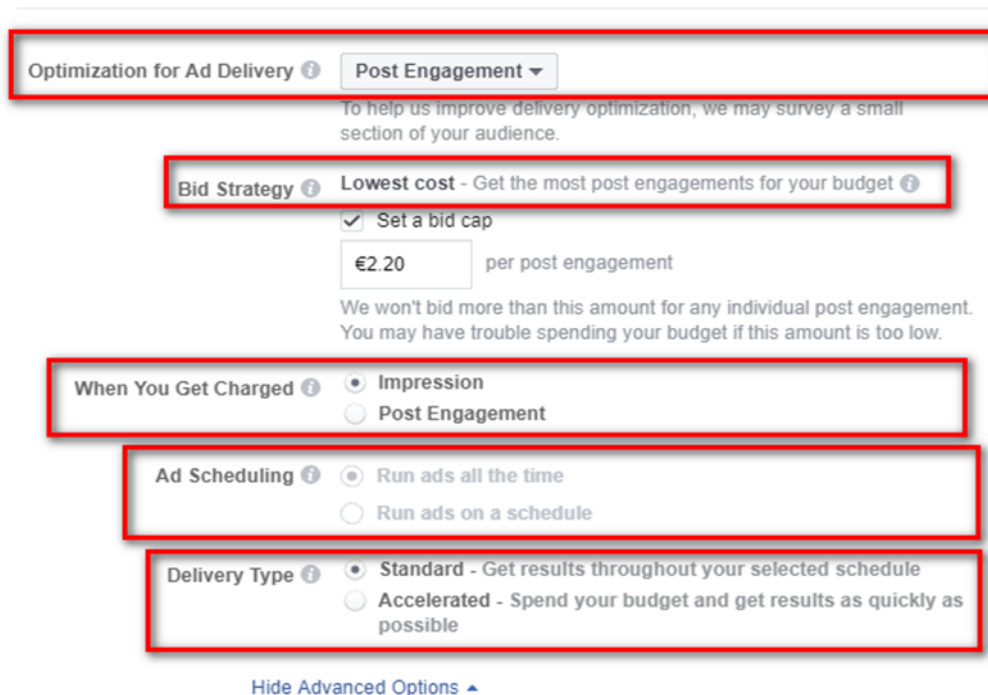


Figure 46. Advanced settings in targeting. (Facebook, 2018)

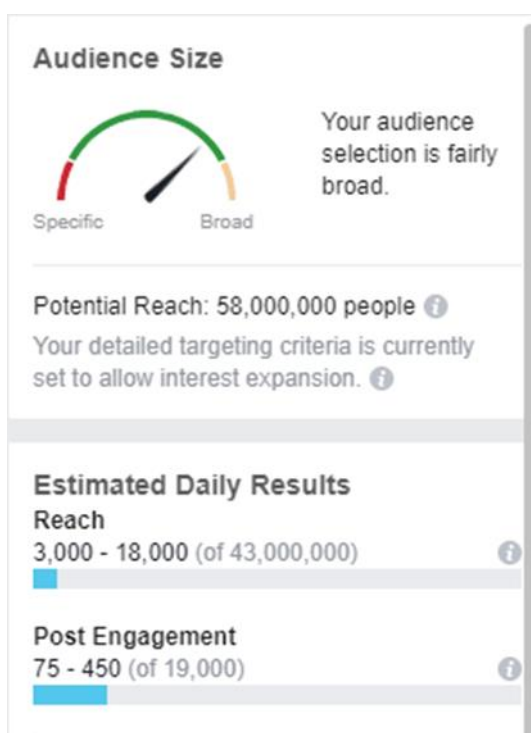


Figure 47. Audience size estimator tool. (Facebook, 2018)

The ad set setting up is over after budget and scheduling step. Facebook allows checking the audience chosen with the help of window “Audience size”, where the targeting setting are summed up and approximate reach/engagements are shown.

The arrow, which estimates the audience size, perfectly has to be at the green zone in order to keep the targeted audience from being too broad or too specific. (Wallace 2017.)

The next step is to create the particular advertisement. There are two options: to create a new post or to use already existing one. While choosing, if the post should be new or not, businesses have to remember about the nativity of the post, because specially created posts with low engagement have less chances

for being noticed than those, which already had certain organic engagement before promotion.

On the page of setting up, the promotion of the already existing posts there several options to choose. It possible to connect the Facebook account with Instagram. The post can be chosen here as well. In advanced settings, it is possible to set the URL link parameters. It is very important to remember that URL link settings would change only for the advertisement, but not for the original post on the Page, and if the user would find the promoted post on the Page by himself, the changes made for URL link would not be applied for it. It is also possible to create pixel for the web page in order to track the conversion of the advertised post. Call-to-action button can be chosen here as well. There are three options for it: “Learn More”, “Send Message” or “Shop now” and field for the URL link is available here as well. On the right side of the window, it is possible to see how the advertisement is going to look like on different devices. (Lee 2017.)

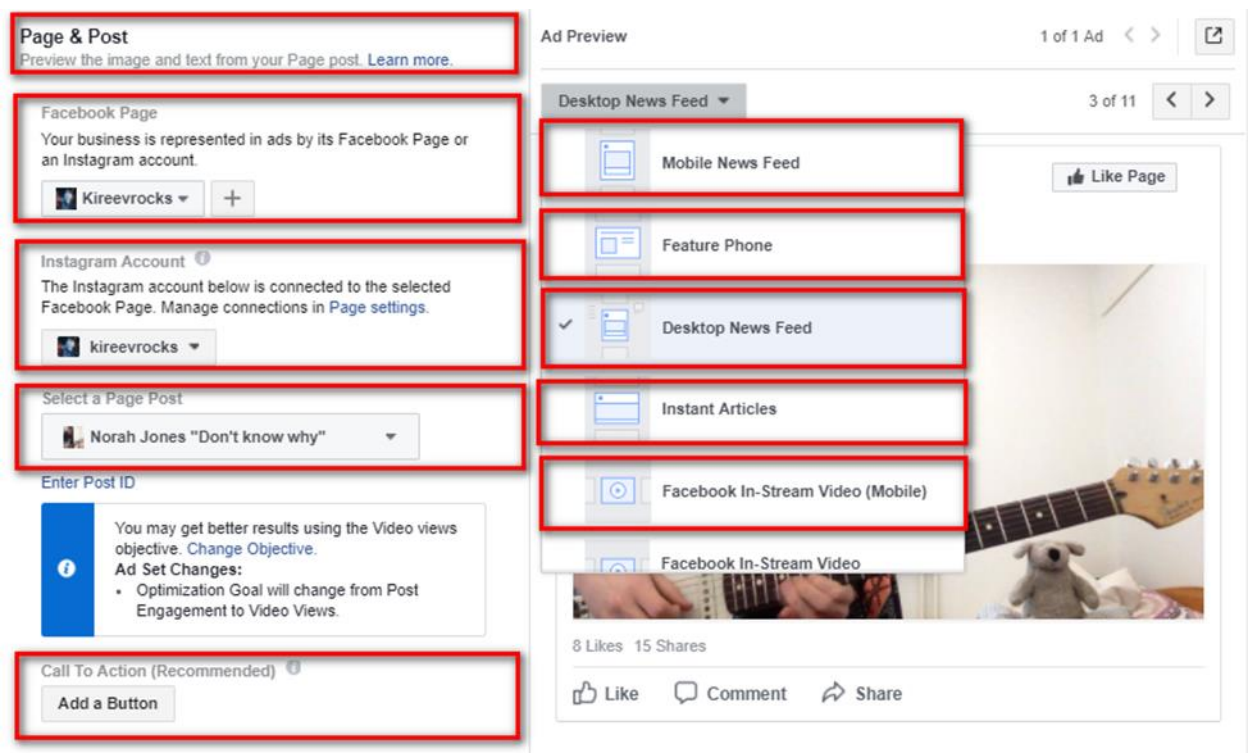


Figure 48. Ad creative page. (Facebook, 2018)

This is the end of setting up the advertisement campaign with the help of “Ads Manager”. Most of the settings are universal and can be used in almost every campaign objective. However, there are objectives, which offer unique targeting settings, which can improve the work of the business of Facebook.



## 2.4.4 Analytics and Metrics

Tracking the effectiveness of the advertisement is crucial. Without having figures and graph, it is impossible to run a successful advertising campaign. Metrics can be tracked from the Ads Manager. In the Measure and Report tab there is “Ads reporting”. There is a special graph, which shows the expenses on advertisement for the last seven days period and short effectiveness reports. By clicking the “Columns” tab, it is possible to change the parameters of reporting (delivery, engagement, daily reach and more). There is an option to track the advertisement campaigns by its correlation with particular age groups. Import/export settings are user-friendly; it is possible to use .xls / .csv files. (Lee 2017.)

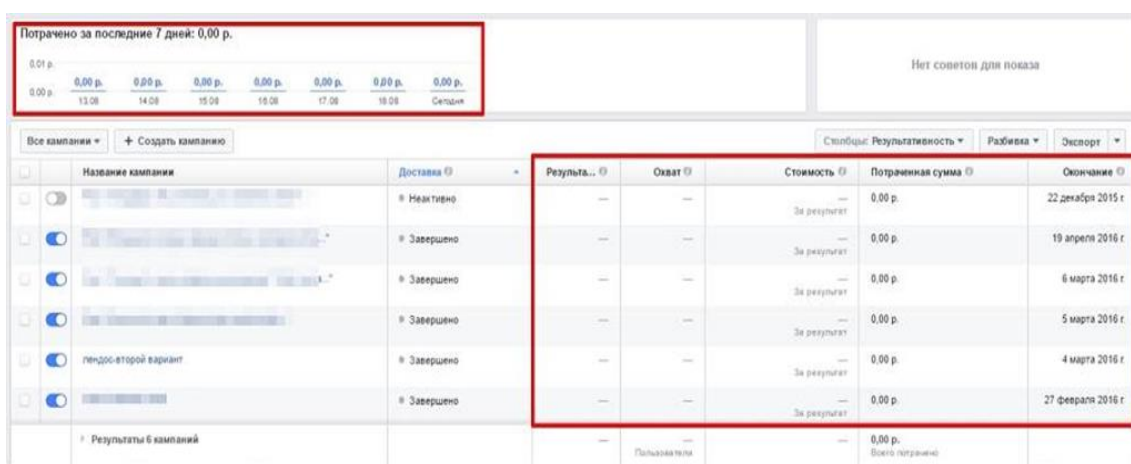


Figure 49. Spending on the Ads account. (Facebook, 2018)

By clicking on the campaign, it is possible to get statistics that are more detailed. On the window opened, ad sets list and short statistics metrics appear upwards. There is a graph, which shows three main indicators.

- **Results.** This is the main tool for analyzing the effectiveness of the campaign. It is possible to check the number of actions made (actions are changed depending on the objective of the campaign), cost per action, daily reach and more.
- **Demographic.** With the help of the metric, it is possible to track if the advertisement campaign is effective for different demographic segments of users. Daily reach metrics and web site clicks statistics is also available here.
- **Placement.** In the last tab, special effectiveness report exists, which is segmented on different places and compared with the metrics, which are

desired to analyze. For example, it is possible to track how many web site clicks advertisement gets on exact place (Audience Network). Device segmentation is also available here. (Newberry 2017.)

This is the end of the introductory part of doing business account promotion on Facebook. It has to be said that the main and compulsory parts were fully covered. Facebook itself has already a lot of different tools and options, which are very useful when making marketing there. However, it is needed to remember that content creation process was not covered here. Therefore, knowledge of marketing tools is not all, and content still has to be the cornerstone of any account. With the help of tools and features, which were mentioned before, it is possible to generate leads.

### **3 Data Collection**

#### **3.1 Empirical Data Collection**

Apart from featuring in which way social media marketing and Facebook particularly, can be a valuable tool for businesses in theoretical part of this thesis, the objective of the study was to identify practitioners of the tools in this field. The most suitable method of conducting empirical data collection for the study is semi-structured interview. This kind of interviews are characterized by elements of both structured and unstructured interviews and thus contained both close-ended and open-ended questions.

The author decided to contact with SME, which have implemented Facebook marketing strategy as A/B test in order to understand if it can become a profitable promotional channel. The contact person had to be working in a marketing department and had to be aware of the latest Facebook marketing campaigns. Company, which was operating online for the at least 3 years, was defined as desired. The author's main interest was in companies doing business by selling physical goods. The topics, which were the most important, are: what is the marketing strategy of the businesses, what tools does company use, marketing campaign results, as well as statistical and analytical reports. Empirical data

collection in form of semi-structured interviews was chosen. Full list of questions list can be found in Appendix 1. Eight main questions have been produced, and several additional questions arose during the initial interview process. The search and communication led to an agreement with one company. Company A is a small online electronics shop, which operates within the Netherlands. The author aimed at understanding how different tools work for proper promotion on Facebook, and was lucky to find that Company A makes emphasis on advertisement tools and analytic metrics, as well as content creation in order to make posts more attractive. Advanced information about the company is missing, as enterprise expressed the desire to stay anonymous. The interviews were conducted via Skype conversation.

### **3.2 Interview Results**

Company A's marketing department manager was the one, who was interviewed. The overall marketing strategy for social media was to create a good customer impression, strong brand equity within social media context. The overall process started with understanding of what is going to happen on Facebook. What are the goals of the business' appearance on social media? Where are the competitors and who is the target audience? The company decided to follow the path of many online retail stores and start advertisement campaign with in-built Facebook advertisement features. Respectively, the content was the cornerstone of attracting new customers. The content creation process started with making photo-shoot and videos, then writing a good text with simple call-to-action. Around 20 hours during one week were spent for preparing the content. The team decided to make posts two times a day, representing a new model of electronic device, informing about a new brand coming to the store or about special offers. The last were the main filler for advertised posts. One specific question was added, about the design of the Facebook profile. The company changed the background picture every day adding their new special offer and trying to convert from there. According to clicks statistics, only 22 clicks to all links existed on the background were received and did not make any conversions at all.

In order to set the goal of the marketing campaign, the company decided to understand who the target audience is and how do they behave themselves. The decision to divide the special offers into groups in order to target narrow audience for each category and show advertisement only to those, who is ready to act, was made. Four ad-sets were made:

- gaming consoles (Age 16-35, Men, Location within Netherlands, with gaming interests and solid online purchasing history, i.e. he/she makes purchases via online at least once a month); the approximate reach was 18,000 – 110,000 people/day and approximate link clicks were 180 – 1200 clicks/day.
- smartphones (Age 20-50, No gender settings, Location within Netherlands, without specific interests, makes purchases coming from Facebook links at least three times a month); the approximate reach was 12,000 – 66,000 people/day and approximate link clicks were 110 – 680 clicks/day.
- smart-watches (Age 20-45, No gender settings, Location within Netherlands, interest in doing sports and healthy lifestyle, jogging, fitness and wellbeing fans, followers of health and sports publics and groups, makes purchases via online at least once a month); the approximate reach was 13,000 – 83,000 people/day and approximate link clicks were 150 – 910 clicks/day.
- action-cameras (Age 18-40, Men, Location within Netherlands, with travel interests, travels one/two times per 3 months, is going to travel within 2 weeks/month, leisure activities fans, makes purchases via online at least once a month); the approximate reach was 18,000 – 110,000 people/day and approximate link clicks were 180 – 1100 clicks/day.

Based on the calculations, the goal was to receive at least 68 clicks/day with 4 percent conversion rate and respectively 3-4 orders from Facebook traffic. The average CPC price received was the same at all ad sets – 1 – 1.2 euro/click. The placement settings were not that important and were set as “all available”. The budget for the daily period was set as 142 euros and the duration of advertisement campaign was set as 56 days (8 weeks). Each morning new special offer post was coming out and immediately the ad-set, to which groups this post belongs to, started. During the campaign, within each ad-set, 14 special offer posts were made and were shown for 24 hours each. After the campaign,

analysis of each campaign was made and the results were divided into groups again:

- “Gaming consoles” received 1,009 clicks during and brought 89 orders with 190 euro per one console. The money invested in the ad set 1,239 euro, the revenue from sales 16,910 euros.
- “Smart-watches” received totally 706 clicks and brought 71 orders with 99 euro per one. The money invested in the ad set 776 euro, the revenue from sales 7,029 euros.
- “Smartphones” received 816 clicks during and brought 79 orders with 190 euro per one smartphone. The money invested in the ad set 896 euro, the revenue from sales 15,010 euros.
- “Action-cameras” received 1105 clicks during and brought 96 orders with 170 euro per one smartphone. The money invested in the ad set 1215 euro, the revenue from sales 16,320 euros.

After analysis of the people reached by each ad set, it was found that advertisements were shown mostly to the right age, gender and location. Sometimes advertisements were shown to the people, who have a special interest, however, without one more interest, and the product is not yet interesting to them, but this number became insignificant.

## **4 Conclusions and Limitations**

### **4.1 Research Findings and Conclusions**

The case, which was used in order to find some empirical evidence for Facebook marketing, was very good for analysis. The data, about targeting settings, clicks and reach numbers, CPC and more, are something, which the researcher is needed, real life examples. Unfortunately, the author was not able to get to the statistics of the business profile, because it was very interesting what was about the other 2/3 of the posts, which were also made, but just were not advertised. The company did not manage at all to do anything, that is connected to organic reach. The situation with the background picture describes it very well, because

22 clicks during 56 days is very bad result for the profile. Of course, in a view of profitability, company has achieved the goals and the result.

The company, which was used as case, did not provide the researcher with any empirical insight on content marketing. Author was not able to define some patterns between theoretical knowledge and practical work. The strategy for advertising and selling only special offer products, which are usually left on the shelves, is good for several reasons. Firstly, because there are no any extra expenses, when the remnants are left and needed to be sold, so extra expenses for marketing and advertisement can be budgeted. Secondly, the target audience, which was treated as “middle-class”, is more likely to make the click for the advertised special offer in order not to miss product, which is already interesting for them. The company has a made great decision to analyze what the market is, on which they would like to appear and what is the best way to become profitable here. The choice was made to use advertisements as main channel for attracting potential customers; however, they also decided to make professional content preparation, which seems for the author the best decision that could be made. The content is the key, the content is the cornerstone, even when only 1/3 part of this content is going to advertised and attract leads. Posting strategy seems good comparing with competitors and market leaders; they also tend to post from 2-3 times a day. This looks very professional - not to give up on the page itself and plan the content and the posting strategy, even when the most attention is going to be grabbed by the advertisements. The decision to create special categories for different types of products is not a new idea, but it is very useful and, as the case shows, should be used by any retail store, when buying targeting traffic from Facebook. The segmentation was made well, but could have been a little bit expanded (for example, to narrow the age setting in order to receive the needed people without showing ads). Anyway, the settings were set right for each category and what is more important, the marketing department of the company decided to dive deep into targeting setting and covered most of the features covered in theoretical part of the study. A review of the target audience gives the understanding that it is neither that broad nor narrow, which is professional.

The approximate reach/clicks were analyzed and used in the best possible way – planning for the worst possible way. The goal to receive at least 68 clicks per day with large target audience and good offer seems to me too pessimistic and even with this forecast company still would handle profitable campaign. One-day duration for one ad set is a good choice, because during 24 hours it is possible to cover 5-10 % out of the target audience for the particular ad set and not to show the same advertisement to the same people by changing the targeted audience every day. A very good click price was reached as well. In this case, this does not mean anything, but fact – click costed 1.1 euro/click, however, this information brings more food for thought, because an average CPC for all industries on 2017 was 1,46 euro/click, which shows, that electronics market is having problems with competition. However, it still offers good opportunities with right approach towards advertisement expenses. The overall result is very good, 3636 clicks. This number could be much higher, but because of the limit for daily spending, it did not occur. 335 orders out of 3636 is an excellent result with conversion rate of 9.21 %, which is 5 % better than it was planned. Overall, it can be said, that clicks planning was made very well and the goals were achieved. The profitability of the campaign has to be analyzed as well. Overall expenses were 4,196 euros, which were the only advertising expenses for the period of the campaign. The overall revenue only from the clicks was 55,269 euros. It has to be noticed, that the author did not get the information on how much does one console/smartphone/smart-watch/action-camera cost to the company and what is the actual amount of the profit/loss. It worth mentioning that the average cost per one customer was 10 euros.

The results in metrics look impressive. 10% conversion rate is the dream of any marketer and is not typical for the electronics industry. However, this was maintained by simple and attractive CTA' in the ads for the target customers, who were already interested in buying. The company was able to make a good offer with good discount as well, which then converted in 10% conversion. Furthermore, the CAC (customer-acquisition cost) is 10 euros per customer. In the electronics, retailing the competitiveness is very high, these expenses were too costly. However, the customer, who were acquired, are in the company' client' database and can be touched without a cent from the moment. This means that company is looking towards CAC costs and is evaluating CLV as well, which can

be much higher in long-term relationships, which can occur with electronics brand nowadays. The situation is typical for CPC model of charging. The business does not have to pay for useless impressions or reach. Clicks – this is what is charged and if the company has made an adequate forecast, then it can build a profitable advertising campaign. There are no doubts that a company, who was able to earn three times more than spent, hit the target audience was in the most of the times. Of course, there are certain situations, when the product is unique and special sets of interests and behavior is needed, however, they do not bring any harm to the whole campaign, which was perfectly done.

The answer for the first research question “How to effectively attract potential customers by using Facebook?” is to create proper content, which is planned for the particular period and which would find the initiative to go further in customer’s mind. Then, find the competitors and understand if they do any marketing, and what strategy is used, to find the most useful channel, which can bring as much clicks as possible. The next step is depended on the tool, but still defining the target audience for every post, which is going to be just posted on the page or advertised. The approximate reach, impressions, followers gained and more metrics, which are suitable for particular business are studied and then the goal is set. Going through these steps is very difficult and time consuming, because every business, which decides to use Facebook as a marketing channel, faces many unexpected problems and issues, which can be solved only by hard-work, constant analysis of the activity and dynamics of movement towards the goals and development of the team. It is impossible to run an advertising campaign with four different ad-sets solely and at the same time plan and make content. That is why one compulsory feature is needed in successful marketing on Facebook – good team, where all the responsibilities are divided and the team is working for wellbeing of the company and wants to help its clients.

The answer for the sub-question “What are the most effective tools for attracting potential clients on Facebook” is content creation and advertisement. Creation of proper content, but not just some content is compulsory part; however, it is not enough to run a good business account with only proper content. Which tool becomes support for content is the choice, which defines if the business would



be able to run profitable marketing or not. Case company, which was used, is the perfect example of using advertising with proper content. Their niche was perfectly suitable for such tool and they have made the best possible job. Advertising on Facebook with appropriate way to content is the most effective strategy, which has been proven both in theoretical level as well as in practical.

## **4.2 Limitations**

It is important to consider the report an introductory rather than an expert one. Technological development pace nowadays is incredibly fast and some techniques described in the report might become outdated and potentially useless in the upcoming years, so it is important to have a grip on the relevant updates in trends and techniques in order to adjust plans towards contemporary business realities. Another crucial thing is that fields of marketing are extremely competitive and unpredictable, and there is no guarantee that a marketing campaign will become successful. However, the practice shows that under certain circumstances, where all the steps were thoughtfully executed, there is a great chance to succeed, as the concept used suggest mechanical based procedures rather than psychological ones, and these are applied for people, who were thoroughly segmented before. Even though practice proven techniques are presented in the report, it is up to potential users whether to implement all the steps properly or not, and that might affect the effectiveness of the entire process. The techniques are greatly dependent on a nature and field of given business, and several metrics figures can be applied differently in order to interpret them properly.

## **5 Suggestions for Further Research**

The case company was a good example of how retail stores can do business nowadays online. However, the author was not able to find more companies, which have been making Facebook marketing without using advertisement and attracting people only with content, with co-called “content marketing”. The concept of “content marketing” has been covered earlier in the theoretical chapter and was partly used by the Company A (as content planning, posting strategy

and more are part of “content marketing”) and it has a lot to offer for businesses, mostly to specific ones. Surely, proper definition of the target audience and people, who can become the subscribers and later clients, can bring business towards very cheap leads and organic sales as well. Both these factors are very important to the company, because firstly, it is better to pay 1.5 euros/client acquisition than 10 euros/client acquisition, and secondly, making organic sales is turning first-time customers into loyal ones. This topic needs more theoretical knowledge, than this study and of course case company, which has already proved “content marketing” profitability.

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## **Appendix 1**

1. What is your marketing strategy on Facebook?
2. What was the goal of the campaign?
3. What tools did you choose and why?
4. Did you set up the advertisement? If yes, how did you define target audience?
5. What are the total expenses on advertisements and metrics? (Average CTR and CPC)?
6. What number of clicks to website did you achieve?
7. What is the average reach number of the post and demographics of people reached? Is it your target audience?
8. What is the number of orders received from Facebook traffic within the campaign period?