

Integrated Marketing Communication
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Lecture – 54
Social Media Advertising Part II

Welcome back, friends. Having established the perspective around why people feel motivated to use social media and how marketers tend to get associated with this habit or motivation. We will start traversing into different avenues that can be utilized or utilized for ad posts on social media. The broader classification is ever-evolving, and media classified under these broader categorizations are also ever-evolving.

Social networking includes Facebook, LinkedIn and so on. Micro-blogging, Twitter, Tumblr, and Twitter is the main thing, photo sharing then Instagram, Pinterest, Snapchat and many of these are not prominently or not at all working in India, but elsewhere. So, this is broad, which we are categorizing; you may agree with that or not; some of them have gone through several kinds of controversy.

But we intend to talk about that at all, but to suggest that this is how these are examples of the categorization and please focus on the categorization not specifically on the examples, video sharing for example there comes YouTube, Facebook Live, Instagram reels, periscope and so on and I am not sure at all which prominently using, or you have been exposed to.

Many people are not exposed to any of these, for example, but that number is getting reduced in time, or I should say the number of users is increasing as ever. Now here comes more significant statistics around that, and as I have been continuously saying, I refrain from using the word penetration. So, to me, it is more extensive acceptance than penetration.

So, I would read it as acceptance of leading social media networks in India as of acceptance by the users; that is what we are referring to.

The graph above describes the penetration of leading social networks in India as of January 2021. The share of the population in YouTube addresses to the levels of 85% plus Facebook 75%,

WhatsApp again neck to neck with Facebook and they belong to the same organization. Instagram is 70%, Facebook messenger is 55%, and so on. The percentage of many of these avenues is very high regarding the share of population goals.

And that is an essential thing for marketers to notice because they are using it accordingly, and that is helping the complete integrated marketing communication planners also, also I should say the organizations. For example, an automotive manufacturer focuses on YouTube and then on television. We can probably do that, or they complement their television advertising with YouTube messaging because they know their target is specific age groups.

And then we have the statistics available with us that what kind of age groups are the more significant users of a particular kind of a mode and avenue and definitely by all statistics youth is one of the most prominent participants in the whole of the scenario so we will be talking about that as well.

Let us talk about Facebook, Mark Zuckerberg has created history in terms of view. There are movies about him and what he has done in due course of time, but the point is the fact of life is that today there are millions of users of Facebook to the levels of 340 million in 2021, which is a considerable number. People have started saying that if you combine that number and imagine that it becomes a country and so on. It has broad appeal in India and offers a wide area of targeting options, and the biggest has the most prominent social media audience in the world. It is pretty intuitive access to Facebook ads managers allows one-to-one campaign management, and it is also available as an app.

It can be used on mobile devices and devices friendly to applications. Who uses it? In the case of Facebook, as per statista 2020 reports, the demographics are more towards the youth market or younger lot 74 million males along with 23 million female-identified users between ages of 18 and 24. Spending late night times on Facebook is an enabler for marketers, and this group again is a spender, which means someone else is spending their money on them. Parents or elders or whosoever and this group are also entering an earning bracket. So, that makes lots of sense, a lot of relevance as far as the marketer goes, well, looking at Facebook with a perspective of addressing their prospective customers.

About 70% of Indians between 18 and 34 using Facebook alone. As far as the Indian perspective goes, most young adults spend between one and two hours on social media, which means it is a

significant part of that day. Monthly it is 60 hours, and annually it is almost 720 hours, so that is a very, very big time, considerable time which one is spending and if that kind of time is available for someone. Marketers have that kind of a window for giving one's attention. It is best suited to every business which can think of having a Facebook page at least listed with an address, website, and other basic details.

As it is the bare minimum of what users expect, and whether a business should use paid advertising to promote posts depends on what it wants to achieve and so on, that is how business users can think as far as the Facebook perspective goes.

Advertising with Facebook is associated with ad types and targeting options. Ad types are single image ads, single video ads, carousel ads, dynamic ads, slideshow ads, and so on. Targeting options are related to the core audience or custom audience or look like an audience. There is a differentiation as far as these things go. Still, the marketer must look into whom he is addressing; for example, the core audience they select manually based on demographics like age and location, and so on.

The core elements of the audience make it the core audience. Facebook has a particular kind of revenue model I would not spend too much time on regarding putting up this thing.

But to give you a glimpse, advertising represents 98% of the Facebook dollar 86 billion revenue in 2020 colossal revenue, and we all know that Facebook is doing very well in terms of its growth. Their users are core revenue-making assets, and users are not Facebook's primary customers. Their advertisers are fundamental because they have many advertisers focusing on these users.

Facebook business model is based on offering its tools and services primarily for free to billions of users and then making money by allowing businesses to show Facebook users advertising. Advertisers pay the price to Facebook that is determined in an auction-based on-demand and supply. Of course, if such a large population accepts you, you can organize an auction well. You do not have to run after advertisers. Advertisers would look for your space to be used and so on.

Facebook ad platform allows advertisers to show the ads to the target users and offers them

detailed performance tracking on how different campaigns and different types of visuals work which definitely can be easily managed, and advertisers are worried about what return on investments or advertising expenditure as we have talked about earlier also and if you want to look at it as a formula somehow then users into time spent into ads per hour into the price per ad somehow it is the revenue formula wherein definitely economics works wherein if time goes up then definitely price gets rationalized.

And as against the time spent, I do not say here that there is a trade-off, but economics works, and there are elements that payments for advertisements are derived through, as I said, auctions where advertisers compete for space. This auction considers how often users would click on ads and is designed to prefer advertisements that will make the most money for Facebook.

They are going for that, but that also means that it will make good sense for advertisers to come up for that kind of space because that will also give them a good response. There are revenue drivers, so we have talked about it briefly, but users then time spent more the users Facebook has more revenue it will earn, more time people will spend on Facebook using its different apps generally means Facebook can earn more revenue as it can show more ads to people.

If I stay more on the page, this marketer has this advantage: I would be watching more advertisements. For example, in a pandemic, people use social media more, which means more revenue. Still, somehow the price got adjusted because the time spent by people, as I mentioned earlier, went beyond a specific time limit. So, the actual price had to be adjusted.

Ads per hour now this is tricky to assume that other revenue formula factors will stay unchanged; more ads are shown per hour on Facebook, more revenue Facebook earns, and that is kind of. The whole logic is that we have to go for more and more, more time spent, more users, and more ads which rationalize victory for almost everyone.

It is not just that Facebook would keep on earning more revenue. It would be beneficial for the advertisers, which is an essential element because they are the Facebook client, and they have to think in terms of the benefit of their advertisers on the other side, customers they should not or the user should not feel being intruded, they should be feeling being entertained actually.

The perspective which advertisers would carry through lots of creativity- we have talked about that earlier the story, the narrative, the colors, the pictures, the music whatever advertisers would use to gain the attention of their customers which will make them happy actually, so that will be victorious for the customer as well because ultimately customer would end up purchasing things

of their choices or they would get informed.

And they would get more aware of the things at the end of the day, and then another element is the price per ad, which is a volatile part. So, that actual price has a logic. Now revenue from WhatsApp, I am slightly elaborating on these elements because we often wonder how organizations earn from these applications. WhatsApp has not been a powerful revenue enabler up till now actually.

But the point is that the victory of such kinds of applications is the number of users they have associated with themselves in due course of time. WhatsApp is about to become a revenue generator wherein Facebook is bringing up a robust model around business users. So, let us have a glimpse of it.

Based on Facebook's current plans, WhatsApp would not be making money from advertising. Still, Facebook will earn money by providing tools for businesses to communicate with customers through WhatsApp, and that is where if you advertise or inform. Hence, both ways are essential for the marketer, and Facebook or WhatsApp must have a revenue model to sustain themselves, so that is how things are.

Facebook collects some revenue from fees it charges business customers for using its WhatsApp to send messages to their customers. The revenue from these kinds of fee structures is tiny, and Facebook plans to build on top of this and offer a more comprehensive solution for businesses to communicate with their customers precisely. That would be useful because, in today's situation, you would realize that WhatsApp is becoming an essential aspect of communication for almost everyone for passing on documents and whatever kind of security elements they are projecting.

It is enabling and motivating people to utilize it for several kinds of modes so you can transmit documents also, you can transmit along extended detail information and whichever way. So, it can be structured that way; let us look at some more statistics.

Most popular brands on Facebook from India as of December 2020 by several fans in millions and State Bank of India is a giant basically, and this number of fans on Facebook is in millions. So, State Bank of India 18 million-plus then Hyundai India, Airtel, Shoppers Stop, Amazon, Aircel, Flipkart, Aircel can now be relooked upon by Flipkart and Fastrack, ShopClues, Craftsvilla.

This chart is given by Statista that can be revisited and understood through the reports given by Statista in accordance with these charts. The reference is given for your detailed evaluation.

The two social media giants, WhatsApp and Facebook, had the highest number of users in India compared to the rest of the world. This is good news for the marketers, and at the same time, India ranks second in the world in terms of the number of Instagram users. Are we moving into an era of social media marketing? They say that we have already entered that era wherein many marketers are banking solely on social media.

I am not sure who those people have specifically shifted entirely to social media. People are tending to you would remember that we have discussed a Dabur case study last time wherein Dabur experimented upon a very successful campaign through a digital model, and that is looked upon as a transformation of Dabur as an organization in terms of communicating with their customers because conventionally they have been going through several mass media, newspaper, and televisions and so on.

Dabur must have noticed that several other organizations have this thing in consideration. They are moving up to this, people are watching it closely, people are redefining their integrated marketing planning, and so on, and even though these are different social media platforms, Facebook owns both WhatsApp as well as Instagram, making it the largest stakeholder in India social media economy which is working for all the sides for them, good for them.

But for us, it is a learning thing that communication, the perspective of communication, is redirecting itself. I want you to briefly consider what kind of products and services can solely be shifted over to such a kind of communication. Do we have some products that do not require any other mode, and when I say that, you start putting up a scale around this.

I intend to suggest that it is not that we should start narrating any other form of communication. Still, we should start revisiting the scale wherein the strength of different kinds of modes of communication is altering. Then we should analyze what kind of alteration is coming up, try this, and choose one product, two products, or an industry.

Draw the last five years' statistics or use databases like statista and then try and analyze for yourself what kind of changes we are witnessing right now. A beautiful campaign and I had discussed this earlier while talking about a few other elements of integrated marketing communication long back. Still, this has done wonders, and this has precisely communicated

what Facebook is doing as far as the Indian market perspective goes.

In the preceding few minutes, I have discussed how Facebook is making more substantial inroads. Now, they are projecting those elements in front of their users and marketers. Now, this is a significant thing and a lesson for us to understand that several modes require their publicity or own spread in terms of their brand image, which refers to not only their consumers and customers but their advertisers and marketers as well.

For example, many times, newspapers require that this is how they reach the consumers, and that information goes to the advertisers in the form of advertisements itself. Televisions also tell about themselves, and Facebook is a mode that is establishing itself with a similar kind of perspective and creativity wherein they are telling their advertisers that somehow or tiny businesses that if they are on Facebook, they definitely can grow in due course of time.

They do not require much support from other media. Here I wish to raise one more critical point: in our perspective, several modes are to be seen with an integrated marketing communication reference. Within those modes, if you look at Facebook as an organization and any newspaper or television as an organization, they are competitors because they are eying for the revenue from their advertisers, and they can be anyone.

For example, the classified advertiser of a newspaper can be a small business advertiser for Facebook as well. So, although from our perspective, it should be an integrated exercise by that particular advertiser, from the perspective of Facebook and that newspaper, there is a competition for the same advertiser, and that is what Facebook is doing; actually, they are targeting small advertisers,

Instagram what they do offer. Instagram offers photos, videos, and carousel ads in several formats. Facebook owns it, as we have discussed, so it has many of the same features, including analytics through Facebook ads, managers and good targeting options, and various objectives to try in the campaign. Instagram stories are also powerful features. Pictures speak themselves, and that is one of the essential abilities Instagram has.

So, that is where you can express more, and that is how advertisers are using it because here, the consumer who is associated with Instagram tend to express more, and not only this is being noticed by the marketers, but they are also participating with more expressive advertising in terms of the associated customers. So, it is a mutually related kind of thing. As I told you earlier, somehow, after a particular stage, the advertiser is not only the beneficiary but also the

participant in the process.

And that depends upon the kind of creativity they use. So, it has a robust, tight community culture focused on quality, unique content, and creativity.

Who uses that? So, Instagram is one of the leading social networks in India, with far stronger male users than female users in 2021, although it should not be. In today's era, I have repeatedly been saying I believe that all the genders should come up and become the main participants of the whole social process, whichever is going on.

And definitely, females should come up more strongly, and they should be looked upon as the bigger decision-makers compared to males; that is my personal view, and you can hold it as my own thing. Now out of the total users, the social networking site is reported to have around 73% male and 27% females, which is increasing. This is best suited to the key attraction of Instagram: visually attractive pictures and videos.

So, businesses that lend themselves to visuals such as food, decoration, or travel-related brands will have an advantage, and several other businesses which can capitalize upon the ability of Instagram and so again 18 to 24 years is the kind of demographic advantage which we have out of this.

And ad times offered are similar, but slide shows and stories ads are again an essential element, and videos contribute quite a bit then. As in the case of Facebook, here also, the custom audience and other elements are in terms of targeting options.

Leading social media platforms for influencer marketing across India in 2020 is a statistic which gives us a pretty good idea in terms of share of respondents wherein 800 respondents were contacted for this kind of a thing. So, here they say that Instagram has 95% off as far as that should I reach our level of association. So, that can be expressed as 80%.

I do not know what sample has been used, but this report from Statista would be quite elaborate on that, and you can fetch that. Facebook had 60%, YouTube had 40%, and so on, but this explicitly focuses on the dynamic social media influencer marketing platform. So, how is

influencer marketing associated with these kinds of platforms? And we have already talked about influencer marketing.

Facebook came up with that campaign about themselves, Instagram has also come up, or there is an advertisement for Instagram itself.

We are in the making; that is the beautiful campaign you can fetch on YouTube. You can fetch it on several avenues. We are in the making is rooted in the fact that for young people, identity is a defined, it is something that is constantly explored, and identity formation means connecting more deeply with the people that matter to you, discovering and experimenting with a new interest or sharing your perspective however work in progress it may be.

And there are sources mentioned with the slide, they are details where you can fetch this kind of a campaign, but this campaign is working again. In both cases, you would realize that they are positioning themselves for specific targets as an avenue, which is what avenues do for themselves. So, that also we should keep in mind. So, I will come back with other modes of communication on social media in our next session. Till then, goodbye.