

# How Social Media Transforms Business Marketing Through Influencers and Advertising - Project Report

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**Abstract:** Social media enables global connections, allowing users to share experiences, hobbies, and promote businesses. Popular platforms like Instagram, Reddit, and TikTok offer diverse content and business advertising opportunities. Social media usage has significantly grown, shaping how businesses approach marketing. Companies leverage both paid and organic strategies, engagement data, and influencer collaborations to drive brand visibility and customer interaction. Influencers are individuals with large social media followings who impact their audience's opinions and choices. Businesses invest heavily in social media advertising to increase brand awareness and boost sales. Key performance indicators like cost - per - click (CPC), conversion rates, and return on ad spend (ROAS) are essential for measuring the effectiveness and profitability of marketing campaigns.

**Keywords:** social media, business marketing, influencers, brand visibility, advertising campaigns

## Acronyms

| Abbreviations | Full Form                     |
|---------------|-------------------------------|
| SEO           | Search Engine Optimization    |
| CAGR          | Compounded Annual Growth Rate |
| ROI           | Return On Investment          |
| CPS           | Cost Per Click                |
| ROAS          | Return On Ad Spend            |
| CAC           | Customer Acquisition Cost     |
| CPM           | Cost Per Thousand Impressions |
| CTR           | Click Through Rate            |
| AI            | Artificial Intelligence       |

## 1. Introduction to Social Media Marketing

Social media is a big digital field where people come together online to chat, share experiences and photos, and connect with others. It is a place which creates a platform for people to connect from anywhere in the world, which can also be thought of as an easily accessible social hub. It allows one to post visual content and send messages to friends and family, and even provides an opportunity for people who wish to promote their businesses. It is not just about sharing photos and funny videos, One can also talk about their hobbies such as cooking or playing video games. Above all, social media is a great way to find people who share similar interests and find a community to belong in.

### Primary focus on

- Effective use of various social media platforms for promotion.
- Influencers impact on purchasing decisions through social media platforms and collaborations.
- Businesses adopting interactive and adaptive social media marketing strategies.

Social media also helps in formal things like finding a job on LinkedIn or promoting your business advertisements on a high level. It is not just about scrolling through endless memes - it is a whole world of possibilities which is waiting for you to explore.

A few examples of social media apps are:

- Instagram:* It was launched by Kevin Systrom and Mike Krieger in October 2010. It is currently owned by Meta Platforms and has over 3 billion active users. It helps users to share photos and videos publicly. Many people use it to have fun, share their experiences and show their talents, while a few other people use it to promote their business or share their personal stories.
- Reddit:* It was founded in 2005 by Steve Huffman and Alexis Ohanian, two roommates from the University of Virginia. It currently has over 500 million active users. It helps users post content like photos, videos, written posts and more. It has over 150, 00 communities which are known as subreddits. These communities are free to join and they are segregated based on their topic. There are communities on music, movies, celebrity gossip, gaming, teenager life, comics and more endless topics. This also helps you find people who have similar interests.

### 1) Evolution of Social Media:

Social media has evolved through the years due to the growth of technology which has improved the accessibility of various opportunities available to the public.

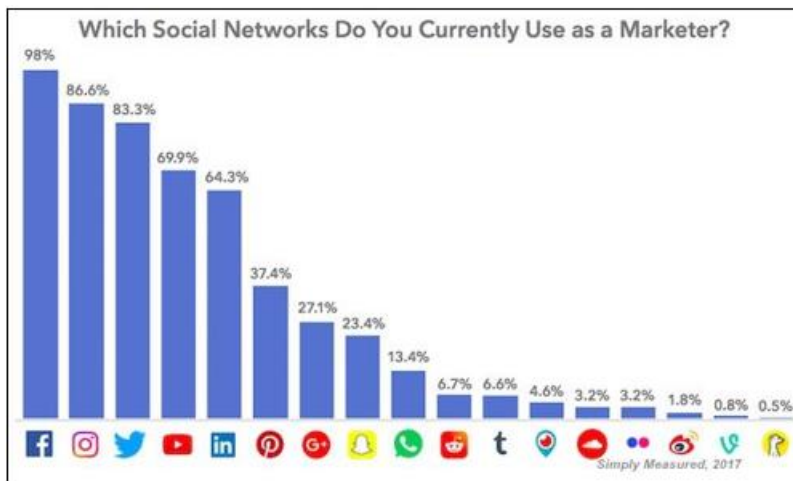
This table shows the important timelines of the most important social media apps which were created and what was the use of it. These are the following: -

| Year and Founder   | Social Media App   | What happened during that time?  |
|--|--|--|
| 2003 (Tom Anderson and Chris DeWolfe)  | MySpace was launched   | It helped in connecting to people in a new way as it let the person express themselves online and connect to people virtually  |
| 2003 (Niklas Zennström and Janus Friis)  | Skype was launched   | It made it easier for users to call someone who lived abroad by the use of a PC or a laptop and a webcam. This was free of cost.   |
| 2004 (Mark Zuckerberg, Eduardo Saverin, Andrew McCollum, Dustin Moskovitz, and Chris Hughes) | Facebook was launched, but was only limited to Harvard Students. | It was made so that people could share pictures and videos of themselves on their feed for their friends to see.   |
| 2006 (Jack Dorsey, Noah Glass, Biz Stone, and Evan Williams)                                 | Twitter was launched   | It made hashtags quite famous and back in trend. You could express your feelings about a particular situation by the use of text posts, pictures and videos.   |
| 2011 (Evan Spiegel, Bobby Murphy, and Reggie Brown)  | Snapchat was launched  | It is a platform where users post pictures and videos of themselves using visual effects such as face filters. Its majority users consist of teenagers and young adults to share their personal lifestyle.         |
| 2016 (ByteDance)   | Tiktok was launched  | It is a platform for users to share entertaining content. It was originally called Musicly and then was changed to Tik Tok in the year of 2018. It had short online videos like dances, satirical videos and more. |

**Why is social media important for businesses?**

It is an easy way for a business to promote and connect with customers online. They present their product in a short video form or a poster form which provides little information about the product or service to get the customer hooked. There are several considerations which need to be taken into consideration like who would be your target audience and which social media platforms which actually work to promote your business.

There are two ways in which you show your product to people. One is where you keep on posting pictures and videos of your products for free and based on the algorithm and followers on your page, people will see it. And the other is called paid advertising, wherein you pay the platform to make your advertisement appear on pages and it will be shown as a sponsored product.



Other things to keep in mind is to use your SEO (Search Engine Optimization) tools properly and stay active. SEO tools help you in reaching out to your products. Firstly, you filter the words which are similar to your product which you think people might search, the moment they put in the word on the search engine and press enter, there is a high possibility that they come across your product. The second role is to stay active at all times. This helps you keep track of the growth of your page as when you use a professional account, you get many statistics about your posts. You can also connect with your customers through messages.



**2) Social Media Platforms and their Uses**

**Instagram:** Majority number of people on Instagram use it to post pictures, stories and videos of anything. The most posted things on Instagram are pictures of them doing something, memes or funny things, life updates or just posting a

celebration like someone’s birthday. It is also used to text and call other people who you follow on social media.

- a) Facebook: Majority of people who use Facebook are elderly people. People who range from 40 years and above majorly use this app. It is similar to Instagram and has the same functions as it. Only the layout of the app is very different from Instagram. You can post images and text people. The only major difference is that Facebook carries more personal information which could be given out to people who follow you. Things like birth date and phone number.
- b) Twitter: Twitter is now renamed to X after Elon Musk took over. The app is very unique as people there post short messages everyday and things like hashtags go famous quite quickly there. It is also more professional as global news and announcements are also made there.
- c) Whatsapp: This is a very basic messaging app. There are three main components in this app. It can be used for internet calling other people, you can text other people using this app and you can also join broadcast communities and post status updates. It is one of the most highly used apps.
- d) Reddit: It is an app which allows people to upload pictures and videos and texts. The most interesting part

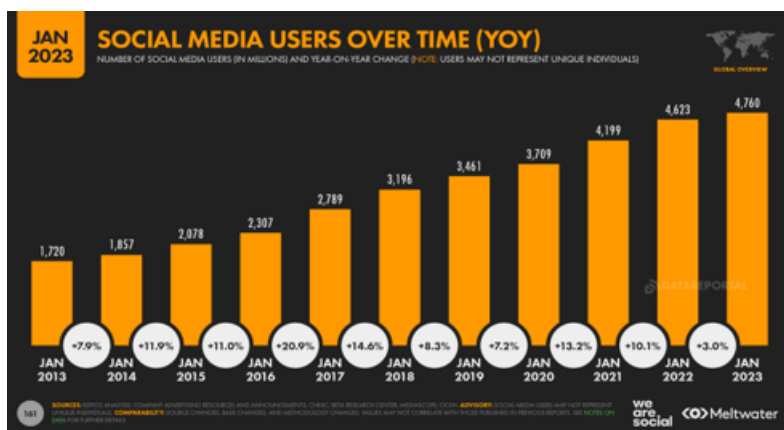
of this app is that it is known for the various discussions which take place on different subreddits. Subreddits are those communities which are made specifically for one particular topic and people discuss it day and night. They are moderated by a moderator. Examples of a few subreddits are r/funny, r/animals, r/politics, r/healthcare and much more.

- e) Snapchat: It is one of the oldest social media apps. It has a special camera which allows you to put filters on your camera so your picture could come out better. It also has a feature where you can send snaps to friends which are a one - time open photo and you can also call using the app.

**3) Social Media Usage Trends**

**a) Social Media statistics around the world**

The use of social media has risen a lot in the last decade, as only 970 million people used it in 2010 but in October 2023, it was recorded that over 4.95 billion people use social media. This shows that the number of people who use social media from last decade have grown a lot.



An average person uses up to 6 - 7 different social media apps and they spend up to 2 hours everyday scrolling through different social media for various purposes.

Now I am going to talk about how many users are on each social media:

- Facebook (3.03 billion active users)
- Youtube (2.49 billion active users)
- Whatsapp (2 billion active users)
- Reddit (1.2 billion active users)
- Snapchat (800 million active users)
- LinkedIn (310 million active users)
- Pinterest (518 million active users)

Here are some amazing facts about social media and people:

- 37.6% of people who use social media use it to boost their business and work from there.
- The gender ratio of male and female social media users is that 53.6% of the social media users are male whereas, 46.4% of the social media users are females.
- In 2023, it was recorded that 4.95 billion people use social media on a daily basis.

- The first ever social media app was made in 1996 and it was called Bolt.
- China has the highest number of active social media users.

Most of the research has been done by BackLinko for these statistics.

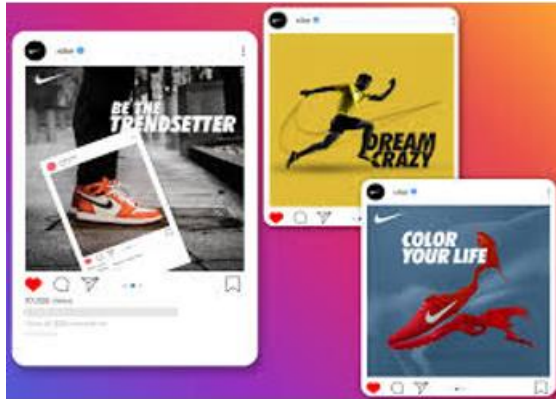
(Source: <https://backlinko.com/social-media-users>)

**b) Companies and their social media marketing strategies**

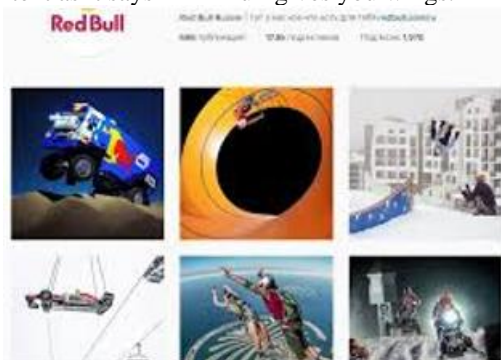
Some of the biggest brands have used social media and earned a lot of money from it. They chose some of the best methods on how to advertise their product, the people they chose to model for the advertisement, and showing what solutions it got to a particular problem. These will be explained below:

- Nike: They have been a consistently good brand. They have performed well in the market and are the top brand in the world when it comes to selling sports merch and shoes. There are tie - up deals with a lot of big names in the sports industry like Lionel Messi, Michael Jordan,

Lebron James, Neymar Jr and many more. They have also produced custom shoes with big brand names like Supreme, Louis Vuitton, Dior and more. They show these athletes in their ad, they have a particular scenario set up and show the special feature of each show. They end their advertisement with the slogan “Just Do It.” They have been consistently posting on Instagram and Tiktok but stopped posting on Facebook since 2018.



- Redbull: It is an energy drink company which has a big name in the soda industry. A few years back, they also broke into the racing industry. They opened their own F1 team where their racer is represented by Max Verstappen and Sergio Perez. They have 118 race victories which is a high number for them. They post a lot of racing videos from their f1 account and the other sport is mountain bike racing. One good thing about their page is that it focuses more on the sport than the drink because in an interview, the marketing manager of the company said that they want to show off the brand in a way where if you drink red bull, these are the many things that you do “fearlessly”. Their slogan is also very relatable to their content as it says “Red Bull gives you wings.”



- Playstation: They have about 32 million followers on Instagram and it is the best page for gaming videos. They post trailers of the upcoming games, gameplay videos of famous streamers/youtubers, and alert their audience about upcoming gaming events and contests. They have a very active page as they post 2 reels related to a game every day and get an average of 2 million views per reel. It is handled by two continents which are North America and Europe. The content of the videos is very smooth as well as attracts many eyes.



**c) Paid Media vs Unpaid Media**

*Paid Media*

For example, you own a t - shirt company. You expected a certain amount of people to come visit and buy from your store but that is not happening. This is due to the lack of marketing. This means you would reach out to Google for digital ads, you would enrol your brand in a local magazine ad or you put up banners for your store. All this is not done for free and it comes with a charge. This is what paid media is. In other words, people call it advertising of a certain product.

*Advantages of paid media:*

- It helps you connect with potential customers.
- It multiplies wants so it means there is a chance to earn a lot of money.
- It can create a monopoly where heavy advertising can get you a bigger share in the market.
- You can have control about what word about your company goes out to the public.
- It works as a guide for people who don’t know about your products.

*Disadvantages of paid media:*

- It can be expensive most of the time.
- Too much advertising can come off as trying too hard to sell your product.
- You have less control over it as the publisher or platform posts it.
- It can be ignored by people if they are not interested in it.

*Unpaid media:*

For example, a new dessert place has opened up right around the corner of your house and people are starting to love the desserts there. This means, you would talk to someone else about this, and this could lead to them potentially eating there and talking to someone else about that store. This is called unpaid media. The most common form of unpaid media is publicity. In short, you don't need to pay anyone in order to promote your product. It happens by word of mouth and other forms.

*Advantages of unpaid media:*

- There is no money exchange between two personnels in this scenario so it is free of cost.
- It could make a favourable or unfavourable impression on the public about the company and the products.



- Media may consider your company news worthy and could talk about it with the other public.

Disadvantages of unpaid media:

- It could give off a false impression of your company if people talk bad about it.
- You have no control over what goes out.
- People can make their own opinions about your products and company.
- It is a one way communication.

**d) Social Media interests of different age groups**

- Gen Alpha (2012 - to date): They are usually connected with certain brands which are available on social media like challenge videos, influencers videos, youtube shorts and other videos.
- Gen Z (1997 - 2012): The most used social media platforms by Gen Z are Tiktok, Youtube and Instagram. They use it for almost everything. From memes to business ideas to inspirations, you find everything on social media. We use social media for a lot more different things but mainly, it is used for entertainment and to take inspiration and ideas.
- Millennials (1981 - 1996): The most used social media platforms by millennials are Facebook, Instagram and Twitter. Facebook is the most popular social media amongst millennials because they use it to post their status as well as messages to other people. They use Instagram to kill time and learn new things. Twitter is mainly used by people to make announcements and other political stuff as well as social stuff.
- Gen X (1965 - 1980): They use Youtube and Whatsapp the most on a daily basis. Whatsapp is used for messaging other people as well as calling them. And Youtube is used for entertainment and knowledge purposes.

**4) Engagement Analytics**

**Strategic Social Media Attraction and Comparing Ideas (Analytics)**

There are many ways to identify and see if your social media strategy is working or not. You have analytical and statistical data to show you the numbers and reviews people give about your particular product or how many of them engage with it.



One of the best ways to identify is by engagement. It's simple, the more people engage with your product, the better it is for you. And engagement comes from the things like the number of likes, dislikes, comments and shares you have on the product you just posted online to show to people. So you need to keep the account active on a daily basis and post new

videos advertising your product. Always remember to track the number of likes and comments your videos get as it helps to get feedback.

The other way is to compare competitor analysis. In the business world, there will be multiple people who are also selling the same product which serves the same purpose. A business's goal should be to try to make the best product possible, but with competition in the market, it is very difficult to make it to the top in a short amount of time. So always make sure that even while you're uploading and growing your product advertising, you should also be looking at how your competitors are doing. You should see how social media engages with them as well so you know how to make your product better.



Another way to attract a lot of customers is by doing collaborations with influencers. Influencers are those people who earn money by promoting products for small or large businesses. They have a huge following on many social media platforms. Being an “influencer” has its meaning in its own words. These people influence their audience to buy the product by talking about its features and other important stuff. The influencer makes money off of the content they make for the product to promote it and the company needs to pay a certain amount as well. In exchange, the company will possibly get sales if the product was spoken about correctly and if they went to an influencer with the correct marketing strategy. An example of a company and influencer collaboration is Charli D’amelio promoter the chips brand Takis which is quite popular in the USA.



In conclusion, at the end of the day, the marketing and sales of the product go side by side. If marketing is not done well, you won't get good sales. But if the marketing is done perfectly, you will have the best sales.

### Ways in which people may interact with your product online

The way people interact with your product online shows how they think about your product. Sometimes, people may think your product is not worth it so you may get negative comments. If the product is good, people will say good things about it and may also be willing to buy it. Sometimes if they are sketchy about buying the product, they may ask questions on a reel you might have posted and you would be answerable to that. I will talk about how people interact with your product online and what it may mean.

- Likes and Reactions: When you get a high number of likes and reactions, that means that people are appreciating the content you are making with the product and it builds upon an appreciative view on your product which creates loyalty within a few customers. Whereas if you get less likes and reactions, that means something is wrong and it needs to be fixed. Sometimes it may be that the product is not very relevant to the audience or it is not presented correctly to them. This may make them lack interest in it and leave the video without giving a reaction. One of the other negative reactions could be that they are dissatisfied with the product and may leave a dislike on the video which affects the view of other people on your product if it has a high number of dislikes.
- Comments: These play one of the most important roles in talking about people's reaction to the product. They show much more than likes because people use words to show how they feel about the product. So it has a much deeper meaning. People use the comments section of a post for various reasons. If they are happy with the product, they might leave a positive comment on how they feel about your product and this may be a show of approval in front of the audience that your product is good. Another reason could be that they want to buy your product but they have a few enquiries. They may ask questions in the comment section and you would be answerable to those. This way you can solve the problem of answering many people individually as they can read from the comment section as it is a public zone. And the last use of the comment section is for negative comments. If people hate your product, they may write about it in the comment section. They could be very discouraging for the company but it gives them a chance to improve on the quality of their product or the high prices of it.
- Shares: Many social media apps show the owner of the company the number of shares each video has gotten. A high number of shares shows that the product is doing so well that the people who use that product may want to suggest their own friends and family to buy it for themselves. This is because they find it valuable and something that is worth sharing with other people. This may also show that you have a loyal following of people in your brand. And if your product is not being shared online, it is a bad sign. This shows that people might like your product so much to share it with other people. It could likely be that the product is irrelevant to match their needs or wants.
- Follower Growth: On social media apps, people follow a certain page which they may like. As a business social media account, it is a well defined objective to have a

large following. This indicates that many people are getting interested in your product and may also be willing to buy it. That's why engagement with the audience online is very important. A company should be giving the followers an update on its status most of the time. To excite the audience that a new product is going to be introduced, or if there is going to be a 20% off sale from this date to this date. It is very important to keep the account active from time to time and also try to gain as many new followers as possible while keeping in mind to keep the existing audience entertained.

### 5) Influencer Marketing

#### *Who is considered to be an influencer*

The term "influencer" is used for those people who have a large audience and following on many social media apps. They talk to their audience using these apps and they have good communication skills to influence their followers' opinions and choices. This term started to spread around when social media platforms were on a rise. Some of them gained so much popularity that they could influence their followers' decisions. They are actively posting their day to day life on social media and they also create high quality content. Their main goal is to help small businesses to market their products to the influencers audience. They make a short ad (it could be a photoshoot or a video) and post it on most of their social media accounts like Instagram, Snapchat, Twitter, Youtube and more. This helps a business to grow their sales rapidly. Their main job is to influence the decision of people's views and decisions on certain things. It is not easy to be an influencer. You need to have a few qualities in yourself to be a good influencer. These are the following:

- Likeable: An influencer should be a likeable person because if they can't connect with their audience well, it means that there is some gap between them and their followers which is causing them to be hated by them. And if the influencer is not a likeable person, it may backfire on your plans of marketing and negative comments may be made about the product. In order to bring positiveness, there needs to be a good connection between the influencer and the audience. They should be friendly and warm towards everyone.
- Popularity: An influencer should be popular because if they don't have enough followers, the company would suffer a loss because the product won't reach a large number of audience like they expected it to. Usually small companies work with digital creators who have about more than 50 thousand followers as it is a large audience but it matches their sales which they are expecting. And they cannot afford big creators as they demand a very high price which is affordable to the company but would take out a lot of money. Small creators don't demand as much money as they are still in their growing stage. So it is based on how popular you are.
- Creative: It is important to be creative and smart when you are an influencer. Most ads which are made by them are usually put as a formal advertisement. But some influencers are so creative that they insert ads into a drama skit. Being a unique and creative individual will

catch the audience's attention quite well. This will expand their following and they will be able to influence more people to buy the product.

- Platform Use: It is very important to see what platform the creator is using. This is because you may find different crowds on different platforms. If you use LinkedIn, this means that your target audience is the older generation as they are always on there trying to find a job. Another example for older generation apps is Facebook. This app is mainly used by millennials and Gen X which is the older generation. So if your products are something that will interest older people, then your creator should be quite famous on these platforms as they are the 2 biggest forms of social media which are used by older generations. Now talking about the younger generation, they use apps like Instagram and Tiktok the most. And they also follow a lot of rising influencers and the ones who are already famous. And digital marketing is the new way of marketing some products. And the newer generation is used to getting attracted to new things very quickly and especially if it is advertised by their favourite celebrity.
- Passion: An influencer should be passionate about what they do. If they don't put in passion for the work that they do, it becomes very pointless as even the audience cannot enjoy the content of the video. There needs to be a lot of enthusiasm when it comes to talking to people through social media. They also need to be very convincing to their audience. When they act like this, this builds greater trust between the creator and the audience. They should be passion - driven.

#### ***Looking at how famous people on social media help with marketing***

In this category, I'll try to explain some of the biggest brand and influencer collaborations and how it affected both sides. Because in a collaboration, the influencers get paid a certain amount of money by the company when they advertise the product on all of their social media accounts. And the company gets expected sales results in return. These are the following examples:

Coming up first, we have the Kylie Jenner x Adidas collaboration. Kylie Jenner is one of the biggest influencers in the industry today with a whooping 400 million followers and more. She mainly became popular in her family's show called "Keeping up with the Kardashians". She is also a businesswoman who owns her own cosmetics company called Kylie Cosmetics. And Adidas is one of the most known brands when it comes to the show industry. They have signed with some of the biggest athletes in the sports industry. It was founded in 1949 and is doing quite well today itself. Kylie Jenner is now the official brand ambassador of Adidas since 2018. She was offered a multi million dollar contract. She is the face of the company. She mainly does photo shoots for women's fashion and shoes for Adidas and the sales for them have gone significantly up since then.

The second one is the Charli D'amelio and Dunkin Donuts collaboration. Charli D'amelio is one of America's biggest personalities and influencers. Her rise of fame started all the way in 2019 and has not stopped since. She used to make

dance videos and post them on Tiktok and she still does till this day. She attracted a lot of young audience/Gen Z. Brands whose target audience were young children noticed this and she started getting a lot of brand deals. But the biggest one yet was from Dunkin Donuts. Dunkin Donuts or simply called Dunkin is one of the world's biggest coffee and doughnut places. They are known for their very colourful juices and tasty coffees as well as donuts. They came to Charli as they wanted to grow themselves in the cafe industry. And to their surprise, it worked immediately as they started seeing very high sales. After seeing this, they were so happy that they let Charli have her own drink on the menu which was Charli's creation. It is still on their menu today and it is called "The Charli". This was a brilliant idea as the drink went viral and they earned more sales.

The third one is the MrBeast And Honey Collaboration. MrBeast who is also known as Jimmy Donaldson in real life is the biggest Youtuber in the world as he has over 300 million subscribers. He is also a philanthropist, a gamer and a businessman. He is mainly known for doing charity work, big money giveaways by winning challenges, extreme stunts and his own burger company called MrBeast Burger. He has spoken about Honey in most of his viral videos which have over 400 million views each. Honey is a popular chrome extension used by online shoppers. Whenever you are doing the online checkout, you can apply from Honey and you will get a certain discount coupon code which you can use. It has over 17 million users who actively use it. MrBeast spoke about the benefits of using the app while online shopping and in return, Honey received a good response as they saw a rise in downloads of the chrome extension and it was well visible to newer audiences. Jimmy Donaldson aka Mrbeast received a financial compensation which was not disclosed to his audience.

#### **6) Community Management**

##### ***How to control and grow the audience which you build***

It is very important to grow and control your audience because social media has been very accessible to a lot of people nowadays. It has become an important part of the business world as well so it should be a controlled medium. Consumers are always on the scroll through different social media apps and your goal is to attract them. So in this, I will explain how you should control and grow an audience. This is because it depends if it will either make or break your brand. These are some of the following ways:

- Create High Quality Content: It is very important to make quality content. That is what will attract an audience to your work. High quality content like good images, videos and graphics is what really catches people's eyes. A job like this can be done by a highly experienced graphic designer and someone who has good knowledge about how algorithms work. The main objective of social media marketing is to attract as many eyes as possible to the brand so the better content produced, the more people will engage with your page.
- Use Hashtags: Hashtags play an important role in attracting an audience and putting content on the proper algorithm. There are tools and apps which show which hashtags are trending. This helps your content get on the mainstream page. There are many chances for your



content to go viral when you use hashtags like #trending or #viral. This has worked in many cases. You can use popular hashtags to get people to see your content.

- Do Paid Advertisements: Algorithms work in such a way that what it hears you speak. An example is, if my microphone hears me talking about dog toys, it will start showing me dog toys in the form of advertisements when I visit websites. It has been proven by several youtubers that this trick works. So in this case, you pay Google to put up your advertisements on random websites and show up when people talk about something related to your product or not.
- Do Giveaways: This is one of the most recent and trending ways people are getting followers nowadays. They are mostly done when an influencer/content creator gets a certain achievement in terms of followers. If a certain famous person gets 500 K followers on Instagram, they would likely partner up with a small business to giveaway as a celebration or just a way to promote their brand. So this is a two sided advantage as it benefits the creator as well as the company.
- Post during Peak Hours: It is very important to post during peak hours because that is when people are active the most on social media apps. You may have followers from different countries and this means that they are in different time zones. Tools on social media apps show where most of your followers are from. This way, it helps you decide what time to post depending on what time you should post the most or be the most active on your account. But the option of seeing where your followers are from can only be used when you are on a professional account and not on a normal account.
- Use all ways to post: On Instagram, you can not just post photos, but since the past few years they have come up with things like posting stories, videos and photos. A reel is a video which is recorded for a maximum of 90 seconds. They get a lot of views as it is one of the most entertaining and addictive features of Instagram. This means that a page should use what all is available and given by the app. People love diversity of work so this could catch a lot of eyes.
- Engage in Trends: Nowadays, the most random things tend to go viral. An example could be a reel audio. People may have different opinions on different things. But when it comes to trends, it is very important to be a part of them as it makes the company look relevant and feel visible. But always make sure that it is relevant to the trend and don't do it for the sake of it so it may backfire for being irrelevant.

#### ***How to react to community feedback and complains***

- Acknowledge Comments: It is important to give timely responses to your customers. Whenever they have queries about a product or maybe if they are facing problems with a product that they brought from your page. The quicker you respond, the better image it sets for your brand because people can see that you do care about customer care as well. It also shows your concern towards your customers. Don't ignore negative comments but acknowledge them and respond to them kindly.
- Be Honest: As they say, honesty is the best policy. It is always better to be honest with your customers because

it builds trust between the company and the consumer. It would be worse to lie because sometimes if you lie, the secret may go out and it would build a bad reputation for the company. You should be honest, be it on a public post or privately messaging the consumer who would've commented.

- Learn From Feedback: People learn things about the product so they can give meaningful feedback. This is done so that companies would know how they can step up their game and bring in improvements to their product so more people would buy it and they would also learn from their mistakes on what not to do next time. They can also learn what their consumers' taste is. This way, they can come up with more products which the consumers may want to consider buying.

**Hold A Good Image in the Market:** Companies with a bad reputation may face problems. They could have less consumers and may have to go into desolation. So it is very important to keep a good image in the market at all times.

#### **7) Social Media Advertising**

##### ***Analysing Social Media Ad Spend and ROI***

Companies in the USA have spent approximately \$72.3 billion dollars on social media advertisements. It is forecasted that by 2026, the social media advertising expenses could exceed \$80 billion dollars. Comparatively, in India, this number is projected to be \$1.3 billion dollars in 2024. The ad spending is expected to earn a CAGR (compounded annual growth rate) of 3.37% between the years 2024 and 2028. (Source: <https://www.statista.com/outlook/dmo/digital-advertising/social-media-advertising/india>)

In the growing world of business, social media marketing has become an integral part of it. It is done in small scale businesses as well as large scale industries. Rather than investing huge amounts of money in traditional advertising and marketing, companies have moved on to doing social media marketing as it is a cheaper source of cost and most of the apps give them ROI (Return on Investment). Some social media apps which give ROI to companies are Instagram, Facebook, Tiktok and LinkedIn but this condition only applies to companies who have a large following on the app.

Every year, companies invest millions of dollars in social media advertising with the goal of raising brand exposure, increasing engagement, and, most importantly, turning users into paying clients. CPC, ROAS, and CAC are the measures that provide a true understanding of the effectiveness of advertising efforts. Understanding these figures aids companies in optimising their advertising budgets so that they are invested profitably rather than wasted.

In this, we will explain about how companies are spending their money and how they are getting return on their investment. As we said, marketing takes up a lot of money so lets see the effect on how they get profit out of marketing:

- Measure your CPC: CPC is known as Cost Per Click. It works in a way that the company gets paid every time someone clicks on their advertisement. When the company has a lower earning CPC, they need to work



on spending more money on marketing so they can get a higher CPC as if their advertisement would look better, people would click more and then company would earn more money. But if the company is making good returns on CPC, they can demand for a higher return on CPC or make their advertisements better so more people would click on it. In India, the average CPC in India is Rs 10.

- b) **Measuring your CPM:** CPM is known as Cost Per Thousand Impressions. This is when the advertiser gets paid per 1000 views he gets on his/her advertisement. It is a very small amount but it turns out to grow into a lot more as people view the advertisement again and again. It depends on how many people see the advertisement. It is a very efficient way to do social media marketing.
- c) **Conversion Rate:** This is a very helpful tool as it shows the advertiser every action the viewer does with the advertisement. It could be something like a purchase or if they have just viewed the product. If the company sees high conversion rates, it means that the advertisement is doing its job well. If it has low conversion rates, the company needs to invest more money in the advertisement.
- d) **Measuring your ROAS:** ROAS is known as Return on Ad Spend. This tool calculates the revenue a company earns on the money they have spent on advertising. They calculate this by subtracting the money they have spent on advertising by the revenue they have earned from the advertisement. For example, if I spend \$5000 on an ad campaign and earn \$30000 in revenue in the first month, I will have a profit of \$25000.
- e) **Raise Creative Standards:** It is important to have the best graphic designer as they make most of the advertisements. They need to produce high quality work as it will be seen by the company and their potential customers. They should be visually appealing and should be able to convince customers to buy their product.
- f) **Raise Seasonal Product Costs:** There are times when seasonal products are in trend. As an example, during winter in the USA, jackets and gloves are the seasonal products as people need to buy them. When there is so much demand, people will raise their prices higher as well as the products are only around for a certain amount of time. The advertisement is also funded because they want to create as much demand as they want. There will also be limited supply of the seasonal products.
- g) **Measuring CTR:** CTR is known as Click - Through Rate. This is a tool which shows how many people have clicked on the advertisement. It is not a special feature but it helps the company to keep track of if their advertisement is being successful or is it becoming a failure. If it is getting high views, that means the advertisement is doing well and if it is getting low views, they need to add more money into the advertisement.
- h) **Retargeting Audience:** This is a way to try to put the advertisement on the social media pages of people who have already viewed the advertisements before. This helps to catch their attention as they see the advertisement again and again. This could help them capture the attention of a new consumer.

## 2. Future Trends of Social Media Marketing

### a) Talking about the new things happening in how businesses use social media

**Short Videos:** This is something that has been introduced around a year or two back. The videos are max to max 90 seconds long. Longer videos than those will be counted as normal video posted. Some apps which have this feature are Instagram Reels, Snapchat, Tiktok and Youtube Shorts. Businesses usually use it to make exciting news about a new product launch, if a new member might have joined their team, to take part in viral trends to grow their business and show a fun environment and other things.

**Listening to Feedback:** In the past, most of the feedback which businesses used to get in person would be taken into consideration and businesses rarely used to work on it. Whereas, in social media life, people are freely allowed to comment on the post unless comments are turned off by the page which has posted. So when the feedback is publicly announced, other people like the comment to show that they also agree with the feedback so companies have no choice but to listen to the majority and work on it.

**Interactive Posts:** Nowadays, we have things like polls, hashtags, questions and links which people can go through. Polls are in which the person who posted will have options and the public can select their choice and it shows the majority reaction out of 100%. Hashtags are put in a way for other people to look at it and post their stories so that they can start a hashtag trend for a certain cause. Questions are empty spaces in which the public can ask any questions which they have about the company and the person who would've posted will react to it by publicly answering them. And links are put in an accessible way where it will successfully take you through google chrome and also warn you if the website is dangerous.

**AI Made Advertisement:** AI is very modern and it creates some of the best pictures and information. There is a very helpful tool and it is where you can describe any picture you want and it will make it for you. Not only one but it will provide you with different options which you can choose from. They will differ from colour to look and everything. They are also very high quality and require less budget.

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