

# Facebook for Business



**Using Ads to Lower Costs and Maximize Audience Engagement**

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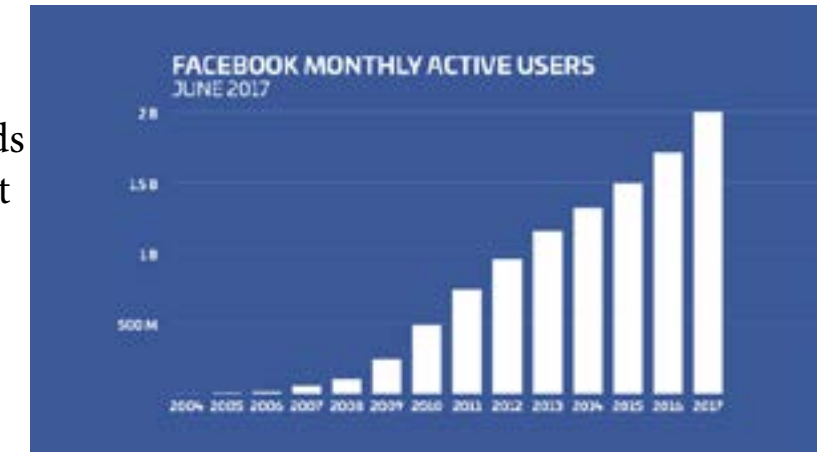
## Introduction

Facebook is a social media platform where users from all over can share photos, chat, post comments, and much more. Additionally, Facebook provides businesses, small and large, with easy and effective ways to market their product or service. In the past, traditional media limited the way that businesses could market themselves. They couldn't choose a specific audience, for their ads would go out to anybody that was listening to the radio or watching television at the time.

Companies also weren't getting the best deals on their ads. Another key feature they were missing was the ability to fix ads after distribution. Businesses couldn't just adjust their ad on a billboard in an easy way. They would have to go through the process of getting another ad approved and replacing the old one.

With Facebook, however, all of these problems can be a thing of the past.

Businesses have the ability to manage and alter all of the problems listed above anytime and anywhere, even after they publish their ad on Facebook's website. They no longer have to worry about their ad being seen by their target consumers or worry that they are wasting their money. They can now relate more to their consumers and post ads that start conversations and spark more interest.



With Facebook's  
**2.2 Billion**  
users, advertising limits can be a thing  
of the past.

# Challenges Advertisers Face

Increasingly, marketers advertise on Facebook so that they can customize users' ad experiences. By using Facebook, advertisers can also generate more traffic and conversation about their ad, and people who actually care about it will be more likely to see it. Before social media, advertisements were seen by anyone, no matter if they were meant to be or not. "Even the best of pitches distributed to the best of media outlets are still going to hit a broader audience than you originally set out to target," (Lawlor, 2018). They were also not as conversational and were not as cost effective. Although advertisements were still effective, traditional media just didn't provide the level of targeting and insight that is available with social networking sites. Companies want places to advertise their products that target their desired audience, are cost effective, and spur interest in consumers, and social media provides a great way to do these things. Almost anyone, if approved, can promote their services on social networking sites and see quick results.

## The Main Issues

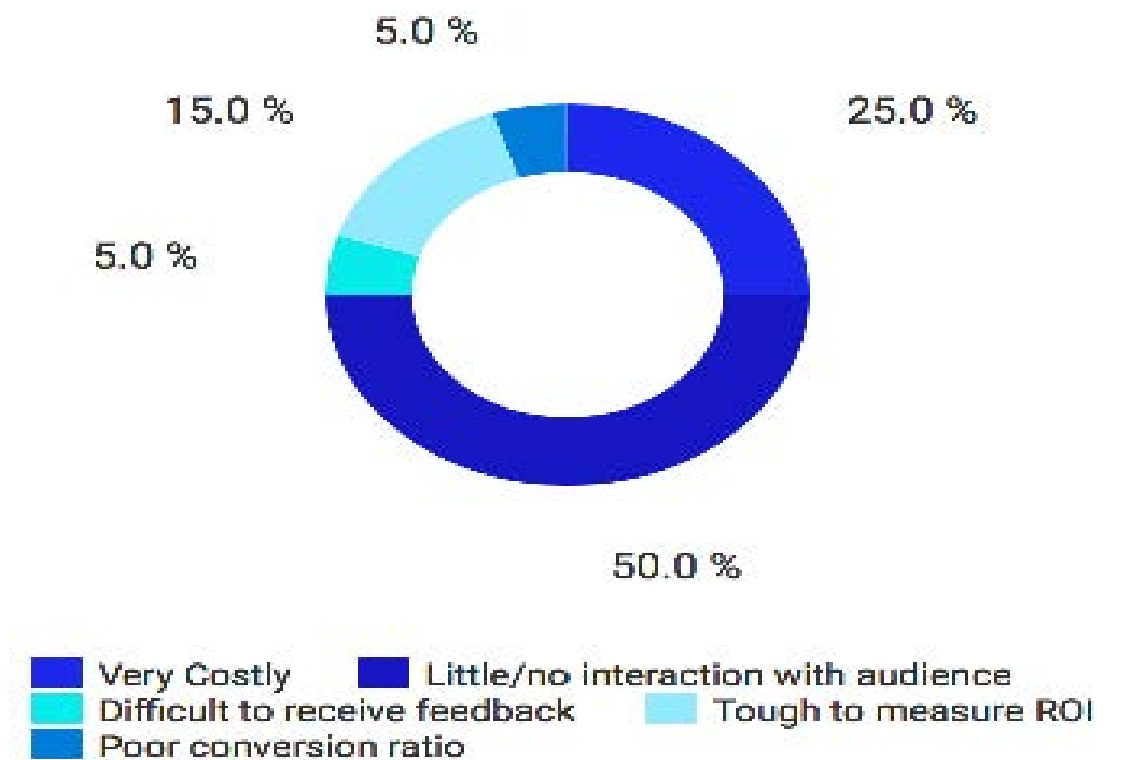
Three of the main issues businesses face when creating advertisements are higher costs, not being able to target audiences, and unmanageable ads. These are all things that companies want for their advertisements but can't find through traditional media. Although traditional media is still effective, Facebook will produce better results due to its large number of users and lower costs per ad.

Targeting audiences is not as easy through traditional media as it is through new media, such as Facebook. Businesses cannot choose who they want to see their television commercial as anyone, anywhere may be watching the station that the ad is running on. "Television ads are designed to be broadcast over a huge population with no real personalized options," meaning that no specific group will be viewing it. (Seldon, 2016). Therefore, a lot of people who are watching the commercial may not have any interest in the product or service, causing the ad to be useless to them. The ad may reach some target audiences, but the amount that the business needs for the ad to be worth is unknown and sometimes not achievable.

Businesses also want good costs for their ads. However, "For local television stations, advertisers can expect to pay anywhere from \$200 to \$1500 for a 30-second commercial," (Aland, 2017).

The price will vary depending on location of the ad, the channel it's going to run

## Drawback of Traditional Marketing According to Marketers



on, and other factors. These costs can be a huge detriment to a business that is trying to be widely known by the public. With such large costs, businesses face lots of harm and uncertainty. They do not know if the ad is going to do well or even be seen by the individuals or groups they are trying to target. These kinds of advertisements are risky and deter a lot of businesses away due to high costs that may not even result in a profit.

Managing ads is also something that businesses wish they could do with ease but struggle to do with ads like television ads. Once a commercial is airing on tv, adjustments cannot be made whenever the creator of the ad feels like making one. Furthermore, "Since it is costly and time consuming to produce a TV commercial, it is unlikely [that a business] will want to produce a new commercial when there is a special event or promotion going on," (Aland, 2017). Businesses need a way that they can see how consumers are responding to the ad and make changes accordingly, even after they publish the ad. Some offline ads have easier ways of making changes, but the time to distribute ads is much longer than that of online ways. Businesses need a platform that is going to be easily manageable.

# Solution

To fix these problems, businesses should utilize Facebook Advertising, which will allow businesses, individuals, or other groups to advertise their product or service on its site. Companies can choose what they want to advertise, customize the ad, and choose the people they want to see it. These ads work on every device, and the creators of the ad can manage it and see how it is affecting their business or group. People can even run their ads across other platforms owned by Facebook, such as Instagram. With all of the users Facebook has on their platform every day with all different types of interests, businesses have a great way to reach lots of consumers and get quick results.



## Advantages of Facebook Ads

Facebook has features that make ads beneficial to businesses that are not seen on some other media. For example, Facebook allows advertisers to choose the audience that they want to reach. They can choose a core audience, custom audience, or lookalike audience. Core audiences let businesses choose who they want to come across their ad based on demographics, location, interests, and behaviors online. Custom audiences allow businesses to reach out to their existing customers and people who they are connected with on Facebook. This is an easy way to target loyal customers, frequent site visitors, and people who already use the businesses app. Lookalike audiences help businesses find people who are similar to their frequent and loyal customers. All three allow for businesses to choose who they want to see their ad to give them the best results. They can select people based on their age and

**“If you want to spend \$5 a week, you can.**

**If you want to spend \$50,000 a week, you can do that too.”**

**- Facebook**

**62%**  
**of marketers find Facebook to be their most important social media channel.**

**- Marketing News**

**“See your results in one place.**

**Test and optimize your ads. Customize your strategy.”**

**- Facebook**

what their interests are, choose people from their contact list, or find people similar to their frequent customers to target. This Customization gets better responses because people who actually care about the ad are going to see it instead of a bunch of people who aren't interested in the particular company.

Facebook also allows creators to set a budget for their ad. They will be told how much they are going to spend and can change the amount accordingly. Businesses will not have to spend more than what they want, and they can choose when they want their ad to run. If they think that they will get more feedback during a specific time of year, a business can select this time and see better results. For example, “If you want to spend \$5 a week, you can. If you want to spend \$50,000 a week, you can do that too,” according to Facebook (2018). Businesses can change this amount based on a specific ad campaign or change it for all ad campaigns they have. Businesses can also change their cost per result through Facebook's bid strategy system.

Facebook also has the option to manage ads. Ad creators can see if your ads are meeting their goal and adjust based on these results. Creators can even use guided creation, which walks them through the steps of creating a successful ad. This is commonly used by people new to Facebook ads because it helps them get the most out of their experience. Campaign management is also important because on it you can edit the audience, the budget you want, and decide where to place things. Changes can even be made after the ad is already published, meaning if you make a mistake, corrections can still be made after the fact. Lastly, advertisers can look at reporting tools, which allow you to see trends of your ad over time to help point out areas of improvement. For example, if a picture was not appealing to audiences, then businesses could change the image and

see if results are better after some time. This feature is important because it allows businesses to alter their ads even after they have been live on Facebook for some time. Facebook also created an app called Ads Manager for easy, on-the-go edits to be made. Having this much control allows advertisers to ensure that their audience is reacting positively to each ad.

## How to Get the Most out of Your Ads

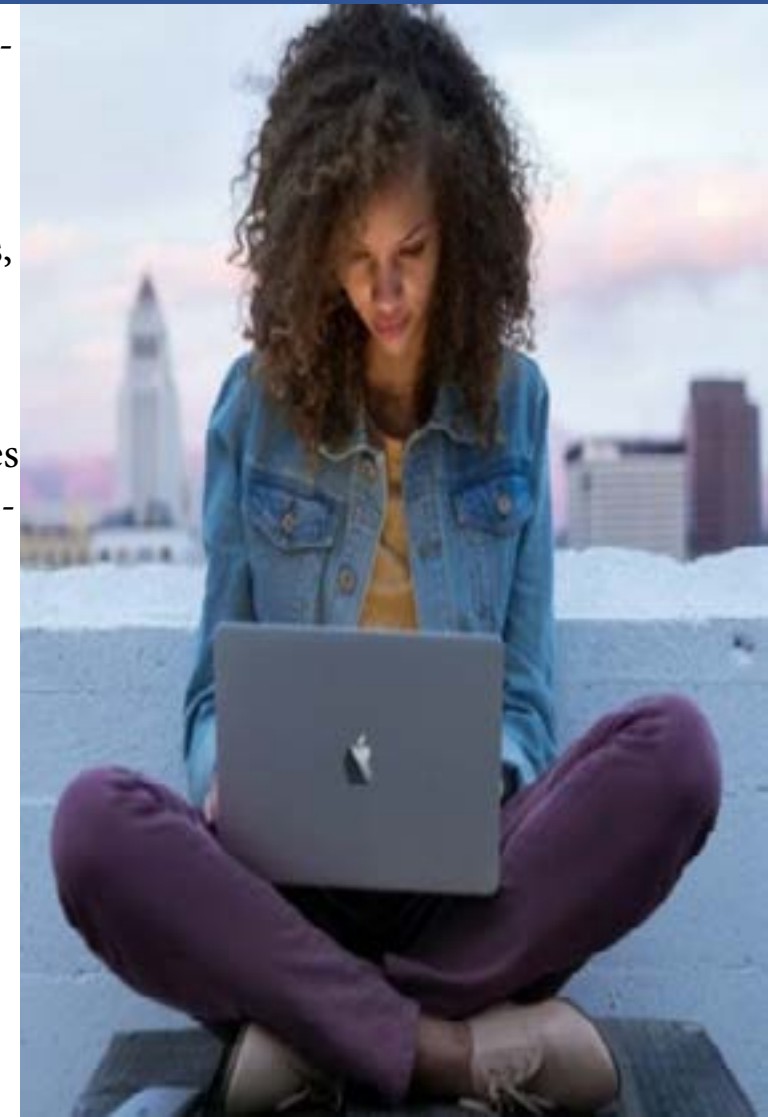
To get the most out of ads, businesses should be familiar with some things:

- Be aware of algorithms on Facebook brand pages. When businesses make a post on Facebook, only a certain percentage of users are going to see it in their news feed due to signals. Furthermore, earlier this year Mark Zuckerberg said, “You’ll see less public content like posts from businesses, brands, and media. And the public content you see more will be held to the same standard—it should encourage meaningful interactions between people.” (Zuckerberg, 2018). Being aware of this will aid businesses in choosing the right audience and convince them to invest more in their ads to ensure that the right people are seeing their page and responding positively.
- Know the reason you’re running an ad, who you want to reach, and your daily or lifetime budget for the ad. Knowing this information will help a business create an ad experience that is unforgettable to viewers. They can target specific people and see quick results at a cost of their choosing. With a goal in mind ahead of time, achieving it will be much quicker.
- Become familiar with Facebook Blueprint. This feature allows businesses to learn marketing skills that will help them specifically with Facebook ads. Businesses can find courses on marketing, earn marketing credentials through this tool, and obtain the skills they need to succeed with their Facebook ads. Once they choose a business goal, Facebook will steer them in the direction that is right for them.
- Learn how to operate Facebook ads manager and now how to read ad tools to be able to



manage your ads more effectively. To measure ad effectiveness, Facebook provides different types of tools. For example, if a business wanted to determine how effective their ad was in increasing offline sales, they could use Facebook Pixel, Offline measurement, or offline conversion API. All three help track this information to help reveal ad effectiveness. Different types of tools are available for different measurements a business wants to explore.

- Explore Facebook Audience Insights. This part of Facebook Business will help ad creators learn all they need to know about their target audience. They will be better equipped to cater to their needs after knowing the demographics and interests of their target audience. This type of knowledge is extremely important to the success of an ad, so using Audience Insights is something businesses should know how to do.
- Know how to control ad costs with Facebook’s bid strategy. Bid strategies allow businesses to control their spending on their ad. This strategy explains to Facebook how to bid for a specific business in an ad auction. The ad that wins the auction gets shown to users. The purpose of the auctions is to make sure that businesses see results from the people they are reaching out to and that users get a good experience when seeing the ad. To determine the auction winner, Facebook staff combines the business’s bid, estimated action rates of the ad, and ad quality and relevance, and the ad with the highest total value wins the auction. Facebook will then charge the winner the amount they chose when creating the ad. Bid strategies are extremely important to know about because they will determine if an ad is seen by the desired person. Focusing on the auction can produce great results.
- Make sure to set the right budget for your ad and be aware that certain ads require a certain amount of spending. Businesses will need to decide if they care



more about their total spend or cost per optimization event. Once they do this then they can make an informed decision on their ad budget. If they want to just spend a set amount on the ad, then they can focus on their total spending, but if they care more about seeing results through their chosen optimization event, then they should focus more on this than the total spending. Businesses can also change their budget at anytime through the ads manager tool if they decide they have spent too much or too little. However, changes in budget may affect ad performance. Raising the budget may lead to more results and lowering it could lower results. This choice will depend on what is right for the creators.

- Explore Facebook ad insights. This page provides creative insights about all different types of ads. Businesses can choose an insight category and learn how to maximize the results of their specific type of ad by browsing all of the different advertising insights available. This page is important for businesses that are not quite sure about how to make the most out of their ads. With these insights, they can become more knowledgeable about what works and doesn't work for specific types of ad campaigns.
- Read up on Facebook advertising tips. This page will give you an overview of what Facebook has to offer to help with ads to maximize profit for a business. With this advice, businesses can create an ad that sparks a lot of attention in lots of users.



## Conclusion

Facebook has made a huge impact in the world of advertising since its start in 2004. As it is the most popular social networking site, it becomes even more valuable to advertisers. Facebook ads provide companies a way to overcome the problems of audience, cost, and management, as well as ads that are not so talkative. Using them will increase exposure and spark more interest in a target audience. Users will see posts that they relate to and respond in a positive way. Marketing through Facebook will have great benefits for a business that are easy to achieve and effective. “This year, brands are devoting 33 percent of ad spend to digital platforms—up from 25 percent in 2014. However, television’s ad spend is decreasing slightly this year,” proving the importance of social media advertising (2018). Due to all of the creative features of Facebook ads, advertising on Facebook is and will continue to be the future for business marketing.

**“We’ve seen a lot of success since adopting an innovative test-and-learn approach to our audience strategy with Facebook. Better qualified audiences through first-party and Facebook-based targeting have allowed us to connect with consumers at the right time with a relevant message.”**

**- Jordan Lalor, Senior Social Media Specialist, Mercedes-Benz USA**

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