ABSTRACT

Centria University of Applied Sciences	Date December 2021	Author Amine Naini
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A modern human being lives in society dominated by various brands of products and services consumption, which has effectively become our time's religion. This mindset is cultivated by a variety of marketing strategies aimed at persuading us that consuming specific items would make our lives better, happier, and more successful. Advertising has an impact on everyone nowadays, and we are often unaware of it.

This thesis studies the effectiveness of digital marketing especially Facebook advertising on driving high return on investment for companies. Today's market is rather competitive and measures a single competitive advantage, which is the rate. Companies have become aware of the importance of digital marketing in today's society. This thesis is dedicated to find out the importance of investing in the new wave "Facebook advertisements" and measure how effective it is on driving high return on investments with the right marketing strategies.

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1 INTRODUCTION

Advertising is highly crucial in our daily lives. It mostly determines one's image and way of life, and it influences our thinking as well as our attitude toward oneself and the environment around us. Advertising demonstrates ready-made types of conduct in a certain setting. It decides what's good and what's evil. We believe what others say or "advise." I chose this issue since it is highly current and interesting due to its complexity and psychological essence. Advertising influences everyone, even if they are unaware of it. We are oblivious to how it impacts us. We have become slaves to scientific and technological advancement, which advertising expertly exploits.

Nowadays, Facebook as an advertising platform, is used by a large number of businesses to promote their products or services. It becomes one of the simplest ways to contact a potential customer and learn about his or her preferences. Special tools such as "Facebook Business Manager" provide a wide range of promotions. Every promotion activity must have a plan that reflects the strategy and outlines how to reach its goals in order to be clear and mostly efficient. With Facebook business can reach almost 1.5 billion of customers under 10 minutes. They also choose to whom their message will appear. (Facebook stats 2017.)

About me, I've worked in digital marketing and sales for over 3 years. I have specialized in paid ads on Facebook and Google ads. During my relatively practical experience, I learned by doing instead of reading, I made many mistakes that helped get better results for both me and people I worked with. This experience was eye opening, and it gave me a new perspective about us as consumers as well as how irrational we are when it comes to our shopping habits. Marketing has always baffled my mind. Therefore, it raised my interest and I wanted to go deeper in this field. I have read books, taken courses from the best companies in the world. Some certifications shall be attached in the reference page in order to prove my capability on this field as well as to support the ideas, and arguments that I will be giving on this thesis.

For a very long time, marketing has been outbound, direct mail, pushing messages and notifications out to the customers. However, things have changed. Marketing has become inbound, trying to pull customers towards the company with good content instead of pushing too hard, spamming their emails with useless content or fake promo code. Moreover, search engine optimization and visibility on social media by interacting with customers through various online channels. Providing unique, educational as well as entertaining content. In the past three years, online marketing and sales have become a

buzzword; marketers and salespeople realized the importance of understanding their customers inside and out through providing value before trying to sell them anything. A target audience prefer valuable and helpful content that either solve a problem, entertain, or teach them something new about the company that they're going to do business with over traditional marketing messages.

The author will address a few questions during the analysis and explanation of various themes in order to make this work more structured and coherent. The author believes that the following questions will aid in understanding the main directions of the issue and defining what results must be obtained at the conclusion of this thesis work. They are also important for figuring out what the primary issues or flaws are.

In the research part of the thesis quantitative research methods will be used. A survey of 12 questions as well as the comparison of quantitative analysis technics are used to demonstrate the results. Additionally, the author used primary research to show how he explored a variety of tactics to see what worked best in this case. The purpose is to explain how the author came up with a strategy for running a successful firm and identifying the correct target market. This section of the thesis presents statistical data based on the author's own Facebook ads manager experience.

Secondary research is conducted utilizing articles and books available on the internet. To prevent collecting and analysing irrelevant information, methodological material is collected and analysed according to the topic and specified research questions.

2 NATURE OF ADVERTISING

Marketing is a business operation, and advertising is a potential marketing instrument and a component of overall promotion efforts. Four elements must be incorporated in a market plan: the nature of the product, the price of the product, the product's available location, and finally, the product's promotional activities. These four variables are commonly referred to as the 4 P's rule: Product, Price, Place, and Promotion. The final sales success is influenced by a good combination of these four variables. As a result, advertising is a subcomponent of the Promotion element, which might comprise a variety of other elements all connected to product promotion.

A key point to remember is that these four market plan elements are interdependent and influenced by one another. Indeed, the other factors influence every decision made on a single variable. For example, if the nature of the goods falls into the luxury category, the price determination of the product would be considered pricey. As a result, advertising is not a distinct function inside company, but rather a sub-factor of one of four primary business factors that are all interconnected. Despite the fact that advertising may not appear to be a significant element of the business, it has a significant impact due to the value it may provide and its influence on other factors.

2.1 Defining Advertising

Advertising is a marketing strategy that involves paying for advertising space to promote a product, service, or cause. Advertisements are the real commercial messaging. Advertising's purpose is to contact those who are most likely to be willing to pay for a company's products or services and persuade them to buy. It can also be defined as an impersonal communication of information about products, services, or ideas through the various media, and it is usually persuasive by nature and paid by identified sponsors (Bovee 1992.) Advertising provides the following benefits:

Customers who live far apart are reached by advertising. Its public display demonstrates to the customer that the goods does not violate social norms or the law. It enables the sending of several announcements, and when the recipient receives the message, he or she can compare the product to those of competitors. A wide-ranging promotional activity conducted by the company is evidence of the company's popularity and success. Advertisement is incredibly expressive; it helps a corporation to

clearly, and successfully communicate its goods using text, sound, and colour. On the one hand, advertising aids in the formation of a long-term sustainable image of the product. On the other hand, it boosts sales. (Kotler 2010.)

Advertising can be done in a variety of ways, including print, outdoor, online, radio, and broadcast. Companies frequently employ a combination of several channels to gain the best results while advertising. Advertising is a cost-effective technique to contact a large number of people. Advertising to large groups of people may not be the most personal means of reaching out to customers.

Intimate selling is a lot more personal technique to touch consumers than advertising, although advertising allows organizations to reach a larger number of customers. As previously said, the use of a variety of channels is usually the key to success. (Armstrong & Kotler, 387-389.)

2.2 Types of advertising

There are many different ways to advertise a product or a service, all depending on the business goals and budget. To start with, competition advertising is used to generate different sorts of demand for a certain brand. In use when there is a lot of competition. In the case of shampoo, extra functional and emotional-psychological features are advertised in addition to the core feature.

Then we have distinctive advertising, which is a way of advertising, comparing product with others and offering superiority to others, which in other words is called "the us vs them". In some countries, specific advertising is prohibited.

Confirmation Ad is a social responsibility message, a social activity that encourages and protects. Often non-profit, social organizations use such advertising. Additionally, we have reciprocating advertising - An advertisement designed to keep the name of a product or organization in the public eye.

Advertising for commerce and retail, which focuses on a certain production organization or product sales: it could be a service company or a store. The primary goal of commerce and retail advertising is to attract potential buyers by educating them about the location and key parameters of providing certain goods or services.

Corporate advertising, this type of advertising practically never provides advertising content (in the traditional sense), and instead works to prepare the public opinion (a specific section of purchasers) to support the advertiser's point of view. On the other hand, we have business advertising, which is advertising targeted at professionals and intended for dissemination to groups defined by their occupation. Advertising like this is primarily distributed through specialized periodicals.

Unlike commercial advertising, public or social advertising is targeted at a specific audience, which is defined primarily by social standing - for example, single mothers, childless couples, teenagers, and so on. Lastly, we have social media advertising, a type of advertising that requires the use of digital platforms to reach and engage with customers.

2.2.1 Social media and advertising

The first focus point will be a basic summary of how social media marketing has progressed to its current position, followed by some social media user and marketer statistics. Nowadays, technology is continuously evolving, and organizations must learn to capitalize on this opportunity. As a result, marketing gurus are employing tracking technologies known as targeted advertising for social media marketing. However, with the considerable surge in popularity of targeted advertising, it is critical to research social media users' reactions to it and understand how to fully utilize it.

The dot-com boom, which lasted from 1995 to 2002, was a watershed moment in the evolution of the internet as a marketing tool. It all started with search marketing, which prompted companies to build websites in order to develop an online presence. Companies used SEO tactics to stay at the top of search results while Google, Yahoo, and MSN's search engines matured. (King 2013.)

According to (King 2013.) at any given time, there are over 2 billion people online. Approximately 23% of total internet time is spent browsing or interacting with social media sites. A brand is followed by at least 53% of people who use social media sites such as Facebook. With the help of the global internet, an increasing number of customers (if not all) expect their brands to have an online presence. In their marketing plans, more than 90 percent of the marketing managers use the social media, and successful companies use social media marketing to brand, generate lead, maintain customers, research, and e-commerce.

Increasing the efficiency of the marketing and the total customer satisfaction not only reduces the marketing costs and the time needed for selling items and services. 83 percent of clients who file complaints on a social brand website like Twitter and are satisfied with their reply. This helped firms retain more customers, resulting in greater transactions with existing customers. Talking about the case of Russel Brunson, who is the CEO of Click funnels, a SaaS company worth $360 million as well as the author of the famous book "Dotcom secrets". He goes live on social media on a regular basis and interacts with the members. He speaks about marketing and provides a lot of free value to his subscribers, which helps him gain market confidence and goodwill. (Drip Digital 2017.)

Some Click funnel members are so devoted to the software that they wear Click funnels t-shirts, socks, sweatshirts, and even have a tattoo of the company's logo on their arms. He explained that leveraging a social media strategy rebuts a strong customer acquisition system. Click funnels technically obtains their customers for free. The cost of acquiring a customer for them is zero. Russell charges $9.95 for his book.

He advertises the book on Facebook, YouTube, and other social media platforms. Ads cost him money, and he loses a few dollars while promoting the book. However, as soon as people buy the book and check out from the order page, Russell sends them a one-time offer for $37 for his video training and audiobook. Some people purchase his video-training and audiobook, and this is where he recoups his marketing expenses and breaks even. He included the use of Click funnels and how he and thousands of other users utilize it to operate their businesses in the book. Added a few case studies, as well as generating some social proof, and the reader has interacted with the brand and is convinced to sign up for a free trial after reading the book. Thus, a small percentage of those who sign up for free trials end up becoming paid members. This is the secret sauce that has helped Click funnels become so successful, which is leveraging social media both to gain new customers as well as leverage current customers with new offers. (Drip digital 2017.)

2.2.2 Effectiveness of social media advertising

In the previous case study of Click funnels, we explained the acquisition strategy of the firm. How they effectively get new customers for free, as well as maximize the average order value of existing customers. Social media advertising is a far more efficient technique to nurture leads and convert them

into loyal consumers. This is because, unlike any other advertising channel, social media allows corporations to engage and communicate with customers. Establishing a two-way relationship between their business and a customer builds trust, which can lead to lucrative prospects. It's important to be where your audience of potential customers is today, and where they might be tomorrow. It's better to be ahead of the curve than behind. (Delaney 2019.)

With billions of people using social media around the world, there's a good chance that at least some of the followers or those who are exploring the brand have seen the competitor's or other businesses in the industry's material. That's why a need of an interesting social media content that sticks out and gives people a cause to click the "Follow" button and engage with brands. (Delaney 2019.)

Additionally, having a strong social media strategy has the following benefits:

It increases lead generation and conversions, because we're advertising to individuals who have chosen to engage with us by following our account, promoting, and sharing our items on social media is a straightforward advertising approach to drive lead generation, conversions, and sales (Baker 2020.)

We can also learn from competitors, social media is a wonderful method to keep tabs on our competition, whether it's in terms of their social media tactics, the items they're advertising, the campaigns they're running, or the level of interaction they have with their followers. Social media allows us to see what is and isn't working for our competitors, allowing us to determine what should and shouldn't be changed about our company's approach. Finally, looking at our competitors' social media profiles will assist us ensure that our marketing stands out and is distinctive to our brand (Baker 2020.)

Moreover, it helps us foster relationship with customers, we'll be able to establish long-term relationships with our social media followers by interacting and engaging with them. This can be accomplished by connecting with them on our postings, responding to their questions and comments, and offering them any assistance they may require. To assist us establish trust and show them how much we respect their feedback and support, we might ask our followers questions about our products, their pain spots, or create freebies. (Baker 2020) further explained that one of the most crucial components of social media marketing is ensuring that our efforts are effective in assisting us in achieving our objectives. We'll need to keep track of all of our posts across all channels to figure this out. This can be accomplished by looking over and monitoring our social media data. There are ten metrics that we should analyse and keep track of, which are:

Clicks, comments, likes, and replies on our social media posts are all examples of engagement. There are additional platform-specific sorts of engagement, such as Instagram "Saved" posts and Pinterest "Pinned" posts.

Reach: is defined as the number of individuals who have seen any material related with our page or profile.

Followers: This is the number of people who have clicked the "Follow" button on our profile and see your stuff in their feeds on a regular basis.

Impressions: This is the number of times our audience members see a post from your profile or page, regardless of whether or not they click on it. When someone scrolls through their newsfeed without clicking on anything, this is frequently what happens.

Number of views: the number of each video gets on Facebook, Snapchat, Instagram, or any other social media platform with video capability.

Profile visits: is the number of people that have visited our social media page.

Mentions: This is the number of times audience members have cited our profile in their posts.

Tags: When a member of our audience adds the name of our company's profile or a hashtag to another post, this is known as tagging.

Reposts: When a member of our audience shares a piece of our material on their profile, this is known as a repost.

Shares: These are the posts that our fans and viewers share with their networks after seeing them on our profile.

Leveraging social media as well as implementing the right tracking tools combined create a powerful and effective way not only to get new customers but a better knowledge of what our followers and audience like and what we should change to boost engagement.

3 INTRODUCTION TO FACEBOOK ADVERTISING

Being a firm on Facebook has several advantages. We may be closer to our clients by going where our target market is. We can post updates from our company on our company's Facebook page, talk about a new product our company has, and so on. Our Facebook page can also be used for marketing, employing new employees, providing support, and providing customer care. It's a way to improve communication with our clients. Customers and future customers can follow our company by like our Facebook page. There might be more than one administrator on a company's Facebook page, allowing more people within the firm to post. (Carlsson 2010, 65-67.)

Facebook Ads are based on a bidding system. Based on ad performance and maximum price, Facebook chooses the best advertising from all the firms' ads to run. This implies that all adverts fight for the same spot on a target consumer's news feed, and the ones that Facebook believes have the best chance of succeeding will win the auction.

The auction system was created by Facebook to keep its own users happy by showing only ads that might be useful to them, to keep advertisers happy by maximizing their return on investment by showing ads to users who are most likely to interact with them, and to maximize Facebook's profit by accepting the best offers advertisers are willing to pay for showing their ads (Facebook Business 2017b.)

3. 1 Facebook as an advertising platform

"No other social network can equal Facebook's current popularity or global consumer base. Since April 2008, it has been the industry leader in social media, hosting a variety of social applications." (Treadaway & Smith 2010a.) Facebook, being the world's largest social network, now has over one billion users worldwide. Mark Zuckerberg, a Harvard undergraduate, launched Facebook in 2004. It was initially limited to Harvard students, but it has now grown to include other colleges and universities, as well as secondary schools. Facebook now welcomes members who are 13 years old or older. Just like the CEO Mark Zuckerberg of Facebook said, "Facebook was not originally created to be a company. It was built to accomplish a social mission, to make the world more open and connected" (Treadaway & Smith 2010a.)

Monthly Active Users (MAUs)
In Millions

- Rest of World
- Asia-Pacific
- Europe
- US & Canada
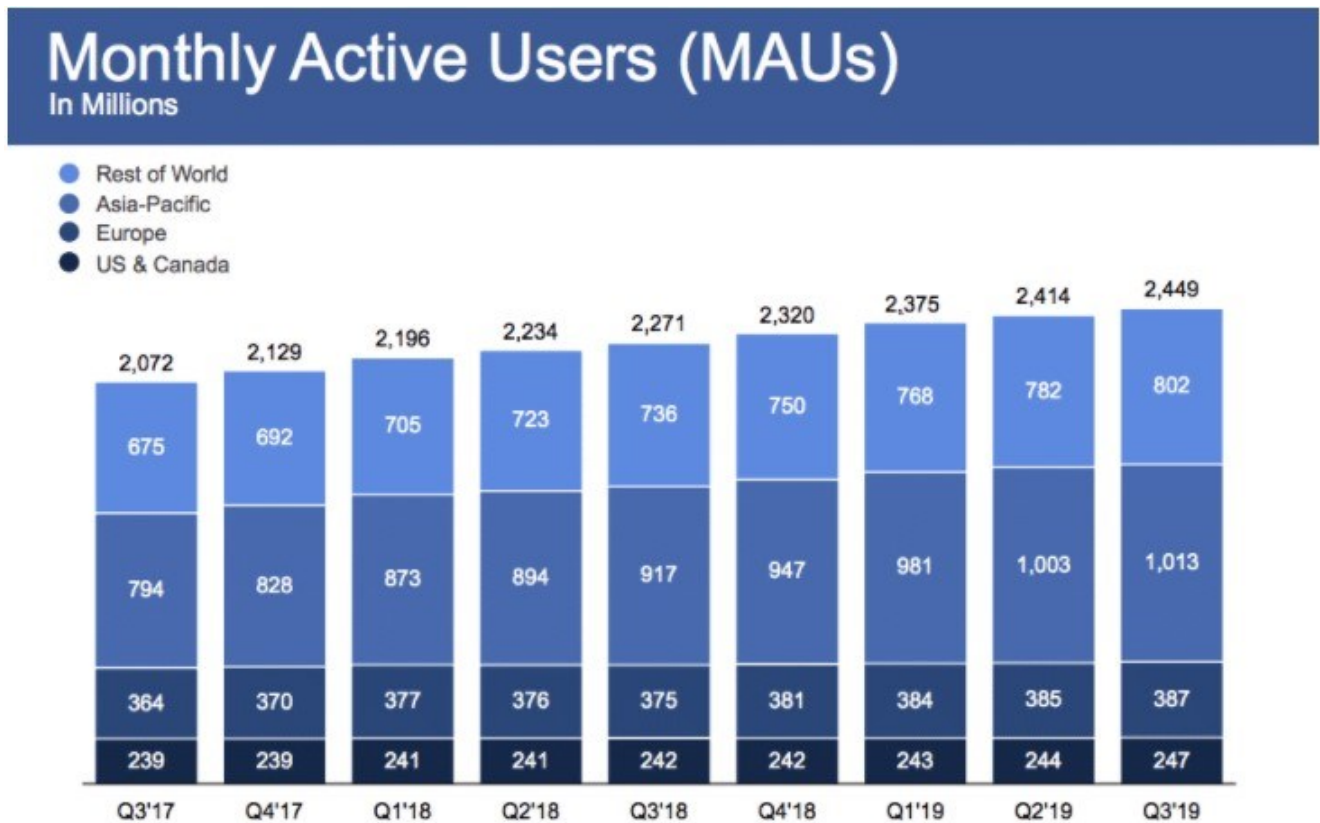
FIGURE 1 Facebook monthly users 2021 (Sisudigital)

The Graph 1 shows the growth of Facebook active users between Q3'17 to Q3'19 among different continents. Compared to other social networks, Facebook hasn't only the most users but also the active ones, which in other words creates a huge advertising opportunity to reach those audiences. Marketers may use Facebook to promote their products and establish their brand image online. Companies may now contact many clients in a single location, if not the entire world. Aside from that, Facebook is a good medium for customer-company engagement.

As an advertising platform, Facebook offers all targeting options from targeting an entire country, to narrowing down to as single niche. With Facebook we can reach all or just a few. Facebook will display our adverts to those who are most likely to be interested in them. Three audience selection methods might help us further focus our ad distribution:

Core target group, we can define the target demographic based on age, interests, location, and other comparable factors. Core audiences can be used to determine where our adverts appear. According to Facebook we can use the elements below to make our audience as broad or as limited as we want it. Location, cities, communities, and countries where we want to do business is a good idea. We can for

instance, select our target demographics based on age, gender, education, job title, and other factors. We can keep track of the types of people who see our adverts. Facebook, on the other hand, never distributes personally identifiable information about the people we communicate with. We could also add the interests and hobbies of the audience we want to attract with our ad. From healthy food to action movies, they may be anything.

Then we have custom audiences, we can reconnect with customers that have already dealt with our company, whether online or in person. Additionally, we could target those audiences by manually uploading their contact information such as email, phone number, if they have already interacted with our ads, as well as if they visit our website.

Lastly, we have target groups based on similarities, which Facebook calls "lookalike audiences", with this option we could find new people who share our top customers' interests, and thus target them based on their similar behaviours or interests. This will improve the relevance of our targeted adverts. using consumer activity, such as previous purchases or the device they're using, might be used to target our adverts. Connections, users who have been connected to our Facebook page or event can be included in our audience, or they can be excluded if we want to reach new people.

FIGURE 2 Facebook core audiences' variables 2021 (Facebook)

Graph 2 indicates the primary targeting options offered by Facebook. Furthermore, Facebook has several advertising targets from which to choose that best suit our demands and business objectives. We could select advertising objectives that will assist us in achieving our business objectives. Whether you want to increase publication engagement, drive traffic to our website, or generate new leads, we'll discover an advertising target that fits our needs.

In order to measure our advertising efforts and see how effective they are, we can install a tracking code called "Pixel". A Facebook pixel is an analytics tool that allows us to assess the effectiveness of our ads by observing how visitors interact with our website. If someone takes an activity on our site. After we've defined a Facebook pixel, it will be active. Adding a product to the shopping cart or making a purchase are examples of functions. These functions, i.e., events, are received by the pixel, which we can see on our Facebook pixel page in Event Manager.

We will be able to view the actions taken by our customers there. We can also employ capabilities that allow us to retarget these clients with Facebook advertising in the future. The Pixel's purpose is to help

us optimize our Facebook Ads and audiences based on user behaviour and data. Retargeting consumers who have abandoned a cart, recently browsed our pricing page, or subscribed to a webinar are all possible using Pixel.

Moving to the budget, Facebook allows us to set our own budget to fit our business demands and establish advertising targets that operate inside our budget. The minimum daily budget for most ad kinds is from one to five dollars. When our company's finances change, we can adjust our budget and pause or stop our commercials. Setting a use limit for our account will make advertising more secure. The entire amount that our advertising account can spend on all our ad campaigns combined is the account use limit. Setting a restriction on account usage can help us keep expenses down and ensure that we don't spend more money on adverts than you wish. (Why advertise with Facebook, Facebook, 2019.)

One major limitation of Facebook as an advertising platform, however, is that businesses that are successful on Facebook invite users to sign up rather than buy. To be successful, we must employ a low-friction conversion. Our website visitor wasn't seeking for our product. On the spur of the moment, they clicked on our ad. We can fail if we rely only on them to buy something right away in order for our ad ROI to be positive. If we ask for a large commitment (buy) up front, Facebook users are fickle and prone to click back to Facebook. It's more successful to stick to simple conversions like signing up for your service, filling out a brief lead form, or giving an email address (Patel, A deep dive Into Facebook ads: How to create, optimize, and test Facebook ads.)

The goal of Udemy, which is a learning platform, is to attract users to sign up on their first visit. They convert Facebook users into long-term consumers by striving to be profitable on ad expenditure in six months (rather than one day). They aim for a 20% payback on ad spend on day one and a 100% payback after six months. These figures might be used as a general guide for any company (Patel, A deep dive Into Facebook ads: How to create, optimize, and test Facebook ads.)

3.2 Introduction to Facebook algorithm

When people check their Facebook feed, the Facebook algorithm determines which posts they see and in what order they appear. Facebook, for its part, wants us to remember that there is no single algorithm, but rather "many layers of machine learning models and rankings" that are used to anticipate which postings would be "most valuable and relevant to an individual over time." (Facebook 2020). In

other words, rather of presenting every available Facebook post in chronological order, the Facebook algorithm evaluates each post, assigns a score, and then arranges it for each particular user in descending order of interest. Every time a user—there are 2.7 billion of them—refreshes their newsfeed, this process occurs.

Facebook's algorithm isn't set in stone; developers are continually tweaking it. Thousands of data points, also known as ranking signals, are used by the algorithm to produce predictions. Depending on what Facebook thinks users want to see, ranking signals have been added, removed, and their relevance altered over time. Here are a few of the most significant changes.
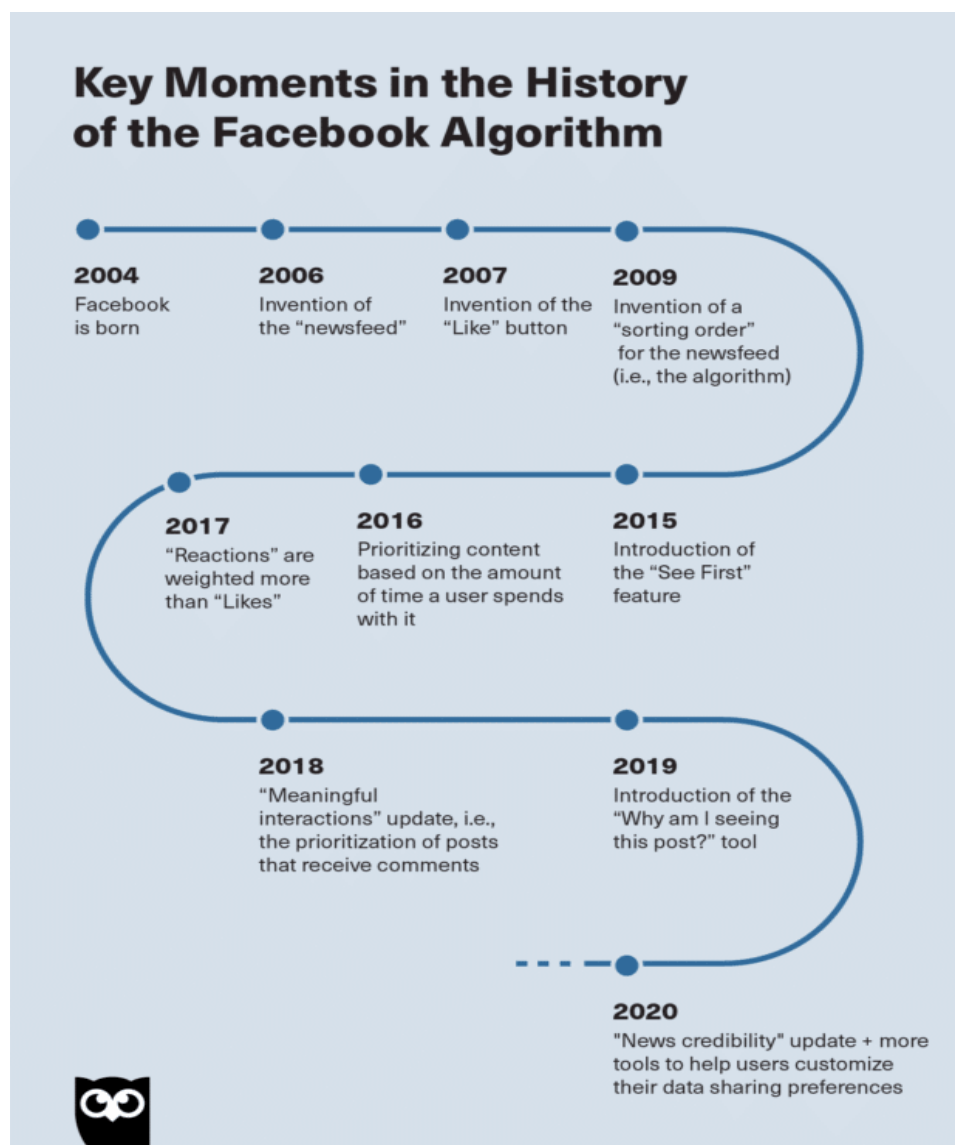
FIGURE 3 How the Facebook algorithm works in 2021 and how to make it work for you 2021 (Hootsuite)

Graph 3 shows the evolution of the Facebook algorithm over the years, as well as the factors that Face-book take into account to prioritize posts, pages, and ads based on the possibility of how the users will interact with them. First, Facebook scores every post available in a user's network (a.k.a. the inven-tory) based on established ranking signals such as type of post, recency, and so on. Following that, it filters outposts that a user is unlikely to engage with based on their previous behaviour. It also demotes content that users don't want to see (for example, clickbait, misinformation, or anything that they've expressed a dislike for).

After then, it uses a "more sophisticated neural network" to assess the remaining posts in a tailored manner. (For example, Mona is 20% likely to watch tutorial videos from her chess group, but 95% likely to react with a heart to a photo of her sister's new puppy) and ranks them in order of importance. Finally, it arranges a beautiful cross-section of media formats and sources so that a user can scroll through a diverse range of content (Hootsuite, Facebook algorithm explained,2021.)

Facebook Algorithm Ranking Signals in 2021

Relationship
Who a user typically interacts with

Content Type
The type of media in the post
(e.g., video, link, image, etc.)

Popularity
How many likes/engagements
the post gets

Recency
Newer posts are shown first

FIGURE 4 Facebook algorithm ranking signals to consider 2021 (Hootsuite)

According to Facebook, there are 4 Facebook algorithm ranking signals to consider. First, relationship, it is a post from a person, company, news outlet, or public figure that the user interacts with frequently (For example, messages, tags, engages with, and follows.) 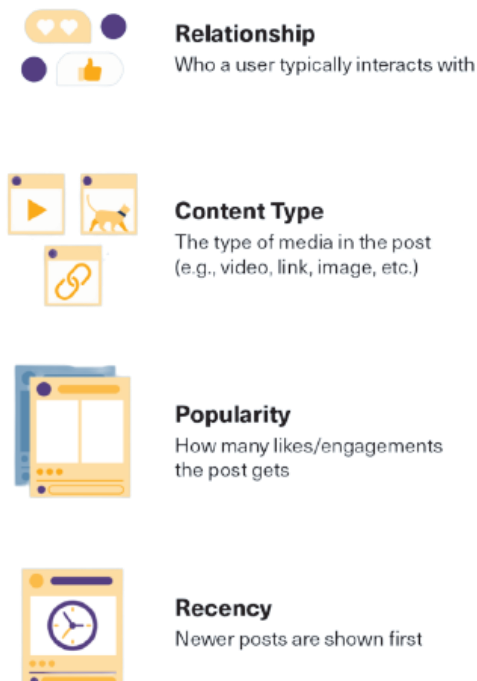Then, content Type, what kind of media is in the post, and how does the user interact with it the most? (e.g., a movie, a photograph, a hyperlink, etc.). Besides, popularity, what are the reactions of those who have already viewed the post? (This goes double for your friends.) Are they tweeting about it, making comments about it, ignoring it, or slamming that angry face? Lastly, recency, what is the date of the post? Newer posts are prioritized over old ones.

Moreover, most of these signals necessitate Facebook tracking its users' activities. This is where the controversy over privacy vs. personalisation arises. (Again) Finally, in 2021, Facebook will continue to make an attempt to be open and honest with its users about their data.

3.2.1 Main Facebook advertising campaigns

Depending on a firm's objective, Facebook offers multiple advertising campaigns that we could choose from in order to achieve our goals and objectives. To start the workflow, we first establish a campaign. The entire procedure begins with an idea that will guide the work's execution as well as the project's tone (Treadaway & Smith 2010b.)

Before we get into the main Facebook campaigns that Facebook offers, we should have an overall marketing strategy. Facebook isn't a magic tool that helps companies get high return on investment but rather a marketing tool that helps businesses reach their goal. Companies should establish a strategy for launching their Facebook marketing efforts (Haydon 2013.) The following activities are included in the plan:

Overall, understanding the basics of the marketing strategy such as audience, marketing goals, content strategy, measurement activities, and integration campaigns. Also, creating a value proposition our marketing strategy should include the following information about our company's worth: What sets our product or service apart from that of our competitors? What makes buyers want to buy our product?

We should recognize our target market. Try to comprehend our audience's culture and point of view. This will assist us in developing marketing messages. Defining our marketing objectives such as building brand exposure, boosting sales, developing a community with people, and obtaining feedback from customers are all frequent goals in social media marketing.

Making progress on our content strategy. The ability of content to drive interaction is a powerful tool. For social media marketing, it's critical to build a valuable content plan. For instance, to entice Facebook fans, you may provide discounts and special deals. Lastly, keeping track of our strategy's performance and measuring our progress. Using Facebook insights to track our page's success and then making changes to our marketing efforts.

After we now know that companies must have a Facebook marketing plan just like any other platforms. Sprout social helps companies figure out the best time that customers are engaged with their favourite brands.
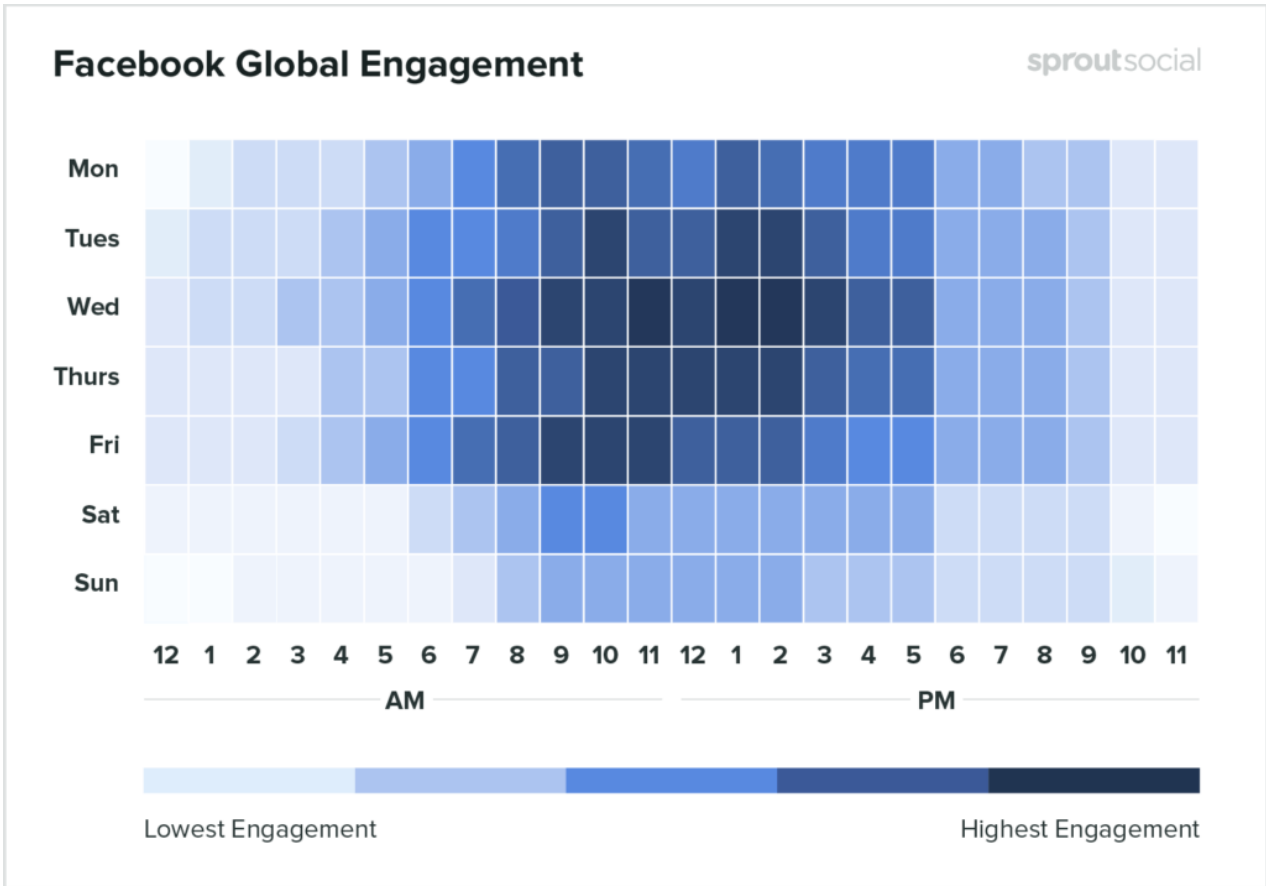

FIGURE 5 Facebook global engagement (Sprout Social)

After we discussed the importance of establishing a marketing strategy, as well as the right time to launch our Facebook advertising campaigns, we will move to the different campaign objectives that Facebook offers us. Thus, we will use a sales funnel framework that we talked about earlier for a better grasp. The following objectives that are presented by Facebook (Facebook for business 2017). There are three basic categories into which goals can be classified.

Goals that raise interest in your product or service are known as awareness goals. Explaining why your company is valuable might help you raise brand recognition. Jasper's Market, for example, intends to build a small regional supermarket business. A corporation can design a campaign to advertise its fresh organic products to clients in the surrounding areas with the purpose of increasing brand awareness.

Goals that encourage consumers to think about your company and look for additional information. The website for Jasper's Market, for example, tells the company's story and highlights its distinctive services. A corporation can use a traffic goal to develop a campaign that encourages visitors to search the site for more information.

Conversions are objectives that encourage people who are interested in your company to buy or use your products and services. Jasper's Market, for example, has added a few extra locations. A corporation can use a trade traffic objective to build a campaign that encourages potential customers to visit the chain's nearest location. As the company grows, so do the campaign goals. Initially, campaigns may be focused on building awareness and attracting new clients. Customers may be encouraged to buy merchandise or register for an event through subsequent advertisements.

TABLE 1 Three stages of a customer journey (Facebook)

Brand awareness	Increase the number of people who are aware of your company, brand, or service.
Reach	Show our ad to as many Facebook users as possible, which are in our target market.
Objective	Our business goal is
Traffic	Send Facebook users to any destination we want, including our website's landing page, a blog post, an app, a phone call, and so on.
Engagement	Reach out to those who are more likely to respond to our post. likes, comments, and shares are examples of engagement, but offers claimed from our page can also be included.
App installs	Send people to the store where they could install our app
Video Views	Share videos about your company with individuals who are most likely to watch them on Facebook.
Lead generation	Gather leads for our company. Create advertising that capture information from those who are interested in our goods, such as newsletter sign-ups or phone numbers.
Messages	Use Messenger, Instagram Direct, and WhatsApp to communicate with others. Communicate with new and current customers to pique their interest in your company.
Objective	Our business goal is
Conversions	Encourage visitors to complete a certain action on our website, such as adding things to a shopping cart, or downloading our app.

3.2.2 Effectiveness of Facebook as an advertising tool

According to Sisudigital, in 2019, Facebook has 2.45 billion monthly active users, making it the world's largest social media platform. As of 2020, The total advertising revenue generated by Facebook was 21.22 billion US dollars. However, desktop accounts for only 6% of total revenue. Because of the large number of users who access Facebook via mobile, mobile is the primary platform on which Facebook focuses its advertising efforts. This is also why every advertiser should optimize their ads and content to make them as mobile-friendly as possible.

Additionally, according to a WordStream 2017 study, the average cost per click (CPC) for a Facebook ad across all industries is about $1.72. Understanding the CPC in depth can help our company easily calculate the ROI and manage the budget.
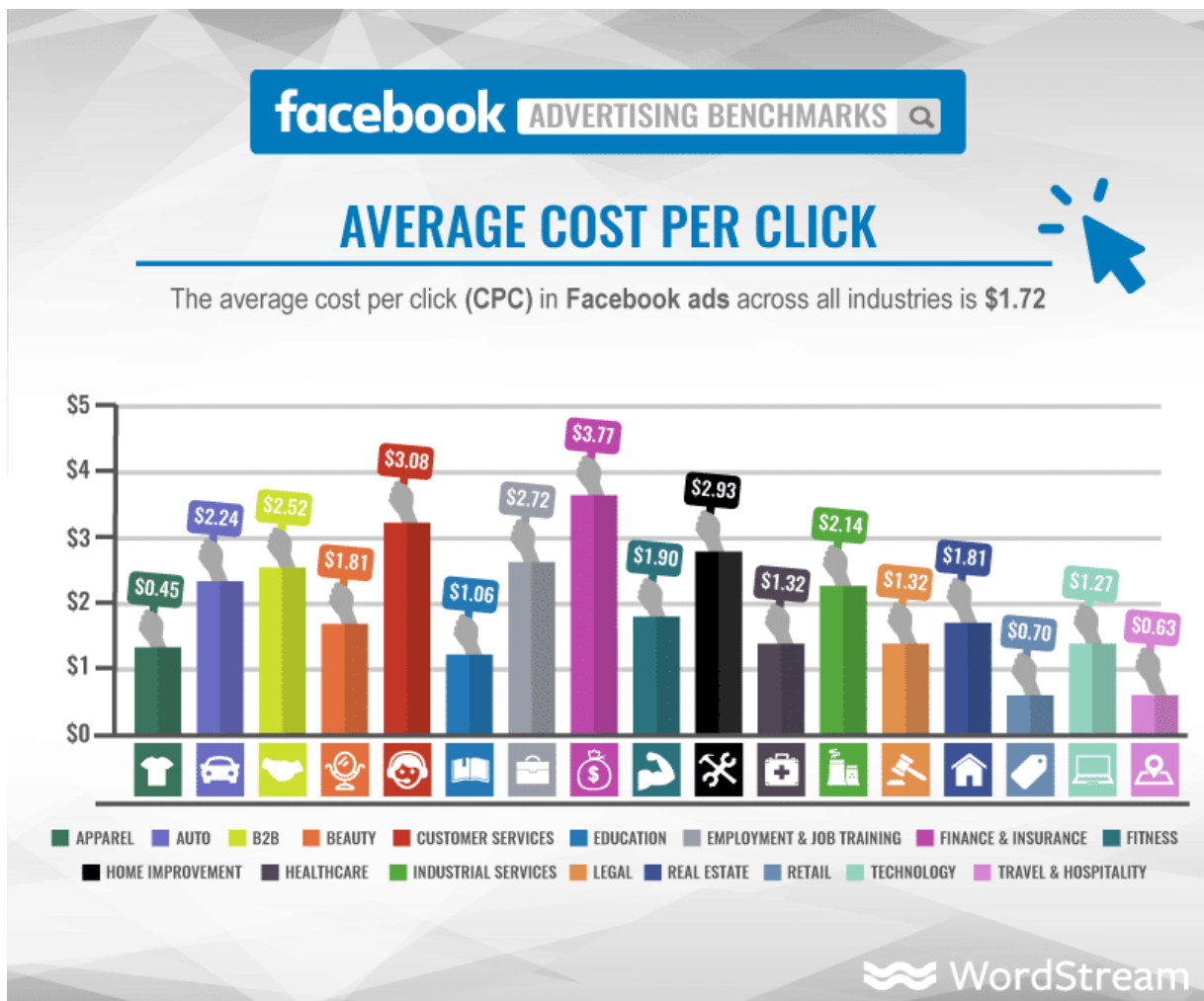

FIGURE 6 Average CPC for each industry (WordStream)

The graph depicts the average CPC for each industry; we can use this as a guideline and test with our own ads to optimize the CPC and ultimately increase our return on investment. (Shimp & Andrews 2013.) Some criteria for determining whether or not an advertisement is effective are as follows:

1) An advertisement is a manifestation of marketing strategy; 2) An effective advertisement is derived from consumer perspectives. It should be made with consumers' predetermined value and longing in mind, rather than with marketers' needs in mind. 3) Ads may find novel ways to cut through explosive advertising; 4) Effective ads do not promise something that cannot be delivered; and 5) Avoid creative ideas derived from unclear strategies. Using EPIC Model 2008 developed by Nielsen, The EPIC Model has four dimensions: empathy, persuasion, impact, and communication. These four dimensions are described as follows:

1. Empathy is a dimension that indicates whether or not consumers like an advertisement and illustrates how consumers perceive the relationship between an advertisement and their personalities (Nielsen 2008.) It provides useful information about the attractiveness of a brand. It involves the consumers' affection as well as their cognition. According to Peter and Olson, affection and cognition refer to two types of psychologically internal responses of consumers to environmental stimuli and current events (Peter & Olson 2010.)

2. Persuasion is a change in trust, attitude, and desire to behave as a result of promotion communication. (Peter & Olson 2010.) It informs what an advertisement may provide to improve and strengthen the character of a brand (Nielsen 2008.)

3. The expected impact of an advertisement is consumers' product knowledge as a result of their involvement in product or selection processes (Nielsen 2008.) Consumers have varying levels of product knowledge, including classes, types, brand, and model. They also have three types of product knowledge: characteristics or features, consequences, or positive effects of using the product, and expected values.

4. Communication provides information about consumers' ability to remember primary messages delivered, their comprehension, and the power of impression generated by those messages (Nielsen 2008.) The marketing strategy is influenced by the cognitive processing perspective.

4 FACEBOOK ADVERTISING STRATEGIES

In exchange for a fee, businesses may use Facebook Ads to promote information to a specific target audience (Newberry 2016.) The cost of Facebook Ads varies depending on the ad's reach and interaction, and they can be displayed in the target's news feed or the right column of the page. Companies may use Facebook advertisements to reach highly narrow defined demographics, measure the return on their ad expenditure quickly, and use data to improve ad targeting.

Planning is also essential for effective Facebook advertising. Companies should specify the goal of the ad, the precise target that will view the ad, establish a budget, and carefully examine a suitable design for the advertisement before creating a Facebook ad. In Facebook's Ads Manager, we can keep track of the outcomes. (Torr 2015.) Advertisements are an effective way to reach new audiences, market items, increase traffic to a company's website, and generate leads.

4.1 Finding high ROI audiences on Facebook

A recent case study from AdEspresso, which will be presented can help us better understand how to find the most profitable audiences on Facebook as well as see what dedicates our ad costs. To start with, we should find out our customers' pain problems through customer research or even competition analysis, the more thorough our buyer personas are, the more we must work within our ad design towards a niche audience. We can turn these problems into a compelling value proposition for our ad. The final step is to create adverts for each buyer persona, taking into account their demographics and pain areas.

Additionally, we should target audiences with divergent Interests (Audiences with Divergent Interests). In other words, targeting people with various, intersecting interests that our product represents is an elegant and successful method to encourage people to click on our adverts. That means that if we're promoting something say, a college football game with complimentary burgers, we should target users who enjoy both football and burgers. Simply enter the various themes into Facebook's Ad Manager's Interests box and choose "all of these" interests to get our intersection.

There are other factors that help us both find high ROI audiences as well as affect our ad placement costs. AdEspresso talk about a principal called ad relevance score in 2019.

The Facebook Relevance Score calculates how well our ads are received by our target audience. To calculate this score, Facebook examines our ad draft, considers the audience's potential positive and negative feedback, and converts it to a score ranging from 1 to 10. Once the advertisement is live, our score will be updated based on the actual feedback received. In other words, the higher our score, the more likely Facebook is to show our ads to the right people.

As an added bonus, ad costs will be slightly lower. According to AdEspresso, unlike other metrics, Facebook's Relevance Score and the newer Relevance Diagnostics help us understand our target audience's wants and needs rather than simply displaying the success or failure of our ads. We can learn from our underperforming ads if we know how to use these scores correctly. Facebook creates an informed ranking and categorizes it into one of five levels:

1. Superior to the norm (55th percentile and above)
2. Typical (35th to 55th percentile)
3. Average or less (Bottom 35 percent of ads)
4. Average or less (Bottom 20 percent of ads)
5. Average or less (Bottom 10 percent of ads)

Moving up in these rankings increases the likelihood of our ads being seen by the right people. According to Facebook, "moving a ranking from low to average is more impactful than moving a ranking from average to above average, so focus on improving low rankings rather than improving average rankings." As Facebook push out Relevance Diagnostics to the rest of their users, we as marketers will be able to discover more about how our target audience feels about each ad we make, which will help us create better ads and optimize existing campaigns for better results. Facebook offers a nice explanation on how to leverage these rankings to build more effective ads for our target audience:

Ad Relevance Diagnostics			Causes	Recommendations
Quality Ranking	Engagement Rate Ranking	Conversion Rate Ranking		
Average or above	Average or above	Average or above	You're all good!	Optimize for your advertising objective.
Below Average	-	-	The ad is perceived as low quality.	Improve the quality of your creative assets or target an audience more likely to perceive the ad as high quality.
Average or above	Average or above	**Below Average**	The ad isn't producing conversions.	Improve the call-to-action of your ad or post-click experience, or target a higher-intent audience. Some products and services naturally exhibit lower conversion rates than others. If your conversions meet your expectations you may not need to adjust your ad.
Average or above	**Below Average**	Average or above	This ad isn't spurring interest.	Improve your ad's relevance to your audience (For example, by making it more engaging, interesting or eye-catching) or target an audience more likely to interact with this ad.
Below Average	Average or above	Average or above	The ad is perceived as low quality.	Improve the quality of your creative assets or target an audience more likely to perceive the ad as high quality.
Average or above	**Below Average**	**Below Average**	The ad isn't spurring interest or producing conversions.	Improve both the ad's relevance to your audience (For example, by making it more eye-engaging, interesting or eye-catching) and the call-to-action of your ad or post-click experience. Alternatively, target an audience more likely to interact with and convert from your ad.
Below Average	**Below Average**	Average or above	This ad is perceived as low quality and isn't spurring interest.	Improve the quality of your creative assets while also making it more relevant to your audience (For example, by making it more engaging, interesting or eye-catching). Alternatively, target an audience more likely to perceive the ad as high quality and relevant.
Below Average	Average or above	**Below Average**	This ad is click-baity or controversial.	Adjust your ad to more clearly represent the product or service you are advertising. Some products and services naturally exhibit lower conversion rates than others.
Below Average	**Below Average**	**Below Average**	There's room for improvement across the board.	Try testing different targeting strategies, creative, optimization goals, post-click experiences, and so on.

FIGURE 7 How to use ad relevance diagnostics (Facebook)

As we can see, we can readily determine where modifications can be done based on which category we are below average in. It's a fantastic addition to Facebook's existing Relevance Score, and it's the most accurate data we have on what genuinely resonates with our target demographic. Going back to AdEspresso study, they used the same commercial and ran it to two separate groups of people, each with the same budget. The following were the outcomes:

Group 1 has a cost per website click of $0.142.

Group 2: $0.03 per click on a website.

The second ad campaign received 1,103 clicks, whereas the first received only 278. That's a fourfold increase in results. It wasn't the ad, according to AdEspresso. It wasn't due to a low budget. It has something to the audience. Let us look at some statistics given by AdEspresso now that we know what the Facebook ad relevance score is on determining our ad costs, targeting the right profitable audiences that drive us high return on investments. To illustrate, they looked at a subset of their database: 104,256 ads created through AdEspresso in the 45 days following the introduction of the Relevance Score.

They started by looking at the distribution. We expected to see a traditional bell curve, with the majority of the advertisements scoring between 4 and 5. Their clients are wonderful, as evidenced by the fact that 63 percent of the advertising received a score of 6 or above. The most common Relevance Score was an 8.
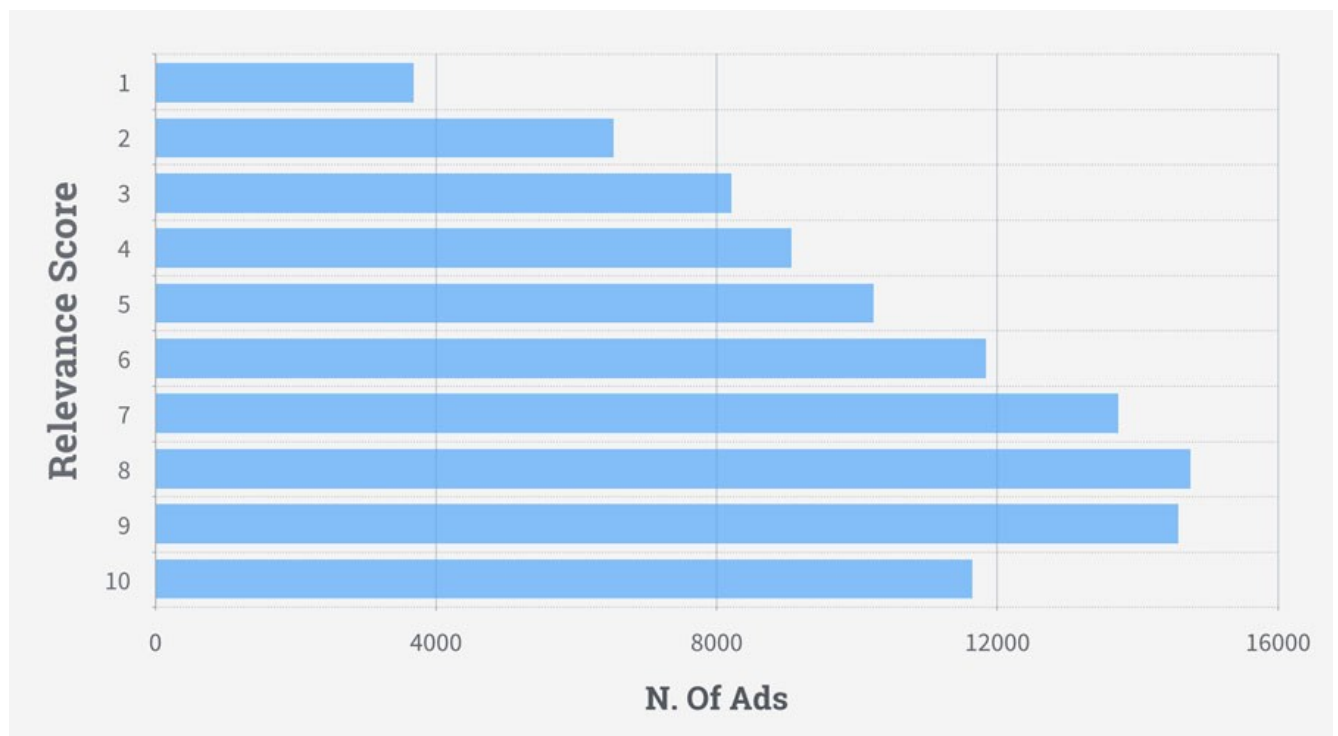

FIGURE 8 Relevance Score Distribution (AdEspresso)

It's fantastic to see that the majority of the commercials are aimed at the right people. The relevancy of the advertising will influence Facebook's willingness to display them in users' newsfeeds, and hence how much they will cost. Let's look at some numbers to back this up:
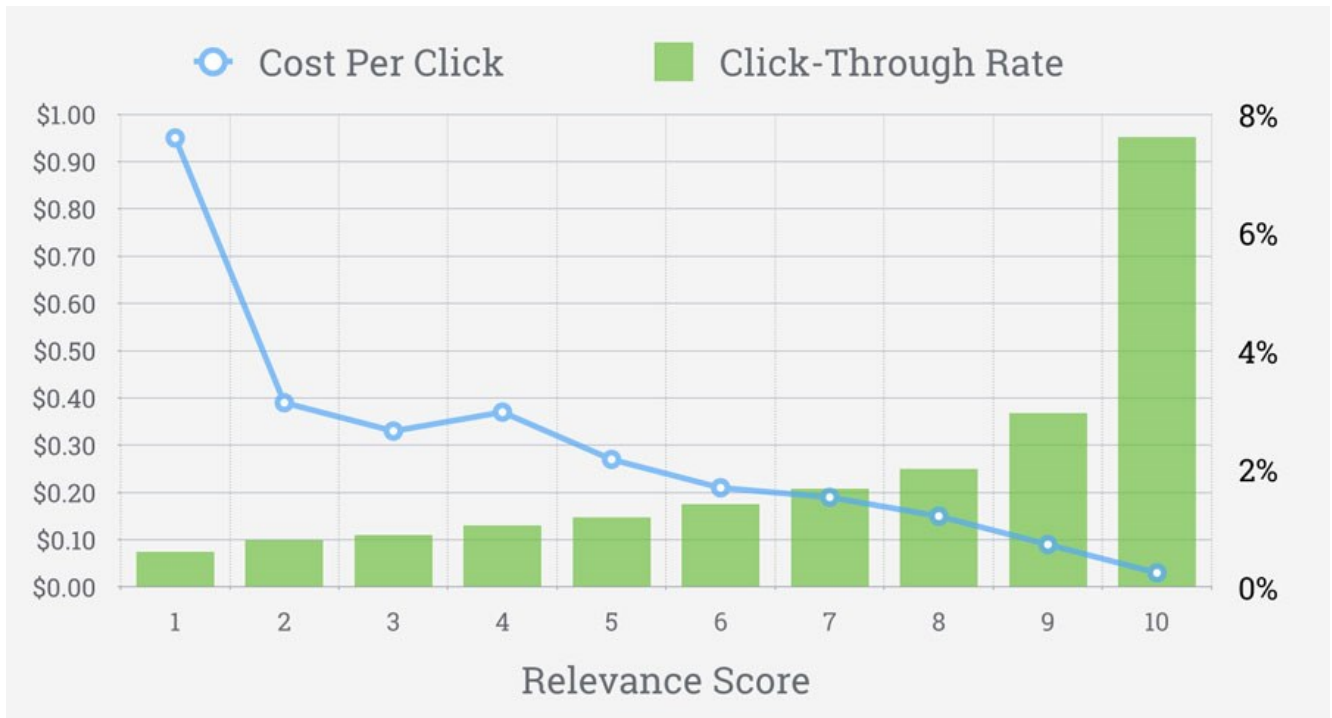
FIGURE 9 CPC-CTR-Relevance-Score (AdEspresso)

The lower the Cost Per Click (CPC) and the higher the Click Through Rate, the higher the Relevance Score (CTR). When we obtain a Relevance Score of 10, the difference is significant—the CPC is extremely low, and those ads got a large number of hits.

4.1.1 The Facebook Pixel and its role on gathering the data

In the digital era, company rivalry is fiercer, forcing entrepreneurs to maximize their efforts in order to win. On February 15, 2017, Facebook advertisements, as one of the most popular social marketing platforms, introduced a new technology called pixel, which replaced the conversion-tracking pixel for the benefit of marketers. (Exploring the Acceptance for pixel technology implementation in Facebook ads among advertisers in Indonesia, 2018.)

The Facebook pixel is a piece of code that goes on a website and is linked to Facebook advertising in order to notify an advertiser what actions users do as a result of the adverts. It's used to track return on investment, run more efficient commercials, and figure out how much a campaign is really worth. On February 15, 2017, it took the place of the well-known conversion-tracking pixel. Advertisers can utilize the Facebook pixel to target specific audiences, track ad effectiveness, market more effectively,

and calculate ROI. Because pixel ads have higher click-through rates than non-targeted ads, they may contribute significantly to advertising revenue.

The Facebook pixel tracks users as they engage with our business both on and off Facebook by placing and triggering cookies. There are different pixel standards the pixel collects such as viewing content, leads, and purchases on our website. Our advertising is viewed by the people who are most likely to perform our desired action, which are our high ROI clients, thanks to Facebook pixel data. This allows us to increase the conversion rate of our Facebook ads and increase our ROI. Installing the pixel code allows us to begin gathering data immediately.

We can use the Facebook pixel to track how users interact with our website after seeing our Facebook ad. We can also follow customers across platforms, allowing us to determine if someone is more likely to view our advertisements on mobile but then purchase on a desktop. Alternatively, it might be the other way around. This data will aid us in fine-tuning our ad campaign and calculating our return on investment. This powerful tracking feature from Facebook not only helps us to track users but also create an effective retargeting campaign for customers who showed interest or abandon their carts before purchasing.

We can then temp them with a discount code in order to complete our desired call to action such as register for an event, install an app, or purchase our product. Facebook's targeting data can also be used to help us create a lookalike audience of people who share the same likes, interests, and demographics as those who have already interacted with our website. This can help us reach out to more potential customers. Facebook can help us improve our ad audience based on value by collecting data on who buys from our site and how much they spend. This implies our adverts will be shown to those who are most likely to make high-value transactions.

4.1.2 Driving high return on investments using campaign budget optimization

Most digital marketing managers know how to calculate and track the most important indicators, but they do not know what ROAS is or how to tell the difference between it and ROI. There are a few essential metrics that every marketer and businessperson should keep an eye on in order to stay competitive: For example, crucial data points include return on investment (ROI), cost per click, return on ad spend (ROAS), and average order value (AOV). (Hoos 2021)

The return on ad spend (ROAS) is a marketing indicator that determines how efficient our advertising is. Many people are perplexed because some marketers calculate gross ROAS while others calculate net ROAS (which is ROI). To illustrate, both terms have different meanings as well as equations.

ROAS = Revenue from advertising/Advertising costs. For instance, we spend 5000€ on pay per click advertising. After the campaign we got a result of 15000€ in revenue. 15000€/5000€ = 3€ which means that every dollar we spend we get a return of 3€. However, if we want to calculate ROI, we will use the following formula: ROI = Profit / Investments * 100. Using the previous example from above, (15,000 – 5,000) x 100 / 5,000 = 20% ROI.

The return on advertising spend (ROAS) tells us how much money we are getting (ideally) for every Euro we spend on advertising. Our ROAS of one indicates that we are breaking even. Our advertising efforts are working against us if our ROAS is negative. Thus, there will be no point running more advertising campaigns. Most marketers are content with a return on ad expenditure ratio of three to five times.

Furthermore, with good conversion rate optimization (CRO), that number can dramatically increase. At The Good, we like to state that a good ROAS not only more than doubles our investment, but it's also a measure that improves over time thanks to careful conversion rate optimization and a lot of A/B testing. We use ROAS tracking to assess the efficacy of our advertising and marketing campaigns. When paired with customer lifetime value (CLV), ROAS can help us determine where we should spend our marketing money to get the best outcomes.

As of 2017, Facebook introduced a new feature called campaign budget optimization (CBO), which helps advertisers to allocate their spending to the best-performing audience automatically. CBO is an Ads Manager feature that optimizes a campaign even more by selecting how to divide the money between ad sets rather than just ads. One of the many reasons why Facebook advertising is so popular with businesses is that it comes with built-in machine learning that helps advertisers get the most out of their ad expenditure. Facebook explains CBO as "a way of optimizing the distribution of a campaign budget across campaign's ad sets. This means Facebook automatically and continuously finds the best available opportunities for results across ad sets and distributes campaign budget in real time to get those results."

With the help of CBO, rather than telling Facebook how much money we have for the entire campaign and how much we want to spend on each targeted ad set, we will simply tell Facebook how much money we have for the entire campaign and the algorithm will distribute it as it sees fit. Facebook will do the hard work for us, as it will look for the ad sets that drive the highest conversions. To illustrate further, there are three main elements within Facebook.
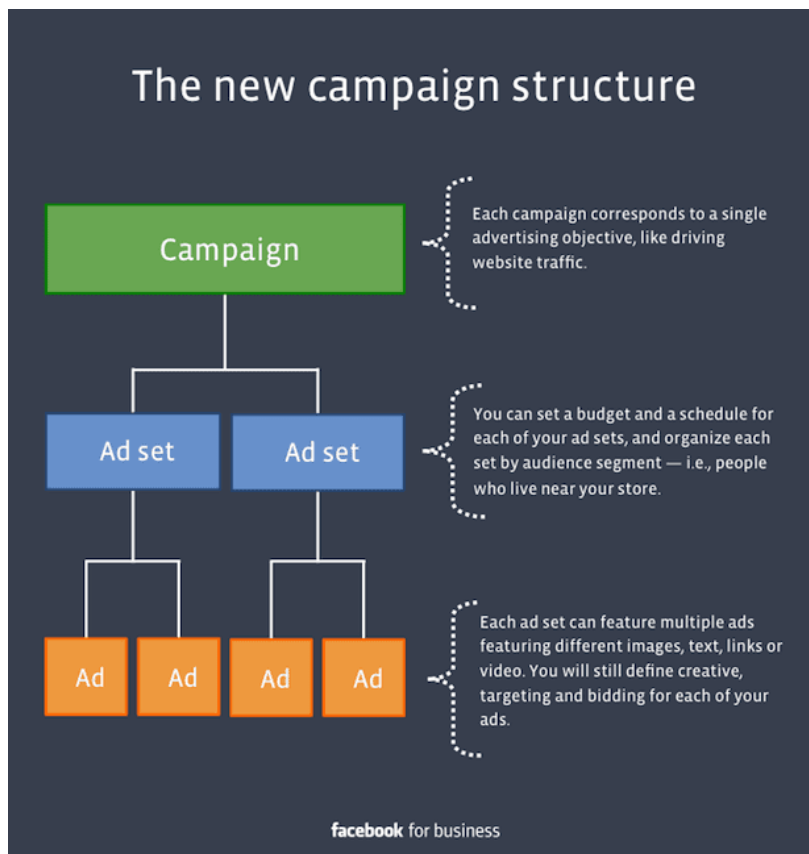
FIGURE 10 The new campaign structure by facebook for business (Facebook)

The graph above illustrates the three main elements within Facebook Ads manager. The campaign denotes a concerted attempt to achieve a specific goal. In this context, a campaign refers to the collection of advertisements and ad sets we will utilize to achieve our goal, which could be link clicks, conversions, or something else entirely. We then move on to ad sets, which is a step farther. Ad sets are a collection of advertising with the same targeting, bidding, and scheduling. Lastly, ads are the creatives (image, video, ad copy etc.) that are shown to our audience. If we want to illustrate even further, we can provide the following graph from Facebook

Without Campaign Budget Optimization

With Campaign Budget Optimization

Key: ■ Budget allocated □ Budget spent ■ Conversions

FOR ILLUSTRATIVE PURPOSES ONLY

FIGURE 11 Facebook CBO comparison (Facebook)

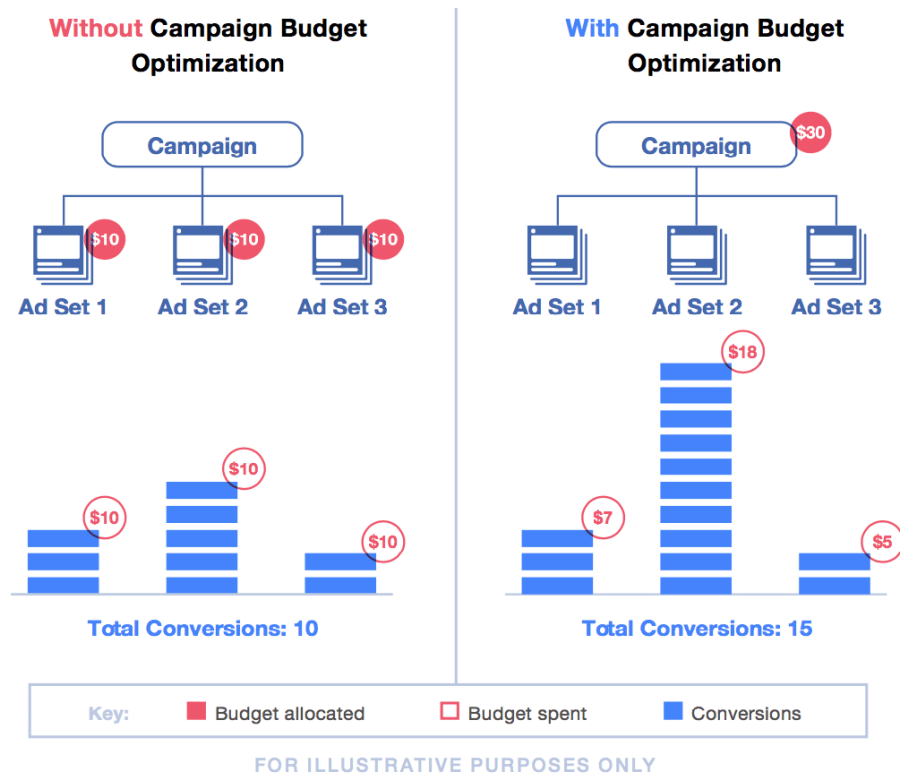As we can conclude from the graph above, CBO helps us manage to get the highest results from the potential successful ad sets using most of the campaign budget. Budget distribution across multiple ad sets. This feature from Facebook is currently optional, advertisers can easily test CBO and see if it fits their advertising budget and goals. Facebook emphasizes in their guide to using Campaign Budget Optimization that we should look at the overall outcomes of the campaign rather than the results of each ad set. Campaign budget optimization drives high return on investments because Facebook does all the testing hypothesis for us and bring us most of our budget.

4.1.3 Facebook conversion rate optimization

The Facebook ad market is fiercely competitive. We'll be competing with firms with enormous budgets and complete teams dedicated to running, tracking, and refining their campaigns. Without a good acquisition strategy as well as conversion rate optimization companies can spend a lot of money investing on Facebook ads without even breaking even. Thus, advertisers must build Facebook campaigns that convert. Because Facebook is the most popular social media platform for conversions, implementing effective Facebook advertising should be a key aspect of any social media strategy.

Conversion optimization refers to the process of developing a customer journey in such a way that as many users as possible complete a desired action, such as registering or making a purchase. Such design is typically done by hand, with A/B testing evaluating one modification at a time or multivariate testing evaluating a limited number of combinations, allowing just a small fraction of designs in a wide design space to be evaluated. As a result, conversion rate is an important measure for all of our Facebook ad campaigns, especially if we're utilizing the conversion objective to optimize for specific actions like sales, subscriptions, or downloads.

Our Facebook ad conversion rate shows the number of conversions vs the number of impressions our ad received, and it lets us evaluate the following: Is our ad relevant to our target audience? (2) How effective are the creatives and CTAs in our ad in getting people to take our desired call to action? (3) How much each customer costs us to acquire, and hence how profitable is our advertising efforts?

Conversion ads on Facebook aren't designed to get people to visit a or take other activities that have specific Facebook goals such as lead generation, but rather to get to the bottom of the funnel (make a purchase or download an app etc.). The platform recognizes that business goals might be complicated at times, so sales aren't the only transaction worth tracking. As a result, Facebook provides us with a number of custom conversion events that we can track. These can be set up in the Business Manager using the Facebook tracking pixel.
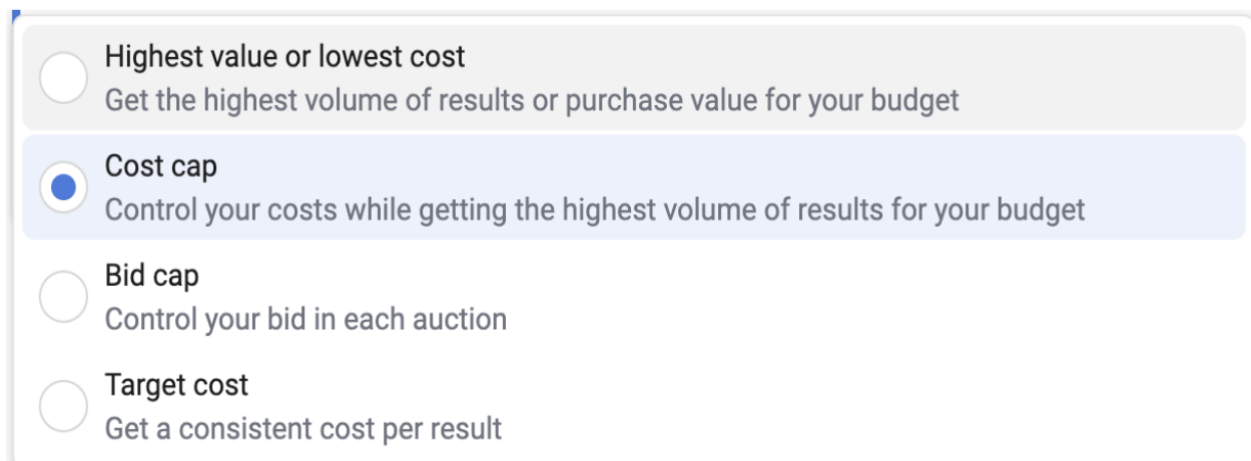
According to a research study done by AdEspresso, the average conversion rate for Facebook ads (CVR) is between 9-10%. However, a typical conversion rate benchmark is just that: a benchmark. Some campaigns and industries will get significantly greater conversion rates from Facebook advertisements, while others will naturally have lower conversion rates. High-value, high-cost specialist products (e.g., pricey software) convert at a slower rate than low-cost daily products (e.g., a €30 lipstick aggressively pushed to Millennial women).

The familiarity of our target audience with our product is another aspect that can affect our conversion rates. Warm audience and existing customer retargeting programs frequently have a greater CVR than campaigns aimed at prospects further down the sales funnel. This isn't to say that advertising targeting prospects at the beginning of their customer journey aren't valuable; we'll need them to keep moving people along the funnel so they can eventually convert into paying customers.

High conversion rates indicate that our marketing and sales efforts are working and producing the desired results. In order to get the desired conversion rate ration, it's critical to produce advertising that are as relevant as possible to the people we're targeting on Facebook. This means we'll need to devise various methods for customers at various stages of the customer journey. To pique the curiosity of new audiences, we could use advertising that introduce them to our brand or product.

Ads targeting our warm audience don't need to be very detailed to express our brand's narrative. Instead, they should increase consumer awareness and emphasize the value of our service by providing quick incentives to convert. It also suggests that we familiarize ourselves with the concept of user segmentation. Hence, Different campaigns should be tested for each audience category to identify what is most relevant to them.

Furthermore, we sometimes have to spend money in order to generate money. This helps us reduce our cost per acquisition (CPAs) and increase the lifetime value of our customers. When a result, as our conversion rate improves, so does our Facebook quality score. Consequently, such costs are reduced. Things will ultimately even out. Facebook gives us the possibility to manually control our budget as well.

FIGURE 12 ROAS/VALUE bid (Facebook)

Such addition from Facebook to bid for a combination of higher AOV and lower CPA by targeting a better ROAS (the first option in the screen above). We need to have multiple purchase values sent through to use this. In practice I've found using Highest value/lowest cost combo to work best. Therefore, I don't use manual bid as there are 2 variables Facebook is balancing (cart value and acquisition cost). Yet, it's worth testing against manual bid and lowest cost auto bidding. Follow the same testing

as COST CAP. Setting our ROAS ranges around the target +/- 25% and trying to get as strong a ROAS as we can, together with good volume.

4.2 The planning of an advertising campaign

Because of today's highly competitive market and continuously changing consumer preferences, businesses must introduce new products or services at a rising rate and effectively advertise them in their target areas of the global market. In this industry, inventory turnover is quite high. Thus, it's critical to understand the effects of globalization and to identify the correct advertising strategy, campaigns, and media on a global scale (Kitchen 1993)

There are already 1.7 billion sites online, with a new one being generated every hour. Choosing where to position your advertising can be a difficult task for advertisers new to the online world.
Online advertising has spawned an entire industry dedicated to helping advertisers through the maze of Web pages in order to find their ideal customer. As digital expands and convergence accelerates, online advertising abilities will soon be the talents that drive marketing and advertising across the entire media sector (New media age 2006, S9)

When their target demographic is most likely to acquire their product or service, certain firms choose to advertise. It's possible that this is a seasonal occurrence. For example, a toy retailer will concentrate much of its promotional efforts in the run-up to Christmas. If we're selling to other businesses, we'll need to figure out when they'll have money to spend. As a result, the development of an advertising campaign is dependent on many variables as well as factors that we should be aware of prior to launching a campaign.

Initially, firms should be crystal clear about who they are targeting. In other words, have the perfect idea of who is the avatar that represents our ideal customer. Researching who are they, what interests them as well as their pain points can make the planning of a campaign an easy step. "When the who is clear, the how is easy" (Abraham 2014.)

Additionally, psychological research indicates that customers are more likely to take action from an advertising campaign if loss aversion is involved. Individuals view a real or future loss as psychologically or emotionally more terrible than an equivalent gain, according to behavioural economics. The

anguish of losing $100, for example, is often significantly higher than the elation of finding the same amount. Thus, in practise, this could be using urgency and scarcity in the campaign such as having limited stocks, pre launching a product or a service with limited quantities, etc. It is critical that our advertising campaign has a theme. Is the commercial going to be nostalgic or emotional in nature? To retain the campaign's integrity and to reinforce the message we want to communicate to our customers, all of the adverts in your advertising campaign should fundamentally conform to a core topic.

Furthermore, there are occasions when the use of mass media is sufficient to make our advertising campaign popular among consumers. However, in this day and age of social media, it is always best to promote our business and campaigns across one multiple platform each time. For small businesses with low budget, planning an advertising campaign across multiple channels can be time consuming as well as require a huge budget. Hence, specialization is a key here. Being consistent in one platform can be rewarding in the long run.

Last part is the budget. Before we can create a budget for our advertising campaign, we must examine everything, including media, paperwork, promotions, and productions. We should know our numbers in and out.

4.2.1 CPA and ROAS calculation

Marketers must determine the proper metrics in relation to their goals and set effective target ROAS (return on ad spend) and target CPAs in order to implement an effective automated bid strategy (cost per conversion). This will assist us in optimizing our paid search ad budget. As we already discussed, the most important metric to employ is ROAS. The caveat is that we must have the appropriate data to use this measure. Ideal ROAS makes use of data related to e-commerce or product sales (or a software or a service). That revenue information gives us a clear picture of the business impact our marketing decisions have. A rising ROAS suggests that our campaign is succeeding; the metric is determined by dividing the total amount spent by the conversion value of website purchases. When partial or absent data makes it impossible to count events directly, statistical modelling can be used to account for some of them, as well as the values ascribed to them (Facebook for business). Before we get into the calculation, we need to know that there are three important key performance indicators (KPIs) that we should be aware of, which makes the calculation that we will get into even easier.

The business level, knowing exactly how many sales we're generating, the lifetime value of our customers (LTV) how much each customer invested in us, as well as the average order value (AOV) how much each product cost the customer.

Funnel metrics, measuring traffic can help us determine how effective our marketing activities are at every stage of the sales funnel from bottom to the top. How many people are entering the sales funnel? When comparing traffic counts over time, web traffic is a rather broad metric to follow, but it does offer a sense of how well we're doing at establishing at each level. Such metrics for example includes our cost per acquisition (CPA). CPA is how much does it cost us to acquire a new customer.

Lastly, we have advertising metrics. Those metrics include many factors and variables that we will explain and give an example of. Such as cost per click (CPC), cost per thousand impressions (CPM), and click through rate (CTR), etc.

When setting our goals, it's important to start with what's important to our business then work through to what's important for our advertising goals. It's critical to distinguish between business metrics, funnel metrics, as well as advertising metrics. To illustrate, we are going to use a KPI levers example to help us plan our goals. This example is intended to help plan our goals and create the mind-set of planning before attacking the growth plans.

Business Metrics	LTV	=	REV	/	CUST
	$50		$1,500		30
	REV	=	SALES	X	AOV
	$1,500		30		$50
	ROAS	=	AOV	/	CPA
Funnel Metrics	1.50		$50		$33.33
	AOV	=	ASP	X	QTY
	$50.00		$40.00		1.25
	CPA	=	CPC	/	CVR %
	$33.33		$1.00		3.00%
	CVR %	=	SALES	/	VISITS
Advertising Metrics	3.00%		30		1000
	CPC	=	(CPM / 1000)	/	CTR
	$1.00		$20		2%
	Spend	=	$1,000		

FIGURE 13 Important 3 KPIs for better advertising (Deluxea LTD)

In our case study, we give an example of spending $1000 on Facebook advertising; after the campaign ended, we had the following results: we had sold 30 products with a gross revenue of $1500. Meaning each product costs $40, and thus each customer bought 1,25 units. Revenue= Sales*AOV in other words, revenue= 30*50= $1500.

Additionally, our product costs $40 and the AOV= Average selling price (ASP) * Quantity. 40 * 1, 25= $50. We can also use lifetime value formula to get the same results. LTV= Revenue / customers. In other words, it will look like this LTV= 1500/30 = 50. Those factors are what matters based on our business metrics.

Moving to the funnel metrics, in this example, we had a cost per acquisition (CPA) of $33, 33. The formula we used is CPA= Cost per click (CPC)/ conversion rate (CVR%). Knowing that the CPC = cost per thousand impressions (CPM) / Click through rate (CTR). To illustrate, in this campaign our CPM was $20, and the CTR was 2%, which is not the best that we could get. Our formula thus will look like this CPC= 20/ 2% = 1.

Lastly, we have the advertising metrics, and this includes variety of metrics that matter to our advertising goals. However, since the graph already shows most of those factors. What matters the most to us is the conversion rate we get from this campaign. If we have a good conversion rate, any other metric will not be affected. The conversion rate metric helps us see how many website visitors and leads that we converted to buyers. It shows how effective our advertising efforts are. Whether or not we're making a profit or a loss. In this case, our conversion rate was around 3%. To illustrate, CVR% = Sales we generated / website visitors (leads). CVR% = 30 / 1000 = 3%.

As the campaign ended, we notice that this campaign was not successful mainly because we spent $1000. However, we only made $1500 in return. That's only $500 profit (investments gain), without calculating the products costs, variable, and fixed costs. Let us calculate our ROI. As we already explained there are a lot of methods to calculate our ROI. To keep is simple we can use the following formula. ROI = FVI−IVI / Cost of Investment ×100. With, FVI= Final value of investment and IVI = Initial value of investments. To put it in practise ROI = (1500-1000)/ 1000 *100.
ROI = 0.5*100 = 50%.

Although to most advertisers 50% ROI can be a tempting figure, it still in itself not a good percentage in the E-commerce field, which has a lot of variable costs as well as the product cost itself. After we

analysed the result, we noticed that what matters the most isn't the advertising costs no matter how high they're. If we're maximizing our LTV of a customer. If hypotactically, we had made our upsells, bundles, and cross sales, and hence increase the LTV from $50 to $100, it would make double our revenue by 100%. We would be able to make a revenue of $3000.

Moreover, when it comes to campaign optimization, CPA and CPC are insufficient. To illustrate, we can eliminate all high-priced advertisements. That works in the short term, but not in the long run. In fact, sooner or later, we'll have to pause all of our advertising and start over, with no idea what happened to the prior ones and no knowledge to help us with the new one. We'll need to look at one more measure, frequency, to really understand why our ads didn't work as well as we hoped in the previous case.
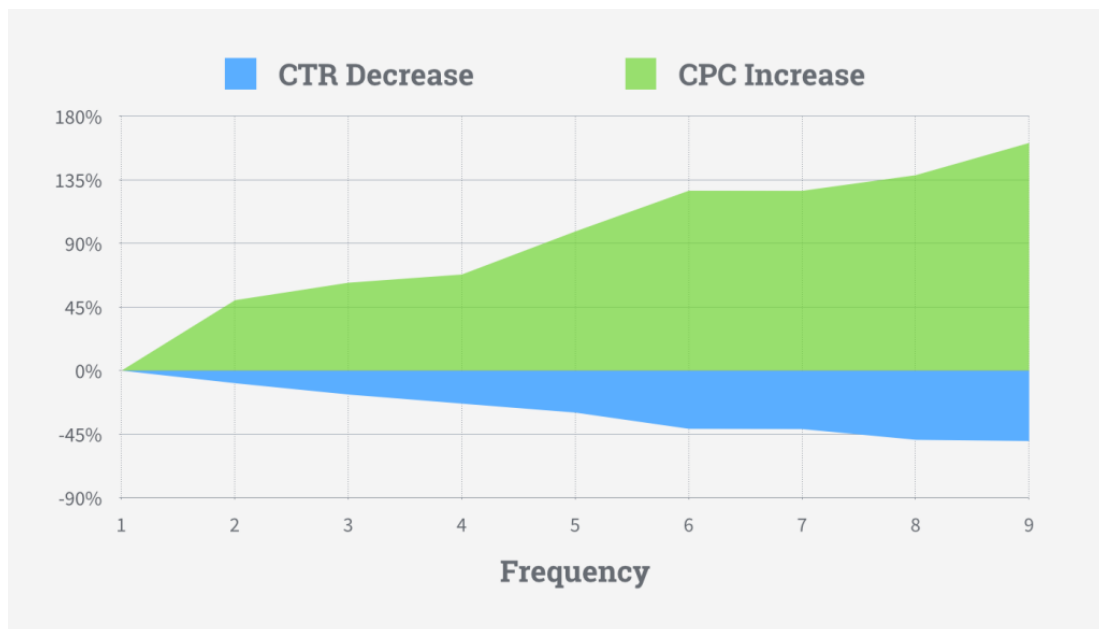
FIGURE 14 Ad frequency effects on CTR and CPC (AdEspreso)

A recent study by AdEspreso shows that ad fatigue can have a fatal consequence on our ad delivery. They analyzed a sample of 500 campaigns to look for a correlation between the campaign's performance and the frequency.

Most businesses think that the more the ads are shown to potential customers "high reach", the more likely they are going to take action because we built rapport with them. However, this is not the case for Facebook Ads. As the research indicates. Our ad frequency plays a vital role in our CPC as well as

CTR. In fact, as the name shows "ad fatigue" customers will eventually get bored of seeing the same ad and therefore our CTR will drop. On the other hand, our CPC will increase exponentially because there are not enough people who click on our ads.

TABLE 2 Ad frequency effect on campaign performance (AdEspreso)

Frequency	CTR decrease	CPC increase
1	0	0
2	-8.91%	+49.82%
3	-23.34%	+68.02%
4	-29.72%	+98.51%
5	-41.19%	+127.32%
6	-41.38%	+127.26%
7	-48.97%	+138.31%

To recap, when ad frequency increases, our CTR will drop and CPC increase. Consequently, the ad score goes down, which affects campaign performance.

4.2.2 Content planning metrics for better performing Facebook campaigns

Facebook is such a visual platform, which means that we as marketers should use content that is highly visual such as, carousel, and entertaining videos etc. Besides, audience research, content scheduling, and content repurposing are all components that must be properly assembled. The results will begin to show after we have everything aligned. But when and where will they appear? And how are we going to keep track of them? Even though content marketing has been around for a long time, several organizations, particularly smaller ones, struggle to understand that the outcomes of content marketing rarely show up as macro-conversions. (Brenner 2021.)

Finally, content marketing plays a crucial role in the final phase (a new sale or lead). However, there are other as significant, more revealing, and valuable KPIs that can help us measure our content marketing (CM) efforts and see how they're benefiting our business. When we spend time structuring a content strategy, writing, implementing, and promoting everything that has been done, we obviously hope to generate enough return on investment (ROI). The three internal KPIs that will be important when calculating our return on investment are, the number of marketing content that was produced, measuring the time spent on content strategy, and finally the budget deployed for content marketing

The goal of a Facebook Page is to build community and engagement. Good management requires time and organization, so it is wise to set up performance indicators to measure the effectiveness of the actions taken. No indicator is put in place and then comes the time to take stock to give new dynamics to our page.

This first indicator should allow us to assess the overall performance of our page. A community does not evolve in a linear fashion. It is therefore necessary to take into account new subscribers and unsubscribes for a given period. This metric is called community evolution. Its formula is number of new subscribers - number of unsubscribes. Thus, this index allows us to go beyond measuring the number of fans between two periods by showing us in figures the impact of unsubscribes on the evolution of our community. We can see this indicator from the Facebook statistics interface.

The second indicator is the referrals metric (audience), this indicator helps us notice loyal customers as well as the payoff of our content strategy. Referrals ensures that our content plan is on the right track, that our audience find our content to be useful and thus share it as well as recommend others about it.

The third indicator, for a successful campaign, especially a brand's first, we should test all messaging, creative and targeting options as well as available audiences. We could set up test stations with a modified variable on each post to measure the effectiveness of one creation or copy over another. To illustrate, we should test different variables. However, one variable at the time. Testing two variables at a time may not be the best idea when it comes to planning a successful campaign. Most successful strategies have gone through a lot of A/B testing, such as testing headlines, the posts, content offers, etc.

Lastly, companies should schedule their content strategy. Any social media plan needs to include content development and curation. We have a lot more options on Facebook when it comes to the types of posts we can make and schedule. This includes everything from Stories to status updates to Group

postings. With the variety of options comes the specific types of material that our target audience is interested in, which should be considered as we evaluate the Facebook marketing strategies that will work best for our goal.

There are both free and paid alternatives available for scheduling content. We may schedule our updates directly from our Facebook page using the Page Controls. Viral Post, which a function of Sprout, will choose the optimum times for us based on our predicted audience interaction with the last posts. When we schedule and plan our calendar, we'll be able to see where the gap in our content is. In the long term, scheduling our content plan will save us time.

To sum up, we should be consistent when it comes to sharing our message. Companies should have a clear goal as well as call to action for customers to make. Facebook requires a lot of testing, measuring as well as consistency for long term gain.

5 RESEARCH METHODOLOGY

Scientific research is a dynamic process or a rational approach, which allows us to examine phenomena, problems to be solved, and obtain answers precise from investigations. This process is characterized by the fact that it is systematic and rigorous and leads to the acquisition of new knowledge. The functions of research are to describe, explain, understand, control, predict facts, phenomena, and behaviour. Scientific rigor is guided by notion of objectivity, that is to say that the researcher deals only with facts, within a framework defined by the scientific community.

The methodology then becomes a discipline, which establishes itself as an object observation, analysis, reflection, and challenge. The methodology does not remain a stable code, it is subject to rework. As the law evolves according to social changes, the methodology evolves according to the objects and practices dominant research. These are the polymorphism and dynamics of objects and research practices, which give the codification of methods its complexity and, sometimes even its apparent contradictions (Van der Maren 1996.)

There are two main ways to data collecting and analysis: qualitative research and quantitative research. Quantitative research is concerned with numbers and figures, whereas qualitative research is concerned with ideas and phrases. Both study styles have different objectives and methods, which are crucial for different sorts of knowledge.

5.1 Research methodology

In some areas of life, scientific inquiry leads to advancement. Due to ever-increasing substantial study in the physical, biological, social, and psychological disciplines, new goods, facts, concepts, and methods of doing things are being discovered. Today's research is no longer limited to the science lab. (Pandey 2015.)

Research is a type of intellectual endeavour. It is in charge of bringing fresh information to light. It is also in charge of correcting current errors, erasing existing misunderstandings, and adding new knowledge to the existing pool of knowledge. Research is a collection of activities that are apart from

day-to-day living and are pursued by people who are gifted in intellect and sincere in their pursuit of knowledge.

Research may also be defined as the use of scientific methods to solve problems. It is a means of carrying out the scientific method of analysis in a systematic, formal, and intensive manner. Knowledge can be obtained in a variety of ways. Intuition, revelation, and authority, as well as logical manipulation of basic assumptions, educated guesses, observation, and analogy reasoning, are all examples. Highly goal-oriented technique is one of the branches of study known as empirical research (Pandey 2015.)

The modes of research are determined by the research paradigms and the objectives of the researcher. The latter has the choice between three modes of investigation: the approach quantitative, qualitative approach and mixed approach.

5.2 Quantitative research

Quantitative research methods, at their most basic level, are focused with gathering and evaluating organized data that may be represented quantitatively. One of the main objectives is to develop precise and dependable measures that can be used for statistical analysis. Quantitative research is particularly effective at answering the "what" or "how" of a situation because it focuses on data that can be measured. Direct, measurable questions frequently include language like "what percentage?" and "what proportion?" How far, how many, and how much? (Goertzen 2017.)

Quantitative research enables researchers to discover more about a population's demographics, determine how many patrons utilize a service or product, investigate attitudes and behaviours, document trends, and explain what is known anecdotally. Frequencies (counts), percentages, proportions, and relationships are examples of measurements that can be used to quantify and offer evidence for the variables stated above (Goertzen 2017.)

The results of quantitative research reveal patterns and behaviours. It's crucial to emphasize, however, that they don't explain why people think, feel, or act the way they do. To put it another way, quantitative research identifies patterns across data sets or study groups, but not the motivations behind observed behaviours. The explanation could be identified using qualitative research instead. Qualitative

studies, such as focus groups, interviews, or open-ended survey questions, are excellent at filling up these knowledge gaps.

Furthermore, qualitative research is a method of delving deeper into items, organizations, or cultures. Depending on the type of phenomenon we are researching, qualitative research can offer us with a broad overview of events, information about human groupings, and specific trends behind events and people. While standard laboratory research seeks a certain result, qualitative research allows participants to derive meaning, subjects, or data from the investigation. In order to obtain a better understanding of a population, qualitative research employs non-quantitative methods. (Smith 2016.)

For this research, the qualitative research method was applied by examining the marketing effectiveness of Facebook advertising and the use of Facebook ads in order to investigate whether or not Facebook has a high return on investments for companies, which chooses the platform as a digital advertising channel. The objective of this approach is to do a broader and more detailed study of Facebook advertising.

Data can be acquired using the following tools: surveys or questionnaires, observation, document screening, and experiments, because this research uses a quantitative method and contains numerical data. Thus, this research uses a survey as a main tool to gather, analyse, and potentially interpret the data. Since surveys provide objective data and can reach a large number of individuals, they are one of the most popular approaches for quantitative research. One of its disadvantages, however, is that most people do not take surveys seriously, therefore the researcher has no way of verifying their authenticity.

5.3 Questionnaire sampling design

Researchers employ sampling strategies to select a good or representative sample in order to reduce the amount of data they need to collect. (Saunders, Lewis & Thornhill 2003.) There are two sorts of sampling techniques: probability and non-probability sampling. Every participant in a probability sample has the same chance of being chosen. This strategy has the advantage of avoiding systematic and sampling bias. For non-probability samples, on the other hand, the chance of sample selection is not equal for everyone. As a result, non-probability sampling is frequently used in case study research.

Because one of the goals of this study is to learn more about how effective Facebook on driving high return on advertising, as well as Facebook a marketing tool, which is quite a narrow topic. Thus, a non-probability sample was chosen.

Non-probability sampling is described as a sampling approach in which samples are chosen based on the researcher's subjective judgment rather than random selection. It's a more lenient approach. The researchers' knowledge is mainly reliant on this sampling strategy. It is carried out by observation, and it is commonly used in quantitative research.

Since the use of Facebook as a marketing tool is still debatable and there is little current literature on the subject, as well as the evidence on whether or not it drives high return on investments. It may be more appropriate to produce data, analyse it, and reflect on the theoretical issues that the data suggests. This method was used and targeted for people who are either entrepreneurs or business owners who have run Facebook advertising campaigns. Thus, having a previous working experience in this field.

6 EVALUATION OF THE EFFECTIVNESS OF FACEBOOK ADVERTISING

A survey of 12 questions was conducted as a form of a quantitative research to find out about how effective Facebook advertising is, when it comes to driving high ROI using Facebook. The target population for this survey was marketing managers, media buyers, as well as other research who have run Facebook ads and have a modest understanding of how it works. Additionally, its purpose is to take a deeper look at the role of Facebook in marketing management. This in-depth survey has relevant questions to the research question.

6.1 Analysing the results

Carrying out the survey, I got 41 respondents who took part in it. Most of them have experience in Facebook or at least the advertising field. 12 questions were designed to find out the answer for the research question.
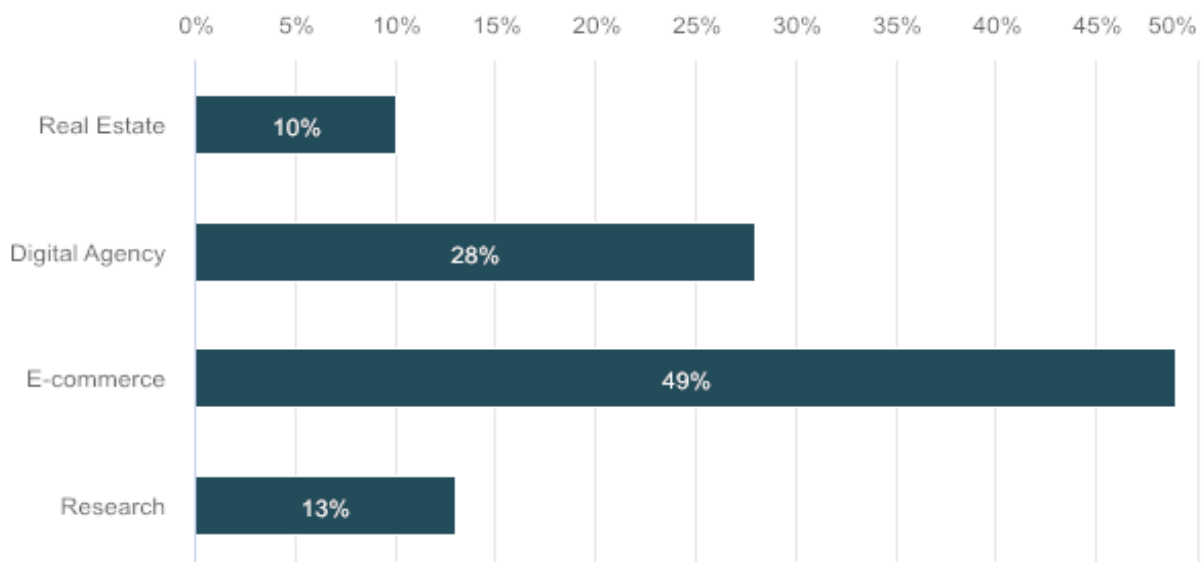
What industry are you in?

FIGURE 15 Industry type

As we can see from the figure above, we got some interesting findings. According to this research, most respondents come from the E-commerce space with 48.7%. Secondly, the second highest ratio comes from the digital agencies with a percentage of 28.2%. Thirdly, we have a minority of 12.8% from the research department. Lastly, the least ratio is real estate with a portion of 10.3%. This question was important since it helps us see the industries that are mostly involved in Facebook advertising, and thus a wider range of industries help us take a bigger look at what results they're getting on the Facebook platform.
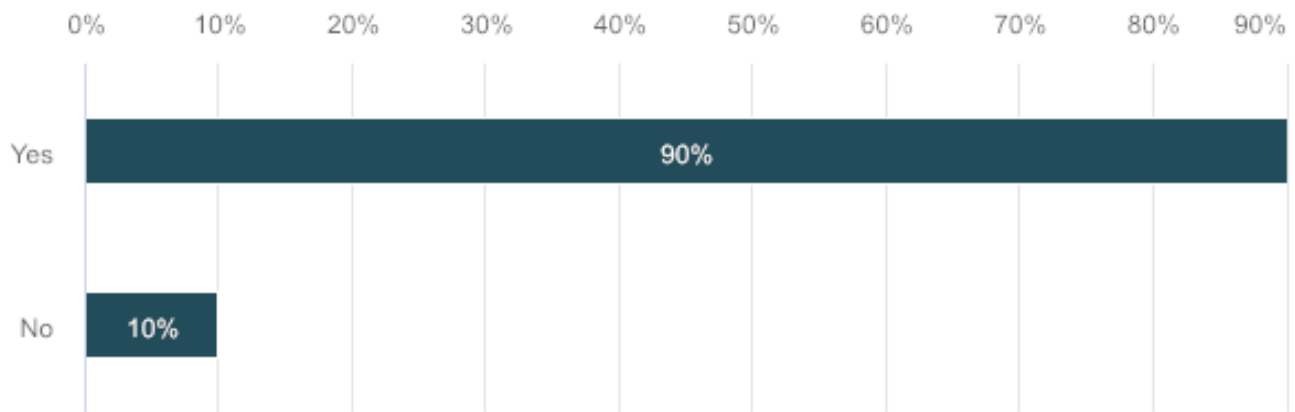
Do you think that Facebook Ads work?

FIGURE 16 Facebook Usability

As shown above, most respondents agreed that Facebook ads work as a marketing platform that drives high profitability with a portion of 90%. However, the rest, which is around 10% doesn't agree with that statement, which could be interpreted as they don't get the results they want while advertising on Facebook.

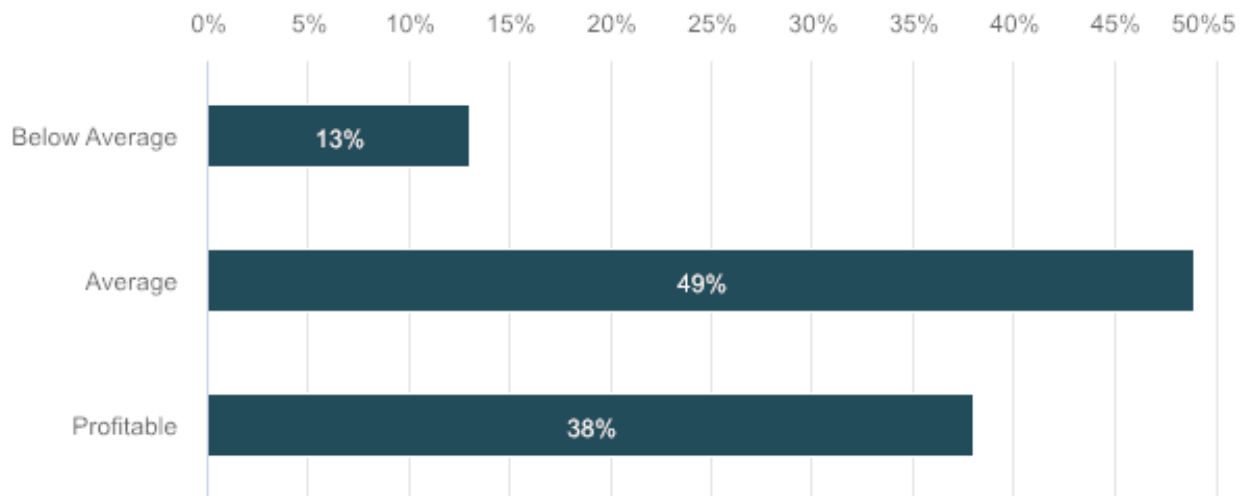How well does your advertising campaign perform on Facebook?

FIGURE 17 Facebook performance

As to emphasize on the second question, I asked the respondents, who think that Facebook ads work, on how effective their Facebook advertising is when it comes to results. As we can see from the graph, half of the population stated that they get average performing results.

Additionally, 38.5% of the respondents stated that they get profitable results with their Facebook ads making it the second portion of the lists. The minority, however, which is around 13% claimed that their Facebook advertising is below average, meaning they are breaking even or perhaps even making a loss.

What strategy do you think works among the options below?

Strategy	n	Percent
Market Research (product availability, price setting, and competition)	21	50.0%
Testing Different Variables Such as Headlines, The Ad copy, or The Call to action	13	31.0%
Letting the Facebook Pixel Gather All the Information and Thus base your future advertising plans according to these data.	8	19.0%

FIGURE 18 Facebook strategy

Moving to the next question, which was about what marketing tactic works among the ones on the chart. Though, the results were interesting, 50% of the respondents claimed that doing research is the most important tactic when it comes to Facebook ads. Researching everything from product availability on the market, pricing to competition. This could be due to the fact that Facebook is such a visual platform. Hence, marketers should do research on how their competitors are running Facebook ads as it will help them on getting an overall picture of how their next campaign should be.

Moreover, 31% chose that testing different variables can be the best tactic. Such as A/B testing the creatives, ad copies, etc. Lastly, 19% of the respondents picked letting the Facebook pixel gather the data and do the marketing efforts for them. The pixel can be a powerhouse when it comes to gathering data about potential leads and how developed its artificial intelligence is.

According to your previous experience using Facebook advertising how likely are you to recommend using it to other fellow advertisers or marketers?
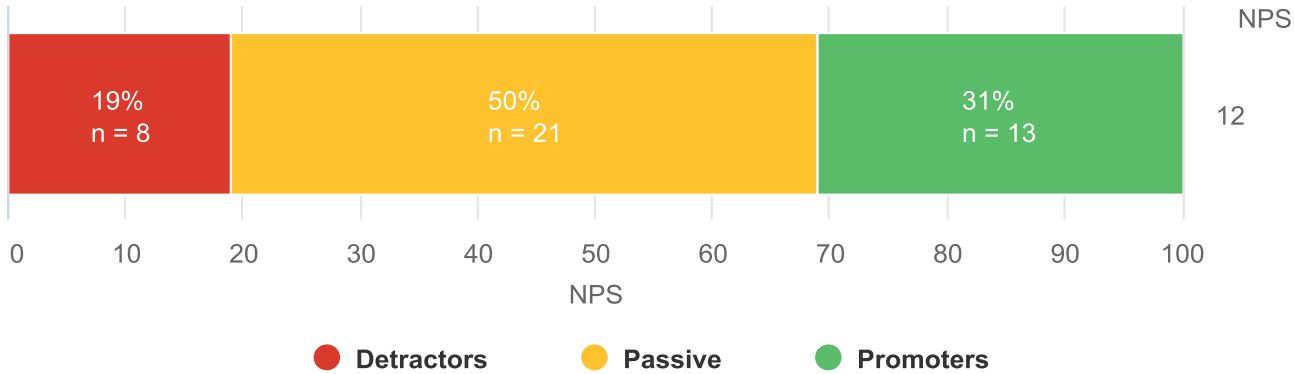
Detractors							Passive		Promoters	
0	1	2	3	4	5	6	7	8	9	10
n = 8							n = 20		n = 11	
20.5%							51.3%		28.2%	
0	1	0	0	0	6	1	8	12	5	6
0.0%	2.5%	0.0%	0.0%	0.0%	15.4%	2.6%	20.5%	30.8%	12.8%	15.4%

FIGURE 19 Facebook recommendation

This question was meant to find out how likely the respondents can recommend using Facebook ads to other marketers. The graph above shows that 51.3% are passive, which means that from a scale of 1 to 10, they are between 7 and 8 out of 10 going to recommend using it. In fact, that is half pf the population. The second group, which are promoters are more likely to recommend using Facebook ads for others. With a ratio of 28.2%, making it the second highest group on the list. Lastly, detractors are about 20.5%. Those are the people who are less likely to recommend using Facebook advertising for other marketers.

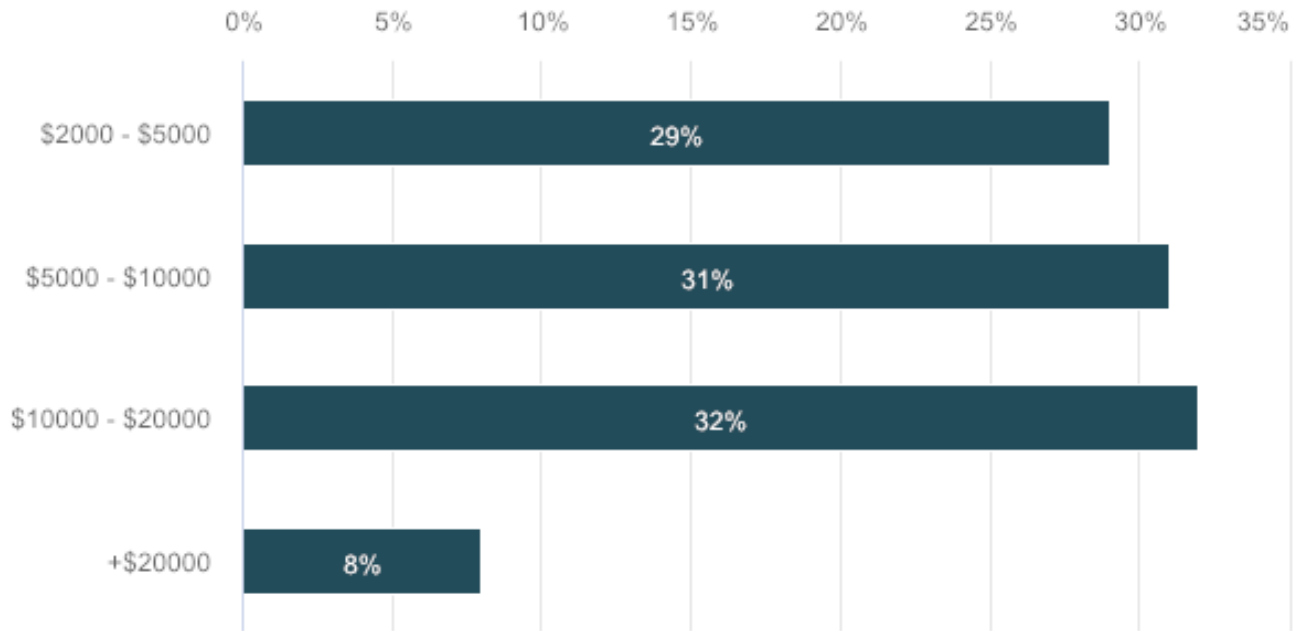What is your Ad spend on the Facebook platform on a yearly basis?

FIGURE 20 Ad spend on Facebook

The current question is about budgeting on a yearly basis. The question was meant to find out how much marketers are investing on Facebook advertising. The higher the budget, the more likely that Facebook ads are working for them. To start with, as far as this hypothesis concerned, the highest group ratio 32% of the respondents stated that their yearly budget is between $10000-$20000 that is the second highest budget on the list. Additionally, 31% of the respondents spend around $5000-$10000 on a yearly basis. Moving to the next group, 29% of the people on the group spend around $2000-$5000 yearly. Lastly, the minority of 8% spend more than 20000 a year. Those are the people that get the highest result on Facebook.

If, based on your Previous Experience, you ran ads on other platforms such as Google AdWords, how do you think Facebook is different from other advertising platforms?

Thoughts	n	Percent
It is the most effective platform	20	47.6%
It's easy to set up campaigns on Facebook	17	40.5%
It reaches more people at a lower rate	5	11.9%

FIGURE 21 Facebook differentiation strategy

The question asked whether or not Facebook is different from other advertising platforms such as Google AdWords. If so, then what makes it different from the other options. To illustrate, 47.6% of the respondents claimed that Facebook is the most effective platform among advertising channels on the market. Furthermore, the second highest group is around 40.5%, which states that Facebook has a better user interface. In other words, it's easier to set up campaigns compared to other platforms. Lastly, a minority of 11.9% believes that Facebook ads reach more users with lower rate than other channels.

Do you think that Facebook has a higher ROI compared to other advertising channels?
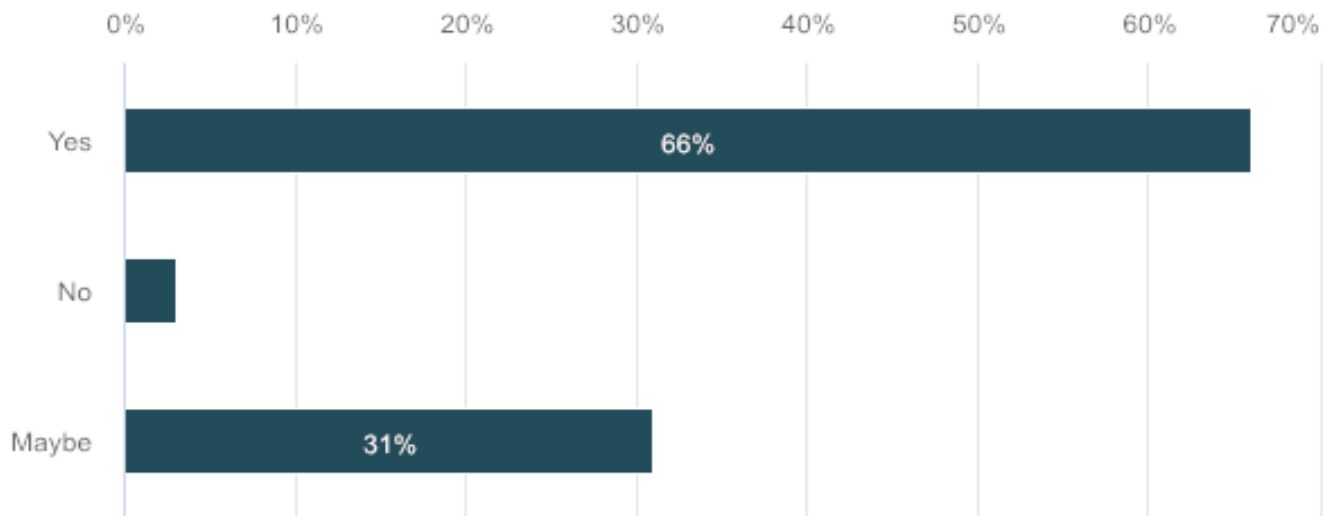

FIGURE 22 Facebook ROI compared to other platforms

The current question, which is the core hypothesis of the research. Asking the respondents on what they think about ROI on Facebook compared to other advertising channel. To begin, the biggest portion of 66% believe that Facebook has a higher ROI than other channels. Additionally, 31% of the respondents' states that advertising on Facebook "maybe" has a high ROI compared to other platforms. It could be explained as that those marketers haven't yet tried advertising on other channels. Thus, they chose maybe since they have no clue on what other platforms offer.

How likely do you agree with the following statement "Running Ads on Facebook drives high ROI"?
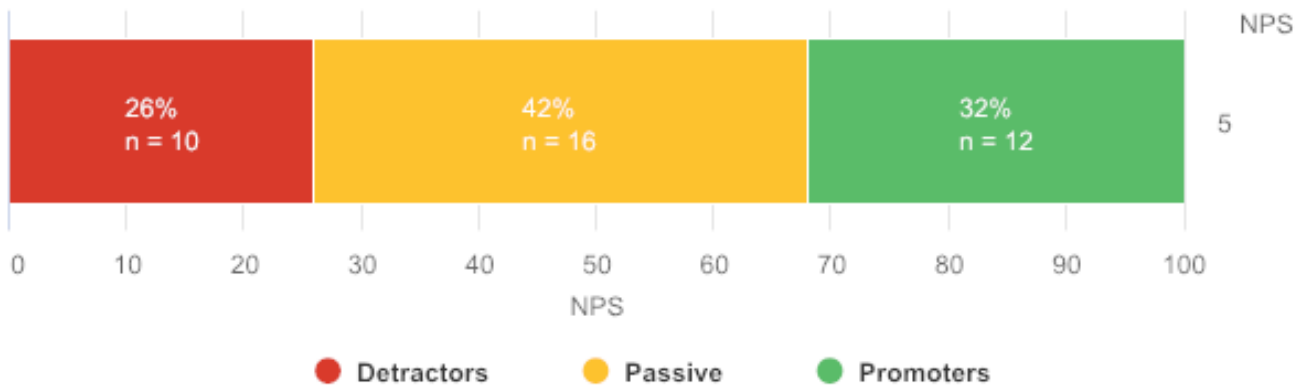
Detractors							Passive		Promoters	
0	1	2	3	4	5	6	7	8	9	10
n = 10							n = 16		n = 12	
26.3%							42.1%		31.6%	
0	0	1	2	2	4	1	7	9	9	3
0.0%	0.0%	2.6%	5.3%	5.3%	10.5%	2.6%	18.4%	23.7%	23.7%	7.9%

FIGURE 23 Facebook ROI indicator

As of to emphasize on the previous question, I asked whether or not the respondents agreed with the fact that running Facebook ads drive high ROI. Therefore, the results were unexpected as only 31.6% were promoters and agreed with that statement. However, the biggest portion, which is 42.1% are passive about it. Meaning they can't be either detractor no promoters, and thus, chose the scale 7-8 out of 10. A minority of 26.3% are detractors as they don't strongly agree with the above statement.

How much time do you spend per week on Facebook marketing for your business?
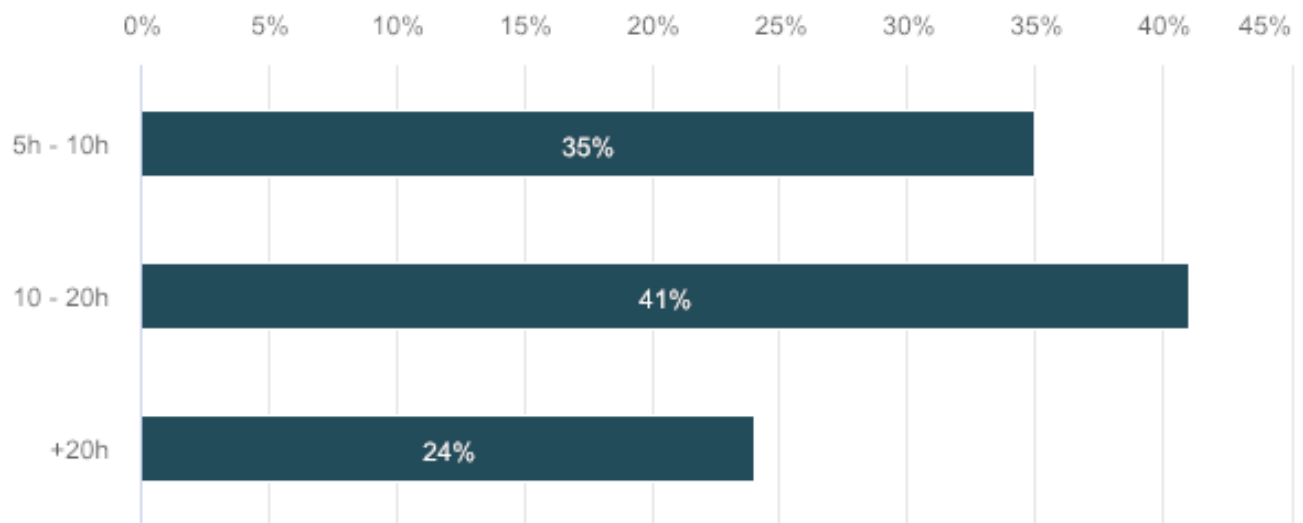

FIGURE 24 Time spent on Facebook

Spending more time on Facebook marketing is all about preparing content, researching competition as well as satisfying consumer's needs and wants. Hence, the more time a business spends on Facebook the more data it will get in order to launch successful future campaigns. As we can see from the above chart, 41% of the respondents spend around 10-20 hours on Facebook marketing their businesses. On the other hand, the second majority, spend about 5 to 10 hours on Facebook marketing, which is a typical length for a business nowadays. To wrap up, the minority of 24%, spend more than 20 hours on Facebook. Those are potentially the businesses that get out the most out of their budget and drive higher ROI compared to other businesses.

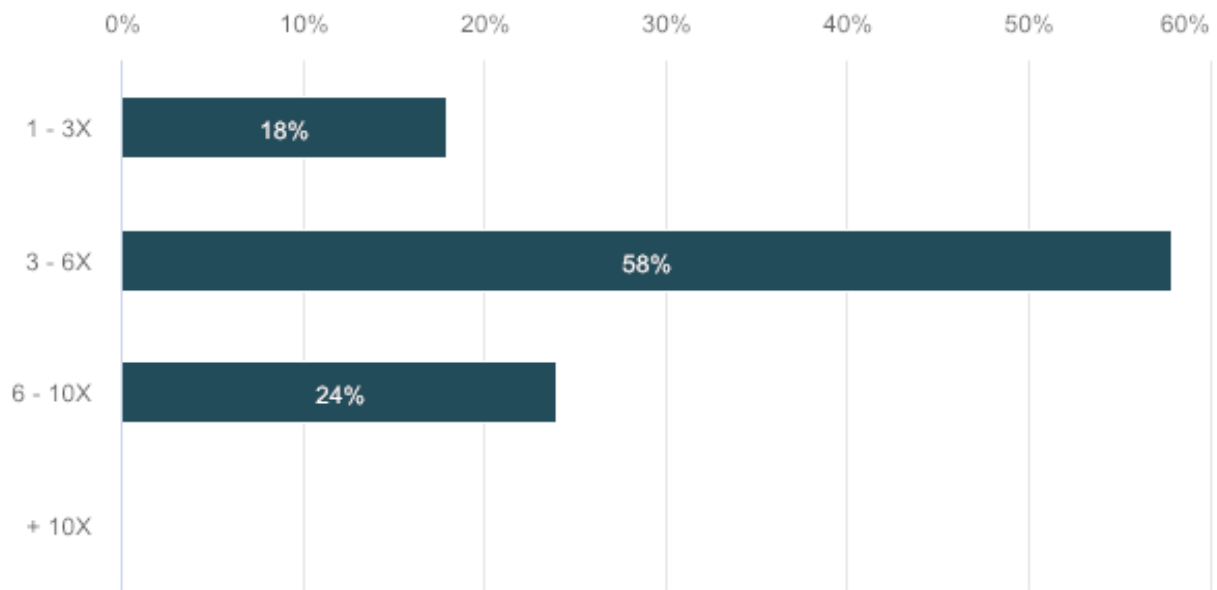What's your average ROAS on Facebook in the last month?

FIGURE 25 ROAS on Facebook

As we already explained, ROAS stands for return on ad spend, it is such an important indicator that helps monitor the results of the advertising efforts by a business. Getting a high ROAS encourage marketers to spend more money since the more they spend, the higher the indicator will be. Consequently, better profitability. Logically, if a business spends a dollar on advertising and receives 3X on profit. It will definitely spend more. Typically, the average ROAS on most industries is around 3-4X according to Facebook. The graph above shows us that the majority of the respondents get about 3-6X ROAS, which is higher than average. Moreover, the second highest ratio is 24% and those are the respondents that get 6-10X. Finally, the minority of 18% get about 1-3X ROAS, which is below average the industry ratio.

What's your average conversion rate while using Facebook as a main advertising channel?
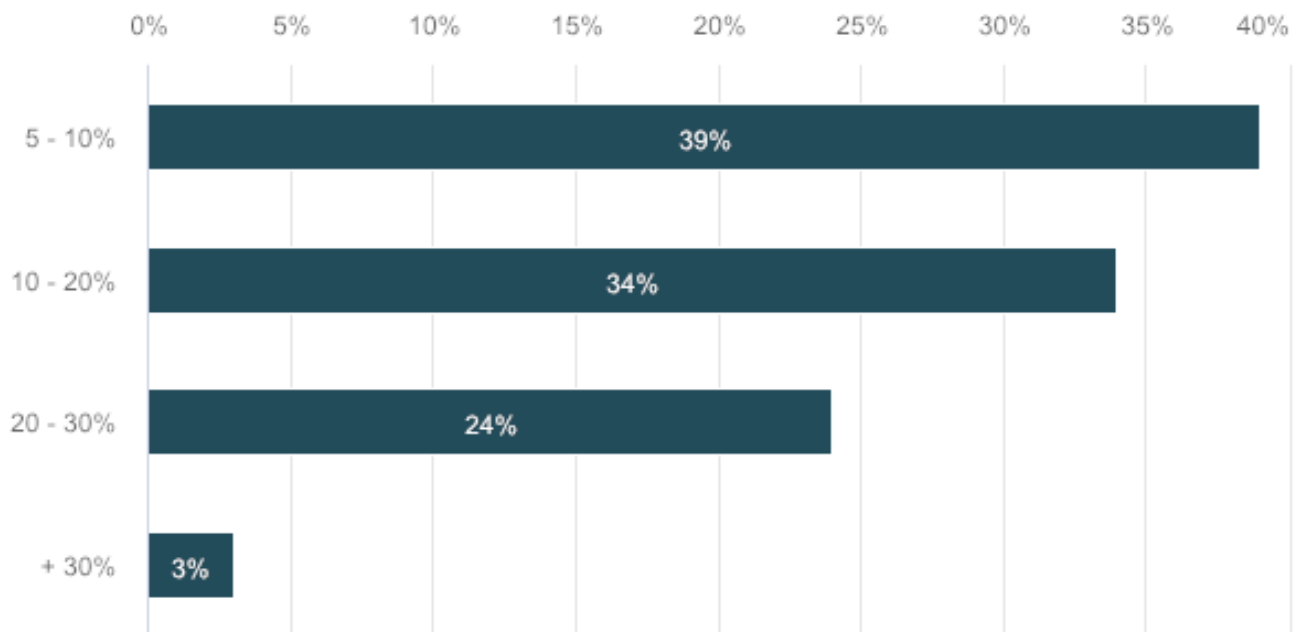

FIGURE 26 conversion rate on Facebook

Conversion rates are calculated by dividing the total number of conversions (actions taken by potential customers) by the total number of ad interactions that may be linked to a conversion over the same time period. It is one of the most important aspects of advertising. Choosing Facebook as the main channel, the question asked the respondents directly about their conversion rate. 39% stated that their conversion rate percent is around 5-10%, which is the average conversion rate. Followed by 34% that get around 10-20%, which is a relatively higher ratio.

Moving to the third group, that is around 24% with 20-30% rate on conversion rate, that is a highly profitable rate to be. Lastly, only 3% claimed that their conversion rate is more than 30%. Such a high ration can only be achieved by elite marketers and advertisers with a deep knowledge on the field. It could also be due to the industry they are since some industries are more profitable than others. For the industries with a low entry barrier, it is easy to get a lot of new competition. Thus, making it tough for businesses to get the whole market pie.

6.2 Validity, reliability, and generalization

The "extent to which the researcher has access to their participants' knowledge and experience and is able to deduce a meaning that the participant intended from the language employed by this individual" is referred to as validity (Saunders et al 2007, 319.) Additionally, when research has a high level of validity, it delivers results that correspond to real-world traits, characteristics, and variances. One evidence of a measurement's validity is its high dependability. In this research, the sample that has been used is accurately related to the subject of the thesis.

This research focuses on Facebook advertising and ROI on Facebook. Thus, the survey didn't target random respondents but rather a targeted population including advertisers, marketers, as well as managers who have experience when it comes to this field. The respondent could provide the experience and knowledge that is valid for this research.

Reliability is the degree to which a research approach delivers steady and consistent outcomes is known as research reliability. When a measure is used to the same item of measurement multiple times and provides the same results, it is termed trustworthy. In simple terms, this trustworthiness has many factors to consider, such as the initial research question, how data is obtained, including when and from whom, how they are analysed, and what conclusions are drawn are all factors that influence trustworthiness. This research adopts a quantitative method of collecting numerical data from respondents who have experience related to the advertising as well as marketing field, which is the initial research question.

Generalization on the other hand, is widely recognized as a quality criterion in quantitative research since it entails drawing broad implications from specific facts. The generalizability of a study's findings is a measure of how beneficial they are to a larger set of people or situations. The results of a study are said to have strong generalizability if they can be applied to a wide range of persons or situations.

Generalization is an important aspect of the scientific method. In a perfect world, we would sample the entire population to test a theory. It's what permits researchers to take what they've learned on a tiny scale of the research and apply it to a larger picture. Because the data was acquired from respondents who worked in the same field as the research purpose, the results in this study can be applied to a wide number of people.

6.2.1 Research limitations

The research was able to work around the constraints. Since Facebook advertising is such a new adver-
tising channel, there is not a lot of information and research available. Additionally, the research ques-
tion revolves around whether or not Facebook has a high return on investment, which is quite a narrow
topic and different respondents have different results. Thus, it was rigorous to interpret the data that I
received.

Moreover, since it's a new advertising channel (for marketers and advertisers), It is still an unfamiliar
place to invest in. An integrated marketing strategy is generally approached by businesses. As a result,
determining how effective Facebook marketing can be is difficult. Furthermore, because social media
is frequently updated, the research findings may become obsolete in the near future due to quick tech-
nological advancements. Nonetheless, this case could only happen with the empirical part of the thesis.
As of the strategies discussed in the thesis, they are evergreen. Since the research rather focuses on the
main strategies and not the tactics that are always evolving.

This study focused solely on Facebook as a marketing channel. Platforms like Google AdWords, Twit-
ter, and YouTube can also prove to be an excellent location to sell a business and potentially be re-
warding for businesses that invest in, even though it is technically the best means of marketing in a So-
cial Platform in today's date.

7 CONCLUSIONS

The goal of the study was to figure out how to best use Facebook to market a business. It questions whether or not Facebook has a high ROI for companies. The focus of the research was primarily on various strategies and paths for companies to take. Facebook Ads have shown to be an effective tool for reaching a larger audience and should be employed if the budget permits it.

For companies with high budget, Facebook can be rewarding and profitable in the long run. The research shows that although Facebook advertising may not bring high ROI on the short term since Facebook has its own learning curve, which takes time to master, it is effective if used as a long-term investment. Facebook has a lot of data when it comes to its users, and thus companies must exploit it in their favours. The more data a platform has about its users, the more powerful and effective it can be for companies. Additionally, hiring Facebook experts, or agencies, and a lot of testing is required to make Facebook ads work. There is no such thing as an overnight success when it comes to Facebook Ads.

As there are so many ways to advertise on Facebook (different goals and objectives tailored for a company's need), there is always something for every business. However, the purpose of this research was to discuss how to make any method of employing it profitable and maybe offer a high return on investment for each company's individual goal. The study focused primarily on advertising efforts on one platform, which is Facebook but because advertising is a component of marketing, it was included on the thesis as well. The research was conducted as well as answered in a form of quantitative research using a survey.

In summary, as of the evidence shown on the thesis. The research question was addressed in a proper manner, despite the constraints that I faced while making this thesis.

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