
Concept Of Advertisements On Facebook

The first advertising on Facebook has started in 2004, through the possibility of purchasing 'Flyers'. Those could be purchased by local small businesses or students in order to target selectively between campuses. Such 'Flyers' – adverts were featured on the 'Facebook's homepage' and managed by Facebook team itself.

Following the increasing demand and growth in user numbers, Facebook introduced 'Flyers Pro' on a CPC basis. With enhancing the ability to select targeted audience more precisely and giving the option to set a maximum bidding price, businesses quickly discovered the great potential of 'Flyers Pro' as advertising tool.

In 2005 Facebook starts selling ads on a CPA – cost per acquisition basis, with its major client Apple, whom is willing to sponsor growing number of Facebook 'Apple group' members. Progressively in 2006, Facebook has made a strategic alliance with Microsoft, in which Microsoft digital solutions is the ultimate provider of banner ads and sponsored links.

In 2007 Facebook introduces its mobile version at the same time as its own Advertising platform – Facebook Ads, which lets businesses to create their own business presence (Facebook, 2018) on social media. Furthermore, Facebook improves the possibilities for companies to target better their audience based on geographical location and language. Additionally, in 2009 Facebook launched 'connection targeting', 'like button' and 'self-served Ads' in order to enhance its scope in online advertising. This gave business owners and marketers the opportunity to create, set up and manage their ads on their own and watch the engagement. This led to a global expansion of advertised content displayed on the Facebook.

In 2010 Facebook introduced its mobile app, that contributed towards users spending more time using the Facebook platform. With people spending more time on the platform, there is more information accumulated for marketers in order target their audience more accurately. Similarly, more metrics regarding social contexts are available in order to track the performance of advertised content. During this time several lawsuits have been filed against Facebook for violating the privacy of Facebook users, and certain changes had to be implemented in order to protect its users and their data.

Since 2010, Facebook and its users have been growing at rapid rate improving the scope of marketers with every new feature. For instance, 'Facebook places' and 'connection marketing' enables marketers to determine the location of their potential customer. Following the expansion, Facebook has launched its 'sponsored stories' where marketers can point out and highlight a certain user action, for example when engaging with a specific brand. Once Facebook presented 'mobile ads' in 2011 the ROI was increased exponentially.

Similarly, marketers' scope has been rising in 2012 with 'Social graph' and 'Facebook exchange'. The 'Social graph' is containing connections between users, their likes, hobbies, preferences and activities related to their shopping habits. With 'Facebook Exchange' businesses are able to target people that have already visited their website, with more personalized and accurate messages. Through the use of first-party and third-party data,

marketers can easily assess to whom they want to display their ads. Another enhancement of Facebook's advertising was the introduction of 'unpublished posts and dark posts' suggesting that marketers can specifically choose who will / will not see their advertising posts. With the acquisition of Instagram, Facebook reveals advertising potential to a whole new audience.

In 2013 Facebook has launched a revolutionary 'Lookalike audiences', which enables marketers to reach new potential customers that are sharing similar characteristics either demographic or psychographic as their current audience. This feature has majorly improved the scope of Facebook advertising as businesses were able to grow their potential target audience based on given parameters. Facebook also released a brand-new tool 'Conversion Pixel' and 'Website Custom Audience Pixel' that immensely improved the marketing scope of the platform. The Facebook's 'Conversion Pixel' gave businesses' ability to track the audiences' interaction with website and consequently direct the marketing actions to pursue specific marketing goals. At the same time, this tool allows marketers to measure the effectiveness of their advertised content and calculate the return on investment from their ads. This can show ads that are attracting most of website traffic, engagement and interest, but also shows ads that are not performing well and need to be adapted or replaced. With the introduction of 'Website Custom Audience Pixel' Facebook has enabled marketers to build custom audience parameters based on people, whom either visited the website or took another action using 'Facebook Pixel. Such tool can help marketers tailor their advertising content specifically according to the previous actions of their customers. Another enhancement of Facebook's advertising was the introduction of video ads. Video ads are very engaging and attract more attention than display of pictures or text. Through video ads, marketers can build an emotional connection with the 'viewer' / potential customer and build a strong relationship.

In 2014 Facebook acquires a big social network platform called 'WhatsApp', showing Facebook's growing power and ability to lead the online advertising. On Facebook's platform marketers can benefit from many new improvements such as 'Premium Video Ads', 'Three levels campaign structure', 'Audience Network' and 'Carousel Ads'. Within the 'Premium Video Ads' the video ad is played as soon as it appears on the screen without sound and stops if its scrolled past. Once viewer clicks on the video ad, sound starts playing and video appears on full screen. This type of advertised content shows how viewers interact with the ad and is easy to measure. The 'Three level Campaign structure' contains three elements (campaign, ad set and ad) that make up the Facebook advertising campaign. Within this structure marketers are able to specifically target audience and create an ad that will be attractive for such audience.

It also allows marketers to set parameters for its audience such as location, interests, age, gender but also the budget for the ad, timing and placement. Similarly, the introduction of 'Audience Network' greatly improved Facebooks marketing scope as it allows marketers to run campaigns not only on Facebook's platform but also within mobile apps. This tool is aiming to drive app engagement and increase app install. Those campaigns can be displayed in three different shapes, banner, interstitial and native.

Additionally, Facebook launched another type of ads 'Carousel ads', which allow marketers to display up to 10 images or videos in a single ad. Using this format, marketers can showcase their content in a more creative way highlighting different products or services.

In 2015 Facebook has introduced 'Dynamic Product Ads' as another improvement of its

advertising options. This feature allows marketers to present ads to those that already shown interest in the business or similar products. Therefore, ads are only shown to the most relevant audience, increasing the overall click-through rate. With such program ads reflect the current inventory levels and pricing and simultaneously record customer purchases. Marketers are also able to deliver specifically tailored messages for individual customers, based on where they currently are in the 'sales funnel'.

When Facebook integrated 'Audience Pixel' and 'Conversion Pixel' into 'Facebook Pixel' its great marketing scope became undeniable. 'Facebook Pixel' is represented in a code, which is placed on the businesses' website and has purpose of collecting data, tracking conversions of Facebooks' ads, adapting ad campaigns and building targeted audiences for future ad campaigns. With 'Facebook Pixel' marketers are able to nurture leads based on previous behaviour and produce more efficient ads for more relevant audience.