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Targeted advertising for business promotion on Facebook and Instagram

In the digital economy, the usage of targeted advertising is especially important for successful business development on Facebook and Instagram. Targeted advertising is a tool for business because it allows business to increase the effectiveness of advertising by targeting to a specific audience with certain interests and, consequently, promotes products and increases sales. This determines the relevance of the study.

Among Ukrainian and foreign scholars who have studied the specifics of setting up targeted advertising on Facebook and Instagram, it is worth noting M. Bondarchuk [1], O. Bavyko [1], C. Bourguignon [3], M. Clark, N. Fourberg [3], I. Godlovitch [3], A. Griffiths, H. Jacquemin [3], A. Natorina [2], A. de Streel [3], S. Tas [3], L. Wiewiorra [3]. However, the possibilities of targeted business advertising on Facebook and Instagram need to be studied in detail. That is why the goal of the study is to determine the features of the targeted advertising usage for effective business promotion on Facebook and Instagram.

Today, due to social networks, businesses find their customers, inform them about new products, bargains and discounts. This model of cooperation with buyers is beneficial for business, because buyers receive information and the opportunity to buy goods at a lower price, and business – finds new markets. According to research, it has been identified that Instagram and Facebook are the most popular social networks for business promotion.

The most important indicator of a social network for business is profitability. On Facebook, this figure is about 95%, on Instagram – about 85% [3-4]. According to the fact that the demographics of Facebook and Instagram users are different. Despite the fact that they are controlled by the same advertising interface, in fact the two platforms are very different from each other. Facebook and Instagram users have completely different goals. These differences determine the results of advertising campaigns.

One of the main tools to improve the effectiveness of advertising on social networks is targeting, the use of which to increase conversions. The main way to increase conversions is to attract as large a target audience as possible that is interested in a particular product.

To place an ad, business needs to realize certain steps. When creating a campaign on Facebook and Instagram, business must first choose the type of ads, according to the purpose of advertising and the format of publications. The studies [2-3] show that about 40% of social network users buy goods. Visualization of the factors influencing the purchase on social networks is shown in the Figure.

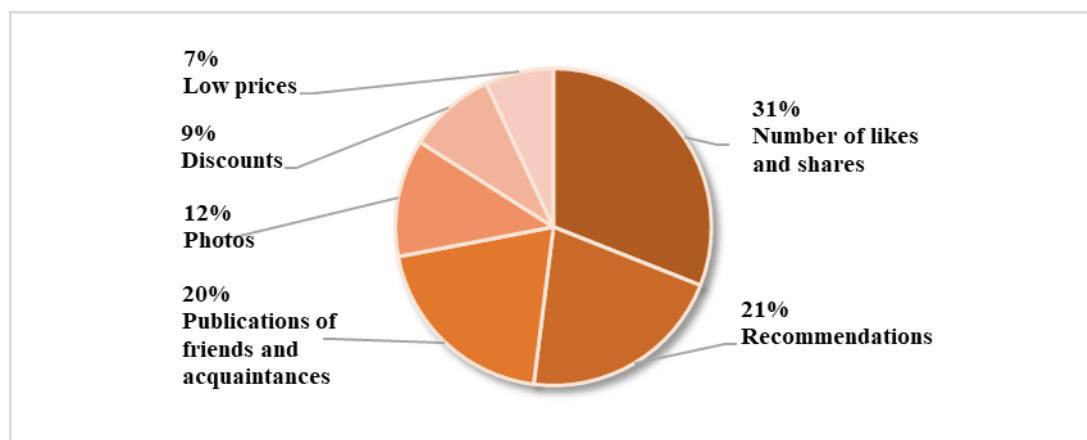


Figure. Factors influencing purchases on social networks [1-4]

Targeted advertising will be highly effective when set up correctly, but before business decide to launch it, it should determine whether it is suitable for business or not. It should be used in the following cases:

1. Clear definition of the portrait of the target audience.
2. The cost of the product is low (the price is in the category of “average –”, “average+”).
3. Niche goods. Various concerts, courses, seminars, workshops and handicrafts, etc. sell well through Facebook and Instagram.
4. Impulse purchase – see the product and order it immediately. Such behavior of the target audience is not uncommon for many categories and markets.

Thus, targeted advertising helps businesses to achieve high results in a shorter time with minimal costs. The advertising mechanism that allows business to select the target audience that meets the specified criteria from the general audience. Targeting is the main way for business to increase the effectiveness of an advertising campaign.

References:

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