

# What every small business should know about social media advertising

April 04, 2016 by kirstenmead



There's no mistaking this trend line.

The number of businesses paying for Facebook advertising surged by an astounding 50% last year as brands turn to paid placement to better compete on the world's most-popular social channel, according to Facebook Chief Operating Officer Sheryl Sandberg in an interview with CBS This Morning.

Facebook advertising has become increasingly popular for a number of reasons. For one thing, it has given small businesses a cost-effective way to connect with new customers and stay in touch with existing ones. Instead of spending thousands of dollars on a billboard, they are paying tens of dollars to reach thousands of targeted viewers.

The trend is also tied to a Facebook algorithm that is making it more and more difficult for businesses to attract viewers for free. Paid placement has become a rite of passage for businesses wanting to gain credibility online.

So how effective is advertising? According to Sandberg, Facebook has connected more than a billion people globally to at least one small business.

But it's not just Facebook that's drawing more advertising dollars. A [Content Marketing Institute](#) report reveals that an increasing number of marketers are incorporating a paid model for promoting and distributing content on a variety of social platforms, including LinkedIn, Twitter and other social channels. The Institute reports that 74% of marketers are using social media advertisements this year, up from 60% last year.

So why are promoted posts and social ads so popular? Because they work – without breaking the bank.

## Increased Targeting and Control

Business owners now have control over ads in a way they never had before. Social media advertising is highly targeted, unlike ads in a newspaper or on television. Businesses can now narrow their audience by location, age, gender and interests until they're reaching only those people who are most likely to buy their products. Not only that, but they can track conversion rates, giving businesses some valuable intelligence for tweaking ad spend and social strategy.

## Ability to Showcase a Corporate Persona

Brands today are expected to engage with their customers in a more personal way that speaks to their corporate culture. Social media advertising is informal. It's less stuffy than traditional media. With opportunities such as sponsored hashtags, businesses can be part of their customers' conversations. They can also provide businesses with a unique opportunity to give customers behind-the-scenes glimpses at their company, showcasing fun moments and sharing personal tidbits about the staff.

## Affordability for Small Business

Social media advertising outshines traditional advertising in yet another way: small investments add up over time. For as little as \$5, social ads get a business' content in front of more eyeballs than any other advertising option. Plus, advertisers can test their creative assets and messaging to see what works before upping their spending.

Bottom line: As you map out your marketing strategy for the rest of 2016 and beyond, put some serious thought into using social media advertising to accelerate your customer recruitment and retention efforts. In the online marketing world, where an increasing number of consumers are relying on peer recommendations to make buying decisions, it can make the difference between outpacing your competition and falling behind.



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