

Analysis of a promotional advertising on Netlog

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ABSTRACT

Nowadays we can find advertising everywhere. Companies advertise their products in different ways, such as advertising catalogs, yellow pages, television, internet, online social communities. With the Internet also comes online advertising, which is more and more popular. On the Internet we can advertise via social sites. In this paper I analyze the impact of advertising on the social side Netlog on users.

Author Keywords

Netlog, social network advertising, social networks, online communities, social web.

INTRODUCTION

World Wide Web became the most important media of communication after the onset of television, with its use the based marketing and advertising also changed. In the last few years advertising on the Internet has been the fastest growing trend in marketing. According to Pricewaterhouse Coopers survey in 2007 it grew by 26% growth and amounted to 21.2 billion U.S. dollars and in 2008 from 10.6% growth to reach 23.4 billion dollars of turnover. [1] The new trend in online advertising is so-called social network advertising. Social network advertising is a term that is used to describe a form of online advertising that focuses on social networking sites. One of the major benefits of advertising on a social networking site (Facebook, MySpace, Netlog) is that advertisers can see users demographic information and target their ads appropriately. Compared to other media channels, Internet advertising has many advantages for advertisers. The advantages are the affordability, efficiency, enabling precision targeting market segments, full control over spending and carefully measuring the results of advertising. [2] Today, companies spend an average of between 3 and 9% of the marketing budget for online advertising. Some sources predict that in 2011, an average, 25% of online marketing will advocate the total marketing budget of the company. These data apply to the entire world. So far we are lagging considerably behind in this field.

I will analyze the impact of advertising on Slovenian users of the social web page named Netlog. Because on this page companies advertise their products, and even more, users can advertise themselves.

NETLOG

Netlog is an online platform where users can extend their social network and maintain contacts. It is an online social portal specifically designed for European youth. Developed by Netlog NV located in Ghent, Belgium. It is currently available in twenty languages and has more than 35 million members across Europe. This figure is growing every day. Members on Netlog can create their own web site, using blogs, photos, videos, events and much more, and share it with their friends. So this is for young Europeans underlying networking and communicating with their social networks. Netlog NV has developed a unique technology, which provides geographical orientation of all content, specially tailored to each individual members profile. Research company ComScore shows that Belgian, Italian, Austrian, Swiss, Romanian and Turkish markets are leading in visiting pages of the Netlog. In the Netherlands, Germany, France and Portugal Netlog is on the second place. If we consider the whole Europe, Netlog is the market leader. With more than 150 million visitors per month, the number of page views go up to more than 4 billion. [3]

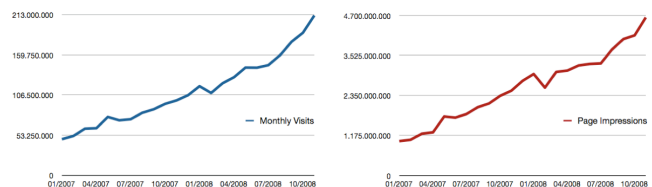


Figure 1. Monthly visits in Europe and monthly page views in Europe

In general, Netlog presents a good opportunity for advertisers interested in reaching particular geographic demographics, since Netlog itself is such a varied platform, in terms of language and content, and since Netlog contents distribution system that already ensures users are seeing the best content for their area, in the language they expect to

see it in. The main benefit of advertising on Netlog is the large number of users. But there are also others: deliver advertising messages with precision thanks to IP and profile-based demographic targeting, getting detailed feedback on the effectiveness of your advertising spend, advertise and creative, dynamic ways that directly appeal to the youth culture, integrate your brand directly into people's everyday experiences online. Over 80% of Netlog members are between 14 and 25 years old so you can reach the youth market. [3]

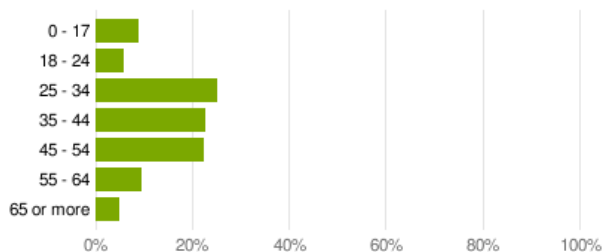


Figure 2. Age of users on Netlog



Figure 3. Companies which advertise on Netlog

On Netlog there is an option that users can advertise themselves. Netlog called AdWizard offers an aid that helps users make an ad and then publish it on Netlog. With Netlog AdWizard making an ad is easy, effective and fast. Users can keep track of its own campaign and the results: check his response whenever he wants during the advertising period. Afterwards Netlog will provide users with a detailed survey and a convenient invoice. It can precisely define whom the message should reach. Select on the basis of region, age, gender, interests and/or love status. A qualitative response is guaranteed! The ad can also reach wide audience. Thanks to the Netlog AdWizard, users can already advertise with a mini budget as low as €10 (promote a profile or brand page) or €50 (promote an external website). Netlog AdWizard leads the user through five stages by which he develops and publishes his ad. [4][5]

First stage: Create your ad

In this stage the user consists his own ad. Add an image, title and text, and thus creates his ad. He can also add a link to the out page or on his Netlog profile page. At this stage

Netlog AdWizard also enables overviewing the ad. When a user completes this stage, wizard leads the user to the second stage.

Second stage: Target audience

In this stage the user defines the target audience. He defines the language in which his ad will show, selects the gender and margin of age of the audience to which the ad will be designed. He also defines the location, sexual orientation, marital status and interests of the target user group.

The third stage: Budget and timing

In this stage the user determine the timing and the budget. If the user pays a minimal amount of 10 €, his ad will be shown 40,000 times. The user can use the possibility that an ad published immediately or on a set date. It may also specify the duration of the ad.

Fourth stage: Payment details

In the fourth stage the user sets the name of the campaign, gives his details and selects the payment method (credit card or PayPal). At the same time he must agree to the Terms of Service.

Fifth stage: Payment

This is the last stage. Here the user only agrees with the final pay.

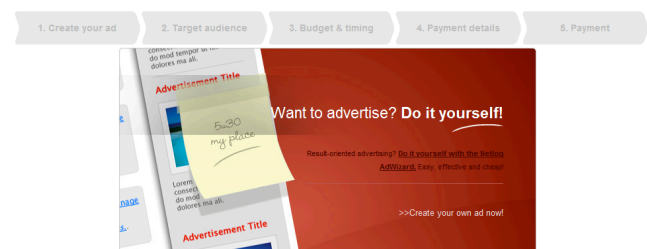


Figure 4. Netlog AdWizard that helps users make their own ad

METHODOLOGY

I decided for an empirical method of research. I wanted to get information about users sex, age, status, impact of various materials, how long users use the Internet per day and how much time they use Netlog per day.

I made the questionnaire with the Google spreadsheets tool. I made it in the Slovenian language, because my study group was only Slovenian people. The questionnaire includes twenty questions. The pattern of the survey was 84 people. The questionnaire was online between November, 16th 2009 and December, 10th 2009.

RESULTS

On the graph below (figure 5) we can see, that my questionnaire was solved mostly by female population. About 56%.

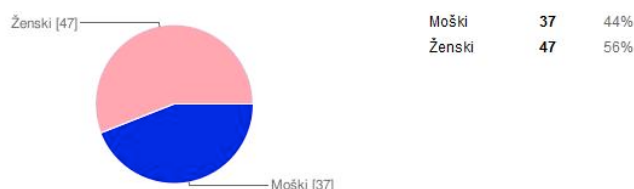


Figure 5. Users gender

On the graph in figure 6, we can see that most of the people using Netlog are students (46%) and employed (37%). The rest are unemployed (7%) and primary school (5%), high school (4%) and retired (1%).

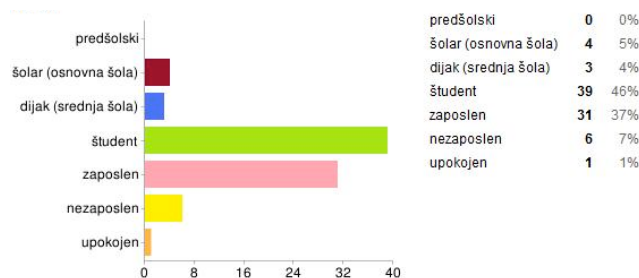


Figure 6. Users status

On the graph 7 we can see how people work out the scale of the impact of advertising on the Internet. On 17% of users internet has a big impact, 20% of users do not buy products because of advertising on the Internet. The most users (29%) are in the middle of the scale.

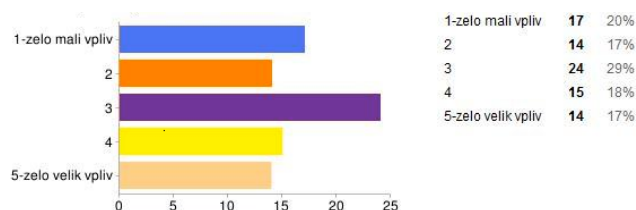


Figure 7. The impact of advertising on the Internet?

On the graph below (figure 8) we can see, that a lot of users (43%) said that impact of advertising on Netlog is very little.

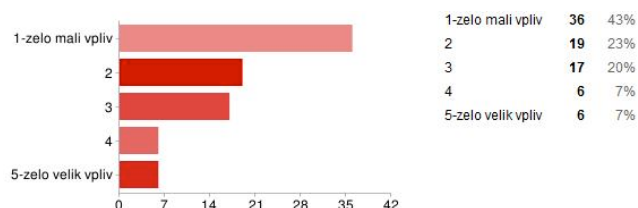


Figure 8. The impact of advertising on the Netlog

The graph in figure 9 shows us an average Internet usage per day. We can see that almost 50% are using the internet more than 2 hours. The graph in figure 10 shows us that 21% of users are using Netlog less than 30 minutes per day.

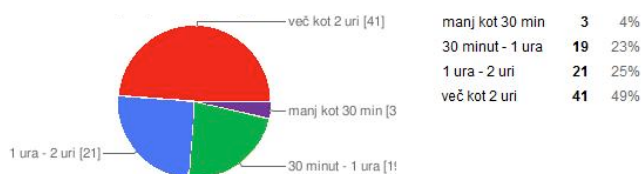


Figure 9. How much time per day do you use the Internet?

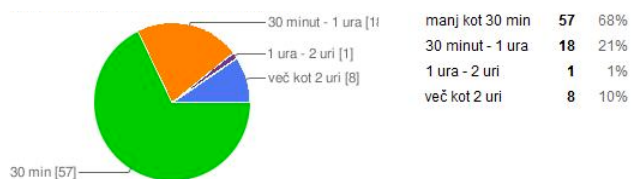


Figure 10. How much time per day do you use Netlog?

On the question if users know that there is advertising on the Netlog, 57% answered yes and 43% of them had no idea about it. We can see that on graph in figure 11.

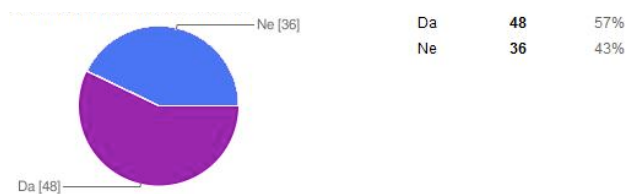


Figure 11. Did you know that there is advertising on Netlog?

On the graph in figure 12 we can see that only 6 of all users (7%), have bought some products, because of an ad on Netlog. And 93% of users did not buy any products because of advertising on Netlog.

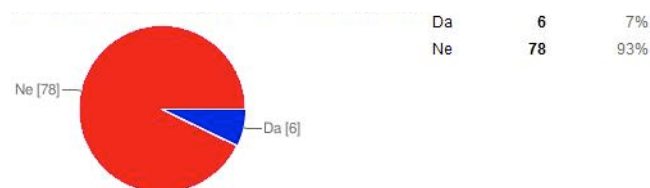


Figure 12. Did any advertising on Netlog persuade you that you have purchased a product?

In the chapter NETLOG I described that the social site allows users to advertise themselves. So I asked them if they know this. The answers are shown in graph below in figure 13. We can see that almost 75% of users did not know this.

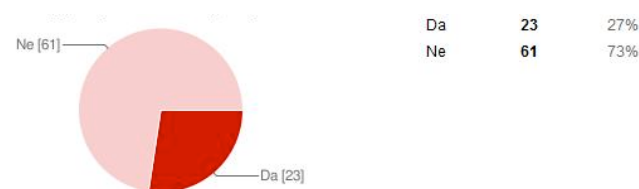


Figure 13. Do you know that you can advertise on Netlog?

On the graph in figure 14 we can see that only 3 of all people (4%) have or had an ad on Netlog.

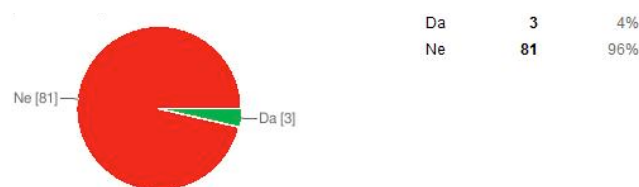


Figure 14. Do(Did) you advertise on Netlog?

On the next graph we can see that 13% of users disagree with advertising on Netlog and 17% of users agree with it. 40 % of people that solved my questionnaire do not care about this.



Figure 15. Do you agree with advertising on Netlog?

CONCLUSION

In the end, I would like to outline the most important conclusions, which were discovered with my research. From the graph that I got with my questionnaire we can see that almost 50 % of users which solved my questionnaire don't know about advertising on Netlog. And those who know don't buy the products. So we can see that advertising on Netlog don't have a big impact on Slovenian users. In my analysis I didn't try to find out what is the reason for the results, it would be nice to this research in future.

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