How Can Event Companies Use Facebook's Ad Manager to Optimise the Click-Through-Rates of their Native Instagram Ads?

ELINE AMARILLA P. ABSILLIS

How Can Event Companies Use Facebook's Ad Manager to Optimise the Click-Through-Rates of their Native Instagram Ads?

Hur kan eventföretag använda Facebooks *ad manager* för att optimera klickfrekvensen på sina Instagramannonser?

Eline Amarilla P. Absillis

Abstract

Marketers have come to realise that an abundance of potential customers can be reached through Facebook advertising. Although a new player, Instagram is quickly catching up to Facebook's success with its native ads. Despite this, there is a scarcity in the amount of academic literature that explores the use of them. This thesis aims to rectify that, by contributing to the academic discourse surrounding Instagram ads.

Shownight, a live event promotion company, had yet to run ads on Instagram. Using split-testing, this thesis was aimed to figure out which ad features generated the highest click-through-rates. The tests were carried out through Facebook's ad manager. Although a unique platform, functioning with both drawbacks and benefits, it provided this study with an efficient tool to split-test ads.

The results from this study demonstrated Instagram to be a suitable platform on which to advertise live events. Furthermore, the findings revealed targeting through lookalikes as well as behaviour, results in the highest click-through-rate. Moreover, using a video with 4 hashtags for lookalikes targeting, and an image with up to 3 hashtags for behaviour targeting, were the best ad set combinations. A call-to-action, portraying some degree of urgency, should also be employed within the caption.

Nevertheless, this study has its limitations. Including being restricted demographically, as well as being confined to *Shownight's* target audience, and advertising content. Furthermore, Facebook's ad manager poses its own limitations as a split-testing platform, in terms of even audience distribution.

Sammanfattning

Marknadsförare har insett att ett överflöd av potentiella kunder kan nås via Facebook-reklam. Även om Instagram är ett förhållandevis nytt företag kommer det snabbt ikapp Facebooks framgång med sina integrerade annonser. Trots detta finns det en brist i mängden akademisk litteratur som undersöker användningen av dem. Denna avhandling syftar till att förbättra detta genom att bidra till den akademiska diskursen kring Instagram-annonser. Shownight, ett PR-företag för live-events, hade ännu inte annonserat på Instagram. Med hjälp av så kallad split-testing hade denna avhandling som syfte att ta reda på vilka annonsfunktioner som genererar högst klickfrekvens. Testerna genomfördes genom Facebooks *ad manager,* och även om det är ett unikt verktyg med både fördelar och nackdelar var det effektivt för split-test-annonser i den här studien.

Resultaten från denna studie visade att Instagram är en lämplig plattform för att göra reklam för live-evenemang på. Resultaten visade att inriktning på *lookalikes* samt *behaviour* resulterar i högst klickfrekvens. Video med fyra *hashtags* med inriktning på *lookalikes*, och bild med upp till tre *hashtags* för *behaviour* var de bästa annonskombinationerna. Annonserna bör även ha någon form av *call-to-action.* Studien är begränsad demografiskt och till Shownights publik och reklaminnehåll. Även Facebooks *ad manager* har begränsningar som en split-testing-plattform när det gäller att annonsera jämnt över den givna publiken

Acknowledgments

I would like to express my deepest appreciation to all those we have helped in the completion of this master's thesis.

First off, I would like to thank my supervisor at SSE, Dr. Christopher Rosenqvist, who has guided and supported me throughout. I would also like to thank my supervisor at Shownight, Sam Sherif, for introducing me to Facebook's ad manager, and allowing me to use his company's resources to complete this thesis.

I would also like to thank Ulrika Ek, Christoffer Lötebo, and Pontus Staunstrup for agreeing to take part in the interviews for this thesis, despite their busy schedules. Their useful insights and expertise helped shape and enhance the methodology and findings of this study.

Lastly, I would like to thank my friends, my parents, and my sambo Casper, for their continued support, encouragement, and advice.

Table of Contents

List of definitions and abbreviations

Behaviour targeting	Targeting based on what people do online or who they are. In the case of this thesis this concerned if they were expats in Sweden
Clicks	The number of people who have clicked on the ad
Conversions	The number of people who have carried out the action the ad was designed for
CTA (call-to-action)	An instruction to the audience of the ad, requesting them to take immediate action as a result of seeing the ad
CTR (click-through-rate)	The total number of clicks divided by the total number of impressions, given as a percentage. Represents the likelihood of someone clicking on the ad
Hashtag	A word or phrase preceded by a hash sign (#) that can be used to identify messages that have a specific theme or content. Used on social network and microblogging services
Impressions	The number of people the ad was shown to
Interest targeting	Targeting based on what users have shown an interest towards. This data could be gathered from the user's liking or engaging with content they like. In the case of this thesis this concerned interests related to comedians
Location targeting	Targeting based on the geographic location of the desired audience of an ad. In the case of this thesis this concerned targeting the specific cities where the Umbilical Brothers' shows were being held.
Lookalikes targeting	Targeting based on targeting people who demonstrate similar attributes to a group of people you have selected. In the case of this thesis this concerned targeting people who were similar to those who had already purchased tickets to Umbilical Brothers' shows
Native advertising	A type of advertising, usually found online, that blends in with the surrounding content found on that platform
Pay-per-click advertising	An internet advertising model used to direct traffic to websites, in which an advertiser pays a publisher (e.g. Facebook) when the ad is clicked

List of figures

List of tables

1. Introduction

This exploratory thesis has been initiated through contact with the company Shownight. Through their need to improve their online marketing efforts, the research area was pre-set. It concerned optimising their social media advertising practices in order to drive ticket sales. From there, interviews were carried out with key actors within the digital marketing industry, and a preliminary literature study was conducted, in order to develop and establish a focused research question.

1.1 Shownight

Founded in 2015, Shownight is a Swedish entertainment company that is working with bringing international stars to Sweden. Currently they are promoting and bringing over international stand-up comedians, but they hope to expand across different forms of entertainment in the near future, ranging from live events with musicians to actors. By the end of 2016, Shownight aims to be the largest promoter of live comedy, while also increasing their market presence in other forms of live events, concerning music and celebrities. Shownight's aspiration is to become the go-to company when it comes to live entertainment, hoping to accomplish this first and foremost in Sweden and Scandinavia, followed by advancing into other North European markets.

Figure 1: *Shownight's logo found on their website (Shownight 2, 2016)*

Shownight aims to propel their brand forward through event promotion, while leveraging technology through working with big data, mobile apps, as well as digital marketing. Being a relatively new company, there are many avenues still to be explored and improved upon, one of those being their social media presence. In regards to this, they wish to enhance their social media advertising efforts through pay-per-click optimization.

Figure 2: *Examples of Shownight's ad campaigns (Shownight 1, 2016)*

Figure 1 depicts Shownight's logo, while *Figure 2* exhibits a selection of Shownight's current online marketing efforts. Shownight's main competitors

include; Live Nation, Blixton & Co., Acomic Soul, Malmö Arena, iStage Entertainment, and FKP Scorpio Sweden. Shownight runs a Facebook and Twitter account, as well as having a website which can be accessed on www.shownight.se.

1.2 Digital advertising and social media

Advertising is a key aspect of marketing your business, service or product. As Ryan and Jones (2009) suitably put it, "at its core, advertising is all about influencing people – persuading them to take the actions we want". Advertising has been around for a very long time, and has always adapted to the new forms of media that technology has enabled. Traditional advertising, as it is now referred to, was run on printed media, such a newspapers, marking the first form of mass media marketing. Radio advertising came about in the 20th century. followed by the rise of television, and the new advertising possibilities that such a medium allowed. Towards the end of the 20th century the internet made its way into society, giving rise to the digital marketing era we find ourselves in today (Ryan & Jones, 2009).

For the purpose of this thesis, with its references to social media, Kaplan and Haenlein's (2010) definition of social media will be utilised. They outline social media as of group of internet-based applications building on the ideological and technological foundations of Web 2.0., allowing the creation and exchange of User Generated Content (Kaplan & Haenlein, 2010:61). There are many different features to social networking websites that can be used by businesses to promote themselves, including the use of ads (Curran, Graham & Temple 2011:26).

Since the internet is intertwined with our daily lives, it makes sense that advertising practices have been, and continue to be, developed on this platform. Social media sites are amongst the most popular sites on the internet (Chaffey & Smith, 2013), so it comes as no surprise that advertising is a significant aspect of those sites. To exemplify the power of social media advertising, consider the notion that brands today can think up a message or creative idea they wish to communicate, and send it to a very targeted audience within minutes (Nesamoney, 2015:2).

Although data was not traditionally used for campaigns, marketers are beginning to see data as a strategic asset (Ibid.:4). Social media has accelerated a trend prominent in consumer behaviour - an enhanced willingness to share personal information. People on social media share a significant amount of personal data from who their friends are, to what they've watched on a given day (Ibid.: 2). Social media has provided a platform on which businesses can access this personal information and utilise it to improve their online marketing practices, which highlights the appeal of

social media advertising. This appeal does not go unnoticed as social networking sites now account for 1 out every 5 ads internet users view online (Curran, Graham, & Temple, 2011:26).

The popular social networking site Facebook, provides anyone who creates a Facebook page with access to Facebook's ad manager. Facebook's ad manager allows for very specific targeting including being able to target by factors such as location, gender, age, keyword, relationship status, job title, workplace or college (Curran, Graham & Temple 2011:28). Furthermore, while targeting features are selected, Facebook also provides information on an approximate number of users that their targeting will cover (ibid.:28). With all these new possibilities, businesses have come to realise that their customers are to be found in this domain, and marketers recognise the need to engage with this social media advertising space in order to stay relevant" (Ibid.:29).

1.3 Sweden's digital landscape

According to the Digital Economy and Society Index (DESI) country profiles, Sweden ranks third out of the 28 EU member states (European Commission, 2016). This ranking is in regards to business digitisation and eCommerce, which establishes Sweden as a true digital nation. Furthermore, the Swedes willingness to use the opportunities of the internet daily is not restricted to the age of the users (BCG, 2013). Since the nordic country holds the title of a digital nation, it comes as no surprise that approximately 90% of the population has internet access (IIS, 2015). Neither does the fact that the internet infrastructure of Sweden is rated as the third best in the world (BCG, 2013).

On average, Swedes use the internet a total of 21 hours per week, 8 hours out of those 21 being spent on using internet on their mobile phones (IIS, 2015). In Sweden, 77% of the population owns a smartphone with 76% percent actually using the internet on their phone (ibid.). Sweden's population use the internet, whether it be on their phone, computer or other devices, for a diverse range of online activities. Some of these activities include reading the news online (88%), listening to music, watching films and playing games (57%), as well as shopping online (80%) (DESI, 2015). The internet is also used to communicate, both through video calls (52%) and through social networks (70%) (Ibid.).

Visitors on social networks have increased throughout the years in Sweden. In 2015, 77% of internet users were visiting social networking sites. The least popular social networking sites are Twitter and linkedIn, while Facebook and Instagram attract the most traffic (IIS, 2015). Globally Facebook had on average 1.04 billion daily active users in December (Facebook Newsroom, 2015). It's popularity is also reflected amongst the Swedish population. 70% of internet users last

year used Facebook, with almost half of this number accessing the social networking site daily (IIS, 2015). Instagram has grown in popularity in Sweden increasing from 28% in 2014 to 40% in 2015 (Ibid.). Last year a study conducted by the research company GfK, found that 76% of Swedish Instagram users access the photo app every day, with almost half of those users checking their news feed several times per day (Granath, 2015).

2. Specification

This chapter will reflect on the interviews conducted with two social media experts. These experts were contacted to provide insight into the research area, as well as guidance on how to move forward with the thesis, in terms of research area and methodology.

2.1 Interviews and Shownight specification

The first person to be interviewed was Ulrika Ek, founder and executive at Ek Media. Ulrika is a social media expert and digital business developer, who often works as a keynote speaker. The second interviewee was Christoffer Lötebo, CEO and partner at Precis Digital, one of Scandinavia's leading digital marketing agencies. Semi-structured interviews were conducted, with open-ended questions constructed surrounding social media advertising in general, as well as Facebook and Instagram advertising. The interviews were conducted between regular meetings with Shownight, thus the questions complemented the direction the thesis was taking. The aim of the interviews was to gain insights from the interviewees, thus the pre-set questions were merely seen as a starting point rather, than a strict set of topics to be covered.

When speaking to Ulrika Ek about a company's social media presence she claimed;

"It's better to do one thing and do it really well, than just be everywhere"

Since new social media platforms seem to be popping up all the time, it is important not to get overwhelmed and aim to be present on all of them. Advice offered by Chaffey and Smith (2013) adheres to this notion, as they propose success in social media is not about all the different social media platforms, but rather designing a strategy that is successful on a given platform (p.214). Drawing from these insights, the research scope of this thesis began to turn towards working with a single social media platform, and establishing a best practice for that social network.

After deliberation with Shownight, it was decided that working with Instagram would be the most interesting avenue to explore. Since Shownight does not yet have an Instagram account and their

Facebook ad campaigns are working relatively well, an agreement was established for this thesis to explore optimising Instagram ads.

Ulrika was asked what she thought increased likes and engagement with a company's social media page. She responded with the following;

"It always, always, starts with the content."

When pursued further on what this content should consist of Ulrika responds;

"The picture is what grabs your attention, but it is really the whole thing together. It's the picture, it's the text, it really is the messaged optimised towards them (the target audience)"

From this response, two things were clear in regards to applying these insights to social media ads, content is important, but so is targeting, and making sure the two aspects complement each other. This answer guided the direction the literature review of this study would take. The content has to be optimised, essentially figuring out what would make social media users click on the ad. Moreover, reaching the people who would be interested in the content would increase the chances of these clicks occurring.

Shownight currently runs Facebook ads using Pay-per-click advertising. As there is no set cost for Facebook ads, businesses pay on average for each click their ad gets (Curran, Graham, & Temple, 2011:28). Since ads are being payed for, businesses will want to make sure their money is not going to waste, and their ads are reaching people who could genuinely be interested. Thus, it is essential to pick the right target audience. Ulrika revealed to what extent targeting is possible. She claims;

"You start with deciding who you want to reach, think about if you want to target a specific age group, or gender, or people living in a specific city. You can even target based on if they have come back from a trip, if they play certain games, so really trying different parameters and seeing what works the best. Try to make it as specific as possible"

Ulrika's advice was taken on-board in shaping the direction of the literature review once more, while providing guidance on how Instagram ads could be made the most effective.

Regarding the methodology that would be used to optimise Instagram ads, Facebook's ad manager is set up to allow for split-testing. Facebook encourages businesses to Identify which ads

work better, by creating multiple ads with variations in images, links, video or text (Facebook for business 1, 2016). This is used to identify which ads are performing best. After deliberation with Shownight, split-testing was agreed upon to act as the methodological practice for this thesis.

Christoffer Lötebo was asked about split-testing, and what the best way to go about doing it was. He provided the following advice;

"If you would split everything into granular groups and have different categories, it could be a video, with a lifestyle communication, it could be versus something else, versus a picture, and different call-to-actions, then you get different combinations. Then you can analyse them first on CPR, to see what content engages the user most, on Instagram […] you will get that data from Facebook"

This response demonstrated the need to have a well structured method for assessing the effectiveness of an ad, through sorting content into groups. Moreover, it highlighted the importance of carefully considering the response from social media users to the ad content they are exposed to. CpR means 'cost for each registration', essentially measuring whether or not the user who has clicked on an ad has converted, in other words carried out the action desired from the ad. In the case of Shownight, having users convert, would mean buying tickets to a show after seeing an advert promoting it. Lötebo has revealed data will be available on Facebook's ad manager that measures the effectiveness of an ad, which is relevant when it comes to the data analysis of the split-tests. Furthermore, he has provided examples of possible testing variables; image, video and call-to-action.

2.2 Instagram

The chosen platform to carry out this study on is Instagram, thus in order to understand the opportunities of Instagram, a review of the social media network must be conducted.

On October 6th, 2010, Instagram went live, reigning in 10,000 users in the first few hours. At the end of the first week, Instagram had been downloaded 100,000 times. The following week, another 100,000 downloads. By mid-December, the Instagram community had grown to a million users (Waters, 2015:7). 18 months after Instagram's launch, Facebook purchased Instagram for $1 billion on April 9th, 2012 (Shontell, 2013). Unlike Facebook however, Instagram has a simple social feed focused solely on photos on videos initially designed to be accessed on mobile phones (Lieberthal, 2015).

Currently Instagram holds a community of more than 400 million users, making it one of the world's largest mobile ad platforms (Instagram Business 1, 2016). Due to this fact, Instagram is a highly attractive online platform for any business to carry out their advertising activities. The appeal of Instagram has not gone unnoticed. In 2015, Instagram had over 200,000 advertisers reaching customers on Instagram, including those selling concert tickets (Instagram, 2015). Furthermore, according to an Instagram user survey, 60% of Instagrammers said they learnt about products and services on Instagram, while 75% claimed they took an action, such as visiting a website, or telling a friend about the Instagram post they had encountered (Ibid.).

Considering the nature of this thesis, a relevant case study of the successful use of Instagram ads will be explored. House of Blues Entertainment, which is a Live Nation company, boosted ticket sales for upcoming shows by using Instagram's targeting tools (Instagram Business 2, 2016). The tools were used to reach a local audience of fans and potential fans by targeting relevant musical tastes to the concert. The company received a 64% increase in return on ad spending, resulting in the campaign selling more tickets at a lower cost compared to previous benchmarks (Ibid.). The House of Blues Entertainment company holds a strong resemblance to Shownight, enhanced by the fact that the company is owned by one of Shownight's competitors - Live Nation. If Instagram was successful in this case it encourages the possible success of its usage for Shownight's marketing efforts.

As previously mentioned, targeting is a key component to marketing on both Facebook and Instagram. By appealing to the existing interests of potential customers, the ad being run is more likely to be successful. According to Lund (1, 2015), Instagram aims to make the ads that users see, complement the photos and videos of other brands the user already engages with. This genre of advertising is referred to as 'native advertising'. There is no universal definition of native advertising, and the lack of agreement has resulted in more discourse concerning which form of ad units are native, rather than focusing on the effectiveness of the method (I.A.B., 2013:2). However, the Interactive Advertising Bureau (I.A.B) provides a substantial definition, one which will be adopted for this thesis. It states, "native advertising is a type of ad designed to blend into the page content, consistent with the general aspect of the page and with the respective media platform, from an editorial point of view" (I.A.B. 2013, cited in Manic, 2015:53).

2.3 Purpose & Research question

To the best of my knowledge, the existing literature on how best to use native advertising on social media is limited, with very little investigation into how live event promoters can optimise the usage of it. Furthermore, studies on Instagram advertising are also scarce. Since native advertising and

Instagram advertising are relatively new concepts and practices, this is probably the main reason for the lack of identifiable research, Thus, the purpose of this thesis is to fill a portion of that research void.

The hope is that this research will provide insight into how native advertising can be optimised to result in higher click-through-rates, using Instagram to explore this. It should provide indications as to what combinations of ad content users respond to most, what targeting parameters are the most optimal, as well as commenting on the usefulness of using Instagram to promote live events. Shownight does not operate an Instagram page as of yet, however, their competitors do. Nevertheless, there is no research to suggest Instagram advertising helps in driving ticket sales for live events, and hopefully this thesis will be able to answer that question to some degree.

Through contact with Shownight, a preliminary literature review, as well as conducted interviews, it became clear that there were two factors to be considered when it comes to successful social media advertising. These included the need to optimise targeting and the need to optimise creative. With these goals in mind, the following research question was established;

> **How can event companies use Facebook's ad manager to optimise the click-through-rates of their Native Instagram ads?**

In addition to the main research area, the following questions will be explored;

> 1. *What targeting level results in the highest click-through-rate?*
> 2. *What ad features result in the highest click-through-rate?*
> 3. *Is Instagram a suitable advertising platform to promote live events?*

3. Theoretical Framework

This chapter will explore the theory surrounding the research area of this thesis. Previously conducted studies will be consulted. However, since there is a scarcity in the amount of literature that exists regarding the use of Instagram ads, the studies chosen are as closely related to the research questions as possible. Similarly, social media guides will be reviewed to identify recommendations and suggestions regarding social media ads.

3.1 Native advertising

Although a seemingly new concept in the social media industry, native advertising has been around for almost 60 years, evolving over time to adapt to new societal contexts. From its early beginnings in the form of product placement in Hollywood movies, to sponsored content on popular sites such as Buzzfeed, native advertising's most recent adaptation has been to mobile (Konfar, 2016). Mobile native advertising has revealed to be significantly successful. Yahoo reported that native mobile ads acquired 3X as much attention as other traditional mobile ads (Ibid.). Additionally, a study from Celtra found that consumers were 40% more engaged with a native mobile advert than with a traditional mobile banner creative. Furthermore, the social media site Pinterest, also reported that 53% of daily users purchased online or in-store as a result of seeing a mobile native advert (Ibid.).

Another report issued by the MMA (Mobile Marketing Association) in 2015, claimed that users gave native mobile ads 3X more attention than traditional banner ads, and spend 40% more time interacting with native ads compared to traditional ads (Sterling, 2015). It is a blessing for marketers that native advertising rose within the advertising industry, because traditional digital display advertising is in trouble (Austin & Newman, 2015). Banner ads are getting significantly less clicks than they used to, and many internet users are installing ad-blockers to shut ads off completely (Ibid.). Due to this, budgets are being redirected to native advertising, and brands are understanding quickly how to adapt their advertising to be part of a conversation rather than a broadcast (Ibid.).

This shift in perspective by businesses is being well received by users. Social media users find sponsored content to be more informative, more amusing, and less irritating than the previously dominant banner ads (Tutaj & Reijmersdal, 2012). Moreover, users find native ads a credible and trustworthy format, which can be successful if it is directed at the proper audience (Maksy, 2015). This notion of directing the ads towards a suitable audience, is a key part of native advertising, as it should complement the surrounding content in terms of relevance. Thanks to targeting tools, provided by platforms such as Facebook's ad manager, businesses can target users they think would respond positively towards their ad. For example, if a sports clothing business created an ad campaign to promote their new football clothing line, they could target social media users with an interest in Football, as well as interests surrounding that, such as the gym, running, or competitive sports.

Although native advertising aims to blend in with the surrounding content on a user's social media feed, users are adamant that sponsored content should remain distinguishable. Users have a

higher regard for ads in terms of quality if they are not overly similar to the rest of the content they are seeing on a site (Cramer, 2015). Furthermore, according to the Digital News Report 2015, which includes data gathered from the USA and the UK, it was clear that consumers wanted clear labelling of paid-for content (Austin & Newman, 2015.). Users claimed they did not want to feel deceived, whereas if they were made aware a brand had sponsored the content they are seeing, the ad is more likely to be viewed in a positive light. (Ibid.)

3.2 Instagram advertising

Instagram, which is solely a mobile-based application, is benefitting from the success of mobile native advertising. A year after Facebook bought Instagram, the photo-sharing platform began to trial native advertising (Lieberthal, 2015). Since then, it has been developed to become a staple form within both the social and native advertising industries. Instagram has a minimalistic design where images and videos span the entire width of mobile phone screens (Ibid.). This makes Instagram extremely compatible with the advantages of native advertising, since ads can be placed seamlessly amongst the other content without disrupting the simplicity of the original format.

Instagram's native ads have proved successful from the start. Ben & Jerry's was amongst the first brands to run sponsored advertising on Instagram, with the aim of promoting their new ice cream flavour Scotchy Scotch Scotch (Instagram 1, 2013). The campaign was run for 8 days, and included 4 different sponsored images, targeting users aged 18-35 in the U.S.. Thanks to Instagram's large audience, the sponsored ads reached 9.8 million people. Furthermore, it resulted in a 33 point increase in ad recall, which was 3X more than the control group (Ibid.). Levi's conducted a similar campaign around the same time, which resulted in reaching 7.4M people, and an increase in ad recall by 24 points, also 3X that of their control group (Instagram 2, 2013).

In addition to early successes, Instagram is continuously improving their advertising features to optimise the potential for businesses. Last year, Instagram launched two new opportunities for advertising, including carousal-format image ads, and clickable ads (Lund 1, 2015; Lieberthal, 2015). The new format of carousel images, allows brand to show multiple images in one promoted post. This allows for more informative advertising where needed, while not flooding a user's feed with ads (Lieberthal, 2015). Previously, Instagram did not allow URLs to open from their social feed, in order to keep people browsing in their application. However, last year they introduced clickable ads, which opens webpages in a browser within Instagram (Lund 1, 2015; Lieberthal, 2015). This new option will give new incentive for businesses to advertise on Instagram, while providing existing users of Instagram advertising more ways to influence potential customers (Ibid.).

3.3 Click-through-rate

The click-through-rate (CTR) of an ad is defined as the likelihood, or probability that an impression (the act of the ad being shown) of an ad will result in a click (Immorlica, Jain, Mahdian & Talvar, 2015). This number is calculated as the total clicks divided by the total number of people who were exposed to the ad (impressions). CTR is given as a percentage, and will reveal how frequently people click on your ad (Treadaway & Smith, 2010:147). CTRs are often used for measuring the effectiveness of online ads. What makes the CTR such an attractive measure to consult, are its attributes. Its behavioural nature of measurability, and its ability to indicate immediate interest makes CTRs so popular (Baltas, 2003).

Baltas (2003) explains how CTRs are widely used to evaluate the performance of banner advertising. A study by Chtourou and Chandon (2002) used CTRs as a way to measure the effect of price information and promotion for banner ads. Similarly, a more contemporary study conducted by Robinson, Wysocka, and Hand (2015) CTRs to measure the impact and effectiveness of several creative characteristics of banners ads.

CTRs are also a popular metric when it comes to Facebook ads. For instance, CTRs were consulted to evaluate Facebook ads as a recruitment tool for research participants. Arcia's (2014) research evaluated whether or not Facebook ads were an inexpensive way to recruit women in early pregnancy. Furthermore, CTRs have been used the evaluate the effectiveness of Facebook ads as a recruitment tool for studies involving cigarette users, as well as a study that needed participants for an online preventive depression intervention (van Gelder & Pijper, 2013). Of course, CTRs are also used to evaluate other types of Facebook ads. For instance, the company MePlease's Social Loyalty Report, 2013, used CTRs as a way to compare the effectiveness of targeted advertising (Mayr, 2013).

CTRs have also been used to compare the performance of Instagram ads to Facebook ads. Salesforce, the world's leading customer relationship management (CRM) software company, analysed the performance of the Instagram and Facebook ads of 12 of their clients (Cohen, 2015). They compared the performance of the ads across the two platforms based on CTRs, and found that the Instagram ads actually delivered higher CTRs than their parent company (Ibid.)

3.4 Recommendations for Instagram ads

There are a number of studies, guides, and articles that suggest how to optimise the features of a social media ad. The ultimate goal with an ad is to create something that makes the intended audience click, and hopefully end up, in the case of event promoters, purchasing a ticket. The key to this, as Gentile (2015) outlines, is to create something that is going to make a user stop when they are scrolling through their social feed, something that catches their attention. Users are exposed to ads continuously throughout the day, so in order to make an ad to lead to a purchase, it has to stand out from all the noise (Hrabovsky, 2013). Treadaway and Smith (2010) support this claim, stating that eye-catching creative makes for a successful ad campaign. Nevertheless, these authors also make clear that although the creative of your ad may be perfection, if the ad is being shown to the wrong people it won't matter (Ibid).

3.4.1 Targeting

Marketers can detect a significant increase in CTRs when ads are customised to the users viewing the ad (Curran, Graham & Temple 2011:29). It is recognised that although social media users do not welcome interruptions to their feed, if the ads they are seeing are related to their interests, it can be received more positively due to its relevance (Ibid.). Beese (2015) clearly states the importance of targeting when it comes to social media advertising, by proclaiming, "you'll want to make sure your ads are targeted. Otherwise, it's like yelling into a very loud and crowded room — ineffective."

As mentioned, Facebook's ad manager allows businesses to target users based on certain parameters. A study conducted by Chan (2011) tested the possibilities of these parameters by examining the effectiveness of Facebook advertising for trying to connect students to their library's Facebook page. Using Facebook's targeting possibilities, the campaign only targeted current students at the university who were not already connected with the library's Facebook page. The analysed findings revealed that the ad was shown frequently to the targeted user group, with a high CTR. The CTR was so significant that it accounted for over half of the new connections made to the library's Facebook page during the campaign period (Chan, 2011).

On the other hand, Chan's (2011) research identified a limitation to their study, claiming it was impossible to determine the users' attitudes towards the ad just from looking at quantitative data. However, Bond et al.'s (2010) study could provide some insight into this limitation. In their research they used focus groups in order to assess perceptions and attitudes towards social media advertising. An aspect that emerged from their research was a consensus amongst consumers that

irrelevant advertising was extremely detested. So much so that advertising was completely ignored, unless the ads were specifically relevant to them personally (Bond, Ferraro, Luxton & Sands, 2010:4).

Facebook ads are so popular due to the powerful targeting options Facebook provides (Long, 2015). These options represent a toolbox online marketers can use to tap into the important relevancy factor these studies highlight. This toolbox is also available for Instagram ads. Ticketbooth's website provides a series of tips on how event companies can take advantage of Instagram advertising to promote their events. They suggest that the significant advantage of Facebook owning Instagram, is the opportunity to share ad campaign experiences (Ticketbooth, 2015). Since Shownight has been running Facebook ads for quite some time, their tested targeting parameters can guide the process of selecting the optimal audience for Instagram ads.

Shownight has recently run a successful campaign selling tickets to a comedian's show, while focusing on three targeting levels; lookalikes, interests, and behaviour. Behaviour targeting can be very powerful, based on what people actually do away from Facebook (Loomer, 2015). Often behaviour targeting is associated with purchasing behaviour, however, it can also be related to who the users are. The comedian in this case was an Iranian man, thus behaviour targeting was used to target expats, specifically those who spoke Iranian. Yan et al.'s (2009) study revealed that behaviour targeting is an under-explored area in academia. Although this study was conducted 7 years ago, considering the available literature today, it is still a contemporary issue. The researchers concluded that through segmenting users properly based on behaviour indicators, the the CTR of an ad can be improved by as much as 670% (on average) (Ibid.).

Targeting people based on interests will identify users who have expressed an interest regarding a certain topic, or 'liked' a paged relating to that topic, not to be confused with 'likes' targeting (Baldassarre, 2015). There are countless interests to choose from, and these categories are broad and ambiguous. Loomer (2015) believes that when targeting based on interests one is putting a lot of trust in Facebook, as Facebook will be the one deciding which users they consider relate to that interest in some way. On the other hand, targeting based on interests is great, as you can be sure your audience will be interested in some aspect of your ad (AdEspresso 1, 2016).

A 'lookalike audience' is a way to reach users similar to your existing customers, based on aspects such as people who have liked a company's Facebook page (Facebook for business 2, 2016). Lookalike audiences are a great way to widen the reach from a custom audience, which is a small but relevant audience (Loomer, 2015). This was exactly the case for the ad campaign run by Shownight, *as* the lookalike audience was based on a custom audience created from the emails of

people who had previously purchased a ticket to this comedian's show. Facebook finds these lookalike audiences by searching for similar users based on their interests and behaviours, amongst other factors (Loomer, 2015). Lookalike audience targeting is Loomer's (2015) preferred method, over interest and behaviour targeting, since it automates the process of guessing which interests and behaviours should be targeted to reach the desired audience (Ibid.).

Kenshoo, an industry leader in digital marketing, analysed a number of Facebook and Instagram campaigns last year, and found that Facebook's advertising parameters such as lookalike audiences are effective in driving ad engagement (Ward, 2015). Furthermore, through the analysis of 25 Instagram ad campaigns, results showed that lookalike audience targeting was just as effective in driving engagement on Instagram (Ibid.).

Location targeting is also a significant targeting level, in this case especially considering the nature of Shownight's *business.* The comedians that Shownight promotes perform in different cities across the country, thus the ads must be targeted towards people living in or around the area of where the comedian will be performing. Baker (2015) claims targeting by location is very important, yet often forgotten. Randy Parker, founder of the Facebook marketing tech company PagePart, also recommends using the geolocation parameters Facebook provides to their full extent (cited in Baker, 2015).

Testing these 4 targeting levels, through the Instagram campaigns that will be run for this thesis, will help in answering *research question 1: What targeting level results in the highest click-through-rate?*

3.4.2 Media

As Hrabovsky (2013) fittingly points out, finding your audience isn't everything. Even with potential customers identified and segmented, the creative they are presented with must be appealing in order to encourage clicks (ibid.). When it comes to the creative of Instagram ads, there are different formats to choose from, the most relevant for this thesis being photo ads, and video ads (Ticketbooth, 2015). Photo ads, being the most common type, consist of a single image with the 'sponsored' icon, similar to ads found in the Facebook news feed. When choosing images for your ad its must be remembered that the aim is for the ad content to blend in with a user's normal social feed. The more the ad looks native, the more likely the ad will result in an above-average return on investment (Rothstein, 2016). Instagram is all about beautiful photography, so the image used must be in-line with this practice (Ibid.). The ads should not disrupt the Instagram's users feed, it should not look like an ad campaign or give the impression of having a sales purpose (Gray, 2015).

Furthermore, Marketers should not be bringing out manufactured-looking creative, which is overtly 'commercial' (Urriaga, 2014). The sponsored content users are exposed to should remind them of a picture they themselves could have taken (Ibid.). Since Facebook and Instagram share the same ad manager, and ads can be implemented seamlessly across both platforms, using the same images would be a mistake. Simply reformatting ad creative used before, to fit the Instagram format should be avoided, and Instagram's unique feel should be considered, making the creative exclusive to the Instagram platform (Gray, 2015; Goor, 2012). Taking this advice into account, it appears as though businesses must strike a balance between displaying eye-catching and fun pictures, while keeping the content looking native.

Video ads now allow videos of up to 60 seconds, having gone up previously from 15 and 30 seconds (Facebook ads guide, 2016). Video ads have been known to result in the best returns, in terms of engagement on social networks (Ticketbooth, 2015.). Brand Networks, a social advertising software platform, released a study on Instagram in 2015. The study claimed the main factor that could be attributed to Instagram's rising advertising success, was an increase in video content (Fabiano, 2016). The founder and CEO of Brand networks revealed, "over the past six months, we've learned that users are willing to increase their time spent interacting with a brand when shown a short video clip," (Tedord cited in Fabiano, 2016). These findings and revelations are supported indirectly by Yoo, Kim, and Stout's (2004) study on banner ads. Their results showed animated banner ads were more attention-grabbing, had higher recall, were more favourable, and had higher click-through intentions than static ads.

These findings and social media guides, bring forward the notion that video ads perform better than image ads. This will be put to the test through the Instagram campaigns to contribute to *research question 2: What ad features result in the highest click-through-rate?*

3.4.3 Caption

Instagram ad captions appear below the image or video ad and can include up to 300 characters (Facebook for business 3, 2016). It is vital the caption that goes with the Instagram ad is as effective as possible, in order to give Instagram users that final push towards carrying out the desired action. All of Instagram's ad formats offer a set of options for a call-to-action (CTA) button, these include; Book now, Learn more, Sign up, Download now, and Shop now (Ticketbooth, 2015). Including a specific CTA is essential as it is the best chance at interaction and boosting CTRs (Treadaway & Smith, 2010; King, 2008:122).

A number of sources recommend including a CTA within the caption of an advert. This means the customer is not left to interpret what action they should take next (Treadaway & Smith, 2010). Nanigans (2014) echoes this by claiming CTAs are great because they encourage interaction with the ad (p.8). Furthermore, the caption should portray a sense of urgency, encouraging potential customers to consider the proposed offer seriously (ibid.). Although Instagram ads come with a CTA button that users can click, which leads to the landing page, including an additional CTA within the caption that has a sense of urgency, could encourage action even more.

Like the social media site Twitter, Instagram also allows the use of hashtags. It is recommended that businesses that advertise on Instagram take full advantage of this powerful search feature, using one or more hashtags to reference what the post is about (Lund 2, 2015). Big brands such a Starbucks and Red bull are avid users of the hashtag function, to connect followers to their product and generating brand conversations (Kaluza, 2012). LePage (2015) reflects on the results of an Instagram study conducted by *Simply Measured* in 2014, which claimed many people would skip using hashtags as they felt it did not look appealing and appeared desperate. Ticketbooth (2015), however, makes it clear using hashtags are a significant part of an advert's success and if businesses refrain from using them, their ads will suffer.

Locowise, a social media analytics firm, suggests that three hashtags is the perfect amount to use in an Instagram post (Mullane, 2015). To come to this conclusion, Locowise analysed over 1,500 active Instagram accounts, with a combined 300+ million followers, that posted 135,000+ posts in the 3 month period. They found that the engagement rate was highest in posts that used three hashtags. Locowise's claim many brands overuse the hashtag functionality on Instagram, citing 49% of all posts include four or more hashtags, even though the engagement rate declines after the the usage of a third hashtag (ibid.). Although this advice relates to Instagram posts and not Instagram ads, they embody the same purpose - attracting an audience. Instagram themselves recommend using up to three hashtags in the caption of an Instagram ad, but not more, or the simplicity of a post might be hindered (Instagram business 3, 2016).

The question then arises what the hashtags should relate to. 't Goor (2010) believes adding branded tags is a good strategy to encourage engagement. Furthermore, it is suggested that if hashtags are company-specific it will enhance engagement (Kaplan, 2010 cited in Bergström & Bäckman 2013). This is reiterated by Ready Pulse, a digital marketing technology provider, who suggest that one or two hashtags should be unique to your product or campaign (Carlson, 2015).

Literature surrounding the caption of an Instagram ad suggests a CTA within the caption will perform best portraying a sense of urgency. Furthermore, the use of hashtags should certainly be

employed, and it is suggested no more than 3 hashtags should be used, with 3 possibly being the optimal amount for Instagram ads. These notions will be put to the test through the Instagram campaigns in order to also contribute to *research question 2: What ad features result in the highest click-through-rate?*

3.5 Facebook's ad manager

Facebook's ad manager is the operating centre for creating and running ads on both Facebook and Instagram. The ad manager's ad creation system works on three levels; campaigns, ad sets, and ads. The campaigns act as 'folders' so to say, which allows users to easily keep track of the different ad campaigns they are running. The ad sets are created within the campaigns to sort the ads even more. At this level the audience for the ads is decided as well as allocating a budget, and deciding how long the ad should be run for. The actual ads are created within the ad sets, thus all the ads will hold the same budget and targeting settings. *Figure 3*, provides an infographic of this set up.
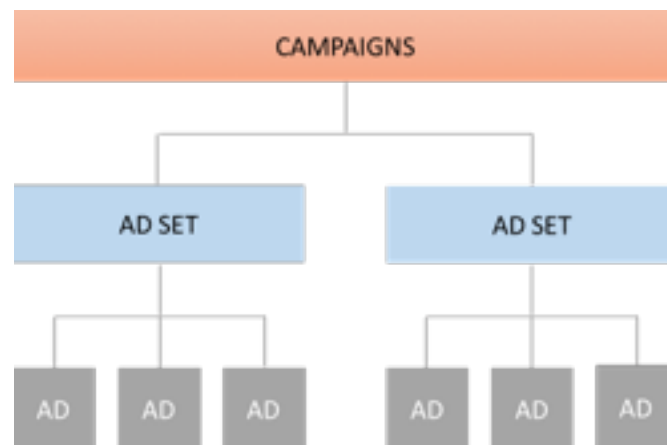
Figure 3 - The Facebook ad manager's set-up for creating
ad campaigns (*Facebook for business, 2014*)

As mentioned, with the ad manager, businesses can target ads towards their desired audience, and set a budget. Setting a budget is important, since there is no sets costs for these ads. Instead an average cost per click is the measurement used to determine the price of an advert (Curran, Graham & Temple 2011:28). The ad manager also allows businesses to see how their ads are performing (Facebook for business 4, 2016). This is done by providing different metrics to choose from. The data comes in the form of reports. Businesses can choose which metrics they would like to see in their report from a list of options. These options include metrics related to performance, clicks, or engagement, to name a few (Facebook for business 5, 2016). The benefits of social media advertising compared to traditional forms, are that the digital campaign metrics are much more quantifiable (Gentile, 2015:1).

17

3.6 Split-testing

Split-testing, also commonly known as A/B testing when only two variations are involved, is a method of conducting randomized, yet controlled experiments (Optimizely, 2016). This type of testing is often associated with website optimization, in order to improve traffic, clicks, or purchases (Ibid.). Traffic for a website is distributed between the control website format and variations. These variations could include different headings, layout, colours or pictures. The factors that can be tested are truly endless. The data from these tests is then reviewed to determine which version of the website resulted in the most improvement (Optimizely, 2016). As Kumar (2012), CEO of Limited Publishing, put its, "when it comes to designing your website, you have two choices: Select the site elements you believe look best, or you can use 'split-testing' to determine which design features are most engaging to your audience". Essentially split-testing offers reliable data straight from the people you are hoping to engage, rather than leave the possible success of your site up to guessing.

Speicher, Both, and Gaedke (2014), explore the nature of split-testing by evaluating the popular conversion-based split-testing of web applications, compared to their alternative *usability-based split-testing.* In their experiment they used the method of split-testing to compare search-engine interfaces to determine differences in usability, of which they detected a justifiable amount. However, split-testing is not restricted to testing websites, it can be applied to anything online where variations could result in an increase or decrease of user engagement, online advertising being a significant player within this field. Johansson's (2012) study outlined the importance of split-testing. Johansson analysed the responses from 53 Swedish companies utilising pay-per-click advertising, yet discovered 85% did not use split-testing. This result was viewed negatively in Johansson's thesis as he underlined the benefits of split-testing (2012).

Split-testing is one of the most important tools for an online marketer (Marshall, Krance & Meloche, 2015). The concept is simple, ads are created and tested against each other, by presenting them to an online audience to determine a winner (Ibid.). Once a winner is chosen, more ads are created to split-test against the winner, to determine the next winning ad, and so on (Ibid.). Ads have an equal chance of winning if they have the exact same audience and the exact same budget (ibid.). The same applies to social media advertising, which falls under the umbrella term 'online advertising' (Biondi, 2016). Social media marketers are continuously finding ways to turn consumers into customers, and running split-test experiments is a great tool to use for this (Ibid.). However, when it comes to advertising on Facebook and Instagram, which is done through Facebook's ad manager, things become complicated.

3.6.1 Split-testing with Facebook's ad manager

It has already been established that Facebook is a key platform for social media marketing. Facebook also offers opportunities for split-testing on their ad manager. Carrying out split-testing, will allow businesses to fine-tune their marketing efforts while ensuring time is not being wasted on running the wrong ads. (Belosic, 2014). Many Facebook and Instagram advertising guides significantly encourage split-testing (Belosic, 2014; AdEspresso 2, 2016; Hubbard, 2016; Loomer, 2012; Sal, 2015; Gadzo, 2016; Johnson, 2016; Maake, 2016). However, Facebook does not make it easy for an advertiser when it comes to split-testing. Instead of equally dividing impressions across the ads you wish to split-test, Facebook plays favourites (Marshall, Krance & Meloche, 2015).

When a campaign is created with many ads, Facebook provides all ads with the same exposure to obtain CTR data from each individual ad (Qwaya, 2016). Based on which ad is bringing in the highest CTR, Facebook makes a decision on which ad is performing best (Ibid.) When no CTR data is available, Facebook will make a decision based on other engagement factors such as shares (Facebook for business 7, 2016). Once that decision has been made, more impressions and budget will be assigned to the chosen winner (Qwaya , 2016). In a way Facebook has created an algorithm to optimise the ads that are being run, so that businesses do not have to evaluate the results themselves, and pick a winning ad with which to proceed. However, it has been suggested that Facebook's ad algorithm can be over-confident in choosing a winning ad from an ad set (Maake, 2016). Furthermore, it has been implied the decision is made before enough data is obtained to make an informed decision (Ibid.). Facebook themselves maintain they do not pick a winning variation until it is clear one is performing better, positioning themselves as standing by their algorithm (Facebook for business 6, 2016).

Nevertheless, due to on-going criticism regarding uneven distribution of impressions and budget on the ad level, Facebook took steps to address this concern. The ad set level was introduced in early 2014, which is considered Facebook's split-tester friend (Marshall, krance & Meloche, 2015). If users are not happy with the way Facebook's optimising algorithm works at the ad level, they recommend separating individual ads into different ad sets for an even ad display during the time the ads will be running (Facebook for business 6, 2016). Maake (2016) and Hubbard (2016) also recommend adopting this approach when split-testing ad creative, however, it is made clear that this is very time-consuming, and does not exactly call for efficient split-testing (ibid.). Furthermore, when ad sets hold the same targeting level, which would be the case when split-testing ad creative using this new ad set approach, there is a slight-risk that ad sets will also compete with each other

(Facebook for business 8, 2016). Nevertheless, this is about the closest one can get to a proper split-test on Facebook (Marshall, krance & Meloche, 2015).

Facebook maintains that split-testing ad creative at the ad level, and letting their system optimise for the top performing ad, is a fast and easy way to get results (Facebook for business 6, 2016; Facebook for business 7, 2016). Considering the short testing time this study has for running ads on Instagram (2 weeks), it seems like an efficient approach to just split-test the ad creative on the ad level.

Split-testing targeting levels would already have to occur on the ad set level since thats where they are decided. The fact that Facebook's algorithm will not affect the ads at this level, especially since they will be different, is great in terms of even distribution of budget. However, when it comes to equal impressions, the algorithm is not what will affect that. Tests receive even amounts of impressions when using the same targeting (Maake, 2016), but when targeting different audiences this number will most likely not be equal.

This equal impressions split-testing guideline is suitable for cases where the amount of impressions one can obtain is not a part of what is being tested. However in this case, the performance of the targeting level is under experimentation. If a targeting level can only obtain a certain amount of impressions, that is part of the targeting level's attributes. It may be that a targeting level only has 400 people to show the ad to, if the majority of that small section of people clicks on the ad, that targeting level would prove to be very good even if the amount of impressions it carried out during the test was small. Another targeting level could have 2000 impressions, but if no one clicked on the ad ,the targeting level would not be great, despite the high number of impressions.

Since the actual number of impressions will not be equal, and performance can therefore not be judged by merely looking at the clicks across the targeting levels, the results would have to be considered in terms of relativity to each other. The amount of clicks received would need to be considered in relation to the amount of impressions in each case. This data would come in the form of the CTR.

Thus, as it stands, this thesis will split-test at both the ad set and ad level. Furthermore, since CTR will be the measure of choice to decide a winning variation at the ad set level, the same will apply for the tests run at the ad level. In any case, it has become clear that the platform on which these split-tests will be carried out - Facebook's ad manager - is unique. Since split-testing through this

platform is a method that is almost undetectable within existing academic literature, the platform will also be evaluated in addition to the test findings.

4. Methodology

The methodology employed for this thesis consisted primarily of a quantitative method - split-testing. However, qualitative data has also been obtained in the form of interviews, in order to guide the direction of this thesis, as well as compliment the quantitative findings. The split-testing was carried out on Facebook's ad manager from which ads for Instagram can be created. The data collected from the ads is also provided by Facebook's ad manager in the form of a range of metrics, including clicks, impressions, and CTRs

4.1 Interviews

Semi-structured interviews were carried out prior to the literature review undertaken for this thesis, as well as after the quantitative data collection phase. The sample chosen in regards to interviews must be a sample that will be able to provide the answers you need (Edwards & Holland, 2013). Three social media experts were chosen, as the broader scope of this thesis concerns social media and social media advertising. Ulrika Ek, Christoffer Lötebo, and Pontus Staunstrup are all key players in Stockholm's social media scene, with expertise in digital marketing and strategy, as well as business development. They seemed like the perfect choice to provide insights and feedback regarding the process and findings of this thesis. These experts were found through searching LinkedIn's social media experts pool of professionals based in Stockholm.

Semi-structured interviews follow a topic-centred approach, regarding issues the interviewer wishes to cover, yet it is a form that is both fluid and flexible (Edwards & Holland, 2013). The interviews can be considered in two stages. The first stage relates to the interviews conducted with Ek and Lötebo during the thesis specification stage. For this part the topics formulated prior to the interviews concerned broad topics regarding social media advertising and Facebook split-testing. As mentioned previously, the questions formulated around these topics were merely discussion points, rather than clear-cut questions to be answered. The aim was for the conversation to guide, and lead to subsequent questions.

The second stage of the interviews relates to follow-up interviews conducted 11 weeks after the first ones. The purpose of these interviews was to gain feedback on the quantitative data collected from the split-testing. Thus, the questions formulated prior to the interview reflected this, designed

with the purpose of prompting critical feedback from the interviewees. Christoffer Lötebo was unavailable for a follow-up interview, so Ulrika Ek and Pontus Staunstrup were contacted for input.

The first set of interviews were conducted over the phone, recorded and transcribed. While the questions for the second set of interviews were sent over by email, due to the interviewees' busy schedules. From the transcribed script, quotes were drawn out to complement the purpose and findings of this thesis. The insights given that were not quoted, contributed to the overall refinement of the methodology. Verbal consent was obtained to record, as well as quote, prior to the the official start of the interview.

4.2 Split-testing

Taylor's (2013) advice is simple; If you're not measuring, you're not marketing. As Ulrika Ek, one of the interviewees of this thesis previously mentioned; "the picture is what grabs your attention but it is really the whole thing together. It's the picture, it's the text, it really is the messaged optimised towards them (the target audience)". Thus, 'the whole thing together' demonstrates there are endless amounts of variables to test and this should be done.

Although numerous variations of ads can be created, there is one ground rule with split-testing - never test more than one variable at a time (Taylor, 2013). If this rule is is not followed the control is no longer relevant and no single element can be attributed to the improvement of an ad. This will result in only guesses being made, and unreliable data regard the optimizing of ads (Ibid.). Once one variable has been split-tested, and a winner has been chosen, new variations of the winning ad should be made to test another variable (AsEspresso 2, 2016). From that new split-test, a new winner will be chosen, and the cycle would continue, testing a new variable again with the updated winning ad format.

Keeping this in mind, each split-test conducted for this thesis only switched up one variable at a time. As mentioned, two split-testing methods were chosen to be employed. The first, split-testing on the ad set level, would test the targeting levels variable. From that a winner was chosen, and the subsequent variables would be tested one by one, choosing a winner each time to influence the format of the following variations. The tests occurring after the targeting levels test, were carried out on the ad level and employed the second method of split-testing, working in conjunction with Facebook's ad algorithm.

4.3 Sample

At the time of this thesis, *Shownight* was promoting shows for the Australian stand-up comedian duo known as the Umbilical Brothers. The duo consists of Shane Dundas and David Collins who met in their first year of acting school in 1988. Since then they have been performing together and have gained worldwide success. Their acts consist of miming, ordinary dialogue, and sound effects. The Umbilical Brothers came to Sweden from the 22nd to the 31st of May to perform 7 shows in the following cities; Lund, Växjö, Göteborg, Uppsala, Örebro, Gävle, and Stockholm. The Instagram campaigns reviewed in this thesis were given the task to promote the comedians in the 4 lowest performing cities in terms of ticket sales. These included Gävle, Växjö, Uppsala, and Örebro.

Thus, the sample that were exposed to the ads being tested consisted of inhabitants active on Instagram in those respective cities. Furthermore, to increase the reach of the Instagram ads, people living in surrounding regions to those where the Umbilical Brothers were performing, were also included. Since the relevancy of ads carries on even in the post-click experience, it is important that the landing pages of an ad are tailored to what exactly the ad is requesting users to do (Nanigans, 2014). This will drive conversions, since the aim is to make it as easy as possible to convert (ibid.). For this reason, the landing pages of the Umbilical Brother's ads were specific to the city they were promoting. This way, a user who has been persuaded to click will be directly brought to the landing page where they can make a purchase (convert) for a ticket to the specific show in their area.

Each of the 4 shows (in Gävle, Växjö, Uppsala, and Örebro) that were being promoted were assigned their own Instagram campaign to keep track of which ads belonged to which show. The sample size for each show was not pre-determined, since the reach each campaign received is only revealed after the ads have been run by Facebook's ad manager. Nevertheless an estimate was given to provide and indication as to how many people the ad would be shown to daily, which was dependent on the budget assigned and the targeting used. 160 euros was the budget assigned to the split-tests for this thesis. 40 euros per ad campaign (4 cities) and 10 euros per ad set (targeting levels). The estimates ranged from 50-3000 people depending on the targeting used. Split-testing was conducted over 16 days and at the end of this period the total amount of people the ads were shown to came to 41,094 users. This means that the ads being tested were shown to 41,094 people on Instagram, which would represent the sample size for this experiment.

4.4 Testing schedule

The testing time period ran from the 4th to the 20th of April (≈2 weeks). In that time, 4 different split-tests were conducted. HubSpot, a company that offers inbound marketing software to help business attract visitors, offers some useful advice regarding how split-testing should be done. HubSpot's (2016) guidelines state that only one test should be run at a time, in order to keep track of results efficiently. The split-tests conducted adhered to this guideline, and one test was run at a time. This was done for simplicity and efficiency, but also because the variations for the test relied on the winning variation from a previous test. Each test was run for 3 days. This was done on advice from Shownight, as well as on recommendation from one of the interviewees, Ulrika Ek. This amount also worked nicely with the assigned time for testing, as there was 1 day between each split-test that could be used to analyse the data from the previous test, pick a winner, and create the ads for the subsequent test.

Another factor that is important to consider when running split-tests is that in each test there should be a control - a version of the original element that is the subject of the test (Ibid). A control had to be established before the first round of testing with the targeting levels. Location targeting was a necessity for the ad campaigns, due to differing cities the ads would need to be targeted at. This made up the first factor functioning as the 'control ad variation'. The second factor was in regards to age and gender settings. They were set at both men and women from the ages 18 - 65+. This gender and age combination is the broadest it can be on Facebook's ad manager. The reason for doing this was to not make the audience of the ads too specific or refined. The location targeting already reduced the amount of people the ad would reach, so reducing the amount significantly in regards to age and gender would not be beneficial for the data collection.

The rest of the ad features that would act as the control for the first test, were based on Shownight's Facebook ads that were already being run for the Umbilical Brothers, as well as from the insights obtained from the literature review. The wording for the short caption was taken from the existing Facebook ads. The CTA from the Facebook ads was also used, since it already contained a sense of urgency (Köp biljett nu! - buy a ticket now!) as the literature review suggested it should. In terms of the control choice of media, video was chosen due to the significant support this form of media received in the literature review. Nevertheless this would be put to test in a subsequent test. The video used was a section of a clip taken from the Umbilical Brother's youtube channel, which was promoting their upcoming shows in Sweden.

Regarding hashtags, since they were not used on Facebook, but they are a significant feature of Instagram, it was decided that the use of one hashtag would act as the control. Although the

literature review suggested 3 hashtags may be the optimal amount, this was ambiguous, thus 1 hashtag was chosen to act as the control. The optimal number of hashtags would be tested for in another test, following the choice of targeting levels, media, and CTA.

This combination of ad features acted as the starting control ad, which acted as the control for the first split-test, which was used to compare to the performance of the 3 chosen variations of targeting. The campaign structure for the first test within one of the 4 campaigns (Gävle) is displayed in *Figure 4.* How the subsequent ad creative split-tests were carried out within a campaign is demonstrated in *Figure 5.*
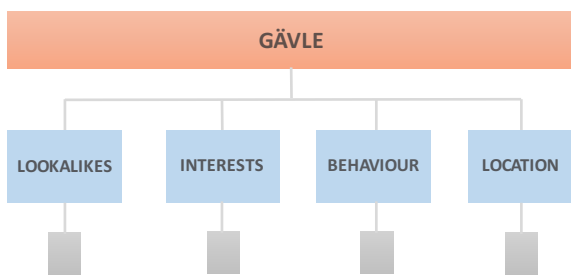
Figure 4: *Exemplary campaign structure for targeting level split-test (test 1)*
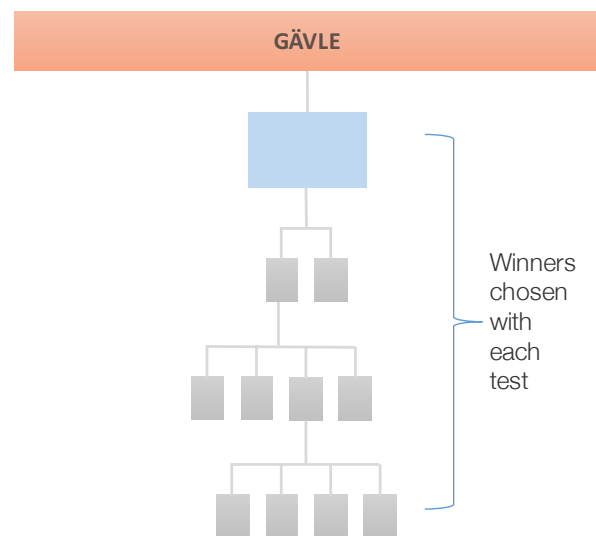
Figure 5: *Exemplary campaign structure for the subsequent ad creative split-tests (test 2, 3, and 4), after a winning targeting level has been selected*

4.5 Testing variables

The amount of variables that can be tested with Facebook ads is endless (Belosic, 2014). You can test titles, texts, links, images, age, gender, CTAs, interests. This also applies to Instagram since they share the ad manager. Due to this, it is important to base the testing variables on the goals and objectives of your tests (Ibid.). If this is not done, the test can quickly become very big, and the results will become hard to keep track of, especially if ads are being created and monitored manually. Because of this, the variables that have been chosen, have been done so with consideration to the time and context of this thesis.

Inspired and guided by the variables reviewed in the previous chapter (*3. Theoretical framework*), the variables chosen for testing were; the targeting levels, the media, the call-to-action within the caption, as well as the number of hashtags used. These variables were tested under 4 different tests. 96 ads were created in total during the 16 day testing period.

It is important to note that because these ads were aimed at the Swedish population, the language used within the captions of the ads was Swedish. The exception to this was the ads that came under behaviour targeting, since they were aimed at English-speaking expats, so those ads were worded in English. For the purpose of this thesis all examples given of the creative used within the ads, will be written in English.

4.5.1 Targeting

Inspired by the literature review and Shownight's previous ad campaigns, the targeting levels that were tested included; lookalike audience targeting, interest targeting, and behaviour targeting. Ad sets were created under these targeting levels, under each of the show locations, which made up the campaigns. To create the lookalike audience, the email addresses were used from people who had already bought tickets to one of the Umbilical Brothers' shows. For interest targeting, interests such as 'stand-up comedy' and 'comedians' were chosen among several others. The behaviour that was targeted included the english language, thus expats within Sweden were chosen to be targeted under this level.

The results from these targeting level ad sets would help to answer *research question 1: What targeting level results in the highest click-through-rate?*

4.5.2 Media

In terms of media, the literature review proposed that video ads would perform better than image ads. This was the subject of the second ad test, image versus video. One ad contained an image of the Umbilical Brothers, the other a video of them. In the first round of split-testing it is good to adopt a disruptive approach (AdEspresso 2, 2016). For instance, testing two different images would not be great, since the detected difference in results may not be significant (Ibid.). Ads were created under the winning ad set (targeting level) within all four campaigns (cities).

Regarding the selection of the image, the advice provided by the reviewed guides was consulted. To recap, it was suggested that the images used to advertise on Instagram should have a native feel, avoid looking commercial, and look authentic. Relating this back to what kind of images

Shownight should use, it is clear the existing types of images they use (*Figure 6*), does not match the suggested criteria. Therefore, and alternative was chosen (*Figure 7)* to represent Shownight on Instagram.

Figure 6: *Shownight's Facebook ad picture for The Umbilical Brothers*

Figure 7: *Instagram's ad picture chosen for The Umbilical Brothers*

The video that was used was the same video that acted as the control when split-testing the targeting levels. The ads that contained the video also acted as the control in this test. The results from this test would in part aid in answering *research question 2: What ad features result in the highest click-through-rate?*

4.5.3 Call-to-action

The third test that was run on Facebook's ad manager regarded the call-to-action within a caption. As previously mentioned, Instagram's format includes a call-to-action (CTA) button within the design of the advert. For the purpose of this thesis the 'Book now' CTA option was chosen as can be seen in *Figure 8.*

Figure 8: *Example of one of the Instagram ads, displaying the CTA 'Book now' used within the ad format*

Nevertheless it was decided to test a CTA within the caption as well. The conducted literature review revealed that portraying a sense of urgency with the CTA would optimise it. To test this, 3 variations of a CTA were created. These variations were tested against the control, which was the CTA that Shownight had previously been using. The CTAs tested were;

Control	**Variation 1**	**Variation 2**	**Variation 3**
Buy tickets now!	Treat yourself!	Limited amount of tickets left!	Click 'Book now'!

As can be seen from these CTAs, varying degrees of urgency were employed, with variation 1 and 2 representing the most urgency. This third test would also contribute to answering *research question 2: What ad features results in the highest click-through-rate* by providing insight into what sort of CTA optimises CTRs

4.5.4 Hashtags

The advised amount of hashtags to be used on Instagram was 3 or less. This advice came from studies, as well as Instagram themselves (*see section 3.5.3 Caption).* Therefore, ads were created with 1,2,3 and 4 hashtags for the final split-test. The ads which only had 1 hashtag acted as the control. The choice of what hashtags to use derived from the literature review, which encouraged the use of company-specific hashtags. For this reason the hashtag #shownight was used. The remaining 3 hashtags were chosen as a reference to what was being promoted. This included the #umbilicalbrothers, as well as #standup and #comedy. The number of hashtags were added in that order to caption. The aim of the this test was to contribute the final piece of information to answer *research question 2: What ad features result in the highest click-through-rate?*

4.6 Analysis

In terms of defining what exactly the Improvement of an ad will be measured by, the goal of your advertising campaign must first be established (Taylor, 2013). Is it to get more clicks? page likes? more user engagement? In the case of this thesis, the goal was to sell more tickets, thus getting people to the landing page and purchasing a ticket is the ultimate aim. With this in mind, although clicks are good, the CTR is what is desired to increase the most, since this will be a reflection of how many people are clicking out of the people who have seen the advert. This is a true indication of whether or not the advert is attractive.

To recap, the research questions that this thesis aims to answers are; 1) *what targeting level results in the highest click-through-rate?* 2) *What ad features attract the most customers?* and 3) I*s Instagram a suitable advertising platform to promote live events?* It has been explained how these research questions were put to the test in previous sections (excluding research question 3). Thus, the nature of how that data was analysed will be reviewed in this section.

According to Treadaway and Smith (2010), in order to truly uncover how individual ads compare to one and another, the data that should be considered include CTRs, as well as cost per click (CPC) (p.148). This data is provided by Facebook's ad manager along with numerous other metrics, so many that it can often become overwhelming (Chieruzzi, 2015). In fact, Facebook reports provide 45 options of metrics to choose from (Loomer, 2013). Furthermore, the data provided can sometimes be confusing. For instance, an ad may have a very good CTR but a high CPC, while others may have a bad CTR but provide a great cost per conversion (Chieruzzi, 2015). Therefore, in order for the tests to be successful, it is advised to not overcomplicate the data and choose one metric on which to judge the results from split-tests (ibid.; Maake, 2016).

The metric chosen to analyse data for this thesis was the CTR. This number is calculated as the total clicks divided by the total number of people who were exposed to the ad (impressions). In order to provide a bit more information to complement the CTR data it was decided to also look at the actual number of clicks and impressions that lead to the CTR. The total number of clicks is the unique number of times someone has clicked on the link that was provided in the ad (Treadaway & Smith, 2010:147). In the case of this thesis that would mean the amount of times someone has clicked on the 'Book now' button. The amount of impressions is calculated as the 'the number of times your ad entered the screen for the first time' (Facebook for business 10, 2016). Essentially this means the amount of times it was uniquely shown to a user.

In regards to targeting levels (*research question 1)* the the total CTRs from the 4 targeting levels tested under all 4 campaigns was compared. Whichever targeting level received the highest CTR was deemed to best form of targeting.

In terms of creative (*research question 2)* the data analysis was three-fold, since 3 split-test contribute to answering the question. The first test regarding choice of media informed whether image or video was most suitable for Instagram advertising in the context of this thesis. A subsequent test regarding CTA revealed what wording of a CTA worked best, in close relation to varying degrees of presented urgency. Lastly the test concerning amounts of hashtags (test 4) gave an indication as to which amount of hashtags should be employed in an Instagram ad caption. The CTRs were compared during each test and a winner was chosen.

Research question 3 aiming to discover whether Instagram is a suitable advertising platform to promote live events, was not assigned its own test or tested individually through Facebook's ad manager. Instead this was considered as more of a comparative question. In order to form a response to this research question, the overall results from the Instagram campaigns were looked at and compared to the results from the Umbilical Brothers campaigns that were run on Facebook by Shownight, independently from this thesis. Furthermore, global CTR statistics for Facebook and Instagram were consulted. Since this is the first time Shownight was advertising on Instagram, and there is no existing literature providing any sort of substantial answer to this question, the aim was to provide some evidence to indicate whether Instagram is a suitable platform or not.

Lastly, as mentioned previously, the actual method used for this thesis will also be evaluated since it was carried out on a unique platform for split-testing - Facebook's ad manager. The benefits and drawbacks will be evaluated and discussed in the following chapter.

5. Findings and analysis

Since 96 ads were created, and thus 96 sets of results were obtained, it was important to keep track of all the results in a structured manner. Without a plan, Facebook split-tests can become very messy, very quickly (Hubbard, 2016). For this reason the results were put into pre-created tables after every test. The tables were created with rows for each campaign. Thus, results were first analysed within campaigns to identify a winning variation, and then compared across campaigns. This is due to the fact that each campaign was tested on a different audience, meaning a different portion of the Swedish population, since the population of differing cities made up the audience of each campaign. To compare data across campaigns straight away would affect the credibility of results.

From the tabulated data recorded from the split-tests, a winner was determined with each test, and the next set of ads for the next test were created based on that winner. Throughout the testing period the campaigns received a total of **23** unique link clicks**, 14094** impressions, with an average CTR of **0.88%**

5.1 Targeting

Regarding test 1, which split-tested 4 different targeting levels; lookalikes, interests, behaviour, and location, 16 ads were created in total. The ads were run for 3 days, and to recap, the testing variable was run on the ad set level, which meant Facebook's algorithm did not affect the amount of impressions received or budget used. The ad features for this test consisted of;

CTA 1 **(control)**
1 hashtag **(control)**
Video **(control)**
TARGETING LEVEL **(variable)**

[control = location]
[variation 1 = lookalikes]
[variation 2 = interests]
[variation 3 = behaviour]

The obtained results are presented in *Table 1* below. From this table, the CTR data from the targeting levels was compared to determine the winner. This split-test received a total of **9** unique link clicks, **2466** impressions, and an average CTR of **1.56%.**

Table 1 - *Targeting levels results (test 1)*

	LOOKALIKES			INTERESTS			BEHAVIOUR			LOCATION		
	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)
GÄVLE	2	64	3.13	2	479	0.42	0	82	0	2	308	0.65
VÄXJO	1	55	1.82	0	146	0	1	32	3.13	1	332	0.30
UPPSALA	0	31	0	0	162	0	0	76	0	0	194	0
ÖREBRO	0	20	0	0	226	0	0	110	0	0	149	0

WINNER ⇒ LOOKALIKES
BEHAVIOUR
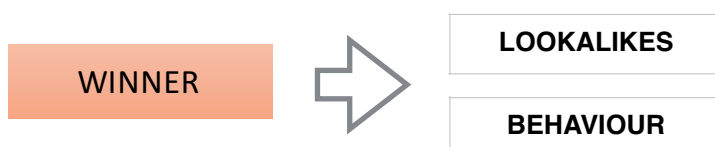
The Uppsala and Örebro campaigns did not deliver any results since no users clicked on the ads. Thus, the split-test data from the other two campaigns (Gävle and Växjö) were compared to determine the winner. Since the two highest CTRs in each campaign were equal, two winners were chosen; lookalikes, and behaviour targeting. Therefore, to answer r*esearch question 1: What*

targeting level results in the highest click-through-rate?, the answer is both targeting through lookalikes as well as behaviour.

Pontus Straunstrup, one of the interviewees for this thesis, is adamant in how crucial targeting is. Depending on the type of advertising you are conducting, he remarked, "you always target your advertising in different ways". Furthermore, Straunstrup also promotes that understanding your target audience is one of the key factors to carrying out successful online marketing, in addition to having clear goals and the ability to gather statistics.

Understanding your audience and targeting them correctly are two notions that go hand in hand. All of the targeting levels tested above were selected because they represent the segments of society that were considered to be appropriate targets for the Umbilical Brothers. In regards to the two winning variations, this was in the form of an audience with similar characteristics to those that have already bought tickets to the shows, and an audience that would appreciate a night of english-speaking entertainment.

Ulrika Ek, a previously quoted interviewee, observes similar results to those obtained with this split-test when it comes to her client base. She explains, "regarding targeting I have seen the best results with lookalikes". Lookalikes targeting in this split-test, although on equal footing with behaviour targeting, also delivered the best results. The data Ulrika Ek has shared supports the conclusions drawn for this thesis, which complements the choice of winners for this split-test. Moreover, this support highlights that using lookalike and behaviour targeting is a good choice for advertising live events on Instagram.

5.2 Creative

The subsequent 3 split-tests concerned the creative aspect of the ads. These tests were run on the ad level, meaning Facebook's ad algorithm decided on the distribution of impressions and budget. Since two targeting levels were winners in the previous tests, 2 ads sets were created within each campaign, so the split-tests with differing targeting levels could run in parallel to each other when testing the creative elements. Each of these 3 tests were also run for 3 days each. The results from the 3 creative split-tests are combined to answer *research question 2: What ad features result in the highest click-through-rate?*

5.2.1 Media

The second split-test tested the best form of media that should be used under the winning targeting levels, testing image versus video. 16 ads were created in total, 8 under each targeting level. The ad features for this test consisted of;

Lookalikes targeting (control)	*Behaviour targeting (control)*
CTA 1 (control)	*CTA 1 (control)*
1 hashtag (control)	*1 hashtag (control)*
MEDIA (variable)	*MEDIA (variable)*
[control = video]	[control = video]
[variation 1 = image]	[variation 1 = image]

The results for test 2 are presented in *Table 2* and *Table 3* below in regards to lookalikes and behaviour targeting respectively. This split-test received a total of **10** unique link clicks, **7199** impressions, and an average CTR of **0.36%.**

Table 2: - *Media results (test 2) - Lookalikes*

	LOOKALIKES					
	IMAGE			VIDEO		
	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)
GÄVLE	1	311	0.31	1	88	1.14
VÄXJO	0	398	0	0	52	0
UPPSALA	0	310	0	0	82	0
ÖREBRO	0	385	0	0	91	0

WINNER ⟹ VIDEO

The only campaign that received any clicks under the lookalikes targeting was the Gävle campaign, so those results were the focus for comparison. Video received almost 3X the CTR to image, meaning the winner for this split-test was video. What is interesting to note is that the image ad, across all 4 campaigns, was assigned significantly more impressions by Facebook's ad algorithm than the video ads. Although the image ad also received a click, it took a lot more impressions to get there, highlighting the success of the video ad.

Table 3 - *Media results (test 2) - Behaviour*

	BEHAVIOUR					
	IMAGE			VIDEO		
	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)
GÄVLE	0	810	0	0	327	0
VÄXJO	5	1334	0.37	0	149	0
UPPSALA	2	1112	0.18	0	176	0
ÖREBRO	0	1204	0	1	570	0.18

WINNER ⟹ IMAGE

In contrast to the lookalikes targeting results, Gävle was the only campaign that did not receive any clicks under behaviour targeting. 3 sets of CTRs were compared across the other 3 campaigns, revealing two favouring image and one favouring video, thus image was the winner in this split-test. Once again the algorithm assigned more impressions to the image ads, but in this case it paid off, and proved to be the right way to go. If it was not for the high CTR the image ad received in the Växjö campaign, the remaining CTRs would have been equal. This raises the question whether or not video would have been the winning variation if the ads were assigned more impressions.

According to Pontus Straunstrup, video would be his choice of ad creative for Facebook, and increasingly for Instagram as well. He claims that when it comes to choosing creative for online advertising, his advice depends on which platform is being dealt with. It can be said that the same logic applies to which targeting parameters are being used. Image was the winning variation for lookalikes targeting, but video won for behaviour targeting. The conclusions drawn from the data for this thesis suggest that the optimal combination of ad features on Instagram depends on more than just the choice of social media platform. Targeting levels must also be taken into consideration when making a choice of media to use.

5.2.2 CTA

The third split-test tested the best call-to-action (CTA) that should be employed under the winning targeting levels and media. From the literature review it had been suggested that a sense of urgency within a CTA was important to encourage clicks. 4 different CTAs were tested in this split-test with varying degrees of urgency in their tone. They consisted of; *'Buy tickets now!'* (CTA 1),

'Treat yourself!' (CTA 2), 'Limited amounts of tickets available!' (CTA 3), and 'Click 'book now!'' (CTA 4). 32 ads were created in total, 16 under each targeting level. The ad features for this test consisted of;

<table>
<tr><td>Lookalikes targeting (control)</td><td>Behaviour targeting (control)</td></tr>
<tr><td>1 hashtag (control)</td><td>1 hashtag (control)</td></tr>
<tr><td>Video (control)</td><td>Image (control)</td></tr>
<tr><td>CTA (variable)</td><td>CTA (variable)</td></tr>
<tr><td>[control = CTA 1]</td><td>[control = CTA 1]</td></tr>
<tr><td>[variation 1 = CTA 2]</td><td>[variation 1 = CTA 2]</td></tr>
<tr><td>[variation 2 = CTA 3]</td><td>[variation 2 = CTA 3]</td></tr>
<tr><td>[variation 3 = CTA 4]</td><td>[variation 3 = CTA 4]</td></tr>
</table>

The results for test 3 are presented in *Table 4* and *Table 5* below in regards to lookalikes and behaviour targeting respectively. This split-test received a total of **4** unique link clicks, **2313** impressions, and an average CTR of **0.43%.**

Table 4: *CTA results (test 3) - Lookalikes*

| | LOOKALIKES | | | | | | | | | | | |
| | CTA 1 | | | CTA 2 | | | CTA 3 | | | CTA 4 | | |
	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)
GÄVLE	0	29	0	0	42	0	0	95	0	0	37	0
VÄXJO	0	37	0	0	27	0	0	10	0	0	22	0
UPPSALA	0	8	0	1	276	0.36	0	17	0	0	43	0
ÖREBRO	0	15	0	0	11	0	0	4	0	0	20	0

WINNER ⇨ CTA 2

The only campaign that received any clicks was the Uppsala campaign, thus it was the only CTR data that was taken into account. The winner in that case was CTA 2 - 'Treat yourself!'. This was the CTA with the least sense of urgency, wavering from the suggestion that urgency is the key to getting clicks. Nevertheless only 1 click was detected, so had campaigns run for longer, perhaps there would be a different outcome.

Table 5: *CTA results (test 3) - Behaviour*

	BEHAVIOUR											
	CTA 1			CTA 2			CTA 3			CTA 4		
	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)
GÄVLE	2	693	0.29	0	7	0	0	40	0	0	54	0
VÄXJO	0	43	0	0	37	0	0	28	0	0	43	0
UPPSALA	0	93	0	0	64	0	0	62	0	0	75	0
ÖREBRO	0	99	0	1	158	0.63	0	64	0	0	60	0

WINNER ⟹ CTA 2

On the other hand, the results obtained from the behaviour targeting test revealed CTA 2 was also the winning variation. The results from two campaigns were compared in this case, with CTA 2 having more than 2X the CTR of CTA 1. This adds credibility to the results from the lookalike targeting ad set test, revealing that CTA 2 could be the optimal CTA to employ when advertising live shows through Instagram.

5.2.3 Hashtags

The fourth split-test tested the optimal amount of hashtags that should used with the winning targeting levels, media, and CTA 2. To recap, Instagram themselves, as well as some studies suggest no more than 3 hashtags should be employed, with the optimal amount suggested to actually be 3 hashtags. Up to 4 hashtags were tested to go over the 3 hashtag mark to determine whether or not 3 or under 3 hashtags is the best way to go. The content of the hashtags themselves were company and topic related. They were #shownight, #umbilicalbrothers, #standup, and #comedy. 32 ads were created in total, 16 under each targeting level. The ad features for this test consisted of;

	Lookalikes targeting **(control)**	Behaviour targeting **(control)**

*Lookalikes targeting **(control)***   *Behaviour targeting **(control)***

*Video **(control)***   *Image **(control)***

*CTA 2 **(control)***   *CTA 2 **(control)***

*Hashtags **(variable)***   *Hashtags **(variable)***

[control = #shownight]   [control = #shownight]

[variation 1 = #shownight #umbilicalbrothers]   [variation 1 = #shownight #umbilicalbrothers]

[variation 2 = #shownight #umbilicalbrothers #standup]   [variation 2 = #shownight #umbilicalbrothers #standup]

[variation 3 = #shownight #umbilicalbrothers   [variation 3 = #shownight #umbilicalbrothers

#standup #comedy]   #standup #comedy]

The results for test 4 are presented in *Table 6* and *Table 7* below in regards to lookalikes and behaviour targeting respectively. This split-test received a total of **1** unique link click, **2116** impressions, and an average CTR of **0.33%**

Table 6: *Hashtag results (test 4) - Lookalikes*

	LOOKALIKES											
	1 HASHTAG			**2 HASHTAGS**			**3 HASHTAGS**			**4 HASHTAGS**		
	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)
GÄVLE	0	13	0	0	30	0	0	20	0	1	305	0.33
VÄXJO	0	30	0	0	28	0	0	43	0	0	28	0
UPPSALA	0	16	0	0	30	0	0	20	0	0	103	0
ÖREBRO	0	20	0	0	30	0	0	37	0	0	54	0

WINNER	⇨	4 HASHTAGS

Although only one campaign delivered results once again, the winner under the lookalikes targeting ad set is declared as the ad employing 4 hashtags. This results goes against the suggestions formulated through the literature review, as the optimal amount of hashtags this test reveals is over 3. Facebook's algorithm divided the impressions relatively evenly across the 4 campaigns for 1, 2 and 3 hashtags. Whereas the ads using 4 hashtags were given significantly more impressions in Uppsala and Gävle. This suggests the algorithm also detected a preference from users towards the usage of 4 hashtags.

Table 7: *Hashtag results (test 4) - Behaviour*

	BEHAVIOUR											
	1 HASHTAG			2 HASHTAGS			3 HASHTAGS			4 HASHTAGS		
	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)	Clicks	Impress.	CTR (%)
GÄVLE	0	47	0	0	38	0	0	44	0	0	57	0
VÄXJO	0	55	0	0	95	0	0	78	0	0	59	0
UPPSALA	0	101	0	0	76	0	0	49	0	0	71	0
ÖREBRO	0	120	0	0	127	0	0	89	0	0	203	0

WINNER ⟹ INCONCLUSIVE

No clicks were received for any of the ads across any of the campaigns under behaviour targeting, thus no conclusions could be drawn as to which amount of hashtags was the best. It can be speculated that 4 hashtags would have received some clicks had the test been run for longer, since the amount of impressions it was getting within the Örebro campaign was leaning towards 4 hashtags, yet this is not supported by any click data.

Combining the results from all 3 ad creative split-tests, an answer can be formulated for *research question 2: What ad features result in the highest click-through-rate?* Findings show that the optimal combination of ad features when targeting through lookalikes are a video, a CTA that does not need to project a sense of urgency, and the use of 4 hashtags. The optimal combination of ad features when targeting through behaviour are the use of an image, a non-urgent CTA, and un unspecified amount of hashtags. Since the number of hashtags was inconclusive for behaviour targeting, it is suggested that Instagram's recommendation is followed, and no more than 3 hashtags is used. It can also be argued that the same applies to ads using lookalikes targeting, since only one click determined the success of 4 hashtags. However, this is still a credible result and it could be argued that this result indicates other ads created under lookalikes targeting would yield the same result.

5.3 Split-testing through Facebook's ad manager

These 4 split-tests were carried out on Facebook's ad manager on both the ad and ad set level. What is great about the ad manager is that anybody with a Facebook account can use it to start running ads, no matter how small the business venture. Moreover, since Facebook owns Instagram, ad campaigns can be run simultaneously across both platforms. Furthermore, the

interface is user friendly and Facebook's offers lots of helpful tips if there is any confusion regarding anything in the ad manager. Essentially creating and running ads is really made quite simple when it comes to Facebook's ad manager.

Where the trouble begins is not necessarily when one wants to split-test ads, but rather if they want to split-test ads independent from Facebook's ad algorithm. If one chooses to not trust the algorithm to make the right call in regards to which version of an ad is better, they will spend a lot of time trying to work around the restrictions of the platform. A lot more time than if they would just let the ad algorithm pick a winner and optimise that ad with more impressions and budget. Nevertheless, it is still a factor that impression and budget are not equal throughout the split-test. Furthermore, through observation of the way the manager worked throughout the split-tests, it became clear Facebook choose a winning ad extremely quickly, always well within 24 hours in fact.

Although Facebook stands by their algorithm, it is not really made clear exactly how the algorithm makes a choice. Facebook claims, "ads are optimised so that ads with more engagement, such as clicks and shares, will run more frequently to deliver the best performance for your budget" (Facebook for business 7, 2016). Although this sounds trustworthy, some ads that were running during the split-tests for this thesis, did not receive any clicks, yet did not have equal impressions. So then according to Facebook, impressions would have been optimised by looking at other forms of engagements.

This engagement could come in the form of likes, comments, shares, photo views, and video views to name the main examples (Facebook for business 9, 2016). However this raises the question of whether or not Facebook does jump the gun too quickly when it comes to choosing a winning ad. It can be speculated that Facebook algorithm may be letting potential winners stand no chance. This is best explained through a hypothetical scenario. If the aim of one's campaign was to get as many clicks from their ads as possible, they would not care about engagement factors such as likes and comments. By letting Facebook's ad algorithm optimise the ads, Facebook may make the wrong call at optimising a potentially great click-generating ad, because another ad received a lot of likes. On the other hand this is merely speculation. It could be that there is a significant correlation between an ad getting a lot of likes and comments, and getting a lot of clicks. For this speculation to be confirmed or denied, further studies would have to be conducted, running split-tests simultaneously with one working with Facebook's ad algorithm and the other not.

In any case running the 3 ad creative split-tests at the ad level, with Facebook's ad algorithm, did prove to be a very efficient way of split-testing. Ulrika Ek also supports running ads through the ad manager and letting Facebook test them at the same time. Furthermore, as mentioned before,

many social media advertising guides recommend split-testing with Facebook's ad manager. Nevertheless, I believe the results obtained should take into account the possible drawbacks to this form of split-testing.

The critical view adopted above does not apply to the split-testing of targeting levels through the ad manager, as was the case for the first test for this thesis. This is because as a given the test is carried out at the ad set level, free of the extremity of Facebook's algorithm. Furthermore, equal impressions, which is the main issue of discussion, is not relevant when testing targeting levels as it is a element of what is being tested. Thus, the results obtained for test 1 do not need to be as critically perceived as the results obtained from the ad creative split-tests.

5.4 Platform suitability

In order to answer *research question 3: Is Instagram a suitable advertising platform to promote live events?* Facebook CTR benchmarks were used. Facebook was the chosen platform to compare performance to, since it is similar in so many ways to Instagram, including the fact that they share the same ad manager. Furthermore, Facebook is an established advertising platform with credible CTR data. Thus if the Instagram data obtained through testing is similar to the Facebook benchmarks, it would indicate that Instagram is a suitable platform, These benchmarks included those taken from Shownight's Facebook Umbilical Brothers campaigns, as well as official CTR statistics for Facebook and Instagram.

The CTR benchmarks from Shownight's Facebook campaigns can be seen in *table 8* below. Similar to the Umbilical Brothers Instagram campaigns, the cities where the shows were being held also acted as the factors around which campaigns were created. The Facebook ads ran in more cities, but data was only taken from the same cities as those targeted through the Instagram campaigns for the purpose of comparison. Lookalikes targeting was also a chosen targeting level for the Facebook campaigns, while the second targeting level used was interests targeting rather than behaviour targeting. Nevertheless, CTR was the factor of interest not the targeting levels. Since the only variation in ad creative that was run on Facebook concerned the type of media, the same type of data was used for comparison from the Instagram campaigns. This was the data obtained from Instagram's split-test 2 (media).

Table 8: *Facebook Umbilical Brothers campaigns*

	LOOKALIKES		INTERESTS	
	Image	**Video**	**Image**	**Video**
GÄVLE	0.75	0.74	1.13	0
VÄXJÖ	1.67	0	1.19	0
UPPSALA	0.61	0.94	0.95	0
ÖREBRO	0.87	0.30	0.97	0

The average CTR was calculated across each campaign from both the Facebook and Instagram ads, regardless of their affiliation to image or video ads. The results were as follows;

<div align="center">

Facebook   Instagram

Gävle = 0.87%   **Gävle** = 0.73%

Växjö = 1.38%   **Växjö =** 0.37%

Uppsala = 0.83%   **Uppsala =** 0.18%

Örebro = 0,71%   **Örebro =** 0.18%

Avg. = 0.95%   Avg. = 0.36%

</div>

The average CTR of the analysed Facebook campaigns was almost 3X as much as the average CTR of the Instagram campaigns. This would suggest that the Instagram campaigns are not as successful as the Facebook campaigns. The amount of clicks received varied greatly as Facebook received clicks well into the 80s and 90s while the Instagram only generated a maximum of 9 clicks within each test. The amount of impressions was also significantly greater on the Facebook campaigns.

However, the average CTR of all the Instagram campaigns, in addition to the media split-test came to **0.88%**. Considering that the Facebook campaigns only consisted of running ads that changed up the media, the 0.88% CTR may be a much more relevant metric as it takes into account all the ads that were run in the 4 cities, putting the data on equal footing with the Facebook data. In that case the CTRs of both the Facebook and Instagram are very close, suggesting Instagram is as good of a platform to advertise live events on as Facebook is. Although the amount of clicks and impressions differ significantly, what is the most important is that the ad is effective, which is expressed through the CTR.

To highlight this further, Nanigans' (2015) Instagram advertising benchmark report was consulted for reference. Nanigans is Facebook's marketing partner, thus their results can be considered credible. The global advertising performance benchmarks for Facebook and Instagram in 2015 can be seen in *table 9* below.

Table 9: *Global advertising performance benchmarks (Nanigans, 2015)*

	FACEBOOK	INSTAGRAM
CTR	0,9 %	0,9 %

When comparing this data to the average CTR for the Facebook (0.95%) and Instagram (0.88%) Umbilical Brothers campaigns, it can be said that both are performing around the average mark, with Facebook slightly above average and Instagram slightly below. Nevertheless, the CTRs that are being generated are definitely on the right track, suggesting both social media platforms are suitable for promoting live events.

When Pontus Straunstrup was asked which platform was better to advertise on, Facebook or Instagram, he replied that it depended on the target audience. When Ulrika Ek was asked the same question, she was indecisive but said it depended on what was being advertised. In response to the responses given by both the interviewees, they can be advised that when it comes to promoting live events, ads can be successful on both Facebook and Instagram.

Thus, in relation to *research question 3: Is Instagram a suitable advertising platform to promote live events?* the answer is yes it is.

5.5 Results summary

To sum up the findings, the results reveal that lookalikes and behaviour targeting generate the highest CTRs. Furthermore, when targeting with lookalikes, a video should be used and 4 hashtags employed within the caption . On the other hand, when it comes to behaviour targeting, an image should be employed, and up to 3 hashtags should be used. Additionally, alongside the hashtags in the caption, a CTA should be incorporated that portrays some sense of urgency. Lastly, the results show that Instagram is a suitable platform on which to promote live events.

6. Discussion

To put it briefly, the aim of this thesis was to find a way to optimise targeting and optimise creative for ads run on Instagram that promote live events. The optimised combination of ad features should result in significant CTRs, and ultimately the purchasing of a ticket to the event being advertised. Due to Shownight having difficulty setting up a conversion tracking method, meaning a system that can tell which ad has led to someone buying a ticket, conversions could not be tracked. However, CTRs could easily be analysed and compared, and are great indication of possible conversions. Especially, when you are sending users to a landing page your business controls.

If the link in the ad sent people to a page where they would need to click a couple of more times to get to the page where they purchase a ticket, the CTR may not be such a good indication of conversions. They could become distracted by other things on the webpage and lose track of their initial intent for clicking, or they may just lose interest if the path to converting is not clearly presented. However, the pages the users were sent to after clicking the CTA for the Instagram ads created for this thesis, were the exact page they needed to be on to purchase a ticket. Thus, there was less of a chance of losing them, and there was no room for misinterpretations as to what the page was.

As previously touched upon, it is vital that the landing pages of an ad are tailored to exactly what the ad is requesting users to do (Nanigans, 2014). The exact landing pages together with the specific call to action incorporated into the ad format, and reiterated again in the caption, calls for an effective ad. In the words of Treadaway and Smith (2010), this will definitely not leave it up to the customer to interpret what action they should be taking.

Although the overall CTR from the Instagram tests and campaigns were not bad in relation to global social media standards, the ads did not receive a significant amount of clicks. This could have been down to the fact that there was a limited amount of time for testing, hence all the ad tests had a short campaign period from which to draw conclusions. Each split-test ran for 3 days, however, it could be argued that more data would have been received had the tests run for longer. However, in regards to the ads run at the ad level with Facebook's ad algorithm, this may not have made a difference, since a winning ad would already have been selected by Facebook within 3 days. This bring ups the limitations of Facebook's ad manager once more.

The lack of clicks was also mentioned in the previous section *(5.4 Platform suitability)*, when comparing the amount of clicks and impressions to Facebook's ad campaigns. A reason for the

significant difference in the number of clicks and impressions could be considered in relation to Facebook having a larger user base. To put it into perspective, Facebook is the big guy, and Instagram is the new guy (Jackson, 2015). Facebook sports and impressive 1.4 billion monthly active users, while Instagram runs with a significantly smaller user base of 300 million (Ibid.).

If Facebook's ad manager has the option to show ads to more people, it will. This is why the Facebook Umbilical Brothers ads could have received many more clicks and impressions with their ads, and occasionally this could result in a higher CTR, as was the case for the comparison of the image and video ads.

In any case, the CTR is the metric that matters, and as the average CTR of all the Instagram ads was up to par, the platform suitability is still valid. Furthermore, Instagram is growing in popularity every year, with the platform expected to grow by 15.1% this year (eMarketer, 2016). Thus, if it is already almost up to the same standard as Facebook, imagine what could happen with the opportunity for more impressions - possibly more clicks and higher CTRs, and even the possibility to overtake Facebook's success.

It is important to note that although the ad features affect the amount of clicks an ad gets, it still comes down to the whether or not the user wants to buy tickets to the show. You could have the best targeting and best creative in place, but if the user is actually not free that day, does not have the money to buy the ticket, or simply is not up for going to a show, the most optimal ad features will not even matter. The actual ad can only go so far in influencing a user's decision.

This notion is perfectly reflected in the case of this thesis. The show in Växjö ended up being cancelled after the ads were run advertising it, both on Facebook and on Instagram. The reason being that not enough people were buying tickets. The show was even being promoted by other people besides Shownight, such as the venues, and the Umbilical Brothers themselves. This highlights the fact that the ads can only get the users so far. Essentially the ad makes the targeted audience aware of the show and aims to promote it as well as it can, but the audience has the final say.

6.1 Split-test results

Nevertheless, the ad features do matter if the user has the ability to convert, and the split-tests for this thesis have shown that optimised targeting and creative can render better results. When assessing the findings from test 1, and the winning targeting levels, lookalikes and behaviour, the notions reviewed in the literature study are applicable. Loomer (2015) claimed that targeting

through lookalikes will get you a small but relevant audience. The fact that it was one of the winning variations, demonstrates that the audience targeted was relevant to the ad being shown, and in turn resulted in the best CTR. Targeting through behaviour also resulted in the best CTR, which backs up Yan et al.'s (2009) proposition that behaviour targeting should be studied more.

Test 2, testing video versus image, did not show a clear winning media. The video ads performed better under lookalikes targeting, while the image ads performed better under behaviour targeting. These results both complement and refute notions detected within the literature review. Since no studies could be found suggesting what the best use of media is when advertising live events on Instagram, other types of online ad studies were reviewed, as well as social media guides. These sources leant towards video ads generating better returns. However, the guides also highlighted the significance of imagery on Instagram and how business should advertise when using images. Thus, the results could actually be considered a reflection of both cases. Video ads did perform better in one instance, but image ads performed better in the other instance. This reveals that yes, videos can perform better than images in some cases, but image ads can also generate high CTRs if used correctly.

The CTA that won ('Treat yourself!') did not necessarily portray urgency, as Nanigans (2014) suggested a good CTA should do. However, since the ad format already had a CTA option built into the format of the ad, it can be argued that there was urgency in the sense that two CTAs were being used. The built-in CTA was chosen to be 'Book now'. That CTA combined with the 'Treat yourself!' CTA, does make it clear to the viewer of the ad they should be taking some kind of action at that given moment. With the built-in CTA being in the form of a button, that links the audience directly to the ticket purchasing page, it is made clear what that action should be - buy a ticket. In any case, urgent or not, a CTA is definitely a necessity when it comes to online advertising and and integral part of Instagram ads.

There was not a significant amount of data to go on when it came to the hashtag split-test. 32 ads were created, but only 1 received a click. This click meant that the winner for lookalikes targeting was 4 hashtags. This goes against what Instagram, the scholar Lund, and the company Locowise, were suggesting to be the best use of hashtags. Instagram recommended no more than 3 hashtags, Lund suggested 1 or 2 while Locowise claimed 3 was the best amount to use (Facebook for business 3, 2016; Lund 2, 2016; Mullane, 2015).

The hashtag split-test was not the only one to receive just 1 click, as it occurred during the CTA test under lookalikes targeting. However, in that case the same CTA won under behaviour targeting to back up the win under lookalikes targeting. In the case of the hashtag test, there was no

complementary data to consult under behaviour targeting, as the results were inconclusive due to no clicks. Considering the limited data, it is not with certainty that the claims presented in the literature review are challenged. However, 4 hashtags did get more clicks than the other ads, even if it was just the one. This may be an indication of more clicks to come, had the test run for longer. For that reason, within the parameters of this thesis, 4 hashtags is considered the optimal amount of hashtags under lookalikes targeting. Additionally, as mentioned previously, since the number of hashtags was inconclusive for behaviour targeting, Instagram's recommendation is followed, and no more than 3 hashtags is suggested to be used.

6.2 Facebook's ad manager

This study has adopted the split-testing testing method, and carried it out on Facebook's ad manager. Throughout, the limitations of the ad manager have been identified and evaluated. Although split-testing at the ad level puts the scientific element of split-testing into question, it strives towards the same goal, delivering results and optimising ads. Furthermore, this way of split-testing on Facebook is effective for start-up companies like Shownight who have limited time and resources to carry out a perfect split-test with Facebook and Instagram ads. Without spending a lot of money on third party players, or a lot of time sorting individual ads into separate ad sets or campaigns, Facebook's ad algorithm offers a fast and effective alternative for split-testing ads.

It can be argued that Facebook could be making a decision too soon as to which ad is the winner, yet it can also be argued that sometimes a winner is clear from the start, and spending unnecessary money on ads that will lose anyway, is a waste of time and budget. Facebook is confident in their algorithm and maintain they do not pick a winning variation unless there are clear signs that it is the right choice (Facebook for business 6, 2016). Thus, it comes down to whether or not advertisers wish to trust Facebook's ad algorithm, and leave the split-testing in their hands, or go out of there way to avoid it.

By split-testing ads at the ad set and campaign level, advertisers are the closest they can get to a proper split-test on Facebook (Marshall, krance & Meloche, 2015), but at what cost? A lot of time and energy is required for this way of split-testing, as well as a large budget, since a minimum budget is required with each ad set created. If it takes that much time and money, it may be worthwhile finding another avenue through which Facebook ads can be split-tested, rather then the ad manager provided.

AdEspresso, which is a company that provides another platform to test Facebook ads on, advises that once you are split-testing with a budget higher than $2,000 per month, it is best to go for an

external Facebook ads tool, as it will save both time and money (AdEspresso 2, 2016). Besides *AdEspresso*, another big player in this field is *Qwaya*, who market themselves as a Facebook ads tool for professionals (Qwaya, 2016). The reason an external tool was not used for this thesis was due to the way *Shownight* has chosen to work with their ads, and the fact that no additional budget for such a tool is factored into their online marketing budget.

6.3 Limitations

It must be remember that all conclusions drawn in the thesis, are only in relation to the scope of this thesis. That scope consists of 4 campaigns being run for Shownight, on Instagram, promoting 4 Umbilical Brothers shows in 4 Swedish cities. Limitations can already be detected in the fact that the data is restricted to the audience of 4 cities. These cities are also not the biggest cities in Sweden, which may have also effected the performance of the ads. As mentioned, the show in Växjö was cancelled due to low ticket sales. When then considering the results obtained from the Växjö campaign, questions arise as to whether or not ads would have performed better had this study worked with the bigger cities within Sweden, such as Stockholm.

Another limitation to this study is that fact that conversions were not tracked. To reiterate, a conversion in the case of this thesis would mean a person buying a ticket as a result of seeing an ad. During initial discussions with Shownight*,* there was a hope that conversion tracking would be put in place before the data collection phase for this thesis. However, it proved to be more difficult than initially predicted, thus could not be incorporated into the findings of the split-test. As Christoffer Lötebo, one of the interviewees, explains, it is very interesting to track conversions since, "what you would like to know is what happens after [the CTR] because otherwise thats only about what is happening on Facebook". King (2008) complements this by affirming CTRs are only half of the story. Despite conversions not being able to be tracked in the case of this study, the CTR could be reviewed, which also provides a credible way to compare the performance of the ads, while indicating possible conversions

Split-testing consists of testing one variable at a time, picking a winner, and testing the next variable. This method provides answers as to which variable is the best with each test that is conducted. However, it does not provide data on the relationship between the ad features since only one variable is changed at a time. In order to fully test each possible ad variable combination it would take a long time. In the case of this thesis the variables that would need to be tested together would be 4 targeting levels, 2 types of media, 4 different CTAs, and 4 hashtags. To test every possible combination of these ad features would mean 128 ads would need to be created. Furthermore, since they would have to be tested in regards to 4 different shows, 512 ads would

have had to be created in total, This was just not possible given the time and money for these Instagram campaigns, so the tests tested as many possible ad combinations as was realistically achievable.

The other obvious limitation of this study, that has been brought up throughout, was the way the split-testing was conducted at the ad level with Facebook's ad algorithm. In keeping with the aim of this thesis, and the fact that the goal was also to help Shownight sell more show tickets, it can not necessarily be considered a bad thing that Facebook prioritises a well functioning ad over ones that are not, as it is helping companies not waste money on ads that are not working. Nevertheless, since the requirement of an accurate split-test is to have an even distribution of traffic amongst the variations, the way Facebook's ad manager operates at the ad level must be seen as a significant limitation.

7. Conclusion

To conclude, through split-testing ads on Facebook's ad manager, this study explored the effectiveness of several Instagram ad components. These included targeting levels, type of media, different call-to-actions, as well as varying amounts of hashtags. Although the ad manager's testing opportunities were unique, the tests were able to make suggestions regarding the most optimal set of ad features, in regards to ad targeting and ad creative. This was determined based on the winning variations from each split-test.

The main research area for this thesis was: *How can event companies use Facebook's ad manager to optimise the click-through-rates of their native Instagram ads?* In addition to the main research area, 3 research questions were set out to be answered. The first research question was: *What targeting level results in the highest click-through-rate?* The results revealed that targeting through lookalikes, as well as behaviour, results in the highest click-through-rate.

The second research question was: *What ad features result in the highest click-through-rate?* The findings revealed that when it comes to lookalikes targeting, it is best to employ a video and 4 hashtags, while ads using behaviour targeting should use an image as their ad creative, and up to 3 hashtags. Additionally, a call-to-action should be used in the caption alongside the hashtags, preferably portraying a sense of urgency.

Lastly, the final research question was: *Is Instagram a suitable advertising platform to promote live events?* Findings of this thesis suggested that Instagram, a platform that only works with native advertising, is a suitable marketing stage for advertising live events. In addition to having helped

guide the thesis and methodology from the start, the conducted interviews provided support for the established conclusions for all three research questions.

Although this study was able to draw some conclusions, and the company for which the ads were run can use the insights for their future ad campaigns, more research must still be done to determine if these findings are significant, or simply only relevant within the confines of this thesis. Furthermore, the limitations of the split-testing method used, as well as the short-time frame must be considered. These findings are not significantly generalisable, but provide indications that can guide future research.

The existing scientific literature concerning the optimisation of Instagram ads, is so minimal that future research is highly encouraged. The study conducted for this thesis is a starting point, and presents findings that can be supported or challenged with further research. For instance, further studies could explore different forms of live events or different geographical regions. Additionally, there are so many more ad variables and combinations that could be tested, such as different targeting levels. Furthermore, different analysis methods could be employed that were not possible in the case of this thesis, such as conversion tracking.

The opportunities this thesis presents for future research is immense. In any case it is a start to the exploration and growth of an understudied area, one that is becoming ever more relevant in today's digital world.

8. Bibliography

't Goor, M. (2012), '"Instamarketing": A Content Analysis into Marketing on Instagram.' [Master's thesis], *Universiteit van Antwerpen,* Available online [pdf]: http://dare.uva.nl/cgi/arno/show.cgi?fid=449011 [Accessed 20th May 2016]

AdEspresso 1 (2016), 'The Beginner's Guide to Facebook Advertising', Available online: https://adespresso.com/academy/guides/facebook-ads-beginner/demographic-targeting/ [Accessed 5th April 2016]

AdEspresso 2 (2016), 'The Evergreen Guide to Facebook Ad Optimization', Available online: https://adespresso.com/academy/guides/facebook-ads-optimization/facebook-ads-ab-test/ [Accessed 26th April 2016]

Arcia, A. (2014), 'Facebook Ads for Inexpensive Participant Recruitment Among Women in Early Pregnancy', *Public, Environmental & Occupational Health (SSCI),* 41(3)

Austin, S. and Newman, N. (2015), 'Attitudes to Sponsored and Branded Content (Native Advertising)', *Digital News Report 2015,* Available online: http://www.digitalnewsreport.org/essays/2015/attitudes-to-advertising/ [Accessed 3rd March 2016]

Baker, D. (2015), 'How to Use Facebook's Best Feature: Targeting', *Contently,* Available online: https://contently.com/strategist/2015/12/16/how-to-use-facebooks-best-feature-targeting/ [Accessed 19th May 2016]

Baldassarre, R.A. (2015), '21 Ways to Improve Your Facebook Ads With Ad Targeting', *Social Media Examiner,* http://www.socialmediaexaminer.com/21-ways-to-improve-your-facebook-ads-with-ad-targeting/ [Accessed 4th April 2016]

Baltas, G. (2003), 'Determinants of internet advertising effectiveness: an empirical study', *International Journal of Market Research,* 45 (4)

BCG - The Boston Consulting Group (2013), 'The Connected World: Digital Sweden: How consumer are setting the pace and creating opportunities for business', Available online [pdf]: http://www.bcg.se/documents/file136019.pdf [Accessed 9th February 2016]

Beese, J. (2015), 'Starter Kit: Your Guide to Social Media Advertising', *Sprout Social,* Available online: http://sproutsocial.com/insights/guide-to-social-media-advertising/ [Accessed 4th April 2016]

Belosic, J. (2014), 'How to Split-test Facebook Posts and Facebook Ads', *Social Media Examiner,* Available online: http://www.socialmediaexaminer.com/split-test-facebook-page-posts-ads/, [Accessed 25th April 2016]

Bergström, T. and Bäckman, L. (2013), 'Marketing and PR in Social Media: How the utilization of Instagram builds and maintains customer relationships', *Stockholms Universitet,* Available online [pdf]: http://www.diva-portal.org/smash/get/diva2:625012/FULLTEXT01.pdf [Accessed 21 March 2016]

Biondi, M. (2016), 'How to Implement A/B Testing for Social Media Campaigns', *Blue Fountain Media,* Available online: http://www.bluefountainmedia.com/blog/how-to-implement-ab-testing-on-social-media/ [Accessed 6th May 2016

Bond, C., Ferraro, C., Luxton, S. and Sands, S. (2010), 'Social media advertising: an investigation of consumer perceptions, attitudes, and preferences for engagement', *Proceedings of 'Doing more with less', the Australian and New Zealand Marketing Academy Conference (ANZMAC 2010)*

Carlson, K. (2015), '5 Best Practices For Effective Instagram Ads', *Ready Pulse,* Available online: http://www.readypulse.com/instagram-ads-5-best-practices/ [Accessed 31st March 2016]

Chaffey, D. and Smith, P.R. (2013), *Emarketing Excellence: Planning and optimizing your digital marketing,* [4th edition], Routledge: London and New York

Chan, C. (2011), 'Using online advertising to increase the impact of a library Facebook page', *Library Management,* 32(4)

Chieruzzi, M. (2015), 'Facebook Ads Split-testing 101', *AdEspresso,* Available online: https://adespresso.com/academy/blog/facebook-ads-split-testing-101/ [Accessed 27th April 2016]

Chtourou, M.S. and Chandon, J.L. (2002), 'Effect of Price Information and Promotion on Click-Through Rates for Internet Banners', *Journal of Euromarketing,* 11(2)

Cohen, D. (2015), 'Strong Start for Instagram Ads in Early Going (Report)', *Social Times,* Available online: http://www.adweek.com/socialtimes/salesforce-instagram-ads/625635 [Accessed 15th May 2016]

Curran, K., Graham, S. and Temple, C. (2011), 'Advertising on Facebook', *International journal of E-business development,* 1(1)

Cramer, H. (2015), 'Effects of Ad Quality & Content-Relevance on Perceived Content Quality', *CHI '15 Proceedings of the 33rd Annual ACM Conference on Human Factors in Computing Systems,* Available online: http://dl.acm.org/citation.cfm?id=2702360 [Accessed 7th March 2016]

DESI (2016), 'DESI 2016 Country Profiles', *European Commission,* Available online: https://ec.europa.eu/digital-single-market/en/news/desi-2016-country-profiles [Accessed 19th May 2016]

Edwards, R., and Holland, J. (2013) 'What is qualitative interviewing?', in Crow, G. (ed.), '*What is?' Research Methods series,* Available online [pdf]: http://eprints.ncrm.ac.uk/3276/1/complete_proofs.pdf [Accessed 18th April 2016]

eMarketer, (2016), 'Instagram Continues Double-Digit Growth', *eMarketer,* Available online: http://www.emarketer.com/Article/Instagram-Continues-Double-Digit-Growth/1013612 [Accessed14th May 2016]

European Commission, (2016), 'How digital is your country? New figures show action needed to unlock Europe's potential', *Press release,* Available online: http://europa.eu/rapid/press-release_IP-16-384_en.htm [Accessed 25th February 2016]

Fabiano, J. (2016), 'Study Shows a Massive Demand Increase for Instagram Marketing', *Hypemade,* Available online: http://hypemade.com/2016/02/study-shows-a-massive-demand-increase-for-instagram-marketing-in-2015/ [Accessed 20th May 2016]

Facebook ads guide (2016), 'Instagram Video Views', *Facebook,* Available online: https://www.facebook.com/business/ads-guide/video-views/instagram-video-views/ [Accessed 31 March 2016]

Facebook for business (2014), 'Updates to the Ad Campaign Structure on Facebook', *Facebook,* Available online: https://www.facebook.com/business/news/facebook-campaign-structure-updates [Accessed 20th April 2016]

Facebook for business 1 (2016), 'Structuring your Facebook campaigns', *Facebook,* Available online: https://www.facebook.com/business/a/campaign-structure [Accessed 25th February 2016]

Facebook for business 2 (2016), 'What targeting options are available for Instagram ads?', *Facebook,* Available online: https://www.facebook.com/business/help/953919194659289 [Accessed 14th March 2016]

Facebook for business 3 (2016), 'Troubleshooting Instagram Ads', *Facebook,* Available online: https://www.facebook.com/business/help/1669287343361000/ [Accessed 31 March 2016]

Facebook for business 4 (2016), 'Ads Manager', *Facebook,* Available online: https://www.facebook.com/business/help/200000840044554 [Accessed 3rd May 2016]

Facebook for business 5 (2016), 'Guide to Ad Reporting in Ads Manager', *Facebook,* Available online: https://www.facebook.com/business/help/510910008975690 [Accessed 3rd May 2016]

Facebook for business 6 (2016), 'My ads are similar. Why are they performing differently?', *Facebook,* Available online: https://www.facebook.com/business/help/112141358874214 [Accessed 9th May 2016]

Facebook for business 7 (2016), 'Troubleshooting Tips for Ads That Aren't Delivering', *Facebook,* Available online: https://www.facebook.com/business/help/112141358874214 [Accessed 9th May 2016]

Facebook for business 8 (2016), 'Structuring your Facebook campaigns', *Facebook,* Available online: https://www.facebook.com/business/a/campaign-structure#u_0_9 [Accessed 9th May 2016]

Facebook for business 9 (2016), 'Post Engagement', *Facebook,* Available online: https://www.facebook.com/business/help/223106797811279/ [Accessed 12 May 2016]

Facebook for business 10 (2016), 'Impressions', *Facebook,* Available online: https://www.facebook.com/business/help/675615482516035?sr=4&query=impressions&sid=0E5h1uT07fQpWpfjS [Accessed 13th May 2016]

Facebook Newsroom (2015), 'Stats'*, Facebook,* Available online: http://newsroom.fb.com/company-info/ [Accessed 22nd February 2016]

Gadzo, A. (2016), '7 Simple A/B Tests for More Effective Facebook Ad Design', *Jeff Bullas,* Available online: http://www.jeffbullas.com/bio/ [Accessed 3rd May 2016]

Gentile, M. (2015), ' Capturing the consumer in a constant stream of content', *Journal of Digital & Social Media Marketing,* (3)1

Granath, E. (2015), 'This is how Swedes use Instagram'*, Smashdig,* Available online: http://smashdig.com/artikel/this-is-how-swedes-use-instagram/ [Accessed 11th February 2016]

Gray, C.M., (2015), '5 Tips for Getting Started with Instagram Advertising', *Sprinklr,* Available online: https://www.sprinklr.com/the-way/5-tips-getting-started-instagram-advertising/ [Accessed 20th May 2016]

Hrabovsky, J. (2013), 'Tips for Social Media Targeting and Segmentation', *Social Bakers,* Available online: http://www.socialbakers.com/blog/1917-tips-for-social-media-targeting-and-segmentation [Accessed 4th April 2016]

Hubbard, A. (2016), 'A Crash Course on A/B Testing Facebook Ad Campaigns', *Conversion XL,* Available online: http://conversionxl.com/ab-testing-facebook-ad-campaigns/ [Accessed 6th May 2016]

HubSpot (2016), 'How to A/B test landing pages', *HubSpot Academy,* Available online: http://knowledge.hubspot.com/landing-page-user-guide-v2/how-to-ab-test-landing-pages [Accessed 26th April 2016]

I.A.B. - Interactive Advertising Bureau (2013), *The Native Advertising Playbook,* Available online [pdf]: http://www.iab.com/wp-content/uploads/2015/06/IAB-Native-Advertising-Playbook2.pdf [Accessed 29th February 2016]

IIS - Internetstiftelsen i Sverige (The Internet Foundation in Sweden), (2015), 'The Swedes and the internet 2015', Available online: https://www.iis.se/english/blog/the-swedes-and-the-internet-2015/ [Accessed 12th February 2016]

Immorlica, N., Jain, K., Mahdian, M. and Talvar, K., (2005), 'Click Fraud Resistant Methods for Learning Click-Through Rates', in Deng, X., and Ye, Y. (eds.), *Internet and Network Economics,* Germany: Springer

Instagram 1 (2013), 'Ben & Jerry's Success Story: Building Awareness for Flavors and Fun', Available online [pdf]: http://instagram-static.s3.amazonaws.com/ Instagram_Case_Study_BenAndJerrys.pdf [Accessed 9th March 2016]

Instagram 2 (2013), 'Levi's Success Story: Building Awareness for the Levi's® Lifestyle', Available online [pdf]: http://instagram-static.s3.amazonaws.com/ Instagram_Case_Study_Levis.pdf[Accessed 9th March 2016]

Instagram (2015), 'Instagram for Business', Available online: http://blog.business.instagram.com/ [Accessed 29th February 2016]

Instagram Business 1 (2016), 'Advertising on Instagram', *Instagram,* Available online: https:// business.instagram.com/advertising/ [Accessed 26th February 2016]

Instagram Business 2 (2016), 'Filling the Room at the Fillmore', *Instagram,* Available online: https:// scontent-arn2-1.xx.fbcdn.net/hphotos-xpf1/ t39.2365-6/12431850_100118637033311_2070808272_n.pdf [Accessed 29th February 2016]

Instagram Business 3 (2016), 'If You Could Express Your Business Visually, What Would You Create?', *Instagram,* Available online: https://business.instagram.com/gettingstarted/ [Accessed 31 March 2016]

Jackson, D. (2015), 'Instagram vs Facebook: Which Is Best for Your Brand', *Sprout Social,* Available online: http://sproutsocial.com/insights/instagram-vs-facebook/ [Accessed 13th May 2016]

Johansson, M. (2012), ' Paid Traffic - Pay per click advertising in Swedish companies', [Master thesis] *Göteborgs Universitet,* Available online [pdf]: https://gupea.ub.gu.se/bitstream/ 2077/30562/1/gupea_2077_30562_1.pdf [Accessed 6th May 2016]

Johnson, S. (2016), '3 Reasons Split-testing is Vital for Your Facebook Campaign', *Social Caffeine,* Available online: http://lorirtaylor.com/3-reasons-split-testing-is-vital-for-your-facebook-campaign/ #comments [Accessed 6th May 2016]

Kaluza, R. (2012), '10 Killer Brands on Instagram', *Branding Magazine,* Available online: http:// www.brandingmagazine.com/2012/07/30/10-killer-brands-on-instagram/ [Accessed 20th May 2016]

Kaplan, A.M. and Haenlein, M. (2010), 'Users of the world, unite! The challenges and opportunities of Social Media', *Business Horizons,* 5

King, A., B. (2008), *Website Optimization,* California: O'Reilly Media, Inc.

Konfar, A. (2016), 'Engaging Consumers with a Brand: Why Mobile Native Matters', *Native Advertising Institute,* Available online: http://nativeadvertisinginstitute.com/blog/engaging-consumers-with-a-brand-why-mobile-native-matters/ [Accessed 2nd March 2016]

Kumar, A.J. (2012), 'How to 'Split-test' Your Website to Engage Online Customers Better', *Entrepreneur,* Available online: https://www.entrepreneur.com/article/225063 [Accessed 19th April 2016]

LePage, E. (2015), 'A Long List of Instagram Statistics and Facts (That Prove Its Importance)', *Hootsuite,* Available online: https://blog.hootsuite.com/instagram-statistics-for-business/ [Accessed 20th May 2016]

Lieberthal, J. (2015), 'Friday5: 5 Things You Should Know About Advertising on Instagram', *Edelman Digital,* Available online: http://www.edelmandigital.com/2015/03/06/friday5 [Accessed 2n March 2016]

Long, J. (2015), '5 Things You Need to Know About Instagram's New Ad Platform', *Entrepreneur,* Available online: http://www.entrepreneur.com/article/251651 [Accessed 31 March 2016]

Loomer, J. (2012), 'Facebook Advertising: 6 Ways to Split-test Like a Pro [Infographic]', *Jon Loomer,* Available online: http://www.jonloomer.com/2012/08/07/facebook-advertising-split-testing-infographic/ [Accessed 3rd May, 2016]

Loomer, J. (2013), 'How to Measure Facebook Advertising Success: Monitor These 5 Metrics', *Jon Loomer: For Advanced Facebook Marketers,* Available online: http://www.jonloomer.com/2013/09/10/facebook-ads-metrics/ [Accessed 13th May 2016]

Loomer, J. (2015), 'Priority List: 13 Audiences to Target Using Facebook Ads', *Jon Loomer: For Advanced Facebook Marketers,* Available online: http://www.jonloomer.com/2015/03/30/facebook-targeting-ads/ [Accessed 5th April 2016]

Lund 1, A.H. (2015), 'Instagram now allows clickable ads', *Native Advertising Institute,* Available online: http://nativeadvertisinginstitute.com/blog/instagram-now-allows-clickable-ads/ [Accessed 29th February 2016]

Lund 2, A.H. (2015), 'What are sponsored photos and videos on Instagram?', *Native Advertising Institute,* Available online: http://nativeadvertisinginstitute.com/blog/what-are-sponsored-photos-and-videos-on-instagram/ [Accessed 15th May 2016]

Maake, R. (2016), 'How to Split-test Facebook Ads', *Webpage FX,* Available online: http://www.webpagefx.com/blog/marketing/how-to-split-test-facebook-ads/ [Accessed 6th May 2016]

Maksy, C. (2015), 'Effects of Online Sponsored Advertising on Consumer Attitudes'. Honors Projects in Marketing. Paper 16. Available online: http://digitalcommons.bryant.edu/honors_marketing/16 [Accessed 7th March 2016]

Manic, M. (2015), 'The Rise of Native Advertising', *Bulletin of the Transilvania University of Brasov,* 8(1)

Marshall, P., Krance, K. and Meloche, T. (2015), *Ultimate Guide to Facebook Advertising* [second edition], US: Entrepreneur Media, Inc.

Mayr, M.K.E. (2013), 'Who Likes you and why it really matters', M*ePlease,* Available online [pdf]: http://www.formalkey.com/meplease/pdf/meplease_2013_socialloyalty.pdf [Accessed 15th May 2016]

Mullane, I. (2015), 'Are Hashtags Overrated And Overused? The Surprising Effect Of Social Media #'s', *Locowise,* Available online: http://locowise.com/blog/are-hashtags-overrated-and-overused-the-surprising-effect-of-social-media-hashtags [Accessed 20th May 2016]

Nanigans (2014), 'Getting Creative: The Secret to Facebook Advertising', Available online [pdf]: https://facebookmarketingpartners.com/wp-content/uploads/2015/02/Nanigans_Getting_Creative_-_The_Secret_to_Facebook_Advertising_Success.pdf [Accessed 31 March 2016]

Nanigans (2015), 'Instagram Advertising Benchmark Report December 2015', Available online: https://instagrampartners.com/wp-content/uploads/2015/12/Nanigans-Instagram-Advertising-Benchmark-Report-December-2015.pdf [Accessed19th May 2016]

Nesamoney, D. (2015), *Personalized Digital Advertising,* Pearson Education: New Jersey

Optimizely (2016), 'Optipedia, Optimization Glossary: What is Split-testing?', Available online: https://www.optimizely.com/split-testing/ [Accessed 19th April 2016]

Qwaya 1 (2016) *Homepage,* Available online: http://www.qwaya.com/ [Accessed 15th May 2016]

Robinson, H., Wysocka, A. and Hand, C. (2015), 'Internet advertising effectiveness: The effect of design on click-through rates for banner ads', *International Journal of Advertising: The Review of Marketing communication,* 26(4)

Rothstein, Y. (2016), '10 Must-Follow Tips for Instant Instagram Advertising Success', *Social Media Today,* Available online: http://www.socialmediatoday.com/social-networks/10-must-follow-tips-instant-instagram-advertising-success [Accessed 31 March 2016]

Ryan, D. and Jones, C. (2009), *Understanding Digital Marketing: Marketing strategies for engaging the digital generation,* Kogan Page: London and Philadelphia

Sal, S. (2015), 'Four Simple Split-tests For More Effective Facebook Ads', *Agorapulse,* Available online: http://www.agorapulse.com/blog/effective-facebook-ads-split-tests [Accessed 3rd May, 2016]

Shontell, A. (2013), 'How Instagram Co-Founder Kevin Systrom Spent His Year After The $1 Billion Facebook Acquisition', *Business Insiders,* Available online: http://www.businessinsider.com/its-been-1-year-since-facebook-bought-instagram-for-1-billion-heres-how-co-founder-kevin-systrom-spent-it-2013-5?IR=T [Accessed 26th February 2016]

Shownight 1 (2016) 'Shownight LinkedIn Profile', *LinkedIn,* Available online: https://www.linkedin.com/company/shownight [Accessed 22 May 2016]

Shownight 2 (2016) 'Homepage', *Shownight,* Available online: http://www.shownight.se/ [Accessed 22 May 2016]

Speicher, M., Both, A. and Gaedke, M. (2014), 'Ensuring Web Interface Quality Through Usability-Based Split-Testing', *Web Engineering,* Switzerland: Springer International Publishing

Sterling, G. (2015), 'Native Ads: Effective, But Are They Accepted By Consumers?', *Marketing Land,* Available online: http://marketingland.com/native-ads-effective-but-are-they-accepted-by-consumers-140615 [Accessed 2nd March 2016]

Taylor, G. (2013), *Advertising in a Digital Age: Practices & Tips for Paid Search and Social Media Advertising,* Global & Digital

Ticketbooth (2015), 'New: Use Instagram Ads to Promote your Event', Available online: https://ticketing.ticketbooth.com.au/blog/instagram-ads-to-promote-your-event/ [Accessed 21st March 2016]

Tutaj, K. and Reijmersdal, E.A. (2012), 'Effects of online advertising format and persuasion knowledge on audience reactions', *Journal of Marketing Communications,* 18(1)

Treadaway, C. and Smith, M. (2010), *Facebook Marketing: an hour a day,* Indiana: Wiley Publishing, Inc.

Urriaga, T. (2014), '5 Best Practices for Creating Ads on Instagram', *Blog 360iU,* Available online: http://blog.360i.com/social-marketing/5-best-practices-for-creating-ads-on-instagram [Accessed 31 March 2016]

van Gelder, M.M.H. and Pijper, A. (2013), 'E-epidemiology: a comprehensive update', *OA Epidemiology 2013 Jun 04,* 1(1):5

Ward, C. (2015), 'Instagram more effective for advertising than other social networks?', M*y customer,* Available online: http://www.mycustomer.com/marketing/strategy/instagram-more-effective-for-advertising-than-other-social-networks [Accessed 15th May 2016]

Waters, R. (2015), *Instagram®: How Kevin Systrom & Mike Krieger Changed the Way We Take and Share Photos,* Mason Crest: PA

Yan et al. (2009), 'How much can Behavioral Targeting Help Online Advertising?' *Proceedings of the 18th Int. World Wide Web Conferences (WWW 2009),* Available online [pdf]: *http://www2009.eprints.org/27/1/p261.pdf* [Accessed 11th April 2016]

Yoo, C.Y., Kim, K. and Stout, P.A. (2004), 'Assessing the Effects of Animation in Online Banner Advertising: Hierarchy of Effects Model', *Journal of Interactive Advertising,* 4(2)