# Chapter 11
# Value Propositions for Companies in Their Payment Ads in Networks:
## How to Generate Value and Return

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## ABSTRACT

*The maturity of social networks as part of the daily life of consumers has caused both large companies and all enterprises to try to take advantage of the potential they have to reach their audiences and clienteles with relatively low advertising budgets. However, many of them still do not assimilate the functioning of these new media and use them as a simple promotional tool. The reduction of the organic scope, the stagnation of Facebook, the crisis of credibility, and the evolution of the networks themselves towards smaller communities, as happened at the beginning, complete a panorama that hinders the objective of maximizing profits and ensuring a ROI in line . How should this challenge be faced when the internet is displacing television as the main advertising investment support worldwide? Personalization and content marketing, customer service, and preference for quality and engagement are the main answers.*

## INTRODUCTION

Companies have overcome their initial biases to advertise on the Internet and social networks, especially since the online world has become a profitable platform to reach consumers with their advertising budget relatively low. It is not coincidence that more and more countries in which the network is becoming the first advertising platform in investment volume ahead of television. However, the very maturity of social networks has provoked a bitter debate about the best way to do it. With the current competition and saturation, using these media as an additional advertising tool is an error and in that the controversy seems to be finished. However, while for a few years the general bet has been to take

advantage of the organic reach to generate very large communities, even without paying, and fattening the vanity metrics (likes, comments or retweets / reposts), the challenge of our days go through more current trends that defend the convenience of betting on smaller market places, micro-influencers with loyal followers, customer service channels, value metrics that ensure ROI for companies that invest in advertising and content marketing with which to offer added value and personal to the users/customers of a certain product service.

## MAIN FOCUS OF THE CHAPTER

Despite the 'catchy' chorus of The Buggles song in 1979, the video did not kill the radio star. However, confirming the trend of recent years, in 2019 the Internet is a serious and real threat to the life of television as we had known so far, at least in its traditional or generalist version, because the presence of companies in the network is no longer an option but a necessity or obligation beyond any doubt. Although nobody has put music to the historical turnaround that has been produced, what do really have this radical change in the world of advertising are concrete dates. The report of the consultant PriceWaterhouse Entertainment and Media Outlook 2017-2021, predicts that by 2020 the digital format, whose cost for corporations and brands is much more economical and that little by little has been equated to offline, will overtake television as the main advertising investment support in one more country, Spain (Table1). Nothing, on the other hand, that has not happened recently in other states: United States and France in 2016; and the pioneers United Kingdom and Germany before even 2012.

According to the PriceWaterhouse study, which among other aspects delves into the impact of new technologies in the advertising industry, in 2016 there were global revenues in the segment of Internet ads of 189.700 billion dollars, which meant an increase of 19% with respect to 2015 and definitely the verification of the change that had begun to occur since the beginning of the decade (Tables 2 and 3). The forecast, in fact, is to reach 302.900 million in 2021, with a growth of 9.8%.

*Table 1. Projection on income. Table by segment with estimate of growth in the period 19-21 (Data source (in milions of euros): Entertainment and Media Outlook 2017-2021, Spain)*

| Year | Total Mobile | Total Display |
|---|---|---|
| 2012 | 18 | 310 |
| 2013 | 42 | 334 |
| 2014 | 43 | 430 |
| 2015 | 78 | 556 |
| 2016 | 118 | 687 |
| 2017 | 151 | 764 |
| 2018 | 187 | 834 |
| 2019 | 215 | 890 |
| 2020 | 242 | 946 |
| 2021 | 267 | 996 |

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