

# The Use of Social Media in Advertising: Case Study of Korea

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**Abstract:** The popularity of social media has grown phenomenally over the past decade. Along with its growth has followed the growth of digital advertisements and the ways they are communicating messages to people around the world. Social media has been most commonly used for simple tasks such as communication and sharing of information, but as digital online platforms develop, social media continues to expand in its usage and variety of applications.

This study explores data and information regarding various popular social media, including Facebook, Instagram, YouTube, and several popular Korean platforms. Information and data was collected from official websites and publications by the social media companies that include details on their purpose and address their advertising systems. Previously explored studies on related topics conducted were also analyzed to address various perspectives and results.

From the studies explored, main findings show that the uses of social media are also changing over time with reductions in previously common uses such as communication and increases in newer uses such as shopping and entertainment. Advertisements have changed in how they approach and adapt to users; some take advantage of being implemented in the daily actions of users, while some track the activity of users to find and display related content, having led to some privacy issues. Search engines, streaming services, messaging apps, and many more social media platforms are adapting to a balance between user experience and commercialization. Advertisements are commonly associated with negative responses, but new data shows that the format and method of advertising impacts the response towards advertisements.

**Keywords:** Social media, online advertising, platform advertising, Korean SNS.

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## I. INTRODUCTION: SOCIAL MEDIA

People are always developing new ways to communicate and connect with members of society. In the past, communication methods were limited and not as widespread as the technological advancements we have today. Social media is typically an online platform that can be accessed through a variety of electronic devices. People of many different demographics use various types of social media for purposes such as communication, sharing information, entertainment, and streaming content. Some types of social media include blogs, social networking sites, message boards, podcasts, wikis, content streaming services, and more. Social media is also in some places commonly referred to as SNS(Social Networking Service).

Social media has become a platform for many students and young people to show who they are. Many people upload and share content—images, text, videos, etc.—that show good appearances of themselves (Park).

The role of social media is changing over time. According to public surveys, social media, and search portals, the percentage of people using social media to communicate with acquaintances and friends fell 3% year-on-year to 22.6%, while the percentage of people using social media to share images and videos fell 4.8%. On the other hand, the number of people using social media to watch entertainment and stream content increased by 4.3% from the previous year, surpassing 53.6% (Open Survey). This data shows that the use of social media is growing more for entertainment purposes than communication purposes.

## II. INTERNATIONAL SOCIAL MEDIA

### A. Facebook

Facebook is a social media platform that represents many of the common characteristics and features of social media. In 2017, the monthly number of users exceeded two billion, becoming a social media platform used by one in four people around the world. With the growth of Facebook, its advertising sales also increased to a great extent. 98% of sales reached \$10.3 billion in the third quarter of 2017 are revenue from advertising. There are several details that can explain this. First, there is a clear difference in the execution strategy of Facebook advertisements from existing advertisements. Companies that have produced these successful results have commonly adopted ways to effectively attract public attention, for example, by subdividing the brand's implementation strategy. The steps until customers use the social web were classified into four stages: traffic, arrival, app installation, and inquiry, and more efficient marketing was attempted. Second, the targeting technique is where Facebook collects users' personal information to expose them to personalized and suitable advertisements. Third, native advertisements come out in the form of advertisements suitable for the environment in relation to the content viewed by users, so the use of the platform becomes natural without interfering with the flow of use. Fourth, the use of word of mouth. Facebook users can spread information to many people through word of mouth activities such as sharing, commenting, liking, etc., and share and spread advertisements and post to people who are Facebook friends (Kim, Eun-Hee).

The changes in Facebook advertising are stimulating many scholars' interests. Their central studies are focusing on changes according to the characteristics revealed by a wide range of male and female users of all ages, such as the type and characteristics of advertisements and their impact on the public. As social media is clearly a part of daily life in the modern era, the trend of attracting attention from scholars of various disciplines and reliable analysis institutions stands out. Facebook advertisements have different characteristics from conventional advertisements. However, research on Facebook advertising continues at a time when Facebook has not so far revealed what differentiation it has from existing advertising. (Kim, Eun-Hee)

### B. Instagram

Instagram is a social media platform where users upload and share images and videos. People use it to easily and quickly share images and content with each other. Users can access information and content from friends, family, celebrities, influencers, news pages, companies, and more (Antonelli). As time goes on, the role and effect of advertising is becoming a greater part of the app.

According to Next Mobile, a magazine, 3 out of 10 Instagram users have brand-related accounts, and approximately 60% of women use the app for shopping and to browse brand accounts. Recently, a new shopping tab has been added to Instagram. Reports show that 15.6% of the shopping tab users have used the feature to purchase items. The number may seem small but it's also unifying to say that it is a failure. Although there is not a large amount of repulsion towards Instagram advertisements, there are still some people that do not welcome all of the advertisements. Out of surveyed respondents, 66.2% said that they felt repulsion towards advertisement posts that were made to not look like advertisements, and 57% said that they felt the same way towards advertisement posts that were made to look like real reviews of products. These numbers are higher than the number (34.7%) for those who feel repulsion towards content with straightforward sponsors (Open Survey).

Companies and users can advertise and market their products by making professional accounts that allow them to turn their posts into ads and track their ad performance. There are also ads in the form of stories where users can encounter when looking through stories of the accounts they follow. With the millions of businesses present in Instagram's community, 90% of Instagram users follow a business, every two in three users claim to have interacted with brands, and half of all users are more inclined to look into a brand after seeing an ad on the app (*Instagram for Business*).

### C. Youtube

A survey conducted from the past several years showed shocking new results that the human concentration period was 8 seconds more than the goldfish concentration period of 9 seconds. However, according to a recent study, human concentration time has decreased, and now it is only 3 to 5 seconds. The reason why human concentration time continues to decrease is that modern consumers are exposed to various media where they do multiple tasks in real time in an environment where information overflows like floods (Choi).

Platforms with high consumer interest have two characteristics. Target reach rate, which is a quantitative indicator, and attention, which is a qualitative indicator, are high. According to a survey conducted by Google, consumers show three times more concentration than TV advertisements when watching online advertisements. YouTube has the largest number of users among online advertising platforms, which is used by an average of 29.66 million consumers per month. Calculating from these figures, it is concluded that advertisers using YouTube can reach 92% of viewers who consume video content. Although it has great strengths in terms of quantity of target reach rate, YouTube is also the most effective platform in terms of quality, which is a more important concern. The secret is during the viewing time. This is because YouTube is the platform with the highest viewing time. On YouTube, an average of 26.5 billion minutes of viewing time per month (Korean domestic standard) is generated, continuously increasing (Kim, Lindsey Kyunghwa).

YouTube selects the most creative and creative advertisements every year, taking into account various factors such as number of views and viewing time. As a result of analyzing the contents selected on the YouTube Advertising Leaderboard in 2017, it was confirmed that most of the contents exceeded an average of 1 minute per inquiry. This is a very surprising number considering the propensity of content called advertising. YouTube is attractive because consumers watch YouTube videos in optimal situations. Visibility refers to an indicator in which more than 50% of an advertisement page is exposed for more than 2 seconds. YouTube has 95% of the viewership, the highest compared to the industry average of 66% and 33% on social platforms, and 95% of the videos are watched soundly. Studies have shown that advertisements that properly expose sound to consumers are 2.4 times more noticeable than advertisements that do not. Marketers should reconsider whether the advertisements they are running are actually being delivered well to consumers and whether the budget spent to attract consumers' attention is being used efficiently (Kim, Lindsey Kyunghwa).

### III. KOREAN/NATIVE SOCIAL MEDIA

#### A. Naver

As a global ICT company, Naver Co., Ltd. serves as Korea's largest search portal. Some of the services that the company runs are the search engine Naver, the messenger Line, the translation service Papago, the map service Naver Map, the live-streaming platform V LIVE, the digital cartoon service Naver Webtoon, and many more ("Naver Corporation").

Line is Naver's global mobile messaging platform launched in 2011 that serves as a hub for people, businesses, and services beyond messaging to connect. AI, digital payment, music, games, travel, and delivery services are integrated to provide global users with a variety of convenient experiences in their daily lives ("Naver Corporation").

Made with Naver's own technology, Papago is a translation app that uses voice recognition, machine translation, and text recognition technology to effectively translate for users in their travels or encounters with foreigners. The translator takes advantage of its neural machine translation technology, changing the existing method of dividing and translating into phrases to translating the entire sentence, providing a more accurate and sentence contextual translation service ("Naver Corporation").

Naver Map is an app that provides users with directions and guidance services in line with real life environments. Public transportation, cars, bicycles, walking routes, and navigation are all integrated into the app and provide a map service that reflects the numerous information generated in the space of life ("Naver Corporation").

V Live is a live-streaming platform for celebrities to globally stream content to their fans and viewers. The service provides video content consisting of various topics such as web dramas, beauty, fashion, music, as well as live performances by K-pop artists. The mobile app has been downloaded sixty million times (as of November 2018) in two hundred four countries, and 83% of all app downloads are overseas, showing a great response from many users around the world. Auto highlights, 360 virtual reality, multi-cam, video and voice filters, and real-time subtitle support are some of the services provided for live broadcasts ("Naver Corporation").

Naver Webtoon is an online platform where users can access weekly comics and cartoons. Since its start in 2004, it has become the birthplace of numerous star writers. The system is also being provided in various countries such as the United States, Taiwan, and Thailand. It is also expanding its scope to various additional industries such as publishing, movies, dramas, and games based on its strong and loyal fan base ("Naver Corporation").

SNOW is a mobile AR camera app that can be used to create videos or images with various filters and effects on faces. Its services and features are in line with the trends of teenage users and continues to grow with global services, surpassing 390 million global downloads and accounting for about 70% of overseas users ("Naver Corporation").

Naver's search engine portal provides access to individuals' various interests, focusing on search services that deeply understand users' search intentions and contexts. It also continues to make big and small changes to connect the thoughts and interests of 30 million users every day and to become a platform that creates new opportunities ("Naver Corporation"). In the second quarter of 2017, 73% of Naver's total sales were accounted for by advertising. In the third quarter, overseas sales increased mostly through the Line messenger app and mobile ads. Naver takes about 20% of the e-commerce revenue in Korea with its Naver Pay payment system and variety of shopping channels and services (JK).

Naver has a wide range of advertisement forms that they call "Search Advertising." They allow advertisers to approach users in various ways by placing advertisements on search result pages where users can quickly and easily make their purchasing decisions. This form of advertising on Naver provides advertisers with information and analytic data that allow them to track their advertisement activity such as how many users visited their site through their advertisement, helping them edit or remodel their advertisements to be the most effective ("Naver Ad Services").

Some types of Search Advertising include Click Choice, Brand Search, Display Ad, and Shopping Box. Click Choice advertisements are displayed on the Naver search results page where a yellow box with up to fifteen advertisement links depending on the searched keyword are displayed. These advertisements are displayed most frequently on both the PC and mobile forms of Naver's search engine service through Naver's ranking system that runs calculations on keywords to improve the quality index of advertisements and maintain their relevance. The cost of advertisements are calculated through the cost-per-click payment method that is based on the number of clicks received ("Naver Ad Services").



**Fig. 1 Click Choice Advertising: "Naver Ad Services." Naver 검색광고, Naver Corp, <https://saedu.naver.com/adguide/eng.naver>.**

Brand Search advertisements are content-based advertisements that are usually displayed with visual and supplemental elements along with the advertiser's brand or company. This form of advertising is common with most businesses to bolster their presence. Main image, description, titles, additional information and images, and links are commonly shown across the PC and mobile platforms ("Naver Ad Services").



**Fig. 2 Brand Search Advertising: "Naver Ad Services." Naver 검색광고, Naver Corp, <https://saedu.naver.com/adguide/eng.naver>.**

Display Ads are where images or visual forms of advertising are displayed on common pages of Naver's search portal. The Time Board is a display ad that is considered premium due to its placement on Naver's front home page that can maximize attention. The Rolling Board is located on the right side of the front home page. The Mobile Banner Ad is displayed on the mobile platform of Naver's search portal. These forms of Display Ads can be customized to specific time periods or locations that can help target specific demographics, such as age, gender, and location ("Naver Ad Services").



Fig. 3 Display Advertising: "Naver Ad Services." Naver 검색광고, Naver Corp,

<https://saedu.naver.com/adguide/eng.naver>.

The Shopping Box is an area in the right part of the front homepage that displays various products and online shopping malls. Each product is displayed with a thumbnail image and short title or description ("Naver Ad Services").

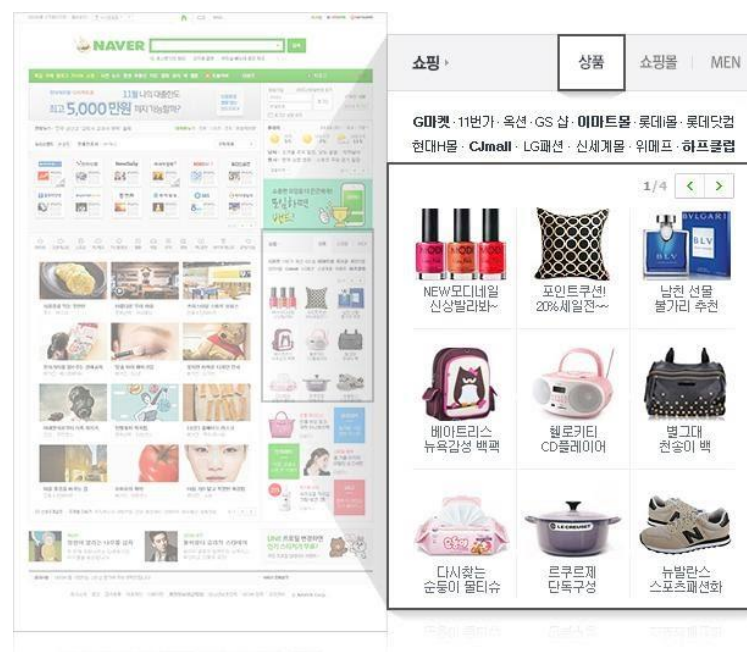


Fig. 4 Shopping Box Advertising: "Naver Ad Services." Naver 검색광고, Naver Corp,

<https://saedu.naver.com/adguide/eng.naver>.

## B. Kakao

Kakao Corporation is an internet company with a large presence in the South Korean digital media market. Best known for its mobile messenger app, KakaoTalk, the company operates various online platforms that provide users with daily services such as communication, gaming, music, banking and payment, entertainment, and more ("Community"). 36.5% of Kakao's sales in 2016 were from 534 billion Korean won in ad revenue. Kakao has some of the fastest growing business units, including their mobile games and music content, along with their digital banking and payment system KakaoBank (JK).

Daum, Kakao's flagship search engine service, runs on similarly laid out systems to those of Naver's. With the two, users can email, watch TV, browse news articles, run or view blogs, and ask questions to professionals. Like Naver's brand search and display ads, Daum dedicates certain sections to advertisements and other marketing tools. Daum's brand search or pay-per-click advertising works by displaying a banner with images and links along the list of results on the search results page. There are also text ads that simply display just text and links to external websites ("Digital Marketing in Korea - Naver and KakaoTalk - PPC, SEO and Social Media on Naver, Daum and KakaoTalk").

Kakao also has a Customized Advertising feature that tracks the activities logs and usage and search history of users to provide advertisements that are relevant and suited to the interests and needs of users. To protect the privacy of users, the company claims that they do not record or collect information based on sensitive personal information involving the rights and interests of the users. They also do not collect any information about users under the age of fourteen. Users can choose to enable or disable this personalized advertising feature at any time (Kakao Information on Customized Advertising). A common advertisement location that KakaoTalk users may see is the banner at the top of the chat rooms page. The shape and size of the banner is minimal to maintain a neat impression and smooth user experience. Many of Kakao's advertisements and screens clearly show their hierarchy with font sizing, color, and placement. The user interface(UI) is structured in ways that provide users with easy access to different parts of the app through tile and list type appearances, maximizing area efficiency. The UI also consists of as many advertisements as possible without having too much interference with the user experience (Yoon).

#### IV. CONCLUSION

Technology and the great amount of people using it has led to the rise of social media and its large number of users. With the constantly changing face of social media and technology, advertisements are following along with their constantly developing and adapting systems. South Koreans are some of the most active social media users in the world with nearly 89% of the population owning a smartphone and free Wifi services scattered throughout the country. Social media is often used and considered as a platform for users in the community to communicate and share information without face-to-face contact. With marketing implemented into the system, it allows for not only communication between users, but also communication between companies and consumers. Many globally well-known social media platforms, such as Facebook, YouTube, and Instagram, are used often by Koreans, but many native brands, such as KakaoTalk and Naver, are also used to great extents.

Statistics and studies show changes and shifts in the frequently used features, along with significant portions of sales coming from ad revenue for several of these companies. Many of these platforms try to implement advertising to the maximum extent while maintaining minimal interference in the user experience. There are also various types of advertising that allow advertisers to engage with users in a wide range of ways. As social media and technology continue to develop along with time, the variety of advertisements will increase to adapt to new environments and reach more needs.

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