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The Role of Social Media in Enhancing Customer Engagement and Brand Loyalty

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Abstract

This study provides a valuable illustration of how social media platforms have become integral to market research and business strategies. It highlights the growing importance of customer-company interactions on social web platforms, especially in the context of enhancing product development and improving sales. The findings demonstrate that the continuous connection between businesses and customers on these platforms has a direct impact on customer engagement, product innovation, and brand loyalty. A key insight from the study is the positive relationship between increased social media interaction and heightened customer participation and loyalty. As companies become more active on platforms like Facebook, Instagram, Twitter, and blogs, they can foster stronger connections with their target audience, which in turn encourages greater consumer commitment and sustained business success. This also suggests that businesses that prioritize engagement on social media platforms tend to experience higher levels of customer retention and increased consumer spending. Blogs, in particular, have been identified as a valuable tool for businesses during the product development process. They enable managers to gauge public sentiment, track customer feedback, and identify trends, making them an important asset in the early stages of product innovation. Furthermore, blogs help companies screen new product ideas, receive input from users, and negotiate better contract terms with suppliers or partners, which ultimately improves the product development cycle and aligns it more closely with consumer preferences. The main aim of the study was to review the literature on user-centered monetization strategies in social media. The analysis revealed that several monetization techniques are prevalent in social media marketing. These include sponsorship, advertisements, public relations efforts, affiliate marketing, brand ambassadors, and crowdfunding. These strategies allow companies to not only generate revenue but also to create more dynamic and interactive relationships with their customers. Sponsorship and advertisements are common forms of monetization, wherein brands partner with influencers or media platforms to promote their products to a wide audience. Public relations campaigns on social media, which may involve proactive media engagement or user-generated content, serve to build trust and credibility with customers. Affiliate marketing involves businesses collaborating with influencers or other third-party platforms to earn commissions on referred sales, thereby increasing their revenue stream through external partnerships. Brand ambassadors, on the other hand, are loyal customers or influencers who promote products in exchange for incentives, helping companies expand their reach and reinforce customer loyalty. Crowdfunding, particularly on platforms like Kickstarter, provides a means for businesses to finance new projects or products by securing small investments from a large number of individuals, which also helps gauge customer interest before a full product launch. The study underscores the importance of integrating social media platforms into a company's marketing strategy, not only for engaging with customers but also for driving monetization through innovative and customer-focused techniques. The rise of social media has revolutionized market research and the way companies approach product development, customer engagement, and revenue generation, offering new opportunities for growth and increased brand loyalty.

Keywords: Social Media, Customer Engagement, Product Development, Monetization Strategies, Brand Loyalty

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1. INTRODUCTION

The rise of social media as a tool for business success has been exemplified by a notable case of a Stockholm high school dropout who, through sharing video game content online, amassed a net worth of \$30 million. This story is just one of many that highlight how social media platforms have not only transformed personal hobbies into lucrative ventures but have also inspired a new generation of entrepreneurs to explore ways of commercializing social media and incorporating it into their business operations. Along with the growth of online content creators, there has been a corresponding expansion in the variety of revenue models, further cementing social media as a crucial business tool in the modern landscape. The literature indicates that larger corporations, as well as small and medium-sized enterprises (SMEs), are increasingly using social media for networking, marketing, and communication. By leveraging platforms like Facebook, Instagram, Twitter, and LinkedIn, businesses are able to expand their reach, interact with customers, and engage in real-time marketing campaigns that drive growth. According to Chui et al. (2012), social media networks contribute around \$7 trillion in yearly gross value to the global economy, emphasizing the immense economic impact and the central role social media now plays in business strategy.

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The shift toward the commercialization of social media has sparked research into how companies—particularly entrepreneurs and business owners—are utilizing digital networks. For example, the study “Digital Networks Acceptance: Speculators’ Social Capital Online” by Smith et al. (2017) explores how individuals and organizations engage with digital platforms to enhance their social capital, make informed decisions, and create value. Similarly, studies like “The Impact of Social Media on Resource Gathering in Entrepreneurial Organizations” (Drummond et al., 2018) delve into how businesses use social media to attract resources, foster connections, and generate opportunities for growth. In terms of employee engagement, a number of studies have highlighted the increasing use of social media within organizations themselves. Research from 2012 revealed that 25% of employees are actively engaged with social media platforms internally, using them to enhance collaboration, streamline communication, and exchange ideas. Baskaran et al. (2020) found that companies that encourage the use of social media within the workplace see a boost in productivity and innovation, as it creates a more connected and informed workforce. The monetization of social media platforms has become a focal point for many researchers, particularly in the context of SMEs. As small and medium-sized businesses continue to integrate digital platforms into their operations, there is an increasing interest in how these businesses can generate revenue through online channels. The research on SME practices on social media helps to understand the various techniques for monetization, such as affiliate marketing, sponsored content, and partnerships with influencers, which are proving to be valuable for businesses looking to capitalize on social media’s vast user base. Burgess (2016) notes that studying these practices is essential to understanding the broader trends in social media monetization and offers insights into how businesses can optimize their strategies for financial gain.

As businesses become more digitally focused, they are looking at new ways to turn their social media presence into a revenue-generating asset. Monetization strategies for social networking sites have become a major area of study in this regard, with researchers analyzing various approaches that help businesses create value from their online presence. This includes examining methods such as advertising, paid content, affiliate programs, and crowd-funding campaigns that empower businesses to monetize their social media platforms effectively. Through these innovative approaches, companies can not only increase brand awareness but also directly drive revenue growth. Social media has transformed from a platform for personal interaction to an essential component of modern business operations. It serves as a powerful tool for marketing, networking, communication, and resource gathering, enabling businesses of all sizes to engage with customers, enhance internal collaboration, and drive revenue growth. The research in this field continues to highlight the myriad ways in which social media can be leveraged for business success, especially through new monetization strategies that empower companies to capitalize on their digital presence. As the digital economy continues to expand, the potential for businesses to innovate and profit from social media remains immense, making it an area of critical importance for ongoing research and development.

While there has been substantial research on how businesses, particularly small and medium-sized enterprises (SMEs), utilize social media for various operational purposes such as marketing, communication, and networking, there remains a significant gap in the literature when it comes to exploring the benefits of social media for individuals or solitary users, as well as the monetization techniques employed by social media marketers. A number of studies, such as those by Arfi and Hikkerova (2019), Cenamor et al. (2019), and Olanrewaju et al. (2020), have primarily focused on the impact of social media within business contexts, but the role of social media as a personal tool for generating income has not been sufficiently examined.

Social media platforms, while commonly used by businesses for branding, advertising, and customer engagement, also serve as an increasingly popular avenue for individuals to create content, build audiences, and monetize their activities. However, despite the growing awareness that individuals can profit from these platforms, academic literature has yet to provide an in-depth exploration of the specific monetization strategies that individuals and social media marketers employ. The available studies tend to focus on broad concepts related to social media’s role in business, without delving deeply into the various ways in which individuals leverage these platforms to generate revenue. The monetization of social media is a critical area that is often overlooked or underexplored in current literature. While much has been written about how businesses can use social media to reduce costs or enhance their marketing efforts, less attention is paid to how these platforms function as a tool for personal income generation. Social media marketers—who use platforms like Instagram, YouTube, and TikTok to create content and build followings—often rely on diverse revenue streams such as sponsored posts, affiliate marketing, brand partnerships, and advertising revenue. These methods are vital to the success of individuals and companies looking to capitalize on social media, yet research in this area remains limited.

The lack of detailed studies on social media monetization is especially significant considering that the potential for social media to be a major source of revenue is now widely recognized. Content creators, influencers, and marketers are increasingly able to generate substantial incomes through digital platforms, transforming social media into a powerful tool for personal and professional success. However, despite the financial potential of these platforms, little is known about the best practices and strategies for monetizing content effectively, especially from the perspective of individual content creators. This research gap highlights the need for more focused studies on how social media functions as a tool for income generation, particularly in the context of solo content creators. This gap is particularly pressing as the growth of digital platforms continues to expand, and more people are turning to these platforms as a means of earning a living. Understanding the nuances of social media monetization—whether through direct advertising, partnerships, or other methods—would provide valuable insights for entrepreneurs, marketers, and content creators looking to maximize their potential on social media. While much of the existing literature emphasizes the role of social media for businesses, there is a clear lack of research that addresses how individuals or solitary users can effectively monetize their content. The growth of social media marketing as a profession, combined with

the increasing ability of users to generate income from their online presence, makes it essential to explore the strategies and practices that underpin successful monetization. As social media continues to evolve, it is crucial for future research to bridge this gap and provide a comprehensive understanding of the mechanisms behind social media-based income generation.

2. LITERATURE REVIEW

The contemporary social media landscape is driven by two core components: the technological infrastructure and business models that underpin the platforms, and the diverse use cases that emerge as individuals and organizations leverage these technologies to meet specific goals. The technological evolution of social media, from early platforms like Myspace and Friendster to current giants such as Facebook, Instagram, and Snapchat, has transformed both consumer behavior and marketing strategies. These platforms have enabled a new form of communication and interaction, where content is created, shared, and consumed at unprecedented rates. For example, Instagram and Snapchat have popularized visual communication, moving away from text-based interaction to more image- and video-focused content, catering to users' preferences for instant, visual engagement. The development of social media platforms has also significantly influenced how businesses approach marketing. Initially, advertising-supported models dominated the industry, where businesses relied on these platforms to reach audiences through digital content and marketing messages. As digital content providers and marketers have increasingly turned to social media to target their audiences, the influence of social media marketing has become a central theme in contemporary research. For instance, Kopf (2020) has shown that social interactions like "refer a friend" features or community discussions can positively impact key marketing outcomes, including customer acquisition and sales. Despite these advances, the effectiveness of social media advertising remains an ongoing area of investigation, particularly regarding how it compares to traditional media, such as television, and its role in the diffusion of new products and information (Fossen & Schweidel, 2019).

One of the crucial factors that shape the current state of social media, especially from a marketing perspective, is the behavior of users on these platforms. While technological innovations and services provided by social media platforms are important, the actions and interactions of users on these platforms are what truly drive engagement and impact. The evolution of the social media ecosystem—from the rise and fall of platforms like Myspace to the dominance of Facebook and the emergence of new, niche platforms—has been shaped by user preferences and behaviors. As such, understanding how users interact with social media provides deeper insights into its potential as a marketing and communication tool. Social media serves a variety of purposes for different users, including providing news, facilitating private communication, and enabling open discussions. Platforms like Twitter and Facebook deliver news and updates through users' news feeds, while WhatsApp and WeChat focus on private messaging. Reddit, with its topic-specific forums, allows users to engage in detailed discussions on specific subjects. These platforms enable users to generate, access, and spread information through word-of-mouth (WOM), both within their networks and beyond, creating a broad reach for shared content. WOM is a key phenomenon that has been explored in relation to social media, with studies examining how user-generated content—whether a Facebook post or a tweet—affects the behavior of others. Research has also focused on understanding the impact of the content being shared, the factors that drive users to post (such as a desire for status or the need to present an idealized self), and how these interactions influence consumer behavior (Ordenes et al., 2019; Grewal et al., 2019; Wallace et al., 2015).

This line of research highlights the growing importance of understanding the dynamics of social media as a tool for communication, marketing, and information dissemination. The social aspect of social media—the sharing of opinions, experiences, and recommendations—plays a critical role in shaping consumer behavior and the effectiveness of marketing campaigns. Social media platforms have become powerful instruments for brands to connect with consumers, but they also serve as spaces where users generate content that can influence others. As such, businesses must consider both the platform's features and the social behavior of users when designing their marketing strategies. While the underlying technology and business models of social media platforms are essential, it is the way users engage with these platforms that ultimately defines their impact on marketing and communication. Understanding the motivations behind users' behaviors, particularly in terms of word-of-mouth, is crucial for businesses seeking to leverage social media effectively. The interplay between technology, user behavior, and marketing strategies will continue to shape the future of social media and its role in business and communication.

This study provides a strong example of how social media platforms have been increasingly integrated into market research and the broader landscape of digital marketing. The findings underscore the significant influence of social media on both marketing strategies and new product development. According to Goh et al. (2013), social media's role in market research is profound, as it enables continuous engagement between consumers and businesses, influencing the creation of new products and marketing initiatives. The active participation of users in online communities, as pointed out by García-Crespo et al. (2010), has a positive impact on brand engagement, which, in turn, affects customer behavior and spending patterns. Rishika et al. (2013) further support this idea by demonstrating that higher engagement on social media platforms is directly correlated with increased customer participation and spending. Similarly, Aggarwal and Singh (2013) highlight the value of blogs in the product development process, particularly during the screening phase, where user-generated content offers managers valuable insights. Moreover, Krishnamurthy and Dou (2008) emphasize the importance of utilizing social media properties strategically, ensuring that market seeding and pricing strategies are appropriately integrated to leverage the platform's full potential. Lee et al. (2015) offer an important perspective, suggesting that social media should not be viewed merely as a tool

for internet marketing, but rather as an integrated component of the buying and consumption process. This approach aligns with Oestreicher-Singer and Zalmanson's (2011) findings that Facebook likes can directly influence sales and customer engagement, turning social interactions into valuable marketing assets. The influence of social media activities—both sponsored and earned—on consumer purchasing behavior is evident in the work of Xie and Lee (2015), who found that exposure to these activities had a positive impact on consumers' intentions to acquire brands. This highlights how social media can act as both a platform for brand promotion and a space for fostering consumer loyalty and engagement. Chen et al. (2010) observed that personal messages on platforms like MySpace could substantially impact the sale of music, showing how the timing, broadcasting style, and content of messages can influence purchasing decisions. This suggests that the interaction between users and brands, especially when facilitated through personalized or peer-influenced messaging, is critical for driving consumer behavior. Similarly, research by Qiu et al. (2015) explores how learning and network dynamics—quantitatively and financially—affect the number of videos watched on platforms like YouTube, further illustrating the role of social media in shaping content consumption. Sung et al. (2018) provide an intriguing perspective on the social network dynamics of Facebook users in U.S. universities, revealing that students within the same groups tend to form denser networks. This reinforces the idea that social media networks are not only about individual connections but also about the clustering of like-minded users, which can have implications for targeted marketing and group-based consumer behavior. On a somewhat different note, Susarla et al. (2016) examined the impact of pricing on digital content, specifically the transition from free to paid online materials, and found that such pricing strategies have a differential effect on word-of-mouth (WOM) depending on the popularity and specificity of the content. This highlights how social media platforms can affect both the financial models of digital content providers and the social dynamics of content sharing and WOM.

Research in this area has also highlighted various strategies for monetizing social media platforms for marketing purposes. One of the key components of successful social media marketing is fostering productive consumer conversations. The importance of creating and maintaining active dialogues between brands and users is a recurring theme across studies. For instance, integrating social computing with content distribution has been identified as a crucial strategy for effectively deploying social media in the digital marketplace. This integration ensures that businesses can target specific consumer groups based on geographical trends, shared interests, or demographic characteristics. The literature demonstrates that social media has become a powerful tool for businesses to engage with consumers, develop new products, and drive sales. By leveraging user-generated content, fostering interactions through blogs and forums, and utilizing targeted marketing strategies, businesses can maximize the potential of social media platforms. Additionally, the evolving business models of social media platforms—whether through ads, sponsorships, or subscription-based services—provide new opportunities for monetization and customer engagement. As social media continues to evolve, businesses will need to stay attuned to changing user behaviors and adapt their marketing strategies to fully capitalize on the potential of these platforms.

3. METHODOLOGY

This study presents a rigorous and systematic methodology for evaluating studies related to social media monetization and the digital economy. The study focuses on publications from 2000 to the present, ensuring that the review captures a period of significant growth in social media research and the digital economy. By narrowing the scope to studies published between 2010 and 2022, the research is centered on more recent developments, which reflect the rapid technological advancements and shifts in user behavior in the digital age. This approach provides an in-depth exploration of the monetization strategies that have emerged as social media platforms continue to evolve. The methodology for selecting studies involved a clear set of inclusion and exclusion criteria. Only research that directly examined social media monetization, the digital economy, or user-generated strategies for monetizing content was included. Studies were excluded if they lacked data extraction methodology, if they were not original content, or if they did not include an assessment component. These criteria ensured that the review focused on primary research articles with solid methodologies and meaningful analysis. The use of specific search terms like "social media monetization" and "digital economy" helped target studies that directly addressed the research questions, thus maintaining the focus of the review on relevant and high-quality literature. To ensure the comprehensiveness of the search, the study utilized a variety of academic databases, including IEEE Journal, Scopus, ScienceDirect, ProQuest, and Google Scholar. These sources offered a broad range of articles related to social media platforms and their role in marketing and digital economies. After conducting the initial search, the citations were de-duplicated to eliminate redundancies, ensuring that only unique articles were considered. This process was followed by a rigorous evaluation of the articles to determine their relevance.

The study process itself was highly structured. A random sample of articles was initially examined by two independent reviewers, who applied the predefined inclusion and exclusion criteria. Disagreements between the reviewers were resolved by consensus with the assistance of a third reviewer. Once the calibration process was complete, a second round of reviews focused on additional articles, which further streamlined the selection process. This method of using multiple reviewers ensured that the articles included in the final review were both relevant and of high quality. Once the relevant articles were selected, they underwent a full-text evaluation. This step was crucial in ensuring that the research focused on the most pertinent studies that contributed to understanding social media monetization strategies. The studies were then categorized based on the specific data aspects they addressed, allowing the researchers to organize the findings in a meaningful way. In cases where categorization disagreements arose, a third impartial reviewer was involved to ensure consistency and objectivity in the

process. Throughout the review, two independent reviewers with expertise in research design, data analysis, and statistics conducted the data collection process. They were trained on the specific subject matter of the study to ensure they could accurately evaluate the papers. The involvement of a third reviewer as an arbitrator in cases of disagreement helped maintain the rigor and impartiality of the review process. By combining these structured methods, the study ensures that only the most relevant and high-quality research is included, providing a solid foundation for understanding the evolving landscape of social media monetization in the digital economy. This study highlights the importance of a well-defined, systematic approach to evaluating literature on social media monetization strategies. By focusing on research published between 2010 and 2022, the study captures the most current trends and innovations in the field, reflecting the dynamic nature of both social media platforms and the broader digital economy. The detailed and structured methodology ensures that the findings are reliable and offer valuable insights into the monetization practices of social media platforms, a topic that has become increasingly significant in both academic research and business practice.

4. DISCUSSION

Out of 78 distinct citations reviewed, 50 reports were selected for full-text scrutiny, and from these, 35 papers met the criteria for inclusion based on the established requirements. The selection process was carried out using a variety of academic databases, including ABI/Inform Global, Vital Law, Lexis, Academic Search Premier, ProQuest Digital Dissertations, ABI/INFORM Collection, Business Source Complete (EBSCO), Google Scholar, ScienceDirect, and Scopus. These databases provided access to a broad range of relevant studies on the monetization of social media. Table 2 presents the factors considered during the data extraction process, listing the primary group for each field, the standards that guided the review, and whether a specific extraction technique was used. Additionally, the relevant data components related to the systematic review process were grouped by standard, domain, and automation techniques where applicable. Recent trends suggest that media monetization models are experiencing a pivotal shift, presenting a significant opportunity for future research and development in the field. Consumer acceptance of paid content is gradually increasing, particularly in Germany, where a quarter of media consumers have reported an increased receptiveness to sponsored content since the COVID-19 pandemic. This change in consumer behavior reflects a broader trend that can be observed across several global markets. Streaming subscriptions, for example, are gaining momentum, with both the United States and Germany seeing rising subscription rates for premium content services. This shift is expected to continue, demonstrating a growing appetite for digital media consumption.

However, advertising revenue has faced challenges, particularly during crises like the COVID-19 pandemic. For example, IPG's media investment and intelligence company, Magna, experienced a 2.5% decline in global ad revenue in 2020 compared to the previous year. Despite this, new technological advancements and increased targeting capabilities have the potential to revitalize advertising-based income models. Advertising-based video on demand (AVOD) is already a well-established model in many Asian and North American markets, although it has not yet fully reached its potential in Europe. Nevertheless, recent studies indicate a growing consumer interest in AVOD, with half of German media consumers expressing receptiveness to this model, as highlighted in the Deloitte Media Consumer Survey of 2021. Historically, there has been a generational divide in the adoption of digital media, with older age groups consuming more linear content and younger groups more likely to embrace digital platforms. However, this gap is narrowing, as younger generations increasingly engage with traditional media formats and older generations begin to explore digital platforms. This shift is indicative of the changing dynamics in media consumption and the growing convergence between traditional and digital media.

E-commerce is increasingly becoming a significant revenue stream for media organizations. Media companies are expanding their operations, and large digital platform companies (DPCs) are showing strong potential for integrating e-commerce and media content. The business model of cross-subsidizing between e-commerce and media is growing, with companies like Disney leading the way in combining media content with merchandise sales. This trend demonstrates the potential for media businesses to diversify their revenue streams beyond traditional advertising and subscriptions. Moreover, user contributions to news and online media have become a crucial source of income. Consumers are increasingly willing to support content creators and recognize the value of quality content. This trend is evident on platforms like YouTube, where viewers can contribute financially to their favorite creators through donations, subscription models, and merchandise sales. These user-driven monetization strategies reflect the changing relationship between consumers and content creators, where direct support from audiences is becoming an essential component of revenue generation.

Academic studies have explored the intersection of business and social media, often using terms such as "participatory economy" to describe the creation, sharing, and consumption of content via social media platforms. Concepts such as the "social market," "sharing economy," "networked economy," and "peer-to-peer economy" have been used to characterize the economic models emerging from the intersection of social media and e-commerce. These models, including "wikinomics" and "crowdsourcing," highlight the collaborative and decentralized nature of the digital economy, where value is co-created by users and businesses alike. These evolving economic models demonstrate the transformative impact of social media on traditional business and marketing practices, offering new avenues for monetization and consumer engagement. This study underscores the importance of understanding the complex and dynamic relationship between social media and business models. The evolving monetization strategies in the digital landscape, including AVOD, e-commerce integration, and user-driven contributions, present both challenges and opportunities for businesses. As social media continues to shape the way

consumers interact with content, the potential for new monetization models will likely expand, offering businesses innovative ways to generate revenue and engage with their audiences. Most social networking platforms are free for users, which is a major draw for attracting large user bases. However, as the number of users grows and more content is generated, there is an increasing drive for these platforms to find ways to monetize their services. Companies like Facebook and Twitter, with their vast user bases, are constantly looking for methods to turn their free offerings into revenue-generating assets. Marketers have long recognized the potential of social media monetization and have developed strategies to capitalize on the value of these platforms. The business model is crucial to the success of any sector, whether traditional or online commerce. Social media technologies provide businesses with the opportunity to innovate and create new business models, enabling them to extract value from user-generated content. These models differ significantly from conventional business models, as social media platforms offer new ways for companies to generate income by tapping into the social interaction and engagement of users. For instance, entrepreneurs on social media can monetize their platforms by partnering with businesses that wish to leverage their audience base for marketing purposes. This process of monetization involves turning assets—such as content, profiles, or platforms—into financial capital. Monetization on social media typically involves creators who have substantial followings and high engagement on their platforms. These influencers or content creators may earn revenue by promoting products, brands, or services through sponsored content. Native advertising, where businesses pay creators to promote their products within their content, has become increasingly popular. This type of advertising allows businesses to reach consumers in a more organic and integrated manner, making it less intrusive than traditional advertising methods. Influencers may receive significant payment for each post or video that promotes a brand's products or services. However, transparency is key; creators must clearly disclose their paid partnerships to their audiences to maintain trust. This transparency often involves labeling sponsored content with phrases like "This post is sponsored" or "Paid partnership" (Kay et al., 2020).

The rise of native advertising has reshaped the way businesses interact with consumers on social media. Influencers who promote products must be upfront about their sponsorship deals, as failure to do so can lead to consumer confusion about the authenticity of the content. Research has shown that consumers can be easily misled when non-sponsored content appears alongside paid posts. To mitigate this, regulatory bodies like the Federal Trade Commission (FTC) in the United States have implemented guidelines requiring clear labeling of sponsored content (Boerman et al., 2017). If a social media influencer continues to work with the same brand over time, the sponsor may choose to renew the sponsorship deal. This is particularly common on platforms like YouTube, where companies are aware of the significant impact user-generated content (UGC) can have on consumer purchasing decisions. YouTube has become one of the most influential platforms for monetization. Through the YouTube Partner Program, creators can earn revenue from ads that appear in their videos. To qualify for the program, creators must have at least 1,000 subscribers and 4,000 hours of annual watch time. Once eligible, content creators can earn money from ads displayed before, during, or within their videos. These ads are typically paid via two models: Cost Per Click (CPC), where creators are paid based on the number of clicks on the ad, and Cost Per View (CPV), where they earn revenue based on how much of the video ad is viewed (YouTube's Community Guidelines, n.d.). The earnings range from \$0.10 to \$0.30 per view, with an average payout of \$0.18 per view for popular content. YouTube retains 45% of the ad revenue and pays out 55% to the creators (Stubb et al., 2019). This model has created a substantial income stream for many creators, with the potential for significant earnings as their viewer base grows.

In addition to paid advertisements, companies may also use public relations (PR) strategies to gain exposure on social media. PR is considered a more authentic form of marketing since it involves real user experiences and opinions about a product or service. Influencers often receive products from companies as part of PR campaigns, which they then review and share with their followers. This approach has become particularly popular in industries like cosmetics, where influencers receive free products in exchange for honest reviews. In such cases, the PR strategy helps build trust and credibility with consumers, who appreciate the personal, unbiased recommendations of influencers. Social media platforms have transformed the traditional monetization landscape, providing businesses and creators with new revenue opportunities. From sponsored content to ad revenue sharing models, social media has become a key player in the modern business ecosystem. As social media monetization continues to evolve, it is important for creators and brands to maintain transparency and follow regulatory guidelines to build and sustain consumer trust. Through innovative business models and marketing strategies, social media will continue to be a powerful tool for generating income and shaping consumer behavior.

Over the past five years, affiliate marketing and related revenue generation techniques have gained significant traction as more social media users collaborate with businesses. One of the key strategies involves using a single digital platform to promote products and services through affiliate links or discount codes. Social media entrepreneurs—often influencers with substantial followings—may share these affiliate links or codes on their personal social media accounts or on third-party platforms, hoping to drive traffic to the company's website. When followers click on the affiliate link or use the code, they typically receive a discount on the products or services. In turn, the social media promoter earns a commission or other rewards each time someone makes a purchase through their link or enters their code. This model has become an important tool for both businesses looking to expand their reach and for content creators looking to monetize their audiences.

Brand ambassadorship is another popular method of monetization. A brand ambassador is someone who uses and promotes a company's products or services in exchange for compensation, which may include commissions, free products, or other incentives. Unlike traditional celebrities, who are often paid for their high-profile endorsements, brand ambassadors are often regular social media users who have established a connection with their followers. They are usually tasked with increasing

positive brand awareness by sharing their experiences with the products, either through personal reviews or promotional posts. Brand ambassadors must clearly disclose any sponsored content to their audiences, ensuring transparency and maintaining trust. This has become a particularly popular strategy on platforms like Instagram, Facebook, and YouTube, where individuals with large followings can influence consumer behavior by promoting products they genuinely use and recommend. Interestingly, this model isn't limited to celebrities; many non-celebrity influencers, particularly those with niche followings, can also become effective brand ambassadors because of their personal influence over their audiences. One of the advantages of brand ambassadorships on social media is the ability to reach specific target audiences through trusted voices. Influencers often have strong relationships with their followers, which means their recommendations can have a more significant impact compared to traditional advertising. As consumers continue to trust recommendations from individuals they follow online, social media influencers serve as powerful communication channels for businesses. Studies have shown that when label ambassadors are actively promoting a company on social media, verbal marketing—especially personal testimonials—can be an incredibly effective tool for business development (Hu, 2011). In addition to affiliate marketing and brand ambassadorships, crowdfunding has also become a valuable revenue generation method for social media entrepreneurs. Crowdfunding involves asking a large group of people to contribute small amounts of money toward a specific goal, typically via the internet. Platforms like Patreon have made crowdfunding accessible for creators looking to generate a steady income. Patreon, in particular, offers social media entrepreneurs the ability to build a close-knit community of "patrons" who financially support the creator in exchange for exclusive content, gifts, or direct access to the creator. This form of monetization has proven especially popular among content creators, artists, and independent entrepreneurs, as it allows them to engage more deeply with their audiences and secure a reliable source of income. By fostering a sense of community and providing patrons with behind-the-scenes content or special perks, Patreon creates a strong bond between creators and their supporters.

Crowdfunding platforms like Patreon also encourage ongoing interaction between creators and their fans, making it more than just a transaction. Patrons often feel a sense of involvement and ownership in the creator's work, which can increase loyalty and encourage recurring support. This model allows creators to maintain their independence and control over their content while ensuring a steady stream of income to fund their projects or business ventures (Katz, 2015). Social media has opened up a range of monetization opportunities for both influencers and businesses. From affiliate marketing and brand ambassadorships to crowdfunding, these methods have enabled entrepreneurs to tap into new revenue streams while engaging with their audiences in creative and meaningful ways. As more individuals and companies embrace these strategies, social media will continue to be a central platform for marketing, communication, and revenue generation.

5. CONCLUSIONS

This study explores the various monetization strategies available to social media entrepreneurs, particularly on platforms like YouTube, and provides insights into how these individuals can effectively implement these strategies to generate revenue. The rise of online entrepreneurship has created new career paths in the digital era, and understanding how entrepreneurs monetize their online presence is essential for expanding our knowledge of entrepreneurship in the context of social media. There are several key strategies for monetizing social media, each offering unique opportunities for content creators to turn their digital platforms into profitable ventures. Sponsorship is one of the primary methods, where entrepreneurs partner with brands to promote products or services in exchange for payment. Sponsored content, such as videos or posts, often requires transparency, with influencers disclosing their paid partnerships to their followers. Advertisement is another significant monetization avenue, especially on platforms like YouTube, where creators can earn revenue through ad placements on their videos. YouTube's ad revenue system, including models like Cost per View (CPV) and Cost per Click (CPC), allows creators to generate income based on the number of views or interactions their content receives. While ad revenue is one of the most common methods, it is often complemented by other income streams to maximize profitability. Public Relations (PR) has also become an important aspect of social media monetization. Influencers are increasingly being used by companies to generate organic buzz around their products, which is a more authentic and relatable form of marketing compared to traditional advertising. PR techniques rely on the creator's relationship with their audience, leveraging trust and engagement to boost brand visibility. Affiliate marketing is another strategy in which social media entrepreneurs promote products or services through affiliate links or codes, earning a commission whenever followers make a purchase through those links. This strategy works particularly well for niche influencers, as they can target specific products or services that align with their audience's interests, driving both engagement and sales.

Brand ambassadorship is closely related to affiliate marketing but involves a deeper and more sustained partnership between the entrepreneur and the brand. Brand ambassadors promote a company's products or services regularly, and their compensation often includes free products, commissions, or other perks. This method has gained popularity, particularly on platforms like Instagram and YouTube, where influencers can integrate a brand's message into their content. Lastly, crowdfunding has emerged as a popular strategy, with platforms like Patreon allowing creators to build a direct relationship with their audience in exchange for financial support. Patrons contribute to the creator's work in exchange for exclusive content, early access to videos, or other special benefits. Crowdfunding offers entrepreneurs a way to generate steady income while fostering a sense of community and involvement with their followers. These monetization strategies—Sponsorship, Advertisement, Public Relations, Affiliate marketing, Brand Ambassadors, and Crowdfunding—represent a diverse set of

approaches for social media entrepreneurs to generate income. Each method has its unique benefits and challenges, and successful creators often use a combination of these strategies to maximize their earnings. Understanding how to leverage these techniques is crucial for anyone looking to make a career in the digital space, as it not only enhances their ability to monetize but also strengthens their presence and influence in the ever-evolving world of social media entrepreneurship.

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