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Facebook

b) Bigger Than Google?

Facebook would like to think that one day millions of people will use Facebook as the instant access provider for all their Internet needs making Google redundant. There is nothing to suggest users are about to abandon Google, however Google has launched OpenSocial, a piece of software that encourages applications that work on many different social networking sites which helps cover its bases.

c) Marketing on Facebook

What is interesting for marketers is that Facebook represents a new way for many people to communicate. Users can post messages on their status for all their friends to see in their 'news feed.' This one-to-many model replaces the more traditional email or phone call. Word-of-mouth marketing if done sensitively can become quite successful as it seems that users are also very willing to let their friends know their likes, dislikes, and thoughts, especially when it comes to music, films and books.

However, probably the most-common form of Facebook marketing is paid-for advertising. Interested parties can typically purchase mass banner ads that everyone will see or create groups that users become 'fans' of or buy ads that are embedded within the users' 'news' feeds. Two more recent developments in Facebook should be of note to marketers. First the launch of Facebook Platform, and secondly Beacon, the controversial part of its ads system.

The Facebook platform lets developers who don't work at Facebook create applications (apps) that users download and install on their pages. This is interesting because many new businesses have been set up to create these apps. Two famous external apps that have been very successful are 'Scrabulous', where users can play Scrabble through Facebook, and 'Jetman,' a simple but effective video game. Some brands have tried to create apps, but these have not been a huge hit yet (see case studies below).

In November 2007, Facebook launched a new part of its ads system named Beacon that published Facebook users' activities on partner Web sites such as eBay, Fandango, Travelocity, and Blockbuster to their friends. This move raised serious privacy issues with many consumers protesting, which forced Facebook to backtrack on Beacon somewhat and include more opt-in features. Facebook received further privacy criticisms when some users tried to delete accounts and found it nearly impossible to do so.

Although the Beacon launch and subsequent bad press was fairly high profile it doesn't seem to have had any noticeable effect on advertising budgets.

d) Research Through Facebook.

One trend that seems likely to grow is for brands to conduct research through Facebook. In what is a very simple and cost-effective system, brands can pay for a certain number of users to answer questions and then have this data packaged and analyzed.

3. Marketing Case Studies.

Target

Target created a 'Dorm Survival Guide' group within Facebook. Some of the applications in this group include, Tip Me product marketing images, "Is it edible?" interactive animation, "Not your mom's checklist" eCommerce selector, "Find your soul furniture" customized product wizard, "Snoop for inspiration" design ideas gallery and a "Good roommate" finder.

This group has 20,000 members, over 1,000 'wall' posts, and 132 discussion topics. Most posts and discussions were deemed to be positive. Target made sure they updated the group regularly with friendly and helpful advice. They showed a good understanding of their Facebook community.

Other successful marketing campaigns have been Amazon's 'Bookshelf' application that allows members to see what their friends are reading and then buy those books in a click. Both Hillary Clinton and Barack Obama have used Facebook in their presidential campaigns to great effect. In fact, Obama hired a former Facebook executive to run his official online advertising campaign.

4. The thing to remember is...

Facebook was 2007's success story. Although it has posted incredible numbers, it is not the answer to every advertisers' dream. As quickly as Facebook has acquired users it could lose users. MySpace was the runaway social networking success in 2006 but was trounced by Facebook in 2007. There is nothing stopping another company from coming along to steal Facebook's market share, however for the time being, there is nothing on the horizon.

While Facebook is still in its infancy, the marketing success stories on Facebook are a result of advertisers carefully researching their audiences and taking the time to engage them regularly with useful information and services rather than simply posting an ad or link and assuming users will do everything else.

Evidence suggests that grassroots organizations, charities, and political parties can use Facebook to greater effect—through raising issues and creating debate, rather than promoting business-to-business products. It may well be that in the future, the key for marketers will be to create products or movements that scream to be talked about.