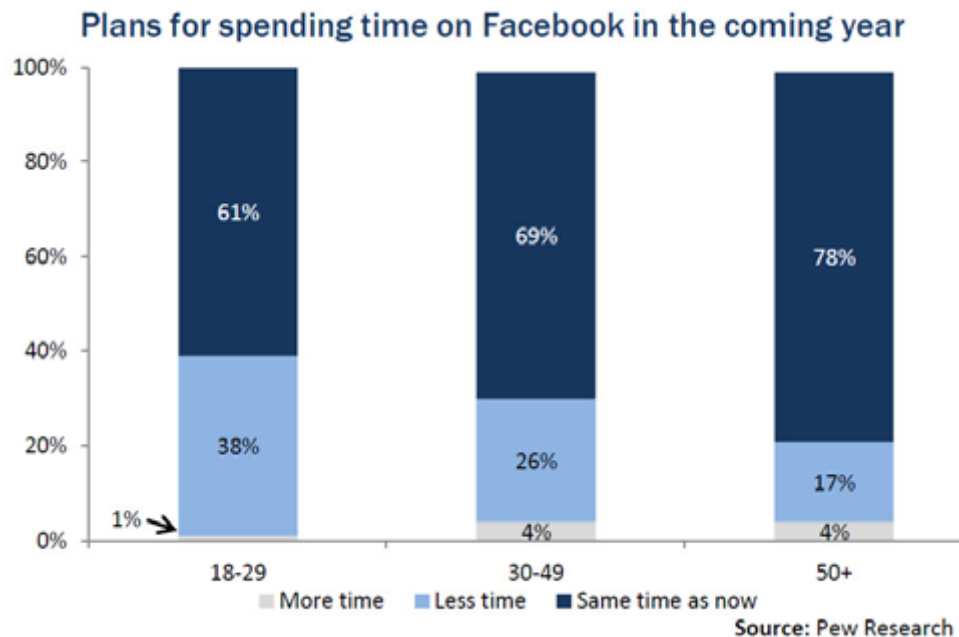


Facebook

More Americans are taking a vacation from Facebook. Facebook provides a critical tool for real-time conversations with listeners but a new Pew Research study shows Facebook fatigue has set in for some. Six in ten Facebook users say they've taken a voluntary break from the site for several weeks or more. One in four plan to spend less time on the site this coming year. Of those who've taken a Facebook vacation, the largest group said it was a result of being too busy with other demands. Others pointed toward a general lack of interest in the site itself, an absence of compelling content, and excessive gossip or "drama" from their friends. One in five online adults say they used Facebook in the past but no longer do so. One-third say the site has become less important to them — and just as many say they're spending less time on the site compared to a year ago. Pew says the younger the demo, the greater the decrease: four in ten Facebook users aged 18-29 say they're spending less time on the site and expect to pull back more in 2013. The feeling isn't universal however — two-thirds of online adults are Facebook users and a majority of users say it's as important now as it was a year ago



When Facebook ([FB](#)) Chief Executive Officer Mark Zuckerberg unveiled Graph Search on Jan. 15, he hailed his company's latest innovation as a great leap forward for search. Facebook members who want to know their friends' preferences before making decisions on restaurants, vacations, career choices, and maybe even life partners, can look for, say, "single friends in San Francisco who like sushi," and be rewarded with meaningful results.

It's a nice advance, but the real leap Facebook hopes to make is to overtake Google ([GOOG](#))—and maybe LinkedIn ([LNKD](#)) and Match.com ([IACI](#)), too. Facebook has not yet detailed any advertising products that Graph Search will inevitably spawn down the

road, but clearly Zuckerberg thinks he can offer his customers the grand prize of advertising: perfect microtargeting.

Facebook is expected to report \$5.02 billion in sales for 2012, according to analyst estimates tracked by Bloomberg. Google's revenue sailed past \$50 billion last year. At least some analysts say that Graph Search has the potential to close the gap by creating a virtuous feedback loop between advertisers and Facebook users. In social searches, businesses with the most "likes" and "check-ins" may shoot to the top of search results. The hope is that advertisers seeking better Graph Search results will purchase more ads on the social network in order to get them.

[STORY: Facebook Radically Revamps Its Search Engine](#)

Michael Pachter, an analyst at Wedbush Securities in Los Angeles, predicts Graph Search will grow to about a quarter of Facebook's revenue, or \$3 billion to \$4 billion in 2015. "The way we did the math: a tiny slice of Google, a bigger slice of Yelp, a bigger slice of Groupon ([GRPN](#)) and LivingSocial. Graph Search gives you the potential to do all those things," says Pachter. He adds that Graph Search will keep people "using Facebook longer." That, in turn, will provide Facebook with "a tremendous amount of data that allows [Facebook] to deliver a lot more relevant ads."

Dan Levy, Facebook's director of small business, says the search tool could help more than 13 million plumbers, doctors, pizza parlors, and other small businesses on the social network get their pages discovered. The company eventually plans to offer mobile Graph Search, which would be a more robust version of the recently released "nearby" feature that recommends restaurants and landmarks close to a mobile user's location.

Whether those cool features can be translated into a predictable source of revenue—and ultimately profits—depends largely on whether Facebook can deliver the kind of results its engineers promise. Presumably the company could charge more per search ad if it can prove that its highly targeted results are more likely than Google's to convert seekers into buyers.

[VIDEO: What Does Facebook Graph Search Actually Do?](#)

Technology is one concern. Changing behavior is another. "Facebook has trained its audience to live and breathe on the news feed," says Brian Yamada, an executive director at digital marketing agency VML, owned by ad giant WPP. That leads to a passive users, accustomed to content finding them. For Graph Search to work, the social network's billion-plus members will have to, you know, get active—albeit without leaving the walled garden Facebook provides. "In general, Web search is designed to take any open-ended query and return to you links that may have answers to the question that you might be trying to ask," Zuckerberg said at the launch. "Now, Graph

Search is very different. Graph Search is designed to take a precise query and return to you the answer, not links to other places where you might get the answer.”

Ultimately, Graph Search’s success will be determined by whether Facebook members buy in. Its search results must “start to become relevant enough that users end up switching,” says Hussein Fazal, CEO of AdParlor, which helps companies buy ads on Facebook. If they do, advertisers will follow, which poses another risk for Facebook: alienating users by having too many ads.

Facebook today took one more step in making its advertising more accountable for media buyers: it has now [rolled out a conversion measurement system](#) across its global footprint. Aimed at direct marketers, the optimization and conversion toll was first announced back in November; now it’s available globally, and can be used on all Facebook ads and sponsored stories, the company says, as well as in combination with any other targeting services. And, in a sign of increasing cross-platform marketing, Facebook says that its conversion measurement tool is can report when a user views an ad on one platform, like mobile, but then converts on another, like a PC. It’s the only tool so far that can do this — but as Facebook continues to expand its advertising business, it’s not likely to be the last.

That is a win-win for Facebook: if it can show that marketers can save money by using these tools as part of their campaigns, it will also mean that they will ultimately spend more money and effort advertising on the social network. It’s also one more sign of how Facebook is continuing to extend its influence outside of its own platform and walled garden — although it’s still stopping short of advertising on third-party sites.

What the tool does is it allows advertisers to put some code on their sites to track when actions like checkouts/payments or registrations have been driven by an advert seen on Facebook. This then feeds back into how marketers run their campaigns on optimized CPMs for more effective responses.

The conversion tool is largely aimed at direct marketing campaigns tied to specific actions, and are most suitable for sites that have transactional elements to them, such as those for e-commerce, travel, retail, and financial services, says Facebook. It notes that hip home goods site Fab was an early tester, and it reduced its cost per new customer acquisition by 39%.

Another early tester shows that the tool could be used for less commercial efforts, too: the Democratic Governors Association used it to track mailing list sign-ups, and using it reduced its cost-per-conversion rate by 85%.

Facebook says that the conversion tool is currently available for marketers using three of its different ad products [power editor](#), the [ads manager](#), and for its large-scale marketers that use Facebooks [advertising API](#), and the service is now live

Study: Facebook Leads to 24% Sales Boost

Social network brings new users at lower cost, per Aggregate KnowledgeBy [Tim Peterson](#)

- January 23, 2013, 7:30 AM EST
- [Technology](#)
-

[Supposedly](#) social advertising doesn’t generate sales. But Media intelligence company Aggregate Knowledge, which analyzes and attributes media buys, says otherwise. In a study of 25 campaigns that ran during the fourth quarter, the company found that

media plans that included Facebook saw 24 percent more new sales than those that didn't.

Aggregate Knowledge CEO David Jakubowski said the media plans with Facebook centered on using the social network's premium ad units as the anchor with the marketplace ads running along the right rail in a supporting role to extend advertisers' reach. In addition to Facebook, those media mixes typically included display, social, search and sometimes mobile Web and email, he said. Video also entered the fold at time, with that channel and Facebook "occupying the upper funnel," said Jakubowski.

While Facebook has rolled out lower-funnel ad products such as the retargeting-oriented Facebook Exchange, Aggregate Knowledge saw the social network maintains its place atop the funnel. Forty-five percent of the total users reached in Q4 were unique to Facebook and not seen on other channels included in a media plan, according to Aggregate Knowledge. "Marketers marketing on Facebook are starting to get to people up the funnel in consideration sets," Jakubowski said.

Facebook's head of measurement and insights Brad Smallwood said Aggregate Knowledge's findings are "pretty consistent with independent studies we run looking at offline transactions." He pointed to one [announced in October with Datalogix](#) that indicated campaigns focused on reach saw a 70 percent higher ROI than those aimed at clicks.

Facebook was "very strong" when it came to channels that first encountered a user, Jakubowski said, but was not usually the last channel to see a user before they convert. That last-click attribution, for better or worse, is what helped Google establish a multibillion dollar advertising business. "Where Facebook gets last-touch credit is where it's the only place on the planet that reached that user," Jakubowski said. Facebook tends to factor in a couple days or weeks before a user converts, he noted. Smallwood emphasized that marketers shouldn't look at Facebook in silo but consider an entire media mix and attribute success through multi-touch attribution.

However, Facebook has been correcting advertisers' reliance on last-click attribution and adding ways for them to analyze its longer-term impact on conversions. For example, Aggregate Knowledge relied on Facebook's view-through pixels for its study, Smallwood said. And last week Facebook [modified its policies](#) for preferred marketing developers to only require firms to separate Facebook reporting from other channels when using last-click attribution; otherwise PMDs have the new option to "show multi-touch attribution results side-by-side with last-click attribution results."

Because Aggregate Knowledge is able to attribute Facebook's impact on conversions through the view-through pixels, the firm was able to see that during Q4 Facebook delivered a 68 percent lower cost-per-acquisition than other channels, though

Jakubowski declined to specify the average CPA advertisers saw on Facebook. "Facebook is a bargain right now. My customers would like to keep it that way," he said

Facebook Rolls Out Conversion Tracking Tool

by [Mark Walsh](#), Yesterday, 5:13 PM

Facebook on Tuesday [launched](#) a self-serve conversion measurement and optimization tool for direct-response marketers. First announced in November, the service allows advertisers to place a piece of code on a Web site to track when desired actions, like shopping cart checkouts or registrations, are driven by someone seeing an ad on Facebook.

When marketers choose the Optimized CPM bidding option, they can see which ads drive the most conversion and adjust their campaigns accordingly. Facebook suggested that marketers involved in e-commerce, retail, travel, financial services and other direct-response categories would benefit most from the new feature.

Among case studies of campaigns using conversion measurement with Optimized CPM during the beta period last year:

*Retail site Fab.com was able to reduce its cost per new customer acquisition by 39% when it used this type of bidding to serve ads to consumers deemed most likely to convert.

*The Democratic Governors Association used the option to deliver ads to users who were most likely to sign up for its mailing list. According to Mark Giangreco, digital director of the DGA, the association saw a substantial decrease in its cost per conversion -- 85% lower than any other campaign the DGA had run online.

Conversion measurement and optimization can be used on all Facebook ads and sponsored stories, and in combination with any targeting capabilities. It's also the only analytics tool that can report when a user views an ad on one device (e.g. mobile phone) but converts on another (desktop computer).

Given that Facebook has expanded mobile advertising dramatically since last spring, the service is suited to tracking performance in cross-platform ad campaigns. Conversion measurement is available through its Power Editor tool for managing multiple campaigns and ads, the Ads Manager and its [API partners](#).

Facebook Rolls out Ad Conversion Measurement System: Will It Help Marketers ??

By [Shilpa Shree](#) on January 23, 2013 9:23 AM in [Facebook](#), [Just In](#), [Social Media](#), [Social News](#), [Technology](#) / [0 Comments](#)

Facebook has [launched](#) a new conversion measurement optimization system for direct response marketers to help them measure the ROI of their Facebook ads. It measures user's relevant actions that are driven by people seeing advertisements on Facebook. The relevant actions include; like registrations, shopping cart checkouts.

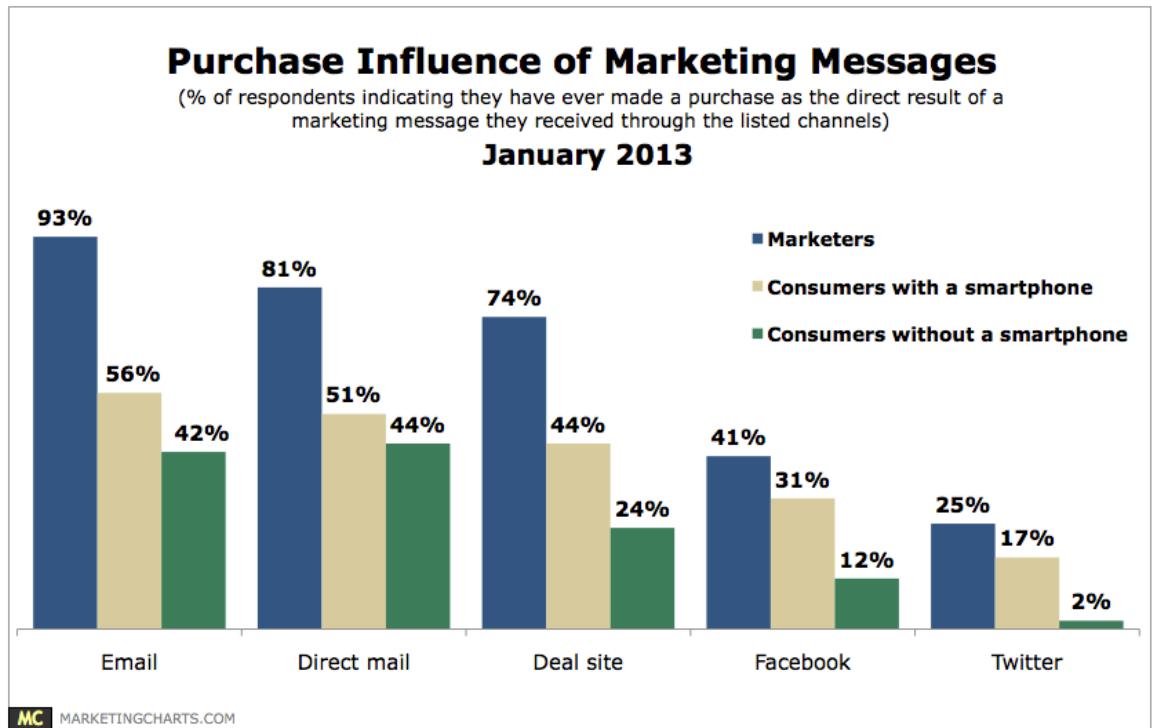
Uniquely the system can be used with all Facebook ads and [sponsored stories](#) and also can be used in combination with any targeting. The conversion tool is specifically designed for direct response marketers -such as online retailers and travel websites and many such which advertise with the goal of pumps up immediate sales rather than for longer-term [brand building](#).

Facebook when conducted trials on Fab.com using this conversion measurement, it actually reduced its cost per new customer acquisition by 39%. The trials also were conducted on Democratic Governors Association and the results showed that its cost per conversion decreased by 85% compared to any other campaign it had run online. The Facebook conversion measurement system is currently available for [marketers](#) using three of its different ad products - power editor, the ads manager, and for its large-scale marketers that use Facebook's advertising API, and the service is already live to use.

To note, this is not the first time Facebook has rolled out such tool, last year November, Facebook introduced a similar conversion measurement service for [big brand](#) advertisers such as – auto manufacturers, partnering with data mining firm Datalogix to help on consumer spending at brick and mortar and Facebook ads. Also, Facebook had rolled out new marketing tools for local businesses such as restaurants and coffee shops. The list also includes a revamped [online coupon service](#) and simplified advertising capabilities known as [promoted posts](#).

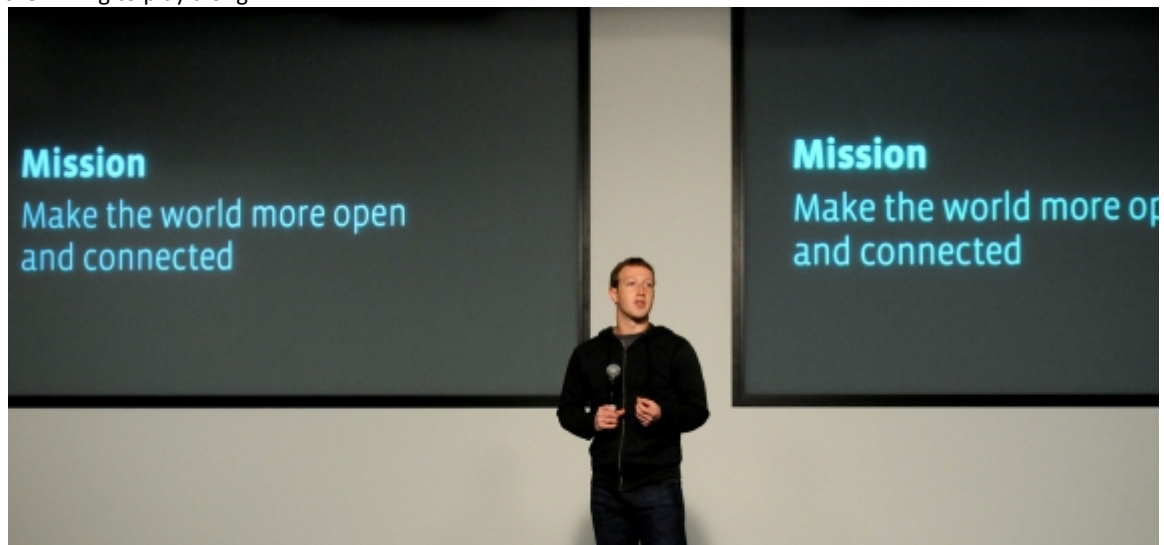
Though this seems as a late Christmas gift to Digital Marketers, the tool doesn't help unless one is a absolute expert in online marketing and sales process. The concept of conversion is always been a great confusion. An accurate measurement system can be helpful in a great way for those who fall in the confusion category. Facebook is one of the most widely used site for such conversion till date and with this conversion measurement tool it can help direct marketers to crunch these measurements.

Apart from this, if the tool proves that it could save money becoming a part of marketing then, definitely a slew of marketers could head towards Facebook platform for advertising their brands.



3 Things to Know About Facebook's Graph Search

- Data, data, and more data. Facebook's newest feature could mean great news for advertisers--if users are willing to play along.



- CEO Mark Zuckerberg announced the new feature at a press event in the company's Menlo Park headquarters.

96

[inShare](#)



- In a much-anticipated product announcement Tuesday, Facebook unveiled a new feature that will let users--and presumably marketers--dig even deeper into the company's massive database of personal information. It's called Graph Search, and the idea is to enable users to search for people, places, photos, and interests within their Facebook network.
- Potential queries could range from the benign ("Mexican food restaurants in San Francisco that my friends like") to the creepy ("single women in Boston who are friends with my friends and like Justin Bieber"), but all had at least two things in common: They do what several other notable Web services already do (watch out Google, Yelp, and LinkedIn); and they offer some potentially important advertising opportunities for businesses. Although CEO Mark Zuckerberg said the company isn't yet focused on monetizing the search feature--"right now we're focused on user feedback," he told the audience of reporters at the Menlo Park, Calif. event--he hinted that it wouldn't be long before marketers would be let in.
- In the meantime, here are three aspects of Graph Search you should know about:
- **1. Word-of-mouth recommendations are going to be even more powerful.**
- This is where Graph Search acts a lot like Yelp, only more personalized. You can search for restaurants, music, activities--pretty much anything--based on things like location and number of friends' likes. In other words, users are not just browsing random reviews; they have the ability to gather word-of-mouth recommendations from friends, without actually having a word-of-mouth conversation. Plus, they can prioritize the results based on how close they are to the friends. If Facebook can't return the results you're looking for, it will direct users to a Bing search.
- **2. Recruiting via Facebook just became easier.**
- You probably already use a popular online network to look for qualified job candidates and referrals, right? So what sets Facebook's new tool apart from LinkedIn? The fact that Graph Search lets businesses create hyper-specific searches within their existing Facebook networks, such as "employees of my company who are friends with employees of Google" or "people who have been project managers and founders."
- Facebook aims to go beyond the basic search for talent and let you dig deeper into your existing connections--so they can dig deeper into their own connections.
- **3. More personal data means even finer-grained ad targeting.**
- Though Facebook repeatedly stresses time and again its commitment to user privacy, the fact of the matter is this: Facebook needs its users to generate revenue. By sharing information about what they like, what music they listen to, where they vacation, and who they know, each user creates a specific marketing profile valuable to companies and advertisers. Expect that data profile to get even more detailed with Graph Search.
- But there is at least potential hiccup: In order for Graph Search to really work, it relies on users to keep their information detailed and accurate--by registering their current city, favorite music, interests, places, etc. It will be even "more important [for users] to make sure that all of their information is up to date," said Tom Stocky, product management director of Facebook. Given users' [increasing privacy concerns](#), that's no easy task.
- Will users be willing to participate, not to mention ditch those other Web services and start using Facebook in new ways? Stay tuned.

Facebook Deal to Buy Microsoft's Atlas Coming As Soon As Next Week

Social Network Is Building An Ad Stack to Rival Google

By:

[Jason Del Rey](#)

Published: [February 07, 2013](#)

674 share this page





Microsoft's attempt to find a new home for its Atlas ad-serving business may finally be coming to an end. The company is expected to announce a deal to sell it to Facebook as early as next week, according to multiple people familiar with the plans.

The acquisition price is not known, but is expected to be less than \$100 million, based on prior bids for Atlas, which have been in the \$30 to \$50 million range.

The acquisition would be the surest sign yet that Facebook has designs on becoming an even bigger player in advertising than it currently is now. Facebook is methodically laying the groundwork for an off-Facebook ad network powered by social data, but that's not the only reason it wants Atlas.

RELATED STORIES

[Facebook to Make Targeted Ads More Transparent For Users](#)

Move Is Another Step Toward Web-Wide Ad Network

[How Facebook's Graph Search Will Dethrone Google Search](#)

Searches Not for What People Want, But What They Like

Facebook is very focused on proving the worth of the data it sits on as well as the effectiveness of its ads. Owning an ad server would allow big advertisers and agencies to connect directly to Facebook to better measure the effectiveness of their campaigns. Now, most advertisers use one of the many Facebook ads API partners, third parties that connect to Facebook's display tools and exchange.

Controlling the ad technology stack from end to end could also help Facebook eventually open up its data to advertisers in a more controlled way, without exposing it to intermediaries.

Essentially, Facebook is looking to build a full array of digital-advertising technologies to rival Google. Yes, Facebook wants its own ad-tech stack.

Atlas still has some big agency and brand clients, such as [AT&T](#), who use it to serve, track and measure online ad campaigns. But its market share has suffered in recent years as it lost out to other top ad servers, such as Google's Doubleclick for Advertisers. Facebook will likely continue to serve Atlas' biggest customers and may feel that if it invests in Atlas it will have a chance of building an ad-serving product that once again rivals Doubleclick

Stores Seeking Shoppers Find E-Mail Outdraws Facebook

By Sapna Maheshwari and Matt Townsend on December 18, 2012

Even as retailers debate the efficacy of social-media marketing on Facebook and Twitter, they have no doubts about the power of a decades-old technology to drive sales. **The killer app is called e-mail.**

Retailers as disparate as Williams-Sonoma Inc. ([WSM](#)) and Home Depot Inc. ([HD](#)) have become much better at tailoring e-mails to specific customers rather than the one-size-fits-all blasts that once dominated this type of marketing. **Measured by sales per dollar spent, e-mail outperforms social-media advertising three to one, according to the Direct Marketing Association, a trade group founded to provide accurate marketing data. That explains why retailers will send 19 percent more e-mails this year.**

Compared with social-media, e-mail marketing will never be sexy, said Ted Wham, a vice president at Responsys Inc., a San Bruno, California firm that helps companies build digital relationships with customers.

“But it depends on what’s sexy to you,” he said. “In my opinion, making a high profit rate and bringing in a lot of incremental dollars is very sexy.”

Competition is fierce this holiday shopping season as the National Retail Federation predicts sales will rise 4.1 percent to about \$586.1 billion in the period, compared with a 5.6 percent increase in 2011. Online sales may grow to a record \$43.4 billion in the last two months of the year, a 17 percent increase from last year, according to ComScore Inc.

At the same time, the number of Black Friday and Cyber Monday shoppers making purchases after clicking through from social networks such as Facebook, Twitter, LinkedIn and YouTube declined by at least 26 percent this year from 2011, even as online sales soared, IBM Digital Analytics Benchmark said last month. So-called social sales contributed less than 0.5 percent of online revenue both days.

Smartphone Boom

Major retailers are on track to send subscribers an average of 211 promotional e-mails in 2012 compared with 177 last year, according to Responsys. The boom in smartphones means consumers check e-mail more often, at a time when data and web tracking are becoming more mainstream and easier to use.

The numbers drive a compelling case for that -- **e-mail provided \$39.40 in sales per dollar of advertising this year, followed by \$22.38 through Web search, \$19.71 from Internet display ads and \$12.90 from social networks, according to the Direct Marketing Association.**

Home Depot has been honing its targeted marketing, sending e-mails that incorporate customer preferences and previous behavior, because it's 10 times more effective than blasts to a general audience, Chief Marketing Officer Trish Mueller said in June.

Painting Electricians

For instance, if customer data shows electricians are no longer sub-contracting the painting portion of remodeling jobs and doing it themselves, an electrician that just bought copper wire may soon receive an e-mail for a discount on paint, she said. In the past, that person would just get an e-mail offer relevant to their known skills, she said.

Williams-Sonoma's e-mail and browsing data is so expansive the company can use it to drive product recommendations by customer to specific stores, Patrick Connolly, the San Francisco-based company's CMO said in October.

While stores still use old tricks including limited-time offers -- a Bloomingdale's e-mail on Dec. 12 read "FINAL HOURS! Mystery Savings" -- they're increasingly tailoring message content and timing to demographics, previously purchased or viewed products and items left in virtual shopping carts.

Williams-Sonoma's West Elm urban furniture chain has sent e-mails to customers who have forgotten about items in their shopping carts with subject lines asking if they are still thinking about that particular merchandise. In the body of the e-mail, customers are warned: "Get it before it's gone," and "Don't miss out on the things you love."

Ad Portal

They're also using e-mail as a "portal" to a flurry of ads across the Web, said Chris Saridakis, president of EBay Inc.'s GSI Commerce, which provides e-commerce services to hundreds of retailers.

Once a user clicks from an e-mail to a retailer's website to see that forgotten organic cotton duvet at West Elm, say, or to browse the 30 percent-off shoes at Asos Plc, third-party trackers called cookies recall the activity. Later, while visiting a news website or Googling "clothes," consumers may see banner or Google Inc. (GOOG) ads designed to lure them back to those retailers' sites.

"It extends the life of an e-mail and we see that driving an incredible amount of return behavior back to the retailer's site with a higher conversion rate," Saridakis said in a telephone interview.

Retarget Customers

Williams-Sonoma may use as many as 200 different Internet advertisements per brand to retarget customers after they leave the company's websites, which, while potentially surprising, is "very effective," Connolly said in October.

It can take a lot of e-mails to hit the mark. A successful e-mail campaign may result in a 20 percent open rate with 5 percent of people clicking through and 1 percent making a purchase, though figures vary around targeted messages and holiday specials, Chad White, research director at Responsys, said in a telephone interview. On the other hand, about half of consumers will read postcards, the most effective form of direct mail, which is pricier, according to a report from the Direct Marketing Association.

Facebook Prepares to Bring Video Ads to News Feed, Aims for TV Dollars

But Will TV Ads Disrupt Social Experience?

By: [Jason Del Rey](#) Published: [December 18, 2012](#)

1.1k share this page



Get ready for video ads in your news feed.

Facebook is set to unveil a new video-ad product in the first half of next year in its largest attempt to date to attract big swaths of ad dollars from TV advertisers, according to several industry executives who have been briefed on the company's plans over the past few weeks.

Facebook on the day of its IPO.

Facebook is still debating several product features, but has decided on this much to date, these executives said: By April at the latest, it will offer video advertisers the chance to target video ads to large numbers of Facebook users in their news feeds on both the desktop version of Facebook as well as on Facebook apps on mobile phones and tablets.

Facebook is leaning toward capping the length of these video ads at 15 seconds -- a move that could push ad agencies normally reluctant to cut down their 30-second

commercials to do so. That decision could also mean that 15-second video ads would become more prevalent elsewhere on the web.

'Autoplay' ads

In what's sure to be a controversial move, the visual component of the Facebook video ads will start playing automatically -- a dynamic known as "autoplay" -- according to two of the executives. Facebook is still debating whether to have the audio component of the ads activated automatically as well, one of these people said.

On the desktop version of Facebook, the video ads are expected to grab a user's attention by expanding out of the news feed into webpage real estate in both the left and right columns -- or rails -- of the screen. Facebook is also working on a way to ensure that the video ads stand out on the mobile apps as well, though it is unclear how exactly the company will accomplish this. (Some details about the video-ad plans remain vague and could change as Facebook gets more feedback from clients.)

Advertisers will be able to show their video ads to desktop users of Facebook, but Facebook has been highlighting the mobile versions of the product in meetings with ad agencies, demonstrating the product on both tablets and mobile phones. Advertisers will be able to show the same video ad to a Facebook user up to three times a day across various devices, two of the executives said.

All of the executives interviewed view the new video ad product as a blatant attempt on Facebook's part to wrest big ad dollars from TV budgets. Ad agencies have plenty of TV spots and increasingly want to extend their reach on the web. But TV-like inventory on the web is scarce, which is why ad rates at places such as Hulu are so high.

Inventory from scratch

Adding video ads to Facebook would create a huge new trough of inventory created essentially from scratch. With Facebook's scale, advertisers could target demographics as they do on TV as well as use the gross ratings point currency, which they use for TV.

Yet questions remain. How widely will advertisers be able to distribute these TV commercials on Facebook? Will they only be able to show them to their Facebook fans, and friends of their fans, or to the Facebook user base at large?

For the most part, videos from advertisers currently only appear in a user's news feed if that person, or a friend of that person, has "liked" that advertiser's brand page on the social network and the brand has posted a video to its page. But several of the executives Ad Age interviewed are suspecting that advertisers will be able to target these video ads to Facebook users whether or not the user or his friends has any relationship on Facebook with the advertiser.

"The assumption is that these would be widespread campaigns," one of the execs said. "They are looking to grab big chunks of money ... millions of dollars."

These executives stressed that Facebook has not indicated yet whether this will be case, but they note that the product would otherwise carry much less appeal to advertisers. It is not clear how Facebook will charge for the video ads. Video-ad prices are typically higher than other forms of web advertising.

Facebook Is Quietly Implementing A Plan To Destroy Television

[Jim Edwards](#) | Dec. 8, 2012, 11:25 AM | 11,184 | 24

Facebook's management has recently adopted a new mantra: that [Facebook's audience is the equivalent of three Super Bowls every day](#). COO [Sheryl Sandberg](#) said it on the [Q3 2012 earnings call](#). And vp/global marketing solutions Carolyn Everson said it at our Ignition 2012 conference in New York recently.

It turns out that this mantra is a clue to how [Facebook](#) intends to start stealing the advertising dollars that currently go to television. Facebook has made three recent moves that all point to an attack on the ad dollars that previously went to TV:

- **Facebook is now the second biggest server of online video**, behind [YouTube](#). Although Facebook is a *distant* second to YouTube, that's still huge progress. Facebook now shows more video than [Yahoo!](#), [Vevo](#), [Microsoft](#), [AOL](#) and everyone else.
- **Facebook has a partnership with Nielsen**, to develop "[Nielsen Online Campaign Ratings](#)" (OCR), which measure the audience for Facebook ad campaigns in a similar way to how Nielsen measures TV audiences, by reach and frequency. The result is that it is now a lot easier for big advertisers to compare their TV ROI with their Facebook ROI.
- **Facebook has a partnership with Datalogix**, a consumer data company. It allows advertisers — particularly big packaged goods companies like Procter & Gamble and Unilever — to target their own customers with ads inside Facebook, and to compare those campaigns against control groups that did not see them, and thus calculate exactly how many sales any Facebook campaign created.

Put this altogether — along with the notion that Facebook is bigger than the [Super Bowl](#), TV's *ne plus ultra* of audiences — and it appears that Facebook sees TV's old media dollars as ripe for the picking.

Lucy Jacobs / Spruce Media

Spruce COO Lucy Jacobs

"Facebook is 100 percent primed to take down those TV budgets," according to Lucy Jacobs, COO of [Spruce Media, which handles about \\$150 million in Facebook ad buying](#) annually, from advertisers like [Samsung](#) and P&G. The Nielsen aspect allows Facebook campaigns to be measured with "gross ratings points," which are a measure of the reach and frequency of a campaign as seen by the target consumers. "They are building a case for moving TV dollars to Facebook as they help brands quantify how Facebook reach and frequency maps to GRP's," Jacobs tells us.

She notes, of course, that this is not going to happen overnight. It's still really "easy" for advertisers to continue buying TV: The infrastructure and the habits have been in place for years and will not easily be dismantled.

But it could happen, if Facebook gets its way.

Of course, Facebook, can't offer illegally copied movies. But it can do what Google's YouTube has done — offer a huge amount of rights-managed video for free. Online [video watching is already eating into TV ratings](#) and ad dollars.

This is where it gets really interesting: The main difference between Facebook video and YouTube is that Facebook's audience is logged-in while it watches, and Facebook can let advertisers target viewers using all its available data on each user. On YouTube, by contrast, a huge chunk of the audience watches anonymously because you do not need to sign-in to see the content.

Guess What Percent Of Black Friday Online Sales Came From Twitter Referrals? .68% of online sales came from Facebook

[Henry Blodget](#) | Nov. 25, 2012, 9:11 PM | 8,561 | [12](#)

Pandora, Twitter the Two Most Mobile-Centric Media Properties

Microsoft, Viacom and Disney Lag in Attracting Mobile Audience

By: [John McDermott](#) Published: [November 29, 2012](#)

104 share this page



Victor J. Blue/Bloomberg

As the media industry continues to adapt to an increasingly mobile audience, it's evident that Pandora and Twitter are ahead of the curve.

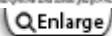
A new report released by digital research firm ComScore tracked unique viewers across all devices (laptops, PCs, smartphones and tablets) for the 30 most heavily trafficked digital media properties in the U.S., and found that Pandora and Twitter were the most well-indexed on mobile. Older, more well-established media properties like [Viacom](#) and [Disney](#) lagged behind their competitors in terms of having a significant portion of their audience come from mobile.

The Media Metrix Multi-Platform -- which is still in beta -- found that a whopping 81.2% of Pandora's users access the music-streaming service from mobile devices. For comparison, the study found that 54% of all the 243 million unique viewers in the study accessed properties via mobile.

September 2012
Total U.S. (Age 18+ on 95% Android and 98% iPhones for Mobile)
Source: Media Metrix Multi-Platform and Media Metrix

Media Metrix Multi-Platform Rank	Media Metrix Rank		Unique Viewers/Viewers 2012		
			Total Digital Population	Desktop	Mobile
		Total Internet / Total Audience	234,953	219,876	150,898
1	1	Google Sites	214,808	109,540	105,268
2	3	Yahoo! Sites	189,272	164,484	84,204
3	4	Facebook.com	179,411	151,132	81,502
4	2	Microsoft Sites	178,565	160,032	41,827
5	5	AOL, Inc.	115,868	120,836	52,400
6	6	Amsco Sites	114,522	111,170	61,844
7	7	Minnesota Foundation Sites	103,724	89,441	39,444
8	8	Orion Media	102,288	88,854	39,749
9	10	Agfa Inc.	102,858	79,809	47,957
10	9	CRJ International	100,898	88,995	38,952
11	11	Tamara Capital	95,111	84,549	38,956
12	12	Asia Networks	91,011	78,823	31,810
13	14	elley	90,289	73,805	37,527
14	13	Demant Media	89,094	78,214	38,802
15	15	New York Times Digital	89,284	71,871	36,401
16	16	Comcast NBCUniversal	83,165	78,831	31,125
17	17	Federated Media Publishing	81,922	68,846	38,071
18	18	Viacom Digital	79,418	71,010	28,212
19	23	ESPN	65,468	47,345	21,819
20	24	Weather Channel, The	62,268	48,930	38,870
21	30	Grandnet Sites	61,514	48,469	34,140
22	22	Answers.com Sites	60,228	48,826	22,760
23	81	Pandora.com	59,627	22,857	48,841
24	19	VRVO	57,118	55,833	4,866
25	20	magidell, Inc.	57,442	49,801	18,857
26	27	Twitter.com	56,738	38,840	35,646
27	34	Disney Online	51,938	44,508	14,470
28	25	Real Mart	51,448	41,515	18,842
29	30	Yelp.com	47,928	23,305	23,021
30	36	Unilever	47,064	38,800	12,620

*Note: Desktop includes audience reached via video and will therefore differ from standard Media Metrix rankings. Mobile includes smartphone and tablet platforms

 Q Enlarge

View the Media Metrix Multi-Platform in full

Based on solely PC viewer data, Pandora is the 61st-ranked media property on ComScore's Media Metrix index. Using the multi-platform ranking, however, Pandora is No. 23, the largest jump in the study.

More than half (53.6%) of Twitter's unique viewers use mobile. Google, meanwhile, receives 51.6% of its uniques from mobile and was the only property to have more than 100 million uniques on both PC and mobile.

Not far behind was Facebook, the social network that's repeatedly said it wants to be a mobile company, with 51.2% of its unique viewer audience using the network from mobile.

The New York Times was the only newspaper to rank in the multi-platform top 30, coming in at 15 with mobile accounting for 40.9% of its uniques viewers.

On the opposite end of the spectrum were Disney Online (27.7% of uniques from mobile), Viacom (25.4%) and [Microsoft](#) (24.4%), who is the midst of a billion-dollar marketing push for its Windows 8 operating system and accompanying tablet, the Surface

[This Is How Much Time You Spend on Facebook, Twitter, Tumblr](#)

November 28, 2012 by [Zoe Fox](#) 9

[Social media](#) now accounts for 18% of time spent online, according to a new infographic.

Since 2006, the amount of time that the average person spent on social-networking sites has more than doubled, from 2.7 hours to 6.9 hours per month (14 MINUTES/DAY). More people are using social media, as well. While only 24% of Americans had a single social-media profile in 2008, 56% of Americans do now.

Between the different social media sites, [Facebook](#) is, unsurprisingly, king. The average Facebook user spends almost seven hours each month on the site — that's well ahead of [Tumblr](#) and [Pinterest](#), which tie for second place for most time spent. The average visitor to Twitter, LinkedIn and Google+ spends less than half an hour on the site per month (LESS THAN 1 MINUTE/DAY).

[Facebook Exchange](#) allows for advertising retargeting by extracting users' online behavior off Facebook. Advertisers can now retarget customers who have already shown some interest in the product or service. It's a real-time bidding service for ads — big-time.

During this year's season of giving, Facebook will be rolling out a conversion measurement tool specifically engineered for direct-response marketers that will not only show companies how their Facebook ads drove actions on their own sites but also use that conversion data to inform future ad buys.

"Marketers have been asking for this system for a long time from us. We know it's incredibly important to marketers that they be able to measure the effectiveness of their ads, and the holidays are a great opportunity for direct-response marketers to drive sales and really see the effectiveness of [their ad campaigns]," Baser said.

Here's how the self-serve tool works. Marketers add a piece of code from Facebook to whichever site pages they want to measure conversions on, be it a checkout page or an

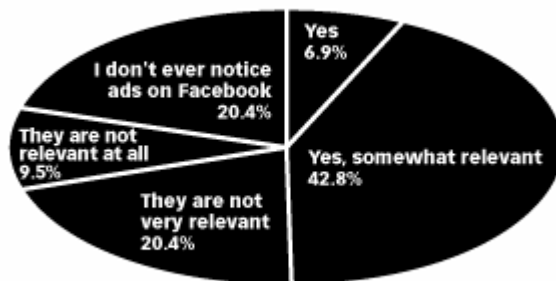
email newsletter sign-up page. When users click on a Facebook ad that leads them to that page, Facebook will see that the page loaded and count it as a conversion in the marketer's Ads Manager dashboard.

The real key is that the tool can unlock the full path to conversion from a Facebook ad. For example, a retailer could run a Facebook ad promoting a shoe product. That ad could link to the shoe's product page on the retailer's site. Retailer adds the conversion code to that page, Facebook counts the conversion, easy. But what the retailer really wants is for the user to put the shoe in their online shopping cart and then check out. So long as the retailer adds the Facebook code to those pages as well, Facebook will be able to see that those pages loaded and count each step to conversion

"While digital media continues to explode in popularity and affect traditional media usage, the underlying trust of media consumers toward digital compared to traditional media are not yet equal," said Triton VP of Business Strategy Jim Kerr. "Similarly, traditional media advertising continues to prove effective and more likely to influence purchase decisions than digital ads."

US Facebook Users Who Believe Ads on Facebook Are Relevant to Their Interests, May 2012

% of respondents



Note: n=348

Source: AYTM Market Research as cited in company blog, May 24, 2012

141050

www.eMarketer.com

Compete argues that the number of Likes a brand collects via Facebook is a common but potentially misleading measure because ***it's cumulative rather than current***. *Using a weather analogy, it compares the obsession with Likes to looking at how much snow has fallen in total over the past 10 years versus how much is falling now or this winter*

Study: Only 1% of Facebook 'Fans' Engage With Brands

Not Many Fans Are Creating Content, But That Might Not Be a Bad Thing

By: Matthew Creamer

January 27, 2012



For a few years now, brands have been touting frothy Facebook "like" numbers as evidence of their social-media acumen. But how many of those fans are actually bothering to take part in conversation with brands? Not too many, as it turns out.

Slightly more than 1% of fans of the biggest brands on Facebook are actually engaging with the brands, according to a study from the Ehrenberg-Bass Institute, an Australia-based marketing think tank that counts Procter & Gamble, Coca-Cola and other major advertisers as its supporters.

To get to these findings, the researchers

Ad Age Survey: Marketers Love Facebook, But Many Have No Idea If Their Ads Work

One in Three Aren't Convinced Facebook is Useful in Driving Purchase Intent

By: [Michael Learmonth](#) Published: [June 27, 2012](#)

When it comes to Facebook, the nation's marketers have reached an overwhelming consensus: you simply have to be there.

Facebook Says It Can Take A YEAR To Get Results From Its Ads

[Jim Edwards](#) | Jul. 3, 2012, 9:57 AM | 1,354 | [2](#)

[Facebook](#) seems poised to snatch some good publicity ahead of its Q2 2012 earnings report from the disclosure in the [Wall Street Journal](#) that the company is in talks to [get General Motors back as an advertising client](#).

But buried in the same report is a statement attributed to Facebook's "head of measurement and insight," Brad Smallwood, that says [ad campaigns running on Facebook can take up to a year to see results](#).

Facebook More for Awareness Than Likes or Leads

Building 'Awareness and Sentiment' Well Ahead of Fan Accumulation

By: [Cotton Delo](#) Published: [July 09, 2012](#)

Marketers who buy ads on Facebook are more focused on building brand awareness than accumulating fans, according [to a new survey of Ad Age subscribers](#) by Ad Age and Citigroup.

Asked to identify their primary goal in Facebook ads, 45.9% of respondents put building awareness and sentiment for their brands at the top. [Driving traffic to brand websites](#) was the second most-cited goal, with 17.6% of respondents saying it is their most important objective, followed by building fans or likes, staying in touch with customers, generating sales leads and social commerce

Last August, Nielsen debuted a product enabling advertisers to measure their online campaigns -- including Facebook -- in GRPs, and it's gotten traction among advertisers and agencies, such as Unilever and GroupM, but only as a reporting metric and not for buying. (ComScore has also introduced a similar product.) However, the ultimate vision is for a media buyer to purchase, for example, 100 GRPs on TV and the equivalent of 50 GRPs on Facebook, which together might generate the equivalent of another 20 GRPs through owned and [earned media](#) on Facebook. The buyer would then have the understanding that all together he got 170 GRPs.

[Dead Air More Effective Than Facebook Ads](#)

The broadcast industry has a term called "dead air." It occurs when there's a mistake or a technical glitch that results in no audio on radio, or no picture on a TV screen. A blank TV screen is "dead air."

[In an absolutely astounding experiment, the banner advertising equivalent of dead air -- a blank display ad -- performed better than the average Facebook ad; twice as good as the average "branding" display ad; and only](#)

one click in ten thousand worse than the average of all display ads.

Now brands can target their posts at different segments of their fan base based on a huge range of factors. It's not just age, sex and location – this goes as far as relationship status, education, university/college and even workplace. It transforms a brand's fan page from a dumb broadcast tool into a hyper accurate and always up-to-date marketing database, allowing them to address different segments of their fan base with customized content. It also allows them to take into account the differing user behaviors of different segments, and optimizing the timing and frequency of their updates to match this. Both of these factors combined should generate higher engagement and therefore higher returns.

The secret, which Facebook released earlier this year, is that most users only see about 16 percent of updates from brand pages like yours.

Whenever I share this, there is a collective gasp heard throughout the room. “That’s not fair! We did all of this work connecting with them and now there’s a chance they won’t even see it? What gives?”

What gives is Facebook’s notorious EdgeRank algorithm. Born from Facebook’s desire to present you with only the most relevant and valuable updates from your network, this formula is one marketers can’t afford to ignore as they engage on Facebook

Here’s a [quick primer on FBX](#). A Facebook user visits a third-party website, such as a travel site where they view prices for a hotel in Hawaii. That website drops a cookie on the user’s browser, and then hands a demand side platform (DSP) the complementary cookie. The DSP identifies the user to Facebook and tells it it wants to advertise to them the next time they visit Facebook.

The user visits Facebook, which pings the DSP asking for a real-time bid for how much they’d pay per impression to show that user a Facebook sidebar ad. If the bid is high enough, the ad gets shown, Facebook charges the DSP, and the DSP charges the website owner.

Your Posts are only reaching a minority of your fans.

According to Datamation.com, "For the most popular businesses on Facebook, those with more than a million "fans," fewer than 3 percent of those fans are seeing the companies' daily updates... The picture improves for smaller companies. For those with between one thousand and ten thousand "fans," the percentage is just under 10 percent.

The report found a general reverse correlation between number of fans and percentage of fans seeing updates every day."

Almost half of Facebook users say they accidentally clicking on Facebook ads at least some of the time, [according to](#) Sterne Agee in October 2012 survey results. While most of those (38.7%) overall say they only do so some of the time, 8% say they do so at least half the time. These Facebook users don't appear to be very receptive to advertising, either. About two-thirds of respondents find the ads annoying, ranging from slightly annoying (24.2%) to moderately (19.4%) and extremely (23.1%) annoying. Still, 25.9% are neutral, describing the ads as neither helpful nor annoying. 5.7% find them slightly helpful, while no one reported finding them extremely helpful.

"Ads via mobile are a slippery slope, you are disrupting a very personal experience and anything overt will send users to less cluttered spaces," said Craig Elimeliah, vice president and director of technology and digital solutions at [RAPP](#), New York.

"Ads need to be highly contextual and extremely relevant to the user at that particular place and time while on the mobile platform," he said.

Television is still the "primary action driver through the consumer purchase tunnel," he said, citing Nielsen surveys that show 37% of respondents believe television is the most influential medium impacting their purchase decisions.

Clearly, the amount of time people spend watching TV on a daily basis -- more than five hours -- wouldn't suggest a medium that is dying. By comparison, he noted that the average daily time spent with Facebook and Pinterest is about 13 minutes and 1.6 minutes, respectively

Other key findings for the third quarter of 2012:

- US search spend grew 11% YOY, **while search ROI improved 26%**. Growth rates for search spend in the UK and Germany rose 36% and 25%, respectively.

Google CPCs decreased 10% YOY, likely attributed to an increasing share of mobile clicks, for which CPCs are less expensive

Although Adobe recently reported that [Facebook fan engagement rates surged in Q3](#), they still remain quite low. According to a NapkinLabs study of brand pages with between 200,000 and 1 million fans ([reported by Mashable](#)), **just 6% of Facebook fans engage with brands' Facebook pages by liking, sharing, or commenting.**

Data from both sources suggests that smartphones are used more on the go than are the larger-form tablets, although it's important to remember that smartphone use is also above-average in the evening hours, **suggesting that much of the time spent with smartphones occurs in the home.** Indeed, a [study released in October](#) by AOL and BBDO found that 68% of consumer mobile phone use occurs in the home. Nevertheless, the differences in usage for smartphones and tablets means that **advertisers should consider day-parting in mobile campaigns to reach the different form factors based on time of day**

The Bigger You Are, The More Challenging It Gets

Naturally, the bigger your Facebook page gets the more people your posts will reach. But the percentage reached will gradually decrease, as it will represent a smaller fraction of your fan base. Yes, the bigger you are, the harder it is to reach and engage a larger percentage of your fans. While a smaller page with less than one thousand Likes reaches on average 33.2% of its fan base with a single post, a bigger page with between 100 and 999 thousand fans reaches "only" 8.2% of them, but of course the actual number of fans reached is larger.

Which mobile device you use says a lot about your buying habits. That's why Facebook has begun allowing advertisers to select which devices and operating systems their Facebook mobile ads appear on. This lets Android app developers avoid wasting money advertising to iPhone users, and lets luxury brands target people with iPads

For each person who creates content and shares it across an enthusiast community, about 266 people interact with the content. In comparison, the average news feed story from a Facebook user reaches 12% of friends. Given the average Facebook user has 229 friends, about 27 people see the post, estimates from Pew Internet & American Life Project research.

The [Facebook Exchange](#) allows **approved third-party platforms to place retargeting ads** on Facebook after users visit external websites marked with cookies.

When a user visits a site that has hired one of Facebook's partner platforms (DSPs), a cookie will be placed on that user's browser when the person reaches a stage that

implies purchase intent. If a user does not complete a transaction, the DSP will be able to bid on retargeting ads that appear in the right-hand column of Facebook when the user returns to the social network. See examples below, which happen to be retargeted ads about ad retargeting.

Has the rate of accidental “Likes” and clicks increased substantially as Facebook usage has shifted to mobile? We view this as a critical issue, as accidentally clicking on an ad on most mobile websites causes you to see an unwanted ad, but clicking Like accidentally on Facebook causes you and all of your friends to be spammed by that brand daily going forward

Does Retargeting Undermine Social Marketing? Retargeting is a fairly common practice on the Internet. Facebook appears excited by the early results of its Facebook Exchange employing retargeting techniques onto Facebook.com. However, we question whether this relative success of retargeting undermines the concept of social marketing

This is where Facebook pulls the proverbial bait and switch. They offer this so-called great deal – an ad at a discounted rate – i.e. promoted post to reach thousands of people for dirt cheap prices \$5 – \$30. What’s the catch? A good portion of the audience is not even in your country of residence! So, if you are promoting to your target market, (let’s say for instance, I’ve been building an audience in the metro Atlanta, Georgia area) and I use the promoted post for \$5 and it says it will reach up to 3,000 people. I THINK I’m getting a great deal because I’ve worked like crazy to build my fan-base in the metro Atlanta area. Look who this ad actually reached. Yes, the ad DID reach some people in the United States, but look at all the other countries! How many of those 3,020 impressions do you think were actually shown to MY target market?

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

1200% ROI with Facebook ads according to Facebook

by [Jim Dougherty](#) on December 2, 2012

[inShare](#)



You may have heard of the Samsung Galaxy S3 smartphone. Right now it's outselling the iPhone, selling about 200,000 units per day. And according to Facebook Global Marketing Solutions VP Carolyn Everson, Facebook ads returned nearly 1200% ROI for Samsung's three month campaign. Everson [revealed](#) at the Business Insider IGNITION conference that Samsung spent \$10 million dollars and achieved \$129 million in sales directly attributable to their Facebook campaign.

1200% return on their investment? As it turns out Samsung has sold over [30 million](#) of the S3 phones, so 1.3 million units attributable to Facebook isn't implausible. But I find that calculation highly suspect and here's why:

Did 8% of Samsung's Facebook fans buy an S3?

Samsung has 15,680,000 fans on their Facebook page. Assuming the cost of the S3 to be \$100 (their most recent cost), Samsung would have to sell about 1.3 million units to their Facebook fans to have \$129 million in sales, which amounts to about 8% of their Facebook fans. That would be a fairly unprecedented rate of conversion, especially difficult to attribute primarily to Facebook. Because the sales figures are such a large percentage of total Facebook fans, we have to assume that they are attributing a larger sales amount per unit to calculate sales.

Of course the vast majority of those fans own a Samsung phone. By a rudimentary calculation 2 million phone owners would be eligible for a phone upgrade (if a cell company allows one every two years). So converting 60% of eligible cell customers makes Facebook's claim even more unlikely.

There's also the issue of the campaign itself, which was at one point [hijacked](#) by Apple fans. In fact, that particular [post](#) (what electronic item would you take with you on a desert island?) continues to be commented on primarily by Apple fans. So there's a question as to the effectiveness of the advertising content Samsung placed on Facebook as well.

Everything I know about the Samsung Galaxy S3 I learned from 72andSunny

There are a couple other aspects to the story which merit consideration:

First, a Google India [study](#) from last week concluding that 70% of electronics customers participate in ROPO (research online purchase offline) behavior. It's reasonable to assume that people are going to do research before making a phone purchase that is going to tie them to a device and a phone contract for two years. Facebook really doesn't have a great deal of information to offer customers looking for earnest reviews and technical details. Facebook can increase awareness for a product like the Samsung Galaxy S3, but Facebook ads and pages are ill-equipped to convert a sale for a smartphone for ROPO consumers.

Secondly, you may not know advertising agency [72andSunny](#) but you probably know their work. They created two of the best campaigns of recent memory, not-so-coincidentally for the Samsung Galaxy S3 (both embedded below). In their first campaign, they lampoon Apple users for waiting in line for an iPhone culminating in the reveal that Samsung users are holding a place in the Apple line for their parents. In the second campaign, a husband is leaving for a trip and as his family says goodbye his wife shares two videos: one from the kids to watch on the airplane and one from her that is not suitable for the airplane (prompting one of my favorite headlines from c|net's Chris Matyszczyk, "[New Samsung Galaxy S3 ad: It's good for sharing sex tapes!](#)"). The point being that there was incredibly effective creative product that did a phenomenal job differentiating the features of the phone from its competition in a memorable way.

Back to the numbers though: if Samsung sold 30 million units and 1 million (generously) is attributable to Facebook maybe there's another way to look at this? AdAge [estimated](#) Samsung's ad spend for the Galaxy S3 phone would be a little over \$280 million. So even if you take Facebook at their word, their ads are still underperforming compared to Samsung's other advertising.

...but they're not telling the truth

Facebook has value. Samsung wouldn't have invested 3.5% of their ad spend with Facebook. But anyone expecting to get \$12 for every \$1 spent on Facebook advertising is going to be awfully disappointed. The Galaxy S3 just happens to be a hot item, primarily because effectiveness of the 96.5% of their ad spend that didn't go to

Facebook (and in large part due to some extraordinary creative by 72andSunny). The fact that Facebook can't discuss a campaign like this with pragmatism, choosing instead to take credit for far more than they could possibly have accomplished is probably a good indication of the current state of Facebook advertising today.

What do you think? Did Facebook hit this campaign out of the park or are they taking credit for too much? And what does it say about Facebook that an executive makes these sort of claims?

[eas](#)

Mark Cuban said it best...

A few weeks ago, Mark Cuban caught dissension from all over the Internet for [calling Facebook a "Time Waster"](#). The purpose of this article is to point out the simple fact that for Businesses, he could not have been more correct. If you run a business, and you are looking to make money through driving people from Facebook to your products or services, Facebook is very likely not in any way worth the amount of time or expense required.

IBM has released a couple of [reports](#) that are positively devastating to the notion of Social Media as a platform for driving commerce. The IBM Digital Analytics Benchmarks Social Summary metrics for "Black Friday" and "Cyber Monday" should be enough to put to bed the misguided idea that advertising on Social Media platforms is an effective strategy for driving sales.

Is Facebook Becoming Irrelevant?

Remember those spam emails that used to annoy us? The ones that gave us the heads up that Facebook was going to ask us to pay and the only way to avoid it was to post some nonsensical message on our Wall? Yep, that's the one Facebook felt obliged to [debunk](#) saying that it was free and would always [be so](#). Well, they really are so last year.

Facebook, the world's 'favorite' social network, these days seems intent on doing a couple of things exceedingly well: reneging on its [promises](#) and annoying the hell out of its [membership](#).

Now on the face of it Facebook is not really doing anything that any other online business should not or would not do: it's trying to use its substantial global membership to create several commercial income streams. But that's as far as my understanding nature is prepared to go. The reason I'm not cutting the social network much slack is because when you get to that size and believe you have that much clout you need to also be able to understand that the only way to translate it into cold, hard cash is by remaining relevant.

Relevancy is turning out to be an online quantity that resides at the very heart of online monetization and the reason for that lies in the simple fact that by being relevant you also become able to best use that other incredibly important digital marketing quality: context.

Consider this simple example for a moment: You're walking down the street looking for a hardware store in a new neighborhood. Suddenly, in front of you, you see a guy handing out leaflets touting hardware tools. Unable to believe the serendipity of this you grab one. Not only do you find that the store is near you but it also has a special offer on, limited to the very same day! You're in luck. It would take an immediate act of God akin to the Earth opening up and swallowing you whole to stop you from traipsing down to that hardware store and giving them your cold, hard cash.

By appearing the moment it did, as if by magic, that particular ad not only made the hardware store relevant to what you were doing at that particular moment in time but its context was also spot on. You were actively looking to spend on hardware tools and it suddenly became imperative you did so, in order to take advantage of the offer.

Relevancy and context are frequently mistaken for targeting and personalization but they are not the same thing at all.

To prove it consider this example: You're lounging down the pub shooting the wind with your besties. You're right in the middle of some story about a party when in comes a guy with a bunch of leaflets. It's the same hardware store with the very same tools and the very same offer as before. I am giving away no prizes for anyone guessing just how effective that kind of marketing really is.

Yet, that is the kind of marketing Facebook is betting its future on, at present.

The danger of that approach is that Facebook, that began life as the place to hangout on, is beginning to **piss off** its membership base sufficiently for them to look for alternatives. And the moment the membership base begins to dissipate, businesses and their advertising dollars will not be far behind.

Right now this is not yet happening in sufficient numbers to worry anyone. Given the built-in latency in online trends however the chances are that by the time it becomes apparent and Facebook responds, it'll be too late. The world's favorite social network will have truly become irrelevant.

Facebook: Finding The Wobbles

We attended a conference which focused upon Facebook marketing this week. One presenting marketer provided one of the best explanations we have heard to date about how Facebook budgets have been justified given the absence of an obvious tie between FB campaigns and sales for many marketers.

The marketer began with a "gut" feel that they should be advertising on Facebook, as so many marketers have done. Pointing to NASA's hunt for planets outside of the Solar System by looking for "wobbles" of light, the marketer performed extensive analytical exercises (employing Big Data analytics consultants) which intended to look for marketing outcome "wobbles". With extensive testing, they conclusively demonstrated a positive impact across a range of metrics. Towards this end, an important notion around assessing Facebook in media mix models is that **the objective is less about proving cause-and-effect and more about providing confidence that a budgeting choice is "less wrong" than alternative choices.**

This view proves more interesting in the context of news which emerged later in the week regarding Facebook's prospective interest in Microsoft's Atlas division. To the extent that Facebook is in fact interested, it would highlight that the company is seriously interested in establishing an ad network, as Atlas has some of the most well-established (if, in recent years, under-invested-in) technology that facilitates the delivery of ads from buyers to sellers. Atlas - or any ad serving business developed in-house - would deepen the publisher-side relationships that Facebook has been building through the development of its API in recent years.

How Blank Display Ads Managed to Tot Up Some Impressive Numbers

And No, Most People Didn't Click on Them by Mistake

By: [Ted McConnell](#) Published: [July 23, 2012](#)

1.5k share this page



This is the story of a blank display ad that notched twice the click-through rate of the average branding one.

It all started over lunch with my friend Charlie.



Ted McConnell

"When I want to make quick money on clicks," he said, "I just buy late-night impressions on women's gaming sites. I guess the users are tired. They click like crazy. I make a lot of money."

Maybe, I thought, there's an ambient mistake-click-rate on the web, like cosmic background noise. I wondered if that rate was high enough to create misleading conclusions about ad effectiveness or mess up the algorithms that drive automated buying and selling.

The online-ad ecosystem is constantly adjusting itself to place messages where they will get clicks. This learning loop takes mere minutes in the automated model.

Clicks are counted as a surrogate for attention, and still used as our most important currency (i.e. cost-per-click). They are also the principal signal in a control system that governs a giant machine.

Sure, every control system has a little noise in its signals. Sunspots cause garage doors to open, I suppose.

But in this case, the issue for advertisers would arise when clicks that mean nothing (noise) overwhelm the clicks that indicate, or result from, interest in the advertising

message (signal). When the signal gets below some threshold—"you're breaking up!"—even a little noise can render it useless.

If indeed there are a lot of mistakes, those with low click rates are most exposed to the noise. And this is often the case for brands that absent a strong call to action, have click rates in the order of 0.02% to 0.04%.

So what is the mistake rate?

To find out, we built and trafficked an ad. But not just any ad.

The skunk works included an astrophysicist at online-analytics firm Moat, an ad-platform wizard from buying and optimization company Accordant Media, and a measurement maven from the Advertising Research Foundation. We equipped every ad with Moat's tag, and correlated that with traditional server-provided measures. Each ad was wired to reliably measure everything that happened to it, anywhere it ran.

The brief was simple: Create an ad that offered no message. Blank.

Surely, clicks on blank ads would qualify as noise.

We also enabled the ad to ask anyone who clicked: Why did you click? "Mistake" or "Curious"?

We created six blank ads in three IAB standard sizes, and two colors, white and orange. We trafficked the ads via a demand-side platform (DSP) with a low bid. We started with run of exchange, and in another phase trafficked to "named publishers" that would accept unaudited copy.

The average click-through rate across half a million ads served was 0.08%, which would be good for a brand campaign, and so-so for a direct response campaign. We detected no click fraud in the data we counted. Half the clickers told us they were curious, the other half admitted to a mistaken click. To obtain further insights, we tracked hovers, interactions, "mouse downs," heat maps—everything. (Heat maps detect click fraud because bots tend to click on the same spot every time.)

Our data suggest that about four clicks in every 10,000 impressions are unintentional, and there was some variance by site.

This does raise a question. What is a click? Is it just an indication of a person solving a little mystery along the route of his quest? Is it an experiment? Is it a nervous tick? Or all of the above?

Considering that clicks are the core of our digital nervous system, and the key to the online economic system, we know little.

At a minimum, the data suggest that if you think a click-through rate of 0.04% is an indication of anything in particular, you might be stone-cold wrong.

Is this research flawed? Yes, because we trafficked a blank, not an ad. Still, it's indicative that below some threshold, there is a lot of noise to confound our delicate signal.

And now it's over. The team will celebrate. The dinner bill might exceed the cost of the test, which was \$480 dollars. That's a pretty good deal for a diagnostic check-up on a \$100 billion machine, don't you think?

Ted McConnell is exec VP-digital for the Advertising Research Foundation.

Guess What Percent Of Black Friday Online Sales Came From Twitter Referrals?

[Henry Blodget](#) | Nov. 25, 2012, 9:11 PM | 8,561 | [12](#)

•

What percent of online sales on Black Friday do you think came from Twitter referrals?

How about [Facebook](#)?

While you're pondering those questions, here are some other factoids from [a report on Black Friday online sales by IBM](#):

- **The average Black Friday online shopper bought 5.6 items per order.** That's down 13% from last year. It's also down 40% from Friday, November 16th, a week earlier. Hard to know what to make of that.
- **The average shopping "session" length was 6 minutes and 39 seconds.** That's down about 10% from last year. Compare that to the average hellish shopping session in a physical store, and you'll see why ecommerce is continuing to grow as a percent over overall retail sales.
- **The "conversion rate" of online shoppers--the percentage of those who visited the site who actually bought something--was 4.58%.** That's up 9% from last year.
- **Mobile devices (smartphones and tablets) accounted for 16% of sales.** That's up from 10% last year.
- **Mobile devices accounted for 24% of site traffic.** That's up from 14% last year.
- **iPads accounted for 10% of site traffic, up from 5% last year.**
- **iPhones accounted for 9% of site traffic, up from 5% last year.**
- **Android phones and tablets accounted for 5.5% of site traffic, up from 4% last year.**

The key observations here would seem to be:

- **Mobile is continuing to grow rapidly as a percentage of traffic and sales, but it's not taking over by any means.** 6 years into the smartphone era, with smartphones now accounting for more than 55% of U.S. handsets, traffic to mobile sites (including traffic from tablets) is still less than 25% of overall traffic.
- **Apple devices continue to crush Android devices in terms of commerce engagement.** Android users just don't seem to do all that much with their gadgets.

And now to social referrals...

It wasn't long ago that many people were arguing that Facebook was eventually going to be bigger than [Google](#). Word of mouth, after all, is the most powerful form of marketing known to man. And people lived on Facebook, so they would soon be shopping on Facebook. And so forth.

Well, so far, anyway, that ain't happening.

- Only 0.68% of Black Friday online sales came from Facebook referrals--two-thirds of one percent. That was a decline of 1% from last year.

And how about Twitter?

A couple of years ago, people were excited about Twitter's potential as a commerce platform, too.

But Twitter's impact on ecommerce, it seems, is zero.

Not "basically zero."

Zero.

- Commerce site traffic from Twitter accounted for exactly 0.00% of Black Friday traffic. That was down from 0.02% last year.

So much for the idea that Twitter or Facebook's business models are going to have much to do with commerce.

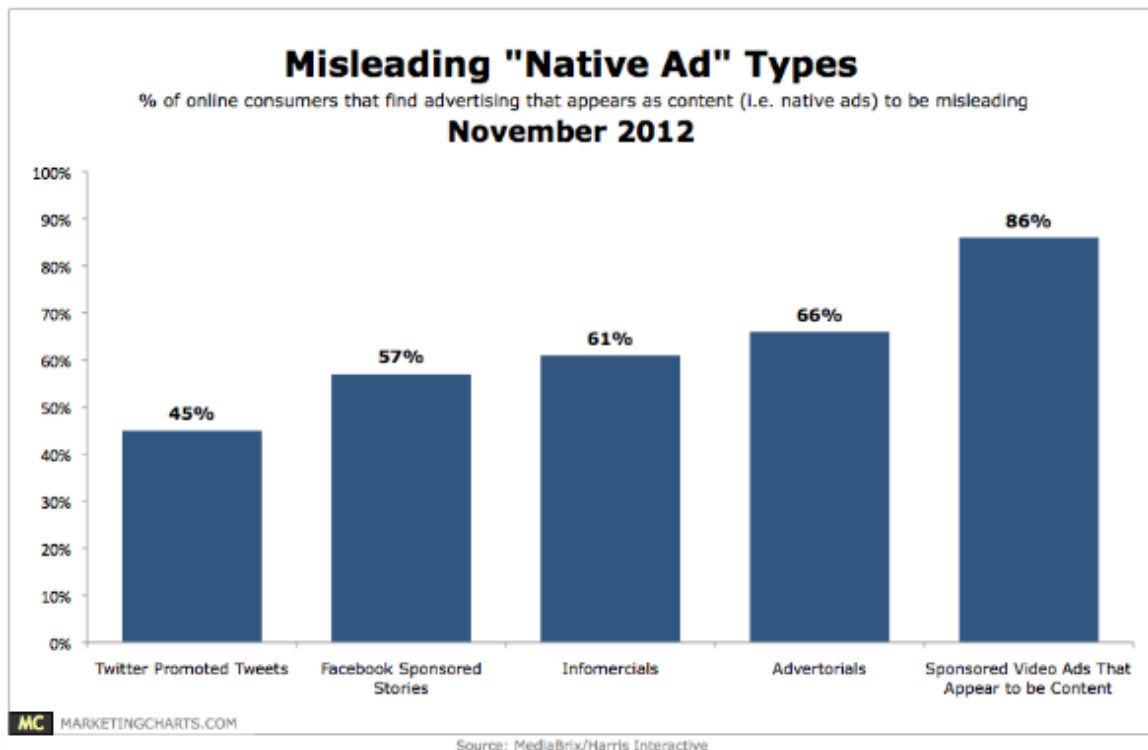
Facebook testing new analytics to help Page owners understand how fans find their updates

668

oon, based on testing that the social network has done over the past few months. Seen in the wild, at least some Pages administrators are now able to see the breakdown of who's viewed specific posts by organic and viral means.

UPDATE: By way of clarification, although this feature is already well established on Facebook Pages, it appears that what is new is that these stats are now available for posts to Pages made not by Page administrators, but by visitors who have Liked the Page. We will update with further clarification as soon as we have heard from Facebook.

Normally, administrators will see within each of their posts a count of how many people saw a specific post. However, some users are reporting that, by hovering their mouse over it, a pop-up window will appear that will show you how many came directly from your post and how many were from a friend of a friend. In addition, the new metric will show how that specific story ranks against the most popular one of that Page's existence.



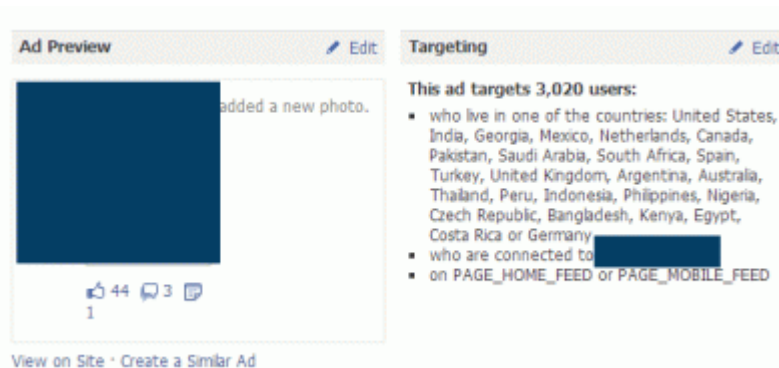
[Knikkolette](#) | Nov 05, 2012 | [Comments 0](#)

What? **Facebook** not being completely transparent on their on page promoted posts? Don't get me wrong – I love Facebook, and until recently I was duped and even used their promoted posts a few times.

Many [Facebook](#) page owners and administrators are careful to focus on specific target markets to build their fan base or promote a product or service. That being said, they use their strategy to focus their Facebook ads to the same target markets. Wouldn't you

think, if you put that much effort to ensure your page reaches a specific market and your ads reach a specific market that the promoted posts would use that same information in their promoted posts? If so, you would be wrong.

This is where Facebook pulls the proverbial bait and switch. They offer this so-called great deal – an ad at a discounted rate – i.e. promoted post to reach thousands of people for dirt cheap prices \$5 – \$30. What's the catch? A good portion of the audience is not even in your country of residence! So, if you are promoting to your target market, (let's say for instance, I've been building an audience in the metro Atlanta, Georgia area) and I use the promoted post for \$5 and it says it will reach up to 3,000 people. I THINK I'm getting a great deal because I've worked like crazy to build my fan-base in the metro Atlanta area. Look who this ad actually reached. Yes, the ad DID reach some people in the United States, but look at all the other countries! How many of those 3,020 impressions do you think were actually shown to MY target market? So, do you think the \$5 investment was such a great deal after all? Even though there were some reactions, comments, etc... if the ad had been more focused on MY target market, there would have been a LOT more activity.



So, the next time you decide to purchase a Facebook ad, make sure you pay attention to exactly who will be seeing the ad before you click that purchase button!

Premium Content Publishers Favored Over Facebook For Brand-Focused Ad Campaigns

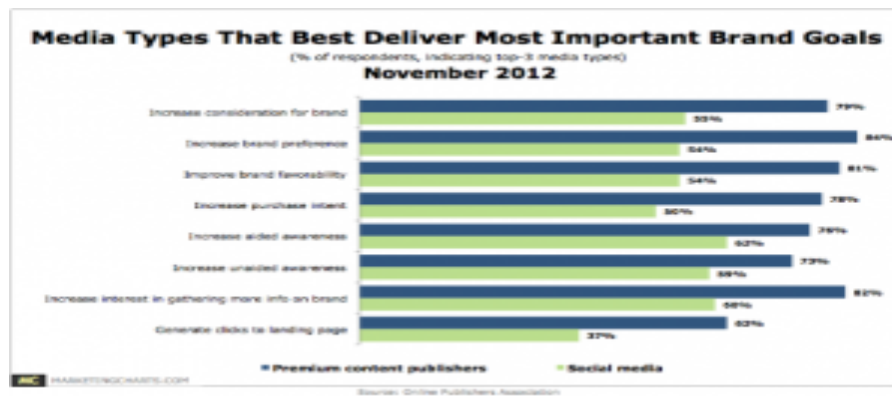
November 8, 2012 by MarketingCharts staff

Agencies and marketers rate premium content publishers higher than Facebook for brand-focused advertising, according to [pdf] the Online Publishers Association (OPA), in survey results released November 2012. For example, respondents were more likely to favor premium content publishers in areas such as brand safety (71% vs. 36%), capturing

audience attention (63% vs. 29%), providing cross-platform opportunities (60% vs. 29%), and viewability of ads (59% vs. 42%).

As data from “Branding on Display” reveals, 78% of agencies and marketing decision-makers report positive brand-advertising experiences overall through premium content publishers, compared to 51% who say the same about Facebook. Survey results released in July found that marketers and advertisers (not limited to brand-focused advertisers) are [turning their attention away from Facebook](#) and increasingly focusing their attention elsewhere on the internet.

Premium Content Publishers Deliver on Brand Goals



Return-on-

investment (ROI) can be a fairly elusive measure in brand advertising. Still, 55% of the OPA survey respondents believe they are able to measure the ROI of brand-focused campaigns through premium-content publishers, roughly double the proportion (27%) who feel the same about Facebook.

Overall, respondents rate premium publishers as better able to deliver on top brand-focused goals. When presented with 9 such goals and asked to rank the top 3 media types that best deliver the desired goals, premium publishers beat out social media in each, including increasing brand preference (84% vs. 54%), brand favorability (81% vs. 54%), purchase intent (78% vs. 50%), and generating clicks to a landing page (62% vs. 37%).

Overall, 47% of respondents feel that premium content publishers are the best media for brand-focused ad campaigns versus 16% who prefer social media, 13% preferring video ad networks and 11% preferring portals.

Other Findings:

- 63% of those who rated premium content publishers as their best advertising vehicle for conducting brand-focused digital advertising campaigns say the vehicle best achieves their branding objectives. Just 27% who rated social media their best vehicle identified this reason.
- Agencies and marketers responding to the survey are most interested in reaching Gen X (30-44; 74%), Baby Boomers (45-65; 56%), and Gen Y/Millennials (20-29; 48%). They are less interested in reaching mothers (19%), seniors (65+; 9%) and Hispanics (8%).
- Respondents are slightly more likely to think that premium content publishers rather than social media are the best way to reach Gen X (27% vs. 24%). In terms of reaching Baby Boomers, premium content publishers are the easy winner (45% vs. 5%), while social media is considered the best way to reach Gen Y/Millennials (56% vs. 13%).

About The Data: The study was conducted by Advertiser Perceptions on behalf of the OPA. An online survey of 251 marketers and advertising agency executives was conducted between August 7, 2012 and August 15, 2012. Participants were required to be involved in video and display advertisement decision-making, have a \$1 million minimum digital ad spend over that past 12 months and be involved in brand-focused advertising.

[Facebook Exchange](#) allows for advertising retargeting **by extracting users' online behavior off Facebook**. Advertisers can now retarget customers who have already shown some interest in the product or service. **It's a real-time bidding service for ads – big-time.**

[Custom audiences](#) enables advertisers to marry information on potential customers with Facebook data. It allows you to take your own CRM database, compare it to Facebook's data, and then create custom target audience clusters. Boom, instant better targeting.

Facebook's new tool, [collections](#), seeks to expand brand discovery. It's essentially an online catalog that lives on Facebook with the addition of the want button. In my opinion, it's basically Facebook's answer to Pinterest for brands. Still, it's an exceptional way to create brand awareness, buzz, and yet another way to increase engagement with customers.

Facebook Engagement is Up, So Get On Board With New Features

[Guest Writer](#) on November 14, 2012 5:42 PM



Remember five years ago, when [brand pages](#) didn't exist, and companies were forced to erect jimmied personal profiles in order to be seen on the fastest-growing network on the Internet? I certainly do; brand pages alone were a huge step in the Facebook timeline (pun intended), and the opportunities for brand awareness have only grown.

It makes total sense; Facebook has a tremendous reach, with its numbers recently passing the milestone [1 billion mark](#). Today, one of two people online are signed up for accounts. To think about it globally, one of seven people in the world has a Facebook page. It's no wonder that brands are trying more than ever to get their products and services in front of such an enormous, yet targeted, audience.

It's not just about reach; Facebook's engagement numbers are equally astounding. Every day, 2.5 billion content items are shared, with 300 million photos uploaded and 2.7 billion likes. Even more interesting than the vast volume of engagement per day is the *quality* of content sharing. Users are sharing everything in their lives, from the most profound to the everyday mundane. It's not uncommon to see a coffee date and a birth announcement next to each other in a news feed. The moments we have in real life are the same that we share on Facebook. Essentially, the lines between our offline and online selves are becoming increasingly blurred. Thanks for that, Facebook.

Regardless of whether or not the increasing integration of online into our offline lives is right or wrong, Facebook is a no-brainer for any marketer or advertiser, and it's only getting better, with new features rolling out consistently. Recently, Facebook has focused on giving advertisers what they want: better targeting, conversions, and discovery.

Targeting

Facebook advertising is based on audience targeting, which has historically been the most valuable aspect of marketing with Facebook. The advantage of using the platform to advertise is the amount of user information. It's super-easy to segment your audience based on gender, age, marital status, location, and even interests, and to serve your ads to the most qualified audience. Not even almighty Google AdWords can get that refined.

Recently, Facebook has gotten even more advanced with targeting with two new tools: Facebook Exchange and custom audiences.

[Facebook Exchange](#) allows for advertising retargeting by extracting users' online behavior off Facebook. Advertisers can now retarget customers who have already shown some interest in the product or service. It's a real-time bidding service for ads – big-time.

[Custom audiences](#) enables advertisers to marry information on potential customers with Facebook data. It allows you to take your own CRM database, compare it to Facebook's data, and then create custom target audience clusters. Boom, instant better targeting.

Conversions

The one thing all direct marketers are focused on is return on investment. Facebook not only makes it easier to drive qualified traffic through targeted ads, **but traditional word of mouth marketing is insanely powerful.** Using Facebook offers and coupons is a great tool to capture that channel. When an offer or coupon is claimed on Facebook, it is automatically shared with the recipient's network. This creates incredible social currency, with three-quarters of claims resulting from the share and not the original targeted ad.

Discovery

Facebook's new tool, [collections](#), seeks to expand brand discovery. It's essentially an online catalog that lives on Facebook with the addition of the want button. In my opinion, it's basically Facebook's answer to Pinterest for brands. Still, it's an exceptional way to create brand awareness, buzz, and yet another way to increase engagement with customers.

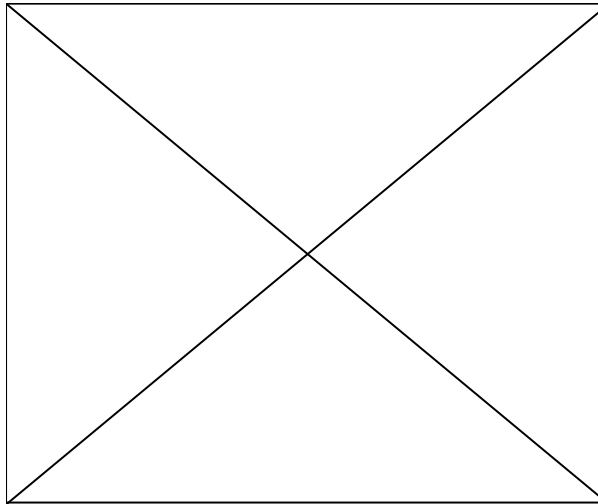
Facebook is in a constant state of reincarnation, always looking two steps forward to make both the user and marketer experience better. I fell in love with Facebook more than eight years ago, and as my career took me into the world of tech, advertising, and search. I've only fallen harder. I am always excited when Facebook announces new additions, features, and interface modifications for both consumers and marketers.

I think these recent features are especially interesting and telling. It's clear that Facebook is committed to maximizing marketing and advertising opportunities for brands to reach their target audience. I'd like to believe that these moves were based less on [declining stock prices](#), and more about building an effective user experience and advertising platform. Either way, engagement is up, so y'all better take advantage of it!

Facebook to Help Brands Track Ad-Driven Sales

Conversion measurement tool smartens ad buys as wellBy [Tim Peterson](#)

- November 16 2012
- [Technology](#)
-



Advertisement

The old knock against Facebook ads claimed the social network didn't want brands to drive users off of Facebook because advertisers that kept users inside of Facebook [paid lower rates](#). That doesn't really fly for marketers like retailers who directly attribute a campaign's success to sales or new customer sign-ups—especially during the shopping-crazed holiday season.

During this year's season of giving, Facebook will be rolling out a conversion measurement tool specifically engineered for direct-response marketers that will not only show companies how their Facebook ads drove actions on their own sites but also use that conversion data to inform future ad buys. Reuters [first reported the](#)

news this morning. Facebook's product manager for Insights David Baser said the company has been testing the tool since late August and will launch it officially later this month.

"Marketers have been asking for this system for a long time from us. **We know it's incredibly important to marketers that they be able to measure the effectiveness of their ads, and the holidays are a great opportunity for direct-response marketers to drive sales and really see the effectiveness of [their ad campaigns],**" Baser said.

Here's how the self-serve tool works. Marketers add a piece of code from Facebook to whichever site pages they want to measure conversions on, be it a checkout page or an email newsletter sign-up page. When users click on a Facebook ad that leads them to that page, Facebook will see that the page loaded and count it as a conversion in the marketer's Ads Manager dashboard.

The real key is that the tool can unlock the full path to conversion from a Facebook ad. For example, a retailer could run a Facebook ad promoting a shoe product. That ad could link to the shoe's product page on the retailer's site. Retailer adds the conversion code to that page, Facebook counts the conversion, easy. But what the retailer really wants is for the user to put the shoe in their online shopping cart and then check out. So long as the retailer adds the Facebook code to those pages as well, Facebook will be able to see that those pages loaded and count each step to conversion.

Facebook has designed the tool to improve ad buys as well as product sales (among other conversion objectives marketers could drive). Direct-response marketers may aim for conversions, but they're usually stuck measuring clicks. So when they try to refine their ad buys, they usually based that optimization on who clicked on their ads, which is a broader set of folks than those that click and convert. Facebook did expand the actions advertisers could optimize for [back in the spring](#), but those were all Facebook-oriented. Now Facebook is really expanding things.

Because Facebook can get an aggregated picture of the types of users that buy a product or sign up for an email newsletter after clicking on ad—including gender, age, interests and connection to brand's Facebook Page—the company can run an advertiser's ads to those types of users most likely to convert, Baser said.

But advertisers won't pay for these ads based on the number of clicks they generate. Rather these operate on Facebook's optimized CPM (cost per thousand impressions) basis, which means Facebook crunches the types of users most likely to fulfill an advertiser's objective. Whether or not those users actually click on the ad is another matter. That could concern performance-minded advertisers, but in testing the conversion-oriented OCPM ads, Facebook saw the campaigns averaged a 40 percent lower cost-per-action than the exact same ads run on a cost-per-click basis. That means a brand like social shopping site Fab.com—which saw 39 percent drop in cost-per-action—was getting more value than paying for clicks.

"Anytime you're reducing costs and increasing ROI, that's the end goal for us and marketers," Baser said.

For each person who creates content and shares it across an enthusiast community, about 266 people interact with the content. In comparison, the average news feed story from a Facebook user reaches 12% of friends. Given the average Facebook user has 229 friends, about 27 people see the post, estimates from Pew Internet & American Life Project research.

10 Questions Facebook's Mark Zuckerberg Needs to Address Tonight

Posted on Tue, Oct 23rd, 2012 at 2:48 pm by **Richard Greenfield** — [POSTS](#) |

Ahead of Facebook's Q3 2012 earnings and conference call, we wanted to lay out our top 10 questions for Facebook management (our list ahead of the Q2 call can be found [here](#) with our four key findings post-Q2 call [here](#)).

Targeting of Advertising: Data on over 1 billion consumers worldwide is perceived as Facebook's most valuable asset. We would expect Facebook could serve far better, highly targeted/personalized advertising. However, we have yet to see any kind of sophisticated targeting on the platform. We typically see massive consumer brands (Walmart, Target, Samsung, Mastercard) casting a wide net for "Likes," with generic ads (often utilizing dogs or kids to attract attention) that do not seem to have any sense of time of day or what we are currently doing, with ads triggered by the fact that one of our friends Liked it at some point (regardless of whether they really liked it or just clicked like for a contest or accidentally clicked it without even knowing). We understand that this is an algorithmic problem, but can it be solved and how long will it take?

Instagram Monetization Plan? What is your plan to monetize Instagram? Will users tolerate sponsored pictures/advertising in their Instagram feeds?

Advertising Content Standards: Do you have any standards for the creative from your advertisers? Why not force advertising to reach a level of quality that feels more like content versus advertising you would see on other sites? It also appears that advertisers are using pictures in sponsored stories to deceive users into clicking Like, thinking they are liking a picture, but they are actually Liking a brand (see our 9/20 blog, [click here](#)). Do you have a problem with this practice? We are also curious how Facebook feels about third-party advertising on page posts (ie. co-op marketing). While it is against Facebook's Page Terms of Use, we see an increasing number of brand page posts that have the feel of co-op marketing.

Size of "Fat Finger" Problem: With brand posts and sponsored stories filling the entire screen on mobile and often more than an entire screen (see 9/11 blog, [click here](#)), how big a problem do you believe accidental clicks are? Has the rate of accidental "Likes" and clicks increased substantially as Facebook usage has shifted to mobile? We view this as a critical issue, as accidentally clicking on an ad on most mobile websites causes you to see an unwanted ad, but clicking Like accidentally on Facebook causes you and all of your friends to be spammed by that brand daily going forward.

Relative Value of Facebook Data: How do you think about the relative quality/relevancy of your data on consumers and their behavior compared to the Google, Apple, Amazon and Twitter? Can Facebook's data drive higher brand awareness or purchase intent relative to its peers?

Does Retargeting Undermine Social Marketing? Retargeting is a fairly common practice on the Internet. Facebook appears excited by the early results of its Facebook Exchange employing retargeting techniques onto Facebook.com. However, we question whether this relative success of retargeting undermines the concept of social marketing.

Does Hacker Way Apply to Monetization? You have always spoken of the "hacker way" and taken a "move fast and break things" approach – pressing out products quickly with the idea of refining them on the fly and often testing them in the wild. Is this the proper approach when it comes to monetization techniques? Or are people more sensitive to obtrusive monetization techniques?

Open Graph vs. News Feed Clutter. A core part of the last F8 was the open graph and increasing the amount / types of sharing on Facebook. Yet, Facebook appears to be scaling back the breadth of Open Graph. Was this a function of clutter in the news feed?

Was Lack of Mobile OS a Strategic Mistake? We believe Facebook should have developed an operating system ([click here](#)), along the lines of Google's Android to protect its role as the world shifts to mobile/tablet devices. You have indicated that betting on HTML5 was a mistake, do you feel the same way about not building an OS?

Importance of Geo-Location. How important do you believe location tracking is to your data? How often do you know where someone is when they are using Facebook? Has it changed with the shift to mobile devices?

Facebook Exchange: what it is and who to work with to get started

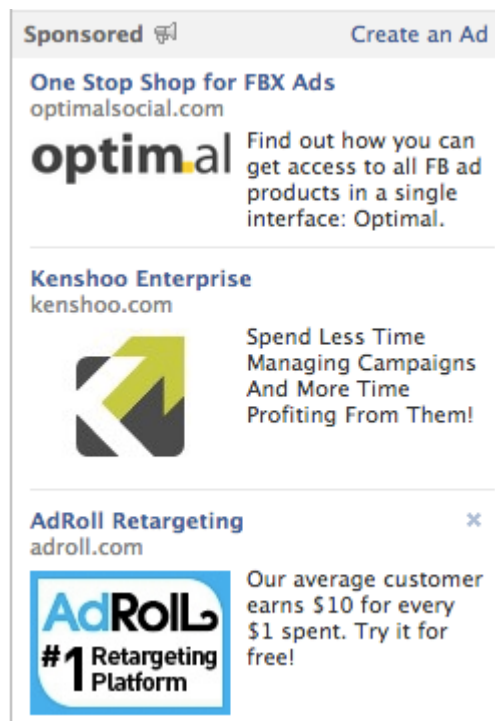
- [Comment](#)
-  Share
-

[Brittany Darwell](#) • Oct 25th, 2012

[Ad Providers](#), [Advertising](#), [Facebook](#), [FBX](#), [Featured](#)

The Facebook Exchange allows approved third-party platforms to place retargeting ads on Facebook after users visit external websites marked with cookies.

When a user visits a site that has hired one of Facebook's partner platforms (DSPs), a cookie will be placed on that user's browser when the person reaches a stage that implies purchase intent. If a user does not complete a transaction, the DSP will be able to bid on retargeting ads that appear in the right-hand column of Facebook when the user returns to the social network. See examples below, which happen to be retargeted ads about ad retargeting.



Retargeting data cannot yet be combined with Facebook's demographic and psychographic targeting options — nor can it be used for social ads like Sponsored Stories or page post ads in News Feed — but FBX shows promise as the start of remarketing and intent-based advertising on the social network. Early partners are reporting lower costs per acquisition than on other exchanges and all have expressed continued interest in FBX.

FBX came out of beta [in September](#), but for now, advertisers have to work with a third party to run these type of ads. They are not available from Facebook's self-serve or Power Editor tools. However, there are more than a dozen companies that offer software or managed services for FBX campaigns. We've provided a rundown of 15 of them after the jump. [AppNexus](#) and [Brandscreen](#) are other providers, but they did not reply to our requests for information.



How do marketers determine Social Media ROI?

So, any surprise that...?

73%
of CEOs

think marketers lack business credibility and are not the business growth generators they should be.



77%
of CEOs

think marketers don't talk about what really matters: sales.



An Easy Way to Measure Social Media ROI:
STATISTICS!

Twitter



Jimmy Choo saw a **33% increase** in sneaker sales with its Twitter campaign



Joie de Vivre Hotels booked **1000** rooms from its \$79/promotion to its 10,000 Twitter followers.

93% of business for Foiled Cupcakes comes from Facebook fans & Twitter followers



BaseballRose.com spent \$200 acquiring Facebook fans, resulting in **\$1000 in revenue.**



Edible Arrangements ran a Facebook promotion which resulted in **double digit sales increase.**



Facebook

Use Google Analytics's 'Social Value' to Correlate Facebook and Twitter Traffic With Sales



Balanced

~25% social conversion
~50% assisted



Socially Broke

<5% social conversion

Engagement With Brands via Facebook Surging in 2012

Published on November 2, 2012 | 4,357 views

Tags: [Advertising](#), [Brand Management](#), [Customer Engagement](#), [Facebook](#), [Mobile Marketing](#), [Research Summaries](#), [Search Engine Marketing](#), [Social Networking](#)

0

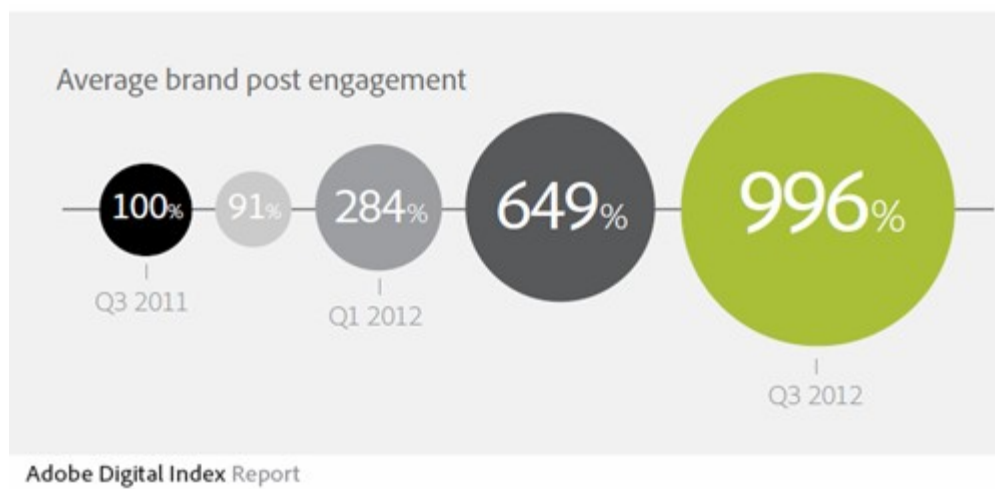
[inShare](#)

Email

Among Facebook audiences worldwide, engagement with brands, via likes, comments, and shares, is surging in 2012, [according to report by Adobe](#).

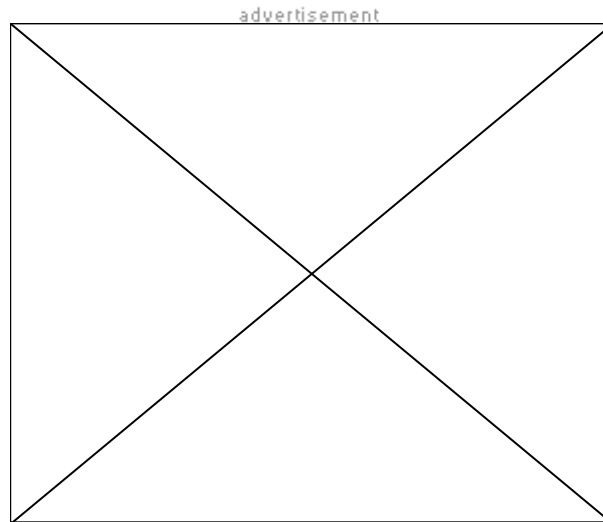
The findings are based on Adobe's Digital Index, which covers some 260 billion ad impressions across 338 companies as well as Facebook activity among roughly 70 million fans.

As of the third quarter of 2012, engagement levels with Facebook brand posts jumped 896% over those recorded a year earlier (index base of 100%). The figures below show quarterly index changes over the 3Q11 baseline for brand post engagement:



Those increases in engagement are due to three main factors, according to Adobe:

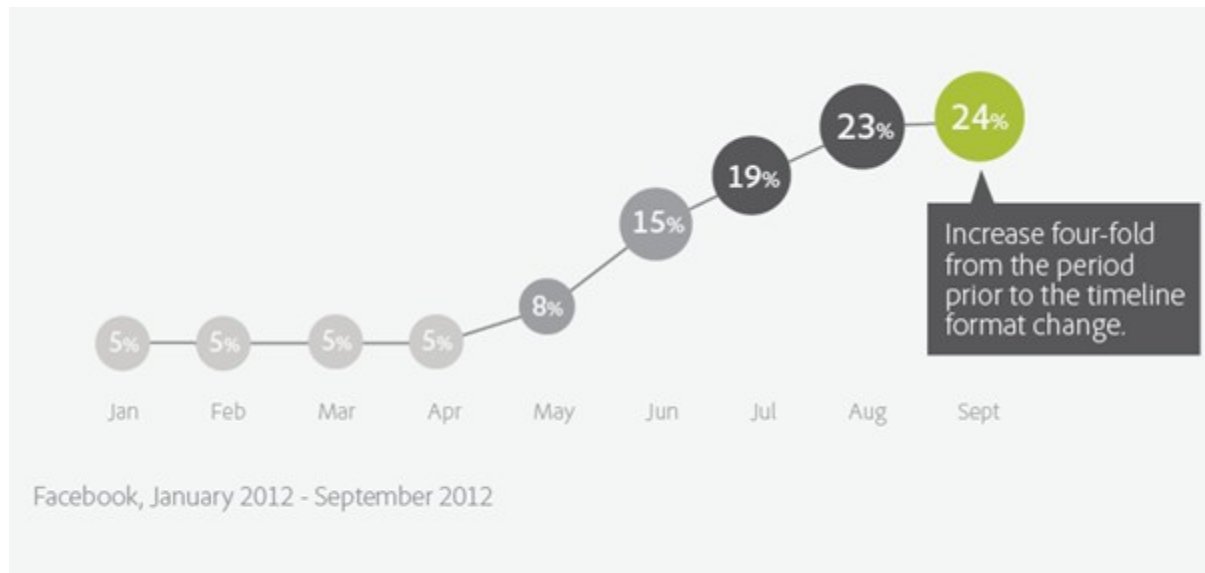
1. Brands' adopting Facebook's Timeline feature, introduced in late 2011.
2. The adoption of new acquisition and engagement metrics.
3. More effective social marketing by brands.



Below, other findings issued by Adobe.

Smartphones may also have contributed to the spike in engagement.

Mobile users accounted for nearly one-fourth (24%) of all Facebook engagement in 3Q12, up fourfold from the period prior to the Timeline format change:



Adobe Digital Index Report

Other key findings for the third quarter of 2012:

- US search spend grew 11% YOY, while search ROI improved 26%. Growth rates for search spend in the UK and Germany rose 36% and 25%, respectively.
- Google CPCs decreased 10% YOY, likely attributed to an increasing share of mobile clicks, for which CPCs are less expensive.

- Conversion rates among various mobile operating systems are becoming more important due to continued growth in mobile search traffic. A comparison of iOS vs. Android device traffic revealed nearly twice the monetization advantage for iOS.

Adobe also issued projections for the fourth quarter of 2012:

- Search spend in the US and Europe is expected to rise in 4Q12, particularly in the retail segment given robust channel growth, high ROI, and the upcoming holiday season. Growth rates of 15-20% in both countries are projected along with increased CPCs.
- Mobile traffic is forecast to maintain steady growth with 20% of paid-search clicks originating via tablet or smartphone. Marketers will likely place more emphasis on driving mobile traffic to their sites by tailoring campaigns for various mobile operating systems.
- Brand engagement via Facebook is expected to surge in 4Q12 as brands continue to invest in social marketing and take advantage of the latest Facebook platform changes (e.g., Timeline) to target consumers.

About the data: Findings are based on Adobe's Digital Index, which covers some 260 billion ad impressions across 338 companies and Facebook activity for 70 million fans, captured by Adobe AdLens and Adobe Social for the third quarter of 2012. All brands are Adobe clients from a range of industries, including automotive, CPG, financial services, media, entertainment, and retail.

Which mobile device you use says a lot about your buying habits. That's why Facebook has begun allowing advertisers to select which devices and operating systems their Facebook mobile ads appear on. This lets Android app developers avoid wasting money advertising to iPhone users, and lets luxury brands target people with iPads.

Our tipster [Amit Lavi](#), director of marketing at EasyHI, gave me the heads up on the new options. Facebook confirmed to me it quietly unlocked the new device and OS mobile ad placement options when it officially [launched its new mobile app install ads](#) two weeks ago. These ads let developers pay to show links to their App Store or Google Play apps in the Facebook mobile news feed. Facebook needed a way to make sure devs were reaching users on the devices they build apps for.

The screenshot shows the Facebook Ads interface. At the top is the 'facebook' logo. Below it are navigation tabs: 'Ads', 'Campaigns', 'Images', 'Page Posts', 'Custom Audiences', 'Funding Sources', and 'Billing'. Under the 'Ads' tab, there are buttons for 'Create Ad', 'Revert Changes', 'Duplicate', 'Export', and a 'Stats: Lifetime' dropdown. Below these are input fields for 'Ad Name', 'Campaign Name', and 'Campaign...'. The main content area has a sidebar on the left with links: 'Creative', 'Audience', 'Advanced Options', 'Pricing & Status', and 'Placements'. The 'Placements' link is highlighted. The main area shows 'Placements' options: 'All Facebook (includes news feed)' (selected), 'Desktop only', and 'News feed only'. Below this, 'Operating Systems' are listed: 'iOS' (selected) and 'Android'. 'Device Types' are listed: 'iPhone', 'iPod', and 'iPad'. A red rectangle highlights the 'Placements' sidebar link and the 'Operating Systems' and 'Device Types' options.

For now, developers using the Facebook Ads API or Power Editor can choose to show their ads on iOS or Android devices in general, or target iPhones, iPads, or iPods specifically. Sorry, Windows phone, BlackBerry, and everyone else. For now there's no way to pinpoint specific device models like the iPhone 5, but if it's technically possible, expect Facebook to offer model placements in the future.

Device and OS placements are somewhat similar to Facebook's ["broad category"](#) device targeting that lets advertisers reach people with specific makes and models of phones like LG Androids or iPhone 5s. However, these ads can show up on both desktop and mobile. Placement targeting lets advertisers choose where they show up, not just to who.

Precise Interests: [?]	Enter an interest...	
Broad Categories: [?]	Interests	▶ <input type="checkbox"/> Android (All)
	Mobile Users (All)	▶ <input type="checkbox"/> HTC
	Mobile Users (Android)	▶ <input type="checkbox"/> LG
	Mobile Users (iOS)	▶ <input type="checkbox"/> Motorola
	Mobile Users (Other OS)	▶ <input type="checkbox"/> Samsung
	Movie/Film	▶ <input type="checkbox"/> Sony
	Music	▶ <input type="checkbox"/> Android (Other)
	Retail/Shopping	▶
	Sports	▶

While originally designed to help app developers, there are plenty of other businesses that can take advantage of the new placement targeting option. An iPad accessory maker could target that device. Meanwhile, businesses with teenage customers could target iPods that are popular with those too young for iPhones with full data plans.

And there's also the Android vs iOS socio-economic divide. A recent [Forrester study](#) found that iPhone-using households had an average yearly income about \$16,000 higher than Android households. That means operating system and device type could augment data like biographical info, interests, and work and education history for targeting high or low-end products via Facebook ads.

Facebook is desperate to become a mobile advertising company. It's got the data to do it, luckily. It just needs to find more creative ways like this that turn what it knows about us into reasons businesses should pay.

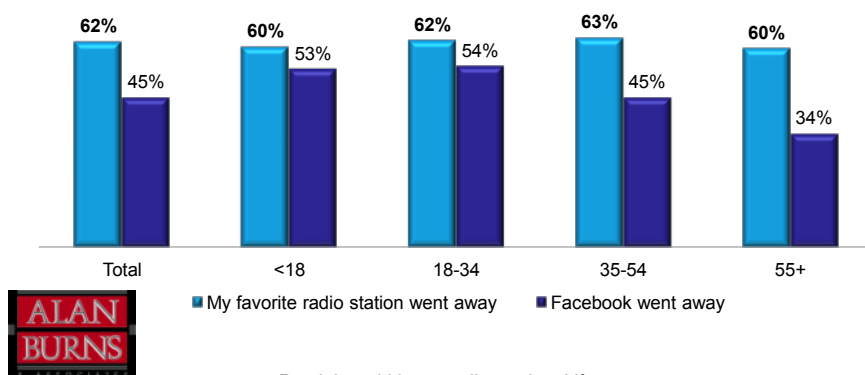
Although Adobe recently reported that [Facebook fan engagement rates surged in Q3](#), they still remain quite low. According to a NapkinLabs study of brand pages with between 200,000 and 1 million fans ([reported by Mashable](#)), **just 6% of Facebook fans engage with brands' Facebook pages by liking, sharing, or commenting.**

That may even be high. Looking specifically at the automotive sector, Socialbakers found that the most engaging post, by Rolls-Royce, had an engagement rate of 5.74%. The 4th-most engaging post saw just a 5% engagement rate.

Tablets are more distinctly a leisure-time platform than are smartphones, based on the apps that consumers use. Tablet users spend more time using media and entertainment apps, including games (67% of time spent), entertainment (9%) and news (2%) categories, comprising almost four-fifths of consumption. Smartphones have a higher claim to communication and task-oriented app usage, including social networking (24%), utilities (17%), health & fitness (3%) and lifestyle (3%), comprising nearly half of all time spent on smartphone apps.

Data from both sources suggests that smartphones are used more on the go than are the larger-form tablets, although it's important to remember that smartphone use is also above-average in the evening hours, suggesting that much of the time spent with smartphones occurs in the home. Indeed, a study released in October by AOL and BBDO found that 68% of consumer mobile phone use occurs in the home. Nevertheless, the differences in usage for smartphones and tablets means that advertisers should consider day-parting in mobile campaigns to reach the different form factors based on time of day.

People of All Ages Value Radio Over Facebook

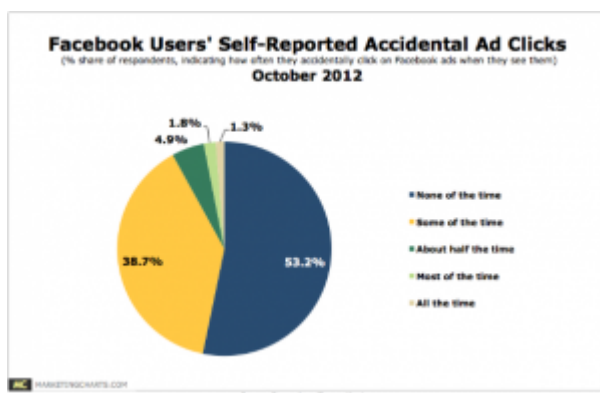


Read: I would be very disappointed if...

Source: Alan Burns/Triton Digital "The Future of Radio" September 2012 National Consumer Database; 25,000,000 Panelists; August & September 2012; All Ages, Genders and Format Fans; Total Polled = 41,252; Roughly in Line with 2010 Census; Heavily Caucasian

Almost 1 in 2 Say They Click Facebook Ads Accidentally

October 17, 2012 by MarketingCharts staff



Almost half of Facebook users say they accidentally clicking on Facebook ads at least some of the time, according to Sterne Agee in October 2012 survey results. While most of those (38.7%) overall say they only do so some of the time, 8% say they do so at least half the time. These Facebook users don't appear to be very receptive to advertising, either. About two-thirds of respondents find the ads annoying, ranging from slightly annoying (24.2%) to

moderately (19.4%) and extremely (23.1%) annoying. Still, 25.9% are neutral, describing the ads as neither helpful nor annoying. 5.7% find them slightly helpful, while no one reported finding them extremely helpful.

Users Like The Mobile App, Not The Ads

Respondents were generally positive about Facebook's mobile application. Of those who use the app, just 7% say they are not at all satisfied with the experience. A plurality (44.5%) describe themselves as moderately satisfied, while 25.2% are very satisfied and 7.9% extremely satisfied.

Perhaps it is the smaller screen of mobile devices, but fully 6 in 10 respondents report accidentally clicking on ads in the Facebook mobile app. Some 47.1% report doing so some of the time on the mobile app, and 8.7% about half the time. Just 1.0% does so most of the time, and 2.9% all the time.

Many of these mobile app users also find the ads annoying: in fact, about 4 in 10 said they are extremely annoying, a greater percentage than found them moderately (18.3%) or slightly annoying (26.9%). Just 2.9% found them slightly helpful, but none, moderately or extremely helpful.

About The Data: Sterne Agee conducted a week-long survey of more than 750 Facebook users in the US across various age groups/income levels and a near-equal ratio of men (54%) and women (46%). The data for this survey was collected using SurveyMonkey Audience.

What's The Average Reach Of Your Facebook Post?

How many Facebook users does your post reach on average?

There has been a lot of commotion around Facebook's reach metric in the past few weeks. Some page admins have been claiming that they can only reach a fraction of the followers they used to with each post since September 21st. This sudden decrease is supposedly caused by the social network altering the Edgerank algorithm (more on that later) controlling which posts end up in fan's News feeds, but Facebook hasn't made it clear if that's the case.

We think that it's too early to state whether the reach metric or Edgerank has been altered or not, we are collecting data for a longer time period to conclude whether the

downslide is justified. For now, look at the table below to see the average organic and viral reach of your post according to your page size (the data have been gathered from July 1st to September 30th 2012).

What's the Average Reach of Your Facebook Posts?

Page Size by Number of Fans	Average Reach
1 - 999	33.2 %
1 000 - 4 999	24.9 %
5 000 - 9 999	16.7 %
10 000 - 24 999	17.1 %
25 000 - 49 999	11.1 %
50 000 - 99 999	10.8 %
100 000 - 999 999	8.2 %
1 000 000 +	5.6 %

Data Range: July 1st - September 30th 2012



The Bigger You Are, The More Challenging It Gets

Naturally, the bigger your Facebook page gets the more people your posts will reach. But the percentage reached will gradually decrease, as it will represent a smaller fraction of your fan base. Yes, the bigger you are, the harder it is to reach and engage a larger percentage of your fans. While a smaller page with less than one thousand Likes

reaches on average 33.2% of its fan base with a single post, a bigger page with between 100 and 999 thousand fans reaches “only” 8.2% of them, but of course the actual number of fans reached is larger.

Get Into The News Feed Spotlight

Sounds like a punishment for performing well in social media? Try perceiving it as a challenge. With Facebook reaching [1 billion monthly active users](#) this month, it is clear that the News feeds are crowded with content that wants to be seen and interacted with. So to win your place in the News feed spotlight, your brand has to publish interesting stories, with an emphasis on quality over quantity. **Reach has a direct impact on the Engagement Rate of your page.** The more fans reached, the more they have the potential to become engaged.

It may also be the case that pages with fewer fans have a more dedicated base, being or feeling closer or more intimately connected with a brand. The first Likes of any page are usually the page creators themselves, their friends and families and those that work for or do business with that company or use its services on a very regular basis. The key is to make everyone feel like that: engaged and connected.

Sign up for a free [14-day trial with Socialbakers Analytics PRO](#) to measure your performance on Facebook and Twitter. Which post type works the best for your brand, which hours and days of the week represent the most engagement for your content? Find out even more insights with just a click of a button

Is Facebook killing its mobile user experience with ads?

By [Chantal Tode](#)

October 10, 2012

Too many Facebook mobile ads could turn off users

Facebook has ramped up its mobile advertising efforts over the past few months. However, the social media giant may risk turning off mobile users if the ads become too intrusive.

Mobile use of Facebook and other social networks is growing quickly, forcing these companies to look for ways to derive money from mobile users. **However, because the**

mobile screen is so much smaller than on desktop, ads can quickly turn users off of the mobile experience.

“I don’t think we know yet exactly what consumers will and won’t accept when it comes to ads on their handset,” said Dave Martin, senior vice president of media at [Ignited](#), El Segundo, CA.

“Facebook has no choice but to test the water in this area to see what kind of ad experiences start to push their users away,” he said.

“The good news is that Facebook has the ability to test the impact that new ad products have on usage at a small scale before rolling them out more broadly. I expect Facebook to apply a lot of rigor to the study of ads and mobile usage.”

Integrating ads

Facebook’s efforts to increase the advertising opportunities on mobile are not receiving high marks from research firm BTIG research, which recently cut Facebook to a sell rating because it claims mobile ads are cluttering mobile screens and negatively impacting the user experience.

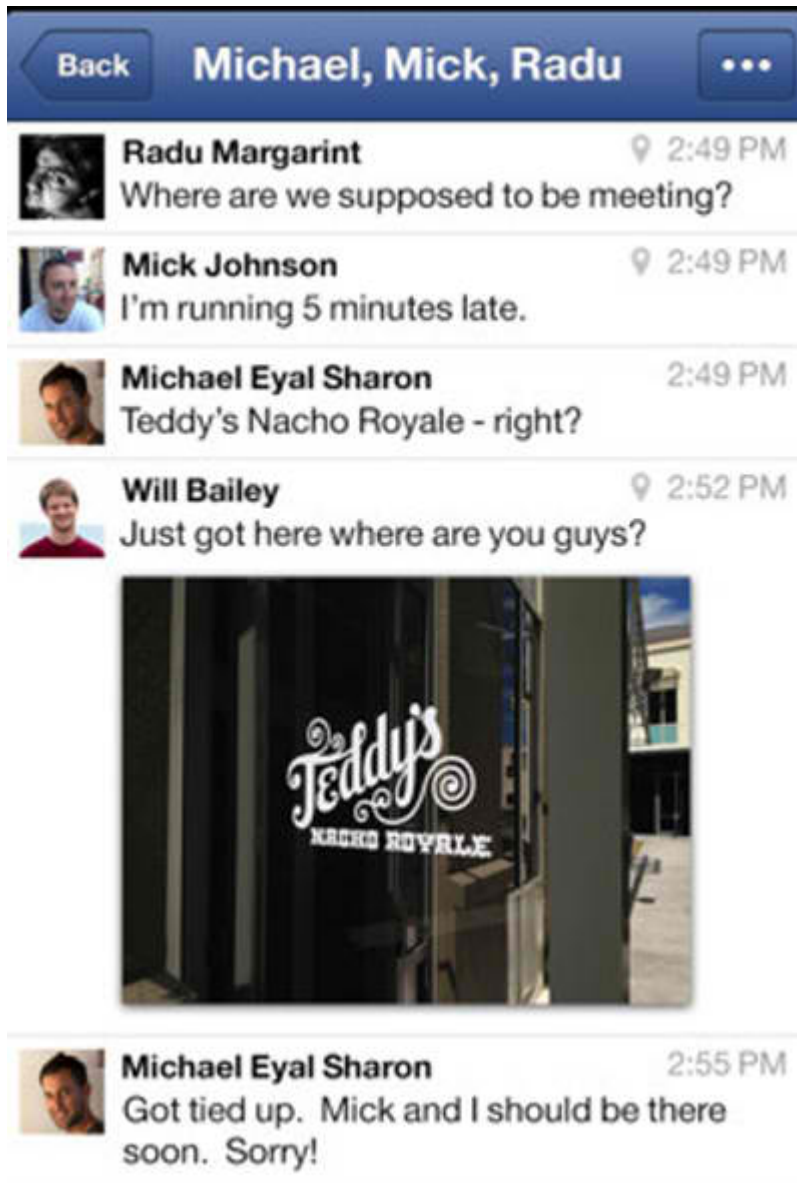
Marketers are split on whether Facebook is doing a good job integrating advertising into its mobile experience or not.

Some give kudos to Facebook’s efforts so far.

“Since the IPO, Facebook has definitely put more focus around their ad products and other ways for advertisers to access their enormous one billion active user base,” said Sebastian Gard, senior vice president and director of social media at [Arnold Worldwide](#), Boston.

“But, they’re still prioritizing the user experience over anything else,” he said. “This is evident by the way they’re shaping their advertisers guidelines; and the way their sales force encourage all of their brand partners to create content and experiences and amplify user stories rather than just making ads.

“This stands true for mobile. Their mobile experience is worlds better than where it was — and they understand that they need to make significant investments to keep that experience user-friendly.”



However, there have been issues with some of the early ads on Facebook.

Some claim that the ads are too easy to accidentally click on, creating frustration from both the user experience side and the brand side.

“For brands, this will pose issues in accurately measuring click-throughs and success,” said Sloane Kelley, interactive strategy director at [BFG](#), Bluffton, SC.

“One solution for Facebook is to address the importance for brands in creating the right content both within everyday posts, as well as within ads,” she said. “No matter what Facebook does from a user-experience perspective, the right content will win at the end of the day.”

Slippery slope

Going forward, Facebook is likely to continue to focus on improving the mobile user experience.

However, at the same time, the social network will also need to figure out how to effectively monetize mobile via advertising, which is proving to be a challenge for many, not just Facebook.

“Ads via mobile are a slippery slope, you are disrupting a very personal experience and anything overt will send users to less cluttered spaces,” said Craig Elimeliah, vice president and director of technology and digital solutions at [RAPP](#), New York.

“Ads need to be highly contextual and extremely relevant to the user at that particular place and time while on the mobile platform,” he said.

“If Facebook can figure out how to bubble up natural user endorsements on behalf of brands that feel natural in the social space then they win. Otherwise you're begging for pennies at a private party.”

A better experience

There have been complaints about Facebook's mobile user experience in general. For example, Facebook's application currently lacks the full functionality of what is available on the Web site, with brands forced to work around these issues. Additionally, the experience can be slow.

The question is whether Facebook can drive revenue from mobile users via advertising while also continuing to improve the mobile user experience. The two just may simply be mutually exclusive or it may be a case of needing to be more creative.

“Since Facebook has to respond to the public markets and show early results they are forced to try multiple monetization paths at once,” said Howie Schwartz, CEO of [Human Demand](#). “The negative part is this may impact user experience short term, but Facebook is a very smart, data-driven company that will very clearly see the impact and engagement of the varying mobile ad strategies they are testing today and will quickly find 'balance' for user experience vs monetization.

“Not clearly 'carving' out ads on a smaller mobile or tablet screen is the first issue,” he said. “It needs to be clear to users where the ads or 'sponsors' start and end.

“Facebook has a non-standard ad unit, which at first will limit its adoption by advertisers — but at scale I feel Facebook as an opportunity to innovate 'beyond the banner' and create new mobile ad experiences that will serve both goals - monetization and user experience on mobile.”

[Downgrading Facebook to Sell with \\$16 Target – Tension Between Monetization and User Experience Growing](#)

Posted on Mon, Oct 8th, 2012 at 8:34 am

by **Richard Greenfield** — [POSTS](#) | [DISCLAIMER](#)

[RSSEmail](#) Phone: 646-450-8680 [Chat with rgreenfieldbtig](#)

Categories: Media, Equity Research, USA, Internet, Report

Tags: [FB](#)

Facebook shares are essentially flat from our last earnings reduction in early August ([click here](#)), when we brought down our estimates for both advertising revenue and payment growth, along with adjusted EBITDA. While we maintained our Neutral at the time, we have grown increasingly concerned with Facebook's mobile monetization approach. We see a growing tension between the Facebook user experience and monetization, particularly as the collapse of payment revenues has left Facebook with only one major "lever to pull" – advertising. While mobile ads perform significantly better than desktop ads, the outperformance is driven by how much of the screen they occupy (more annoying) and "fat-fingers" (accidental clicks). Given the above concerns and what is now our second earnings reduction to our Facebook estimates since the IPO, we believe a SELL rating is now warranted, with a one-year price target set at \$16 (based on 11x estimated 2013 EBITDA). Key estimate revisions include:

- Lowering 2012 revenues to \$4.9 bn from \$5.0 bn and 2013 from \$5.9 bn to \$5.6 bn.
- While we are technically raising our 2012 adjusted EBITDA estimate to \$2.675 bn to now include the payroll tax stock based comp ad back (we use acronym "PTSBC," as FB started reporting last quarter in addition to traditional SBC), on an organic Adjusted EBITDA basis, we are lowering to \$2.482 bn from \$2.539 bn.

In 2013, we are lowering adjusted EBTIDA to \$3.051 bn (also adding back PTSBC), and on an organic basis, reducing from \$3.145 bn to \$2.971 bn.

- 2012 revenue growth is now estimated at 32% (benefiting from an extra month of payments revenues in Q4), with 2013 growth now expected to be 14% (with advertising up 18% and payments down 6%).
- 2012 adjusted EBITDA growth is now estimated at 17% (ex SBC and PTSBC), with 2013 growth of 14%.

Real ROI Measurement. Measuring numbers of fans, followers and "likes" are not going to cut it in the C-Suite. Instead, social goals must be aligned to business objectives -- benchmarked and measured against Key Performance Indicators -- empowering marketing stakeholders across the auto organization to contribute to social success. Social management that can assign, track and standardize metrics will allow the shift in focus toward long-term goals of message effectiveness, forecasting and overall marketing optimization.

Show This to Your Agencies!

Total Agreement with the Statement	Total	<18	18-34	35-54	55+
I would be very disappointed if my <u>favorite radio station</u> went away	61.6%	60.0%	62.0%	62.7%	59.6%
I would be very disappointed if Facebook went away	44.7%	53.3%	54.2%	44.7%	33.9%



Contrary to Blodget's assertion that just about everybody time-shifts and nobody watches commercials any more, Lanzano referenced Nielsen data. **It indicates that live**

viewing accounts for 87% of all TV watching, which continues to make it the dominant way audiences access the medium.

As to who does or doesn't watch TV ads, Lanzano cited Nielsen data reporting that 50% of viewers watching programming in DVR playback mode watch the ads, as well. (To what extent they're actually watching the ads versus just not skipping through them remains the subject of debate.)

While TV viewing via the Internet and computers is catching on, the TV screen still dominates in that regard, accounting for 95% of all viewing, Lanzano said.

Television is still the "primary action driver through the consumer purchase tunnel," he said, citing Nielsen surveys that show 37% of respondents believe television is the most influential medium impacting their purchase decisions.

Clearly, the amount of time people spend watching TV on a daily basis -- more than five hours -- wouldn't suggest a medium that is dying. By comparison, he noted that the average daily time spent with Facebook and Pinterest is about 13 minutes and 1.6 minutes, respectively

Further details from RichRelevance's "Shopping Insights" study indicate that when the 3 social networks are compared, Facebook accounts for the dominant share of socially driven traffic, at 86% of traffic referred by the 3 sites. Pinterest is next, at 11%, followed by Twitter, at just 3%.

The same order applies for page views per session by source, with Facebook leading the way with an average of 7, ahead of Pinterest (4.1) and Twitter (2.7).

When it comes to conversion rates by source, Facebook still leads (2.6%), although Twitter users (1.1%) appear to convert at a slightly higher rate than Pinterest users (0.9%). These figures are again higher than the average conversion rate among social network referral traffic in Q2, as seen by Monetate (0.59%).

Sep 11, 2012 - 2 With every [Facebook](#) "Like" and public check-in to [Foursquare](#), consumers contribute to a widening pool of social data — data marketers are beginning to capitalize on with more targeted and contextually relevant advertising.

Nihal Mehta, CEO and co-founder of [LocalResponse](#), recognized this opportunity early. A serial entrepreneur with a background in mobile, he left advertising holding company [Omnicom](#) in 2008 to found a startup called [Buzzd](#), a location-based mobile application designed to help users gauge how crowded a particular bar or other public

venue is at any given moment. Buzzd enjoyed some success — the company raised \$4 million in venture capital and grew its user base to 2 million, but Mehta says he soon realized it was very hard to generate revenue on a mobile ad network model.

“A phone knows who you are, where you are and where you’ve been. But no ad platform was taking advantage of that [at the time],” Mehta recalls.

In April 2011, Buzzd changed its course and [became LocalResponse](#), whose mission is, in Mehta’s words, “to better monetize mobile traffic by leveraging things we know about the user.” [LocalResponses leverages a vast amount of social data, most of which comes from Facebook and \[Twitter\]\(#\), and combines it with language processing to surface intent and serve ads based on that intent. For example, if a person named John were to tweet “I’m hungry,” from \[Twitter.com\]\(#\), LocalResponse could serve a display ad for Pizza Hut on the next \[CNN.com\]\(#\) page John opened in Safari.](#)

“Because of the social media boom, there’s all this amazing data that people are broadcasting,” says Mehta. “We’re using that to deliver ads that are so finely targeted, they become content.”

Mehta says LocalResponse is able to deliver this kind of advertising to 50 million U.S. Internet users per month. The company is able to track these consumers by dropping cookies after they connect to a partner website using their Facebook or Twitter credentials. Consumers can opt out of this kind of tracking at any point by clicking on an icon in the upper right-hand corner on any banner ad that uses it. LocalResponse has worked with more than 100 brands to date, about half of which are Fortune 500 companies, says Mehta. Among them are Coca-Cola, Kraft, McDonald’s and General Electric. Mehta said he had originally planned to target the small, local business market, but early found that ROI was better on bigger brand campaigns.

:33PM PT

Facebook’s mobile struggles awaken industry to growing click fraud problem

By [Chantal Tode](#)

September 19, 2012

While click fraud is often a given in mobile marketing, the full extent of the problem and its implications became a lot clearer following Facebook's revelations about the issues it faces monetizing mobile via advertising.

There are no hard numbers for click fraud but studies suggest up to 40 percent of mobile clicks are accidental or the result of fraudulent activity. The problem is much bigger on mobile than desktop because of how many mobile devices are in circulation and because the means to track mobile traffic is not at the same level as it is for desktop.

"Until the issue of mobile click fraud became obvious with a company like Facebook, it just wasn't being talked about," said James Lamberti, vice president and general manager at [Adtruth](#), Scottsdale, AZ.

"There is such great potential for mobile in a property like Facebook and in social media, but click fraud is clearly an issue," he said.



"The problem of click fraud is now so big that places that should drive quality have to have this issue managed and dealt with so marketers can consistently derive value – to me that is the awakening that is happening due to a channel like Facebook."

CPC devalued

Click fraud encompasses the activities of fake publishers established purely for making money from clicks. However, in mobile, it also typically refers to the not insignificant number of mistaken clicks that are a result of the small screens on mobile devices.

The consequence of click fraud for mobile marketers is that because there are clicks that are never going to add value, this drives down the cost per click.

However, click fraud is also one of the reasons why mobile advertising is posing a problem for companies such as Facebook as they are not able to monetize on mobile at the same level they can on desktop. The issue is compounded by the fact that mobile use of Facebook and other sites is growing quickly.

"Click fraud is one of the reasons why the cost in mobile is lower than on desktop and why the economics are so different in mobile," Mr. Lamberti said.

“The massive inventory in mobile is different but this may be connected to fraud – we may have this incredible supply because of fraud,” he said.

Time to step up

Many marketers do not feel compelled to address mobile click fraud because there is no economic incentive for them to do, per Mr. Lamberti. They simply accept the lower cost per clicks and adjust accordingly.

“This isn’t a deal breaker for marketers,” Mr. Lamberti said. “The consequence is you get a lower ROI because you have clicks that are never going to add value.”

Marketers also feel there is no short-term damage to their brand from click fraud. However, this reflects a certain shortsightedness in mobile.

The fact is that mobile is here to stay and brands need to start thinking in terms of delivering quality experiences on mobile and measuring the activity so they can determine key metrics such as lifetime value to help them better optimize their campaigns.

“Publishers and networks have to figure this out if they want to attract more spending,” Mr. Lamberti said. “Even though marketers might pay more per click, the long-term value is worth it.”

“Marketers have to commit to quality,” he said.

“We haven’t seen the desire from the market to really fix the problem. However, this is beginning to change.”

Addressing the problem

The steps that marketers can take to deal with mobile click fraud include asking their vendors what they are doing to address and prevent the problem.

Marketers also need to be willing to pay for better quality inventory and pick their partners based on this issue.

“If you have 40 percent of clicks that are fraudulent, marketers are really paying for all those clicks that are not legitimate,” said Dean Nicolls, vice president of marketing at [Telesign](#), Marina del Rey, CA.

“This is wrongheaded thinking from a marketing perspective,” he said. “The real question should be how many legitimate leads are coming in and what are you paying for those clicks.”

Marketers should be looking at each channel in terms of what kind of return they are getting on the number of qualified leads each is generating, not purely on the number of the clicks.

Companies like Telesign help marketers determine the cost per acquisition in mobile by qualifying leads. For example, Telesign takes the information from lead forms where users input a name and telephone number to validate if the two pieces of information correspond.

Marketers can also use tools like Google Analytics to see how much click fraud is happening. For example, when marketers start to see a lot of impressions but very few clicks or leads, this could be a sign that they are a victim of click fraud.

Another indication of click fraud is when a lot of clicks are coming from a single geographic area.

When working with ad networks, Mr. Nicolls recommends reviewing clicks at the publisher level because there may be a problem with just one publisher in the network.

“Marketers have to be diligent about looking at analytics to get a handle on how much click fraud is happening,” Mr. Nicolls said.

Final Take

Chantal Tode is associate editor on Mobile Marketer, New York

What Comes After Facebook? The Future of Social Media

There is no such thing as social media fatigue. We are not tired of social, we are tired of all the things that get in the way of being social.

17

PAGESPLUS ONLY

FREE FOR SUBSCRIBERS

Written by [Thomas Baekdal](#)

SHARED BY PLUS SUBSCRIBER



In case you have been on vacation for the past 6 months, you'll know that Facebook and Twitter are in a bit of trouble. I don't mean they are about to go bankrupt or anything (they won't), but we're seeing a clear trend of disapproval towards them.

In a recent consumer [satisfaction report by ForeSee](#), Twitter and Facebook scored well below what you would expect, averaging 62.5 out of 100 (that's well below the average of 74.2).

In comparison, Google+ scored 78, Google Search scored 82, Bing Scored 81, Yahoo scored 78, Wikipedia 78, and the average score for newspapers was 73.


More to the point, Facebook represents the largest drop of all the digital brands measured. And while this report only measured consumer satisfaction, we see the same trend in business satisfaction.

Some people call this social media fatigue, but there is a lot more to it than that. In fact, there is no such thing as social media fatigue. We are not tired of social, we are tired of all the things that get in the way of being social.

Social Media: How to make Facebook's algorithm your friend

[Ads by Google](#)

- [Emerging Media Conference](#) Industry experts reveal mobile social opportunities. Register now! mediaconvergence.eventbrite.com/

-
-  184
 -
 -
 -

thegazette.com Copyright 2011 SourceMedia Group. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Facebook has a dirty secret.

You know that brand page you have where you're hoping to attract some of Facebook's 900 million users? You know, the one you put all of your blood, sweat and tears into posting engaging content and useful information?



Nick Westergaard

The secret, which Facebook released earlier this year, is that most users only see about 16 percent of updates from brand pages like yours.

Whenever I share this, there is a collective gasp heard throughout the room. "That's not fair! We did all of this work connecting with them and now there's a chance they won't even see it? What gives?"

What gives is Facebook's notorious EdgeRank algorithm. Born from Facebook's desire to present you with only the most relevant and valuable updates from your network, this formula is one marketers can't afford to ignore as they engage on Facebook.

Let's take a look at what EdgeRank is all about and what it means for your brand.

How EdgeRank Works

So how does Facebook determine which posts you see and which ones you don't? The EdgeRank algorithm determines this from the value of your social objects — statuses, links, photos, videos.

Facebook views all of these inputs as "edges" and assigns value based on the following factors:

1. Affinity score between viewing user and edge creator
2. Weight for this edge type (like, comment, tag, etc.)
3. Time decay, which is a factor based on how long ago the edge was created.

What EdgeRank Means for Your Brand

Scientific formulas aside, what does this mean for you and your brand page on Facebook?

Affinity — How close are you to the user? Do they interact with you a lot on Facebook?

If they do, that's great! EdgeRank will probably show your content to that user more.

However, affinity is a one-way street. You can't ensure users will see your brand page's posts more by liking everything they say.

Weight — Easily the most abstract of these factors, weight speaks to the level of engagement your page has going for it.

Remember, Facebook is looking out for Facebook in all of this. As such, it gives additional "weight" to things that keep people on the network engaged.

As social objects attract more interactions, they are given a higher value. While Facebook is characteristically tight-lipped, many speculate that more weight is given to photos and videos on the network as they have historically been more engaging than simple statuses and links.

Time Decay — If weight is the most abstract factor, time decay has the best name.

Really, this factor speaks to the recency of your social object. It's also perhaps the simplest to understand — yesterday's news won't be at the top of the heap forever despite numerous likes and comments.

How You Can Optimize Your Engagement for EdgeRank

Just knowing about EdgeRank can help you tailor your brand's Facebook updates accordingly.

While time is out of your hands, weight pivots around producing effective and engaging visual content such as photos, photo albums, and videos.

If you're looking for more engaging text posts, remember to phrase updates as a questions — How are you celebrating this Fourth of July?, instead of just Happy Fourth.

Facebook also allows you to target your page updates demographically. Segment your posts to more relevant demographics and watch your affinity rise.

Facebook ultimately is a marketing tool. As such, relevance and recency rule in appealing to your network and beyond.

[Ads by Google](#)

- [Evaluate Social Media](#) How to Evaluate & Select the Right Social Media Software. Free Guide! www.Wildfireapp.com
- [Five star carting inc.](#) Waste & Recycling servcies, all paper, cardboard, metal

Social Media: How to make Facebook's algorithm your friend

[Ads by Google](#)

Facebook has a dirty secret.

You know that brand page you have where you're hoping to attract some of Facebook's 900 million users? You know, the one you put all of your blood, sweat and tears into posting engaging content and useful information?



Nick Westergaard

The secret, which Facebook released earlier this year, is that most users only see about 16 percent of updates from brand pages like yours.

Whenever I share this, there is a collective gasp heard throughout the room. "That's not fair! We did all of this work connecting with them and now there's a chance they won't even see it? What gives?"

What gives is Facebook's notorious EdgeRank algorithm. Born from Facebook's desire to present you with only the most relevant and valuable updates from your network, this formula is one marketers can't afford to ignore as they engage on Facebook.

Let's take a look at what EdgeRank is all about and what it means for your brand.

How EdgeRank Works

So how does Facebook determine which posts you see and which ones you don't? The EdgeRank algorithm determines this from the value of your social objects — statuses, links, photos, videos.

Facebook views all of these inputs as "edges" and assigns value based on the following factors:

1. Affinity score between viewing user and edge creator

2. Weight for this edge type (like, comment, tag, etc.)

3. Time decay, which is a factor based on how long ago the edge was created.

What EdgeRank Means for Your Brand

Scientific formulas aside, what does this mean for you and your brand page on Facebook?

Affinity — How close are you to the user? Do they interact with you a lot on Facebook?

If they do, that's great! EdgeRank will probably show your content to that user more.

However, affinity is a one-way street. You can't ensure users will see your brand page's posts more by liking everything they say.

Weight — Easily the most abstract of these factors, weight speaks to the level of engagement your page has going for it.

Remember, Facebook is looking out for Facebook in all of this. As such, it gives additional "weight" to things that keep people on the network engaged.

As social objects attract more interactions, they are given a higher value. While Facebook is characteristically tight-lipped, many speculate that more weight is given to photos and videos on the network as they have historically been more engaging than simple statuses and links.

Time Decay — If weight is the most abstract factor, time decay has the best name.

Really, this factor speaks to the recency of your social object. It's also perhaps the simplest to understand — yesterday's news won't be at the top of the heap forever despite numerous likes and comments.

How You Can Optimize Your Engagement for EdgeRank

Just knowing about EdgeRank can help you tailor your brand's Facebook updates accordingly.

While time is out of your hands, weight pivots around producing effective and engaging visual content such as photos, photo albums, and videos.

If you're looking for more engaging text posts, remember to phrase updates as a questions — How are you celebrating this Fourth of July?, instead of just Happy Fourth.

Facebook also allows you to target your page updates demographically. Segment your posts to more relevant demographics and watch your affinity rise.

Facebook ultimately is a marketing tool. As such, relevance and recency rule in appealing to your network and beyond.

A BRIEF GUIDE TO FACEBOOK INSIGHTS

Some marketers love them, some hate them and some just plain don't understand. From impressions to new likes, the following graph explains the size and relationship of audiences in each metric in Facebook Insights. The model is not to scale since every page is different, but the circles show the relationship between the number of users and actions recorded in each metric.

FRIENDS OF FRIENDS

This is everyone you have the potential to influence. The extended network is often hundreds of thousands or even millions of people. All other metrics are a fraction of this number - **less than 1%.**

IMPRESSIONS

This is the total number times people saw anything from your page in the newsfeed or ticker (friends or non-friends).

REACH

The number of people who received impressions. It's likely your content was seen by people more than once, so this number is smaller than total impressions.

POST IMPRESSIONS

This counts how many times your posts were seen in a newsfeed or ticker (friend or non-friend). Regular impressions record all activity. This metric is limited to posts from you.

POST REACH

Just like reach is the number of people who received impressions, post reach tells you how many people your posts reached.

ENGAGED USERS

Engaged users is the number of people who clicked on one of your posts.

TALKING ABOUT THIS

People Talking About This are people who created a newsfeed story from your content by liking, commenting or sharing. When their friends view these stories in newsfeeds and tickers, impressions and reach grow.

NEW LIKES

New likes count as People Talking About This because liking creates a story. Of the **HUNDREDS OF THOUSANDS** of people you have the potential to reach, this is the **SMALL FRACTION** that acted.

OTHER METRICS

LOGGED-IN PAGEVIEWS – This is the number of people who viewed your Timeline while logged into Facebook. Since the majority of views come from logged-in users, this is a pretty good indication of everyone who came to your page.

CONSUMPTION/CONSUMERS – When you post any media (link, photos or videos) it is "consumed" when a user clicks to view. The number of consumers is the total number of people who create consumptions.

FROM THIS POINT ON, metrics mostly represent people who are fans or have the potential to become fans through direct interaction with your page content.

Here Are Facebook's 7 Biggest Problems, According To Its Top Ad Product Exec

[Jim Edwards](#) | Sep. 5, 2012, 10:26 AM | 3,292 | [1](#)

-
- [inShare](#)29
-
-
- [Email](#)
- More

Gokul Rajaram is [Facebook's director of product management for ads](#). He recently did a detailed, free-wheeling [interview with AdExchanger](#), in which he described seven priorities for the advertising side of Facebook's business (which is to say, virtually all of its \$1 billion-per quarter business).

In doing so, however, he also hinted at Facebook's seven biggest problems. Here are Rajaram's priorities and the problems that come with them:

1. Data. [Facebook](#) has one of the biggest hoards of marketing data on the planet, and its members are targetable based on their demographics and interests. It's a potential marketing goldmine.

Problem: Facebook isn't doing anything with it. When asked if Facebook ever planned to switch on its data for ad targeting, Rajaram said only: "Not at this time."

2. Facebook Pages. "Facebook Pages work really well to reach people at all parts of the funnel. The Page should be the hub of all your marketing, we believe, because Pages allow you to reach people in the news feed. Pages allow you to publish content. That initially starts out as organic content, and then you can sponsor or boost the content."

Problem: Pages are free, but Facebook needs to see sales dollars growth. But there's no such thing as a "free" page at Facebook. As Rajaram admits, most posts made by marketers are only seen by a small proportion of followers because users' news feeds are so crowded. So marketers are forced to pay to get the reach they need: "Organically, you get anywhere from 15 percent to 20 percent of your fans, that you reach organically. In order to reach the remaining 80 to 85 percent, sponsoring posts is important."

3. Mobile. "Our advertising strategy on mobile is all about making sure we are part of the organic content that people consume. It's primarily News Feed. On mobile, it's actually fairly easy for us."

Problem: Everyone knows Facebook's mobile app leaves a lot to be desired. Also, Rajaram says Facebook will NOT introduce banner ads, leaving it dependent on Sponsored Stories—which aren't as obvious or intrusive as display advertising. He says, "we don't introduce content which would not be there otherwise—like a banner ad or something like that—in mobile, it's a much easier transition for us from a pure product development point of view." That's fine ... except that advertisers LIKE obvious and intrusive media. The mobile screen is comparatively tiny and Facebook has turned its back on a major part of the real estate it offers.

4. Offers. "We intrinsically believe that advertising and marketing should enhance native-user behaviors. Things like Offers originated from this belief. When we survey users asking, 'What are the reasons you Like a page on Facebook?' one of the primary reasons was people want discounts, coupons, and deals. To build a compelling product it takes a coupon, which is an age-old thing."

Problem: When was the last time you redeemed a Facebook Offer?

5. Speed. "Our focus is to move fast — have all teams that work together not encumbered by any constraints. They execute and launch something fast and learn something and move on."

Problem: Facebook is rolling out new products so fast it's confusing for clients. Here's how Rajaram says Facebook communicates with its main ad partners, the so-called preferred marketing developers (PMD): "We have a number of communication channels with PMDs. All PMDs have access to a PMD-only community forum. We have several forums, groups on Facebook that they have access to. Then we have product and program update forums. Then we have PMD email support. We also have regular newsletters that we send out, and we have limited opportunities for select PMDs to test products in pre-launch status so they can test it and give us feedback." Phew!

6. Facebook Exchange: "There are obviously some differences in Facebook creative being different from [standardized display] and so on. We want to make sure the partners understand that just because they are integrated, it doesn't mean the responsibility ends there. Their responsibility is to work with us to make sure the advertisers who are our common client have a great experience on Facebook Exchange."

Problem: Rajaram seems to be implying that Facebook's ad formats are a creative hurdle for some buyers. Facebook's ads come in different shapes and sizes than standard web format banner ads—which means that clients have to create separate campaigns just for Facebook, before they buy on Facebook.

7. Video. Facebook is one of the largest servers of video in the world, and video advertising is a lot more lucrative than display advertising. So it's a huge opportunity for video ads.

Problem: Facebook isn't doing anything about it. "Unlike everybody else It's something we haven't talked too much about. We probably need to focus and build a lot of stuff on the consumer side, if we want to do something. I think, so far, we haven't talked much about the advertising side of video, at this point

How Marketers are Missing Out by Focusing on Facebook

With all the available social networking opportunities, businesses may forget why they came to social networks (like Facebook) in the first place – to drive traffic and sales. Unfortunately, we see a number of marketing tactics employed each day, that send social media users to branded social networking pages, without any bridge to the business's corporate website. **Though it seems counterintuitive, Facebook is not an ideal medium to broadcast your brand message.** That's not to say Facebook is not useful in amplifying your marketing tactics. Facebook should be used as a bridge for users to connect to your website. Here's why.

Your Posts are only reaching a minority of your fans.

According to Datamation.com, “For the most popular businesses on Facebook, those with more than a million “fans,” fewer than 3 percent of those fans are seeing the companies’ daily updates...” The picture improves for smaller companies. For those with between one thousand and ten thousand “fans,” the percentage is just under 10 percent.

The report found a general reverse correlation between number of fans and percentage of fans seeing updates every day.”

That’s a huge gap in your fan base, versus what your fans are hearing, due to Facebook’s Edge Rank algorithm. EdgeRank is Facebook’s solution to “social media fatigue” – only posting content if your Facebook page has a high EdgeRank. How do you get a high EdgeRank? Entice users to click or comment on, or generally interact with your Facebook posts by posting interactive content. It’s a double edged sword because to gain EdgeRank, you seemingly have to HAVE EdgeRank already. Don’t just assume your fans can hear you on Facebook like they would on your business’s website.

Facebook is a Social Platform, not a Business Platform.

Businesses can listen to and communicate to fans IF those fans go to the business’s Facebook page. However, Facebook is not really a conversation medium. There’s no good way to target specific audiences by specific criteria - the profile data to narrow down, and target your preferred audience is insufficient. Even if you have a custom welcome tab that weeds out non-fans from engaged fans, you really only have ONE Page for your entire audience. And as John Schroeter says in his article on Facebook strategy, “... In an age of personalized content delivery, [this] runs counter to ... marketing best practice.”

Facebook pages are not the place to drive deep, targeted engagement when it comes to content, because it’s almost impossible to target fans without running ads. And running ads still doesn’t guarantee your ads will be seen since Facebook ads don’t show up on most mobile clients. This is why it’s absolutely necessary to use Facebook as a bridge to your corporate website.

Facebook is Not Your Website

It’s important to remember that while you may have copy rights to your logo, your brand slogan or motto, and your business’s content, anything you put on Facebook is subject to Facebook’s Terms of Use (“... you grant us a non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use any IP content that you post on or in connection with Facebook”). Not only that, you’re subject to apps developed for Facebook, viruses from links, and hacked accounts. That makes it extra hard to control who sees what, and where your content is being used. While business accounts are safe – for the most part - the liability is

enough to send any brand manager into convulsions. This means that businesses NEED a corporate website for news, product, events, etc – and they need to not rely on Facebook alone.

Facebook is a tool and can be incredibly useful as a means of emphasizing your brand communications. However, it's important to remember that Facebook should not be your customer's end destination but a bridge to your corporate website. When used strategically, your business's Facebook page can be the link that turns conversation into conversion.

Facebook and Twitter both have introduced enhanced and **evolved behavioral capabilities** to their ad products, enabling advertisers, marketers and brand folks **to better target** the social sites' users.

Next week, Facebook will be offering brands an ability to ad retarget based on users' email addresses, phone numbers and FB app user identities. **This will enable marketers to reach Facebook users who are their current customers using their own customer data.** The way I see it, it is like using your own customer emailing list and targeting the same customers for relevant offers, messages and more in the social networks. **In my opinion, the most appropriate use will be around loyalty programs, bundled offers, and retention.**

On a good note, businesses won't have access to additional Facebook user data, according to Facebook.

B2B Magazine reports, with Twitter, advertisers are now able to target their Promoted Tweets and Promoted Accounts programs to users based on what they follow and retweet. As a user, it will allow me to have promoted tweets that suit my interests appear above generic ones.

There are 350 interest categories advertisers can choose from, including education, science, law and personal finance, which can be further broken down into additional topics. What is really interesting is that Twitter also is reducing the minimum price advertisers can bid for an ad campaign to one cent per Promoted Tweet, down from 50 cents.

There are few possible reasons for this new approach.

1. the current program isn't working at all and needed a refresh
2. ROI and engagement numbers were below advertiser's expectation and budgets
3. volume play to match their significant mass reach in the small business space (the core group that originally made them successful)

The coming year will be a interesting one from Social Advertising point of view. Keep seated and stay tuned!

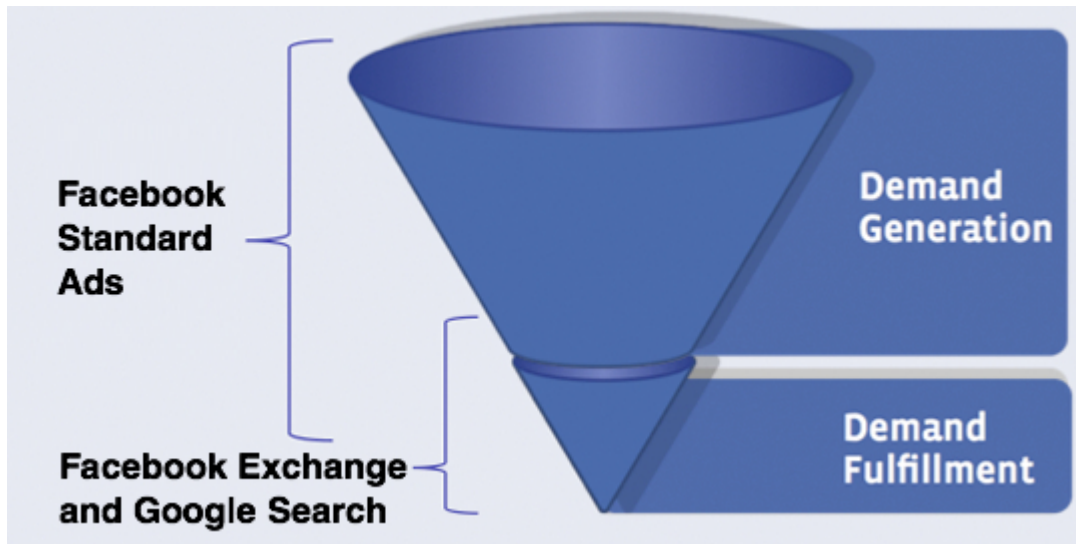
The Facebook Exchange could pull in a wealth of new advertising dollars by letting businesses retarget ads at Facebook users who've visited their websites. Now I've learned and confirmed that the first Exchange ads are running, and Facebook has nearly doubled the companies with access to the program. Plus one source close to Exchange tells me "initial results are good, they're going very, very well."

Announced 10 weeks ago, Exchange brings the first cookie-based retargeted ads to Facebook — a format common around the web but that Facebook must handle delicately because of privacy. The expansion and comments from Sheryl Sandberg show Facebook has high hopes that Exchange will bolster its bottom line.

Why Exchange Is Critical To Facebook

Here's a [quick primer on FBX](#). A Facebook user visits a third-party website, such as a travel site where they view prices for a hotel in Hawaii. That website drops a cookie on the user's browser, and then hands a demand side platform (DSP) the complementary cookie. The DSP identifies the user to Facebook and tells it it wants to advertise to them the next time they visit Facebook.

The user visits Facebook, which pings the DSP asking for a real-time bid for how much they'd pay per impression to show that user a Facebook sidebar ad. If the bid is high enough, the ad gets shown, Facebook charges the DSP, and the DSP charges the website owner.



This is all so important for Facebook because it has classically been seen by advertisers as stronger for institutional brand advertising that improves awareness and perception than direct advertising whose click-throughs translate to sales.

Essentially Facebook is at the top of the funnel at demand generation, opposed to the bottom at demand fulfillment where measurement of return on investment is easier, ad rates can be higher, and Google Search rules. If Facebook wants to boost revenues and also make its ads more relevant, it needs to break into the bottom of the funnel, and retargeted Exchange ads can help.

And they are. Direct advertisers may flock to the DSPs because my source tells me Exchange results are “in-line with performance of retargeted ads [across the web] that have really high ROI. It’s going quite well.” However, there’s currently only a small volume of ads being run and I’ve heard many big travel advertisers are still getting their cookie-syncing set up to work with FBX.

New FBX Partners Signal What’s Next For Facebook Ads

On the social network’s [first public earnings call](#) a month ago, [Sandberg said](#) regarding Facebook Exchange, “We’re at a very early alpha stage test... but we’re really encouraged by how interested our advertisers and customers are.” And Sandberg’s not blowing steam. [We hear AdRoll](#) has assigned a huge chunk of its engineering resources towards working to perfect its integration with Facebook Exchange. Apparently it sees a pot of gold at the end of the rainbow if it can become the premier platform for advertisers to retarget Facebook users.

Some time between the announcement of Exchange and now, [Facebook struck deals with six more DSPs to join the program](#). I’d learned of a few and Facebook agreed to give me the full list of Exchange partners. The newly added ones are in bold:

- AdRoll
- AppNexus
- **Criteo**
- DataXu
- MediaMath

- **Nanigans**
- **Optimal**
- **RocketFuel**
- Tellapart
- TheTradeDesk
- Triggitt
- Turn
- **Xaxis**
- **X+1**

With the first wave, Facebook curiously sidestepped all its existing [Ads API](#) partners — the tools and services big businesses use to efficiently buy standard Facebook ad campaigns and Sponsored Stories. There are two possible reasons for this. First, retargeting and real-time bidding required for Exchange are specific technologies that many Ads API partners didn't have built.

Second, and more interestingly, Facebook is not currently allowing Exchange partners to layer its standard biographical ad targeting parameters on top of retargeting. That means a DSP can't say it only wants to target users who've received a cookie and are 25 to 45 year old males. This might be because Facebook refuses to give personally identifiable data on its users to advertisers. If it allowed the coupling of standard targeting and retargeting by admitting partners who do both, those ad platforms might be able to deduce characteristics of Facebook users and combine them with cookie-data to create stunningly accurate profiles of visitors to their site.

Facebook doesn't want those DSPs to be able to turn around the Facebook bio data to improve their targeting of users outside of Facebook.com. But a different source says Facebook does want to let advertisers combine retargeting and bio data so they can serve more relevant ads on Facebook.com as long as it's in a way that doesn't jeopardize user privacy.

It may be setting itself up for once it's figured out how to do that, as now Facebook has allowed [Nanigans](#) and [Optim.al](#), two existing Ads API partners into the Exchange program. The presence of Nanigans and Optimal in the Exchange program may indicate that when Facebook is ready to combine targeting options, it wants experienced Ads API partners ready to test it. However, my sources say even if Facebook can't securely merge the targeting options, there's a very healthy business tapping into existing retargeted ad budgets.

So with FBX ads now running, Sandberg citing strong interest, and more partners signed on, the next step is for Facebook to prove retargeting can earn advertisers money. **While the whispers I'm hearing indicate they work well, Facebook will need to compile conclusive studies demonstrating that Exchange ads sell products.** Luckily, I recently came in to Facebook to talk to Sean Bruich, head of measurement and monetization analytics. He's building up a team of specialists whose sole mission is showing advertisers that when they invest in Facebook, they get even more back.

Facebook Measurement Chief Advocates New Standard for Gauging Reach

Brad Smallwood: Measuring Online Media in GRPs Is Just Preliminary Step

By: [Cotton Delo](#) Published: [August 27, 2012](#)

As Facebook urges big advertisers to boost their spending, its measurement team is playing an increasingly prominent role, trying to articulate the value of paid and earned Facebook impressions in terms media buyers know, such as GRPs, or gross ratings points.

But while talking about GRPs is a step in the right direction for the social network, it's not its end game. According to Brad Smallwood, Facebook's head of measurement and insights, the ultimate goal is for the market to embrace a metric that looks at the unique reach and frequency of a campaign across all "experiences" -- including traditional media such as TV, radio, print and outdoor, as well as online media, social media (owned, earned and paid), mobile and in-game ads.

"We're still trying to figure out how to measure (experiences) in silos, and the more media consumption disperses across channels, it's going to become an increasingly big problem for advertisers," said Mr. Smallwood, who will be a speaker at [Ad Age's Digital Conference](#) in San Francisco next month.

Last August, Nielsen debuted a product enabling advertisers to measure their online campaigns -- including Facebook -- in GRPs, and it's gotten traction among advertisers and agencies, such as Unilever and GroupM, but only as a reporting metric and not for buying. (ComScore has also introduced a similar product.) However, the ultimate vision is for a media buyer to purchase, for example, 100 GRPs on TV and the equivalent of 50 GRPs on Facebook, which together might generate the equivalent of another 20 GRPs through owned and earned media on Facebook. The buyer would then have the understanding that all together he got 170 GRPs.

Nielsen also has a product in market that allows for measuring the reach and frequency of campaigns across media channels, but that kind of measurement is nascent. Mr. Smallwood said his team is working with the Interactive Advertising Bureau and the

Advertising Research Foundation to advocate for those metrics to become an industry standard.

"When will media agencies and advertisers demand success on those measures? I think that's three to five years away," he said.

While Facebook clearly stands to benefit if the measurement and media-buying standards that favor TV are upended, networks with big digital businesses, such as ESPN or Turner, could also potentially benefit.

Mr. Smallwood said he hopes to partner with some perceived rivals to advocate for this new way of measuring.

"The Twitters, Yahoos, Microsofts -- and Google obviously as well -- we want them all to be a part of this process," he said. "If we can demonstrate confidence in online, we will see a good share of those dollars end up on Facebook."

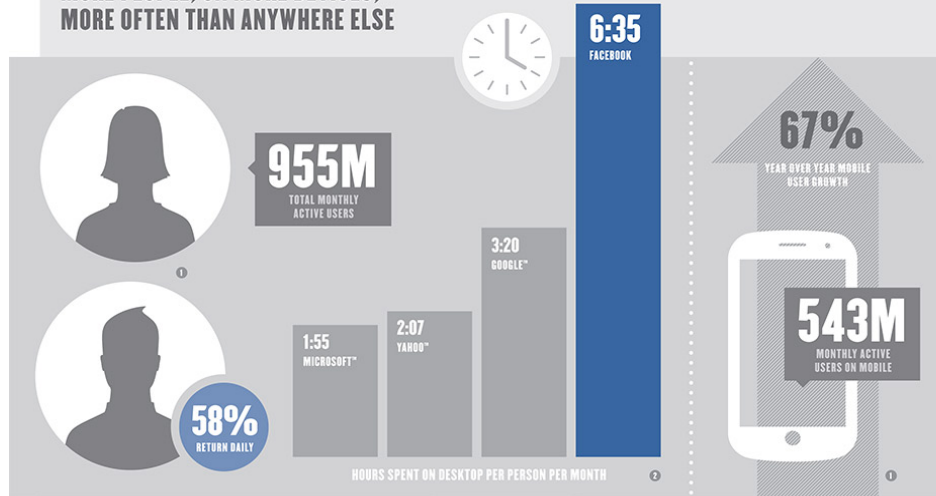
THE POWER OF FACEBOOK ADVERTISING

CONNECTING WITH, ENGAGING AND
INFLUENCING YOUR CUSTOMERS

CONNECT

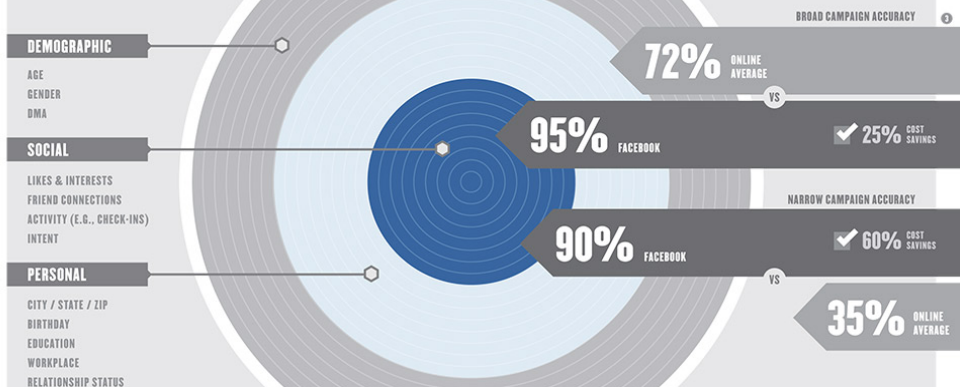
FIND AND REACH YOUR AUDIENCE WITH PRECISION
AT SCALE WITH FACEBOOK ADVERTISING

MORE PEOPLE, ON MORE DEVICES,
MORE OFTEN THAN ANYWHERE ELSE



FIND THE RIGHT CUSTOMERS
WITH BETTER TARGETING

REACH THE RIGHT
PEOPLE EFFICIENTLY



BUILD MEANINGFUL
1:1 RELATIONSHIPS

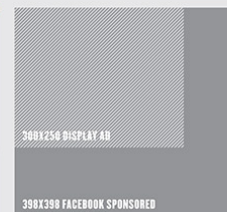
ENGAGE

FACEBOOK IS AN EXTREMELY ENGAGING PLACE

3,200,000,000

LIKES AND COMMENTS EVERY DAY IN THE WORLD

ENGAGE
ACROSS
PLATFORMS
TO REACH
PEOPLE
WHEREVER
THEY ARE



4 strategies advertisers are using for Facebook's search ads

[Brittany Darwell](#) • Aug 29th, 2012

Facebook's search-based ads, [Sponsored Results](#), became available through the Ads API and [Power Editor](#) tool [last week](#), allowing a range of advertisers to test the new offering. Here we'll look at the four main strategies we've seen companies take:

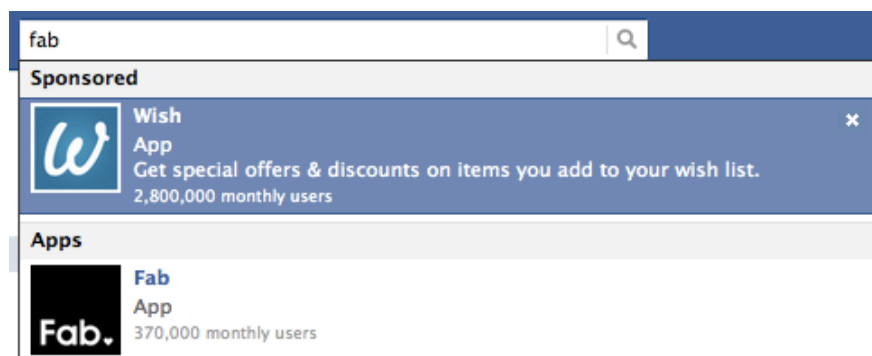
- Steal traffic from competitors
- Show up when users search for related pages or apps
- Get impressions by bidding on the most popular apps and pages
- Protect brand position with defensive bids

For background, Sponsored Results allows businesses to buy ads in the social network's typeahead search results. Advertisers target exact pages, profiles, places or apps they want to show up next to, rather than bidding on keywords or phrases. They can also layer on Facebook's demographic, interest and category targeting.

Ads optimization company Ampush Social [is reporting](#) clickthrough rates between 0.5 and 1 percent on Sponsored Results for a casual gaming app. Facebook analytics company PageLever tells us it has seen CTR between 0.8 and 2 percent on highly targeted Sponsored Results for a B2B campaign.


See some sample ads and understand their strategies below.

Steal traffic from competitors




cityville

Sponsored


 **SimCity Social**
Game
Its a City that Sparkles. Play the NEW SimCity game, now!
15,100,000 monthly users


Pages

 **CityVille**
App Page
25,297,696 like this · 94,581 talking about this


travelocity

Sponsored

 **Hipmunk**
San Francisco, California · Travel/Leisure
Hipmunk is a smarter & more efficient way to book travel. Learn more!
42,105 like this · 7,802 talking about this

 **Hotels.com USA**
Dallas, Texas · Travel/Leisure
With over 20,000 vacation destinations, simply take your pick.
415,322 like this · 17,324 talking about this


Pages

 **Travelocity**
Product/Service
249,105 like this · 2,797 talking about this


[Travelocity.ca](#)


bubble safari

Top Hit

 **Bubble Safari**
Game
Over 10,000,000 monthly users

Sponsored

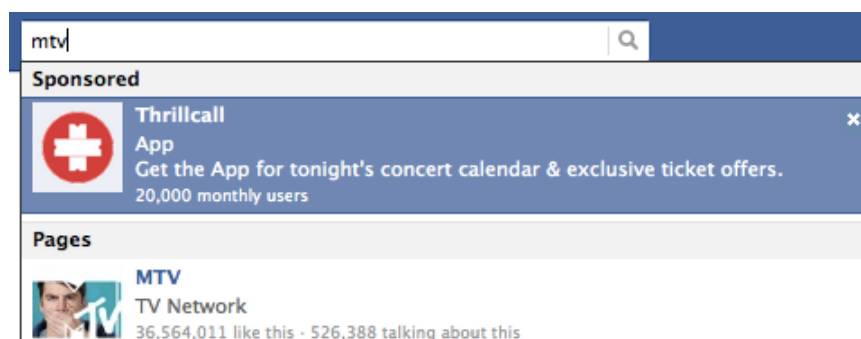
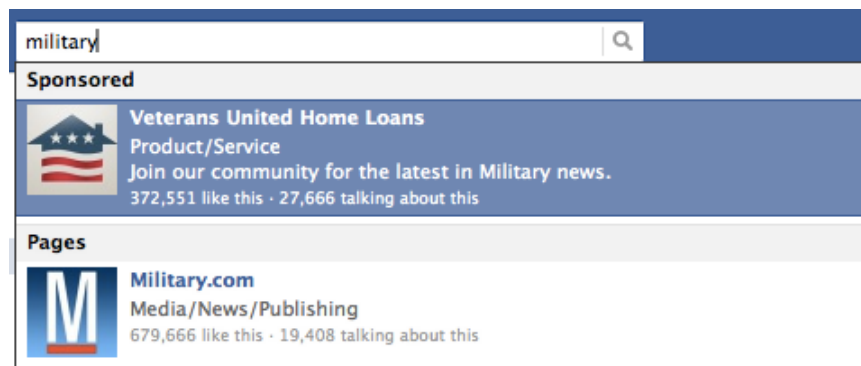
 **Bubble Witch Saga** ×
Game
New Bubble Game on Facebook. Play now. Warning: Highly Addictive!
Over 10,000,000 monthly users

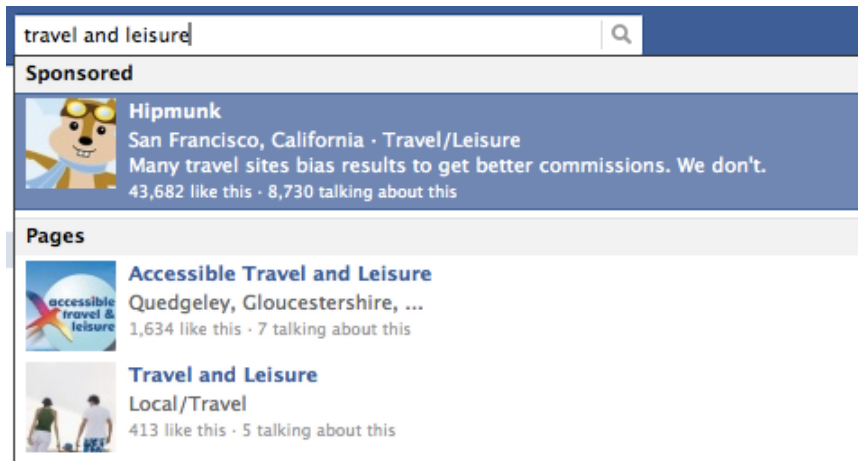
 **Disney's Ghosts of Mistwood**
Game
Looking for the best game? Check out Disney's Ghosts of Mistwood Now!
Over 1,000,000 monthly users

Show up when users search for related pages or apps

With Sponsored Results, companies can pay to get placement when users search for their competitors. This is significant because Facebook search results used to be based on the actual text input from users. A search for Nike would bring up results for Nike's Facebook pages, Niketown stores, the Nike+ app, or people whose names included "nike." The search would never return results from Adidas or Reebok. Now this is possible with Sponsored Results.

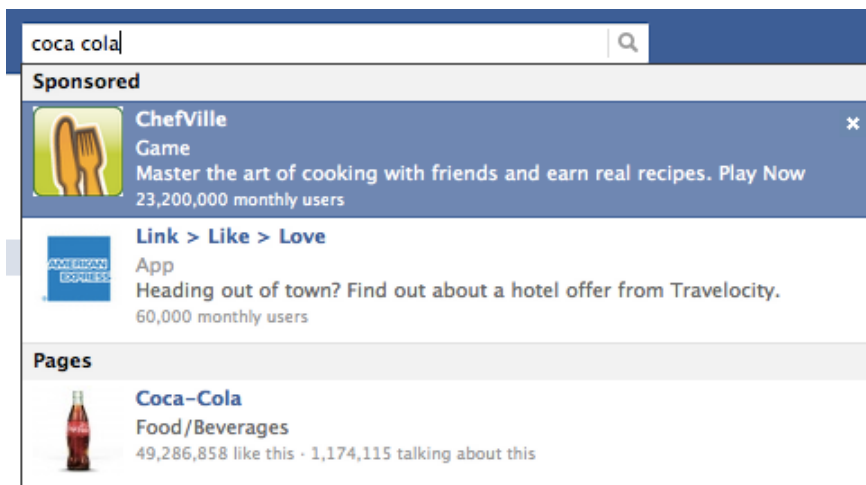
These advertisers will have to pay close attention to what users do after they click on Sponsored Results. Since users are often searching for particular entities on Facebook, the hits on these ads could be accidental. For example, when users search for the Zynga's CityVille game and hit enter — as frequent players are likely to do out of habit — they might end up in EA's SimCity Social. That's because Sponsored Results often appear above organic results, and hitting the enter key takes users to whatever appears first in the typeahead search window.

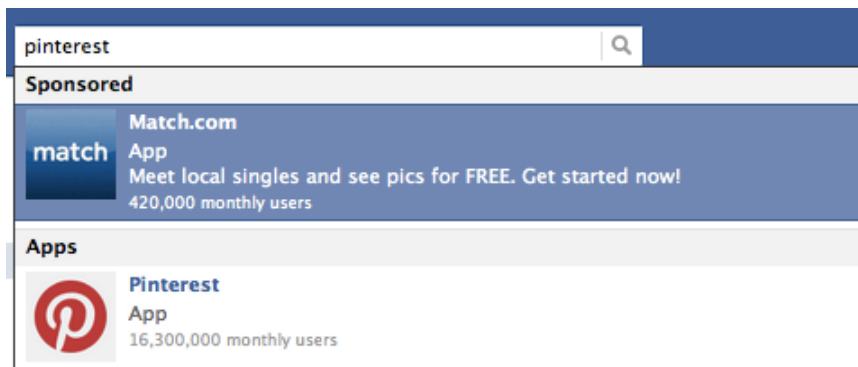
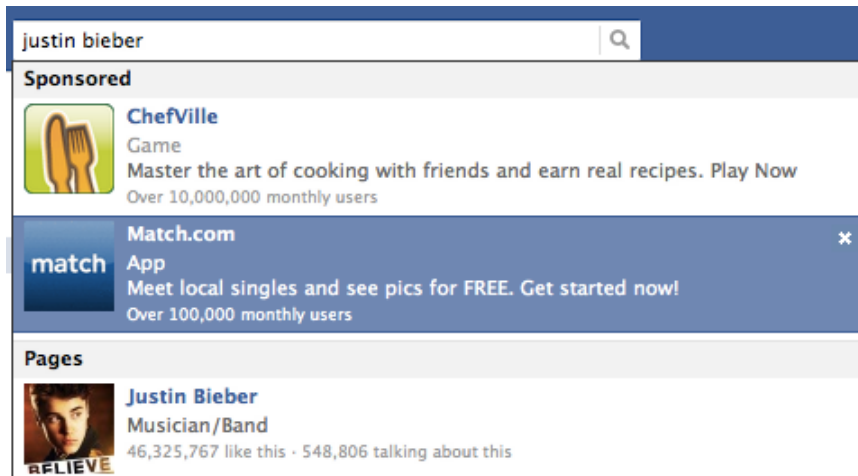




Some advertisers are trying to get their brand seen when users search for something somewhat related, but perhaps not a direct competitor. It's unclear how effective this is since most users approach Facebook search differently than Google. Facebook search helps users find specific entities but is not good for looking up things within a general topic or category like "running shoes." If users are searching for a particular page or app, seeing an ad for something slightly related might not have an impact at that point.

Get impressions by bidding on the most popular apps and pages





Inside Facebook's Push to Woo Big Advertisers

By [SHAYNDI RAICE](#)

After joining [Facebook](#) as [FB -5.99%](#) vice president of marketing last year, Carolyn Everson made it her mission to win over skeptical ad executives

who complained that spending on the giant social network wasn't paying off.

At the time, many companies were using the site to promote brands on their own Facebook pages—but most were paying little to nothing to do so. While Facebook was starting to push more paid notices, it was unclear whether such ads actually led to purchases.

Carolyn Everson is Facebook's liaison with Madison Avenue. She is working with big brands to help them gauge how ads on the site can pay off.

So last October, Ms. Everson created a "Client Council," calling together senior advertising executives from 13 big brands and ad agencies. The goal: to learn from each other how Facebook could do better.

"I love being challenged," said Ms. Everson. "When people doubt us that's when we're at our best."

The first meeting took place in Facebook's loft-like Madison Avenue offices. Attendees included marketing heavyweights like Keith Weed from [Unilever](#), [ULVR.LN -0.48%](#) Stephen Quinn from [Wal-Mart](#) [WMT +0.83%](#) and Wendy Clark from [Coca-Cola](#) [KO +0.20%](#).

A nervous Ms. Everson arrived wearing a blue dress in honor of Facebook's signature color. [Mark Zuckerberg](#) welcomed the group via video conference. **As the ad types peppered the young chief executive officer with questions, a theme emerged. If they committed to spending big bucks with Facebook, how could they be assured a return on their investment?**

Mr. Zuckerberg's response, according to one of the attendees: "That's a great question and we should probably have an answer to that, shouldn't we?"

<image001.jpg>

The remark underscores how Facebook has been coming up short on one of its most crucial goals: proving that ads on the site can help marketers move products off the shelf.

There is a lot riding on the effort. Facebook derived 85% of its total \$3.7 billion in revenue in 2011 from global online ad sales. Last month, the company reported its second-quarter ad revenue rose just 14% from the previous quarter and 28% from a year ago. Those growth rates have slowed markedly over the last two years; quarterly ad revenues in 2011 grew by as much as 87% from the year-ago period.

Facebook's chief financial officer, David Ebersman, on a call with analysts attributed the 28% growth partly to a 9% increase in ad rates. He explained that ad impressions—or the number of people who see an ad—are climbing more slowly than the number of new users as more people access Facebook via mobile devices, where the company still has only limited forms of advertising.

The eight-year-old social network has also seen its stock tumble by 46% since it went public in May at a more than \$100 billion valuation. **Much of the drop has been fueled by concerns over the efficacy of Facebook's ads and the company's ability to continue to grow its ad business**—especially as more users rely on mobile devices, which have small screens and little real estate for advertisements.

<image002.jpg>

Some advertisers have yanked their Facebook ads because they have had trouble measuring whether the ads led to sales. In May, [General Motors Co. GM -1.27%](#) pulled \$10 million of ads from the site, citing such concerns. High-profile defections are particularly troubling, **since one big advertiser's actions can have a broad ripple effect on dozens of smaller advertisers.**

"At the end of the day, you will get the early adopters of the large companies who can see [Facebook] as a big trend but you won't get sustained businesses without people understanding how ROI [return on investment] is concerned," said Unilever's Mr. Weed. **"As a businessman and marketer, ultimately, you care about ROI."**

Executives acknowledge that the push is on. On the company's last earnings call, in late July, Chief Operating Officer [Sheryl Sandberg](#) said Facebook **is making "important progress" in proving return on investment to marketers.** Though nearly all top advertisers spent money on Facebook ads in the last quarter, she conceded that the total was only a small percentage of the advertisers' digital ad budgets. She characterized the shortfall as an "imbalance" and a **"substantial opportunity."**

The task of changing that equation falls to Ms. Everson, who is Facebook's main liaison to Madison Avenue. Ms. Everson, 40, previously worked at [Walt Disney Co.](#) [DIS -0.34%](#) and at [Microsoft Corp.](#), [MSFT -0.20%](#) where she was vice president of global ad sales and strategy. Recruited from Microsoft in April of 2011, Ms. Everson, who is based in New York, travels once a month to Silicon Valley.

The crux of advertisers' doubts centers on whether Facebook ads actually sell goods and if they can be measured in a way that can be compared to other forms of advertising. Google Inc. and [Yahoo Inc.](#), [YHOO -1.93%](#) among others, went through similar tribulations a decade ago when they helped pioneer online search ads, which come up when users type in certain keywords.

But while the results of Google and Yahoo ads can be directly tracked by clicks, Facebook ads are harder to measure. Some smaller advertisers, like [Zynga Inc.](#) [ZNGA +3.07%](#) or [1800Flowers.com Inc.](#), can track how users respond to ads because a purchase will take place as a result of clicking on the ad. But for many brands, ads on Facebook don't consist of an offer to directly buy something. They are more akin to TV ads, which marketers study to see how brand exposure might lead to offline sales.

Since the October meeting in New York, Ms. Everson has set in motion plans to convince the world's biggest brands that Facebook ads can indeed work—and to quantify how so.

Ms. Everson is sending measurement wonks across the country, like missionaries to preach the Facebook gospel. She is partnering with third-party firms to track how Facebook ads lead directly to purchases. And she is offering new types of information about Facebook ads to data-hungry

marketers who are struggling to figure out how to parse the social media field.

Most of world's biggest brands have an entire department dedicated to measuring how ads work on various formats, like TV, radio, print and online. Facebook is sending its lieutenants to work hand-in-hand with these internal teams to learn the methods they use and then customize a way to measure Facebook ads using that brand's own methodology.

Journal Community

One disadvantage to marketers is the fact that Facebook doesn't offer them access to the conversations that the social network's 950 million users are having among friends. The company hides those discussions for consumer-privacy reasons. In lieu of such data, marketers have had to use other metrics, such as how many people "like" a brand's Facebook page.

But the monetary value of a "like"—the equivalent to a thumbs up from a Facebook user—is difficult to assess. Sav Banerjee, executive social strategy director at New York digital-ad agency Rokkan Inc., found that in most cases when he paid for ads to get users to "like" a page, the number in fans went up but the number of people engaging with the brand page stayed the same.

"The investment doesn't translate to ROI," said Mr. Banerjee.

Under Ms. Everson, Facebook is now considering giving advertisers a sliver of data from conversations. For example, Facebook would tell advertisers how many people are talking about their brand, the top things they are saying and those people's demographics—but not violate privacy policies by revealing information about individual people.

Keith Camoosa, executive vice president and head of North American research for Universal McCann, the media buying unit of [Interpublic Group of Cos](#) [IPG -0.19%](#), said he has pushed Facebook executives to let marketers see more of what consumers are saying about their brands.

"The number one driver of new sales comes from word-of-mouth, and that's something marketers can't see with Facebook," he said.

Other marketers, such as Thomais Zaremba, digital marketing manager for Ford Motor Co., are optimistic that Facebook will be able to share more data.

"We couldn't determine who was seeing our ads and what actions they were taking from seeing the ads," said Ms. Zaremba. Google, she said, gave more detailed information.

Ms. Everson decided her team needed to construct an entirely different tracking system. The idea is to methodically comb through industry sectors and develop new measurement methodologies for each group—from consumer packaged goods to the auto industry. In particular, the company has focused on breaking down who has seen an ad by region so it can be compared to other regions.

To help with the process, Facebook asked big brands like Unilever to send in their marketing and research gurus for targeted sessions. Late last year, Unilever sent 10 emissaries to Facebook for two weeks. The group spent one week at the company's Silicon Valley headquarters and the other in New York.

During the confabs, Patti Wakeling, Unilever's head of advertising research, said she told Facebook's head of research and measurement, **Brad Smallwood, that she needed to better understand the data Facebook was using so it could be applied to the ways Unilever studies how its ads perform.**

Facebook, which previously only provided advertisers with the number of people who saw an ad on its site, soon gave Ms. Wakeling other data on how many people saw Facebook ads in a variety of areas. **Facebook also figured out how many people in a region saw a paid ad versus other types of ads such as print, radio or TV.**

The moves meant Ms. Wakeling could begin comparing how many people in one region were exposed to a paid Facebook ad against the number of people in a region who were exposed to a television ad. By comparing campaigns across regions, she could track the success of the ads with any resulting increase in sales in the specific regions. Ms. Wakeling said Facebook was "very collaborative."

Facebook's Mr. Smallwood also ran a series of test ad campaigns with advertisers between last October and this January based on the methodologies they were learning from each other. By April, Mr. Smallwood had conducted 63 such campaigns.

Later in the year, at another Facebook meeting with its Client Council in New York, Mr. Smallwood displayed a chart to the gathered executives. Out of all 63 test ad campaigns, only one campaign had a less than one times return on its investment. The majority showed a return on ad spending of three times or better.

One of the campaigns was for Unilever's Suave beauty and grooming products. Using the methodology Mr. Smallwood developed with Ms. Wakeling, Facebook was able to show that for every dollar Unilever spent on the social media site, the consumer products company got \$8.41 back in sales.

Unilever's Mr. Weed described Facebook's efforts as "impressive." But he added that Facebook must continue to evolve its strategies. "These things are a journey," he said. Unilever declined to comment on how much money it is spending on Facebook.

Facebook also began bringing in third-party firms to independently study the results of its ads, in order to show that people exposed to an ad were more likely to purchase goods.

About two months ago, Facebook's measurement team visited Universal McCann's Mr. Camoosa with results it gathered through a third party called Datalogix. The company identifies people who have been exposed to an ad on Facebook and then mines retailers' credit-card and purchase data to determine whether those people bought the product.

Mr. Camoosa said the data showed there was a correlation between exposure to Facebook ads and product sales—but that it didn't show that the ads necessarily were more effective than other types of online ads. Facebook is "at step one," he said.

As for the holy grail of return on investment, Ms. Everson said, "I don't think anyone cracks it. The best thing you can do is create a methodology."

Some marketing executives remain skeptical. "I won't tell you that I buy the [Facebook] results 100%, but I accept the results 90%," said Jack Klues, CEO of Vivaki, a digital-advertising firm owned by [Publicis Groupe PUB.FR - 0.38%SA](#). "I'm cautious on how literally to interpret" the new data.

Others are beginning to act on the new Facebook information. By last month, GM and Facebook were in talks to bring the auto maker back as a paid advertiser, after Ms. Everson met with GM's then-global marketing chief at an industry conference in France.

A spokesman for GM said the company has had meetings with Facebook.

Ford and Coca-Cola have also recently endorsed Facebook's ads as having an impact on their sales. Coca-Cola marketing chief Joe Tripodi said at the same advertising conference in France that Facebook ads probably help drive its beverage sales.

"If we can get 40-million plus fans, or even some subset of them talking positively about the things we're doing, ultimately that's a good thing for us," Mr. Tripodi said.

Meanwhile, Wal-Mart's Mr. Quinn said he is increasing his Facebook ad budget this year, though he declined to reveal dollar figures. Facebook advertising is "one of the major growth areas in Wal-Mart's marketing efforts," he said.

Write to Shayndi Raice at shayndi.raice@wsj.com

Facebook Moves Away From Dumb Broadcasting Tool to Marketing Database

Page Post Targeting Will Require a Radical Re-Thinking of the Approach to Content

By: [Robin Grant](#) Published: [August 14, 2012](#)

[inShare](#)358



Robin Grant

Facebook's "Page Post Targeting Enhanced" feature may not have a catchy name, but it's certainly getting people excited. Available to some pages as of the beginning of August and rolling out to all pages over the next few weeks, it's Facebook's most significant update for brands since its IPO back in May.

Before this update, country and language were the only factors available to brands for targeting their posts; and while this was essential for global marketers needing to segment by local market, they were of no use at a local market level.

Now brands can target their posts at different segments of their fan base based on a huge range of factors. It's not just age, sex and location – this goes as far as relationship status, education, university/college and even workplace. It transforms a brand's fan page from a dumb broadcast tool into a hyper accurate and always up-to-date marketing database, allowing them to address different segments of their fan base with customized content. It also allows them to take into account the differing user behaviors of different segments, and optimizing the timing and frequency of their updates to match this. Both of these factors combined should generate higher engagement and therefore higher returns.

This looks like good news for brands, but it does, of course, come with the inevitable associated costs. This isn't money that will go straight to Facebook, and brands will have to radically re-think their approach to content (and their associated budgets), as each of the targeted segments will be interested in and respond differently to different content. Brands will need to spend significantly more creating customized content, and on content strategy and community management for Facebook.

This change in itself will not directly drive revenue for Facebook, but the targeted page posts can be turned into paid-for promoted stories, targeted at friends of fans who meet the same criteria, which brands are likely to find a highly effective way of reaching them.

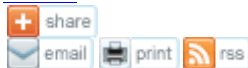
It's not just the reader of the story who can be highly targeted but also the content of the story itself, tailored specifically for the target reader. This accelerates Facebook's drive, first mooted back in February at [fMC in New York](#), to have marketers move away from buying ads on the platform to promoting stories from friends.

Facebook Tests News-Feed Ads That Lack Social Context

New Product Could Help Address Mobile Problem

By: [Cotton Delo](#) Published: [August 15, 2012](#)

[inShare](#)18



Facebook will shortly begin testing a new potential salve for its mobile problem: ads in your news feed that aren't based on social context but can be targeted to users using the slate of criteria available for more traditional ad inventory, such as age, gender, likes and interests.

The test, which will appear on both desktop computers and mobile platforms, represents a change in Facebook's proposition to consumers pitching news-feed ads as hardly like advertising at all. When desktop news-feed ads were introduced in January, for example, Facebook emphasized that they were based on friends' engagements with branded content -- and thus eligible to appear in news feeds organically, just like friends' comments could. But the new ads will let marketers into news feeds without that level of connection.

That's also a departure from Facebook's usual pitch to marketers centering on the value of ads with social context and "word-of-mouth marketing at scale." But the option to target news-feed ads to a broader range of consumers seems likely to at least intrigue advertisers. And a new, effective ad unit for mobile platforms would be more than welcome at Facebook.

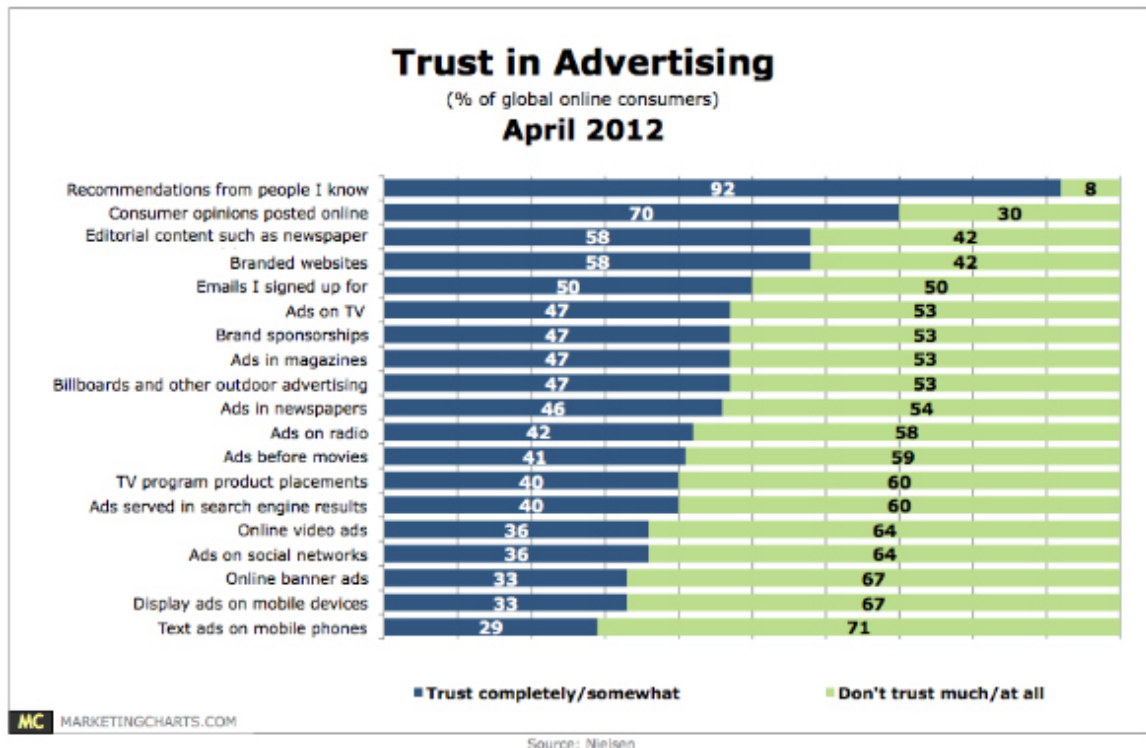
The test will let marketers buy news-feed ads on factors such as age, gender and interests.

Last week it rolled out [mobile app ads](#), which allow developers to promote their app alongside organic recommendations for users, part of a growing body of mobile tests at the company. The urgent pace of mobile rollouts and tests reflects the challenge posed by mobile, where advertising is lagging usage for many and Facebook only began showing ads earlier this year. During its first-ever earnings call last month, Facebook said [half of its 955 million monthly active users](#) are now also accessing the platform on mobile. Its overall ad impressions in the U.S. dropped 2% from last year due to the shift in use to mobile from desktop PCs.

Citing a positive, CEO Mark Zuckerberg said that sponsored stories in news feeds -- then Facebook's only mobile ad product -- were bringing in roughly \$1 million a day, about half from mobile. Chief Operating Officer Sheryl Sandberg called them the "cornerstone" of Facebook's monetization strategy. Early research also suggested that ads in mobile news feeds had [higher click-through rates](#) than the same units on desktops.

Whether users will find the news-feed ads lacking social context any more disruptive than their forerunners depends partly on how truly organic they found the socially-driven news-feed ads. Does an ad from [Walmart](#) feel less like an ad because your friend from high school "liked" it?

A Facebook spokeswoman emphasized that the new ads are just a test.



Firm ditches Facebook for Twitter, claims clicks are bots

Limited Run alleges 80 percent of clicks were coming from bots, and Facebook would only let the company change its name if it agreed to spend \$2,000 or more in advertising a month.



by [Emil Protalinski](#)

July 30, 2012 9:35 AM PDT

Limited Run has announced it is abandoning Facebook, telling its fans to find the company on Twitter.

[Limited Run](#) has a Facebook Page called [Limited Pressing](#), but not for long. After becoming frustrated with Facebook advertising, as well as Facebook itself, the firm has decided to ditch its Facebook Page altogether.

Via a [Facebook post](#), Limited Run announced the plan to delete its Facebook Page "in the next couple of weeks" and explained why. In advance of relaunching its service as Limited Run (previously known as Limited Pressing, as you can see above), which allows labels, musicians, and artists to create their own stores for selling digital and physical products, the company started to experiment with Facebook ads. The result was a massive failure.

While testing Facebook's advertising system, Limited Run noticed it could only verify about 20 percent of the clicks that were supposedly being converted to users showing up on its Web site. After trying a few analytics services to figure out the remaining traffic, the company built its own software out of exasperation.

It turned out the bulk of users had JavaScript disabled, making it difficult to track their clicks. So the company built a page logger, and allegedly found 80 percent of clicks it was paying for were coming from bots:

That's correct. Bots were loading pages and driving up our advertising costs. So we tried contacting Facebook about this. Unfortunately, they wouldn't reply. Do we know who the bots belong too? No. Are we accusing Facebook of using bots to drive up advertising revenue. No. Is it strange? Yes. But let's move on, because who the bots belong to isn't provable.

As mentioned already, Limited Run was also looking to change its Facebook Page name from Limited Pressing to Limited Run. After multiple attempts to get in touch with Facebook, Limited Run said, the social networking giant allegedly replied it would allow the firm to change its name, with a catch:

They said they would allow us to change our name. NICE! But only if we agreed to spend \$2,000 or more in advertising a month. That's correct. Facebook was holding our name hostage.

Limited Run closed its Facebook post with two thoughts: it thanked its supporters, and noted that "If you'd like to follow us on Twitter, where we don't get shaken down, you can do so here: <http://twitter.com/limitedrun>."

Ouch.

For those wondering, Limited Run was founded in 2009 and describes itself as a service that hosts "stores for artists, labels, designers or anyone selling unique products directly to fans. Whether you're selling physical or digital items, we provide tools that let you create a store, or even an entire website, in minutes." Something tells me they don't include the creation of a Facebook Page in their sales pitch.

"We're currently investigating their claims," a Facebook spokesperson said in a statement. "For their issue with the Page name change, there seems to be some sort of miscommunication. We do not charge Pages to have their names changed. Our team is reaching out about this now."

Meanwhile, here's Limited Run's full announcement below, in case it is lost with the removal of their Facebook Page:

Hey everyone, we're going to be deleting our Facebook page in the next couple of weeks, but we wanted to explain why before we do. A couple months ago, when we were preparing to launch the new Limited Run, we started to experiment with Facebook ads. Unfortunately, while testing their ad system, we noticed some very strange things. Facebook was charging us for clicks, yet we could only verify about 20% of them actually showing up on our site. At first, we thought it was our analytics service. We tried signing up for a handful of other big name companies, and still, we couldn't verify more than 15-20 percent of clicks. So we did what any good developers would do. We built our own analytic software. Here's what we found: on about 80% of the clicks Facebook was charging us for, JavaScript wasn't on. And if the person clicking the ad doesn't have JavaScript, it's very difficult for an analytics service to verify the click. What's important here is that in all of our years of experience, only about 1-2 percent of people coming to us have JavaScript disabled, not 80% like these clicks coming from Facebook. So we did what any good developers would do. We built a page logger. Any time a page was loaded, we'd keep track of it. You know

what we found? The 80 percent of clicks we were paying for were from bots. That's correct. Bots were loading pages and driving up our advertising costs. So we tried contacting Facebook about this. Unfortunately, they wouldn't reply. Do we know who the bots belong too? No. Are we accusing Facebook of using bots to drive up advertising revenue. No. Is it strange? Yes. But let's move on, because who the bots belong to isn't provable

Eye-Tracking Study Claims Facebook Mobile Model Needs A Fix

by [Steve Smith](#), 4 hours ago



With Facebook currently relying on Sponsored Story posts in-feed to monetize the smartphone platform, eye-tracking researcher EyeTrackShop says the social network needs a better model if it expects to maintain decent average revenue per user on mobile platforms.

According to its tests of how people view the Web, iPad and smartphone versions of Facebook, the user has much less opportunity to view a sponsor's message on the smaller screen. A Sponsored Story on a phone

that falls below the fold on a screen has only a 3% to 13% possibility of being seen by a user, the tests show.

Even if click-throughs on Sponsored Stories in mobile feeds are the same or much better than their Web-based counterparts, the incidence of them being seen is much lower than on desktop or tablet. “With the current business models Facebook mobile ads will decrease the current ARPU, compared to web ads,” the study states.

Part of the problem is that the eye is heavily focused on the first screen of a Facebook feed and at the top post when EyeTrackShop studies user interactions on an iPhone. The reliance on being in the feed puts Sponsored Stories at a considerable disadvantage to their Web ad counterparts, which have a persistent presence in the right column of a Facebook page. On the Web, ads are the second-most viewed item in the eye-gaze analysis.

On mobile phones, EyeTrackShop found that among its 400 survey respondents, fewer people saw the sponsor message on their phones than other platforms. They spent less time viewing the ads than on other platforms. And they had “significantly lower ad recall,” the study states.

The iPad, on the other hand, indexed higher than even the desktop. The company finds that ads on the iPad are seen by 18% more of the viewers, and the units themselves get 29% more dwell time than Web ads. Ad recall was about the same as on the Web.

EyeTrackShop results are not quite in line with some earlier metrics that suggested mobile Sponsored Stories had a much higher click-through rate than their Web cousins. [Facebook ad API partners in June published results](#) showing mobile Sponsored Stories received 13 times the clicks as Web Sponsored Stories and had eleven times the eCPM.

On the other hand, EyeTrackShop’s research argues that these units are actually viewed less often and for less time. And of course, the desktop version of Facebook is monetized both from Sponsored Stories, which run on mobile, and the standard side rail ads, which do not currently run on smartphones.

Regardless of any disagreement over the actual performance of mobile ads in feeds for advertisers, Facebook itself might disagree that the smartphone platform is not monetizing. On last week's conference call with investors over its Q1 earnings, Facebook CEO Mark Zuckerberg claimed that half of the \$1 million a day Facebook earns from Sponsored Stories is coming from mobile.

The arguments over Facebook's mobile monetization model are at the heart of its stock volatility and analyst uncertainty over the company's future growth. Facebook's otherwise positive financial report last week was mitigated by ongoing worries that revenue growth would slow as more usage of the social network migrated to mobile platforms where there was less overall opportunity to monetize users.

How Zynga, Groupon, Pandora and Facebook Have Cost Investors \$39 Billion — And Counting

Published: Thursday, 26 Jul 2012 | 3:25 PM ET

Text Size

By: [Maxwell Meyers](#)
Senior Producer

\$39 billion.

That's how much investors have collectively lost on Groupon [\[GRPN 7.59 ▲ 0.98 \(+14.83%\) ⚡\]](#), Pandora [\[P 10.03 ▲ 0.67 \(+7.16%\) ⚡\]](#), Zynga [\[ZNGA 3.085 ▼ -0.09 \(-2.83%\) ⚡\]](#) and Facebook [\[FB 23.705 ▼ -3.14 \(-11.7%\) ⚡\]](#) since those companies went public. It's the kind of performance that can almost make you nostalgic for the good old dot-com days, when the fleecing of mom and pop investors was left to the Pets.com and iVillages of the world.

Just consider some sorry stats.

Since their IPOs, Pandora, Groupon and Zynga have lost a respective 41%, 66%, 68%. Even Facebook, the most anticipated IPO since Google [\[GOOG 634.96 ▲ 21.60 \(+3.52%\) ⚡\]](#), is off some 26% since its May debut. **The combined earnings of those companies over the past twelve months reported? \$226 million.**

NOT A PRETTY PICTURE

IPO Date	IPO Price	Last	% Change	Current Mkt Cap	Change Mkt Cap	Income Last 12 months
----------	-----------	------	----------	-----------------	----------------	-----------------------

FB	5/17/12	38	27.80	-26.84%	66.1 billion	(24.2 billion)	974.0 million
GRPN	11/3/11	20	6.79	-66.05%	4.3 billion	(8.5 billion)	-187.5 million
ZNGA	12/15/11	10	3.18	-68.21%	2.3 billion	(5.02 billion)	-530.6 million
P	6/14/11	16	9.36	-41.50%	1.5 billion	(1.1 billion)	-22.9 million
					74.4 billion	(38.9 billion)	226.3 million

Source: CRT Capital

So what gives?

Weren't we supposed to have learned our lesson from the late 90s? Wasn't a company like Zynga, whose business model is predicated on people spending real money to buy fake money for fake products on a fake farm, supposed to raise just a couple red flags? And yet, of the 24 firms that cover the Zynga, only two have a "sell" rating, and nine have "buys," and that includes today's downgrades from JPMorgan and Goldman.

(Thanks for the early heads up).

"It's like Déjà vu all over again," said Jacob Zamansky, a leading securities attorney who's involved in a lawsuit against the Nasdaq on behalf of Facebook investors. "The analyst are pushing the stock without disclosing the risks, and rest assured, there will be lawsuits."

Dead Air More Effective Than Facebook Ads

The broadcast industry has a term called "dead air." It occurs when there's a mistake or a technical glitch that results in no audio on radio, or no picture on a TV screen. A blank TV screen is "dead air."

In an absolutely astounding experiment, the banner advertising equivalent of dead air -- a blank display ad -- performed better than the average Facebook ad; twice as good as the average "branding" display ad; and only one click in ten thousand worse than the average of all display ads.

Here are the details.

AdAge this week has a piece called [How Blank Display Ads Managed to Tot Up Some Impressive Numbers](#). The article was written by Ted McConnell, exec VP-digital for the Advertising Research Foundation.

Ted and a few friends (an astrophysicist from an online analytics firm, a measurement expert from the Advertising Research Foundation, and an ad-platform wizard from a buying and optimization company) decided to do an experiment. The experiment was designed to discover how much clicking of banner advertising was actual engagement with the ad, and how much was just noise -- people clicking for no reason.

To do this they created a unique ad -- an ad with no message. A blank. According to McConnell...

"We created six blank ads in three IAB standard sizes, and two colors, white and orange. We trafficked the ads via a demand-side platform (DSP) with a low bid. We started with run of exchange, and in another phase trafficked to "named publishers" that would accept unaudited copy."

Here are the results:

- The click-through rate on the blank ads was .08%. According to published reports, the click-through rate on the average Facebook ad is about .05%. The blank ad performed 60% better.
- The click through rate for the blank ad was about *double* the average click-through rate for a "branding" display ad (an ad without an offer.)
- The click-through rate on the average banner ad is .09%. This means the blank ad drew one click in ten thousand fewer than an average banner ad.

- About .04% of the clicks were mistakes. Since the average click-through rate for display ads is .09%, this indicates that it is possible that as much as 44% of banner ad clicks are mistakes.

The astounding thing is that with all the data Facebook is collecting, all the geniuses we have analyzing display ad results, all the space-age targeting we are constantly being beaten over the head with, and all the young creative prodigies lecturing us on the magic of online advertising, *empty* ads outperformed our online geniuses.

[A Facebook Story](#)

NPR has a podcast called *Planet Money*.

Recently they did a show about Facebook. If you have 20 minutes I suggest you listen to it [here](#). The show aired a few days after the Facebook IPO.

They did an interesting experiment. They took a small, popular pizza place in New Orleans called *Pizza Delicious* that was looking to expand, and paired them with a social media marketing expert in San Francisco who advises large companies on Facebook strategy. Together, they created a Facebook ad campaign for *Pizza Delicious*, and tracked the results.

Here are the highlights:

The NPR and pizza people thought that the target for the Facebook campaign should be people on Facebook who say they like pizza.

The social media expert disagreed. He said that Pizza Delicious had 2,000 fans on its Facebook page, and the target for the campaign should be the friends of Pizza Delicious' fans. This is very common Facebook ad strategy. In this case, 74% of people in New Orleans (224,000 people) were friends of someone who was a fan of Pizza Delicious.

The pizza owners explained to the social media expert that Pizza Delicious' customers tended to have ties to the Northeast where, presumably, people appreciate good pizza. The consultant then recommended that they further narrow the target by cross-tabbing friends of Pizza Delicious with people who live in New Orleans but are fans of Northeast cultural entities *e.g.*, The NY Knicks; NY Rangers; Carmelo Anthony; NY Times, Notorious B.I.G., New Jersey Nets, bagels, etc.

They came up with about 15,000 people who lived within 10 miles of New Orleans, were friends of the pizza place's fans, and had some cultural connection to the New York area.

According to the NPR reporter, she felt the targeting was "perfect...We were golden. This could not miss."

They placed the ad. Soon after the ad began appearing on Facebook the NPR reporters started receiving calls from the pizza owners. Not a single person had clicked on the ad. Not one.

The next thing they did was toss out the advice of the social media expert, and developed their own strategy and started running new ads. These ads "killed" -- twice as many responses as normal. Because Facebook puts more weight behind ads that get good response rates, the ads ran a lot. In fact, they appeared over 700,000 times.

One result was that they quickly added 10% more fans to their Facebook page. However, as the owner says, "through a long night of asking every single customer where they found out about Pizza Delicious, none of them said they found out about us through the Facebook ad. Zero people."

As the NPR reporters said, it's way too early to say if this Facebook campaign will be successful. Also, I am not a big fan of using anecdotes as representative of anything other than the case in point.

On the plus side, those 700,000 ad appearances cost the pizza guys a grand total of \$240. and they got a \$10 donation from someone who wanted to help them expand.

According to a valuation expert from the Tuck School of Business at Dartmouth, in order for Facebook to justify its IPO price, ten years from now they will have to attract 10% of all the ad dollars spent on the planet. Not just U.S. ad dollars, but all ad dollars -- Chinese, Brazilian, Ukrainian, and Tunisian. And not just 10% of *online* ad dollars, but all ad dollars -- TV, radio, print, outdoor, blimps, balloons, butt-danglers, hooter-wobblers...

Let's just say I'm skeptical.

Consumers Show Lack of Comfort With Facebook Targeted Ads

July 23, 2012

[in](#)Share0

Consumers who are aware of Facebook's use of their profile information and posts to target ads towards them aren't very accepting of this practice, [according to](#) survey results released in July 2012 by Placecast. Just one-third of these consumers say they are somewhat or very comfortable with it, the lowest proportion among the list of 7 data usage cases identified in the survey. By contrast, topping the list in terms of consumer comfort was grocery stores using purchase information to give coupons tailored to

frequent purchases. 81% of consumers aware of this practice said they are very or somewhat comfortable with it.

The report notes an interesting outlier with respect to Facebook's use of data: among those aware of it, women aged 18-34 were 58% more likely than average to indicate comfort with it (52% vs. 33%). Citing comScore and Nielsen as sources that indicate that these users make up some of the social network's heaviest users, the report suggests that a correlation might be present between reliance on social networking and acceptance of data usage.

Amazon Gets High Marks

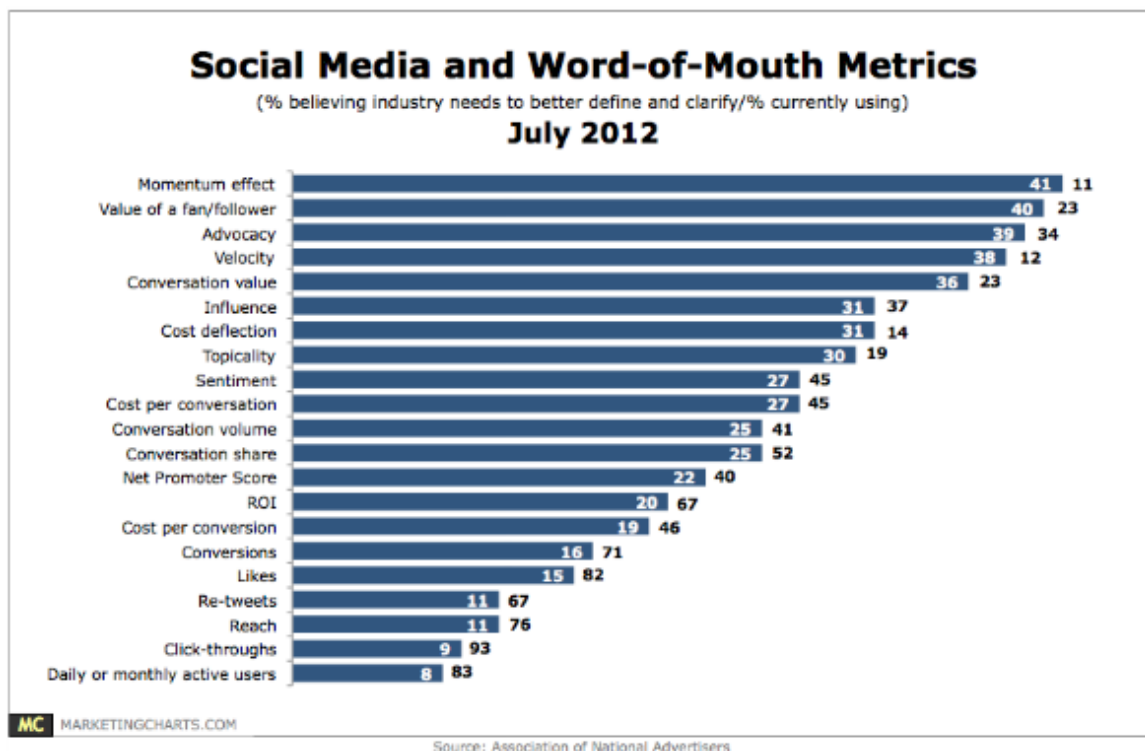
Meanwhile, data from Placecast's "The Alert Shopper III," conducted online by Harris Interactive, shows that Amazon's use of data on purchases to promote items gets the nod from shoppers aware of this data use, with two-thirds saying they are very or somewhat comfortable with it. After grocery stores and Amazon, though, there a significant gap to the next tier of comfort with other forms of data use. For example, although Google's use of past online searches for ad targeting is more accepted than Facebook's use of profile information, the former only finds 41% of those hip to it being very or somewhat comfortable with the practice. Indeed, according to March 2012 survey results from Pew, while 59% of online consumers have noticed ads online directly related to things they recently searched for or sites they had recently visited, [slightly more than two-thirds reported not being okay with these targeted ads](#). Targeted ads online aren't always so distrusted, though, per July [survey results](#) from Bizrate Insights: the study indicates that a greater proportion of online consumers appreciate than don't like retargeted ads (25% vs. 15%), with the majority neutral towards them.

Comfort With Local Offers Via Mobile Varies With Age

Further data from the Placecast study indicates low acceptance of cell phone service providers using location information from consumers phone to send local offers, even with their permission. Just 35% of those with knowledge of this indicated being at least somewhat comfortable with it. Perhaps unsurprisingly, though, comfort showed a clear trend along age

lines. 47% of the 18-34 set said they were comfortable, falling to 38% of 35-44-year-olds, 34% of 45-54-year-olds, and just 23% of those 55 and over.

A University of California-Berkeley study also released in July found that 46% of mobile owners believe that providers should not keep their subscriber location information, and 92% would either probably (22%) or definitely (70%) not allow their provider to use their location to tailor ads to them.



The TBG Digital report highlights [previously released research](#) indicating that *Facebook's Newsfeed targeting options are delivering much better*

CTRs, with mobile ads achieving CTRs 14 times greater than that of “Desktop” ads, on average (1.14% vs. 0.083%). The report compared these findings with a separate study it conducted of 24 million Twitter impressions across multiple clients and sectors, in which it found an average CTR of 0.266%, suggesting that Facebook mobile ad CTR is 4 times higher than that of Twitter ads

Facebook More for Awareness Than Likes or Leads

Building 'Awareness and Sentiment' Well Ahead of Fan Accumulation

By: [Cotton Delo](#) Published: [July 09, 2012](#)

Marketers who buy ads on Facebook are more focused on building brand awareness than accumulating fans, according to a new survey of Ad Age subscribers by Ad Age and Citigroup.

Asked to identify their primary goal in Facebook ads, 45.9% of respondents put building awareness and sentiment for their brands at the top. Driving traffic to brand websites was the second most-cited goal, with 17.6% of respondents saying it is their most important objective, followed by building fans or likes, staying in touch with customers, generating sales leads and social commerce.

The full survey results are available to [DataCenter](#) subscribers [here](#).

The third-place showing for fan acquisition is perhaps surprising because racking up “likes” has been the centerpiece of many Facebook marketing strategies, even if marketers have also persistently griped that they don't know whether likes translate to increased sales.

“Brands spent a lot of time and energy in 2011 building up their fan base, and fan acquisition was a top goal for many brands,” said Debra Aho Williamson, principal analyst at eMarketer. “I think what you're seeing now is an evolution; now we have these fans and we have to figure out what to do with them.”

Ad Age/Citigroup Facebook Survey

What is your primary goal in Facebook advertising? Please rank the following in order of importance from 1-6, with 1 being the most important.



Total answered = 488

Ms. Williamson noted that branding and awareness are consistently shown to be a top goal for marketers on social media, but that lead generation and sales tend to be higher priorities for b-to-b brands. On Facebook, those might be the marketplace advertisers buying ads at auction with the goal of driving game downloads and getting targeted users that might have an affinity for their product to visit their websites.

Meanwhile, the setbacks of Facebook commerce have been well documented, so it's not surprising that commerce would be the respondents' last priority, she said.

Facebook's pitch to the world's biggest consumer marketers is that it's a branding platform like TV, and it's been urging them to focus less on metrics such as click-through rates and more on [reach and "resonance."](#) The fact that a plurality of survey respondents said brand awareness was their top goal might mean that Facebook's message is sinking in, [leading marketers away from expecting immediate results up front.](#)

But "branding" could also be a response from people who feel bullish about their presence on Facebook but don't yet know what the return will be.

"Branding is sort of your default answer if you've got to justify why you've spent millions of dollars," said Wayne Arnold, CEO of [Profero](#).

What If Teens Prefer Twitter to Facebook?

Now That Grandma Is On Facebook, Where Will Teens Go to Socialize?

By: [Dave Williams](#) Published: [July 10, 2012](#)

A member of my wife's family and a few of her friends told me recently that they are enamored with Twitter. They love its rapid-fire updates, and the sense Twitter provides of being right in the moment. Over a weekend they were constantly checking and posting updates on their smartphones, and when it came to socializing with friends, she and her peers simply preferred Twitter to Facebook.

This isn't earth-shattering news, but here's the catch – all were in high school. Teen social media users seem to be flocking to Twitter right now, continuing a trend over the past two years, and reducing Facebook usage in favor of the 140-character social network. We've seen such a shift in preference before, when users flocked to Facebook over Myspace in 2007. History may be on the verge of another social platform shift, and brands can't be caught flat-footed when it comes to marketing to the younger generation.

Why they're choosing Twitter

According to an [Associated Press report](#), Facebook's generation-spanning popularity is partly to blame. In a world where it's considered rude to turn down a friend request, especially from a family member, teens were suddenly seeing their aunts, uncles and parents in their News Feeds. Twitter connections aren't mutual friendships as they are on Facebook; just because someone follows your tweets doesn't mean you have to follow them back. Teenaged users like this feature, and they're employing Twitter's simpler privacy controls as well, choosing to hide their tweets from public view and sending them only to a select group of friends.

The type of interaction plays a major role as well, according to the teens I've met. To them, Facebook is more about sharing content, whether it's videos, photos, music, or articles. Twitter is far more conversation based, a place where teens can tell their friends what they're doing or how they feel. It's about the present moment – what you're doing, who you're seeing, where you're going – whereas Facebook is more about sharing memories after the fact.

Teens aren't giving up on Facebook, but they're treating it the same way the gainfully employed treat LinkedIn. They feel it's important to maintain a page, but they check the social network sporadically. Twitter is where they go to check in throughout the day.

What Facebook can do

Facebook, with its 901 million active users, isn't necessarily reeling simply because teens are adopting Twitter much faster than ever before, but marketers should be aware of the possibility that Facebook's teen audience could shrink, or be less engaged than were prior generations. You can say

"No one gets fired for buying Facebook," but brands need to be sure to extend investment and innovation to Twitter — especially if they are marketing to teens.

Facebook needs to be mindful of the shift in teen usage as well, unless it wants to join Myspace in the social media dustbin. It might seem far-fetched to hint at Facebook's decline, but it's worth noting Myspace was getting more visitors than Facebook at one point in time. Myspace lost ground to Facebook because it failed to adapt. Facebook had a sleeker design — one that was less frantic, and contained fewer ads. Twitter's main features may appear scrawny compared to Facebook's, but it wouldn't be the first social network to experience a dramatic shift in popularity.

Facebook may already be preparing for this competitive threat, as evidenced by its recent acquisition of Instagram. Still, brand marketers shouldn't take Facebook's continued preeminence for granted. They should keep tabs on the way younger audiences are using social media if they want to stay ahead of the competition.

July 12, 2012

In a new study of 24,000 Americans, **Triton Digital's Application & Services division found that consumers trust traditional media more than digital.** Specifically, television was rated the most trusted medium by respondents (45 percent, followed by newspapers 20 percent, and radio 18 percent. **The Immediate Insights survey found that digital 13 percent and social media four percent were the least trusted media sources.**

The study also suggests that this trust may have a direct impact on the success of advertisements in each medium. **For example, more than 64 percent of consumers acknowledged that they have made a purchase after seeing it advertised on television, radio or in a newspaper. Conversely, consumers were more apt to trust their own internet research 61 percent over television commercials 28 percent#, radio commercials 21 percent, or newspaper ads 16 percent). Recommendation engines also scored low, with 17 percent of respondents noting that they influence buying decisions.**

"While digital media continues to explode in popularity and affect traditional media usage, the underlying trust of media consumers toward digital compared to traditional media are not yet equal," said Triton VP of Business Strategy Jim Kerr. "Similarly, traditional media advertising continues to prove effective and more likely to influence purchase decisions than digital ads."

Looking at gender spits from Triton Digital's data on radio, 19.8 percent of males called radio their most trusted source of news and information, with 16.3 percent of females. Additionally, 21.2 percent of male respondents and 20.7 percent of females said radio ads influence their buying.

Social marketers are primarily focused on growing fan counts and driving engagement using a mix of content and conversation. But, content and conversation are great for building *loyalty and mindshare*, not for increasing *revenue and marketshare*. Moving customers from discovery to consideration is a significant challenge.

The Kids Are Tuned Out -- Of Your Branded Messages

by [Catharine P. Taylor](#), Jun 29, 2012, 10:45 AM

In the big, grand world of MediaPost conferences, the session that usually proves most illuminating is when we get actual people, who don't work in this business, on stage. (No, none of us who read -- or write -- this column qualify as actual people; we are overanalytical wonks.) What the people on those panels tell us is what media, devices and platforms they use -- and how, or whether, branding really has any impact on their daily lives.

Guess what? Branding always barely registers. While I've seen this to be the case during other times we've held this session, yesterday's version, during

our first Brand Marketers Summit, telegraphed this louder, and more clearly, than ever before. It's important for marketing's future to note that the panelists were the youngest we've ever had: two 15-year-old girls, one 14-year-old boy (who is very closely related to yours truly), and two 13-year-old twin boys, all of whom threw the proverbial glass of cold water on the notion that branding messages are something they seek out when they are consuming media and communicating on digital devices.

That's pretty damning when one stops to consider that every single panelist seemed to be plugged in some, if not all, of their waking hours -- or at least as much time as their parents and battery life would allow. (One of the teen girls admitted that she switched to the iPad only when her phone was taken away by her parents or because her phone needed charging.) There were complaints about pre-roll ads; one of the 13-year-old boys sung the praises of watching TV ad-free on Roku. *Though some of the panelists followed brands, there was generally puzzlement as to why someone would actually follow a brand on Facebook or Twitter. As my offspring said on stage, it's not as though friending a brand on Facebook is going to improve his day.* Or that's the belief, anyway, probably because few brands think of that as the goal.

While every generation I've come in contact with pridefully proclaims themselves immune to advertising messages, what makes these soon-to-be adults so fascinating is their technologically enabled ability to ignore marketing messages at will. I'd argue that a lot of this has to do with social media. Yes, as expected, all of the panelists seemed to devote much of their screen time to connecting with others, through one-to-one technologies like texting and Skype, to broader platforms like Facebook, Twitter and Instagram (a platform that the girls seemed rabidly interested in and the boys not so much). Most of those platforms, you'll note, aren't exactly overloaded with advertising.

This, of course, explains why marketers are so rabid about figuring out social media and why marketing budgets continue to flow in its direction, even though the kids don't care. Fortunately, a prescription to cure their marketing disinterest was offered up by one of the girls, who said that if brands asked her opinion and showed they really did care about her, she might pay attention.

That's simple advice, too often forgotten. From the mouths of teens.



Facebook Says It Can Take A YEAR To Get Results From Its Ads

[Jim Edwards](#) | Jul. 3, 2012, 9:57 AM | 1,354 | [2](#)

[Facebook](#) seems poised to snatch some good publicity ahead of its Q2 2012 earnings report from the disclosure in the [Wall Street Journal](#) that the company is in talks to [get General Motors back as an advertising client](#).

But buried in the same report is a statement attributed to Facebook's "head of measurement and insight," Brad Smallwood, that says ad campaigns running on Facebook can take up to a year to see results.

That's a ludicrously long time for a advertisers to wait to see a return on their [investment](#). And [ads bought on Facebook reach burnout](#)—the time it takes for them to be repeatedly exposed to the target market to the point they're no longer effective—in just 72 hours.

[WSJ](#) reported:

"It is a myth that Facebook advertising doesn't work," said Brad Smallwood, head of measurement and insight at Facebook in a June interview.

Behind the scenes Mr. Smallwood's group started working with measurement teams at big brands to help them track the effectiveness of Facebook campaigns. "Buried deep within these [companies](#) are measurement teams," said Mr. Smallwood. "The first step is finding those people and saying, 'What techniques do you use?'" **Mr. Smallwood said it takes about a year to get the results of one campaign.**

[GM left Facebook](#) after the social network declined to let it run intrusive homepage takeover ads with its \$10 million budget. [GM had complained that its regular ads don't work](#). ([Facebook had begged the company to utilize more of its free media](#) opportunities.)

Although [GM](#) and Facebook had some sort of rapprochement when chief marketing officer Joel Ewanick and Facebook's ad sales chief Carolyn Everson talked at [the Cannes Lions festival](#) last month, Smallwood's statements seem to confirm GM's central complaint.

After all, how can Facebook claim its ads are effective if the only way to measure their effectiveness is with a "measurement team" that uses the right "techniques," and results only show up a year later?

Read more: <http://www.businessinsider.com/facebook-says-it-can-take-a-year-to-get-results-from-its-ads-2012-7#ixzz1zeeYoJdG>

Ad Age Survey: Marketers Love Facebook, But Many Have No Idea If Their Ads Work

One in Three Aren't Convinced Facebook is Useful in Driving Purchase Intent

By: [Michael Learmonth](#) Published: [June 27, 2012](#)

When it comes to Facebook, the nation's marketers have reached an overwhelming consensus: you simply have to be there.

Unfortunately for Facebook, they also have reached another: advertising on Facebook isn't necessarily required.

Those are the biggest takeaways from a survey of Advertising Age readers conducted in conjunction with [Citigroup](#) to gain insight on how marketers view Facebook and what their specific plans are in terms of spending marketing budgets there.

The 658 subscribers who took Ad Age's survey over the past two weeks characterized themselves as decision-makers in social marketing. The respondents were 34% marketers, 34% agency execs, 13% media execs, and various consultants and other members of the marketing ecosystem.

The results were a mixed bag for Facebook that illuminated some of the challenges it will have in scaling ad revenue, but it also indicated that some of Facebook's perceived challenges with marketers -- such as not providing enough transparency and data -- are overblown.

The results also revealed confusion on how to calculate return on investment on Facebook and how to compare that to spending in other social and traditional media channels.

Remarkably, Ad Age readers surveyed speak in virtual unison on two questions. Nearly 86% of those surveyed say they currently use Facebook as a marketing tactic. Only 55%, however, say they currently advertise on Facebook, and nearly 88% said they would implement Facebook content without advertising at all.

Those results closely mirror what we've heard in conversations with marketers, particularly after [GM revealed that it was pulling its ad dollars](#) from Facebook even as it spent tens of millions to build and maintain the presence of their many auto brands on Facebook.

Of the readers surveyed, 47% said their digital ad budgets were still less than 20% of their total. Nearly 50% said their budgets designated for social-media marketing were less than 10%. That said, 77% said they expected their digital-marketing budgets to increase in the coming year, while 73% said they expected their social-media advertising budget to increase.

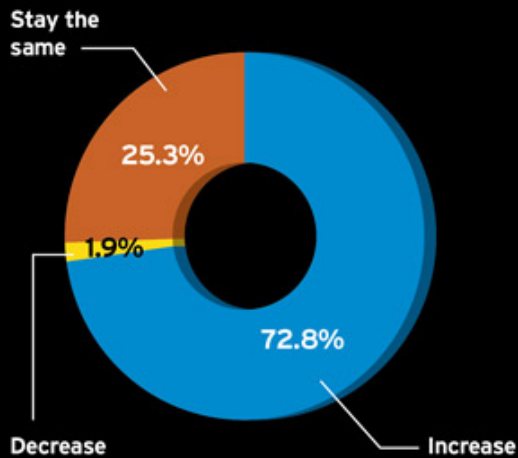
While 72% said they expected their social-media advertising budget to increase, only 56.6% said they thought their Facebook advertising budget would increase, while nearly 40% believed it would stay the same.

"I think it comes down to measurement," said Michael Scissons, CEO of Syncapse. "If you are a direct-response marketer it's easy to measure. If you're a brand marketer, it becomes much more intangible to track the point of sale."

That said, 72% said they consider their Facebook content efforts and advertising strategies to be linked, showing a widespread belief in the interplay between earned and paid media on Facebook. A sponsored story, for example, is just Facebook content turned into an ad and shown to more people. As the theory goes, the better the content, the more effective the ad.

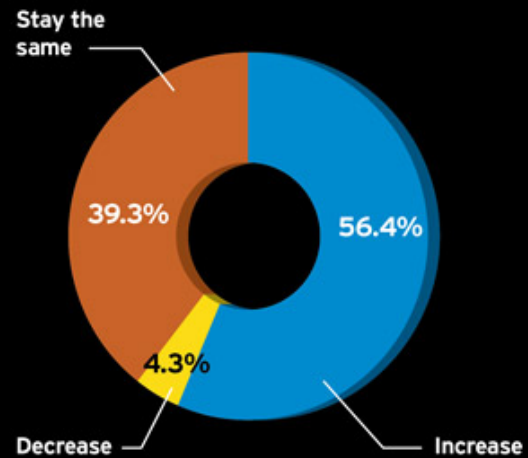
Ad Age/Citigroup Facebook Survey

Over the next year, I expect my social-media advertising budget to:



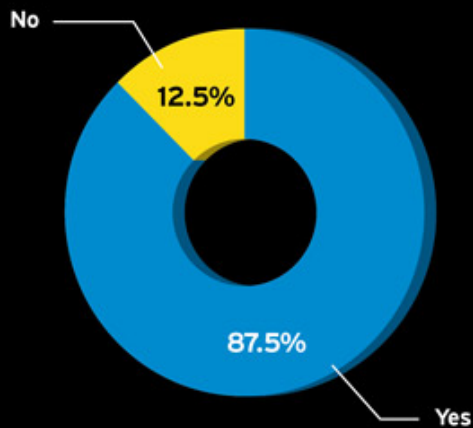
Total answered = 486

Over the next year, I expect my Facebook-advertising budget to:



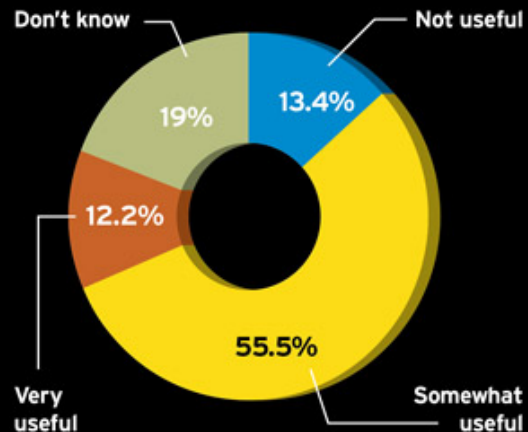
Total answered = 486

Would you ever implement Facebook content without ads?



Total answered = 481

How useful is Facebook overall in driving purchase intent?



Total answered = 411

The biggest question for marketers comes when it's time to measure the impact of their efforts on Facebook. A majority said clicks and "likes" were the most important metrics to look at, but when it came to driving purchase intent just over 19% said they "don't know" if Facebook is useful and more than 13% said it's "not useful." Just 55% said Facebook is "somewhat useful," indicating a high level of ambivalence on a key branding metric.

Eric Johnson, CEO of Los Angeles-based agency [Ignited](#), said clients are experimenting with Facebook and in some cases upping their investment on it, they're certainly not dumping their TV budgets into it. **Or even their budgets for other digital-media platforms, where the value of clicks and video views is more proven.** "The metrics [on Facebook] are not screaming that you have to go and change your budget," he said.

Respondents also said doing business with Facebook isn't always easy. About 24% of respondents said Facebook's advertising-customer support was inferior to other digital platforms; only 7% said it was superior. Asked what it would take to make Facebook a more useful ad platform, one said, **"It's incredibly time consuming and requires a lot of manual entry.** Our agency has tried to optimize by working directly with Facebook but found they were unhelpful and lacked the knowledge to move our projects forward."

And another: "Better analytics and better customer support, like Google's AdWords."

Some questioned the notion of ads on Facebook altogether: **"I do not believe that Facebook is an advertising platform.** We need to explore other possibilities."

But one of the most widespread criticisms of Facebook -- that it doesn't provide adequate data to marketers -- may be overstated. In written comments, several respondents cited data as a key issue holding back budgets. Several gave variations on the simple response of one commenter: "DATA." Yet asked if they were satisfied with the level of data returned by Facebook, 61% said "somewhat satisfied" and 10% said "very satisfied," a majority.

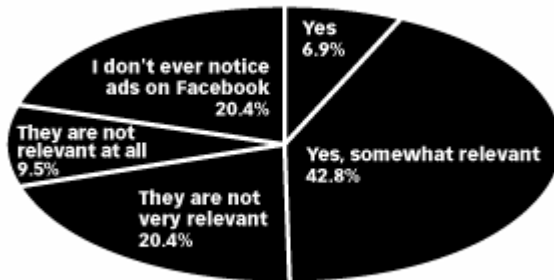
Marketers also expressed strong interest in buying mobile on Facebook, with nearly 28% calling it "very important" and 36% "somewhat important" as a marketing channel.

The full results of the survey will be available in Ad Age's [DataCenter](#) in the coming days.

According to Nigel Morris, CEO of Aegis Media Americas, the scaled platform is a tremendous opportunity for brands, but demonstrating the ROI of it is Facebook's ongoing challenge. "The issue fundamentally [is]: Within the confines of the platform, will it be able to grow advertising as fast as it needs to?" he said. "And it'll depend, as it does in all media, on showing how effective the platform is and demonstrating the ROI.

Facebook might not be the homerun many think Facebook ads are:

US Facebook Users Who Believe Ads on Facebook Are Relevant to Their Interests, May 2012
% of respondents



Note: n=348
Source: AYTM Market Research as cited in company blog, May 24, 2012
141050 www.eMarketer.com

By SHAYNDI RAICE

Facebook Inc. went public last month on its prospects for growth. But in some key areas, the social network's growth rates are already maturing.

In particular, Facebook's user growth rate in the U.S. is slowing sharply. In April, U.S. unique visitors to the website increased to **158 million**, (Radio reaches 241 million/week) up just 5% from a year earlier, according to research firm comScore Inc.

Facebook's user growth rate in the U.S. is slowing dramatically.

That was Facebook's lowest U.S. user growth rate since comScore began tracking the data in 2008 and was down from 24% growth in April 2011 and 89% in April 2010, comScore said.

At the same time, the growth rate in the amount of time people spend on the social network—otherwise known as engagement—is also decelerating. In April, **Facebook users spent more than six hours a month on the site, up 16% from a year earlier.** (equates to about 12 minutes/day) But that compares with a 23% increase in 2011 and 57% in 2010, comScore found.

In some ways, the slowdown is to be expected. Facebook has already grabbed 71% of all 221 million U.S. Internet users, according to comScore. At the same time, people already are on Facebook longer than any other

site. The more than six hours a month that people spend on the social network exceeds the over four hours a month they spend on all Google sites including YouTube, and the 3½ hours they spend on Yahoo sites, comScore said.

While social media continues to garner a lot of attention, broadcast radio's popularity continues to dwarf some of the internet's and social media's "biggest" players. In the USA, of people 12+:

On a Typical Day For the USA Population 12+:

- **150%** more will use Radio than will go to Facebook
- **215%** more will use Radio than will go to Google Search
- **485%** more will use Radio than will go to YouTube
- **3400%** more will use Radio than will go to Twitter

On a typical day in the USA, of people 18-34:

- **70%** more will use Radio than will go to Facebook
- **110%** more will use Radio than will go to Google Search
- **230%** more will use Radio than will go to Youtube
- **1860%** more will use Radio than will go to Twitter

On a typical day in the USA, of people 25-54:

- **115%** more will use Radio than will go to Facebook
- **165%** more will use Radio than will go to Google Search
- **470%** more will use Radio than will go to Youtube
- **4085%** more will use Radio than will go to Twitter

Study: Only 1% of Facebook 'Fans' Engage With Brands

Not Many Fans Are Creating Content, But That Might Not Be a Bad Thing

By: Matthew Creamer

January 27, 2012



For a few years now, brands have been touting frothy Facebook "like" numbers as evidence of their social-media acumen. But how many of those fans are actually bothering to take part in conversation with brands? Not too many, as it turns out.

Slightly more than 1% of fans of the biggest brands on Facebook are actually engaging with the brands, according to a study from the Ehrenberg-Bass Institute, an Australia-based marketing think tank that counts Procter & Gamble, Coca-Cola and other major advertisers as its supporters.

To get to these findings, the researchers used one of Facebook's own metrics, People Talking About This, the awkwardly-named running count of likes, posts, comments, tags, shares and other ways a user of the social network can interact with branded pages. It was unveiled last fall as a way of giving advertisers a sharper look at the level of activity on their pages. Researchers for the institute looked at this metric as a proportion of overall fan growth of the top 200 brands on Facebook over a six-week period back in October and they found the percentage of People Talking About This to overall fans to be 1.3%. If you subtract new likes, which only requires a click and in the minds of the researchers are akin to TV ratings, and isolate for more engaged forms of interaction, you're left within an even smaller number: 0.45%. That means less than half a percent of people who identify themselves as like a brand actually bother to create any content around it. You might assume these are damning numbers. But this isn't necessarily the case. "I don't think it's a bad thing," said Karen Nelson-Field, senior research associate for Ehrenberg-Bass Institute who describes herself as a "Facebook advocate." "People need to understand what it can do for a brand and what it can't do. Facebook doesn't really differ from mass media. *It's great to get decent reach, but to change the way people interact with a brand overnight is just unrealistic."

In the background here is the thinking of Andrew Ehrenberg, the late mathematician who was highly skeptical of conventional marketing wisdom. In dense statistically-oriented papers, he cast doubt on concepts

such as brand loyalty and was never sold on the persuasive power of advertising. Now his disciples advocate achieving broad reach through mass media. Brand growth, they maintain, is attained not by reaching a few loyal fans **but a larger number of light and medium buyers**. *In this understanding of the marketing and media worlds, social is just another media channel useful for its reach rather than any notion of engagement.*

This research jibes with that thinking, as does a separate study from Ms. Nelson-Field looking at the distribution of buying behavior among Facebook fan bases. In that study, she used web-based consumer panels to examine the behavior of Facebook fans of two unnamed repeat-purchased brands, in the chocolate and soft-drink categories. The key finding was a much greater occurrence of heavy buyers in the Facebook population than in a more general population of customers. The study also found that purchase frequency didn't increase after someone became a fan.

In other words, Facebook fan bases skew toward heavy buyers rather than the more casual shoppers that a brand needs to reach in order to grow.

Again, unless you're someone who believes marketing on Facebook alone constitutes a full strategy or you're lining up for the inevitable Facebook IPO, this isn't all bad news. Facebook does provide good reach and its audience of loyal fans is good for market research and word-of-mouth advocacy.

If there's an overall caution, it's against, in the words of Ms. Nelson-Field, "putting a disproportionate amount of effort into engagement and strategies to get people to talk about a brand, when you should be spending more time getting more light buyers."

Compete argues that the number of Likes a brand collects via Facebook is a common but potentially misleading measure because **it's cumulative rather than current**. *Using a weather analogy, it compares the obsession with Likes to looking at how much snow has fallen in total over the past 10 years versus how much is falling now or this winter.*

In that regard, Orbitz in December 2011 led the travel segment with 16,100 visits to its Facebook page. But Expedia led the group of four travel sites Compete studied, also including Priceline and Travelocity, with 1.5 million Likes. Looking at the

ratio of Facebook visitors to Likes is one way to show the current “productivity” of all those likes, according to the study.

Several new Social Media research studies:

According to a recently released report, a collaboration between Forrester Research and GSI Commerce, social media rarely leads directly to purchases online. Less than 2% of orders were the result of shoppers coming from a social network during the holiday shopping period between November 12 and December 20, 2010. Addressing social marketing, Fiona Dias, EVP of strategy and marketing for GSICommerce, says "... buying things from retailers is maybe 10th on the list of things they want to do on Facebook