

Facebook as a platform for brand-management or marketing

Amit Dhingra | 61110517 | Indian School of Business | Class of 2011
Nivesh Seth | 61110130 | Indian School of Business | Class of 2011

Synopsis

Facebook is an emerging platform for companies trying to create widespread awareness for their company, brand, and products. Facebook offers a large number of functionalities such as profile pages, groups, pages, events and networks that can be used to create a successful marketing campaign. Additionally, Facebook offers various tools such as social advertisements, engagement advertisements, integrated opportunities and Facebook Platform Application Sponsorship to advertisers. However, Facebook cannot be used as the sole communication channel in marketing campaigns. Facebook can be used for providing real-time updates about disasters and the steps being taken by the company to contain and mitigate it.

Facebook Marketing Strategies and Advertising Tools

Facebook offers extended functionality to users comprising ordinary users, and those with specific purpose. Facebook is a powerful channel that helps in word-of-mouth publicity and helps target audience creatively in the following ways:

a. Profile Page: According to Facebook statistics, in 2009, there were about 150 million active users with at least 150 million profile pages. Some of the most common habits of Facebook users were found to be browsing the profile pages of friends and keeping a track of the profile pages of people they were interested in. By connecting to hundreds of partners, customers, associates, and friends on Facebook companies will be able to drive a ton of traffic to profile pages. By promoting users to express passion for the brand, company, or product and thus displaying the product, brand name on their profile page, a company can leverage this channel to advertise for their product.

b. Groups: Groups are the simplest and most effective way to build community around brands or a company on Facebook. By starting a group, a company can create a central place for customers and partners to participate in conversations around the brand. Once members have joined a group for a brand, they can easily invite their friends to join the group via built-in “Invite” feature. If the members are excited about the group, it may grow really quickly. The group name also appears on members’ personal profile pages, and this will attract other people when browse or view one page and found group on somebody’s profile page. But Groups do have problem, because Facebook removes the ability to send messages to the group members once the group size goes past a certain limit. Also, once a group becomes popular, it may become a target for hackers and spammers.

c. Pages: Facebook Pages is a great option for smaller businesses to establish a presence on Facebook. Like Groups, Pages are another free and easy way for viral marketing. Several applications can be added on Pages and provide more flexible ways to engage fans and users, using Social Ads that point to our page.

d. Events: Facebook Events is a free application developed that can be used to promote various events such as marketing events, sponsored parties, or product launches, transactions, or company milestones. Users can create an event to get a fully-featured page that includes a wall, discussion, photos, videos, and links – a concept similar to Groups. Initial members of such events can invite their friends to the event. Facebook Events enables users to get word-of-mouth publicity, manage guest lists, and build a community focusing on the upcoming event.

f. Facebook Networks: Facebook Networks resembles group pages for people who are member of an Educational, Work, or Geographical network, such as the ISB Network. None of the Facebook members own any part of the network pages; however network pages offer an alternative way to users for discovering events, posting items, and marketplace listings, and starting discussion forums and walls which can be used by any member. Network pages are considered to be the most commonly accepted places to spamming Facebook.

Tools for Advertisers

Facebook offers various integrated and self service solutions to marketers. A few of them are listed below:

a. Social Advertisements: This option is available through two payment options: Pay Per Click (CPC) or Impression (CPM), both in local currency. Social Advertisements, a self-service tool, provides the ability to limit the visibility of the advertisement according to various demographic parameters.

b. Engagement Advertisements: Engagement Advertisements provide a unique experience to Facebook users. As compared to Social Advertisements, clicking which a user is redirected to a microsite, Engagement Advertisements allow users to view them inside Facebook only.

c. Integrated Opportunities: For high budgets (above around \$50,000), Facebook offers integrated advertising opportunities. On availing this option, a Facebook sales representative contacts the company to determine the most relevant opportunities.

d. Facebook Platform Application Sponsorship: Marketers can also approach software application developers and negotiate a sponsorship deal.

There are other options as well like Virtual Gifts, the Facebook Platform Ad Networks, etc., but which tools to select depends on the company's marketing strategy. For companies with limited budgets free tools can be used to test if the product/service is suited to advertising through Facebook. If successful the companies can step up to the paid advertising techniques.

Point of Caution

However, while making use of Facebook as a marketing platform, companies should consider the following points of caution:

- a.** The quality of marketing communications might not be comparable to the quality of conventional marketing channels. Companies have to continually monitor the quality of content on social networking sites in order to communicate the right message. Also, the companies have to regularly eliminate redundant content to keep the users engaged. For instance, Coldplay could create a better marketing campaign on Facebook by filtering away duplicate content on an ongoing basis.
- b.** Facebook cannot be used as a sole channel for marketing communication. It should ideally be used in conjunction with other traditional marketing channels. For instance, the marketing campaign launched by Tata for its small sized car, Nano was such a combination. A marketing campaign comprising only Facebook as a channel wouldn't have yielded the same scale of awareness for the company.

Use of Facebook as a Post-Disaster recovery tool for brands

Facebook and other social networking sites can be leveraged as serious and effective communication channels by companies in a post-disaster scenario to get ahead on the curve of public opinion and be perceived as involved and concerned. This is because Facebook is more about one-on-one interaction compared to other traditional forms of media.

As a starting point, Facebook can be used for providing real-time updates about the disaster and the steps the company is taking to contain and mitigate it. This would require a proactive response and should be in place as soon as possible. The status updates can also be used to reach out to people. For instance, even a simple status update like "Our hearts go out to the friends and families of those lost in the accident," can help in soothing those affected. This can be supplemented by posting videos to YouTube and photo slide shows to Flickr.

Also Facebook can be used to engage with the users at large by encouraging them to comment and provide feedback. Users can even be asked to provide ideas on how to best tackle the disaster.

For instance, BP (British Petroleum) has been using social networking platforms such as Facebook, and Twitter to provide updates on the recent oil spill in the Gulf of Mexico. Though response was sluggish in the beginning, the use of social networking sites has helped it open the lines of communication with the general masses and created an opportunity to showcase to the world that the company cared more about the environment than oil.