

## Social Network Advertising: Talking With, Not At, Your Customer

Do you have a Friendster, MySpace, or Facebook account? If so, how often do you log in to your account? Do you log in on your off-hours from work ... or even when you really should be working? If you do, it's a prime example of how pervasive social networking is today – whether it's these purely 'social' networks or professional networks such as LinkedIn and Plaxo, just about everyone's got an account today.

A JupiterResearch study recently indicated that one in four adult Internet users in the U.S. regularly visits popular social networking sites, and sites such as MySpace and Facebook are regularly ranked among the top 10 sites visited by users, behind Google and Yahoo. Worldwide, MySpace claims over 200 million users, and Facebook, about 50 million. Facebook claims about 200,000 users from Singapore alone – and this only includes users who have indicated their location.

A traditional definition of a social networking site is one that allows Internet users to add user-generated content such as comments, reviews, feedback, ratings, or have their own dedicated pages. This definition then includes sites such as YouTube, digg.com and Amazon.com, in addition to the sites most people think of as social networking sites such as Facebook, Friendster and MySpace.

The widespread reach of social networks means marketers have been quick to catch on to the potential of social networks as a channel of communication with their customers. According to eMarketer, a research agency and aggregator of information and analyses on e-business and online marketing trends, global spending on social network advertising could reach US\$2.5 billion by 2010, with lead players MySpace and Facebook accounting for 72% of all U.S. revenues in the category this year. Beyond that, opportunities will increase with existing web sites looking to add social networking capabilities and hundreds of new social networking ventures coming online.





Advertising on social networks allows marketers to accurately, finely target specific groups of people. It's now possible to easily target with a great deal of accuracy, for example, males aged 25-35, who play golf, are located in a certain city, and work in a certain industry.

Apart from the massive, targeted audiences available to marketers, another reason why the term "social networks" has become such a buzzword for marketers today is because it opens the doors to a generation of people who grew up inundated with advertising and marketing messages and are understandably wary.

This is a young, savvy group of consumers who no longer accept advertising forced down their throats. Social network marketing allows advertisers to leverage on the power of word of mouth and viral messaging. Ads evolve, going from mere marketing messages to endorsements. The customer evolves, going from mere passive consumer to advocate and fan. Social network marketing allows consumers to interact with a brand on a hitherto unprecedented level, becoming spokespeople for the brand as they share and advertise their affinities to their social circles. The messages that are passed on are honest and credible – and they linger for long after they are first seen, in conversations and endorsements.

In this article, we'll focus on the marketing possibilities that exist on the current most popular social networks – MySpace and Facebook. There are of course other ways of marketing on other social networks, but as of now, these websites have demonstrated themselves to be supportive of business marketing efforts on their networks with a slew of new products and support.

## New developments: MySpace

MySpace recently announced a new advertising product which it calls SelfServe by MySpace. This hyper-targeted advertising product will allow advertisers to directly purchase, create and analyze the performance of ads throughout the MySpace network, in a similar fashion to Google Adwords (although the MySpace platform is for building display ads, not text ads).

This is supplemented by its new development called HyperTargeting, in which it uses proprietary technology to pull information about users from their profiles. This allows fine targeting of users – for example, sports fans could be filtered down to not only which sports they enjoy, but even which teams they support and which players they follow closely. There are around 1,000 total categories, with, for example, the "movies" category further subdivided into 300 categories. MySpace says there is no need to worry

about over-specific targeting; its reach is so wide that even within categories there are plenty of people to advertise to.

Advertisers can use a simple page building tool, which has convenient features like direct image editing, to create their ads directly on the MySpace platform. Ads will cost from US\$10 and will be billed based on a cost-per-click model.

## New developments: Facebook

Early days of marketing on Facebook included branded 'free gifts' which members could 'give' to their friends online – a subtly branded mug of beer, for example, or the famous AXE brand devil duck, or a Wal-Mart branded gingerbread cookie. Advertisers could also cheaply purchase small advertising spaces to display 'e-flyers' on users' profile pages on a cost-per-click or cost-per-impression model.

Facebook's latest developments promise a way to more fully exploit the potentially explosive one-to-one-to-many style of marketing possible in these communities. Based on the idea that "people influence people", it recently unveiled a targeted advertising model, similar to Google's targeted search-based advertising, which Facebook calls 'social ads'.

This new advertising model will allow businesses to pitch their products and services alongside users' recommendations and activities online. For example, users can review books, DVDs, restaurants and services, and businesses can have their pitches appear alongside. Or a user could book a travel package from a travel portal, which could then display his or her photo and profile along with an advertisement on friends' profile pages.

Companies also have the option of creating a corporate page, or a 'fan page', that can include any type of content from photos to videos and music, in addition to custom-created applications that tack on to these pages and allow, for example, reservations or signing up on a mailing list. Users can add the page to their friends list by 'becoming a fan' – which means they'll receive continual news feeds of updates and activity. Facebook estimates that about 100,000 such pages will be added to the network by various brands from Coca Cola to Sony Pictures.

There are currently 229 such sponsored pages for major brands on Facebook, many of which have memberships in the tens of thousands.

Realizing the necessity of supporting and proving that this marketing model works, Facebook will also provide metrics on activity, ad performance and user demographics to help businesses with ad targeting.

All these are great ways to keep customers updated on new products and developments, but more importantly they are extremely useful for getting customers to talk about your brands. For audiences getting increasingly wary of traditional advertising, a recommendation from a trusted friend could be more persuasive than yet another direct mailer.

## Social Network Advertising – Some Case Studies

### • 2007 Jeep Compass Uncharted Campaign

To build awareness of its 2007 Compass and its top selling point – the powerful stereo system – Jeep turned to MySpace to leverage on its reputation for promoting emerging and established musical artists.

It organized a series of live concerts throughout the U.S., and disseminated information about these shows exclusively through MySpace and Facebook pages, where fans could track the tour, listen to artists and find out more information.

The shows were performed out of a Jeep Compass, utilizing the vehicle's speaker system. Over 300 concerts were performed in 4 weeks, and at each concert, Jeep handed out flyers directing attendees to the Jeep MySpace page to engage them further and to link them back to the Jeep website.


The main profile page was supported by advertising throughout the network, resulting in over 12,000 friends and more than 1.3m clicks and significant traffic driven to the main Jeep Compass site.

### • Febreze 'What Stinks?' Campaign

Heavyweight consumer product brand P&G has always been aggressive in exploring new avenues for reaching out to its customers, so it's not surprising they would be a pioneer in viral and social network marketing.

To introduce 18m college students in the U.S. to its 'Febreze' brand of deodorizers, it created a 'What Stinks?' campaign centered around a sponsored Facebook profile page. It encouraged users to "Tell Febreze What Stinks" through videos, wall posts, and photos, with the chance to win prizes such as Apple store and iTunes giftcards.

P&G was mindful to speak directly to its target audience through games, discussions, and a 'What Stinks?' news feed featuring offbeat and humorous news around the world. A 'Wheel-O-Stink' game suggested different areas

where Febreze could be used, all relevant to college students such as 'Frat House Shag', 'Make-Out Couch' and 'Roomie's Funk'. College students identified with the humorous taglines such as 'Febreze – Because the Laundry Room is SOOOOO Far Away!' and 'Febreze – Because Your Parents are Visiting!'. 

The Febreze campaign was a major step in making the brand visible to the college crowd. As of last check, its Facebook profile page had 1,303 members and was growing every day.

## Some Pitfalls To Look Out For


For all its potential, advertising on social networks brings with it its own set of unique issues. For one thing, unlike in traditional advertising, the company is no longer in full control of the campaign. Giving the consumer the role of content creator means that it's hard to control what's being said about your brand. It's difficult to predict what normal folks will say or do online behind the safety of anonymity, creating all sorts of risks and challenges for advertisers. The Febreze campaign, for example, has already been plagued by accusations of animal testing.

Advertisers should not participate in social sites just because they're the latest channel opportunity. Your company's reputation is at stake, so consider product and branding attributes before leaping, as the channel is inevitably a riskier proposition than traditional media.

In other words, be prepared for negative comments and backlash about your brand if you do decide to embark on this venture. Be willing to engage your customers in two-way dialogue and recognize that Web 2.0 is very much about interaction and collaboration. Present an honest, credible message and accept that it's often necessary to turn down the volume of your marketing message, as there's a very fine line between engaging with your customers and turning them off.

Wal-Mart learned this the hard way when its Facebook campaign failed. It approached Facebook as if it were a mere static website, just another platform to show off its marketing message. It did not utilize the discussion forum and restricted comments and feedback. Users quickly noticed the lack of activity on its profile page and soon enough criticism about its campaign began appearing on blogs all over the web.

(Incidentally, this was not the first failed Web 2.0 campaign for Wal-Mart – prior to this, it had created a fictional blog detailing the lives of a family traveling across the U.S. in an RV and living in Wal-Mart parking lots – which was easily outed as fake and further tarnished Wal-Mart's already poor public reputation. But that's a story for another day ...)



The social network landscape is still fairly young and evolving rapidly, so there is much to learn. In recent years, word-of-mouth marketing has evolved from a hazy concept into an organized, measurable marketing tool. But the way forward is still unclear as marketers continue to experiment with new ideas and approaches and learn that the medium requires a radical shift in company mindsets. Only adventurous marketers who are willing to depart from yesterday's approach of talking at consumers and adopt a model of talking with and engaging consumers will be able to connect social networking with the explosive power of real word-of-mouth marketing.

If you'd like help with crafting your marketing campaign on social networks, get in touch! In the meantime, look forward to the next issue of Interact! which will focus on another Web 2.0 medium namely blogs and podcasts.

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