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# FACEBOOK X-FACTORS

REPORT  
#5

# INTRODUCTION

It's no secret—Facebook reigns as the social networking community of choice for today's online consumer. Having surpassed 500 million registered users worldwide, your grandma, teenager, dentist, and local grocer most likely have a Facebook presence. 42% of U.S. online consumers, which equals approximately 46 million people, say they use Facebook at least once a day. And millions more still use Facebook, even if they don't check their accounts every day.

Facebook's incredible reach makes it the most pervasive social networking community—and it's contagious and spreading. **While you might already realize that Facebook plays an important role in spreading your brand's message, are you aware of the hidden opportunities—and potential landmines—that await you in this unique communication channel?**

In *Facebook X-Factors*, the fifth installment of our SUBSCRIBERS, FANS, & FOLLOWERS research series, we'll expose the five x-factors that make Facebook unlike any other messaging medium, **so you can develop the precise and finely-tuned strategy you need to effectively communicate in this competitive channel.**

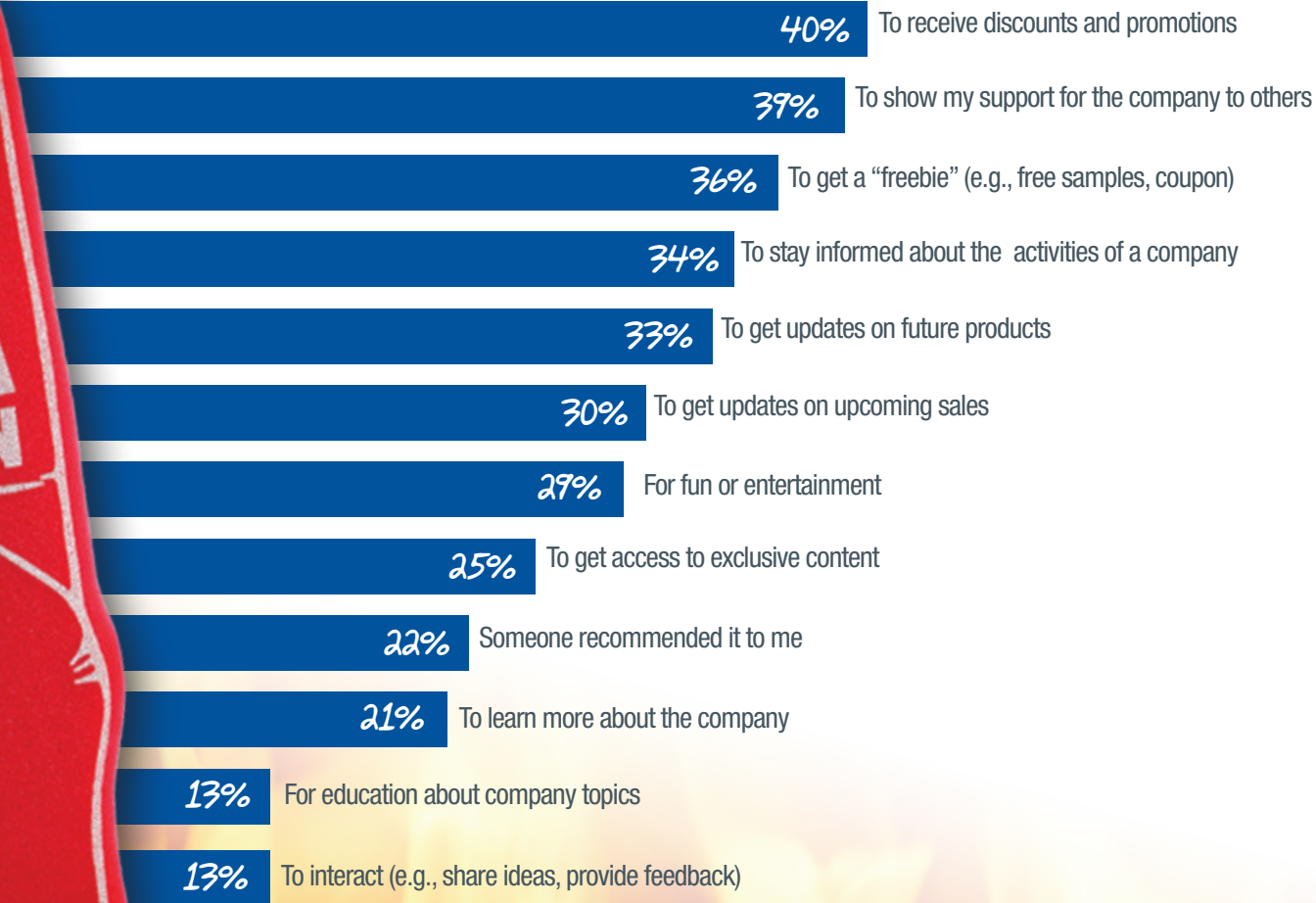
## INSIDE THE REPORT, YOU'LL LEARN:

- The five x-factors that make Facebook unlike any other medium
- How to market within a channel that hasn't completely accepted the presence of marketers
- The real value of Facebook marketing, so you can acquire new audiences who will directly impact your bottom line

Traditional marketing approaches focused on getting your products and services in front of large audiences don't necessarily work on Facebook. **Instead, we'll help you focus on Facebook's five x-factors, so you can strike the delicate marketing balance this channel requires.** With wall space at a premium and thousands of companies shouting their messages, you need a way to mobilize your FANS and empower them to spread the word about your brand. In *Facebook X-Factors*, we'll help you do just that, so you can break through the clutter and develop a Facebook strategy that will directly impact your bottom line.

***When Facebook's  
x-factors combine, they  
have the potential to  
ignite viral marketing,  
spreading a brand's  
messages across  
the entire internet.***

# WHAT HAS MOTIVATED YOU TO “LIKE” A COMPANY, BRAND, OR ASSOCIATION ON FACEBOOK?





# X-FACTOR ① CONNECTION

**With Facebook, consumers can connect with individuals from all walks of life and geographic locations.** And while most consumers see value in Facebook's ability to connect them with these other individuals, *whom* they choose to connect with varies greatly from user to user based on a variety of factors, including age. For example, if you ask consumers over 25-years-old to describe their favorite thing about Facebook, you'll likely hear stories about reconnecting with old friends. In contrast, high school and college students will tell you that Facebook has become an integral part of managing their busy social lives. In short, Facebook's ability to connect—regardless of who, why, when, or where—is one of its most powerful x-factors.

## FACEBOOK = THE 'DEFAULT' SOCIAL COMMUNITY

When asked about social networks, Facebook immediately comes to mind for consumers—before Twitter, MySpace, or other social networking communities. That's because **64% of all U.S. online consumers (and three quarters of Millennials) have created a profile on Facebook.**

The fact that so many people around the world have created Facebook accounts demonstrates that it's the first place people go when they want to connect with others online, making it the 'default' for social networking. Facebook's viral effect is spreading, turning once-adamant Facebook hold-outs into inevitably willing participants.

## GETTING PERSONAL WITH FACEBOOK

Facebook is far more personal than professional. **59% of consumers say they use Facebook in order to maintain personal relationships compared to only 15% who use it for professional contacts.** Women are more likely to

focus on maintaining personal relationships than men (63% vs. 54%), and are more likely to use Facebook to connect with old friends (68% vs. 56%). Women are also more likely to manage their social lives with Facebook (41% vs. 34%). This is especially true among younger consumers, where 68% of females aged 15-17 and 54% of women aged 18-24 use Facebook to find out what their friends are doing and what social activities are happening.

Compare these numbers to those of Facebook users who say they've become a FAN of a brand (43%), and it's clear that consumers view Facebook as primarily a personal—not marketing—channel. Additionally, less than half of Facebook users believe marketers are "welcome participants on social networks," and even those who welcome marketers say it's because they believe in "free enterprise," not because they seek out interactions with marketers on Facebook.

While brands are clearly embraced on Facebook, many consumers are still unsure about how marketers should participate once they've arrived. They worry that at any moment, marketers might revert to spamming them with irrelevant messages in an attempt to drive sales. **In order to combat your consumers' fears, you should look at every Facebook engagement as an opportunity to build trust, demonstrating that you understand your consumers' priorities and that you respect them as individuals.** Failure to do so will likely turn consumers off to your brand, potentially hurting your reputation and negatively impacting your bottom line.



***“Thanks to Facebook, I’ve met up with distant relatives and friends from my childhood, high school, and college days. I love seeing their pictures and what’s going on in their lives. They’re now a huge part of my life and I owe it all to Facebook.” – Mike, 31, Atlanta, GA***



# X-FACTOR 2 SELF-EXPRESSION

You can learn a lot about someone by simply visiting their Facebook page. Information like their full name, where they're from, where they work or attend school, who they're friends with, and even whether or not they're in a committed relationship is often in plain sight. This combination of personal information, pictures, videos, and wall posts give consumers the opportunity to represent themselves to the online world. And the causes, associations, and brands they "LIKE" also contribute to their self-expression of who they are and what they stand for.

## BECOMING A FAN ≠ MARKETING COMMUNICATIONS

The act of "FANNING" a brand on Facebook (or LIKING, as Facebook now refers to this practice\*) doesn't necessarily mean consumers wish to receive marketing communications from that brand. In fact, in a previous 2009 ExactTarget study, **70% of consumers who "FANNED" a brand on Facebook didn't feel they'd given this company permission to market to them.** They instead viewed this act of becoming a FAN as a way to express their personal endorsements and approvals of companies with other Facebook friends.

In our SUBSCRIBERS, FANS, & FOLLOWERS study, this finding of self-expression by becoming a FAN holds true. When we asked daily Facebook users why they chose to become a FAN of a brand, they often reported wanting to show others that they support that company. In other words, the act of FANNING a brand can be compared to sporting your favorite clothing store's logo—a simultaneous display of endorsement and personal expression. **However, it's important for marketers to realize that this endorsement and means of personal expression isn't an open invitation for the delivery of marketing messages.**

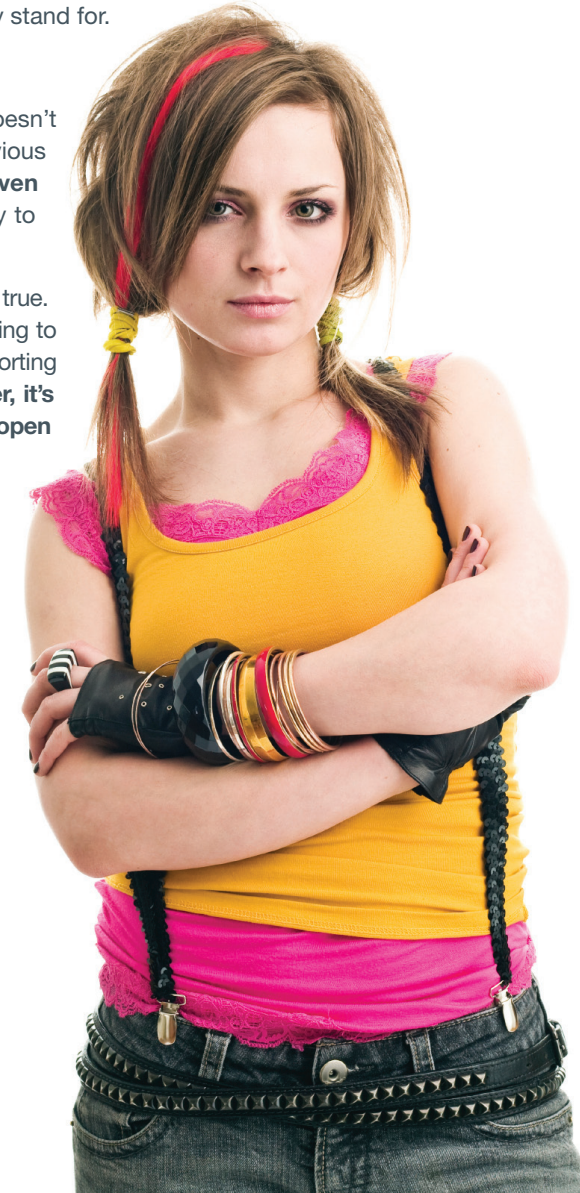
## LIKING A BRAND MEANS DIFFERENT THINGS TO DIFFERENT CONSUMERS

Why an individual consumer chooses to LIKE or FAN a brand on Facebook can be very difficult for marketers to understand. In *The Social Profile*, our third SUBSCRIBERS, FANS, & FOLLOWERS report, we highlighted different consumer motivations for interacting with brands online. And these intrinsic motivations go a long way in explaining why consumers choose to become Facebook FANS.

For example, Enthusiasts are the most likely group of online consumers to become a Facebook FAN of a brand in order to show their support. This is also the case for consumers who go online primarily to connect with other Facebook users. However, some consumers become FANS of brands on Facebook for reasons other than showing support. 31% of consumers (a.k.a Deal Seekers) cite their primary motivation for becoming a FAN as a way to get freebies or giveaways. 25% of consumers (a.k.a.Shoppers) become a FAN to receive sale notifications, and Gamers are likely to become FANS for fun or entertainment purposes.

*(For more information on individual persona motivations, download The Social Profile.)*

\*During the course of our research, Facebook changed its "BECOME A FAN" button to "LIKE." We use both FAN and LIKE interchangeably throughout this research report.



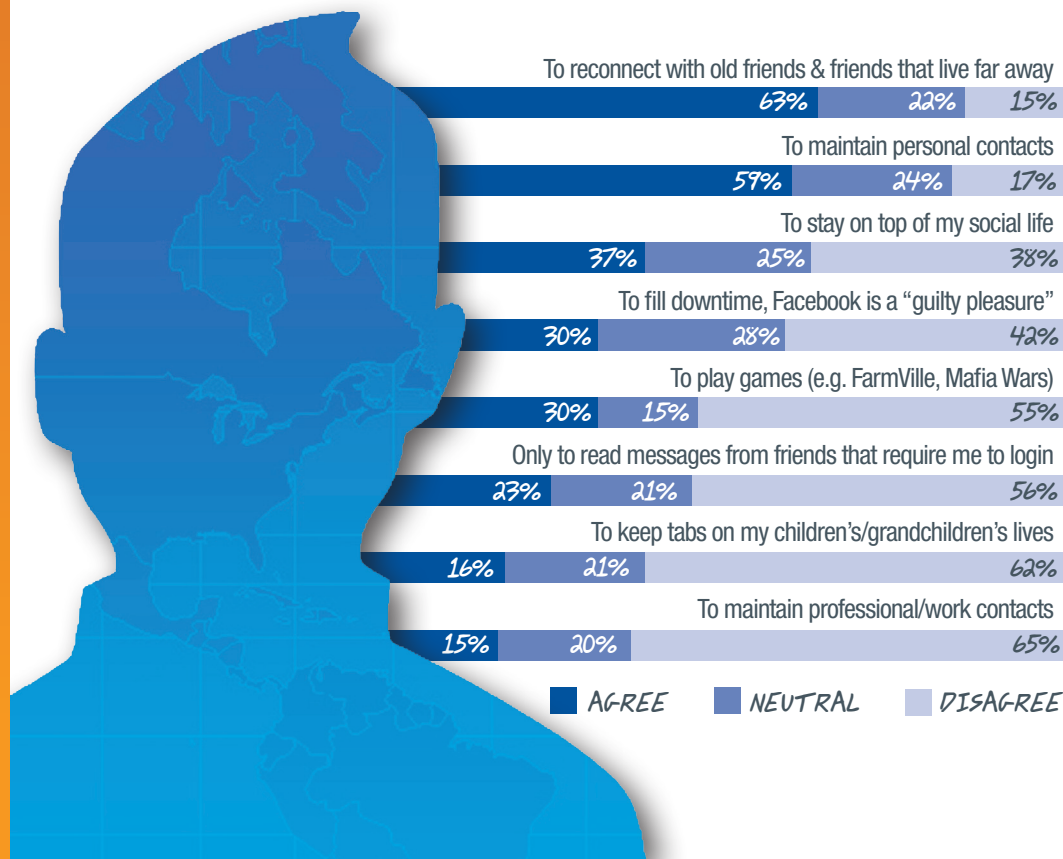
# MULTIPLE MOTIVATIONS

Consumers engage with brands on Facebook for a variety of reasons, which can make it difficult for marketers to decipher what the act of LIKING really means. Consumers are as likely to become a FAN in order to get updates on upcoming sales as they are for fun and entertainment. And even though many consumers are looking for discounts, marketers must always consider the context.

## TIPS TO CONSIDER:

- 1** Your company's Facebook FAN page is a continuous stream. Consider including a cross-section of content that focuses on the varying interests of your target audience. This will keep your diverse consumers (with their diverse motivations) continually engaged.
- 2** Consider the reasons consumers use Facebook in the first place: to connect with others, to express themselves, to have fun, and to discover new things. Successful Facebook campaigns tap into this larger context by giving consumers a way to interact—not only with your brand, but with other like-minded consumers.
- 3** Only 17% of consumers say they're more likely to buy after becoming a FAN on Facebook. Many of the most vocal consumers are only interested in social interaction, while some of the most motivated consumers have no interest in fun and games. Work on measuring the impact of different engagement metrics on your bottom line in order to understand which approach contributes most to your ROI.

# REASONS CONSUMERS USE FACEBOOK



*"I'm a FAN of Marc Jacobs because he's truly one of my favorite designers. I visit his Facebook page because it's just something I'm in to. I embrace his brand as a core trait of mine."*

– Jessica, 25, Ann Arbor, MI



## X-FACTOR ③

# ENTERTAINMENT

Another reason consumers are drawn to Facebook? It's entertaining. As consumers shared time and again, it's fun to see pictures of friends, fun to re-connect with old acquaintances, and fun to see what's happening in a best friend's life—even if she's thousands of miles away. **From planning events and reading wall posts to simply killing time and playing games, consumers look forward to their time on Facebook because it's fun!**

As a result of its personal and entertaining appeal, it's no surprise that the majority of consumers report using Facebook primarily during non-working or non-school hours. While 30% of all Facebook users and 45% of daily users report checking email during work or school hours, they're less likely to check Facebook during these times, restricting use to nights and weekends. **In total, 65% of Facebook users say they login only before or after work/school and 69% use Facebook on the weekends or days off.**

This is further validated by research from Dan Zarrella, who found that articles posted to Facebook over the weekend are shared more often than those posted during the week\*. **This means that marketers need to be prepared to post topics and respond to FANS on nights and weekends as well as during normal business hours.**

### MARKETING CAN BE ENTERTAINING (AND FUN) TOO!

**No other channel provides the opportunity for fun and entertaining marketing messages like Facebook.** Unlike Twitter or email, consumers regularly talk about “marketing” and “fun” in the same sentence when it comes to Facebook. As one focus group participant shared, “I’m amazed by all of my friends who are FANS, and the comment threads that start as a result of the brands they’ve chosen to FAN are fun. When I become a FAN of a new brand, many of my friends become FANS too. Companies often give rewards for this, and that makes it even more fun!”

**It's critical for marketers to keep Facebook's entertainment and fun factor in mind when developing a marketing strategy.** Why? Because consumers are more likely to participate and engage with you if your marketing approach aligns with the entertainment paradigm. Consumers shared their stories of how brands successfully offered entertainment on Facebook, and examples included Hot Wheels asking consumers about received speeding tickets, Gillette Venus offering a combination of “fun contests, sweepstakes, discounts, and games,” and Oreo asking “What do you dip your Oreo in when you run out of milk?”

**Moral of the story? Facebook provides an unprecedented opportunity for you to get creative when it comes to making your marketing fun and entertaining. What are you waiting for?**

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\*Footnote: Zarrella, Dan “Data Shows: Articles Published on the Weekend are Shared on Facebook More” Mar 8, 2010 <<http://danzarrella.com/data-shows-articles-published-on-the-weekend-are-shared-on-facebook-more.html>> (accessed August 5, 2010).

*“I feel more connected with friends and acquaintances who post their photos or about the events happening in their lives. It's fun!” -Maggie, 41, Portland, OR*



# IS THERE SUCH A THING AS “TOO MUCH FUN?”

Consumers find Facebook to be so much fun that 30% of them classify it as a “guilty pleasure.” Like that secret pint of ice cream buried in the back of the freezer, Facebook tempts these consumers to spend hours engaging on the site—which can often result in procrastinating and/or avoiding other responsibilities. **In fact, 31% of consumers say they must monitor the amount of time they spend on Facebook because it can be addicting.** This is most pronounced among Facebook users who regularly play games like FarmVille or Mafia Wars (these particular games require them to log into Facebook on a regular basis). One participant shared, “I got to the point where I was neglecting my ‘real’ life in order to play these games. Why? It killed time, and put me in a place where nothing mattered and no one judged me. It was like an alternate life.”





# X-FACTOR 4 DISCOVERY

The Facebook environment breeds discovery—whether or not consumers realize it. At times, these acts of discovery are intentional. For example, an individual may log onto Facebook in search of an old friend or former classmate. But more often than not, these discoveries are the byproduct of an ongoing participation in the Facebook community. Whenever a Facebook user adds a new friend or LIKES a new brand, there’s a chance that this new connection will spur additional new connections through the ever-expanding social landscape.

**There’s an element of serendipity hidden in these “accidental” discoveries, and this became evident as we talked with consumers about why they enjoyed using Facebook.** It’s not so much that people log into Facebook with the intention of finding something in particular—they just expect to be pleasantly surprised by new discoveries on a regular basis. Will they encounter a new friend request from someone they haven’t heard from in decades? Will they stumble upon their new favorite clothing line after a friend FANS the brand? These unique and serendipitous discoveries contribute to Facebook’s entertaining quality.

## SERENDIPITY MEETS MARKETING

Facebook’s serendipitous quality also affects the marketing that takes place via this channel. When consumers have a clear sense of what they’re looking for, they don’t turn to Facebook to find it. Instead, they’ll use a search engine to find what they need. **So although consumers find things on Facebook all the time, its greatest strength as a marketing channel results when consumers discover things they didn’t set out to find in the first place.**

**According to Nielsen, 90% of people trust the recommendations of their Facebook friends\*.** These recommendations can be explicit, but are more often the result of friends seeing other friends’ FANNED companies, comments, game endorsements, or other Facebook activity. **As a result, the endless connections that make up social communities like Facebook provide an opportunity for viral marketing to be unleashed, and this can be a powerful way for marketers to increase their brand awareness—even when consumers aren’t consciously looking for brand messages.**

**These brand messages just happen to find their way to consumers via Facebook’s unique social graph, and that’s why it’s crucial for marketers to continually fuel new conversations.** If you give your FANS something to talk about, they’ll have a lot to say. And the more they talk about your brand, the more your messages will reach new—and potentially profitable—audiences.



\*Footnote: Nielsen Wire “Global Advertising: Consumers Trust Real Friends and Virtual Strangers the Most” Jul 7, 2009 <<http://blog.nielsen.com/nielsenwire/consumer/global-advertising-consumers-trust-real-friends-and-virtual-strangers-the-most/>> (accessed August 6, 2010).

## EXACTTARGET TO CONSUMER:

What Have You Found on Facebook?

*Old friends and relatives who I haven't talked to in years*

A NEW JOB

WAYS TO SAVE MONEY. I LOVE THE SIDE ADS!

NEW FRIENDS THROUGH OLD FRIENDS

FREEBIES FOR NEW PRODUCTS

TONS OF VALUABLE ADVICE ABOUT BEING A NEW PARENT

I LOVE THAT I CAN SEE WHAT MY NEPHEW FROM BRAZIL IS SEEING ON HIS SEMESTER ABROAD IN GERMANY

I constantly find new people that spark my interest

## THE FINE ART OF RESPECTING PERSONAL SPACE

Facebook has created an interesting dilemma for marketers when it comes to balancing relevant communications with customers' personal space and privacy. **Here's why: When a user clicks on a LIKE button belonging to your brand, you're immediately granted access to additional information about this customer, from school affiliation and workplace information to their birth date and other things they LIKE.** And while some consumers are comfortable with this information being made public, the vast majority simply don't realize that this profile information is shared with marketers as a result of clicking the LIKE button.

So what's a modern marketer to do? On one hand, this access to your customers' personal information provides you with an opportunity to deliver more relevant communications. But are you invading your customers' personal space by acting on this personal information with marketing messages? **We're in a period of history where marketers can access and leverage data in ways that will truly alarm consumers, meaning that what's possible might not be what you should actually do.** Don't abuse the information that's present on Facebook, because if you deliver communications that alarm your consumers, they'll flee from future interactions with you on Facebook, and may stop doing business with you altogether.

**In short, restraint and common sense are prerequisites when leveraging Facebook profile data.** Create a campaign that wishes customers a "Happy Birthday" and they'll likely adore you. But create a campaign that incorporates photos they've uploaded to Facebook, and you'll cross the line.



## X-FACTOR 5 CONTROL

Make no mistake about it—consumers have control over marketers (and their messages) on Facebook. **Unlike other messaging mediums, Facebook consumers know they can control the ways in which companies interact with them.** Being able to dictate which companies can send them messages—with the option to easily stop engaging once a company becomes annoying—provides the comfort consumers need to welcome brands into this traditionally personal environment.

Although some consumers resist the presence of companies on Facebook because they don't want a brand's message to compete with the messages from their friends, the majority of consumers believe brands not only have the right to be on Facebook, but that they are wise to participate. Why? They know they ultimately maintain control over which brands they choose to FAN and engage with.

### BE USEFUL OR BE GONE

The control that consumers exert over marketers and their messages is drastically shifting the balance of power. And inherent in this power balance is a challenge for marketers: FANS are fickle. They alternate between offering support and offering criticism, often based on a brand's most recent Facebook action. **In general, consumers' capacity for exposure to brand messages via Facebook is limited.** 38% of U.S. online consumers are FANS, meaning they use Facebook and have FANNED at least one brand. **The average FAN reports that they LIKE nine brands, while the median FAN reports LIKING four brands. What does this mean? Half of FANS LIKE only one to four brands.**

Why are consumers so selective about the brands they choose to support? While they have control over which posts get placed on their wall, they maintain an underlying fear that brand messages will crowd out wall posts from friends and family members. And if the conversations marketers initiate aren't perceived as valuable (offering entertainment, novelty, or worthwhile monetary incentives), consumers tend to give marketers the boot to save precious space on their Facebook walls. **This means that consumers are even less tolerant of irrelevant Facebook messages than they are about irrelevant emails or Tweets.**

*“If you're getting too much clutter on Facebook, you can always un-FAN those companies who post too much. Aside from the ads on the right side of the page, you can control everything that comes into your news feed.”* – Russ, 38, Sacramento, CA



# CONSUMER FACEBOOK FAVORITES

In order to help marketers understand what consumers are *really* looking for when engaging with brands via Facebook, we asked research participants to provide us with the names of companies they believe do the “best job” with marketing messages on Facebook.

Consumers who primarily use Facebook for shopping and online deals were more likely to identify specific brands as doing a great marketing job, while consumers who primarily use Facebook to interact socially struggled to identify specific brands who market well on this channel. **In other words, brands should measure the success of their Facebook marketing strategy based on key performance metrics, not simply by the number of FANS they’ve accumulated.**

- 1 OREO (NABISCO):** Oreo and its parent company Nabisco Cookies were frequently named as favorites among Deal Seekers across all age groups (consumers who are motivated to interact with brands online for coupons and freebies). Further validation of their successful approach? Their 8 million+ FANS earned them a third-place finish in number of FANS accumulated on Facebook\*.
- 2 WALMART:** Compared to other brands mentioned, WalMart’s 1.5 million FANS may seem small. But their no-nonsense approach to highlighting cost-saving opportunities is appreciated by their customers—regardless of age or gender.
- 3 VICTORIA’S SECRET:** Nearly 6 million FANS make Victoria’s Secret the most FANNED fashion page on Facebook. Women, especially Millennials, frequently complimented the new product offerings they feature on their Facebook page.
- 4 ITUNES:** This Millennial favorite focuses on highlighting new movie and music releases on its Facebook page, and consumers appreciate the tight integration between Facebook and iTunes’ music service.
- 5 DOVE:** While Dove has not reached even 200,000 FANS, women appreciate the courageous stand the brand has taken in its “Campaign for Real Beauty.” Many participants cited this brand as one of the “shining stars” on both Facebook and social media in general.

\*Footnote: According to <http://statistics.allfacebook.com/pages/leaderboard/> as accessed on August 6, 2010.

*“I might become a FAN of a brand if I notice them through a friend on Facebook, especially if I see that they’re offering a special deal. This makes me more likely to try products that I may not have tried before.” - Jennifer, 40, Cincinnati, OH*

## CONCLUSION: THE IDEAL VIRAL CHANNEL?

When Facebook’s x-factors combine, they have the potential to spark viral marketing, providing marketers with an unprecedented opportunity to extend their brand messages beyond their wildest imaginations. **But marketers must play their cards in a strategic and delicate fashion in order to experience this viral effect.**

So how can you capitalize on Facebook’s viral potential? You must first be aware of the challenges ahead:

① It can be difficult to regularly fuel conversations about your brand. And it’s not enough to simply “join the conversation” that’s taking place about your brand. **Consumers expect you to lead the conversation with content that keeps them coming back for more.**

② So how can you lead effective conversations on Facebook (especially when traditional marketing hasn’t taught us to be good conversationalists)? Instead of “telling and selling,” you must start the conversation, but then allow your consumers to do the selling with their fellow friends. Try posting questions that will draw your customers into a two-way dialogue.

**Remember: If consumers simply want to receive promotions or information from brands, they’re still more likely to SUBSCRIBE to a company’s emails as opposed to becoming a brand’s FAN.** In other words, promotions are welcome by many

FANS, but should be kept in balance with other conversations in order to keep your Facebook page entertaining.

**When consumers choose to FAN a brand, they expect a different type of interaction that contributes to the overall Facebook experience. They want fun, and they want to interact with their fellow Facebook friends.** But this reality doesn’t mean you can’t be promotional on Facebook. As evidenced by some of the brands mentioned by consumers, injecting promotions into the conversation can be very effective, and they even give your consumers something else to talk about. Just be sure these promotions truly resonate with your audience—your FANS have no patience for cheap gimmicks.

Here’s a final tip: As you continue to develop your Facebook strategy, focus on acquisition—your potential for reaching new customers. **While having a large FAN base sounds impressive, these FANS aren’t necessarily the best source of incremental revenue, since they already purchase your products. However, they do represent a motivated audience who’s willing to be mobilized to help sell and promote your brand across their network of friends (friends who haven’t yet heard your rallying cry).** It’s your job to unleash their purchasing influence onto the rest of the online world.

# ACCORDING TO YOUR CONSUMERS: STRENGTHS & WEAKNESSES OF FACEBOOK

## STRENGTHS

- ① **Friends:** The top motivation for using Facebook is to connect with old friends. The second most is to maintain personal relationships.
- ② **Fun:** Reading posts from friends, looking at pictures, and playing games all make Facebook fun and entertaining. 30% of consumers say they use Facebook to occupy their downtime.
- ③ **Control:** Facebook offers consumers a lot of control. They get to decide what friends and brands are worthy of engaging with them, maintaining the ability to block those who aren't worthy.

## WEAKNESSES

- ① **Frequent Changes:** The #1 complaint about Facebook? It changes its layouts and policies too often, creating a consistent source of irritation for users.
- ② **Time Drain:** Some consumers' love affair with Facebook has caused other areas of their life to suffer. 31% of consumers say they limit their Facebook use because it can be addicting.
- ③ **Wall Clutter:** Notifications about friends adding new friends, game status posts, and frequent posts by brands compete with the most important thing on Facebook—updates from friends.



## WAIT— THERE'S MORE!

In the first five installments of the SUBSCRIBERS, FANS, & FOLLOWERS research series, we've examined why consumers use email, Facebook, and Twitter to engage with brands online. And in our final research report, we'll help you organize the results of our study into a comprehensive marketing strategy that you can use across all interactive channels. We'll also provide candid feedback from consumers about what they expect from marketers today and what they want from marketers in the future. **Trust us—you won't want to miss this final SUBSCRIBERS, FANS, & FOLLOWERS report.**

To automatically sign up to receive each report as it's released, visit [www.exacttarget.com/sff/download](http://www.exacttarget.com/sff/download) and select the opt-in button on the download form.



*“Right now, I think Facebook is the best place for deals. A lot of companies are giving away freebies just to get you to become a FAN.”*

— Debra, 31, Boston, MA

Pizza franchise Papa Johns took advantage of Facebook's viral effect to add more than 45,000 FANS in less than two days. How? By using ExactTarget's Social Forward, a social media marketing feature that makes it easy for your customers to share your marketing messages across all social networking communities.

With Social Forward, you empower your SUBSCRIBERS to instantly share their brand experience with their entire social network—and you have the opportunity to become a trusted member of their online community. Your messages will reach audiences you never thought possible.

**If you're ready to experience Facebook's viral potential firsthand, visit [www.exacttarget.com](http://www.exacttarget.com) to learn how you can get started today.**

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