

Social Networking and Marketing:

How to Utilize Facebook to Benefit Your Business

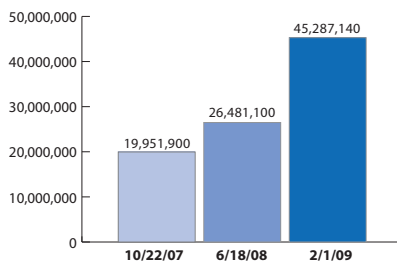


With approximately 45.3 million active U.S. users, Facebook is one of the most popular forms of social networking in the nation. Once the realm of college and high school students, Facebook has been expanding rapidly, and the site's fastest-growing demographic is those 35 and older. In addition, recent enhancements have made it easier for organizations to interact with individual users.

So it's not surprising that many businesses are taking advantage of the site to build their brand following and market their products and services. The following information is intended to help businesses decide whether to add Facebook to their marketing strategy.

U.S. Facebook Users 2007–2009

Sources: *InsideFacebook.com*,
iStrategyLabs.com



Facebook terminology

Numerous Facebook terms may not be familiar to those who have not used Facebook. Here are some definitions to help:

Wall is a section on each profile page where friends and users can post messages for everyone to see.

News Feed displays real-time updates on friends' activities. This information is posted on the profile page for everyone to see.

Status is a feature on profiles and pages that allows users to send short messages to everyone in their network. Status updates are posted in the news feed section.

Updates enables page administrators to send messages to fans.

Fans are individual users who have chosen to join a page.

Friends are a network of users who have joined a user's profile by invitation.

Members are individual users who have chosen to join a group.

Facebook Quick Facts

Source: Facebook

- Over 5 billion minutes are spent on Facebook each day (worldwide)
- Over 2.5 million events are created each month
- There are more than 45 million active Facebook groups
- Every month, more than 70% of the site's users engage with applications
- Over 200 applications have more than 1 million monthly active users

How Facebook works

Facebook is made up of four main components: profiles, pages, groups, and applications. Here's how each works within the site:

Profiles – These accounts are set up by individuals for their own personal use. Personal users build networks by adding other users' profiles to their friends list. On average, users have 120 friends on their list. Users can also subscribe to content by joining groups and becoming fans of pages; according to Facebook, more than 3 million users become fans of Facebook pages each day. When individuals interact with a page or a group, information about the interaction and a link to the page are broadcast to their friends list via Facebook's news feed function, spreading word of mouth to a wide range of users and bringing more interested individuals to the page or group.

Pages – Businesses, organizations, brands, and public figures can set up a Facebook page to share information and interact with fans. Pages have much of the same functionality as profiles—such as the ability to transmit information on the news feed and post status updates—which allows page administrators increased communication with fans and provides a more engaging presence on Facebook. In addition, pages can be customized by posting photos, videos, and text and utilizing applications. To enhance marketing strategies, data on fans' interaction with a page is available through the new Facebook Interact tool, and an advertising feature allows page administrators to create micro-targeted ads using demographic information. Recently, Facebook has opened up the possibility of creating a vanity URL for pages, thereby enhancing promotion through a shorter, more memorable URL.

Groups – A group can be set up by anyone to gather users together behind a specific cause, affiliation, or interest. Groups do not have as many features as pages, but they do have a discussion board, a wall, and the ability to post articles and share photos and videos. Unlike pages, groups cannot post updates, use the advertising feature, or create a vanity URL.

Applications – Applications are individual programs that interact with the core features on Facebook and can be used to enhance the Facebook experience. There are more than 52,000 applications currently available on Facebook, and they vary from the practical (such as a calendar to track friends' birthdays) to the frivolous (like games). Developers can create and market applications through the site's

Applications Directory, and pages can use them to better engage their fans. An effective way to organize applications within pages is either through the customizable tabs or in the Boxes tab. Some notable applications include the following:

- **Events** is a great way to let users know about special happenings. This application can send out virtual invitations. When users RSVP, a posting goes out on the news feed and the event is listed on their profile, spreading word of mouth about the event.
- **Discussion Boards** can stir up great conversation—and exposure. This application allows hosts to post a question and lets fans submit their views.
- **Connect** allows users to carry their Facebook user profile to other Internet sites. After choosing to connect to a particular site, users have the ability to easily share stories from the site through their wall feed and even interact with people on their friends list who have also connected with the Web site. All of this interaction can work to increase a business's Facebook presence.
- **Causes** is an application that allows any Facebook user to set up an account for any registered nonprofit 501(c)(3) in the United States or Canada. Through Causes, users can organize support, spread education, and even raise funds for the organization. This is an ideal application to create a grassroots campaign.
- **Video** enables users to post high-quality video files on their profile or page and even send videos to friends. Videos are a great way to get a message out or simply support a brand message. Videos can even be tagged and commented on by other users, and this interaction can help spread word about the video virally throughout Facebook.
- **Jukebox** creates a virtual music player on a Facebook profile or page. It works like an MP3 player, so users can upload songs and share them with friends or fans. Sharing music is a great way to enhance a brand image and keep fans coming back to a particular page.

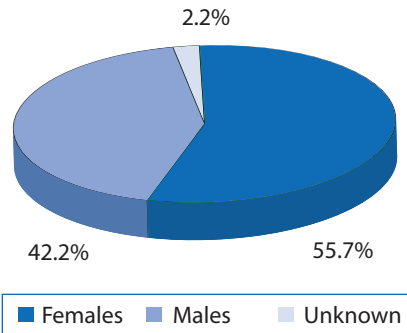
Who uses Facebook

With approximately 405,000 users in Nebraska, 42 million in the United States, and more than 200 million worldwide, there's no mistake that the potential audience is vast. The greatest numbers of users

U.S. Facebook Users by Gender

As of 1/4/09

Source: Facebook's Social Ads Platform



are 18- to 24-year-old females, but with nearly 1 million new users joining weekly from an increasingly older base, the demographics are rapidly expanding.

Here's a breakdown of the most current U.S. statistics:

Gender

Females make up the majority of Facebook's users. The estimated number of females with active profiles in January 2009 was 23,429,960, or nearly 56% of the total users. Males held around 42% of the share, with 17,747,880 users.

Females are also the faster-growing demographic, with an 87.1% jump from June 2008 to January 2009, compared to a 75.8% jump in male users for the same time period.

Age

The 18–24 age group has the highest rate of Facebook usage, making up 40.8% of total accounts. In second place is the 25- to 34-year-old demographic.

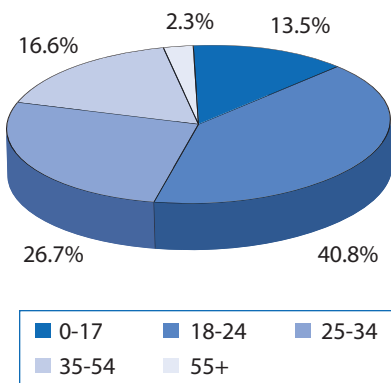
However, 35- to 54-year-olds—who currently hold 16.6% of the share—are the fastest growing age group, with an impressive 275.4% growth from June 2008 to January 2009. Not too far behind is the 55+ market with a 194.3% growth rate.

This expansion is good news for marketers—gone are the days when only companies that cater to 18- to 24-year-old consumers could gather a following on Facebook.

U.S. Facebook Users by Age Group

As of 1/4/09

Source: Facebook's Social Ads Platform



How Facebook can help build business

A strong, organized presence on Facebook can help build a stronger connection with customers, target new markets, and reinforce a brand message. In addition, businesses can benefit from features that will promote products, invite customers to participate in events, and gather valuable feedback.

Just about any business or organization can benefit from adding a Facebook page to its marketing strategy. In addition to the benefit of word-of-mouth awareness that Facebook can generate, some specific uses might include the following examples.

Nonprofit organizations have a great advantage with Facebook's Causes application. It can raise awareness for the organization or a specific campaign, and it also has a fundraising feature. In addition, posting special messages through the Videos application can educate fans and spread awareness, and the discussion board is a good place to let people share stories about how they support the cause.

Sports teams can promote games and other happenings through the Events application and by posting updates. Hosting discussions with managers, coaches, or team members through the discussion boards is a good way to build support for the team, and posting videos and photos can highlight how much fun it can be to attend games.

Real estate agents can build and strengthen client relationships through status updates and discussion boards. Photos and videos are good ways to share information about houses that are on the market, and open houses can be promoted through the Events application.

Retail and grocery stores can post photos of new merchandise, and adding videos and music can especially help to enhance the brand image for this group. Special events and sales can be promoted in the Events application or through status updates. Finally, valuable feedback can be gathered from customers through discussion boards.

Restaurants can post their menu as well as photos of the restaurant and food to entice users to eat at their establishment. In addition, fans can write reviews about the restaurant that can be shared with everyone. Updates can keep fans informed about specials and other happenings.

How to get started

There's no need to have a Web design or programming background to build a page or group. Facebook has an integrated content management system that walks users through the process.

Prior to setting up a page or group, it's best to create a marketing plan to maximize the benefits. Things to consider:

- Who is the target audience
- What should be included in the content
- How can the brand message be best communicated
- How often does information need to be updated

Businesses also need to dedicate resources to maintain the page or group, post content, and interact with fans. This will help ensure that the message stays current and will build a strong, engaged following to serve as brand ambassadors.

It's important to remember that the main reason people join Facebook is for social networking, so businesses should approach marketing on Facebook differently than a Web page or other traditional form of advertising. Facebook should be treated as a viral campaign. In other words, messaging should be crafted to encourage users to interact with the page or group, and interesting content that will keep them coming back for more must be added regularly.

For more information about how Snitily Carr has helped other businesses with their Facebook strategies, contact us at 402-489-2121 or info@SnitilyCarr.com.

Sources:

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