



## CEM Case Studies Series **SOCIAL MEDIA**



Facebook has taken over the world. With over 500 million users, and over 30 billion pieces of content on the site, it is difficult to find anyone these days that doesn't know or use Facebook. This paper will analyze Facebook's experience among its actual customer base, advertisers, and show how we can deliver a branded experience that will drive advertising revenue.

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## About the Paper

### CEM Case Studies Series

Title: Facebook: Creating a Branded Experience for Advertisers

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The case study is published with permission of the following authors.

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## I. Introduction

Facebook has taken over the world. With over 500 million users, and over 30 billion pieces of content on the site<sup>1</sup>, it is difficult to find anyone these days that doesn't know or use Facebook. And yet, with this massive customer base, it is difficult to determine who Facebook's actual customers are. Typical users don't pay to use the site, so money has to come from somewhere. This paper will analyze Facebook's experience among its actual customer base, advertisers, and show how we can deliver a branded experience that will drive advertising revenue.

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<sup>1</sup> "Statistics - Facebook." Welcome to Facebook. Web. 01 Aug. 2010. <<http://www.facebook.com/press/info.php?statistics>>

## II. Customer Identification

In terms of the brand value and value proposition of Facebook, there is no doubt that Facebook is the largest social networking website in the world with approximately 500 million current users<sup>2</sup>. Therefore, Facebook provides a platform that allows advertisers to reach 500 million potential customers as well as drive traffic to their websites.

The causalities behind the success of Facebook are based on its interactive Web applications such as photo sharing, video sharing, and song sharing functionalities. Furthermore, Facebook's dating applications, online game applications and live chat functions also assist it to drive traffic to Facebook. Respectively, Facebook is able to attract millions of users. In addition, Facebook's presence on mobile handsets has secured its position in mobile social networking.

Considering the above conditions, it is clear that Facebook's applications, functionalities and customer base are the driving forces to attract advertisers to purchase ads on Facebook since Facebook allows them to promote diverse products and services to 500 million potential customers worldwide. Meanwhile, Facebook also offers a third party platform to divert traffic to advertisers' websites to assist them in implementing their marketing strategies and generate more sales revenue. Under these circumstances, millions of companies and corporations have been creating their company pages, groups and advertisements on Facebook for a period of time as they are confident that Web 2.0 applications and the influential status of Facebook could help them to promote their products and services efficiently.

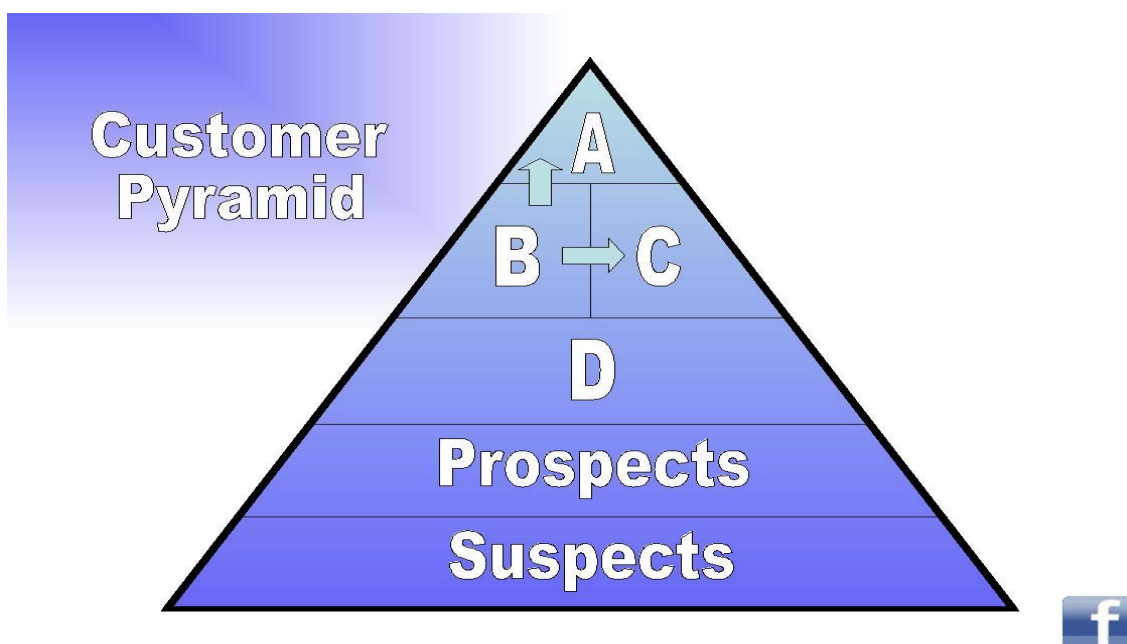


Figure 1. Customer Pyramid (Advertisers) for Facebook

<sup>2</sup> Ibid.

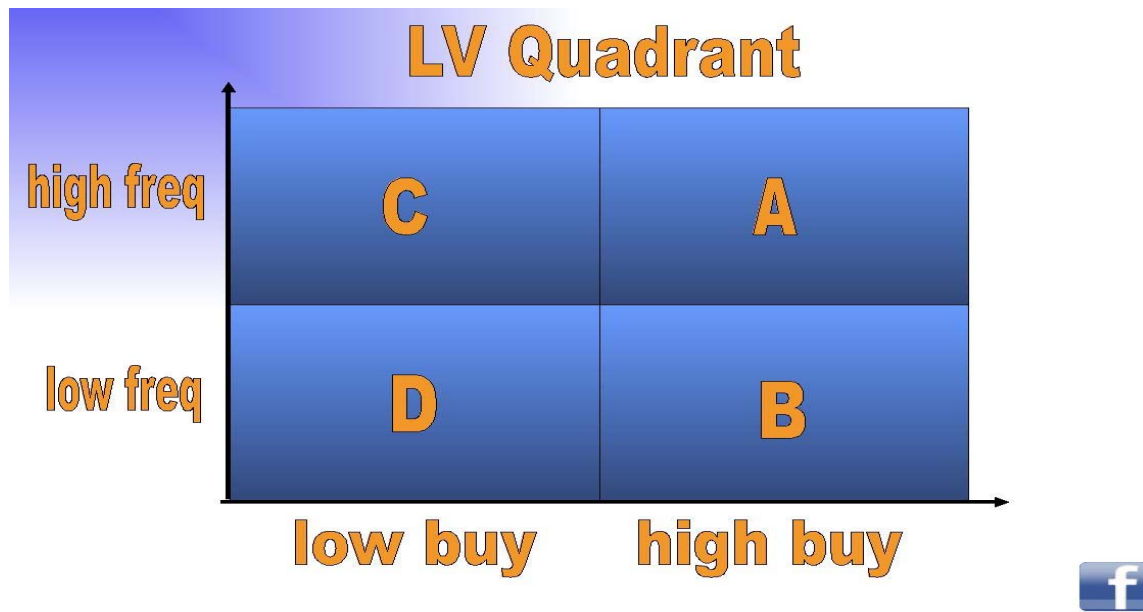


Figure 2. Customer Loyalty-Value Quadrant for Facebook

### III. Customer Critical Needs

For Facebook customers, we have identified the following critical needs:

1. **Cost/Price**

Online advertising is preferred to traditional media advertising because it allows customers to reach vast amounts of people at low cost. In case of cost-per-click advertising scheme, advertisers pay only if an ad is clicked. Therefore, the price per click is an important decision criterion for choosing an advertising platform for customers.

2. **Targeting**

Since every click costs money, it is very important for customers to not just reach any audience, but their target audience. Therefore, the system should provide customers with geographic and demographic information as well as interests of people and make it possible to reach only the targeted audience.

3. **Budget**

Most of our customers have small budgets. Because each click costs money, effective budget controlling systems become very important for customers. These systems should help customers to determine the maximum amount they are willing to spend for their campaign.

4. **Convenience/Ease of Use**

The system should be fast and always accessible as well as easy to use even if used with minimum technical requirements.

5. **Customized Ads**

Customers have different needs and would like to use different ad formats and ad sizes. Therefore, the system should provide various tools for customers to create and customize ads easily according to their needs.

6. **Variety**

Another reason why online advertising is preferred to traditional media advertising is because of the interactivity with target audience. Therefore, customers with different needs would like to use different ad types and formats such as GIF banner, Flash banner, video ad, pop-up ad etc. in different ad position such as on the homepage, at the top or bottom of the pages, or even in certain pages or section of website.

**7. Determination of Qualified Clicks/Click-Fraud Protection**

Because every click means money, it is very important for advertisers that their ads are delivered to target audience and that clicks are not illegitimate. The system should provide adequate measures against fraud clicks.

**8. Statistical Reports**

To measure the success of an online advertising campaign, customers need to be provided with adequate statistical reports including metrics such as impression rate, click rate and response rate, among others.

**9. Payment Methods**

Means of payment vary from one country to another and customers would be reluctant to use credit cards due to security concerns. Therefore, the system should provide customers with multiple secure and convenient payment options, aside from just credit cards.

## IV. Facebook Brand Values

Additionally, upon examining Facebook's offerings as a social networking portal, and examining the brand and value proposition for an advertiser, we were able to identify critical needs for Facebook's brand for the advertiser market. These include:

### 1. **Personalization**

This refers to being able to create and target an ad directly towards the market that an advertiser can choose. Allowing an advertiser to tailor and direct an ad based on demographic as well as geographic information, and being able to exploit Facebook's massive database of interest categories to create ads that have maximum impact for minimum cost.

### 2. **Ease of Use**

Since Facebook's prospect base includes any user on Facebook, ad creation needs to be easy and intuitive. This allows Facebook to move any user from the prospects level of the customer pyramid and move them up into profitable categories. It is key for the Facebook brand that ad creation be seen as powerful, yet at the same time, easy to use.

### 3. **Reliability**

Customers need to be able to use Facebook ads to reach any customers that they may be looking for. With over 500 million users, it is key brand strength for Facebook to say that no matter what product or service a customer may want to advertise, Facebook can find a highly targeted demographic group that suits that advertiser.

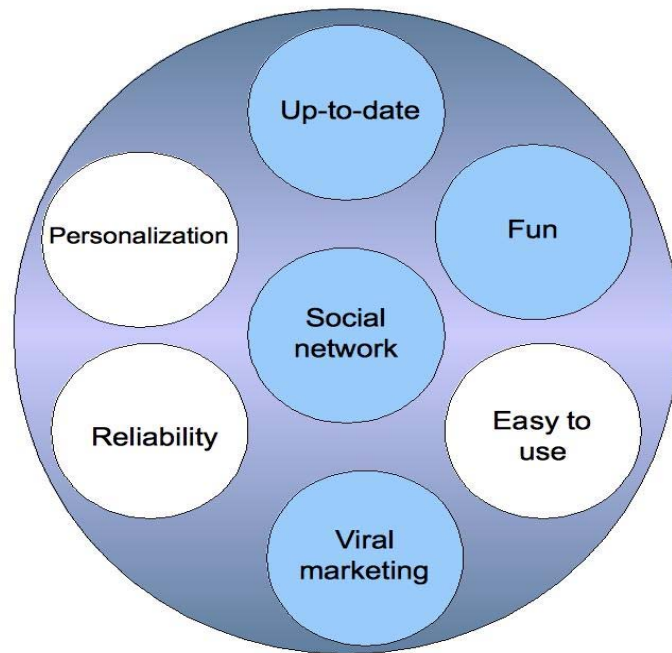


Figure 3. Key Brand Values of Facebook (white circles).

## V. Key Sub-Processes

The group has identified the following key sub-processes for Facebook:

1. Loading speed
2. Visual design
3. Site navigation
4. Effective links
5. Search functionality
6. Tools for content development
7. Choice of ad types
8. Choice of image
9. Ad templates
10. Choice of target group
11. Choice of keywords
12. Budget setting
13. Terms and conditions
14. Payment methods / options
15. Payment security
16. Payment data entry
17. Payment confirmation
18. Waiting time for ad to be displayed
19. Frequency of ad display
20. Reliability of ad display
21. Waiting time for arrival of report
22. Convenience of reports
23. Quality of reports
24. Online enquiry
25. Campaign history
26. Campaign re-use
27. Campaign editing
28. Click-fraud protection
29. Refund policy
30. Promotions, discounts and benefits
31. Complaint and feedback

## VI. Analysis of Customer Experience

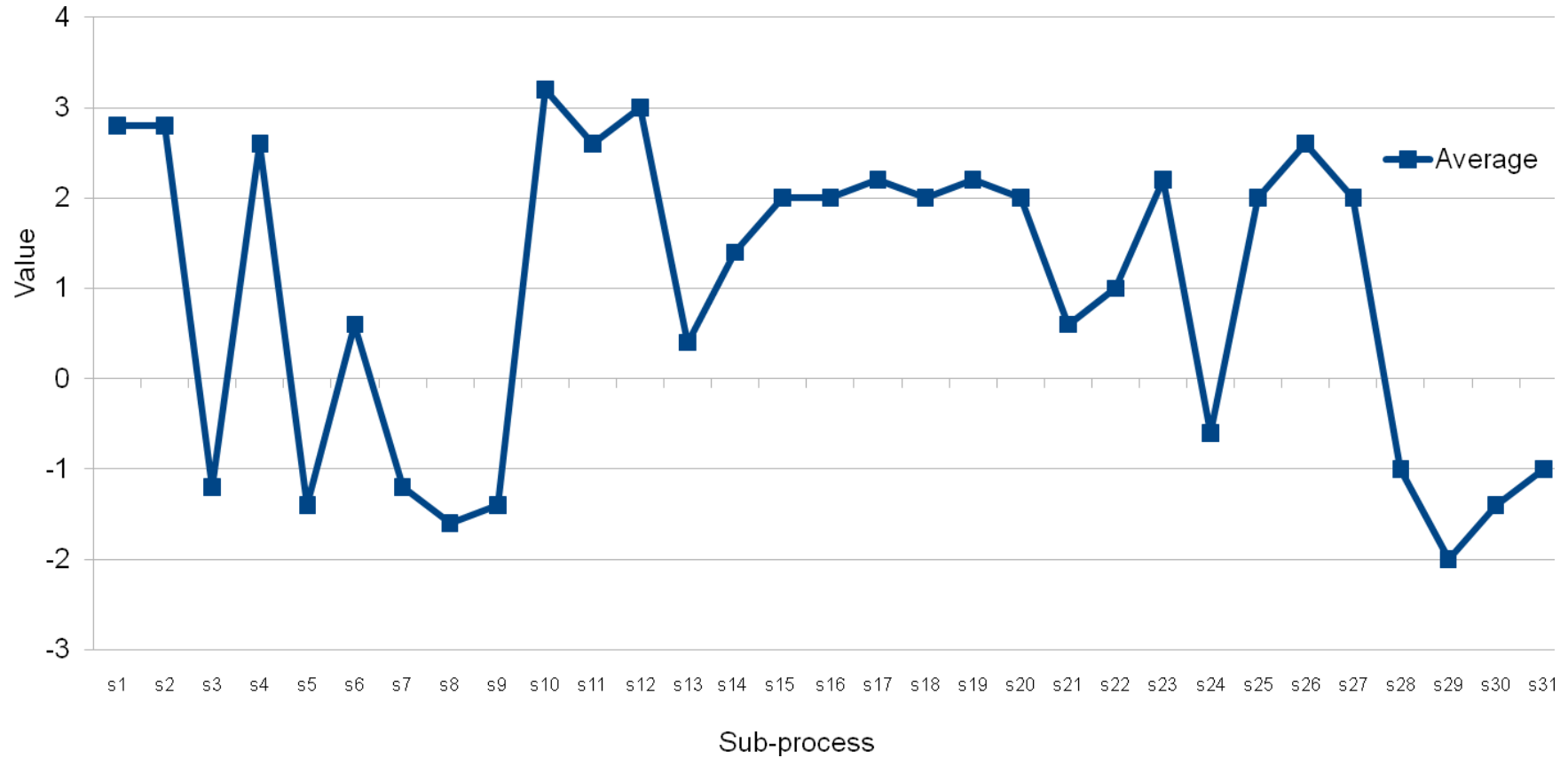


Figure 4.

There are several pain areas with this emotion curve that we think that needs to be improved:

1. **Navigation**

On average, it takes 7 to 8 clicks from your Facebook profile page to arrive at the Ads page. From the front page of Facebook, there is just a very small text link at the bottom that takes you to Facebook Ads.

2. **Word Count**

Ads are hard capped at 25 characters for ad title and 135 words for body text.

3. **Design Tools**

Facebook Ads do not allow changing of font, font size, and colored texts in advertisements posted on their website. To contrast, Orkney, another social networking site, allows colored text.

4. **Image Size**

There is a limit of 5 MB on images. Also, the aspect ratios allowed are only 4:3 or 16:9.

5. **Software Limitations**

Most modern high-traffic websites permit their advertisers to use Macromedia Flash as a medium for their ads. However, Facebook does not offer or allow Flash animation ads or other animated/moving graphic ads.

6. **Qualified Clicks/Click-Fraud Protection**

It is still vague on what measures Facebook implements to prevent click fraud schemes. If one searches the FAQ section of Facebook Ads, there is no mention about click fraud and how it is prevented.

## VII. Our Recommended Emotion Curve for Facebook

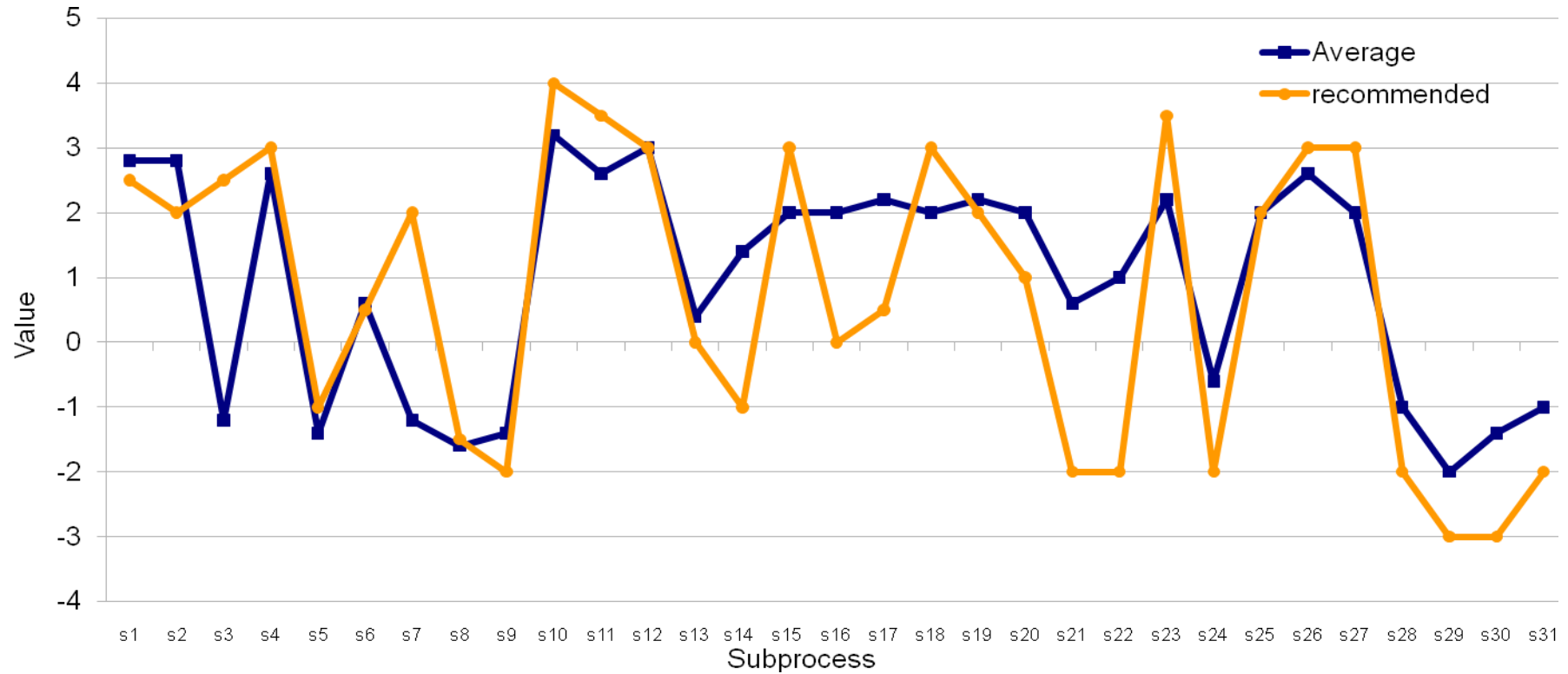


Figure 5. Baseline Emotion Curve and its Recommended Brand Experience

Our recommended emotion curve focuses on maximizing the pleasure pain gap (PPG). To do this, we need to look at what is considered a critical need for the customer and compare that against what the value proposition for Facebook represents. We have established that Facebook's value proposition to advertisers is that we are making it easy for advertisers to reach a large base of customers easily and effectively. We then balanced the curve to ensure that this value proposition is achieved, while ensuring resources would not be overstretched.

## VIII. Critical Needs vs. Brand Value

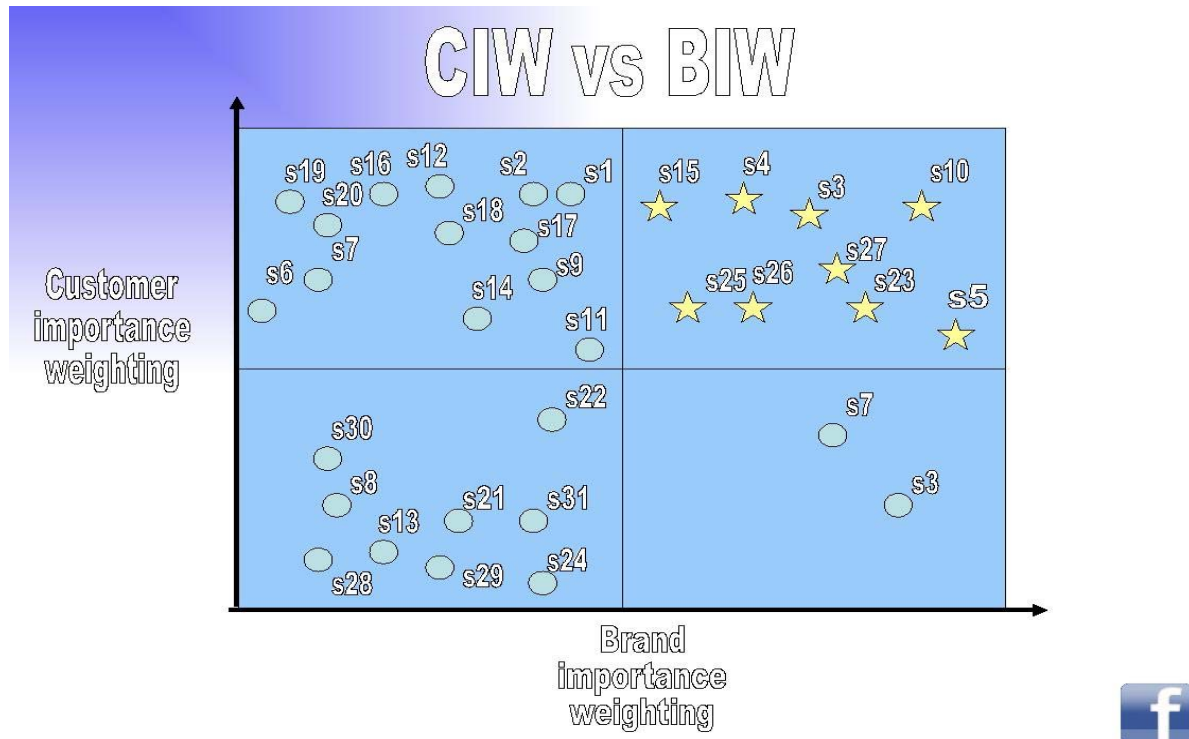


Figure 6. Customer needs versus Brand needs

This recommended emotion curve focuses on improving 9 out of 31 key sub-processes. This may seem like a lot for Facebook to focus on, but in reality, many of these key sub-processes fit into four distinct areas, allowing multiple sub-processes to be improved with a single recommendation:

### 1. Usability/Human Interface

This category includes sub-processes for Navigation and Effective Links. Essentially, by focusing on improving site usability and visibility for advertisers, these two key sub-processes will be markedly improved.

### 2. Targeting/Qualified Clicks

Sub-processes in this area include Search and Targeting. These sub-processes allow advertisers to hone in and find key markets that they can advertise products and services to. Improving the quality of search and targeting has additional ripple effects across other sub-processes.

### 3. **Budget Efficiency**

These include improvements in areas of payment as well as click-fraud protection. One improvement, mainly that of ensuring that clicks are genuine and that advertisers are not paying for falsified or unqualified clicks, ensures maximum impact and improves several sub-processes at once.

### 4. **Campaign Efficiency**

Improving this category has impact on multiple sub-processes. By improving the depth of information available for a campaign, and recording campaign history, Facebook can make it immensely easier and more effective for advertisers to receive quality reports and re-use campaigns that were extremely effective in the past.

In order to free up resources to focus on these areas we recommend moving our focus away from certain sub-processes. These sub-processes include:

#### 1. **Waiting Time**

These include sub processes for ad display waiting times and report waiting times (s20, s21, s22). The reality is that real time information is not useful for advertisers, who may prefer their reports aggregated anyways. Indeed, we can create a good pain by creating a sense of anticipation for the next Facebook report to arrive. This allows us to free up financial, computing, and development resources for Facebook to focus on the key recommended areas.

#### 2. **Enquiry/Customer Service**

The ad process should be “self-served”. Trying to service a large segment of advertisers will eventually end up as cost-prohibitive. Additionally, moving resources from handling online enquiry / customer service to focus on ease of use and efficiency may actually work to lower the number of online inquiries made.

#### 3. **Template Development**

Advertisers should be able to use design tools effectively enough to obviate use of pre-made templates. Indeed to encourage campaign individuality and effectiveness, Facebook should move away from trying to develop pre-made templates for advertisers.

We feel that by addressing these areas of the emotion curve and allowing advertisers to more effectively search for and find potential customers, Facebook can greatly enhance its value proposition, and make it easy and effective for advertisers to reach a large number of potential customers. The beauty of implementing this strategy is that it allows Facebook to concentrate their resources into areas of critical importance, rather than attempting to improve the entire curve, and increases the pleasure pain gap along the curve. This in turn allows Facebook to improve their value proposition and by doing so deliver a greatly enhanced customer experience. #

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## About G-CEM



G-CEM (Global Customer Experience Management Organization) helps companies to create effective customer experience. Our patent-pending methodologies combine the art and science of CEM in assessing and delivering branded and total customer experience (TCE). G-CEM International Partners are located in Europe, Asia, and North America. Our services include [TCE Evaluation](#) and [CEM Certification](#). Visit Us: <http://www.G-CEM.org>.



### Total Customer Experience (TCE) Evaluation

The TCE Evaluation consists of two parts: TCE Model Building sets a comprehensive blueprint and renders a complete architecture to measure, manage, and improve the total customer experience as perceived at multiple touch-points and among multiple channels across the entire customer lifecycle. The TCE Assessment measures the effectiveness of experience in driving customer satisfaction, brand differentiation, sales transactions and creating advocates. The combination of TCE model building and assessment helps companies deliver a branded and effective total customer experience. For details, please visit: <http://TCEevaluation.G-CEM.org>.



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