THE NEW
FACEBOOK STRATEGIC SHIFT
REACH & FREQUENCY MODEL

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Facebook recently revealed a significant strategic shift that will impact how brands organically distribute content. The focus of the platform is moving away from an engagement driven model to one of reach and frequency. Our strategy team at Fanscape/The Marketing Arm has worked closely with the Facebook team allowing us to quickly pivot to best meet the needs of your campaigns.

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EXECUTIVE SUMMARY

The purpose of this whitepaper is to outline the upcoming strategic pivot from Facebook emphasizing reach and frequency through paid media while lessening the ability for brands to create meaningful organic reach. We will address what is changing, potential impact, proposed best practices and future considerations with this document.

Here is a summary view of the whitepaper content:

1. Past: Facebook Reach = Earned Media
2. Present: Facebook Reach = Paid Media
3. Over the past several months, Facebook has been reducing the organic reach of pages
   1. A recent study found companies’ posts dropped from reaching 12% of followers in October 2013 to 6% in February 2014
4. Facebook will soon reduce organic reach to 1-2%, meaning now, more than ever, brands must pay for any reach on the platform
5. Near Term considerations include:
   1. Re-evaluation of creative - Increased emphasis on “thumbstopping” creative to create resonance with the consumer
   2. Frequency of posting - Reduce the frequency, increase the iterations of existing creative
   3. Personalization - Personalize the creative based on audience segment and target
   4. Optimization - Refine creative to align with what resonates with the consumer
6. Defining the “Way Forward” will be contingent on your goals for the Facebook platform
   1. Reach & Frequency Focused - This is a positive change that can drive sales lift, as well as incremental reach for television
   2. Engagement Focused - Recommend reviewing current strategy to optimize organic-content distribution, channel consideration and paid Facebook strategy
   3. Community Focused - Review current strategy with a focus on refining the role of Facebook and evaluating alternative means of 1:1 communication
OVERVIEW

Facebook has become an incredibly viable channel and integral part of our strategy to reach and engage our target consumers organically over the years.

Initially, organizations were focused on fan acquisition with activities focused on driving “likes” and virality (i.e., clicks that generate other stories). During this time, it was possible to organically reach a majority of the brands fan base with branded content.

*Starbucks circa 2008.*
The next iteration of Facebook focused on driving engagement. This came in the form of maximizing interactions on the post level versus simply driving “likes” to a page. This included the shift to the current timeline format that rewarded visual storytelling and was laser focused on providing reach through engagement.

This included likes, comments and shares on individual posts, as a trigger to the Facebook algorithm, which drove the visibility of the post. This is also where organic reach began to decline dramatically over a period of time, netting out around 12 percent by October 2013.
Now Facebook is in the midst of rolling out a significant strategic shift away from an engagement centric model and more towards a traditional reach & frequency model built on personalized creative.

This shift will drive down the organic reach potential for brands to 0-2 percent. Over the next six-to-eight weeks, Facebook’s account and strategy teams will begin rolling out a new “way forward”—by going to brands and advertisers hoping to prove how their hyper-targeted offerings can drive results with thumbstopping creative, while also highlighting how Facebook can create incremental reach in support of traditional TV (and digital) advertising.

*Future sample of Facebook Brand Pages*
The platform has grown to one of the largest global networks built on a foundation of an unprecedented amount of consumer created social affinity data. This, combined with recent partnerships with Data Logix and Epsilon, have opened up Facebook’s targeting to align more closely with consumer behavior outside of Facebook.

In the context of their relationships with brands, they are now marketing themselves as the most targeted media-buy option on the planet. As Facebook has matured as a business, they are now coming to terms with being a public company that needs to show revenue growth and profit.

Facebook is still a free platform for individuals to foster their own communities, but they are now aggressively leveraging all of the personal data that is shared to become an extremely well-targeted media platform, as their direct marketing capabilities are simply unmatched. And now, it appears, they intend to go more aggressively down the "pay to play" advertising path as it pertains to brands.
This means, that for brands, companies, and businesses, the "free ride" of Facebook providing an effective “free” social CRM platform is ending. That trend had already started over the past two years, but they now want brands to pay for the privilege. And now Facebook is more cleverly packaging up their offering for brands to aggressively target potential audience/fans of their product, not just those who "liked" them.

This shift opens up much more targeted audience media opportunities. If Facebook is now starting to sound a lot like a digital media buy, and less like an engaged community, that's where they are going. There's much more immediate (short term) revenue for them in using traditional reach metrics and offering up larger, more-targeted CPM ad models. Plus, it is a much easier sell for their sales staff, and in the context of buying media, is a more efficient way to spend traditional media (TV, Print, Digital) dollars.
OVERVIEW

So, what now? Just realize that Facebook is somewhat migrating to a paid advertising channel versus a free marketing platform. That's okay. We've seen this before in many ways. Social properties mature, they look to monetize because at a certain point they have to find a more aggressive way to monetize their platform.

As your strategic partner, we work closely with partners such as Facebook, and are laser-focused on identifying strategic shifts that may impact your business. We partner directly with the highest levels of Facebook to understand the shifting dynamics of their positioning and relationship with brands. This POV is designed to provide insight into what is changing and the potential paths forward.
What do we think this means long term? Facebook may become less of a place for brands to interact one-on-one with consumers, but the jury is still out until we get more information, because that would be counterintuitive for the longer term of Facebook relevance with brands.

Will this change mean the beginning-of-the-end of Facebook? No, it simply means Facebook is evolving and we need to address it sooner rather than later. It also doesn't mean social marketing is dead. It’s actually stronger than ever.

We need to shift our thought from platform-specific strategy to one of non-linear content distribution that takes into consideration aligning the content type with the ideal channels such as Tumblr, Twitter, Google+, Pinterest, Instagram, Snap Chat, etc., to balance organic versus paid reach.

Word of mouth will also continue to play an incredibly important role in social marketing. This shift in focus primarily impacts brands. Consumers are still beholden to the newsfeed algorithm but they do have the potential to create organic reach on the platform thus further accelerating the importance of “creator” content.

Our position is to help brands stay ahead of the curve in social, digital & mobile by identifying the ideal path forward based on relationships and consumer trends.
To Facebook’s credit, they are going about it in a smart way, now pushing brands to create custom content that will appeal to the larger target audience. This strategy makes sense for them as a business. Our point of view, is to embrace this as an advertising channel, and truly look to the combination of marketing and advertising on the platform.

From the brand lens, we also have to start looking at Facebook as a digital-media ad platform, more than a social community. That's okay too. Businesses grow and mature, and Facebook is positioned well to make this work. And as long as the ads are smart and not intrusive, they will have a window for success.
EXECUTION CONSIDERATIONS

From an execution standpoint, the current focus has been on the creation of 10-20 pieces of visual content, with the purpose of driving engagement on an individual post level. Facebook has rallied around the “reach, resonance & react” framework in the past. Now the emphasis shifts heavily towards reach and resonance, with Facebook recommending the following:

Re-evaluate creative
• Creative is going to play a critical role with more iterations of a post vs. a large quantity of posts
• Creative is closely aligned with the “resonance” pillar of Facebook’s strategic framework. Similar to TV, the way to differentiate will be driven by great “thumbstopping” creative

Frequency of Posting
• Facebook is recommending posting less frequently as a whole, but increasing the iterations of a post to personalize the experience
• Instead of boosting content that is engaging, and not boosting others with paid support, they recommend boosting strong creative to multiple audiences

Personalization
• Multiple iterations of creative that are targeted
• Customized content is the future of marketing on Facebook
• Leverage dynamic content to deliver targeted, highly personalized experiences to the right audience at the right time

Optimization
• Fanscape (The Marketing Arm Social), has extensive experience in understanding what creative and copy resonate with your core consumers
• Our paid-media services and strategy, aligned with creative expertise, make us the ideal partner to shepherd your brand through this transition
COMMUNITY CONSIDERATIONS

The reality is that acquisition and community building does not matter in the new reach and frequency model, but it is still relevant for the brand from a word-of-mouth perspective. Facebook’s position is, they can reach your audience whether they are connected to your brand socially or not.

Moving forward it is less about cultivating the community of hand raisers. Instead it will be more about refining the message through the lens of relationship with the brand.

The approach to integrating the existing community can be demonstrated through the lens of a single post:

Creative – Fan/Community Focused
- The first step in personalization should be focused on creative and copy that will resonate with your existing social fan base
- This can take the form of more of an insider perspective that aligns closely with the persona or thematics that have been established

Creative - Brand Association
- The second level of creative could still leverage a similar visual or video, with copy that is geared more towards an individual that has interacted with the brand in some manner, such as purchase data or existing CRM set, but is not connected to the brand socially
- Facebook will continue to push custom audience mapping as well as their existing third-party partnerships to further align users who have interacted with the brand offline

Creative - look-a-like
- The third iteration could take the form of a slightly tweaked visual with copy designed to impact consideration from a look-a-like audience
- This would be a combination of social affinity data and a consumer profile that mirrors the community focused & brand associated attributes
PAID MEDIA CONSIDERATIONS

Reach & Frequency Shift
• Facebook has already taken the step to make reach and frequency media campaigns much more accessible for advertisers

New Tools
• Previously, Facebook made it nearly impossible to predict and control reach estimates—now they are introducing a new tool that allows us to shift focus specifically to reach and frequency, as well as the amount of budget necessary to impact our core audiences.

New Services
• Facebook is in the process of rolling out new services tied to reach, including XCR, which is their incremental-reach offering to extend television. This offering creates a direct comparison based on GRP (Gross Rating Point).
The key to creating earned media on Facebook in the short-term, is tied to user-created content focusing on driving awareness and creating advocacy to carry the brand message forward.

**Organic Influence is Still Viable**
- Now that organic Facebook reach is coming to an end, it is key to continue to engage core influencers and activate your current fan base through a thoughtful content distribution strategy to drive awareness
- Brand-centric content should drive the incentive and thematic for the consumer to create content on behalf of the brand
- The key is to focus on activating content creators (photo, video) that align with the brand persona and pay off their efforts by using the content

*Sample UGC Call to Action from our AT&T #BeTheFan program.*

**Earned Media Is Alive**
- Understand earned media is still achievable on the platform, but not necessarily the focus of Facebook from a value proposition.
- Word-of-mouth is still the bread and butter of the Facebook platform from a consumer perspective
- This change shifts the dynamic from Facebook-centric activations to 360-degree programs, which Facebook becomes a part of the distribution and activation strategy
KEY POINTS TO CONSIDER

There are different points of view and potential paths forward, depending on the goals and marketing spend of the client:

Reach & Frequency Focused - For a client who are reach and frequency focused, both from a traditional TV and digital standpoint: You should be very happy with the shift, as this move aligns Facebook more directly with traditional-measurement models that correlate to sales lift. Elements such as pounds per impression, or incremental reach beyond TV, are what this shift in strategy was designed to accommodate.

Engagement Focused - For a client who isn't a large TV-media advertiser and looks at organic engagement and word-of-mouth as a major driver: We recommend reviewing your current strategy as well as redefining your content-distribution strategy—to maximize non-linear distribution that drives engagement.

Facebook is still a viable platform, understanding that it is now more of a paid-media outlet, and focus more energy on other platforms and other engagement-driven mechanisms, which can be used as platforms to distribute your message and content, in an effort to more organically engage with your audience.

Community Focused - For a small business or a B2B community who is focused on community: We need to pause for a second and gather more information. We, obviously, need to be aware of what's happening, but hold tight, as all the info is not yet available. But that being said, it is also time to start looking elsewhere to generate the most effective levels of engagement (e.g., other social platforms, other CRM opportunities, influencers, bloggers, etc.).
There's still a lot of unknowns and new information being made available daily, as Facebook continues to roll out their strategy to brands. Our job is to stay ahead of this and provide key insights that will inform our clients decisions and potential shifts moving forward.

The next steps are to assess this change as it pertains to each of our client's exact business objectives, strategize on our recommendations of the best path forward for now and the future, and then present our recommended path to success so that our client's can maximize Facebook (and all other social channels) to maximize impact in the marketplace. This won't be an exact science. There will be trials and tests necessary.

This is exciting, and the next step in the evolution of digital-consumer engagement. It’s also a shift that makes business sense for Facebook and can provide lots of fantastic targeted-advertising opportunities for our brands.

An agency like Fanscape/The Marketing Arm is positioned to be the best at helping our clients navigate this space from strategy (organic and paid) through to execution.

We will be the best partners to help generate content that will resonate well with the Facebook crowd, while still positioning brands to win across the multitude of other methods/platforms to engage with their core audience.
NEXT STEPS

Questions? Over the next few weeks your account and strategy teams will work with you to define the “way forward” based on your business objectives.

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