

Can Facebook Go Beyond Earned Media Success?

Contributed by eMarketer

Successful advertisements often rely on earned media

Having a presence on Facebook has proven successful for marketers in several ways, and recent studies have shown the popularity and success of earned media on the site.

However, a June 2012 study from Reuters and Ipsos found that only 20% of US Facebook users said they had bought products because of ads or comments they saw on Facebook.

This sparked more intense debate about the value and ROI of Facebook ads, and in early June 2012, Facebook stepped into the discussion with a study in conjunction with comScore.

The data showcased how earned media activity on Facebook affected consumers' offline and online purchases. After being exposed to an earned brand impression from retailer Target on Facebook, 4% of fans made a purchase during the next four weeks, compared to 3.3% of fans in the control group. In addition, friends of fans who were also exposed to the brand messaging had a higher purchase incidence rate than friends of fans in the control group.

But for Facebook, proving the success of earned media is only part of the goal. The company also needs to show that paid media advertising works.

comScore and Facebook included one paid media example in their study. They looked at results from one retailer's Premium ad campaign (Premium ads are ads placed in exclusive spots on Facebook, such as on a user's homepage). This case study found that exposure to Premium ads over four weeks caused an increase over the control group of 16% for in-store purchases (from 1.27% to 1.47%), and an increase of 56% for online purchases (from .39% to .61%), although online purchases still represented a smaller proportion of sales overall.

This study may be a bit biased towards Facebook, but other research has also found that Sponsored Story ads are performing well. Marin Software, in its "Facebook Ads Across the Globe" study from March 2012 found that the overall performance of Facebook ads worldwide increased since the addition of Sponsored Stories.

These results are important, but more information is needed. "As Facebook puts more emphasis on ad formats that include social data, such as whether a user's friend 'liked' or commented on the brand, the company will need to put out additional research showing the value of these types of ads," said eMarketer principal analyst Debra Aho Williamson.

Marketers also need data showing the effectiveness of Sponsored Stories in the news feed, Williamson said. These ads are created from posts on brand pages, making Sponsored Stories themselves dependent on the success of earned media efforts; advertisers then pay to deliver the "Stories" to a wider audience.

Overall, earned media is still a driving force behind purchase behavior. This is great for marketers, but a challenge for Facebook itself.

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