

Facebook's impact on marketing, advertising



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In the current interconnected world, where people have become social actors and have established one global social family, marketing and advertising's traditional role is being redefined, and brand managers' eternal grip on brands is suddenly under threat.



"Brands managers are no longer controlling the brand, but only suggesting brands policies and strategies," Blake Chandlee, VP EMEA and emerging markets at Facebook (FB) and its first international employee, told a packed audience at The Venue, Melrose Arch, Johannesburg, yesterday, Wednesday 3 February 2010, in Johannesburg.

Consumers are now controlling the brand, Chandlee said, adding that the dawn of social media has changed consumers' thinking and buying behaviour.

"Today's marketing model is broken. We are applying antiquated thinking and work systems to a new world of possibilities," Chandlee said, quoting P&G global marketing officer Jim Stengel.

The <u>social graph</u>, a term made popular by Facebook, is said to have changed the way brands are consumed, and opinion of friends (word of mouth) has become marketing's most influential feature in the 21th century.

When people connect, the impact on marketing, advertising is significant

"Social graph is the network of real connections through which people communicate and share information. Consumer choice is implicit in user experience and FB people are only one dimension of the social graph," Chandlee said.

It is also believed that when people share, connect and inform, the power of these connections impacts heavily on marketing and advertising.

Facebook, founded by Mark Zuckerberg (25) six years ago, now boasts over 350 million subscribers and is available in 70 languages, making it the third-largest most populous platform in the world.

FB's 'scary' statistics include 1.8 million chat messages a day, 150 million search queries per day, six billion minutes spent online every day, 1.7 million downloaded per second and 70% of FB active users operating outside the US.

The social network is opening the world

"These statistics are large numbers. I don't put them by arrogance but to demonstrate the influence of social media in the world." Chandlee said.

FB people are a global developer community, Chandlee pointed out, and as Zuckerberg put it, the social network is striving to make the world a more open place.

Chandlee said branding, which he said is still in its infancy, could take advantage of FB open place to focus on three key areas, namely FB ads, pages and events, and innovations (applications, FB Connect and mobile).

FB, which boasts that its advertisers form part of the conversation between the user and the brand, provides advertisers with the opportunity of geo-targeting customers. The social network also says that its adverts, which are not engineered to distract the user but are aligned to the user's interests, take account of the respect the sanctity of a social media space.

We need a different mindset, different approaches, a different way of working

"Social media is not an easiest way but if you do it right, the results will be phenomenal," Chandlee said, in a clear indication that the impact of FB on advertising and marketing is irreversible.

"To win in today's world requires a different mindset, different approaches and a different way of working."

Chandlee and his colleague Mark Cowan, head of emerging markets, EMEA, based in London, are in SA to oversee the 'historic deal' signed between Facebook and Habari Media. The deal will see Habari Media offer local advertisers and ad agencies new and innovative advertising opportunities on FB, allowing businesses to effectively leverage off this social media phenomenon.

Adrian Hewlett, CEO of Habari Group, said: "Advertising spend on social network sites in first world digital markets has grown significantly in the past year as more people engage, for longer periods of time. South Africa has always followed first market trends, and we predict a notable increase in social media consumption, accompanied by increased advertising interest."

For more:

• Facebook: www.facebook.com

• Habari Group: www.habarigroup.co.za

• Twitter Search: #fbhabari

Presentations:

Rob Stokes of Quirk eMarketing, Cape Town leg:

Social Media in South Africa

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Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.comas a senior news writer.

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