

## BBC's 'VirtualBagel' experiment does not prove Facebook advertising ineffective

LONDON, UK: The effectiveness of advertising on Facebook is being called into question following revelations from the BBC that its <u>"VirtualBagel" experiment</u>, an imaginary business which it started in a bid to test it, received 1600 'likes' in just 24 hours despite the fact that the 'VirtualBagel' page offered no products or interesting content.



According to the BBC, almost all "likers" came from India, Egypt, Indonesia and the Philippines. What was most notable was the almost virtual absence of the US or UK - two of the most valuable markets for advertisers. Moreover, some of those liking the page did not appear to be who they said they were.

When adjusted to target just UK, the number of people liking the page dropped considerably. The click-through rate (CTR) - one measure of effectiveness - fell to just 10% of the previous level.

Facebook claims lack of interest in a targeted market is often the result of poor targeting of adverts and <u>Greenlight</u>, a UK-based independent digital marketing agency, agrees. Most advertising networks suffer from some type of spam and Facebook is no different. Facebook advertising remains an effective channel.

## The evidence of Facebook's effectiveness

"For Greenlight and many other agencies and brands, advertising on Facebook has become part of the 'usual mix'", says Hannah Kimuyu\*, director of Paid Media at Greenlight. "We specifically saw our Facebook investment (client media spend) overtake both Yahoo and Bing collectively at the start of 2011, hinting the channel has constant growth and is delivering a strong enough return to invest more."

"Furthermore, with Greenlight's client base, we have seen strong performance levels, especially with retail getting more and more from Facebook. On average a CTR of 0.5% - 0.8% is considered positive, however retail brands typically achieve 0.8% - 1.0%."

Kimuyu points out that similarly to Google's Display Network (GDN), Facebook has spent the last 12 months developing its advertising programme, slowly moving from offering just branded advertising (Fan Acquisitions) to becoming a serious direct acquisition channel. "Many of the developments are appealing to retail brands, especially with retail being the most active in the space. Most recently we have seen one high street retailer achieve a 15% higher average basket value and a

20% increase in conversion rates on Facebook, when compared to its Search activity."

\*Hannah Kimuyu is director of paid media at Greenlight. She has worked in Paid Search for over 11 years and is responsible for managing and delivering the agency's paid media strategy for all clients. Through this role she also consults for some of Greenlight's largest international clients, including Talk Mobile, American Express and New Look. Prior to Greenlight, Hannah worked with the Energy Saving Trust and Capital.

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