# The Power of Like<sup>2</sup> How Social Marketing Works



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# **Executive Summary**

The following white paper is the second in the U.S. Power of Like series, a research collaboration between comScore and Facebook to deliver unique insights on the impact of social media marketing. The research, which primarily leverages data and analysis from comScore Social Essentials<sup>™</sup>, comScore AdEffx<sup>™</sup> and Facebook's internal analytics platform, focuses on the impact of branded earned and paid media exposure on the behavior of Facebook Fans and Friends of Fans. The summary below establishes the key findings and implications of this research.

- Brands can maximize the impact of their social marketing programs on Facebook by leveraging a framework that helps them move beyond Fan acquisition to delivering reach, impact, and measurable marketing ROI. Using the Brand Page as a control panel for creating social marketing programs, brands should focus on benchmarking and optimizing on the following dimensions to deliver against their broader marketing objectives:
  - Fan Reach Exposure in the News Feed
  - Engagement Fans interacting with Brand Page marketing content
  - Amplification Expanding reach by promoting content to Friends of Fans through both earned and paid means
- Most leading brands on Facebook achieve a monthly earned Amplification Ratio of between 0.5 and 2.0, meaning that they extend the reach of their earned media exposure of Fans to Friends of Fans by 50-200%. These ratios can be increased to improve brand reach by focusing on tactics to optimize Fan Reach and Engagement and by supplementing with paid advertising strategies.
- Facebook represents a unique marketing channel that enables Paid, Earned and Owned Media to be leveraged to create a virtuous cycle of brand impact. Brands use display ads and other paid media (Paid) to attract Fans to the Brand Page (Owned), which serves as a platform for marketing communications that reach Fans and Friends of Fans (Earned) in the News Feed and other sections of the website. These communications can then be supplemented through paid display campaigns, such as Sponsored Stories and Promoted Page Posts, to maximize reach and brand resonance (Paid).
- Concentrated social media campaigns, such as those performed during important marketing promotions, can significantly amplify the reach of earned media exposure. Such amplification may drive increased awareness and consideration that is manifested through higher brand purchase behavior among exposed Fans and Friends of Fans.

# **Executive Summary** (continued)

- The causal effects of earned media exposure on Facebook Fans and Friends of Fans can be isolated using a test vs. control methodology. In the case of Starbucks, exposed Fans and Friends of Fans showed statistically significant lifts in in-store purchase incidence for each of the four weeks following earned media exposure.
- The increasing cumulative lift in purchase behavior among exposed Starbucks Fans and Friends of Fans provides strong evidence of a latent branding impact of earned media exposure. This same latent effect was observed in the lift in purchase incidence among exposed Fans and Friends of Fans of retailer Target.
- Exposure to Facebook Premium Ads also drove statistically significant lifts in both online and in-store purchase incidence for a major retailer over a four-week post-exposure period. This research highlights the importance of using view-through display ad effectiveness in a medium where click-through rates are known to be lower than average for many campaigns.

Collectively, this research focuses on how social marketing works and enables brands to understand useful frameworks for quantifying their social marketing efforts and evaluating its impact. The data and analysis included in this paper will demonstrate how social marketing programs can be optimized to deliver against marketing objectives within the context of a brand's broader marketing mix.

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# Introduction & Background

comScore and Facebook partnered to publish the first paper in this series *The Power* of *Like: How Brands Reach and Influence Fans Through Social Media Marketing* in July 2011, with the paper later republished in its entirety in the March 2012 issue of the Journal of Advertising Research. The first paper, which established many of the initial frameworks for quantifying large brands social marketing programs on Facebook, offers an entry-point for discussion of social marketing at scale and can be accessed at the following link: www.comscore.com/like

The findings from the first paper, while providing the groundwork for discussion on this paper, will not be examined in greater detail beyond the following summary of key findings:

- Social media channels, most notably Facebook, represent a significant and growing opportunity to reach brand Fans – and their Friends – with branded content that may take the form of both paid and earned media impressions.
- Despite many brands' current focus on simply accumulating Fans and using their Fan count as a primary measure of success – the research demonstrated how attracting Fans represent only the initial springboard to reaching Fans and Friends of Fans with paid and earned media impressions.
- While the messaging and tactics used in earned social media campaigns should typically be different than those employed in a traditional ad campaign, the reach of earned media can be quantified using familiar metrics such as reach and frequency, and analyzed according to the demographics and behaviors of the audiences reached by these impressions.
- Once brands understand who they are reaching and how often, they can begin to assess the value of their Fans and Friends of Fans. In some cases, they can even quantify the ROI of their social media investment by evaluating behaviors of those exposed to brand impressions, such as online engagement or purchase behavior.
- By focusing on measuring the reach of their branded content among various constituencies, brands can more effectively understand and optimize the way in which they leverage their presence on Facebook and realize significant untapped benefits by reaching Friends of Fans.

In the time since the paper's original publication, a variety of additional analyses have been conducted to help gain a deeper understanding of how social marketing works. This research paper will highlight some of our most interesting findings over the past year along with innovative new research into how earned social media exposure and paid media exposure drive consumer behavior. Brand Pages now routinely outpace their corresponding brand websites in terms of audience.

# **Social Media as a Marketing Channel**

## BRAND PAGES AS THE NEW BRAND.COM WEBSITES

Facebook's emergence as a marketing channel has largely centered on the evolution of Brand Pages and their role as a control panel for brands as they establish a direct communication channel with their Fans and customers. In the earlier days of the Internet there was a substantial emphasis on developing brand websites, and while these websites still retain their importance (particularly for verticals that focus on transactions or lead capture) this touchpoint has increasingly been shifting to the social media channel.

Consider a brand like Skittles. The Skittles brand website (www.skittles.com) attracted 23,000 U.S. unique visitors in March 2012, while the Skittles Brand Page on Facebook (www.facebook.com/skittles) attracted 320,000 visitors – 14 times as many as Skittles.com.



Brand Pages now routinely outpace their corresponding brand websites in terms of audience. Even still, Brand Pages have not traditionally served as the primary means of brand engagement on Facebook. Because users spend the highest percentage of their time on the News Feed (40 percent), that ends up being the primary channel for brand exposure. So while some Fans certainly do visit the Brand Page, the number of brand exposures occurring via the News Feed is many multiples higher.

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In March 2012, 15.2 percent of all U.S. display ads across the web were sociallyenabled, up from 8.2 percent in November 2011.

## SOCIALLY-ENABLED ADS USED FOR FAN ACQUISITION

Most of the brands with an active Facebook presence have focused early efforts on accumulating Facebook Fans, recognizing that there is a long term value associated with being able to continuously communicate with and market to these brand followers. With Fan acquisition as their objective, many brands have been working with agencies on Cost-Per-Like (CPL) campaigns to attract as many Fans as possible. This focus has led many brands to wonder "What's a Fan worth?" so that they might be able to quantify the expected ROI of a CPL campaign.

Display advertising is one of the most prevalent ways of attracting Fans, with many campaigns today featuring social calls-to-action such as "Become a Fan" or "Like Us on Facebook." These "socially-enabled" ads can help build an awareness of the brand's presence on Facebook and deliver more brand Fans. Just how prevalent have these socially-enabled ads become? In March 2012, 15.2 percent of all U.S. display ads across the web were socially-enabled, up from 8.2 percent in November 2011. Certain industries have shown a substantially higher likelihood of deploying these ads, such as CPG – Food & Grocery (40.9 percent) and Movies (26.9 percent).

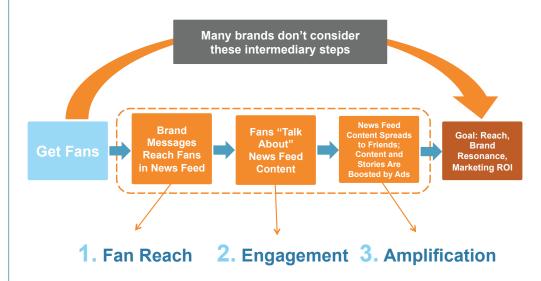
This significant and growing emphasis on Fan acquisition suggests that brands understand the long term value calculation and are focused on winning Fans in this highly competitive environment for customers' attention and loyalty. But with their Fan rosters growing well into the millions, many brands are beginning to wonder what their next focus should be to maximize the value of their investment in Fan acquisition.

Given that a brand has acquired a certain number of Fans. its goal should be to deliver maximum reach. achieve brand resonance. and hopefully influence consumers to purchase or engage with the brand.

# How Social Marketing Works

### FAN REACH, ENGAGEMENT AND AMPLIFICATION

While the vast majority of large brands today have an active social media presence, there continues to be an over-reliance on simple counting of Facebook Fans as a key performance metric. Given that a brand has acquired a certain number of Fans, its goal should be to deliver maximum reach, achieve brand resonance, and hopefully influence consumers to purchase or engage with the brand. To achieve these objectives, brands must begin with a framework for understanding how its brand message is delivered at scale. The three dynamics will we examine are: Fan Reach, Engagement and Amplification.



### Fan Reach

For brands to resonate on Facebook, the first step is *literally* to be seen. While brands have the opportunity to communicate directly with their Fans through the News Feed, not every brand message delivered results in an exposure to a Fan. Facebook uses an algorithm to help optimize the messages users see in their News Feed, and while the exact algorithm is not public information, it is clear that relevance plays a role in message visibility. So brands in which consumers engage more regularly, whether through a comment, share, like, or check-in, have a greater likelihood of being seen on the News Feed, otherwise known as Fan Reach (or "cut-through").

In addition to optimizing with a focus on delivering relevant earned messages to Fans, brands can also extend their reach on Facebook using Facebook's ad platform. For example, a Page Post can be promoted to ensure it reaches a far larger percentage of a brand's fan base than would be reached organically.

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# Even

apparently low engagement rates may be more valuable than one might think.

### Engagement

Engagement with brand messages – such as a like, share, post, check-in, etc. – has recently become a hot topic of discussion in the social marketing arena. A recent study<sup>1</sup> demonstrated that only a small percentage (typically around 1 percent of Fans) actually engage with a given brand message. The research concluded that due to the low engagement rate, brands should perhaps not look to Facebook as a primary marketing channel.

However, this research conclusion overlooks a few critical aspects of why even apparently low engagement rates may be more valuable than one might think. Consider, for the sake of comparison, display ad engagement (i.e. click-through) rates. According to DoubleClick, click-through rates on display ads most recently stand at approximately 0.1 percent.<sup>2</sup> When examined through that lens, a social marketing engagement rate of 1 percent is greater by a factor of 10.

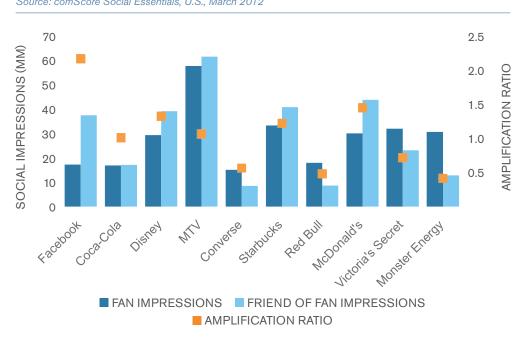
If any value at all is placed on the display ad click-through, then perhaps more credit should be given to a social engagement rate of 1 percent. But this argument still ignores the full effect of social engagement, which is that such actions – however low in incidence – provide a means of significantly expanding the reach of a particular message throughout the user's network. This phenomenon is referred to as amplification.

<sup>1</sup>http://adage.com/article/digital/study-1-facebook-fans-engage-brands/232351/ <sup>2</sup>http://www.google.com/adwords/watchthisspace/benchmarks-and-insights/insights/click-through-rates/ Brands are often able to double the reach of their Page Posts through Friends of Fans.

### Amplification

Amplification is perhaps the most important, and least understood, element of achieving brand reach and resonance on Facebook. The idea behind amplification is that Fans who are reached with brand messages can also serve as a conduit for brand exposure to Friends within their respective social networks. Because the average Facebook Fan has hundreds of Friends, each person has the ability to potentially reach dozens of Friends with earned impressions through their engagement with brand messages. Due to factors like Fan Reach, the average brand message from the Top 1,000 brands on Facebook is able to deliver an actual amplification of 81x if their efforts are maximized. In practice, while organic virality at times falls short of this ideal scenario, brands are often able to double the reach of their Page Posts through Friends of Fans. To help brands maximize the effect engagement can have on reach Facebook offers Sponsored Stories, a means for promoting brand engagement to users' Friends.

One way to quantify how brands are performing in terms of brand amplification is with the Amplification Ratio, a metric that divides the number of Friends of Fans reached by the number of Fans reached with earned media, or the number of impressions reaching each of these segments. An analysis of the top Facebook brands was conducted to determine their respective Amplification Ratios as a way of establishing some basic benchmarks around how top brands perform on this dimension. The top ten corporate brands<sup>3</sup> had an average Amplification Ratio average of 1.05 (Range: 0.42 to 2.18). The top 100 brands (excluding Celebrities & Entertainment) had an average Amplification Ratio of 0.84 (Range: 0.06 to 2.87).



**Figure 1** Fans & Friends of Fans' Earned Impressions and Amplification Ratios for Selected Leading Facebook Brands *Source: comScore Social Essentials, U.S., March 2012* 



The 2011 holiday season presented an opportunity to further evaluate how social marketing works to drive quantifiable sales results for retailers.

### HOW SOCIAL MARKETING WORKS: HOLIDAY RETAIL CASE STUDY

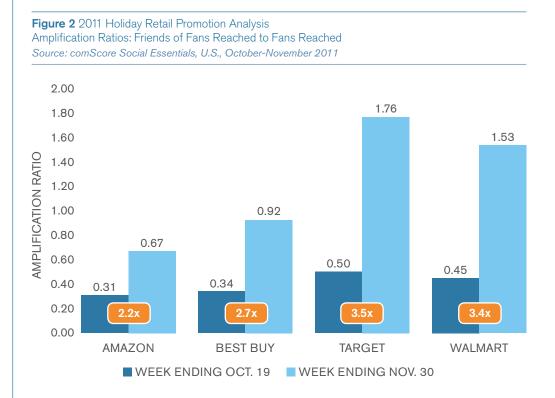
While the link between Fan and Friend brand engagement strengthens with each empirical analysis of brands across categories, there remains a need to understand how exposure might actually drive behavior rather than simply being correlated with it.

The 2011 holiday season presented an opportunity to further evaluate how social marketing works to drive quantifiable sales results for retailers. The analysis examined the social media presence of four leading retailers – Amazon, Best Buy, Target and Walmart – to determine how their social assets were leveraged to engage, and hopefully influence, customers during the all-important holiday season.

Most of these retailers were highly active with their social marketing programs on Facebook, in some cases soliciting customers and potential customers to become a Fan in order to get a sneak peak at their Black Friday "door-buster" deals. This creative tactic not only enabled the retailers to significantly expand their Fan bases, but it also had the ability to generate significant amplification of brand exposure as Friends of Fans were alerted to their Friends' newfound brand associations.

In order to quantify the effect of this amplification effect, the amplification ratios for the holiday season's heaviest promotional week covering Black Friday and Cyber Monday (week ending November 30, 2011) were compared to a typical week in October serving as a baseline (week ending October 19, 2011). The baseline amplification ratios for each of the four brands in the baseline period ranged from 0.31 to 0.50, but during the holiday promotional period these ratios jumped significantly, ranging from 0.67 to 1.76. In each brand's case, the ratios grew by a factor of at least 2.2x from the baseline period, suggesting that the concentrated promotional period extended the reach to Friends of Fans and generated brand awareness during a seminal time in most consumers' purchase consideration process for the holiday season.

Amazon Fans spent more than twice as much at Amazon as the average Internet user.



This illustration highlights the viral impact of earned exposure and how social marketing tactics can be effectively deployed during important time periods for particular brands. One can imagine the many analogous scenarios in which brand marketers might want to employ similar tactics during their most important seasons: film production companies during the kick-off to the summer movie season, broadcast networks in the lead-up to the new fall TV season, retailers during the back-to-school shopping season, or CPG companies for big holiday weekends such as Memorial Day, Labor Day and Thanksgiving.

While this retail example highlights the virality of promotions driving quantifiable lift in earned media brand amplification, it does not immediately provide an indicator of the impact this additional exposure might have on purchase behavior. The next phase of this analysis examines both the online and offline purchase patterns of the exposed Fan and Friend of Fan segments compared to the Total Internet baseline for the full holiday season period of November and December 2011. The results showed significantly higher rates of purchase among Fans. Amazon Fans spent more than twice as much at Amazon as the average Internet user (spending index = 209) while exposed Friends of Fans spent 8 percent more, suggesting strong brand affinity but not as strong a persuasion effect – which may in part reflect Amazon's less active promotional strategy compared to other retail brands (due to not having in-store sales events). For the three multichannel brands – Best Buy, Target and Walmart – similarly strong spending indices among Friends of Fans, perhaps reflecting their strong promotional efforts. Best Buy had a particularly strong Friend of Fan spending index of 204.



**Figure 3** Fans & Friends of Fans: Spending Index for Leading Retail Brands Online & In-Store Purchase Behavior *Source: comScore Social Essentials, U.S., November-December 2011* 

This empirical evidence that exposed Fans and Friends of Fans have higher spending behavior – across both online and in-store channels – strongly supports the importance of reaching these buyer segments. They are substantially more valuable consumers

While this research adds weight to the importance of social media, it also brings an important questions to the forefront – are the elevated spend levels among Fans and Friends of Fans the result of the messaging or a pre-disposition among these segments? Put another way, if relying solely on this data, the age-old "correlation or causation" question would be left very much unanswered.

in terms of actual purchase behavior whether or not earned media exposure actually

influenced their purchase decisions.

# How Earned Media Exposure Drives Behavior

### **CALCULATING SOCIAL MARKETING LIFT & ROI**

Many brand marketers today do not feel well-equipped to effectively measure social marketing ROI. According to Chief Marketer's *2011 Social Marketing Survey*, by far the most mentioned metric for measuring social media success was the number of people linking as Fans, Followers or "Likes," at 60 percent of respondents, while 25 percent indicated incremental sales attributable to social media was a method used to measure success.<sup>4</sup> In other words, they are more likely to use metrics that are simple and readily available rather than metrics that quantify performance against their actual marketing goals.

The following research aims to close this current gap in understanding by demonstrating the incremental purchase behavior that can be attributed to branded social media exposure – from both organic and paid brand activity. Several brands were analyzed in terms of how consumers' exposure to paid and earned media drove lifts in purchase behavior.

### Framework for Measuring Lift from Earned Media Exposure

To better understand the behavioral impact, methods were needed to isolate the causal effects of earned and paid social media exposure on consumer behavior. The initial analytical approach used was to apply the concepts of online ad effectiveness measurement using a traditional test vs. control-based methodology.

Matching the test and control groups in these scenarios is especially important. When pure experimental design is not possible or practical in ad effectiveness measurement, employing pseudo- or matched-control using a range of demographic and behavioral variables is typically sufficient. For the subsequent analyses, however, the number of variables on which matching was conducted was expanded to include not only demographic variables but also Facebook.com engagement, as well as pre-exposure engagement and spending with the measured brand.

#### Starbucks Example: Earned Media Exposure Effect on In-Store Purchasing

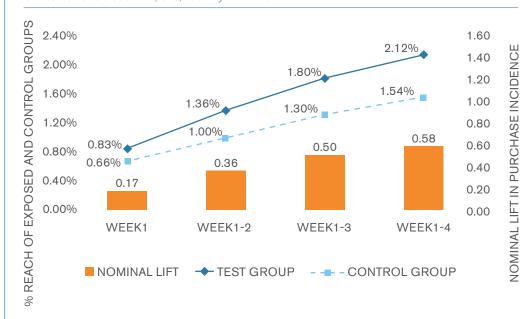
Using the test vs. control methodology, the in-store purchase behavior of exposed Fans and Friends were compared to the control group for each of the 4 weeks subsequent to exposure. The results illustrated in the chart below show the increase in purchase incidence among the exposed group as compared to the control group and were statistically significant at a 90-percent confidence level for each of the four time periods analyzed. The test and control groups had nearly identical rates of purchase incidence in the 4-week pre-exposure period.

The test results show that by the conclusion of the fourth week after exposure, the test group had a purchase incidence of 2.12 percent, 0.58 percentage points higher than the 1.54 percent incidence in the control group. Also significant is the fact that the nominal lift in purchase incidence increased in each week following exposure, highlighting the latent effects of exposure in driving purchase behavior.

<sup>4</sup>http://chiefmarketer.com/site-files/chiefmarketer.com/files/archive/chiefmarketer.com/images/2011SocialMarketingSurvey.pdf



#### **Figure 4** Starbucks Fans & Friends of Fans In-Store Purchase Behavior: % of Exposed Group vs. Control Group Purchasing Starbucks Weeks 1-4 Following Earned Media Exposure *Source: comScore Social Lift, U.S., February-March 2012*

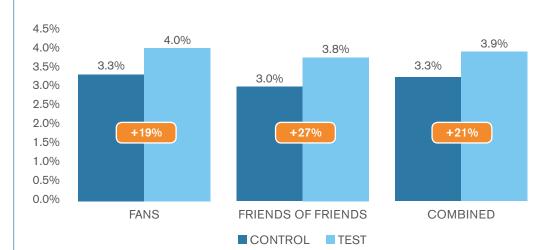


Another way to interpret these results is to say that within 4 weeks of exposure, there was a 38 percent lift in purchase incidence among the exposed group (2.12 divided by 1.54). With the potential for earned media exposure to drive such valuable lifts in the desired consumer behaviors – most notably in-store purchase – clearly brands can realize measurable social marketing ROI by evaluating the social lift of these impressions.

# Target Example: Earned Media Exposure Effect on In-Store and Online Purchasing

A methodology similar to that employed in the above Starbucks example was used to investigate the impact of earned media exposure on online and in-store purchasing at Target, with the results showing a similar lift in purchasing among both Fans and Friends of Fans. Compared to the control group, Fans of Target were 19 percent more likely to purchase at Target in the four weeks following exposure to earned messages (99 percent confidence level). To an even greater degree, Friends of Fans were also more likely to buy at Target with a lift of 27 percent compared to the control group. As in the previous example, the methodology ensured that the test and control groups had nearly identical levels of purchasing in the four weeks prior to exposure.

**Figure 5** Target Fans & Friends Of Fans: Lift In Online/Offline Buyer Penetration Four Weeks Following Earned Media Exposure *Source: comScore Social Lift, U.S., February-March* 2012

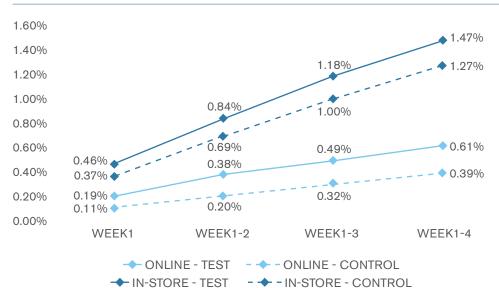


# Retail Example: Facebook Premium Ad Exposure Effect on In-Store and Online Purchasing

These past examples have illustrated earned media can have a significant impact on exposure, but it is also worth exploring whether or not paid advertising on Facebook can deliver ROI. Leveraging the AdEffx product suite, comScore has conducted thousands of attitudinal and behavioral lift studies on paid online ad campaigns on behalf of many clients (including publishers, advertisers, and agencies), which often show statistically significant lifts in the measured response. The following example, which examines the impact of a paid ad campaign running on Facebook, was commissioned by Facebook.

A recent study of a large retailer examined the effects of exposure to Facebook Premium Ads on in-store and online purchase behavior. This example used test-and-control matching based on a variety of demographic and online behavioral variables to ensure comparability between groups. The results showed statistically significant lifts in the incidence of both online and in-store purchase at a 95-percent confidence level. In the fourth week following exposure, the incidence of in-store purchase for the brand was 1.47 percent, representing a 16-percent lift vs. the control group's 1.27 percent incidence. While lower in overall incidence, online purchase behavior saw an even stronger relative lift of 56 percent from 0.39 percent to 0.61 percent incidence.

Figure 6 Retailer Premium Facebook Ad Lift: % of Exposed Group Purchasing Online and In-Store



Source: comScore AdEffx Action Lift, U.S., September-December 2011

Weeks 1-4 Following Paid Media Exposure

These results highlight the ability of Facebook paid ads to drive purchase in the weeks following exposure. For a medium that is often noted as having below average display ad click-through rates, the ability to understand effectiveness as a result of exposure (i.e. view-through effectiveness) and independent of a user clicking on an ad offers critically important context for understanding marketing effectiveness on social media channels.

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# The Future of Social Marketing Measurement

The research included in this white paper has aimed to illuminate how social media marketing works and provide brands with the frameworks to quantify earned media on Facebook, analyze how it ties to broader marketing objectives and evaluate its impact and ROI. Despite significant recent advancements in social media measurement, the collective understanding of this dynamic and emergent marketing channel is still in its nascent stages. Only through continued experimentation, quantification and optimization will brands begin to realize the full value of this medium.

### **AREAS FOR FURTHER STUDY & CONSIDERATION**

For the social marketing discipline to continue its evolution and create even greater value for brands, several avenues of additional research and exploration promise to improve the understanding of the value of social media and enhance its ability to produce improved social ROI. The following areas of research represent some of the more promising possibilities:

#### Paid + Earned Media Synergy and Optimization

Given their respective weights within the digital marketing mix, brands should seek to better understand how to optimize the use of paid and earned media. Does exposure to these different marketing stimuli have a synergistic effect, as has been observed with other digital media such as search and display? How can brands leverage paid advertising strategies, such as Facebook's Sponsored Stories, to surface marketing messages to a greater number of Friends of Fans to help drive brand engagement and purchase behavior?

#### Market Mix Modeling Using the Social GRP

For brands interested in evaluating social media's relative importance in the marketing mix, there is an opportunity to adopt the Social GRP as a standard variable in their marketing mix models. With earned social impressions able to achieve a comparable scale to paid display advertising, any brand with a notable social presence that ignores the Social GRP in these models risks overlooking a critical variable in determining sales performance.

#### **Socially-Targeted Marketing and Advertising Campaigns**

The influx of behavioral targeting networks continues to improve the efficiency of ads reaching advertisers' desired audiences. While a variety of behavioral variables can help deliver improved ROI, there is an opportunity to develop models to more efficiently target audiences with characteristics similar to brand Fans and Friends of Fans. The ability to model Fans can help brands deliver ad campaigns at scale to those with the greatest likelihood of having a strong brand affinity. By modeling Friends of Fans, brands can deliver campaigns against those who may be more easily persuaded to engage with or purchase the brand.

Each of these proposed areas of research offer to provide new insights for brand hoping to shed new light on how social marketing works and effectively leverage social as part of their marketing mix. Brands interested in exploring these and other related research opportunities, please email us at learnmore@comscore.com.

# Appendix

### **METHODOLOGY & DEFINITIONS**

#### **Data Sources**

Data in this paper was collected and analyzed using the comScore Social Essentials<sup>™</sup> product, which is a measurement service based on comScore's proprietary 2 million person global panel of Internet users from a home or work computer (note: mobile-based Internet browsing is not included in this analysis). Opt-in panelists provide comScore with explicit permission to passively observe their online behavior, including site visitation, search activity, advertising exposure, and online purchases. By measuring online behavior for these opt-in panelists, comScore can observe both public and non-public pages within particular social networks such as Facebook. Measurement of panelists' exposure to social media marketing within social networks can be linked to other behaviors in which they engage around the web. In addition, certain select data points and illustrations in the paper are based on aggregate, non-personally-identifiable data sourced from Facebook.

#### **Social Media Brand Impressions**

Most of the analysis in this paper is based on a unit of branded content called a "social media brand impression." These impressions occur throughout a social network and may be delivered through a variety of dissemination channels. Below are the four primary vehicles through which these impressions are delivered:

- 1. Page Publishing These unpaid impressions appear on the Brand Page wall and may also appear in the News Feed of a Fan or a Friend of a Fan.
- 2. Stories about Friends These unpaid impressions occur when a Friend actively engages with a brand (e.g. Nicole Likes Columbia Sportswear) and become visible either on a Friend's wall or in the News Feed. These stories may appear to Fans and Friends of Fans.
- 3. Sponsored Stories These paid impressions are similar to Stories about Friends, but they have been actively distributed more broadly and appear to Fans and Friends of Fans in the News Feed or in the right-hand column.
- 4. Ads with Social These branded messages come directly from the advertisers with a social context on the unit that appears to Friends of Fans (e.g. Nicole Likes Columbia Sportswear, appearing at the bottom of the ad unit).



### Facebook Fan & Friend of Fan Segments

Analysis in this white paper also centers on a few different types of user segments within Facebook – Fans and Friends of Fans – in relation to the total Internet population. While other measurement of Facebook Fans often focus on counts of the total number of accrued Fans, this analysis instead focuses on those people in the particular Facebook audience segments *who are exposed to earned brand impressions* within the given reporting period. The following describes in detail these audience segments:

- Fans This user segment is based on users who have affirmatively stated their affinity for a particular brand by "liking" that brand and are exposed to earned brand impressions. Over a given period, a subset of the total Fan base has actually been exposed to such impressions.
- Friends of Fans This user segment (aka "Friends") is defined as those who are not explicitly brand Fans but who are exposed to brand impressions through a Friend who is a Fan of a particular brand. Over a given period, a subset of the total Friends of Fans is likely to have been exposed to brand impressions.

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