Marketing and the Facebook Revolution

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Since its inception nearly seven years ago, Facebook has culled a following of, unofficially, more than 700 million users around the world. The largest social networking website has infiltrated pop culture with citations in sitcoms and even its own feature-length film. "Like us on Facebook" has almost become common vernacular for local and enterprise brands alike. This first chapter will take you through a high-level look at Facebook, from its unassuming creation in a Harvard dorm room to fundamental dos and don'ts for social marketers.

Chapter Contents

Facebook's Reach

Facebook's rapid rise, utter dominance, user-base girth, global reach, and raw marketing power are staggering—a total contextual marketing paradigm-buster. According to Facebook's published statistics as of this writing, more than half of Facebook's officially revealed 500 million users log in every day, engaging for an aggregate 700 billion minutes per month. That's right, 700 *billion*. With a *b*.

According to Experian Hitwise, "Facebook" was the top search term in 2010 for the second straight year. Measured by Google's own tool, Insights for Search, search interest for Facebook is fanatical, obliterating search buzz for Google around the world. The graph in Figure 1.1 represents the search interest in Google, Facebook, Twitter, and President Obama as indicated by Insights for Search.
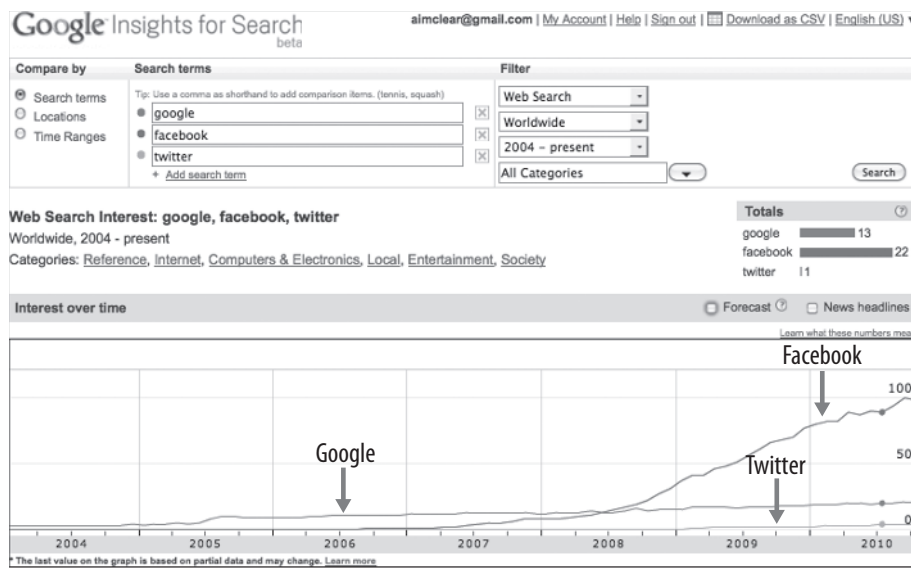

Figure 1.1 Google Insights for Search interest graph

The social networking site has amassed over 900 million pages, groups, events, and community pages. Users generate upwards of 30 billion monthly web links, news stories, blog posts, notes, photo albums, and other shared content blocks. Because approximately 70 percent of users hail from outside the United States, a virtual army of 300,000 volunteers translates content using the Translations app.

Two hundred fifty million on-the-go mobile users currently access Facebook through their cell phones, iPads, and other devices. More than a million entrepreneurs and developers from 190 countries have created more than half a billion applications. Since social plugins launched in April, 2010, an average of 10,000 new websites integrate with Facebook every day. More than 2.5 million websites have integrated with Facebook, including over 80 of comScore's U.S. Top 100 websites and over half of comScore's Global Top 100.

Facebook's rise to power was as frighteningly fast and, in a way, as prodigal as its eccentric, youthful brain trust. The social network was founded by a group of four now-infamous Harvard students led by Mark Zuckerberg, a computer science student and brilliant hacker with a gift for black hat website scraping and deep intuition about human social motivations. Zuckerberg and cofounders Dustin Moskovitz, Chris Hughes, and Eduardo Saverin launched Facebook (known then as "The Facebook") in February 2004 from their Harvard dorm room. By March that year, the site, which had formerly been an exclusive Harvard-only online network, expanded to include students from Columbia, Stanford, and Yale. In June, the Facebook crew migrated to Palo Alto, California, where Facebook Groups and the distinguishing *Wall* were added as staple profile features. The upstart social network celebrated reaching the one-million active-user mark in December—incredibly, less than one year after launch. It was clear that the Facebook revolution was now seriously underway.

In May 2005, the relocated Bay Area startup raised $12.7 million in venture capital from Accel Partners, and by August grew to envelop more than 800 colleges and universities. Students fell in love with Facebook's heady mix of community, dating, college play, and friendships. For a guy with a serious nerd rap, Zuckerberg was proving himself a freakishly genius wizard of the new online virtual pheromones crucible.

In September, things really started to heat up when Facebook began allowing high school students around the country to create accounts. The Photos core application was deployed in October, at which point the site also began the assimilation of international school networks. By December 2005, the user base had expanded by an astonishing 500 percent to comprise more than 5.5 million active users. It was clear that Zuckerberg had his finger on the beating pulse of emergent Internet social media. Though far from mainstream, Facebook raised plenty of eyebrows, chiefly from marketers wondering where this was going to lead. By then, clever marketers were finding ways to gain access to college accounts to test word-of-mouth marketing, among other things. Facebook was especially fertile at this time because college kids had no idea whatsoever that marketers were in the mix.

In 2006, another year of astronomical growth, Facebook opened the once ivy-clad walled garden even more, providing free registration to anyone who wanted to join. No longer strictly for students, the future king of social networks was poised to explode into international mind share. The $27.5 million from Greylock Partners and Meritech Capital Partners helped keep things scaling. More features were launched, including the Notes app, the now ubiquitous News Feed, Mini-Feed, the Development Platform, additional privacy controls, and *Share* functionality. Facebook and Microsoft entered into a strategic alliance to serve syndicated banner ads. By December, the user base had expanded internationally to 12 million people. The volume and diversity of the user base had marketers salivating. Many of us wondered what the FB crew had up their sleeves to make community members accessible to advertisers.

By April 2007, there were 20 million active users, connecting more than 2 million Canadian and 1 million active UK users of all ages and stripes to the main Facebook community. Yet to come that year were developments of seismic proportions that would ultimately rock the known Internet universe straight to the end of the millennium's first decade. Facebook was poised to move past "website" status all the way to becoming an "operating system," and ultimately set the stage for Facebook Ads.

On May 24, 2007, the new Facebook Platform was unveiled during the f8 Event in San Francisco. An official press release read, "Facebook, the Internet's leading social utility, today announced that more than 65 developer partners have built applications on Facebook Platform, a new development platform that enables companies and engineers to integrate with the Facebook website and gain access to millions of users." The ability of third-party developers to create social applications brought a level of wit to Facebook, instrumental to hooking users. Though marketers were still wondering what was in Facebook for them, the platform approach was a huge factor in attracting users who make up the Facebook Ads targeting pool today.

In short order, Microsoft took a $240 million equity stake in Facebook and cut an international advertising partnership deal. Marketers wondered what that meant. Would there be a do-it-yourself (DIY) ad platform or would media buys on Facebook be forever restricted to buying banners from Microsoft? Google's Content Network allowed us some access to certain pages in Facebook, but marketers wanted more. We wondered what was coming next. Facebook then launched its fledgling mobile platform and the community mushroomed in size to an impressive 50 million active users. Marketers thought, "All these users are good. When are we going to get some *real* access?"

Then, the marketing tsunami hit with a vengeance when, in November, Facebook Ads was born. To a relatively small sect of attentive online marketers, this was a mind-bending development—Facebook's speedily expanding user base was now straightforwardly accessible to any advertiser in a sleek DIY interface. It was incredible—instead of marketing to *searches* for the keyword "audio recording college Minnesota," marketers were able to target high school guys who were interested in playing guitar, were single, or maybe played in a band. The rest, as they say, is history. The gold standard of online contextual marketing was born.

It was important for early adopting Facebook Ads marketers to understand the evolving demographics. Failure to do so meant that many search marketers had early failures. At the time, Facebook was still somewhat skewed toward college students, naturally, as they were there from the beginning. Speaking at Search Engine Strategies New York 2008, I preached to a crowd that barely cared about the "impending social PPC revolution." aimClear, previously adept at segmenting landing pages based on inbound search queries, started creating landing page variations marketing to inbound gender, age, interests, relationship status, and other highly personal attributes.

Facebook took a radically mainstream turn in January 2008, cosponsoring the presidential debates in partnership with ABC News. On the heels of launching in Spanish, French, and German, friend list privacy controls were put in place along with a 21-language translation application. *Chat* was released and the next milestone was reached: Facebook blew across the 100-million-user mark without looking back.

As of Christmas Eve 2009, Facebook garnered 7.56 percent of the United States Internet traffic market share versus Google's 7.56 percent (Figure 1.2).
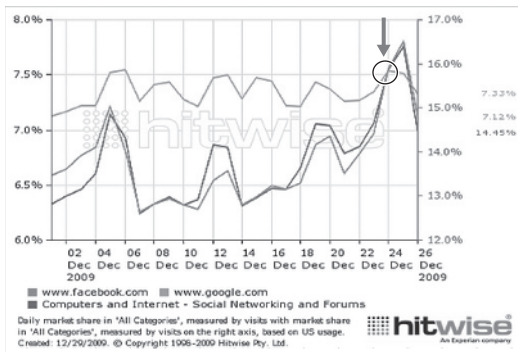

Figure 1.2 Hitwise graph of Internet traffic – 12/29/09

Several key developments in 2009 wove Facebook into the fabric of human media and culture. First, CNN Live integrated Facebook into its online product, and at the same time, there was a significant promotional push on live cable newscasts. The *Like* element was added, and after Digital Sky Technologies invested $200 million for preferred stock, Facebook was then valued at an impressive $10 billion. Facebook *Usernames* launched, which directly (and perhaps deliberately) messed with Google, Yahoo!, and Bing; usernames meant that pages and individual profiles had a greater propensity to index in organic search engine results for keywords and names in the Facebook titles. The feature also permitted "vanity" URLs, such as Facebook.com/mashable or Facebook.com/MartyWeintraub. After the acquisition of FriendFeed, Facebook boasted a cool 350 million users.

In 2010, we witnessed the launch of two internal applications: *Questions* and *Places*. Things are still growing at an incredible pace; Facebook is the most visited website in the United States, blowing the nearest social media contender, YouTube, out of the water by more than a 3:1 ratio and with more than 3 percent greater traffic share than the second contender, Google.

Hitwise generates reports on a variety of traffic metrics. Figure 1.3 illustrates sites for All Categories ranked by visits for the week ending 5/28/2011.

Top 10 visited US websites

The following report shows **websites** for the industry '**All Categories**', ranked by **Visits** for the **week** ending **05/28/2011**.

Rank	Website	Visits Share	
1.	Facebook	10.54%	
2.	Google	8.73%	
3.	YouTube	3.57%	
4.	Yahoo!	2.71%	
5.	Yahoo! Mail	2.59%	
6.	Bing	1.78%	
7.	Yahoo! Search	1.26%	
8.	Windows Live Mail	1.09%	
9.	msn	1.08%	
10.	Gmail	0.97%	

Figure 1.3 Hitwise site traffic reports: All Categories – 5/28/2011

Figure 1.4 shows top websites in the category Computers and Internet – Social Networking and Forums, ranked by visits for the week ending 5/28/2011.

Top 10 Social Networking sites

The following report shows **websites** for the industry '**Computers and Internet - Social Networking and Forums**', ranked by **Visits** for the **week** ending **05/28/2011**.

Rank	Website	Visits Share	
1.	Facebook	62.52%	
2.	YouTube	21.16%	
3.	Twitter	1.19%	
4.	Meebo	1.10%	
5.	MySpace	1.04%	
6.	Yahoo! Answers	1.01%	
7.	Tagged	0.73%	
8.	myYearbook	0.41%	
9.	CafeMom	0.40%	
10.	Linkedin	0.38%	

Figure 1.4 Hitwise site traffic reports: Computer and Internet—
Social Networking and Forums, ranked by Visits for the week ending 05/28/2011

This much is clear: In the six and a half years since its inception, Facebook has grown from the playfully mischievous activities of a data-scraping dorm-room IT prankster to become the global social media gold standard. Mark Zuckerberg is both revered and reviled and, according to his July 2010 profile in *Forbes* magazine, has a net worth of about $6.9 billion—not bad for a 26-year-old hacker from White Plains, New York. Facebook itself is reportedly valued at around $70 billion, of which "Zuck" reportedly owns 24 percent. His hard-driven vision for social product, design, service, core technology development, human nature, and open-source infrastructure has proven both prescient and remarkable.

Understanding the Social Graph

The concept of tracking an individual's defining characteristics is nothing new. French sociologist David Émile Durkheim (1858–1917) wrote of a "mechanical solidarity," which wins out when personality differences are bridged, and "organic solidarity," which occurs when differentiated individuals cooperate, taking autonomous roles.

In their 1921 book, *Personality Traits: Their Classification and Measurement,* Floyd Henry Allport and Gordon Willard Allport methodically rendered their hand-sketched "social graphs" to undertake colorful analysis on 11 nodes of human behavior, shown in Figure 1.5.
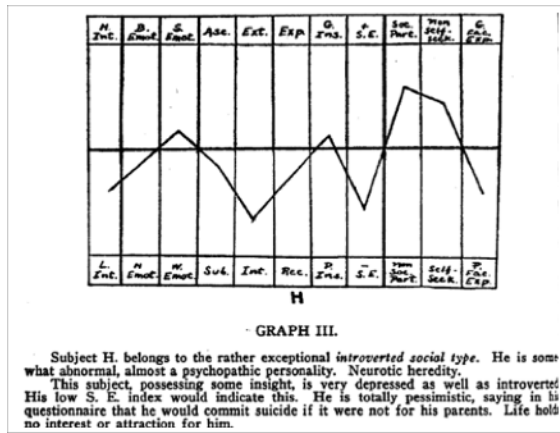

Figure 1.5 Allports' social graphs

Mark Zuckerberg is widely credited with applying this concept, in name, to online social media. The designation seems appropriate. Certainly, in today's data-driven world, people can be reduced, at least to a great extent, to a grid of personal affinities.

These days, the term *social graph* refers to Facebook's matrix of interests and personal proclivities that make each person unique in their meanderings. Every Facebook user's inimitable footprint is "graphed" and subsequently stored in the site's clustered database. These captured personality traits make up the targeting grid—the "inventory" Facebook sells to advertisers.

Facebook tracks both known and unrevealed variables of users' participation, to form its social graph. Like Google's storied organic search results ranking algorithm, there are any number of "black box" graph variables marketers can only guess at. This tuned combination of data points on the social graph is the secret sauce behind Facebook Ads. In all likelihood, the algorithmic lattice evolves often in subtle ways without announcement or fanfare from Facebook corporate.

The easiest social graph data points to understand are those in the Facebook ads targeting UI. The base targeting attributes, essentially data points on the social graph, are revolutionary in terms of advertisers' ability to target users for advertisements. Gender, geographic location, age, sexual preference, relationship status, workplace, and education attributes are very powerful in combination. As an example of targeting depth, Figure 1.6 shows the social graph attributes for 24- to 55-year-old married male Criminal Justice and Criminology college graduates, who work at various police departments around the United States.
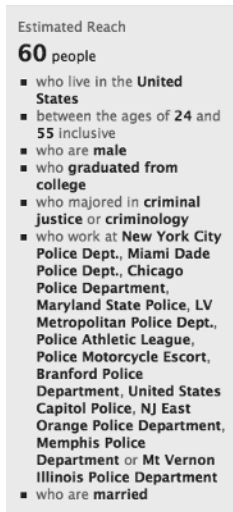
Estimated Reach

60 people

- who live in the **United States**
- between the ages of **24** and **55** inclusive
- who are **male**
- who **graduated from college**
- who majored in **criminal justice** or **criminology**
- who work at **New York City Police Dept., Miami Dade Police Dept., Chicago Police Department, Maryland State Police, LV Metropolitan Police Dept., Police Athletic League, Police Motorcycle Escort, Branford Police Department, United States Capitol Police, NJ East Orange Police Department, Memphis Police Department** or **Mt Vernon Illinois Police Department**
- who are **married**

Figure 1.6 Facebook Ads targeting to attributes on the social graph

Facebook Ads targeting includes an attribute called, "Precise Interests," which is only sparsely documented, considering its pervasive depth. The inline help in the ad creation tool (Figure 1.7) offers only a limited explanation of what "Precise Interest" targeting entails.

You have to dig a bit through the FB help pages to really get a feel for what areas of users' profiles are culled to comprise the Precise Interests and available to target on the social graph. Here's how Facebook explains Precise Interests to advertisers in the "Likes & Interests Targeting" section of Facebook Ads Help. (The bold text is mine for emphasis.) "Likes & Interests targeting allows you to refine your ad's target audience based on the **content they've included in their profiles**, as well as the **Pages, Groups and other onsite content they've chosen to connect with**. This includes sections like **Interests, Activities, Favorite Music, Movies** and **TV Shows**." Great, cool! This gives us a better idea of what aspects of a person's persona we can access via the Precise Interests.

Let's poke around a bit more. In the, "Why do I see the particular ads I see on Facebook?" help offered users curious about the ads they're seeing, here's how FB explains ad targeting: "Facebook ads may be targeted by your location, sex, age, relationship status, professional or educational history, or to interests you've listed in your profile and the Pages and groups you're connected to… (OK, we know all that, but here's the big black-box-kicker) …**Including more content on your profile that relates to your interests may improve the relevance or focus of the Facebook Ads you're seeing.** "More content that *relates* to interests?" "May improve relevance?" What does *that* mean? Basically FB is telling users that any aspect of their day-to-day meanderings, information in profiles, or whatever, might be included in the big black box. What does this mean to marketers? Chapters 5 and 6 are all about intensive social graph targeting. For now just keep in mind that FB does not tell us everything having to do with users that might impact targeting, and there are amazing user insights to be mined and exploited.
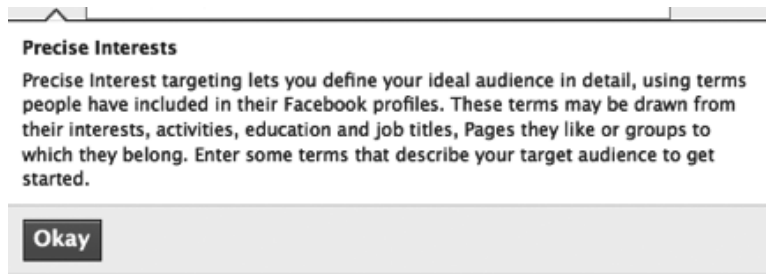
Precise Interests

Precise Interest targeting lets you define your ideal audience in detail, using terms people have included in their Facebook profiles. These terms may be drawn from their interests, activities, education and job titles, Pages they like or groups to which they belong. Enter some terms that describe your target audience to get started.

Okay

Figure 1.7 Inline help explanation of the Facebook Ads "Precise Interests" attribute

The genius of Facebook is that core features mirror types of social activities humans commonly share among themselves. The word *viral* is often applied to the phenomenon of social media. Facebook is the epitome of online virility in that the applications facilitate and amplify compelling behaviors in which humans partake in physical life. People love to send pictures to their families, reach out to make new friends, contribute to important daily discussions, explore mutual interests, and share content that matters to individuals and social groups. We listen to music, pursue professions, watch television, and read books. The social graph keeps track, silently noting our personal predilections as we express them and serving up pieces of us to the highest bidders.

Think about it: in those seemingly forever-ago pre-Internet days, sharing pictures with your mom meant getting extra prints, stuffing them in an envelope, which you'd need to address, stamp, mail, and wait for her to receive. Making friends meant going to physical events and seeing someone across the room, followed by first overtures and getting to know each other. Facebook provides awesome tools to make these, and many other universal activities and indulgences, much simpler. (The fact that it's socially acceptable for users to dabble in voyeurism and various levels of anonymity seems to make the experience all the more alluring.) Facebook pushes human buttons surrounding connection, relationships, news, events, group congregation, etc. to appeal to deeply

primal aspects of being a person, making it easier to connect than in the physical world. No wonder it's such a powerful marketing medium. People love Facebook because of how it streamlines so much of what is important to social humans.

The "price" Facebook charges users in exchange for "free" use of these millennial tools comes with the revealing data yielded by our behavior. Users blindly give up their data for free. There are no privacy settings to shut off Facebook's internal data mining for Facebook ads. Facebook's social graph, the heart of Facebook demographic targeting, is perhaps the greatest development in marketing since search.

What Marketers Can and Can't Do With Facebook Ads

Users can't turn off Facebook Ads and FB does not document how privacy settings affect targeting, if at all. Our testing indicates that locking down privacy settings to the maximum protection allowed does not prevent users' attributes from being targeted. This is exciting news for marketers. Even in light of the ongoing privacy debate and "Do not track" initiatives, I sleep just fine at night knowing that users we target sign off on Facebook's privacy policies in exchange for using Facebook's free tools. One thing's for sure: The less privacy users have, the more money Facebook can make from advertisers and the more advertisers can leverage user information to sell things! The power of Facebook's core features is that they *ooze* tons of information about users. Ultimately, only Facebook knows all the aspects of users' Facebook activities that show up in corners of the FB Ads targeting algorhthm. If users don't want to be targeted by Facebook advertisers, the best answer is to close thier accounts.

Facebook Ads Terms of Services

At the end of the day, what matters most to marketers is getting ads approved, up, and running. The easiest way to know if you've violated the terms of service (TOS) is when an ad comes back disapproved. Facebook's terms of service are an interesting potpourri of rules that limit marketers from selling certain items, impose stipulations surrounding others, and ban various technical and promotional tactics outright. Some rules are common sense. Others have been added over the years in response to various spammer ploys.

It's important to note that because the system relies on humans applying editorial discretion, application of the rules is not always even. There have been many times we've run ads successfully for weeks and cloned them to change the pictures only to have the nearly duplicate ad rejected. If an ad you submit does not seem to violate any identifiable item in the terms of service list, then simply submit it again.

Here is a partial list of what's not allowed; when in doubt, always refer to the most recent FB Advertising Guidelines, found in the help section:

- Automated ads without permission.
- Ads showing URLs that don't link to the same domain as the destination URL.
- Landing pages with fake close behaviors, pop-ups, overs, or unders.

- Mouse trapping (i.e., disabled back button).
- Ads requiring personal information submission (Social Security number, email, phone, etc.), except for e-commerce, where it's made clear that a product is for sale.
- Landing pages with Facebook references (though limited references to Facebook in title body or image to clarify a destination *are* allowed).
- Facebook brand, logos, graphics, or product names.
- Implying that Facebook endorses your product, services, or ad.
- Emulating Facebook features.
- Ads that don't relate to landing page content.
- Ads that don't represent company, product, or brand of advertiser.
- Unsubstantiated claims, "including but not limited to prices, discounts, or product availability," to quote the Facebook Ads terms of service.
- Ads that threaten users.
- Any "false, misleading, fraudulent, or deceptive" ads.
- Ads that play audio automatically.
- This one's a beauty: Ads will not be permitted in cases where a business model or practice is deemed unacceptable or contrary to Facebook's overall advertising philosophy (whatever that means).
- Ads that users complain about or that violate "community standards."
- Swearing, obscenity, or "inappropriate language."
- "Obscene, defamatory, libelous, slanderous, and/or unlawful content."
- Restricted products, including tobacco products, ammunition, firearms, paintball guns, BB guns, or weapons of any kind.
- Ads promoting gambling, including online casinos, sports bets, bingo, or poker, without authorization from Facebook.
- "Scams, illegal activity, or chain letters."
- Get-rich-quick schemes, work-from-home offers, full- and part-time employment alternatives, offers of NSA money, or profit for no or little investment.
- Ads for adult or dating sites that focus on sex.
- Ads for sex toys, videos, or other products.
- Ads for uncertified pharmaceuticals.
- Ads for spy cams or other surveillance gear.
- Online nonaccredited college degrees.
- "Inflammatory religious content."
- Terrorist agendas or speech.
- Commercial use of hot button political items, with or without a political agenda.

- "Hate speech, whether directed at an individual or a group, and whether based upon the race, sex, creed, national origin, religious affiliation, marital status, sexual orientation, gender identity, or language of such individual or group."
- Negative political campaign ads.
- Derogatory or false depiction of health conditions.
- Distributing data culled from campaigns to any third party.
- Displaying user data in ads, such as names or profile pictures.
- Using data for any reason other than Facebook Ads.
- Irrelevant personal targeting; age, location, interest, and gender targeting must be relevant to the product.
- Targeting adult themes "including contraception, sex education, and health conditions" to any user under age 18.
- Ads pointing to dating sites unless the relationship settings are set to "single." Must choose single value for male or female and target individuals over age 18, interest targeting parameter must be set to "single."
- Fraudulent offers.
- Ads that include a price, discount, or "free" offer if the destination page is not the same as in the offer and to the same deal offered in the ad. The ad must say what actions are required.
- Subscription services that don't comply with tight restrictions. If you sell "ringtones, games, or other entertainment services or any site that induces a user to sign up for recurring billing of a product or service," review FB Ads TOS.
- Ads about alcohol are also tightly restricted in FB. From antisocial behavior, glorifying drinking, or even advertisers glorifying the percentage of alcohol by volume, it's very picky stuff. If you sell booze, head over to Facebook Ads TOS and study the rules.
- Infringement on any third party's rights, "including copyright, trademark, privacy, publicity, or other personal or proprietary rights."
- Spam, as defined by laws, regulations, or industry standards.
- Incentives for clicking on ads or giving personal information.
- Links in ads or landing pages that propagate spyware/malware downloads, including redirection.
- Links in ads or landing pages that mine data from users' computers without consent.
- Collecting Facebook usernames and passwords.
- Proxying Facebook usernames and passwords to automate Facebook logins.
- Sneaky software that results in an unexpected user experience, including hidden downloads of various types (see TOS for details).

- Ads with bad grammar, incomplete sentences, repeated words ("buy, buy, buy," for example), misspelled words, incorrect spacing, or capitalization schemes.

- Acronyms that are not capitalized.

- Incorrect or unnecessary punctuation or exclamation points.

- Symbols in ads that don't correlate to the correct usage of the symbol ("$ave" instead of "save," for example) or replace entire words ("&" instead of "and" or "$" instead of "cash/dollars/money," for example) except if the symbol is part of the product or brand name.

Famous Facebook Lawsuits

Facebook has been sued by a number of people. They've also sued spammers and won. Here are a few cases for and against the big *F*.

November 2008: *Facebook v. Adam Guerbuez and Atlantis Blue Capital* In 2008, Facebook was awarded $873 million in damages against defendants Adam Guerbuez and Atlantis Blue Capital for spamming users via personal Facebook messages. This case represented the largest judgment on record for action under CAN-SPAM. (The full name of the CAN-SPAM Act is Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003.)

June 2009: *Facebook v. Sanford Wallace* In a case against Sanford Wallace, self-described "spam king," Facebook was awarded $711 million in a court judgment. Wallace was accused of obtaining access to Facebook accounts through fraudulent methods and subsequently using the accounts to execute phishing scams.

February 2010: *Nine Facebookers v. Facebook* Nine Facebook users have filed two class-action lawsuits as a result of misappropriated personal information in regard to then-recent revisions in privacy settings. Those filing the suits claimed the settings were misleading and they resulted in the unintentional sharing of personal data that was then leveraged for commercial use.

August 2010: *Cohen and Orland v. Facebook* Robin Cohen and Marcia J. Orland of the Los Angeles area are suing Facebook in response to the seemingly ubiquitous "Like" button that appears on the social network's advertisements. Cohen and Orland claim their children, who are both under the age of 18, are being exploited for profit-making purposes when they "Like" ads they see mutual friends have also "Liked." The parents argue that before Facebook.com leverages minors' "Like" data for commercial purposes, parental consent should be required.

October 2010: *Facebook v. Spammers* The social networking website filed three lawsuits in U.S. federal court in San Jose, California, against persons allegedly attempting to dupe Facebook members into registering for spam mobile subscriptions, thereby violating its terms and applicable law. The defendants, Steven Richter, Jason Swan, and Max Bounty, Inc., are accused of running more than 27 fake profiles, 13 fake pages, and at least 7 applications in association with an affiliate marketing advertising scam.

October 2010: *Nancy Walther Graf v. Facebook* Nancy Walther Graf of Minnesota is suing game developer Zynga for allegedly distributing Facebook users' personal information for money. The plaintiff alleges that in violation of Zynga's agreement with Facebook, Inc., and privacy laws, the company has deliberately transmitted personal data including users' real names to third-party advertisers and marketers without consent from users. Walther Graf is seeking class-action status from the U.S. District Court in the Northern District of California.

The Ethical Marketer's Rules of Engagement

Facebook Ads is a prodigal channel, a tactical road for marketers to take en route to attaining carefully thought-out objectives, perhaps in tandem with other channels. When targeting users to receive ad impressions, take care to understand the community you're dealing with and how your messages jive.

Because the advertisements are contextually targeted, users' acquiescence to advertisers is more tacit than search, where users query for specific results. As a result, the psychological dynamic is a lot different. It's almost as if marketers are invited into closely knit virtual municipalities where community members are connected by the essence of who they are rather than physical borders. Users *do* click those little *X*s, which make specific ads go away. If enough users take the trouble to indicate that your ad annoys them, Facebook supposedly banishes the ad from showing. Here's what we think are best practices when serving socially targeted ads.

Follow the Law

In nearly every part of the world, there is at least some form of protection for intellectual property, including text, images, catchphrases, logos, product names, and other assets. At the end of the day, following laws for the jurisdiction in which marketing is deployed is the single most important consideration.

In the world of search, there have been a number of cases where litigants slugged out how laws are applied to triggering ads with keywords, displaying trademarks or service marks in ad copy, and use of copyrighted materials. Throughout legal history, concepts of slander and libel have been litigated, adjudicated, and appealed, and tons of law has been made. Scams are scams, whether perpetuated in the back alley or on Facebook. Fraud is fraud and negligence is negligence.

These types of lawsuits and the outcomes are old news in traditional channels. Also, many industries have regulations that govern where and how advertising can be done. There are certain restrictions (or not) on tobacco, booze, sex, drugs, and gambling in certain areas of the world.

Gross and subtle distinctions between applicable laws in the United States, England, China, Australia, and everywhere else in the world Facebook penetrates would easily be a book in itself. However, there are fundamental rules that, if followed, will help keep you out of trouble.

> **Note:** I'm not a lawyer so do *not* construe this as legal advice. Please visit with your friendly internationally qualified law firm for input as to your specific situation.

Don't assume that because your ad is still running, you've not violated the law somewhere. TOS violations can get you kicked off of Facebook. Violating the law can gut your business and ruin your life.

Don't say anything that's not true. Assertions of any kind should be rooted in documented and indisputable facts. That said, always telling the truth doesn't protect you from being sued. Especially when dealing with big companies, it can cost a crazy amount of money to respond to even a frivolous action brought against you.

Read and understand the license for any creative materials you purchase. If you're working with an independent contractor to create intellectual property to be used in your ads and landing pages, make sure that the contractor vouches that the intellectual property is clear of restrictions. The last thing any business needs is to get sued for ripping off somebody else's intellectual property.

Be wary of highly aggressive competitive practices. If in doubt, don't do it. We can't find any case law defining what's legal or not about triggering Facebook Ads by targeting other companies' brand-name fans who have expressed the brand proclivity in their interests. It is reasonable to expect that such case law will exist in the near future because it's a serious hot button. Always consider and explain to clients and/or your boss that such practices may result in legal exposure.

Advertising on Facebook, as mainstream as it is, still amounts to gun slinging in the old Wild West. They're more than happy to sell you the ability to target people who "like" Martha Stewart or Malt-O-Meal, regardless of the future legality thereof or where the data comes from on the social graph with respect to privacy settings.

Don't pretend you're someone you're not. In some parts of the world, it's literally against the law to run a sock puppet avatar. The legal noose is beginning to close in on those who post fake reviews in the United States. More American states are passing laws which criminalize online impersonation.

Follow terms of service. When it comes to what we can and cannot sell on Facebook, the restrictions evolved largely out of (a) the terrible advertisements Facebook accepted when the site was young, and (b) ruthless affiliate marketers spamming the tar out of Facebook

users. While most marketers fudge a little here and there, finding sneaky ways to market restricted products such as lotteries or pharmaceuticals won't work out for anybody.

Only market things that have real value. It is said that the only real way to attain wealth is by the creation of value. The best Facebook Ads campaign is for a product that doesn't suck. An age-old adage in the marketing business is that "you can't wrap a turd up in a pretty bow" and expect happy customers, good reviews, and repeat business. Don't be in denial about "value" and what it really means to a targeted user. Again, if it feels wrong, don't do it. If testing shows users don't care, stop. We've seen community backlash starting with the committed and outspoken angst of a single user that mushroomed virally into reputation problems for businesses.

Facebook Ads is a double-edged sword. While we may reap the benefits of serving ads into an environment where users can easily share something good they've discovered with their peeps, it's just as easy to propagate disdain. Trust me, one bent Facebook user can cause stress, legal bills, and lost sales. Don't market products having little or no value. It can come back to bite you or your client. Trust your instincts and don't delude yourself or others.

Keep promises. Think of ad copy as making a promise, lined up with a landing page that *keeps* the promises. Strive to make landing pages validate the users' clicks with an "Atta boy (or girl), way to click on the most appropriate ad. Now you're at the perfect place."

Don't be *too* creepy. I was contacted last February by an advertiser who was selling outpatient psychological services, targeting 50- to 60-year-old women in a very small community in rural Minnesota. He wanted to target those interested in Alcoholics Anonymous with messages like, "When Going to AA is Not Enough to Get Over Your Horrible Divorce," and "Being Drunk Didn't Help, Going to AA Didn't Help," and so on. We didn't take the job. Coming from a recovery background, I knew that such messaging transcended the creep-factor I was comfortable with.

Facebook ads are insidious and lovely all at once. There's a deep psychological tug that seems to occur in tightly targeted demographics. Our agency helps to market a well-known online marketing conference series. The product, and therefore, the ads were all about SEO, PPC, social media—all things I personally love and express in my social graph. Our team deployed a number of ads, which ended up being targeted to my Facebook page. I clicked those ads over and over, only to discover that I'd been taken in by my own shop's targeting prowess! The targeting and ads are just that deep, resonating on a level beyond visceral. Watch your step. Be gentle. Don't be egregious in manipulating people's feelings and perceptions.

Manipulate only to serve. On the other hand, we're in the channel to make money, friends, or both. Guile and ingenuity that lead users to a conclusion serving mutual needs are totally in order. Reasonable manipulation might include ads that end up being

served to a competitor's fans, say for a new, better, and cheaper product and without disclosing the competitive nature of the ad until the landing page.

It's not wrong to make chocolate lovers drool over a fantastic truffle picture on the way to a landing page that's about a fabulous candy recipe book. Nor is it out-of-bounds to brand orthopedic surgery targeted at high-school-age athletes and their parents. When it gets to clever-time, ask whether the desired outcome of the ad and landing page truly serves the user.

We often ask clients, "If the bionic fireman saves that cat from the burning tree, is the cat any less dead?" Sure, there was manipulation going on: The fireman wasn't real, but the cat isn't dead, right? Ergo, manipulate only to serve.

Set realistic KPIs. We'll get into this in much greater detail later on, but for now, consider this: Many marketers get poor results with their Facebook ad campaigns. People have come to us saying, "What gives? We served 80 million impressions but the CTR (click-through ratio) was only .02 percent. The visitors stayed on the landing page for 50 seconds on average, drilled into the main site, but did not buy."

OK, let's have a look. First, .02 percent is a fine CTR for many Facebook Ads campaigns. Facebook won't shut the ad down for that. Second, that's 80 *million* impressions, branding the product to pretty much everybody who sees the ads. The other side of a low CTR for CPC (cost per click) ad with massive impression volume is the incredibly low CPM (cost per thousand impressions). Google can cost upwards of five times the CPM. The campaign may be justified as an incredibly low-cost and highly targeted branding play. If the appropriate expectations had been set, the perception of success might have changed.

Sure, Facebook ads can be terrific direct response, first-touch-sales mechanisms. However, we all know that many conversions require more than one interaction with a customer. Plan what your ads are for. Set realistic goals. Don't put too much pressure on the channel with unrealistic expectations.