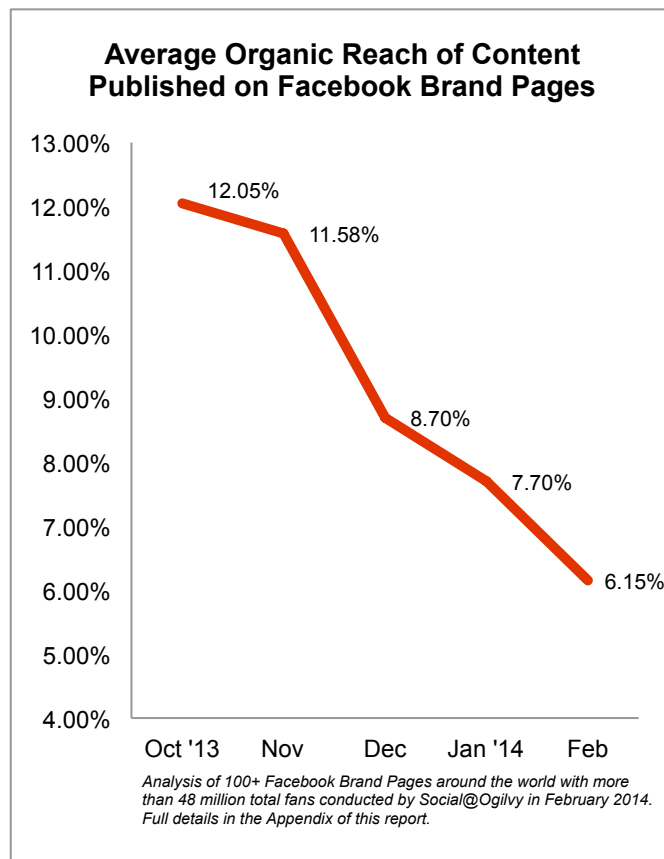


Facebook Zero: Considering Life After the Demise of Organic Reach

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Organic reach of the content brands publish in Facebook is destined to hit zero. It's only a matter of time.

In 2012, Facebook famously restricted organic reach of content published from brand pages to about 16 percent.¹ In December 2013, another round of changes reduced it even more. By February 2014, according to a Social@Ogilvy analysis, organic reach hovered at 6 percent, a decline of 49 percent from peak levels in October. For large pages with more than 500,000 Likes, organic reach hit 2 percent in February. (Full details of our study are in the Appendix.) And Facebook sources were unofficially advising community managers to expect it to approach zero in the foreseeable future.



The ability to build communities of fans, and then maintain contact and encourage engagement using content published to fans' News Feeds was a critical aspect of Facebook's early appeal to marketers. The opportunity of achieving engagement at scale motivated many brands and corporates to invest millions in developing communities and providing for their care and feeding via always-on content.

With the impending end of organic reach, what are the consequences for marketers and others who use Facebook to connect with their communities? How can brands and corporates get the most from Facebook in the future? Is

¹ Facebook defines Organic Reach for a post as follows: "The number of people who saw your Page post in news feed or ticker, or on your Page's timeline." In simpler terms, anyone who saw your content where that exposure was not as a consequence of paid advertising.

Facebook still a driver of “earned” conversation and word of mouth? Or is it just a straightforward paid channel? How should communities approach content and engagement going forward?

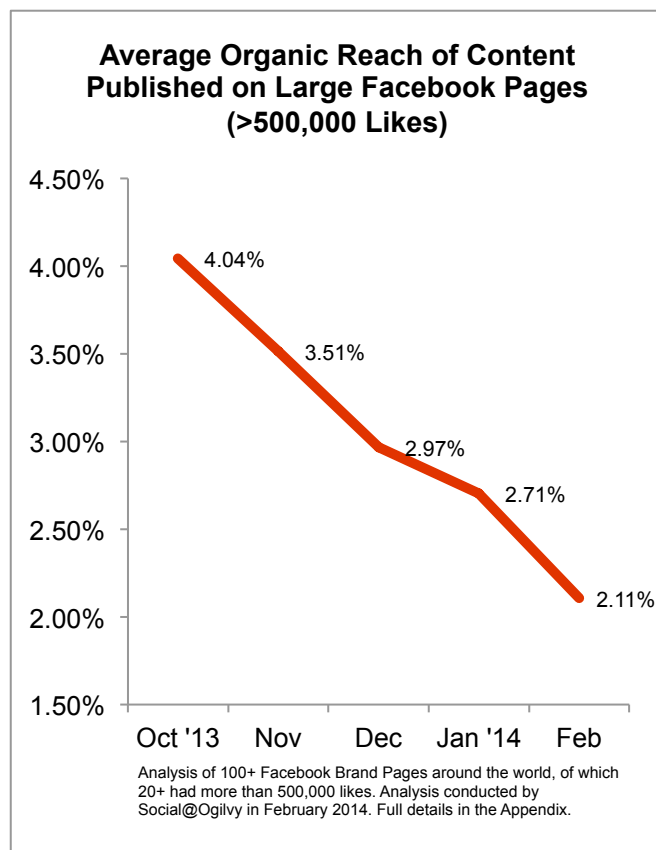
This paper attempts to explore those and other questions, and to provide some practical recommendations for maximising the value of social media in this ever-evolving landscape.

Not Quite a “Paid” Platform

Facebook has always been an oddity in the “Paid, Owned, Earned” model. Many brand leaders and community managers view their Facebook page as “owned” space. (Although Facebook’s constant fiddling regularly reminds us that this is a mirage.) Content distributed to fans’ News Feeds and amplified to non-fans via likes, comments and shares is an efficient and effective form of “earned” word of mouth. And Facebook’s suite of “paid” products has helped drive community growth, engagement at greater scale, and wider amplification of fan activity.

With organic reach removed from the mix, it would be easy to conclude that Facebook will be just another paid channel.

And in the context of engaging an existing community, it will become precisely that: Paid support will be required to reach existing community members. But the evidence is clear that Facebook fans have incremental value: A ComScore study found that one retailer’s Facebook fans were 27 percent more likely than a control group to make a purchase in the four weeks following a paid campaign.²



² ComScore, The Power of Like 2. June 12, 2012.

http://www.comscore.com/Insights/Presentations_and_Whitepapers/2012/The_Power_of_Like_2_How_Social_Marketing_Works

NB: ComScore’s study doesn’t attempt to discern whether fans are more likely to buy because they became or fans, or because they had high affinity, and therefore higher purchase intent before they became fans. For our purposes, that doesn’t matter here. Our fans are more likely to buy our products and amplify our content. That makes them more valuable than an average consumer.

The power in Facebook remains its potency to generate earned conversation and engagement. The requirement to distribute content to community members via paid shouldn't change that. Fans will still see brands' content in their News Feeds and, if the content is interesting enough, will pass it along to their friends. And there's real value in this. According to Nielsen, social ads that carry a friend's endorsement ("Your friend Mary likes Acme Cheese"), generate a 55 percent higher ad recall than non-social ads.³ And of course, earned remains squarely at the top of the value table as well with 92 percent of global consumers saying they trust "Recommendations from people I know" and 70 percent saying they trust "Consumer opinions posted online."⁴

In summary, the model has shifted. Previously, brands were using "owned" to fuel "earned". Going forward, they'll need to use "paid" to fuel "earned," but that doesn't make the earned any less valuable.⁵ Success will require deploying paid differently – in smaller increments of both target audience and spend, and optimizing in real-time to ensure that spend is efficient and effective.

Content: What, How and How Often?

The practice of always-on content developed around the idea that communities required conversations, and brands couldn't arrive and depart from conversations at moments of their choosing. But as Facebook evolved into a platform for broadcasting shareable content to communities of fans, the conversation model evolved as well, built on the recognition that one-to-one conversations don't deliver the scale that brands are usually aiming for.

At the same time, an editorial model has emerged where brand storytelling has become appropriately sensitive to news, trends, and events happening in the moment. That model is proving the value of brands acting as publishers.

The demise of organic reach won't change this. As sites like BuzzFeed, Business Insider, and others have demonstrated, the imperative is to create timely content that fans and advocates want to discuss and share. The requirement is for an approach that provides for real-time, planned content and big campaign moments that wow.

That said, the end of organic reach does force certain, probably healthy, changes. Inevitable budget limitations and lack of audience attention will force brands to be more selective in what they publish and promote. Less publishing ought to allow time and resources for more engagement and real

³ Nielsen. Global Trust in Advertising and Brand Messages. April 2012. p.3.
<http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2012-Reports/global-trust-in-advertising-2012.pdf>

⁴ Ibid.

⁵ There is much concern at the moment about "likes fraud" and other fraudulent behavior in Facebook. While this paper doesn't try to address those issues, they clearly merit watching.

interaction within communities. “Always on” will shift to platforms like Twitter and Instagram that are more suited to it.

Finally, brands will have to be more selective about when to publish. The Super Bowl isn’t the right moment for every brand. By staying rooted in audience preferences and interests, brands can decide the right times to heighten activity, and be truly real time.

Narrow the Focus. Customise the Experience.

By utilising information already available via Facebook’s API, we can identify key behavioural information. For example:

- When a user became a fan of our page, and often, why they did so.
- What content they have liked, commented on, or shared.
- When they last engaged with the page’s content.
- Their age, interests, and assorted other profile information.

This information equips brands to begin subdividing their communities and more effectively targeting content at the fans who are most interested in it. The targeting tools, however, require paid support utilising tools like Facebook Custom Audiences. Google Circles offers brands an opportunity to target this way as well, but considerably more work will be required for most brands to attract their fans in Google+ and engage with them in a meaningful way. And activity in Google+ can have disproportionate benefits on search performance.

Going forward, Facebook is sure to continue improving its targeting functionality. Our responsibility is to make the most of those capabilities by delivering content to our audiences that they will really love, and want to share. To do so, we must think about our communities in smaller groups. While one-to-one and one-to-many remain relevant communications models, one-to-a-few, one-to-several, and one-to-a-bunch-but-not-everyone are now equally valid approaches, and must be embraced as such. Social strategies that emphasise customer engagement and customer value will be more likely to find success, and this is where social CRM efforts should focus.

Beyond this, brands must also use paid media to target non-fan brand advocates. A careful analysis of user activity will identify Facebook users who interact with a brand’s content without being a fan of the brand’s page. (Ogilvy has a proprietary tool to make this easy.) These “advocates” are potentially powerful drivers of word of mouth, even if they aren’t Fans of the page, and are often more vocal and engaged than the most active members of our Fan base.

Facebook for Customer Service

Facebook’s changes won’t stop customers and activists from posting their questions, concerns and provocations on brands’ walls. Integration between community managers and customer service will remain essential. The

emerging reality is that a well-trained in-house customer service team can handle queries and issues more efficiently and at less cost than over the phone, and protect customer relationships at a high implied ROI.

The Biggest Lesson: Return to Platform Neutral

Social media remains a hugely valuable place for brands and businesses to engage with communities of customers, advocates, influencers and stakeholders. And a great deal of unexplored opportunity still awaits. Innovative ideas in areas like social CRM, real-time marketing, advocate and countless others continue to emerge.

However, the prime lesson as we approach Facebook Zero is to avoid overcommitting to a single platform. The right recipe for social starts with clearly defined business objectives, folds in a strong understanding of what the audience wants, and a few measures of clever storytelling designed to facilitate engagement. The story's requirements – Are there photos? Should we use video? Are we creating, aggregating, curating or all of the above? – and the audience's behavior should dictate platform selection.

Specific Action Recommendations for Facebook Activity

- Convene a workshop with your community managers, editorial leaders, content team and brand leaders to determine how Facebook Zero affects your social strategy. Needless to say, Social@Ogilvy would be happy to help.
- Put aside a flexible pot of paid media budget to spend in small increments in order to ensure content reaches advocates and, when appropriate, your whole fan base.
- Develop a paid strategy to subdivide your existing community and more effectively target content at advocates and fans who are genuinely interested in it.
- Get used to making harder choices about what to publish. Be prepared to publish less frequently. Review, revise and rededicate yourself to your key storytelling themes. Ensure the themes deliver against your business objectives. Be assertive about refusing to publish content that's off-theme, irrelevant or boring.
- Re-evaluate your day-parting strategy. Publishing less, better targeted content may require that you experiment with different publishing times.
- Consider publishing content multiple times in different day-parts with variances in headline, image, and copy. Depending on your audience and their consumption habits, you may be able to use this technique as an imperfect but useful form of A/B testing to select which form of creative to boost with paid.

Other Recommendations

- Make sure you're pursuing a platform neutral social media strategy that's rooted in your business objectives. Don't be platform dependent.
- Nail an editorial approach to content creation. Be sensitive to news and trends happening now. Be ready to react and respond.
- Aggressively pursue cross platform recruiting. Work to drive Facebook and Twitter followers to websites and other platforms where they can be recruited into CRM databases. Consider database recruitment direct from social platforms.
- When possible, offer users the chance to login to password-only and e-commerce sites with social logins. Doing so makes it easy to harmonise data from social APIs into your CRM database.

A Final Thought

This isn't an academic exercise. Facebook Zero is a reality now facing every brand and business with a presence on the platform. Action is required, and specific decisions will need to be made with regard to content planning, paid support for social media activities, audience targeting and much more. Hopefully, this paper has offered a practical view and even more practical solutions that will help your decision making process both to get the most of out of Facebook and your wider social media strategy. And of course, we invite you to get in touch if we can help you with that process or elaborate on any aspect of our thinking.

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Appendix: Summary of Findings & Data

Social@Ogilvy calculated the average organic reach⁶ by month for 106 Facebook brand pages in markets around the world using post-level data. The pages collectively represent more than 48 million fans across a wide range of industries, products and verticals as well as a mix of global and local brands.

Average Organic Reach	Oct '13	Nov	Dec	Jan '14	Feb	Change from Oct. vs. Feb.
All Pages in Study	12.05%	11.58%	8.70%	7.70%	6.15%	-48.94%
Pages w/ >500,000 Likes	4.04%	3.51%	2.97%	2.71%	2.11%	-47.88%
Pages w/ >100,000 and <500,000 Likes	13.05%	12.04%	9.01%	8.46%	6.38%	-51.11%
Pages w/ <100,000 Likes	13.66%	13.46%	10.02%	8.55%	7.02%	-48.58%

Our key findings are as follows:

- Average organic reach declined from 12.05% in October 2013 to 6.15% in February 2014, a total decline of 49%.
- The biggest decline was in December, at the same time Facebook made widely reported changes to the algorithms that determine which content is displayed in users' News Feeds.
- Large pages (>500k fans) started from a much lower base of organic reach than medium (>100k and <500k fans) and small pages (<100k fans), but in percentage terms, the decline was remarkably consistent regardless of page size – all three categories experienced drops of about 50%.
- Large pages can expect a much lower organic reach – now at around 2% -- than small and medium-sized pages.

⁶ Facebook defines Organic Reach for a post as follows: "The number of people who saw your Page post in news feed or ticker, or on your Page's timeline." In simpler terms, anyone who saw your content where that exposure was not as a consequence of paid advertising.