

# Think local, build global

The Facebook frenzy is catching up with the industry

With more than 750 million active users, Facebook is almost double the size of the entire US in terms of population. Almost every one is now on this giant social networking Website – especially those who run business organisations. So much so that today, you really need to set up a fan page on Facebook – or else you risk being left behind, as more businesses shift to the age of social media.

An instance in point is Cocoberry, a premium frozen yogurt chain. With a visitors' average of 75,000 each day, the page of Cocoberry was created at the inception of its first outlet in February 2009. Being a brand that entered with a new concept in the market, which involved extensive consumer understanding, the team at Cocoberry, after comprehensive market research, decided that social media was the best way to get connected with their target consumer. And social media has been tremendously helpful in creating awareness for the brand, to popularise the product and to, consequently, accelerate growth. "Social media is the most prominent marketing tool for any brand these days," says G.S. Bhalla, founder and CEO, Cocoberry.

Founded by former-Harvard student Mark Zuckerberg with his college roommates and fellow computer science students – Eduardo Saverin, Dustin Moskovitz and Chris Hughes, Facebook is a social networking service and Website launched in February 2004, operated and privately owned by Facebook, Inc. Developed

with the initial intention of serving as a tool of communication, Facebook has now emerged as a vehicle of business promotion.

With over four million fans, Tata Docomo is the 'Top Indian brand' on Facebook, followed by the ever popular Vodafone Zoozoos which boast about 2.3 million fans. "Promotion of one's business through Facebook potentially offers a superior return on investment opportunity compared to traditional printed signs. Online advertising allows customisation of advertisements, including content posted on Websites," says Sanjay Tripathy, EVP and head, marketing and direct channels, HDFC Life.

## Two-way street

Social media is a two-way street. A customer can connect with his/her favourite brands in terms of how the consumers feel about the different aspects of the product, what are their expectations, queries, etc. It is a great feedback mechanism. Moreover, social media has no constraints in terms of space, time, cost and reach. "It helps any brand connect to age groups across the spectrum," says Bhalla. "Social networking these days is less guided by age or demographics, though it can be targeted as well. Of late, people from all age groups have started joining these sites to enjoy the fruits of sharing knowledge and experiences on multiple brands and their offerings."

"Inorbit typically makes use of Facebook as the medium to advertise on



a regular basis," says Nishank Joshi, DGM, corporate communications, Inorbit Malls. "And for us, the primary target age group is 18-35."

Sanofi Pasteur, the vaccines division of Sanofi, a global and diversified healthcare leader, has also launched the 'Mothers Against Flu' campaign on Facebook, creating awareness on the protection of children against flu.

Facebook is a double-edged tool, say some. Marketers use it as a CRM (customer relationship management) tool today, because no other channel currently allows the quality of engagement that Facebook does. Thus, most often, in the social media marketing channel mix, Facebook is the lead vehicle for customer engagement. Being able to tap into real time conversations with the consumer, allowing the consumer to communicate with the

## By leaps and bounds

Facebook's user count has crossed the 750 million mark. An average user has 130 friends on Facebook and people around the globe spend a massive 700 billion minutes per month on Facebook. As per Insidefacebook.com, a Facebook trader, the age group of 18-34 years

contributes to 49 per cent of Facebook's user-base, yet its fastest growing age segment is the 55-64 and 65 and above (Forbes report). In India, Facebook has claimed more than 35 million users with a massive growth rate of 69 per cent during July 2010-June 2011 (source: Comscore).

## Facebook facts

- Mumbai has the highest Facebook user base in India with 3.7 million Facebook users (18th in the world), while Delhi (1.6 million) and Bangalore (1.3 million) rank 36th and 38th respectively.
- Average Facebook ads cost per click (CPC) in India is about 53 cents (₹23-24) as compared to the US average of \$1.22 (about ₹55). While cost per 1,000



business owner, coupled with the fact it is a great amplification tool for any brand – all make Facebook a more powerful marketing tool than the traditional set.

There are two ways to manage your ad spend when running media on Facebook:

- **Cost per click:** You pay every time a user clicks on your advertisement. It doesn't matter whether your ad was served 100 times or 1 million times, you only pay for every click.
- **Cost per impression:** You pay for a set number of impressions, or, ad views. This is measured in multiples of 1,000 and is called a CPM or 'cost per million' ad spend.

Customer Centria, a customer engagement company, provides digital marketing solutions to help producers connect with their consumers. "We

impressions (CPM) in India is 23 cents, in the US it is 52 cents.

- According to recently launched Facebook places, Mumbai International Airport has recorded maximum check-ins (4,154), followed by Bangalore (2,277) and Mumbai Domestic (2,243).
- In last six months alone the Indian Facebook user base has grown by over 11 million (from 17 million on 10 December,

look at social media as geography, and so a Facebook page, in a sense, is the real estate of the brand," says Kim Saldanha, vice-president, marketing, Customer Centria. "It provides the marketer with a platform to engage consumers in a conversation. It also provides endless amplification opportunities to make the brand truly interactive through its various tools like tabs, events, polls, etc."

"According to a recent *Forbes* report, the fastest growing age segments on Facebook are the '55-64' and '65 and above' groups," says Saldanha. "Luxury brands like Louis Vuitton, Gucci and Chanel, which target the luxury consumer, also use this medium to engage with their customers. We use social media to market to the luxury consumer for Taj hotels, across 26 hotels across the globe, and it includes a host of social networking sites from Facebook and Twitter, to the more hospitality focussed channels like FourSquare and TripAdvisor. So essentially, it's not the age of the consumer, but the need that a marketer is looking to fulfil through social media,"

#### SUCCESSFUL FACEBOOK BUSINESS PAGES

Business	Number of likes
MTV India	2,943,774
Tata Docomo	4,368,123
Fastrack	2,163,619
Axe Angels	1,868,217
Pizza Hut India	749,397
Pepsi India	1,625,551
Kingfisher	2,425,714
BlackBerry India	988,151
Cadbury Celebrations	1,177,221
Tata Sky Active	552,575

2010 to 28 million on 11 June 2011). In April this year, India had added the maximum Facebook users in a month.

- India has the fifth largest Facebook user-base in the world and is expected to become the second largest Facebook user-base by end of 2012. These numbers and growth rate is humongous considering that Facebook had a small slice of Indian market share just three years ago.

he adds. Customer Centria now manages the social media engagements for Being Human, Taj Hotels, Mom & Me and Cotton World.

Engagement is a key metric to measure the success on Facebook, and there are many successful pages on Facebook, which are low-cost and do not require large amounts of investments. Setting up a Facebook page is free. However, developing applications meant to engage Facebook page fans could run from ₹20,000-5,00,000, depending on the complexities involved. It has infinite scope of reach, and it is the interactivity of a brand with consumers that makes a Facebook page more popular than any other platform. And it doesn't take hours every week to update these social media pages.

Lately however, the site has also been receiving lot of flak for its privacy policies. So much so, that in 2008, many companies removed their advertising from the site because it was being displayed on the pages of controversial individuals and groups. Nonetheless, like the majority, Saldanha says, "Every marketer can define the extent to which he wants the brand 'exposed'. The fact is that the more transparent and open, the more effective the brand."

In India, a lot of brands are investing in the network to engage users and drive conversations. However, the investments are not too large in volume as Facebook will still take time to emerge as the big answer to digital business promotion. Indian audiences have not accepted Facebook to that extent yet. Nonetheless, from multinational companies to local firms, all are now vying to use Facebook's fan pages, because they can effectively target customers – be they from around the world, or only from your area. The pages can be updated with a lot of flexibility and ease of use. So, if a business owner still does not own a Facebook fan page and is looking for best results in advertising his business, he will be well-advised to create one right now and start pulling his customers from the very first moment because in the times to come, Facebook will be the big thing for business.

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