

Measuring success on Facebook

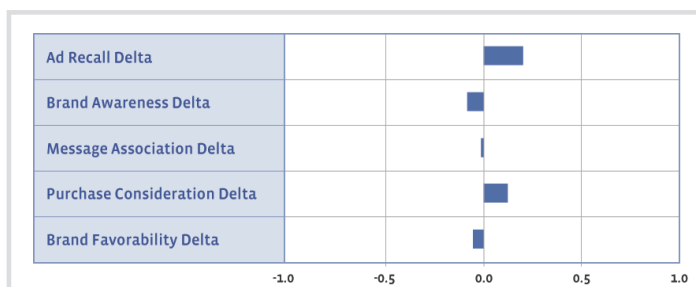
Businesses will be better in a connected world and Facebook believes in demonstrating the value that your business creates by measuring the results that matter.

Measurement standards for a connected world

As new media platforms emerge, the measurement standards that marketers rely on must also evolve. TV advertising relies on GRPs to assess reach and frequency, and early online advertising was confined to analyzing clickthrough rates. However, Nielsen released a paper in October 2011 demonstrating that CTR is problematic for online marketers because it doesn't correlate to sales, nor to changes in ad recall, message awareness or purchase intent.¹



Source: Nielsen Brand Effect, October 2011¹



Source: Nielsen Brand Effect, October 2011¹

Facebook is working to create measurement standards that enable businesses to measure meaningful success and allow for cross-platform comparison.

We focus measurement on four areas: Reach, Brand Resonance, Reaction and Consumer Insights.

Reach

Users share their real identities on Facebook and brands can therefore understand the demographic profiles of the audiences they reach on Facebook. Given this opportunity, Nielsen launched Nielsen Online Campaign Ratings (OCR), with Facebook as one of their data providers. OCR makes it possible to:

- Assess the accuracy of online campaigns in delivering advertisements to the intended audience
- Provide a consistent set of metrics that allow marketers to measure audiences across online and television with a GRP comparable metric
- Measure reach for any size of campaign, running on any website, for any duration

¹ [Nielsen, "Beyond Clicks and Impressions: Examining the Relationship Between Online Advertising and Brand Building", October 2011](#)

Sample report for brand awareness campaign on Facebook > Target: Female 25+

Demo Group	US Pop Base	Unique Audience	Audience % Share	Impressions	Impression % Share	Audience Reach (%)	Avg. Frequency	GRP
Female 2-14	26,300,000	18,723	0.47%	59,638	0.49%	0.0%	3.19	0.23
Female 15-17	6,260,000	3,203	0.08%	14,117	0.11%	0.0%	4.41	0.23
Female 18-20	6,350,000	30	0.00%	44	0.00%	0.0%	1.47	0.00
Female 21-24	8,110,000	9,684	0.24%	25,444	0.21%	0.1%	2.63	0.31
Female 25-29	10,080,000	305,420	7.81%	649,288	5.38%	3.0%	2.13	6.44
Female 30-34	9,940,000	331,950	8.49%	730,600	6.06%	3.3%	2.20	7.35
Female 35-39	10,160,000	486,350	12.44%	1,097,882	9.10%	4.7%	2.26	10.81
Female 40-44	10,590,000	554,093	14.17%	1,272,468	10.55%	5.2%	2.30	12.02
Female 45-49	11,230,000	592,636	15.16%	1,650,415	13.68%	5.2%	2.79	14.70
Female 50-54	11,180,000	580,303	14.84%	1,840,984	15.26%	5.1%	3.17	16.47
Female 55-64	18,730,000	828,357	21.19%	3,630,813	30.11%	4.4%	4.38	19.38
Female 65+	22,440,000	197,246	5.04%	1,084,927	8.99%	0.8%	5.50	4.83

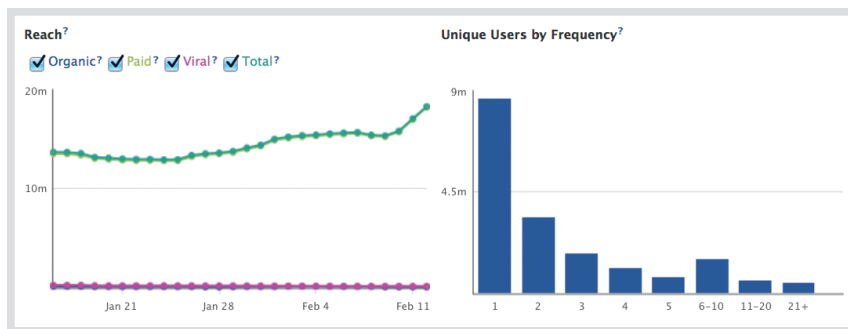
98.62% of delivery reached the target audience

Source: Sample OCR report, October 2011

According to a Nielsen OCR study, for narrow targeting Facebook reaches its intended audience 90% of the time versus an online industry standard of 35% and an American Idol average of 11%. When using broad targeting, Facebook reaches its intended audience 95% of the time versus an online industry average of 72% of the time and an American Idol average of 55%.²

While OCR allows you to measure reach across media, our Page Insights product allows you to view your reach on Facebook. Page Insights allows you to see:

- The breakdown of paid, organic and viral reach on your Page



- Engagement, measured by the number of people talking about your Page
- The relationship between reach, engagement and people talking about your content for each piece of content you have posted

² Nielsen, "Reaching the Right Audiences Online", October 2011



Brand Resonance

Facebook also allows brands to assess whether they are moving desired brand perceptions. Common brand resonance goals that businesses can measure on Facebook include:

- How awareness increased for a new product
- Whether a marketing message resonated with its target audience
- What brand perceptions your fan base holds
- How a desired perception has changed over time

The Nielsen Brand Effect product enables businesses to run opt-in polls to assess how advertising campaigns performed at influencing metrics like brand recall, message awareness and purchase consideration. Brand tracking polls allow you to measure desired attributes over time.

1 Ad displayed to user

Control group created dynamically

Users randomly assigned to exposed & control groups while ads are served, yielding two groups that are perfectly matched on targeting and site usage

2 Polls next day in ad context

Fast, representative results

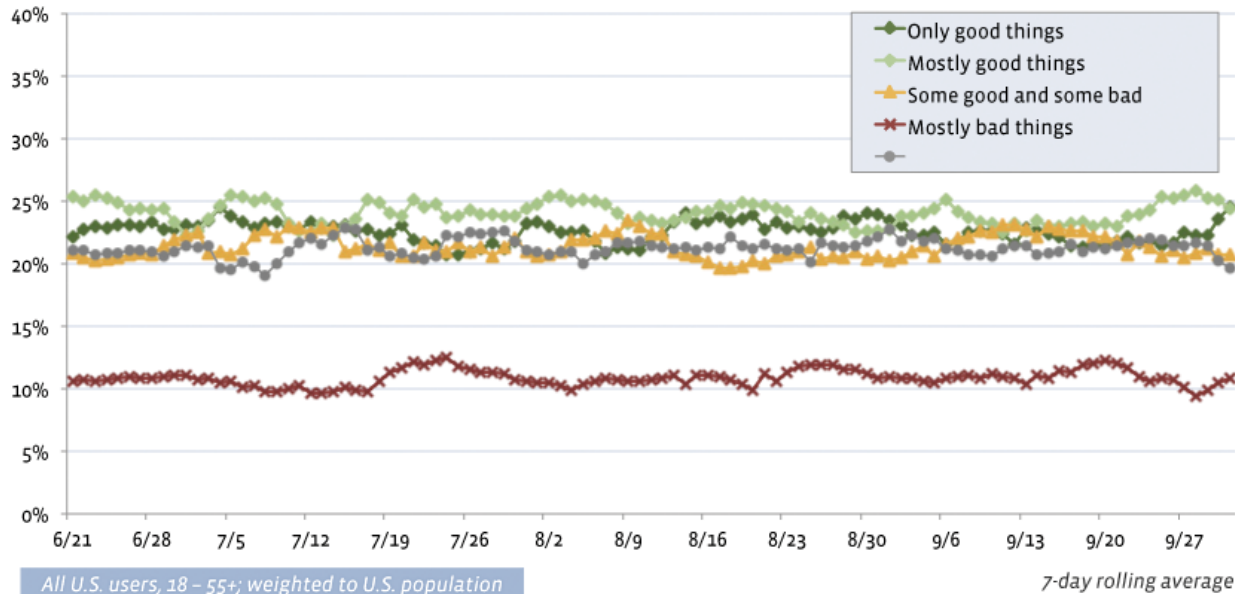
Summary results with demographic cuts delivered in 3 days (2 days post ad run)

High response rates, 10-100x of other methods, ensure representative sample & not “professional survey takers”



Nielsen Brand Effect has shown that campaigns on Facebook that include the names of friends show a greater than 50% increase in ad recall.

Which statement best describes what you have heard about this brand from your friends and family?



Facebook Research Data: n = ~2000 each week; weighted to U.S. census

A recent study by Millward Brown showed that Facebook was the most efficient form of media at driving desired brand perceptions and overall brand equity when compared to other online, out-of-home and television advertising.

In addition, an ongoing Facebook presence and asking your fans questions can provide insights about your brand. Page Insights can help you understand which content resonates the most with your fans.

Page Posts

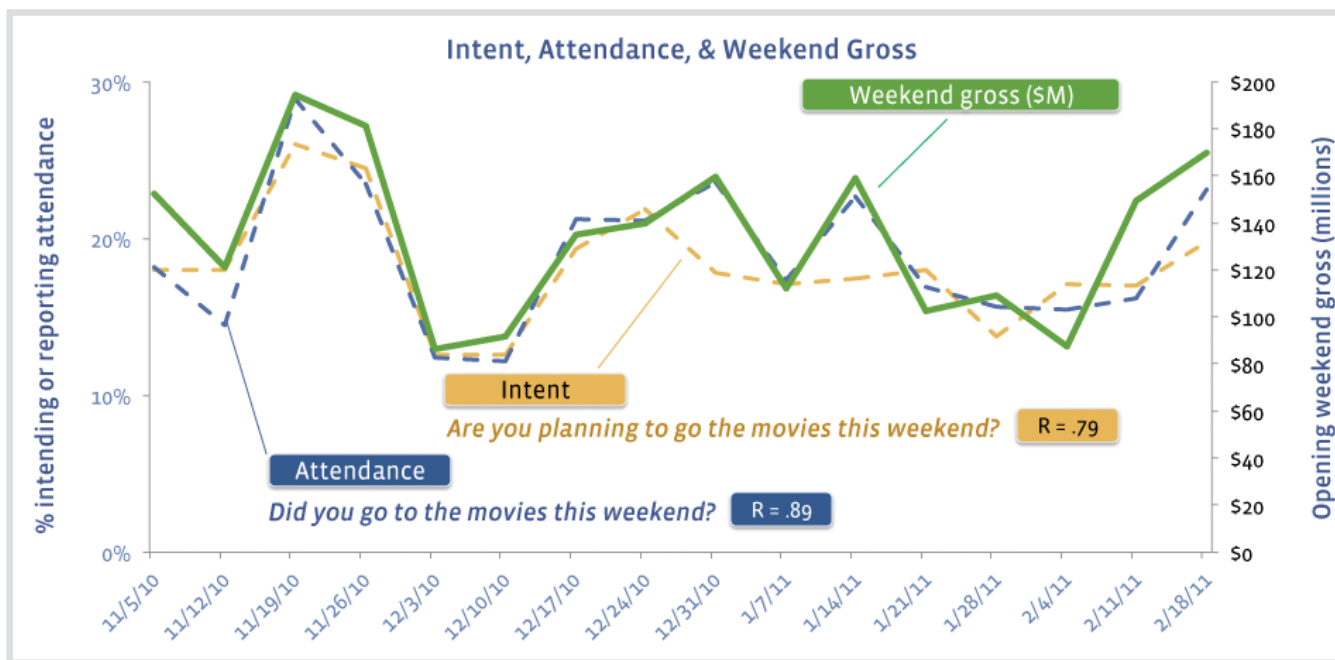
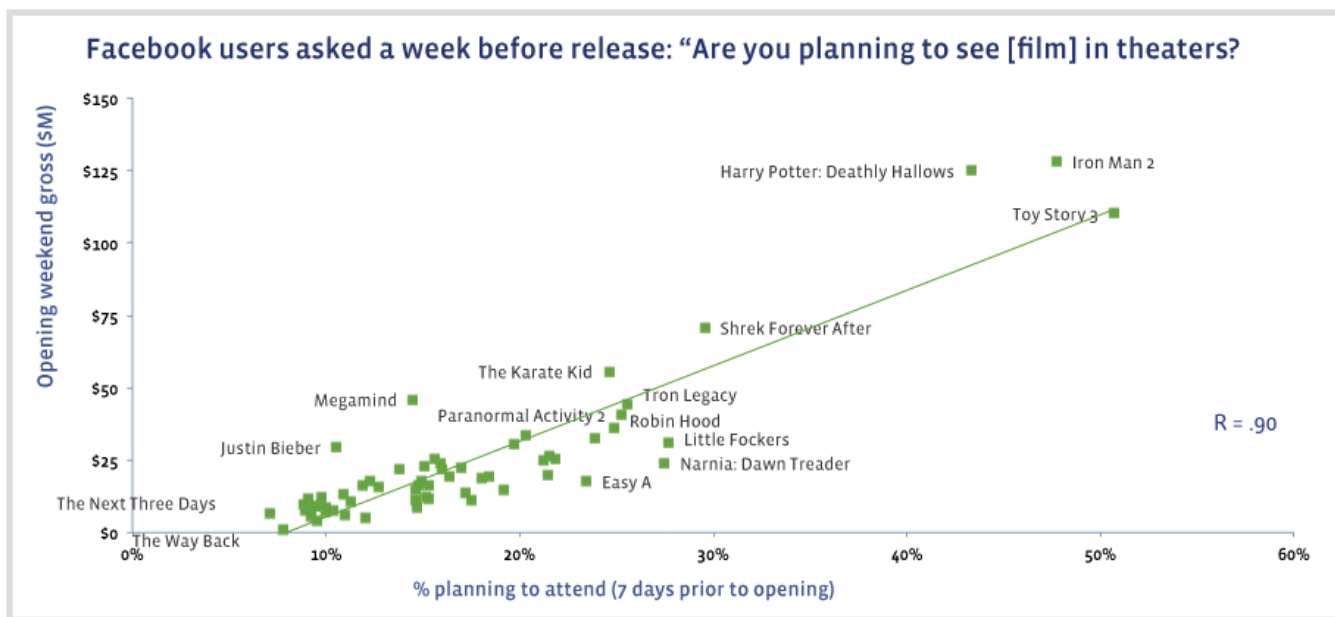
All Post Types

	Reach ?	Engaged Users ?	Talking About This ?	Virality ?
Book Marketing Solutio...	20,761	438	254	1.22%
to know how to edit th...	36,724	1,333	213	0.58%
ton Estate Rum USA u...	60,103	1,124	283	0.47%
Superbowl Sunday ev...	23,290	299	108	0.46%

Reaction

The most important success metrics to measure on Facebook are traffic, sales and other desired reactions. Facebook is working to offer industry-specific reaction measurement solutions that comply with industry measurement standards and protect user privacy. For example, in the movie industry, analysis revealed that increasing viewer intent 1 percentage point netted more than 4x ROI.

For marketers investing heavily in Facebook, it's also possible to include Facebook in media mix models to evaluate the relative impact of Facebook at driving sales compared to other media channels.



Source: Facebook and NRG, 2011

Reach out to our measurement team or our API partners for advice on how to measure ROI for your business.

Sample reach and impression report for media mix modeling

Week	Client	Brand	Gender	Age	DMA code	DMA name	Total impressions	Total reach	Type
2011-07-07	Client A	Brand B	Female	18-24	504	PHILADELPHIA	161	6	organic
2011-07-07	Client A	Brand B	Female	18-24	545	GREENVILLE-N.BERN-WASHNGTN	80	2	organic
2011-07-07	Client A	Brand B	Female	18-24	524	ATLANTA	10,000	4,571	paid
2011-07-07	Client A	Brand B	Female	18-24	560	RALEIGH-DURHAM (FAYETVLLE)	16	1	organic
2011-07-07	Client A	Brand B	Female	18-24	862	SACRAMNTO-STKTON-MODESTO	204	6	organic

In recent ROI studies, we've seen that for well-run campaigns that leverage social, we observe ROIs of 3 and greater. For the best campaigns, we see advertisers who significantly exceed this number. This is based on a variety of industry techniques including media mix modeling and other test/control approaches.

Consumer Insights

Perhaps the most immediate value marketers can see from building a comprehensive Facebook strategy is the wealth of consumer insights they can generate. Large advertisers are able to run opt-in audience polls to help identify and understand their target customers.

They can also use these polls to learn about the differences between their Facebook fans, friends of fans and non-fans.

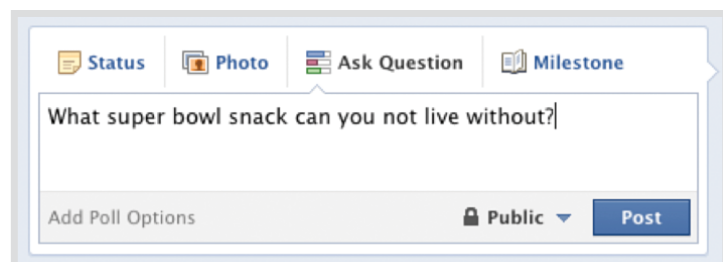
In addition, many consumer insights have been universally generated through Ads Manager, Page Insights and active Page management.



Research Poll
 What store do you think of first when buying a new appliance?
 Sears
 Home Depot
 Best Buy
 Lowe's
 Other
 Your response will be kept anonymous.[?]

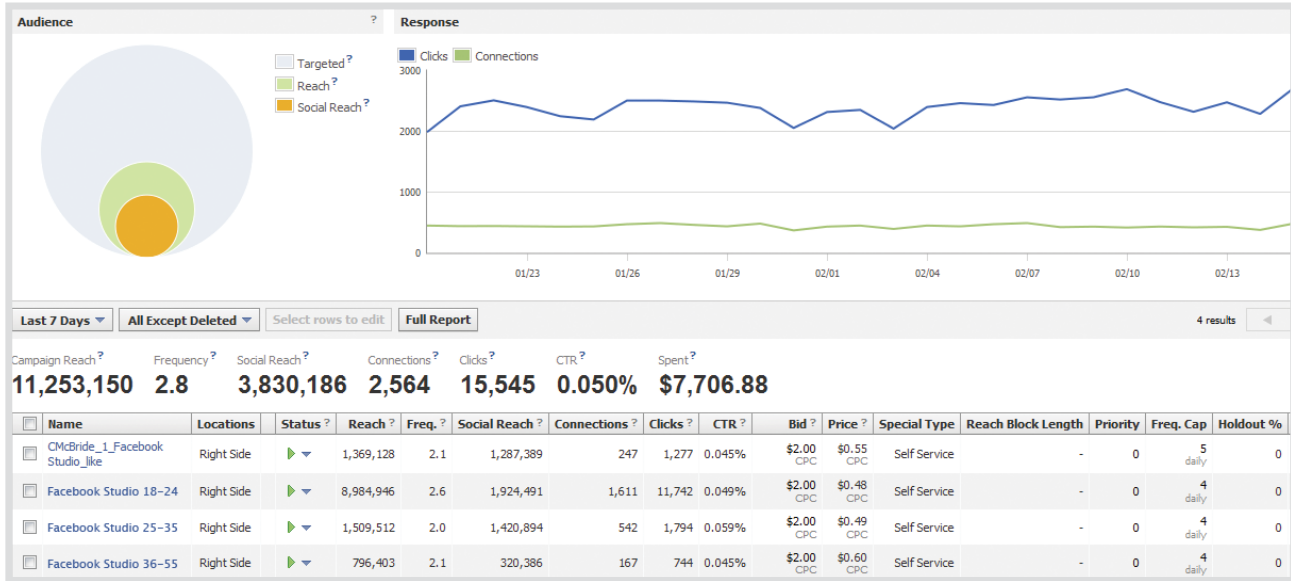


Asking a question through the Page composer not only provides valuable insight about your fans, but is also one of the most engaging types of content.

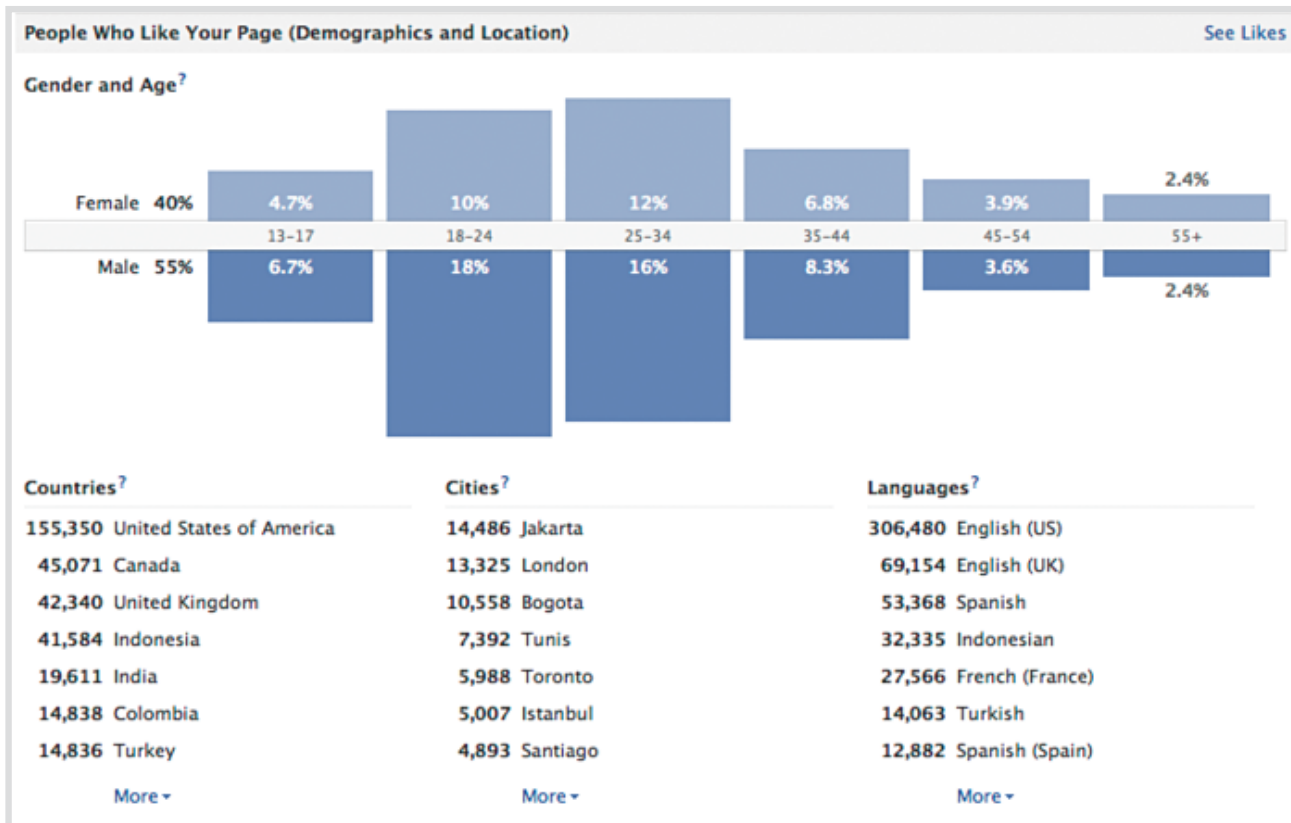


Status Photo Ask Question Milestone
 What super bowl snack can you not live without?
 Add Poll Options Public Post

Businesses can test hypotheses about their target audience by running ads to various demographic and interest segments and seeing which audiences show the highest engagement rates.



Page Insights allows marketers to visualize the demographic breakdown of their fan base as well as quickly identify and optimize the content that resonates the most with their community based on engagement rates.



Identifying the right measurement approach for your business:

Please note that not all of the research methodologies above may be available for your business. Please consult your client partner for help identifying which measurement solutions are available for your business.

We are working to find additional ways to scale these metrics for all of our marketers. If you are unable to access these research methodologies, we recommend reviewing our [Page Insights Guide](#) to understand how to use Page Insights to optimize your reach and engagement on Facebook. Optimizing these metrics can help you build long-term customer relationships and brand equity that lead to business success.