

THE FACEBOOK MONEY HACK



BUILD YOUR FACEBOOK MARKETING
STRATEGY FROM THE GROUND UP

The Facebook Money Hack

Chapter 1: Introduction

There can be little doubt that the nature of the internet has changed significantly over the last two or three years.

Nor can anyone seriously question the fact that one of the most obvious changes has been the rapid and exciting growth of the 'interactivity' of websites on a truly global scale.

With this proliferation of new websites and blogs claiming to be Web 2.0 friendly, and the stunning growth in the popularity of social networking sites like MySpace and Facebook, it is becoming increasingly clear that people all over the world are using the internet as a principal means of communication in ever increasing numbers.

Not surprisingly, therefore, businesses both big and small have also begun to recognize and understand the potential of such websites and networks for expanding their customer bases.

For example, whereas perhaps only a year or eighteen months ago, most large corporate websites were purely informational, many are now being adapted to offer far greater levels of interactivity to both customers and casual website viewers.

Thus it is that more and more customers are able to take advantage of 24/7 'Help' and 'chat' lines that are appearing on many large corporate websites with increasing frequency. Added to this, polls, customer surveys, and inbuilt feedback facilities are becoming ever more popular too.

Previously, on the vast majority of websites, such features were almost unheard of. So, there would have been little about the average website to encourage user communication, apart from a simple e-mail address or two line reply form at the bottom of a webpage.

In the same manner, businesses are rapidly beginning to appreciate that social networking websites that have many millions of individual members from all over the world could potentially represent massive market places for their products.

It is for this reason that a site like MySpace.com (which in September 2007 passed 200 million account holders) has become such an

increasingly attractive proposition for advertisers to become involved with.

MySpace is still far and away the largest social networking site, and the one that most people are probably most familiar with. Having been originally established in August 2003, it is also one of the longest established of the social networking sites too.

Facebook is, however, the second largest of the social networking sites, and is currently growing at a phenomenal rate, as you will discover.

For this reason, advertising is rapidly becoming an important topic of debate for the Facebook owners, moderators and community members.

The purpose of this book is therefore to investigate in depth how the Facebook site and social networking community is evolving, and how advertising and promotional activities fit into this rapidly expanding picture of development.

Perhaps more importantly, I am going to look in detail at how you and your business could potentially use Facebook as a source of new customers for your products and services.

One final thing to note is that, whilst most commentators will blithely refer to social networking sites as if they are all exactly the same, there are significant differences between them. These differences serve to make the demographics and practicalities of using these sites for business purposes entirely different from one site to the next, as you will discover.

Chapter 2: Facebook – From Then To Now

Facebook was originally founded in early 2004 by a group of ex-Harvard university students as a service that was initially restricted to students of their own university.

From there, Facebook rapidly expanded their services into most of the Ivy League universities in the USA, and thereafter it went to a larger scale in the USA, spreading to most universities and eventually down into high schools as well.

Next, the site went international by moving into Canada, Australia and the UK so that it was (in its final 'guise' as an educational service) open to anyone who had a university or college e-mail address (e.g .edu, .ac.uk etc).

In late 2006, Facebook finally took the decision to move away from these educational grassroots and became a truly open service that anybody, anywhere in the world could register with and participate in (a move which prompted significant protests from the existing Facebook user base!).

Despite this move away from their traditional roots, however, Facebook even now still has an effective stranglehold on the educational social networking community especially in the USA, with the company claiming that almost all US college students have Facebook accounts.

This situation is, to a certain extent at least, replicated in many other countries across the world.

As proof of this, according to Wikipedia, in late November 2007 Facebook had the largest registered number of collegiate and student users of any social networking site, with 55 million users worldwide.

By the end of 2007, this figure is expected to pass 60 million users, of whom over half (that is, more than 30 million) actively participate in the Facebook community at least once a month.

To put Facebook's current rate of expansion into some kind of perspective, one year ago the site was enjoying 15,000 new user signups per day.

Now, that figure is over 100,000 new signups each and every day, and the site is expanding at a rate of 3% per week according to the latest statistics presented by the company Founder and CEO, Mark Zuckerberg.

Perhaps more interestingly, Zuckerberg also claims that the fastest growing demographic group of new Facebook users is in the over 25 years of age group. This would suggest a 'maturing' of the Facebook

community, and the beginnings of a move away from the original bias towards those with a college and high school background.

Indeed, over 60% of registered Facebook users are now non-college students, and that figure is expected to increase to over 75% (that will be 50 million users) in the next six months.

Facebook is currently enjoying 70 billion page views per month, and is the sixth most trafficked website in the USA, having recently surpassed eBay, and is now rapidly closing in on Google's traffic figures.

Nor is Facebook still quite so focused on the USA as it once was, with over 10% of Canadians now being Facebook account holders, with similar levels in the UK.

If you then add in the fact that Microsoft has recently paid 240 million US dollars for a 1.6% stake in Facebook (which values the company at around \$15 billion in total) you clearly have a picture of a company and the website that is going places very quickly indeed.

It is clear that Facebook is a website and social community that is enjoying phenomenal levels of growth from what was a relatively closeted and deeply specialized background.

These numbers would also clearly indicate that Facebook could represent a potentially huge market place for any business or organization that can create means of advertising that are effective with the site members.

Whether anybody has so far managed to achieve this or, indeed, whether it is actually possible to achieve is one of the critical questions that we are going to look at in considerably more detail in this book.

Chapter 3: Comparing Facebook with MySpace

Despite all of these facts and figures, however, MySpace is still by far the most popular social networking site, and that is a situation that seems unlikely to change in the near future.

Now, all of the major community sites do emphasize that the main function is to provide a means for people from all over the world to network with one another.

It would therefore be fair to suggest that most of these sites have (as far as it is possible) tried to discourage and prevent people from viewing them as commercially orientated sites.

In other words, sites like MySpace and Facebook do not want their communities used by members promoting their products or services to other members. Despite the fact that it is owned by the Fox Corporation, even MySpace is no exception to this rule, and has gone to some lengths to prevent the site becoming a huge online auction or bazaar by another name.

Nevertheless, many smart online marketers and internet entrepreneurs have managed to promote their businesses, products and services through the MySpace site and community, and have made considerable amounts of money doing so too.

This being the case, many marketers are looking at doing the same with Facebook, and therefore we need to establish what similarities and differences there are between these two sites.

This will assist in establishing whether a similar business model to the one that is now all too commonly applied to MySpace will work with Facebook.

So, let us take a very quick look at how products and services are marketed on MySpace.

Effectively, and at its very simplest and most basic, when you sign up for a MySpace account you will then build your own 'space' which is a very simple mini-website that tells the world all about you.

So, in this 'space', you would probably include full details about yourself, your interests and hobbies, perhaps pictures, videos, musical and rock band preferences, and so on.

The nature of the MySpace social network is that you are then expected to go out into the community and find new friends who have similar interests to yours.

You simply invite these people to be your friends and, as a natural part of this process, you would ask them to visit your MySpace mini-site.

From there, assuming that you are looking to promote a product or service, you would attempt to steer your new-found 'friend' to your blog or website, and it is there that you would be promoting the product or service in question.

This method of promoting a product or service by using the 'invite a friend' facility of the MySpace website has been very successful for the past year or so.

Indeed, it was so successful that some software designers created and sold MySpace 'friend adder' software programs that automated the whole process of inviting hundreds of new friends each and every day, and sold them to many eager would-be MySpace entrepreneurs.

The fact that this method of promotional advertising is now becoming less successful (as more and more people are becoming fully aware of the fact that their new 'friends' are no such thing!) is possibly one of the reasons that internet marketers are now looking at other options such as Facebook.

The success of such a relatively simple business model does, however, hint at one fundamental difference between MySpace and Facebook that would suggest a directly comparable venture may not be so successful in the latter case.

MySpace is fundamentally a community for meeting new people; a way of networking to expand your social groups through access to an active worldwide community.

The concept of inviting dozens or even hundreds of new people to be your friend every day on MySpace is not seen to be in anyway strange or alien to the nature of social networking.

Facebook is fundamentally different from MySpace in this respect.

Because it was originally founded to provide a means of communication for old classmates or work colleagues, Facebook has grown up as a community that is focused on groups of people who already have some form of tie with one another.

Facebook is all about inviting members of your social peer group to become a member of the community, and then focusing on networking with them, rather than going out and 'collecting' new friends on a daily basis.

Whilst the recent demographic changes that Facebook has clearly enjoyed are inevitably going to change this picture over time,

nevertheless, as it stands at this point, it is unlikely that the MySpace 'business model' would work especially effectively in the Facebook community.

Another factor to consider is a possible remnant of Facebook's history as a site originally created for students of America's top universities. That is, some Facebook users would probably suggest that using their community site for commercial purposes was maybe a little 'tacky' or perhaps somehow undignified.

This is perhaps best represented in the obvious dignity and pride that many longer-term users of Facebook still obviously take in being members of what was at one time a fairly exclusive community.

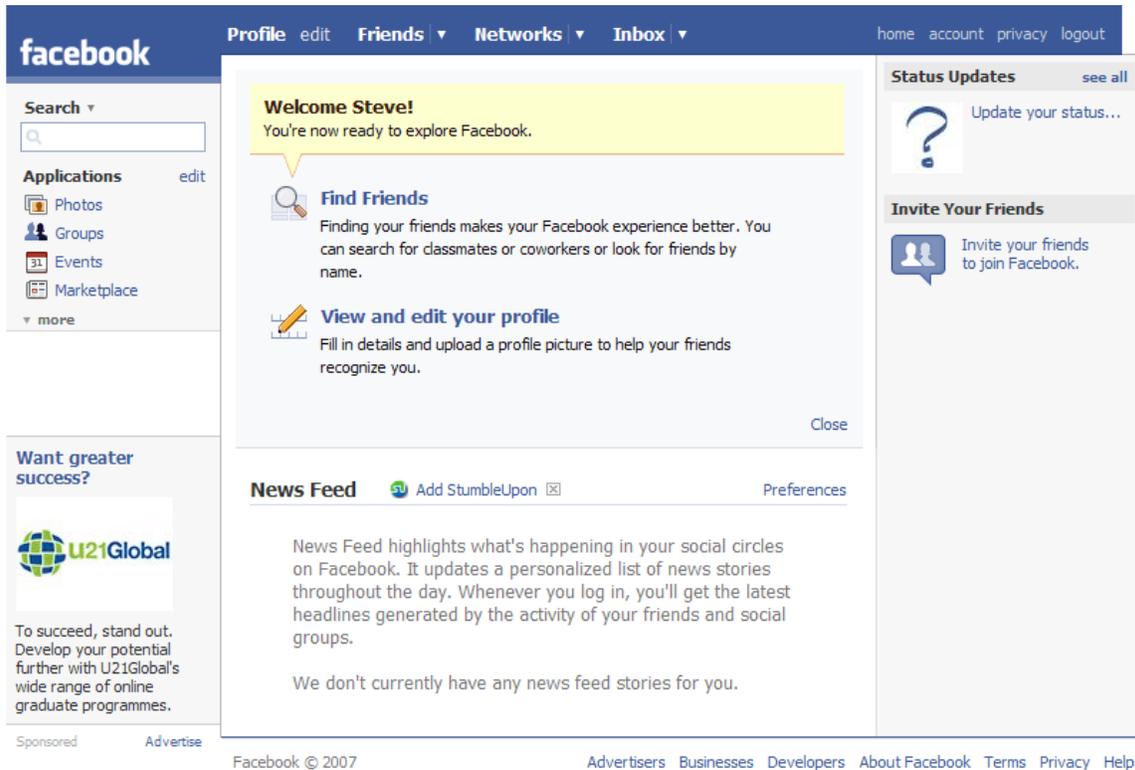
These people would very probably see something a touch 'unsavory' in having what they would see as 'their' community besmirched by commerce in the way that they seem to think MySpace has already been.

Thus, there is an established business model that does work for the leading social networking and community website, but it is almost 100% certain that the same model will not work with Facebook.

MySpace and Facebook are like attractive but non-identical twins - yes, they are members of same family, but thereafter, all similarities cease!

Chapter 4: An Initial Facebook Overview

Introduction



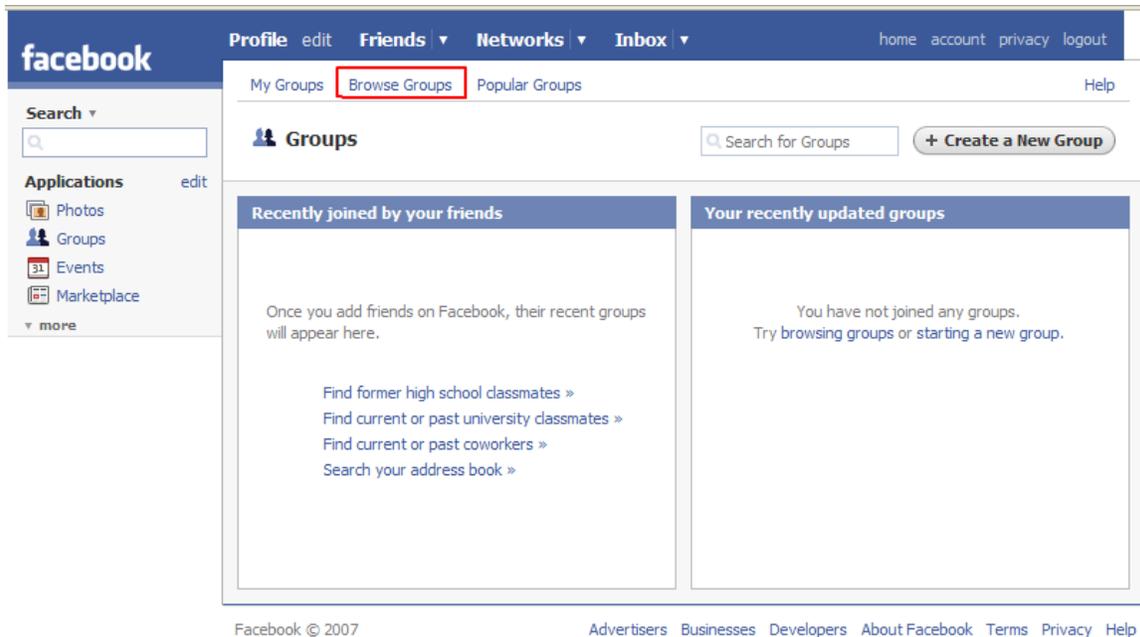
If you are used to opening up the home page of MySpace, then you will in all probability find the first page of Facebook somewhat plain, perhaps even a little bland.

However, you can clearly see from the screenshot above that the first thing the site encourages you to do is to 'Find Friends' (the emphasis being on 'finding' people you already know).

Should you choose to follow this link, you will quickly discover that it takes you to a screen that allows you to search for ex-pupils of your old high school or university.

It is not, therefore, encouraging you to go out seeking lots of new friends in the same way that MySpace does.

Of course, the site does try to encourage you to meet new people who have interests similar to yours, especially by clicking on the 'Groups' icon in the top left-hand side bar of the screen shown. This will take you to this screen:



from where it is possible to 'Browse groups' as indicated.

Now, if your objective with Facebook is to promote a product or service, then you might want to feature links to your website in as many ways as possible, on the assumption that doing so might potentially drive visitors from Facebook back to your website or blog.

This, however, is not particularly easy, nor is it likely to be especially effective either.

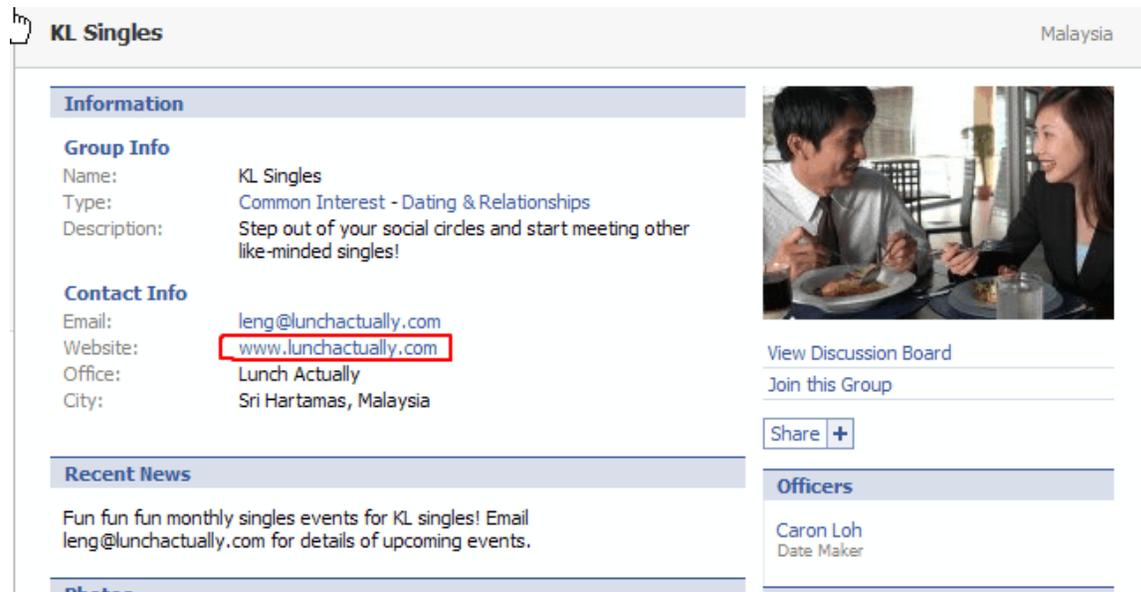
Individual profile pages are really not built in such a way that your links can be featured in any way that is likely to generate site visitors for you. There is no way that you can show these links particularly prominently, and thus even if you were to include a link to your website, it is extremely unlikely that it would generate any appreciable numbers of visitors.

One way that you could try to advertise your business is by creating a new group, as this can feature an appropriate link back to your site.

For example, clicking through on this link for single people in Kuala Lumpur in Malaysia:



would bring you to this screen, where clicking on the highlighted link would then take you to one of the premier commercial online dating sites in South East Asia.



KL Singles Malaysia

Information

Group Info
Name: KL Singles
Type: Common Interest - Dating & Relationships
Description: Step out of your social circles and start meeting other like-minded singles!

Contact Info
Email: leng@lunchactually.com
Website: www.lunchactually.com
Office: Lunch Actually
City: Sri Hartamas, Malaysia

Recent News
Fun fun fun monthly singles events for KL singles! Email leng@lunchactually.com for details of upcoming events.

Photos



[View Discussion Board](#)
[Join this Group](#)

[Share](#) +

Officers
Caron Loh
Date Maker

So, if, for example, you were selling dog related products or promoting an affiliate program that was concerned with dog training or natural dog food, for example, then you might be able to attract some visitors to your site if you were able to start a brand new group whose common interest was dogs.

Being realistic, however, this is unlikely to drive significant numbers of new visitors to your website either. So, in truth, it is probably only worth considering if you genuinely have an interest in starting your own Facebook group for reasons other than advertising or promoting an external website

In other words, it is likely to be a bit of a waste of the time to start a group purely with the intention of using it to create traffic for your website or affiliate program.

Of course, all social networking websites want you to spend as much time as possible creating an attractive profile for your site, but, in the case of Facebook, your profile does not allow you quite so much flexibility as your MySpace 'space' gives you.

It is, therefore going to be considerably more difficult to convince people to visit your web site from your own personal profile with this particular website.

Using Classified Advertising

You may have noted from the top left-hand side bar of the homepage that there is a section of the Facebook site that is called 'Marketplace'. This is the Classified Advertising section of the Facebook site.

Now, over the past couple of years, many online business people and internet marketers have enjoyed significant levels of success with various classified advertising sites (such as [Craigslist](#), and [USFreeads](#)) by choosing the most highly trafficked sites from the many hundreds of similar sites available.

Indeed, on the back of these successes, there have been many products that teach people how to successfully promote their products and services using only free classified advertising, so there certainly seems to be at least some potential to generate business and associated revenues from classified ads.

Here is a snapshot of the categories of Classified Ads available in the Facebook 'Market Place':



The screenshot shows a grid of categories for classified ads on Facebook Marketplace. On the left, there are two columns of categories with their respective counts: 'For Sale (974)', 'Housing (223)', 'Jobs (367)', 'Other (203)', and 'Free Stuff (152)' in the first column; and 'Item Wanted (103)', 'Housing Wanted (12)', 'Looking for Work (23)', and 'Other Wanted (16)' in the second column. A 'show all' link is located at the bottom right of the category grid. To the right of the grid are two buttons: '+ Add a new listing' and '+ List what you want'.

For Sale (974)	Item Wanted (103)
Housing (223)	Housing Wanted (12)
Jobs (367)	Looking for Work (23)
Other (203)	Other Wanted (16)
Free Stuff (152)	

[show all](#)

[+ Add a new listing](#)

[+ List what you want](#)

So, it would simply be a question of creating your short classified ad and sending readers from there to your website or blog where you would be promoting your products or services.

Now, of course it would be logical to place your advertising in the place where it is most likely to be seen, which in the example shown above would clearly be the 'For Sale' section of the marketplace.

Nevertheless, despite the fact that this is the 'For Sales' section, you should not directly attempt to sell your product or service in your advert as this is extremely unlikely to be successful.

Do not forget that the primary objective of placing this advertising is to drive people to your website or blog where you will be able to do a 'proper' sales job.

To take an example, therefore, imagine that you are promoting a dog related affiliate program. You would not try to promote this program directly from your classified ad.

What you would do, however, is send people from your classified advertising to your website by offering them a free dog related gift that they can only collect by visiting your site.

If, for example, you have a free dog training e-book or special report, then this would be an ideal free gift to offer to anybody who visits your site.

Do not forget that the primary objective of anybody who is trying to construct a successful business online should always be to seek whatever opportunities are available for them to build their mailing list.

Indeed, most online business experts and commentators would agree that your mailing list is your business, and that is should always be your number one priority to focus on this business building requirement.

Thus, if you are driving visitors to your dog training site so that they can collect your free e-book or reports, do not give away the report without collecting their e-mail address and name in return.

In this way, even if your site visitor chooses not to buy your dog training product, you would at least have collected another name for your mailing list, and that is someone that will potentially become a customer at some point in the future.

The classified advertising that I have myself placed in the Facebook marketplace has been entirely free of charge, and you should therefore use this resource as much as possible.

You should, of course, check that advertising placed in the Facebook marketplace in your own locality is also free, as Facebook is a site that is often tailored to meet the needs of local markets.

If so, then you should try to create as many different classified ad units as you can. Enhance the effectiveness of your ads by including attractive pictures wherever possible in order to make your ads stand out from the crowd.

Finally, you will note that such classified advertising can either be limited to your specific geographical location, or be published on a worldwide basis.

Of course, if you are selling a tangible, physical product that requires delivery, then it would probably make sense to limit the distribution of your ad. If, however, your product is digitally delivered, then there is no logical reason to limit the scope and therefore the reach and effectiveness of your classified advertising.

Similarly, you can include the advertising in your profile as well, and this again would make sense as it gives you another possible

opportunity to draw people who view your profile to your web site link. In this way, you can make the most of the free classified advertising opportunities presented by the Facebook marketplace.

Of course, classified advertising within the Facebook community suffers exactly the same basic fault that all such promotional efforts do, which is that you will have little or no idea who actually views your adverts.

Indeed, to take it to its most extreme example, you will have no idea whether anyone at all has actually seen your ads in the Facebook marketplace. It is as a way of addressing this problem, as well as many others that are associated with 'traditional' advertising methods, that Facebook have recently significantly overhauled the advertising options that they offer.

Let's look at some of these new advertising options and features that are now a part of the Facebook community site, and then consider how you can most effectively use them to generate maximum returns for your business.

Chapter 5: Recent Facebook Changes

Introduction

As we have already established, until only one year ago, Facebook was still a relatively exclusive closed community, one that was principally focused on college and high school students, particularly in the USA.

Over the course of the past year, Facebook has therefore been making some very dramatic changes to the way that it operates. Some of the changes have been popular whilst others have been less so, but the one thing that is beyond question is that all of the changes have substantively altered the way that the Facebook community works.

Several of the changes that Facebook have introduced have been unpopular with existing community members, and have consequently brought the ownership of the website into conflict with many of the more outspoken community members (of whom there are quite a significant number!)

What this has demonstrated is the fact that many Facebook members are very protective about their community, and do not like to feel that it is being 'attacked' even when the ones doing (what they see as) the attacking are the site owners!

You could compare this protective attitude to that of the apparent majority of the MySpace community, most of whom seem to care little for the quality or validity of either the site or the network itself.

Facebook members are, however, extremely defensive about what they believe to be 'their' community, and it seems to matter little who is posing the perceived threat.

If you are planning on using Facebook as a moneymaking resource, it is extremely important that you understand from the outset that Facebook community members are different.

They do seem to have an ingrained belief that 'their' community is different and somehow better than others like MySpace.

And what this means for you as a marketer should not be underestimated. That is, given the apparently rebellious nature of most Facebook community members it seems unlikely that they will be particularly welcoming to anybody brandishing an overtly commercial message in their face.

There is also some evidence which we will return to later that would suggest that the majority of Facebook community members also have a fairly high opinion of their own self-worth, and that of their aspirations and principles.

No marketer who wants to make any kind of significant marketing impact within the Facebook community should choose to ignore any of these factors, as doing so will almost certainly doom your efforts to failure.

In other words, if you're planning to promote and sell through the Facebook social network community, you must try to understand the people that you will be dealing with if you want to give yourself any chance of success.

Up until a year ago, Facebook was effectively a private online members club, and the majority of members in that club were all folks who had enjoyed higher levels of education.

Thus, a significant percentage of Facebook members are still highly educated and highly critical individuals, endowed with both the ability and strength of character to question decisions that they do not necessarily agree with.

Whilst the numbers of new members joining Facebook on a daily basis is certainly changing this demographic, nevertheless, at this moment, your 'average' Facebook community member whom you might envision turning into a customer is not going to be the easiest or most straightforward person to deal with and sell to, as Mark Zuckerberg has already found out!

News & Mini-Feeds

Back in September of 2007, Facebook launched the first of many changes that they were making to their community site.

At this point, they launched the News and Mini-Feeds services, which they obviously believed would provide valuable new resources to community members.

Unfortunately, however, many members did not agree that these new services were valuable!

Hence, there were many new member groups that sprang up on the Facebook site, all of which were established to protest against these decisions.


THE UNIVERSITY of LIVERPOOL
Online Higher Education
 100% Online Masters Programmes
 Public Health, Computing and Management
 Join working professionals from 140+ countries

LAUREATE
 ONLINE EDUCATION

	Group: GET RID OF THE NEWS AND MINI FEEDS!	View Group
	Network: Global	Join Group
	Size: 2,178 members	
	Type: Common Interest - Wine	
	New: 6 Fewer Members	
	Group: Get Rid of News Feeds!!	View Group
	Network: Global	Join Group
	Size: 962 members	
	Type: Organizations - Advocacy Organizations	
	New: 3 Fewer Members	
	Group: Anti Facebook News Feeds Group	View Group
	Network: Global	Join Group
	Size: 909 members	
	Type: Internet & Technology - Websites	
	New: 1 Fewer Member	
	Group: Operation: NEWS FEED OVERTHROW	View Group
	Network: Global	Join Group
	Size: 730 members	
	Type: Organizations - Advocacy Organizations	
	Group: First News Feed, now Open Admissions?!	View Group
	Network: Global	Join Group
	Size: 703 members	
	Type: Common Interest - Philosophy	
	New: 3 Fewer Members	
	Group: The Facebook News Feed Is A Virtual Stalker	View Group
	Network: Global	Join Group

So, what was it about the News and Mini-Feeds concept that did so much to anger the community members?

Part of the problem seems to be that, coming so relatively late into the social networking 'mass movement', Facebook appear to be trying to do too much, too quickly.

And they are doing this with a group of users who somehow feel that this is their community, a group who are, moreover, generally well educated and fiercely independent.

At the same time, Facebook have continued working on the basic premise that most of their members are using the community to network with people that they have already met (and perhaps lost touch with) or current real life friends.

Therefore, the guys behind Facebook seemed to assume that every community member would be happy for everything that they did within the community to be reported to their peers.

This is, unfortunately, just not the case.

This is where the BIG mistake lies, and this is the point that it is critical to understand as a marketer, as it is a lesson that could be very expensive for you to learn for yourself.

For example, the basic idea of the Mini-Feeds is that they provide a constant feed of latest news to each and every member's profile homepage.

This feed is drawn from several sources, so that everything that anyone in any group that you are a member of does is reported on your profile page. And, in one way or another, this has managed to annoy just about every Facebook member.

Every time a member of your peer group does something within their own Facebook 'space', all members of all of their groups get told about it.

What do Facebook members think of this?

Many of them have hated it, asking, for example, that Facebook [gets rid of](#):

'those terrible Mini-Feeds in our profiles, because this... lets EVERYONE see every little thing we're doing, which is... for stalkers. Where did our privacy go?'

Similarly, Facebook claim that they will watch the information that is being fed in through the mini-feed to your profile page, and from that, they will figure out the kind of things that a member is interested in. Then, they will pull other 'similar' stories from the site and put those in your mini-feed as well.

A great idea, you may think, especially from a marketing point of view. Perhaps for example, this might present a way of beginning to present some form of promotional message to members via the mini-feeds.

Whilst in theory, that might work, in practice, it does not seem that likely. For example, from the same 'protest group' as the quote above, here is an idea of the general opinion of such information. Facebook 'bombards us with information we don't want to know (and) makes Facebook about as ugly as MySpace.'

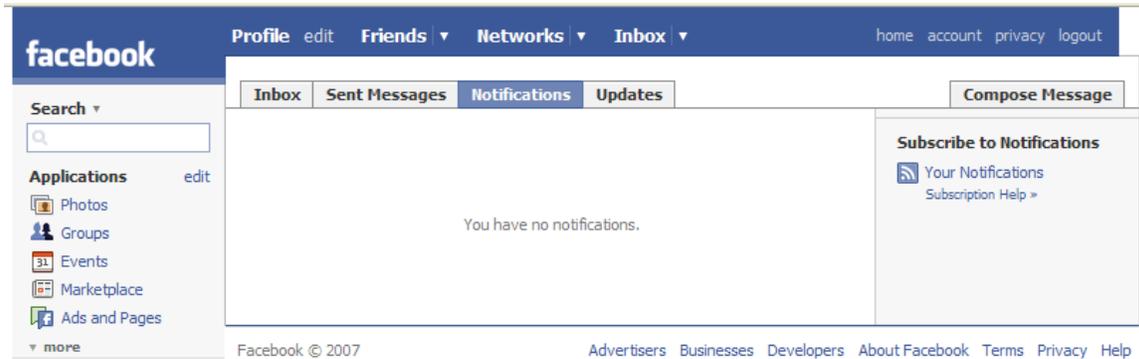
So, granted, finding a way of getting your message into a constant information feed that automatically 'lands' in peoples profile or on their homepage sounds like it could be the perfect 'smart' way of promoting within the Facebook community.

But, the truth is that Facebook just does not work that way, principally because the community members would never allow it to do so, and I

suspect that, unless you were very smart indeed, all it would get you would be a whole lot of complaints and trouble.

Banner Ads

As can be seen from the last screenshot, and the one below:



Facebook does offer the ability to place banner advertising in various locations on the site.

You may also note from the two examples shown that both for educational institutions, and, given the nature of the community, these are the banners that are very probably the most effective within the Facebook site.

This is because the average consumers in general suffer from a least some degree of 'Banner blindness'.

That is, most website viewers who are confronted with banner advertising tend to skip straight past it almost without noticing its existence.

This is a widely accepted phenomenon for all types of businesses who are nowadays advertising online, and would certainly not be limited to the Facebook site.

Nevertheless, given that we have already conclusively established that the average Facebook community member is likely to be somewhat anti-establishment and 'feisty', the chances of commercial banner advertising being successful on such a website would, I suggest, be almost zero.

It is this reason that only a handful of commercial banners appear on the Facebook community site, and that the vast majority that do appear

are for more community orientated organizations like universities and colleges.

Nevertheless, even universities and colleges must justify the money they spend on advertising, and, therefore, it is reasonable to assume that they must get some kind of return from their Facebook advertising efforts.

I would strongly suspect that they do not get many direct signups from such banner advertising (nor do they expect to either), but it would certainly help to establish their name and 'brand' awareness.

Given that statistically, there are still significant percentages of Facebook users who are high-school students, it clearly makes sense for colleges and universities to get their names in front of the students as often as possible.

Whilst this is unlikely to convince them to choose one university or college over another (has anybody ever chosen one university over another purely on the basis of advertising?) it does nevertheless help to create an overwhelmingly positive image for the educational institution in question.

You, however, are less concerned with image and far more concerned with sales. This kind of banner advertising on the Facebook site is unlikely to be particularly successful at the latter, and I would therefore suggest you leave it to the educational centers to whom such advertising seems to have some real value.

Pay Per Click Advertising

In November, 2007, Facebook launched what was claimed to be their answer to Google 'AdWords' Pay Per Click advertising program. Facebook call their advertising 'social ads'.

In case you are unfamiliar with the concept, Pay Per Click advertising (sometimes known as PPC) is nowadays a business model offered by many online advertising companies. There is little doubt however that Google AdWords is still the premier service in the market.

Before the advent of PPC advertising, traditional advertising whether online or off was all about eyeballs, and more specifically the number of them that you could encourage to look at your ad.

Thus it was that in most circumstances an advertiser's only option was to pay for their advertisement to be shown either online, or offline via TV, in a magazine or journal, or even (heard) on a radio commercial.

And, no matter how many or how few people actually looked at your advertisement, you would still be charged exactly the same amount of money for it to 'run'.

Pay Per Click advertising, and more specifically the AdWords program, changed that picture for ever as far as online advertising was and is concerned.

With PPC advertising, you will only ever pay when a potential customer acts upon seeing your advert.

In many ways, it could be argued that AdWords gave strength back to the advertisers by enabling them to pay for only those advertisements that drew a response (in this case, a click on the advert that took the interested party through to a particular website).

AdWords, however, was even smarter than this may at first appear.

This was because all AdWords advertisements are created around keywords that the advertiser best felt represented the product or service that they were trying to promote or sell.

If, for example, an AdWords advertiser was looking to promote a dog training e-book, then they would advertise using the phrase 'dog training' in their ad headline.

The AdWords program would then pick up on this keyword laden headline, and make sure that that advert only appeared on websites that were dog focused.

Thus, the people who would visit the website where the ad appeared would be dog lovers. It therefore follows that these site visitors represent the perfect potential customer for the advertisers business.

Particularly in the early days, therefore, the AdWords advertising model was stunningly successful.

Not only was it the most targeted advertising available but it only cost a few pennies when someone clicked on an ad as well.

Hence, Pay Per Click was a huge success for Google (one of the principal reasons, in fact, that they are now so successful), and therefore many competing PPC businesses were spawned.

Now, Facebook have entered the market with their 'Social Ads' campaign.

So, let's next look at the new social ads advertising model, and consider what advantages or disadvantages it may have.

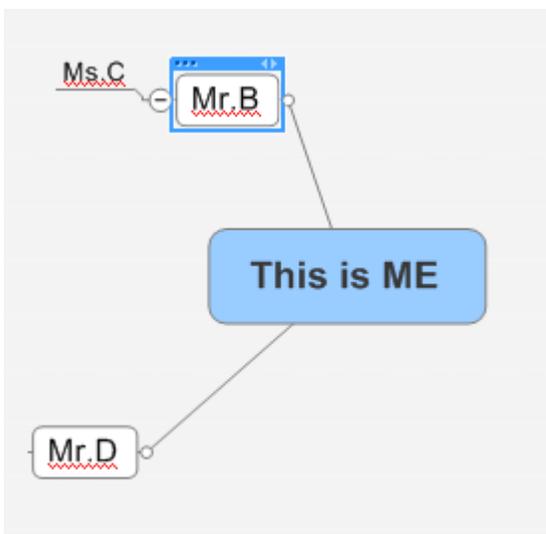
Chapter 6: Social Ads

The Social Graph

During the roll out of what Facebook call their 'F8 platform ' in November 2007, Facebook CEO Mark Zuckerberg suggested that the changes represented a completely new way of advertising online through the introduction of 'Social Ads'.

This, he suggested, was because the new advertising service would include advertisers in the community 'social graph' in a way that traditional advertising did not.

For example, look at the very simple diagram showing the relationship of four Facebook community members:



I am in one Facebook group with Mr. B, and another, different, group with Mr. D. The nature of the Facebook community means, therefore, that all of their information will be freely passed to me, and, similarly, my information will be passed back to both of them.

Mr. B. also receives similar information from Ms. C, and inevitably some of that information will then be passed on to me. From there, it is reasonable to assume that the information will reach Mr. D and so on and so forth.

This is a very simple example of the 'social graph' that Facebook see as being of fundamental importance to their 'F8 platform', which is effectively the latest version of the Facebook site and system.

And, what they are suggesting with the launch of 'Social Ads' is that both the advertiser and the person to whom they are advertising will be part of this same social network.

Thus it is that 'Social Ads' will be presented either as a part of a user's News Feed in the form of sponsored content or alternatively integrated into the ad space that appears on the left hand side of the site.

Furthermore, the reason that these adverts are called 'Social Ads' in the first place is that instead of random advertiser messages appearing in your News Feed, for example, the way the software behind 'Social Ads' operates means that the ads that appear do so alongside related actions your friends have taken on the site.

Because they are presented in this particular way, the idea behind 'Social Ads' is that they will enable your business to become part of people's daily conversations.

This is the reason why your advertising can appear either in the left hand Ad Space, where it will be visible to users as they browse Facebook to try to connect with their friends, or as a constituent part of the News Feed service, where it will be attached to and served in the context of relevant social stories.

So, what advantages do Facebook claim that they would have over other similar PPC advertising business models such as Google AdWords?

Firstly, Facebook claim that it is advantageous to all community members that both the members who are advertising, and the people who are being advertised to are all Facebook community people

Facebook are therefore suggesting that this fact should make the viewer of any advertising material far more open and amenable to the message that the advertising contains.

The second and far more critical factor about Facebook 'Social Ads' is that, whilst a service like AdWords can, for example, allow an advertisers to target a particular type of customer, 'Social Ads' are able to go considerably further.

These adverts allow you to target your potential customer far more accurately, by sex, political persuasion, age and other social factors, in addition to being targeted by geographical location as well.

The Detail

In order to arrive at the initial 'Social Ads' set-up screen, you need to scroll to the bottom of your initial Welcome screen and click 'Advertising'.

This will bring you to the screen like this, where you click the big green 'Get Started' tag:

facebook Profile edit Friends Networks Inbox home account privacy logout

Search

Applications edit

- Photos
- Groups
- Events
- Marketplace
- Ads and Pages
- more

Facebook Ads

Reach the exact audience you want with relevant targeted ads.

[Get Started](#)

or [manage your existing ads](#)

Social Ads

Pair your targeted ad with related actions from a user's friends.

Ben Bloom ate at Junnoon. Sponsored

Junnoon Business Lunch
modern India: bold, healthy and flavor-intense.

Ben

Facebook Pages

Represent your business, band, product and more by creating a distinct and customized profile.

Advanced Targeting

Free Presence

facebook Profile edit Friends Networks Inbox home account privacy logout

Search

Applications edit

- Photos
- Groups
- Events
- Marketplace
- Ads and Pages
- more

1. Get Started 2. Choose Audience 3. Create Ad 4. Set Budget

What do you want to advertise?

When people click on your ad, this is where it will link.

I have a web page I want to advertise:

http://

Help me make a Page.

[Continue](#)

Facebook © 2007 Advertisers Businesses Developers About Facebook Terms Privacy Help

This is the screen where you choose what it is that you want to advertise and where you want to take your ad viewer.

In this example, you can see that we have two options available. That is, you can either direct your advertising at a webpage that you have posted somewhere else on the internet, or you can create a new 'Page' on the Facebook site itself ('pages' is something we shall return to in the next section).

If you already have 'Pages' created on the Facebook site, then this box will offer you a third option which allows you to choose something like a Facebook page or an application page that you have already created.

Let's just say that in this example, you want to take anyone who clicks on an advert to an external website where your products or services are advertised.

So, you would fill in the URL, and click 'Continue'.

This brings you to screen that looks something like this one, from where you can begin to understand how precisely you can attempt to demographically target your advertising.

For example, the initial default screen that will be seen is for the United States, from which you can immediately see that the total potential market is over 17,700,000 people strong. This is on the basis that your only limiting factor is that your preferred target customer should be aged 18 or over.

If, however, your product or service can sell to people of any age, then you can remove even this restriction, and your number of potential customers rises to 21,800,000.

Profile edit **Friends** ▾ **Networks** ▾ **Inbox** ▾ [home](#) [account](#) [privacy](#) [logout](#)

1. Get Started **2. Choose Audience** **3. Create Ad** **4. Set Budget**

I want to reach people age 18 and older in the United States. **≈ 17,729,520 people**

Location: ▾
➔ **Everywhere** **By State/Province** **By City**

Sex: **Male** **Female**

Age: ▾ - ▾

Keywords:
(interests, favorite music, movies, etc.)

Education Status: **All** **College Grad** **In College** **In High School**

Workplaces:

Political Views: **Liberal** **Moderate** **Conservative**

Relationship Status: **Single** **In a Relationship** **Engaged** **Married**

This, of course, assumes that you or preferred target customer is a US resident.

If you are looking to sell your product or service elsewhere, then the numbers would be significantly different. For example, if you want to sell to over 18's in Singapore:

I want to reach people age 18 and older in Singapore.

**≈ 322,360
people**

then you can see that there are not quite so many potential buyers for whatever it is that you are selling.

Let us imagine that in this particular example, I am trying to promote my new website that teaches people how to play the drums from an online training course.

1. Get Started2. Choose Audience3. Create Ad4. Set Budget

I want to reach people age 18 and older in the United States.

**≈ 17,729,520
people**

Location: United States ▼

↪ Everywhere By State/Province By City

Sex: Male Female

Age: 18 ▼ - Any ▼

Keywords: drum|

Drums (favorite music, movies, etc.)

Education Status: Drumline ▼ College Grad In College In High School

Workplaces: Drumming ▼

Political Views: Drum Line ▼ Moderate Conservative

Relationship Status: Playing Drums ▼ In a Relationship Engaged Married

BackContinue ▶

In this case, you would not necessarily want to demographically target your advertising as, this being a digital product that is available online, there is no need to unnecessarily limit your potential customer base.

But the drop-down 'location' box does not unfortunately offer the option of advertising on a truly global scale.

For this reason, you would logically choose the biggest market, which is obviously the USA.

You could possibly remove the age limit for a product such as this too, but in this example, I will leave it as it is purely for the purposes of illustration.

Thus, the only thing I would need to add to this first screen would be my keyword, which in this case is 'drum' or 'drums'.

Inputting this keyword automatically reduces the size of the potential market shown in the top right-hand corner of the screen to 10,200 people.

As you will see from the previous screenshot, the software will recognize the keyword that you are typing in, and try to add its own suggestions, so in this case, the first three suggestions are 'drums', 'drum line' and 'drumming'. Let's choose 'drums'. Click on 'Continue' and this will bring you to the 'Create Ad' screen.

Type in your ad, and watch as a draft is created for you to the right, so that you can see how the ad will appear.

1. Get Started 2. Choose Audience 3. Create Ad 4. Set Budget

Create Your Ad

Title:

Body:

Line breaks are not preserved.

Photo:

Images will be resized to fit inside a 110px by 80px box. Use 3:4 or 16:9 aspect ratio for best results.

Wanna Be An ACE Drummer?



Learn everything from the worlds greatest drummers at home, starting NOW!

Click the ad preview to test your link.

Now, although you cannot see it in the example above, in some geographical locations you will see an option beneath the ad creation box on the left hand side of the screen to 'Add social actions to my ad'.

What I believe this does is basically announce to anybody who is any way connected with me through Facebook that I have published this advertisement.

Of course, this information will automatically go to all the people in my groups, but also the information will be pushed out to people who hit Facebook web pages of other group members and so on.

Whatever the precise functions of this social action checkbox are, if you are offered the option, then I would recommend that you accept it, as it is clearly designed to promote your advertisement to as many people as possible.

Add a photo to your advert to make it more visually appealing (you can find a great source of [free stock photos here](#)) and click 'Continue' on again.

1. Get Started 2. Choose Audience 3. Create Ad 4. Set Budget

Price Your Campaign

Pay for Clicks Pay for Views (More information)

Budget: What is the most you want to spend per day? (min \$5.00)
\$ 10.00

Bid: How much are you willing to pay per click? (min \$0.01)
\$ 0.10 Suggested bid: \$0.38 - 0.60 (Learn more)

Schedule: When do you want to start running your ad?

Run my ad continuously starting today
 Run my ad only during specified dates

Back Continue >

All you now need to do is set a budget for your advertising campaign. You will note that the suggested bids for this particular campaign range from \$.38 to \$.60, based on what other advertisers in this marketplace are currently paying.

By this, I believe that Facebook are referring to other people advertising in the general area of music and musical tuition.

What you also notice from the screen is that it is possible to run your advertising campaign on the basis of paying for views of your ad, rather than clicks on it (from the 'tabs' at the top of the active section of the screen).

If you should feel that this represents a viable option for you, click on the tab, and you will see a screen something like this:

The screenshot shows the 'Price Your Campaign' interface with four tabs at the top: '1. Get Started', '2. Choose Audience', '3. Create Ad', and '4. Set Budget'. The '4. Set Budget' tab is active. Below the tabs, the 'Price Your Campaign' section has two sub-tabs: 'Pay for Clicks' and 'Pay for Views'. The 'Pay for Views' tab is selected and highlighted with a dashed border. To the right of the 'Pay for Views' tab is a link for '(More information)'. The main content area contains the following fields:

- Budget:** What is the most you want to spend per day? (min \$5.00)
\$ 10.00
- Location:** Where do you want your ad to be shown? (What's this?)
 - Ad Space
 - News Feed
- Bid:** How much are you willing to pay per 1000 impressions? (min \$0.10)
\$ 0.50 Suggested bid: \$0.20 - 0.33 (Learn more)
- Schedule:** When do you want to start running your ad?
 - Run my ad continuously starting today
 - Run my ad only during specified dates

At the bottom of the form are two buttons: 'Back' and 'Continue >'.

Note that you will now be paying for the amount of impressions of your advertisement that are shown, and that in this case they are recommending a suggested bid of \$.20 to \$.33 per 1000 impressions.

Also note that it is necessary for you to choose whether you want your ad showing as part of the regular News Feed, or in the on screen Ad Space.

Paying for the number of views your advert enjoys maybe an option you wish to consider in the future, but for our purposes, I will continue to assume that this advertising campaign is to be run on a PPC basis.

So, a final click through will bring you to the review and payment screen, and all you need to do is input your payment details, and confirm the order.

That is your 'Social Ads' advert created, ready to go live.

Teething Problems

Now, as I have suggested on several previous occasions, Facebook social ads are still very much the 'new kid on the block', and therefore there are still a few initial teething problems to be dealt with.

Possibly the biggest problem that there is at the moment is that once your advert is created, it is impossible to go back and modify or to change it in any way.

If you need changes to be made, you must go right back to the beginning and recreate the ad from scratch once again.

If, therefore, you are going to use the Facebook 'Social Ads' PPC program, you should make sure that you keep a copy of your advert on your desktop or laptop computer, so that if you do need to make minor modifications or alterations, you can do so with relative ease.

This situation also applies should you wish to make changes, for example, to the targeting of your advertising as well. As it stands at the moment, therefore, the simple answer is to try and get it right that you count the first time!

How Successful So Far?

Of course, it is still far too early to make any meaningful, constructive judgment of how successful Facebook are likely to be with their 'Social Ads' initiative.

Nevertheless, the standard by which all such PPC models are inevitably judged, that is, Google AdWords, was extremely successful and worked well straight out of the box.

That fact has unfortunately set the bar over which all competitors are forced to leap very high indeed.

So, the first thing that should be mentioned about 'Social Ads' is that the fact that you cannot go back and modify your ads once they are created is annoying at the very least!

Secondly, whilst the objective of giving people so many demographic variables may be laudable, results so far indicate that it may to at least some extent be a touch counter-productive.

For example, we already know that every time you alter any variable, it alters the number of potential customers that the system shows you.

So, what seems to be happening so far is that some people are getting shown huge potential numbers of people who might be interested in their site, but are then seeing very few 'clickthroughs'. Indeed, some people have actually seen no results at all, despite the apparently

massive number of potential customers that Facebook indicates there are.

For the vast majority of people that have tried the system so far, the results have been somewhat disappointing.

A few examples from people that I know who are testing the system would suggest that there are still some problems that need addressing.

For example, the first example 'tester' that I know had a potential viewer group (i.e. the number that is shown at the top right hand corner of the screen when you go to the 'Choose Audience' screen) of some 10,000 and enjoyed a 'click through' of 165 viewers.

This is certainly less than a well placed advert with AdWords or any of the leading competitors would be expected to generate.

Balanced against that, however, is the fact that all advertising costs are primarily driven by competition, and with Facebook still being relatively unknown territory, the costs are still considerably lower than those that Google would be charging for ads that would generate similar results.

And, of course, the effectiveness (or otherwise) of all advertising is entirely predicated upon how well or how badly the advert itself has been put together.

For example, statistics have indicated time and again that ads with photos are likely to do better than those without, because pictures inevitably draw the viewer's eyes way better than text alone can ever do.

There is even a marked difference between ads that have 'good' pictures, those that really appeal to viewers, and those that do not.

For proof of this, take a quick look at a site like eBay and see how many auction listings are promoted with a photo of a scantily clad lady attached, even though the picture is usually completely unrelated to the product being advertised.

So, I have no way of knowing how well any of the ads whose results I am considering here were written, but I am assuming that all of them were of a similar quality.

On balance, therefore, I would suggest that 165 clickthroughs from 10000 at a reasonable cost is probably a satisfactory result, certainly not good but not too poor either.

However, another example from the same marketing group would paint a very different picture, one that points to there being some serious system problems.

In this case, the initial potential 'Audience' was indicated to be over 1 million potential viewers for an advert.

Yet, a week later, there had not even been any impressions, never mind clickthroughs! In other words, the ad had not even been served to one single viewer, and so (somewhat obviously) no-one had clicked the ad!

This would suggest that there was something wrong with the system somewhere, clearly some 'bug' that needs ironing out and quickly as well.

The third example that I would mention is a very interesting idea for monetizing Social Ads, an idea that should, in fact, work reasonably well with any reasonable or low cost PPC resource (but, one with a sting in the tail!).

One of the most popular methods of earning money on the internet is through what are known as affiliate programs.

This is a system where an advertiser allows people to sell their products in return for a share of the initial sales price that is paid out as a commission.

In the most common scenario, most online affiliates are trying to sell or promote digital products from a site that brings many thousands of such products together into one 'shop window' a site like Clickbank.com, for example.

There are, however, other sites that offer similar affiliate sales programs, but for real world tangible products like perfumes, medicines, PC's and basically anything else that you can buy in your local mall.

Again, most of these sites offer a commission for every sale that is generated from your efforts.

Some service orientated company's will however offer a payment for each lead that is generated by you.

Products like insurance and credit cards, for example, often offer arrangements like this, sometimes paying as much as \$20 per lead!

Two sites where such CPA programs might be found are [Commission Junction](#) and [AzooglesAds](#).

So, if you can find an attractive 'pay per lead' offer that pays well, plus low cost advertising then you should have a winner every time, at least in theory!

This is exactly what my third example of someone using 'Social Ads' did. They found an attractive product with great payouts, and set up a 'Social Ads' campaign to drive visitors to the site.

The first day, they enjoyed thirteen visitors from the Facebook ads, and the second day, that number increased to 24.

So far, there were no sales, but, with increasing visitor numbers every day, that was surely only a matter of time.

But then, Facebook disapproved of the advert and it was pulled from the marketplace!

When the advertiser quite reasonably asked why this should be, he was told that it was because his ad was in breach of the Social Ads 'Terms of Service', but he was not told how exactly, or what he could do about it!

Then Facebook also decided that they were not going to allow people to use certain search key words as well, such as 'weight loss', 'dating' and 'scholarships'.

These are very basic, seemingly non-contentious 'meat-and-drink' keywords for internet marketers, the banning or removal of which makes no clear sense at all.

But, again, using these words is apparently in breach of the 'Terms of Service'.

So, are 'Social Ads' worth using?

Well, at the time of writing, it is probably fair to say that the jury is still out, and that the matter is undecided.

Whilst clearly a lot of the initial bugs and wrinkles will be ironed out of the system over time, only Facebook can know how many of these problems they actually want to fix.

For example, the 'Social Ads' moderators may decide that they do not want the Facebook site used for dating purposes, and continue to leave the word as a forbidden search term.

Whilst from the viewpoint of an internet marketer or online business owner such a decision would not appear to make much sense, they should bear in mind that both the site owners and members of the Facebook community do not want their site taking 'down market' as they see it.

Perhaps they see online dating or weight loss programs as something that fits into that category? Who knows?

Another perhaps more serious accusation that is leveled at the idea of Facebook running PPC advertising is that many marketers do not believe that the people using Facebook are anything more than 'a bunch of college kids goofing off'.

In other words, the suggestion is that no-one using the Facebook site is ever going to be a really interested potential buyer.

Undoubtedly, over the past year or so, many, many serious business people have abandoned Google AdWords and begun to search for quality alternatives, but it is important to understand why before assuming that this means that these folks will start to use Social Ads, and that they will therefore ultimately be successful (as some seem to assume).

From the day that AdWords started operations right up until the present when someone goes to Google, they are in a genuine searching (and possibly buying) mode. They have set out their stall to find something and, in general, they already know what that 'something' is.

This is still true, and AdWords adverts are still very good at filling this market requirement.

Their effectiveness is not therefore in question

Unfortunately, over the last twelve months or so, what has been questioned (and sometimes caused people to abandon Google) has been their poor marketing, their occasionally heavy handed attitude and the sharply increasing advertising costs.

The same line of thinking would suggest that people do not go to Facebook to search for products or services. If they are seeking anything at all, it is more likely to be a friend from whom they can seek information.

They categorically do not visit any kind of community site (and especially not Facebook) with any intention of buying anything or (it may be argued) with any intention of engaging in anything that can even remotely be described as commercial activity.

If this is true, then what we are effectively saying is that no matter what business related activity they are related to, 'Social Ads' are never likely to be successful!

Ask yourself this question. Given what we have already established about the somewhat 'unique' nature of the Facebook community and its members, do they seem like the kind of folks who will embrace unfettered commercial and business ventures and organizations in their community?

It is early days for 'Social Ads' and only time can effectively show just how successful they are going to be.

All I would suggest is that, if you plan to spend money using 'Social Ads' to promote your products and services to the Facebook community, you do so with your eyes fully open.

Nor is this to say that all methods of promotion that you can use to push your products and services to Facebook community members are going to be ineffective or a waste of time.

Chapter 7: 'Pages' & 'Beacon'

Pages

Going right back to the first screen of creating our 'Social Ads', you may recall that you were presented with the option of sending a visitor to pages of a website that is outside of Facebook or creating a new 'Page' on the site.

Creating such a 'Page' is a free service that allows you to create a one page mini-site about your business. It is essentially a full one page advert for your business.

When you first visit this 'Pages' page, you will immediately see that there are three drop down menu boxes at the top of the page.

The first of these boxes is for listing a 'real world' business on a local basis, so the drop down shows all of the different types of business that you can list (Automotive, Banking, Café, Grocery etc).

The next drop down lists businesses by product or service.

One of the categories listed in this second 'drop down' is 'Online Store' which I suggest that most smart internet marketers could 'fit' their business into!

Remember that this is free publicity and advertising, so it will certainly merit making a little bit of effort to take advantage of this resource.

So, I would recommend that you should use this category listing, and create your own page, but that you try to build it with as 'passive' a voice as you can.

In other words, try to make your online store a place that is attractive enough to entice visitors in, rather than shouting at them that they must visit you.

As we have already established, this latter approach is almost certainly doomed to failure in the Facebook community!

So, give your Online Store a suitable name and then proceed with the creation of our page.

Now, the way that your store can become most effective is by becoming a place where people want to return to again and again. Thus, you need to make it as interesting, engaging and exciting as possible, and you can do this by adding extra 'applications' to your Page, things like videos, pictures, flash content, reviews and so on.

Once your Page is created, then the idea is that you should try to attract as many Facebook members as possible to interact with it.

You could, for example, use Social Ads to bring people to your Page. And, once they are there, your visitors can tell you that they have enjoyed the experience by adding messages to your Page on what is known as 'the Wall', or they can join as a fan, add their own pictures to the Page or join other groups that are represented on the page in discussion.

The bottom line is that every person whom you can entice into interacting with your site will then have their interactions reported to other folks who have already added their own interest to your Page.

In addition, everything that you do will also be notified to all of these people too, so, eventually, there should be a constant and relatively never ending 'swirl' of information circulating through a whole group of people that is effectively centered on your store!

Now, this is a great theory, of course, but you have to get people to 'join' your group in the first place, and that is probably the hardest job to do!

And, guess what?

There has never been a better time to start building your page than right now, so you should take action immediately!

Firstly, at the time of writing, creating such pages is still a relatively new Facebook feature. Thus, there are just not that many completed Pages out there.

This also means that Facebook members have not yet started to suffer from the somewhat inevitable 'Page blindness' in the way that they possibly will do a few months or a couple of years down the road.

Second, the same fact means that there are very few Page based groups established yet. Be one of the first to really tackle this, and you could build a large and loyal following before anyone else has even realized that it is possible to do so.

Once these folks have already become your 'loyal' followers, it will not matter a great deal if the Facebook community does indeed become 'Page blind'. You have already made your mark, and carved your place in the market.

So, the bottom line is that there has never been, nor will there ever be a better time to start to build and promote your Facebook Page than right now!

Beacon

The Beacon facility allows you to decide what actions of a visitor to your site are worthy of reporting to other site followers.

So, this could be something like making a product purchase from your store, adding an item to a wish list or maybe signing up for some free service.

Basically, you decide what levels or types of engagement a site visitor needs to undertake or achieve for this information to be published to your whole user group.

Now, when Facebook first introduced the Beacon resource or toll, it caused national Press outrage, as Facebook had not included any way that the user could control the information that was sent out about them (and perhaps their purchase, for example) to a network of people, many of whom they had never met or even heard of!

Introducing the Beacon service in this format was, not surprisingly, a hugely controversial step by Facebook, as most users whose details were spread all over the Facebook site without their knowledge quite sensibly saw this as a gross violation of their right to online privacy.

It should therefore be little surprise that the adverse national Press (and international online) coverage that it received soon had Facebook changing the 'Beacon' operating rules!

Now, the user receives a notification that certain information about their actions is to be disseminated, and they have the power of veto over such actions.

Given Facebook's undoubted faux pas and the attendant adverse coverage that it received, it is perhaps no shock to know that the Beacon service is still not all that popular!

Nevertheless, once the hullabaloo has died down, there is no reason to assume that the Beacon service cannot form a valid and valuable addition to your efforts to spread your message

Try to ignore the fact that Beacon is not that popular at the moment, and take a longer term view. Begin to embrace the service sooner rather than later would be my advice!

Chapter 8: The Real Facebook 'Eldorado'

So far, we've looked in detail at most of the new advertising initiatives that Facebook has recently introduced such as Social Ads, Pages and Beacon, and concluded that, at least at this moment, there is probably not a great deal of money being made.

There is one aspect of Facebook, however, where there certainly is money being made, and quite large amounts of it too.

This is in the area of creating what are known as 'applications' for Facebook.

These are best described as additional third party software programs or modules that can be added to your Facebook profile or home pages to add functionality or simplify matters.

So, when we were looking at making your Online Store page as attractive as possible, it was suggested that you should add video and picture applications as one step towards doing so.

Applications for Facebook have been around for quite some time now, and with the recent creation of the F8 platform, application development has taken another significant step forward.

Developers are now able to create applications that are readily and easily integrated into Facebook because they have been given access to the same source code that Facebook themselves use.

This clearly makes it far easier to build the applications that will then enable users to interact with their associates, friends and your business much more easily.

So, how does this allow the application creator to make money?

Take a look at this page of some of the most popular current applications that are available.

The screenshot shows the Facebook Application Directory interface. At the top, there's a search bar and navigation tabs for 'Recently Popular', 'Most Activity', 'Most Active Users', and 'Newest'. The 'Recently Popular' tab is selected. Below the tabs, there are five application listings, each with an icon, a title, developer name, description, and user statistics. The first listing, 'Super Wall' by RockYou!, has 4,596,876 daily active users (25%) and 2570 reviews. The second, 'X Me' by RockYou!, has 1,060,503 daily active users (8%) and 2692 reviews. The third, 'Causes' by Kristján Fjorð Pétursson, Joseph Green and 2 other people, has 305,506 daily active users (3%) and 1687 reviews. The fourth, 'Are You Normal?' by Kinzin, has 35,056 daily active users (6%) and 222 reviews. The fifth, 'Compare People' by Chainn Inc., has 455,748 daily active users (5%) and 9769 reviews. On the right side, there's a 'Browse Applications' section with a 'For Facebook Profiles' sub-section containing a list of categories and their counts, such as 'All (10187)', 'Alerts (591)', 'Business (482)', etc. Below that are sections for 'For your Desktop', 'For the Web', 'For Facebook Pages', and 'By Facebook'.

The first listed application here has been downloaded by over four and a half million users!

And every one of those users has been shown the application developers 'Page' at least one time! That is 4.5 million potential advert views driven by the creation of one simple little application!

So, how can that make money?

Here's an example. Note that the third most popular application is called 'Causes'.

This is, as the name might suggest, an application that enables you to help your favorite charity or cause.

Causes are very 'big' on Facebook, which again fits well with the image of the average Facebook user that we have already built.

See, the big, big secret to Facebook advertising success is making sure that your advertising looks like anything but advertising. Do this well, and you can make money.

Here's an example.

Find a cause that has universal appeal. For example, a charity supporting action against breast cancer would work.

Create an application, and on the Page that gets shown when it is added by a Facebook community member, add a toolbar for free download.

Monetize this toolbar with an attractive CPA offer that will pay you a \$1 for every download of the toolbar that will then sit on the user's desktop carrying that promoter's advertising.

Pledge to give \$150 to the breast cancer charity in question for every 1000 toolbars that are downloaded.

So, you make \$1000 for every thousand toolbars downloaded and you pay \$150 of that to the charity (cause) of your choice.

The net result is that the charity gets a nice little present for doing nothing and you get to pocket \$850!

And, guess what?

This is no hypothetical scenario.

It actually happened a couple of years ago.....and one and a half million toolbars were downloaded in the space of one week!

Does that seem like good money to you?

I would think that it probably does.

After all, \$850,000 in one week for building one tiny application and a bit of creative thinking is not too bad, is it?

So, the key is thinking in what used to be called a lateral manner (i.e. sideways) and is nowadays called 'out of the box'.

By now, I hope that this report has given you at least an inkling of the kind of person that you are dealing with at Facebook.

Generally (and, of course, this is an extremely broad generalization) your average Facebook community member will be an educated person with a social conscience.

This is going to be someone that intrinsically wants to help others, who is at the same time extremely resistant to 'ordinary' advertising.

So, what can you do that will appeal to this individual?

Now, of course, the first step is to get your page in front of the community member so that they are in a position to take advantage of your offer.

So, you need to come up with an idea for a great application, but you do not have to come up with something that is totally original or world shattering.

Simply look at all of the applications that are already working, and see how you can improve them.

Remember that the Japanese built one of the world's most successful car making industries based entirely on that theory, so it has been done before, and there is little doubt that it works.

Then, apply a lot more thought to what your killer 'advertising, but not advertising' offer should be.

What cause can you support, and how can you monetize our efforts?

Or, perhaps you might like to think of this as another money making idea.

A friend recently sold two applications for \$19000 each.

He freely admits that if he had the patience to hang around then he could probably have got twice this amount, but he was happy enough with the quick sale of a couple of applications that took half a days work each to create, and were around a year old in both cases!

What he is sold here were not applications. They are nothing more than essentially worthless snippets of computer code.

What he sold was the fact that as a result of the popularity of these applications, thousands or millions of new visitors would be forced to view an advertising Page.

So, applications are a superbly effective way of making certain that your Page gets seen, hence the sales value that they have.

At this point in time, 'applications' is definitely the best and most effective way of making good money from Facebook.

Conclusion

Given the great success that many marketers have enjoyed pushing their products or services through the MySpace social networking community, I guess that many people might assume that doing the same with Facebook should not be so difficult.

Facebook is intrinsically different to MySpace however, and anyone who seriously wants to try to market using Facebook needs to understand that right from the outset. Facebook members truly do see their site as a genuine community and are fiercely protective of it.

Thus, promoting and attempting to sell a product or service on Facebook in a direct manner is unlikely to work, and until 'Social Ads' is better established, it is a little hard to know whether they will make a significant difference to this picture.

However, as demonstrated by our breast cancer applications example, if you can think creatively enough, there is no doubt that there are ways that good money can be made through the Facebook community.

So, I would recommend that you create your Online Store.

Tie in some worthy 'cause' to your Page and then advertise the cause using 'Social Ads'.

Then, take a look at what the most popular applications are, and see if you can make any of them even better. Use this to drive hundreds of thousands of visitors to your Page, and then sell the application.

And then get networking all over Facebook as quickly as you can.

That way, I have no doubts at all that using Facebook to market your products and services can be every bit as profitable as any other social networking site.