Facebook Advertising:
The Mobile Opportunity

salesforce marketing cloud

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Living in a Mobile World

It's no secret that we live in a mobile, multi-screen world. As on-the-go connectivity changes the marketing and advertising landscape, it's important to look at opportunities for mobile to enhance your marketing.

In 2011, smartphone sales first surpassed global desktop and laptop sales. Since this milestone, smartphones have saturated the marketplace with new ways to communicate, buy, sell, and interact.

Just take a look at the projected growth of smartphones, tablets, and PCs in the following chart for another way to perceive how mobile devices are redefining communication.

● Phone   ● PC   ● Tablet

Source: IDC Worldwide Quarterly Smart Connected Device Tracker, September 11, 2013
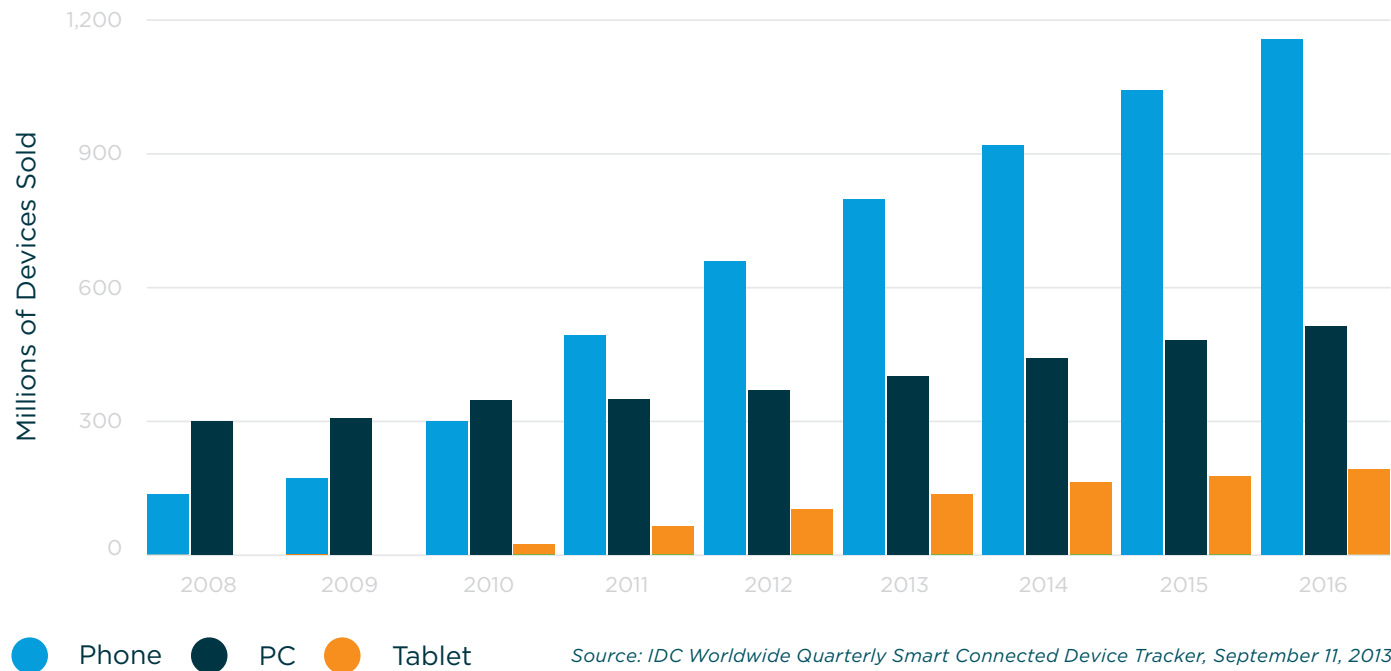
There's Always An App For That

If the web browser was the first evolution of digital information access, then the mobile app is the second wave. Websites and the web browser displaced encyclopedias, library books, newspapers, radio, and CD-ROM software like Encarta as the primary source of information and entertainment. But now, mobile apps are changing our preferred information channels yet again. Mobile app usage is consistently higher than time spent on mobile web[1], as mobile consumers prefer the native, fully featured experience of apps to a mobile website experience that feels inferior to both the desktop version of websites and apps.
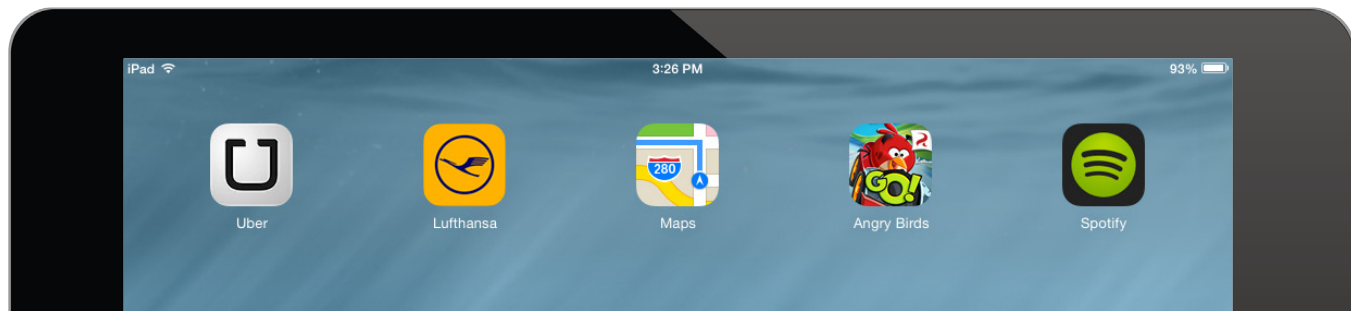
In 2008, a year after Apple unveiled the iPhone, Steve Jobs introduced the App Store. Google soon followed, launching their app distribution platform later known as Google Play, and soon we had robust app ecosystems from Amazon, Samsung, and Microsoft. Developers around the world launched apps that have fundamentally changed consumer behavior (and made millionaires along the way).

The average time US mobile users spent in apps vs. the web increased from 72% in 2011 to 86% in 2013, as the following chart shows. As overall time spent with mobile devices increases, consumers are finding more benefits with the app format.

Remember when...?

- Uber gave us instant access to the taxi.
- Airlines launched apps with mobile boarding passes.
- Mapping apps allowed us to find anything, anywhere, anytime.
- Angry Birds launched a new gaming addiction (and a new merchandising line).
- WhatsApp redefined mobile communication with loved ones.
- Spotify put millions of songs and musical artists at our fingertips.

[1] http://techcrunch.com/2014/04/01/mobile-app-usage-increases-in-2014-as-mobile- web-surfing-declines/

Backing it up

During the last three years, the average time US mobile users spent in apps versus the mobile web increased from 72% in 2011 to 86% in 2013. So, as overall time spent with mobile devices increases, apps become increasingly popular.

What we know now is that most people would rather go to the Facebook or Google app than their equivalent mobile website. Why? This shift is mainly because of the more robust features and vastly better user experience within a native app environment.

Proportional Time Spent — 2011, 2012, 2013

● Mobile Apps   ● Mobile Web

Source: IAB & Flurry
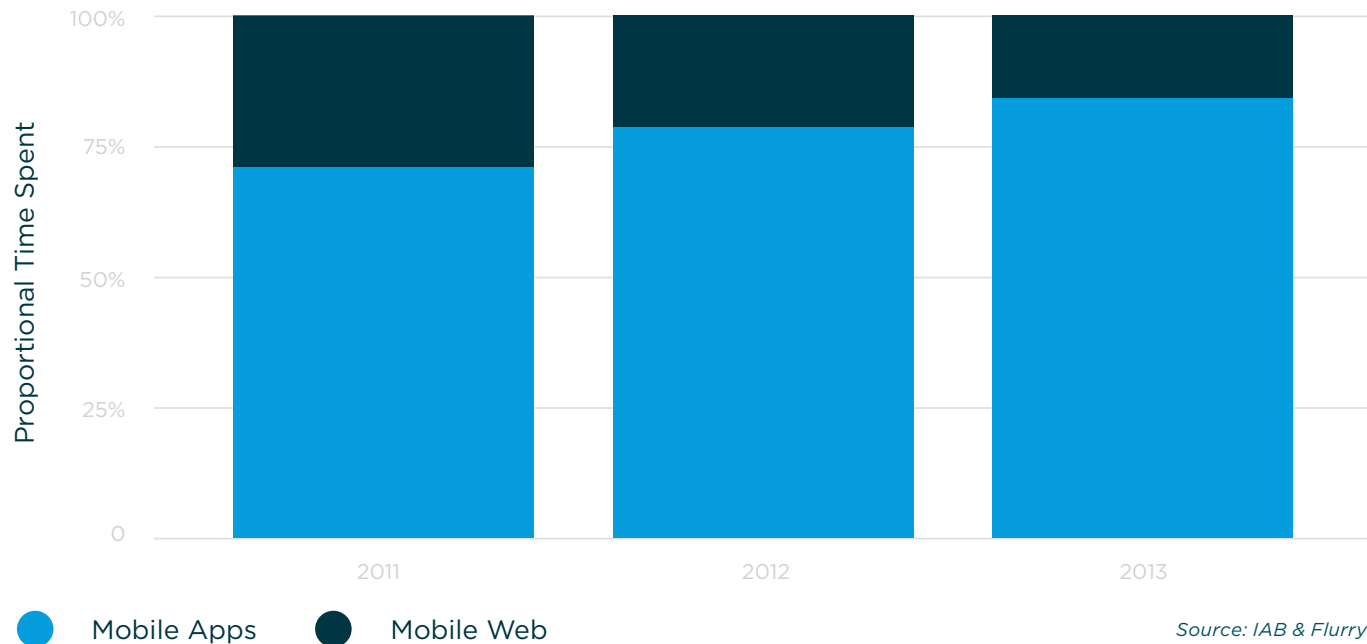
The UX Challenge

Although mobile growth has created a shift in the way we access digital information, the market is still calling for a model user experience. The challenge for businesses over the last decade was to ensure their content and website could be found. Search engine optimization (SEO) was a major part of establishing an online presence. SEO ensured that as users were searching for key terms, an organization's website would appear and rank highly on major search engines.

Though SEO is still important, more time spent in apps means less time spent in web search-driven environments. But with over a million apps in Apple's App Store and the Google Play marketplaces, marketers have a new challenge: app discovery and app engagement.

Due to the sheer volume of options, app stores are somewhat limited in their ability to aid in app discovery, and they certainly aren't geared to help interaction or engagement post- app download. In fact, past reports from Apple indicate that the average iPhone user has more than 100 apps on their iPhone! What does this tell us? The challenge to get consumers to download your app is only half the battle. It's how the app engages them post-download that will keep their attention and loyalty.

User experience, or UX, is what keeps the attention of your app users. How your app looks, feels, and plays into the user's lifestyle is key to success. Facebook has used **UX researchers and developers** to create a unique opportunity for advertisers that also provides an exceptional experience for users.

The Facebook + Mobile Opportunity

While iOS and Android dominate the smartphone market share, it's Facebook that dominates smartphone user attention. One in five minutes on a mobile device is spent in Facebook's app, which doesn't include time spent on Facebook's mobile website[2]. That's more than the combined time spent on the remaining nine of the top ten biggest mobile apps, including Google, YouTube, and Twitter.

And the growth doesn't stop there. Social app engagement is up over 200% year over year, which is double the overall app engagement growth of around 100%[3]. This high level of engagement, Facebook's app prevalence, and the network's one-billion-plus mobile users all combine to give advertisers an incredible mobile opportunity.

With Facebook mobile app advertising, marketers can reach their audiences more easily, and at scale, in the mobile world. By commanding consumer attention on their app or mobile website, brands can cater to users' unique preferences and behaviors.

In a mobile world, traditional digital tracking methods (like cookies) are largely redundant, and the ability to advertise effectively across different devices, browsers, and app versions is a great challenge. Facebook, however, has the ability to identify an audience and connect usage across devices without the need for traditional device identifiers, like cookies or plug-in data.

[2] http://www.flurry.com/bid/95723/Flurry-Five-Year-Report-It-s-an-App-World-The-Web-Just-Lives-in-It
[3] http://www.flurry.com/bid/103601/Mobile-Use-Grows-115-in-2013-Propelled-by-Messaging-Apps

Getting Started with Facebook Mobile Ads

Today, Facebook currently offers two major mobile app ad types:

1. Ads based on new installs
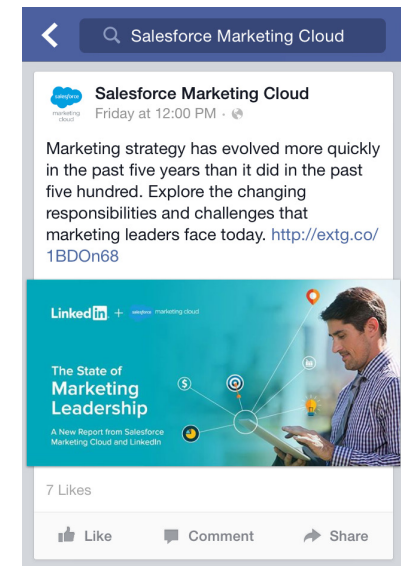2. Ads based on app reengagement

Facebook's robust demographic targeting options allow advertisers to reach and optimize target audiences through new app installs, while improving the quality of new users and optimizing cost per install. And advertiser enthusiasm for this is growing rapidly, with US ad spend on Facebook mobile app ads doubling from Q3 to Q4 2013[4].

Facebook offers several ways to help drive app installs and app reengagement. Here are a few to take note of as you create a mobile marketing plan:

• Facebook's mobile software developer kit (SDK) and tracking allow you to easily recognize app use and remarket to users based on criteria like last app opening.

• Facebook also supports some third-party mobile analytics and measurement partners, like **Appsflyer** and **Localytics**, that remarket to and engage users.

• Facebook's Custom Audience product allows approved advertisers to use their own first-party customer data via an email address or phone number to target users for new app installs or app reengagement.

As app markets develop and people are increasingly strapped for storage space on their mobile devices, mobile publishers are faced with the challenge of app dormancy or deletion. Facebook answers these needs by providing dynamic reengagement solutions post download. Optimized reengagement means increased views, better leads, and more sales to report to your C-suite.

[4] http://www.exacttarget.com/blog/facebook-and-socialcom-helping-app- developers-grow-their-business/

The Future Of Facebook

During the f8 Developer conference in May 2014, Facebook announced their new **Audience Network**. A soft rollout of the new tool allows advertisers to extend their reach with highly targeted ads using Facebook's unique targeting capabilities in third-party apps. As tens of thousands of apps already incorporate Facebook's SDK within their app and many utilize Facebook's login authentication, Facebook has an exclusive upper hand in the app ecosystem. Thanks to the Audience Network, advertisers can show mobile app install and engagement ads beyond the Facebook native app, increasing scale and reaching new audiences.

Remember these important facts when developing your mobile marketing plan:

1. Globally, mobile has surpassed desktop as the major way users engage with digital content.

2. Mobile apps occupy the vast majority of users' time on mobile devices.

3. Facebook consumes one in every five minutes of user time on mobile devices.

4. Facebook advertising on mobile allows advertisers to meet on-the-go users wherever they are, promoting engaging content while utilizing unique targeting data.

5. Facebook's singular social identity across devices allows advertisers to efficiently advertise, track, and optimize performance to target audiences.

6. Facebook's Custom Audience product allows advertisers to reach their own customers and target them with relevant messaging.

7. Facebook mobile app install and reengagement ads allow mobile publishers to scale apps effectively.

8. Facebook's new Audience Network allows advertisers to reach unprecedented scale across mobile with premium targeting.

Conclusion

As demand increases for better marketing of mobile apps, Facebook emerges as a leader in getting your brand in front of mobile users. Facebook's dedication to user experience and ongoing innovation give advertising teams an ever-improving platform to reach people where they spend the most time. As you move ahead with mobile advertising efforts in an evolving landscape, remember that audiences dictate opportunities — and your message must reach your target audience at the right moment to achieve success.
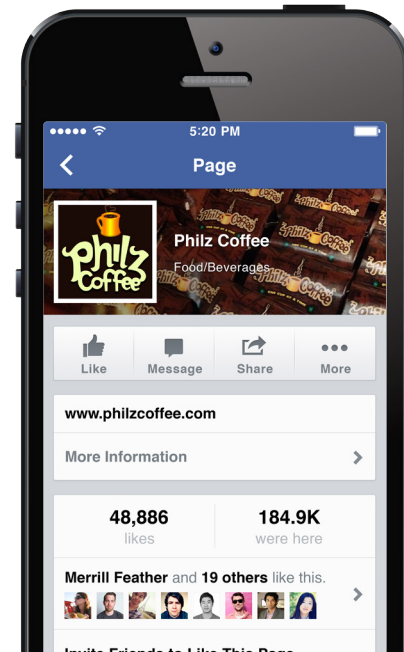
"Advertising works most effectively when it's in line with what people are already trying to do. And people are trying to communicate in a certain way on Facebook — they share information with their friends, they learn about what their friends are doing — so there's really a whole new opportunity for a new type of advertising model within that."

Mark Zuckerberg, Facebook Founder, Chairman, and Chief Executive Officer

Power Your Customer Journeys

Connect with your customers in entirely new ways. Our Marketing Cloud platform empowers marketers to plan, personalize and optimize 1:1 customer interactions across all channels and devices.

Check out salesforce.com/marketingcloud to learn more!

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