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Why reaching fewer fans won't (can't) diminish engagement

Advertisers are seeing red after reports that Facebook have now further restricted the ability of brands to (tariff-free) reach their own fans and friends of fans¹. This follows from Facebook earlier reporting that content posted by brands only reaches the News Feeds of 16% of the brands' fanbase². New reports suggest that after the September change brand pages have experienced declines in this reach of close to 50%³.

The EdgeRank Algorithm that determines what does get into a Facebook user's News Feed is said to have changed "so that brands' posts only pop up in the feeds of those most likely to like, comment or share it"⁴, thereby reducing branded clutter in the News Feed. Mark Zuckerberg has previously stressed the importance of ensuring the quality of the News Feed so as to not turn users off⁵.

This move to restrict brands unpaid access to fans may be part of Facebook de-emphasising itself as an 'earned' advertising media and instead encouraging advertisers to instead take out paid advertising on Facebook.

Interestingly, commentators are saying that while reach has dropped significantly, 'engagement' (liking, commenting, sharing etc) has remained stable. New research by Dr Karen Nelson-Field of the Ehrenberg-Bass Institute confirms this. Earlier this year her research on Facebook's own PTAT ('people talking about this') metric sparked global debate when it revealed that in any given week less than 1% of a brand's Facebook fanbase talk about or engage with the brand on Facebook⁶. Dr Nelson-Field has continued to track the numbers of the Top 200 brands on Facebook and reports no change in overall in engagement due to the algorithm change on September 20th: "The only change occurred when Facebook altered the PTAT metric itself in June to add-in viral reach⁷, a change which revealed that 'friends of fans' did surprisingly little to amplify a brand's engagement."

Table 1. Engagement (as % of fan base size) across 5 study waves.

Study Period	Engagement %
Nov/Dec 2011	0.5
Feb/March 2012	0.7
July/Aug 2012	1.2
Aug – 20 Sept	1.4
27 Sept to 25 Oct 2012	1.4

1 <http://www.businessinsider.com/facebook-changed-edgerank-algorithm-to-hurt-advertisers-2012-10>, <https://social.ogilvy.com/facebook-algorithmic-change-to-decrease-reach-on-brand-page-posts/>, <http://adweek.com/news/technology/another-agency-claims-facebook-algorithm-changes-144405>, <http://jeffdoak.com/facebook-quietly-destroys-half-the-value-of-your-brand-page-overnight/>

2 <http://adage.com/article/digital/facebook-warns.../233105/>

3 <http://edgerankchecker.com/blog/2012/10/facebook-decreases-pages-reach/>

4 <http://adweek.com/news/technology/another-agency-claims-facebook-algorithm-changes-144405>

5 <http://adweek.com/news/technology/facebook-serving-fewer-ads-making-more-money-142224>

6 <http://adage.com/article/digital/study-1-facebook-fans...brands/232351/>

7 <http://insidefacebook.com/2012/06/05/facebook-adds-viral-shares-to-people-talking-about-this-metric/>

So why, when reach has now been reduced substantially, has this not reduced the number of people who 'talk' about the brand on Facebook? Some optimists have suggested that engagement has held up because brands have improved their social content strategies⁸. This theory has been encouraged by Facebook themselves⁹.

But a sudden improvement in the quality of content is highly unlikely. If this were the case we would have seen such improvement in PTAT numbers over time, particularly with the Top 200 brands, but this hasn't been happening.

If the algorithm was changed "*so that brands' posts only pop up in the feeds of those most likely to like, comment or share it*" then a more rational explanation of the non-existent effect on total engagement is that previously brand posts were largely reaching people who never noticed them and/or engaged in anyway with them. It strongly implies that engagement comes all from a very small group of very active people (same as Twitter¹⁰) who are still being reached. How many of these 'super fans' are employees or linked in some similar way to the brand is not known.

The engagement debate continues to flare, despite the hard evidence that people don't care much for brands – certainly not enough to spend their time interacting with them on Facebook anyway.

There are a few big lessons here for marketers from this ongoing research at the Ehrenberg-Bass Institute.

- Most of a brand's fans on Facebook remain very unengaged.
- The numbers of non-brand fans 'talking about the brand' are as underwhelming as the numbers of fans who do.
- Marketers shouldn't panic about the EdgeRank change and its affect on engagement, those that are not being reached now didn't notice and/or engage before.

And finally, Facebook is becoming more and more like traditional media. It may be time for advertisers to move on from worrying about how many fans they have to instead explore how many category buyers Facebook can reach, for what cost, and to what effect.

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The Ehrenberg-Bass Institute is a research institute of the University of South Australia. Its non-profit research into the fundamentals of marketing and buying behaviour has been sponsored for more than a decade by global corporations such as Procter & Gamble, Unilever, Mars, Nielsen, Coca-Cola, First National Bank, Kraft and Turner Broadcasting.

<http://www.Marketingscience.info>

8 <http://wearesocial.net/blog/2012/10/react-halved-reach-facebook/>

9 <http://edgerankchecker.com/blog/2012/10/facebook-decreases-pages-reach/>

10 <http://econsultancy.com/blog/7335-twitter-isn-t-very-social-study>