

The Future of Facebook: Marketing and Users

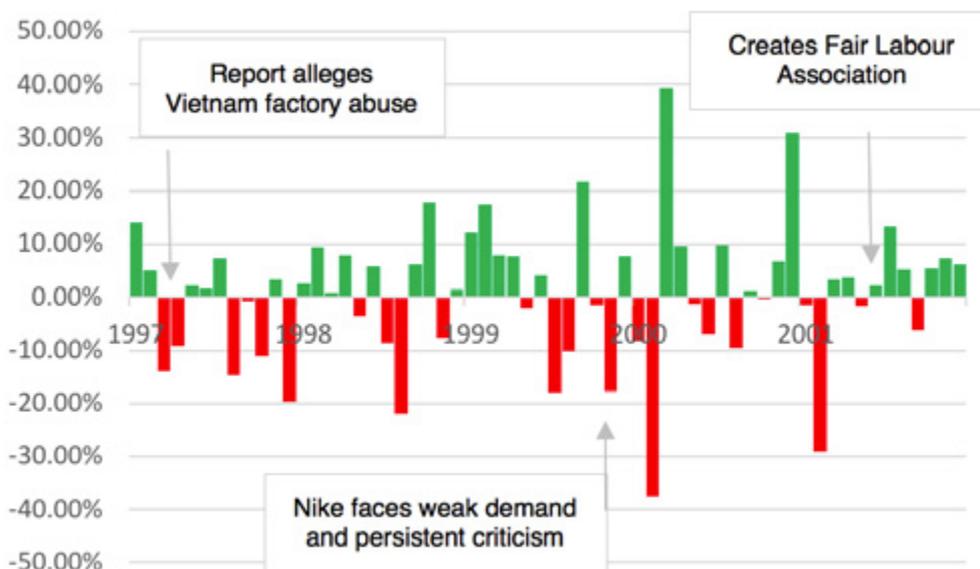
We have all likely heard of the initial story of Cambridge Analytica having used 3rd party apps on Facebook to take large amounts of data under false pretence, which might not have been illegal but was definitely unethical. There have also been follow-up revelations around Facebook tracking call and SMS history on some systems, being used illegal to racially discriminate in the UK housing market, and being a platform for hate speech that preceded the Myanmar crisis.

While none of this directly affects Facebook marketing or the use of data therein, there are a number of things that can affect the platform for marketers.

1 Facebook goes through a crisis similar to Nike / Nestlé / Oxfam.

What do all three of the above companies have in common? They have a much-loved product that was launched into the limelight when the public found out the human cost was greater than initially thought. While [Nike's sweatshop use](#), [Nestlé's baby milk boycott](#) and [Oxfam's Haitian outcry](#) all caused substantial issues to the company's perception, not all companies suffered in the long-run. Nike suffered some of the worst public outrage and brand damage, but has since re-established itself as a global, leading sportswear provider, decades after the initial crisis.

Nike Monthly Stock Price Changes



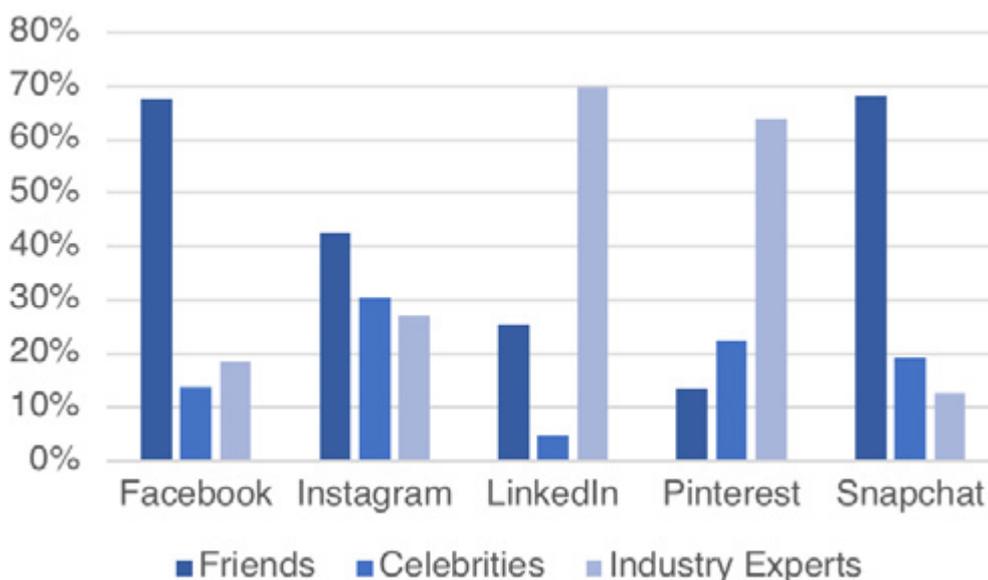
Nike stock saw its largest decreases in 2000 and '01, when newspapers and photojournalism captured the public attention around Nike working conditions. Stock decreases were met quickly with increases after Nike accepted the criticism and communicated changes to the business model.

With Facebook now launching its own responses to this outcry, it is hard to know yet whether they can rebuild and grow trust like Nike has done, or if they will be hit with persistent legislation and public discourse, which has plagued Nestle. One key difference is that Facebook has little key competition for its users. If one were to emerge with the public favour behind it, we may see the beginning of the end for Facebook's market dominance.

2 Facebook loses the most influential influencers and celebrities.

With privacy concerns over the use of personal data, it would make sense that we might see an exodus of high-profile figures, who have the most to lose from the harvesting and use of their private data. However, we are unlikely to see the same response as Snapchat after the departure of [Kylie Jenner](#), which caused the platform value to fall almost 8% (\$1.3bn). Facebook is a much more horizontal organisation, with more emphasis on a wide network of real-life contacts, rather than the narrow network of influencers that drive LinkedIn and Snapchat.

As such, we are unlikely to see Facebook suffer the same downturn were we to see the top users abandon the platform. That was never what the network was about.



Primary reasons why people said they use different social networks (YouGov, UK, Apr 2018)

Frequency of #DeleteFacebook on Twitter (UK)



The frequency of #DeleteFacebook across UK Twitter shows a peak at the initial story break on 19th of March. Afterwards, we see upticks as more details emerged, but discussion decreased over time.

3 As marketers, we can no longer use the breadth of targeting signals we currently have.

Facebook is one of the most extensive marketing platforms for how it can target users. Geography, language, interests, expats, new jobs, recent movers, frequent fliers, luxury lovers, all drive campaigns everyday through Facebook and Instagram. But it is impossible to know how much of this behaviour was captured ethically and morally. After the company was found harvesting users full call and SMS activity on Android, we may see greater legislation and regulation in the US and abroad, which in turn decreases the diversity of targeting we have available to us. We have already seen the company ridding itself of

3rd party targeting, but it is hard to know if it's hand will be forced by further governmental or public pressure.

However, the half-life of the internet has been getting shorter, and the initial public discourse is tempered. The #DeleteFacebook movement has stuttered, and news coverage is decreasing. It will likely take more revelations that offend a wider user base for the platform to see great public fallout from this.

Whether any or all of the above points transpire, Facebook is not going to go the way of MySpace in the near future. But marketing is always more fickle than general usage. The [YouTube Ad Boycott](#) caused some of the largest brands to pull advertising in response to being placed behind violent and controversial videos, while usage barely saw a change. It will be useful to see how Facebook pivots to appease and calm marketers, as well as keep the marketing budgets out of Google and Twitter's pockets - although we are unlikely to see them needing to calm the consumer as much as irate or scared governments.

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