Honors Program

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Facebook:
A Marketing Tool for Small Business

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Facebook: A Marketing Tool for Small Businesses

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Abstract

Facebook has become the most prominent social media site with over 1.23 billion active monthly users worldwide (Facebook Newsroom, 2013). It’s also the most popular social media site for all ages (Banks, 2011). Although popular, Facebook is a relatively new marketing medium. Using traditional marketing methods (TV, magazines, radio, mailings, and billboards), large businesses have a significant advantage over small businesses. Facebook has become a powerful marketing resource for businesses of all sizes with a lower price tag than traditional methods (Weinberg, 2009). With business costs rising, why should small businesses focus on Facebook marketing? By looking at a brief history of marketing, social media marketing, and Facebook, we can start to gain a solid foundation for the use of the medium. Once there is a foundation, the tools Facebook has for small businesses can be analyzed. The analysis of the tools is written as a guidebook for small businesses and was sent to three small businesses in varying industries and with different levels of Facebook activity. The businesses provided feedback on the guidebook based off of their previous use and current goals.
A Short History of Marketing

Marketing has evolved over the centuries with the increase in industrialization, the growing importance of product differentiation, and the shift in focus from the product to the customer. During the late seventeenth and early eighteenth centuries, industries were focused on the wealthy with very little concern for the average consumer (Raizman, 2010). In 1754, Thomas Chippendale published *The Gentleman and Cabinet-Maker’s Director*, a book of furniture designs, which was one of the first publications to target the final consumer, a revolutionary concept at the time. Throughout the 1800s, there was vast growth in both industrialization and the typographic arts which led to fierce competition for the attention of the upper class consumer through advertising (Raizman, 2010). By the 1900s, industries had begun to focus on the middle class consumer by marketing simple pieces of furniture and art (Raizman, 2010). Companies at this time were focused on the production of a superior product, believing that a good product would sell itself. This is known as the production era. This era is defined by high demand from consumers and shortages on the production end (Boone & Kurtz, 2009). It lasted until the 1920s and then switched to a sales era between the 1920s and 1950s. The consensus during the sales era was that you must have a superior product and you need to convince the customer of its superiority so they would buy it (Boone & Kurtz, 2009). This traditional method of marketing consisted of having an idea, conducting market research, developing a product, testing the market, and placing it in the market (McKenna, 2006).

Since the 1950s, marketing has been consumer oriented: companies first determine consumer needs and then find a way to satisfy them (Boone & Kurtz, 2009). This has not diminished the importance of sales and advertising. When you determine a customer need and
find a way to fill it, customers need to be aware of the product and what it does so the company succeeds.

Since the 1990s, there has been a general shift to relationship marketing. Relationship marketing focuses on long-term relationships and continues to increase in importance (Boone & Kurtz, 2009). This has a lot to do with the technology boom. The number of new products introduced into the market increased by 60% between 1985 and 1989 (McKenna, 2006). This called for a change in how companies interacted with customers. The enormous number of options increasingly available to customers limits the influence of advertising. Due to this change, marketing has built itself around customer relationships to retain the customers a business has and hopefully turn those customers into brand advocates.

**Traditional marketing**

Throughout this paper I will refer to traditional marketing. Traditional marketing includes marketing through media such as print advertisements in newspapers and magazines, mailings such as postcards, surveys, and coupons, radio advertisements, TV advertisements, and press coverage through newspapers, radio stations, and TV stations. As time progressed, these traditional methods of marketing evolved from solely marketing goods and services to marketing events, places, causes, and organizations. They also began to have well known people (celebrities, musicians, athletes) sponsor their goods or services (Boone & Kurtz, 2009). These methods were considered the most effective marketing methods in the past and are still important in a modern marketing plan.

While traditional marketing is effective, it has a few downsides. It is expensive, often hard to track results, and has a very short lifetime. This makes it nearly impossible for small
businesses to compete with large businesses. They rarely, if ever, have the funds to match large businesses. So when it comes down to marketing, small businesses need to take advantage of methods that are cheaper and longer lasting for a greater return on investment.

**Marketing Today**

Marketing a business in today’s society requires knowledge of both traditional marketing and the new tools that have arisen due to technology. Websites are becoming an important tool to the consumer who does research before making a decision. Using the internet and social media is essential for promoting websites, physical locations, products, or services to a wide variety of potential customers that may not have been reached through traditional marketing (Weinberg, 2009). Businesses need to think about these things while continuing their traditional marketing plans. New technology should be used as an extension of their traditional marketing.

In the midst of the relationship marketing trend, the internet became accessible to the general public. This affected the way marketing was done; search engines gave us pay-per-click advertising, link building, and search engine optimization (Weinberg, 2009). This allowed businesses easier access to their customers as long as they created an online presence. At the same time, review sites and scam sites appeared.

Reputable review sites hold businesses accountable as they give an unbiased review of a business’s products or services. These are usually specialized for industries. For example: cnet.com is a review site for technology and software product reviews, consumersearch.com for consumer products, and wired.com for electronics. Aside from review sites specifically for the purpose of performance reviews, there are also websites that are out there to discredit a business. While these negative review sites are usually not a problem for small businesses and are
typically aimed at large businesses, small businesses should still be aware of local review sites such as Google places, angieslist.com, tripadvisor.com, and yelp.com (Howen, 2013). These sites may sometimes have false negative reviews on them discrediting a small business. They should be monitored just in case a problem arises.

**Social Media Marketing**

On February 4, 2004 Mark Zuckerberg released Facebook (Kirkpatrick, 2010). This release, alongside other social media networks emerging around the same time, changed the way people viewed the internet. It was no longer informal and used solely for finding information but a way to connect with friends and people with similar interests (Weinberg, 2009). As a result of this shift in internet use, marketing evolved to fit into the niche we refer to as social media. Social media marketing is important because it can aid in bringing traffic to your website, making consumers brand-aware, driving conversations, and triggering conversations through word of mouth (Weinberg, 2009).

Relationship and social media marketing made it more important to focus on long term relationships with customers rather than to focus directly or only on sales. Sales will stem naturally from healthy customer relationships (Boone & Kurtz, 2009). McKenna states in *Relationship Marketing*, “The way to achieve a superior market position is to build relationships with customers based on trust, responsiveness, and quality.” Facebook and other social networking sites give businesses the opportunity to listen to customers, respond to customer needs, and play an active role in conversations (Weinberg, 2009).

Social media marketing is the process of marketing through social media networks such as Facebook, Twitter, MySpace, LinkedIn, and YouTube. Social media is defined as media
through which communication occurs—namely through the internet (Babin & Harris, 2011). Social media is becoming more prevalent and accessible as a marketing strategy every year for all types of businesses (Weinberg, 2009). Social media marketing allows businesses to have conversations, forge deeper relationships, and build brand loyalty among customers. It is often difficult for businesses to get accustomed to the shared command of their content with consumers on social media. Businesses must be ready to listen and engage with customers for social media to be effective (SRSS Solutions, 2012).

There are a variety of different ways to connect with customers using the internet: email, electronic bulletin boards, social networking sites, blogs, podcasts, microblogs (Twitter), media sharing sites, social news sites, review sites, and applications for smart phones. Technology is continually changing how customers access these different tools. Whether it be through a computer, smart phone, tablet, or e-reader, consumers are finding new and innovative ways to access the information they want (LambSRSS-Solutions, 2012).

It is important to remember that social media was created for consumers and not for marketers. While there are many different ways to connect with consumers through social media, there are just as many ways for consumers to access and use social media. While it provides a great way to interact one on one with consumers and get immediate feedback with easily measured results, there are risks. If you are too overbearing, consumers will not interact with you or worse yet, it will have a negative impact on your brand. No matter what you post to the internet, it will be perceived differently by every customer. Whether it is a picture or a press release, you need to keep potential customer reactions in mind to avoid causing offense and losing customers. Social media is meant to be integrated into an already existing marketing plan.
While it can be beneficial for a company to use, it should not be their only means of interaction with customers and leads.

**Evolution of Facebook**

Since its unveiling as TheFacebook.com on February 4th 2004, Facebook has been continually changing. It is important to know where Facebook started and how it has changed over time to gain a better understanding of the medium.

**Expansion**

Facebook started in Mark Zuckerberg’s dorm room. When it first started he saw it as simply another project. A computer science major at Harvard, he had a white board that was continually full of programming ideas and this was just another one of them. He wanted to make the world a more open place, and students wanted an electronic version of the Harvard face book (a book published every year with the pictures of the incoming freshman). After working on a few other projects intended for use by college students, Zuckerberg decided to make an electronic version of the Harvard face books. He said, “Everyone’s been talking a lot about a universal face book within Harvard. I think it’s kind of silly that it would take the university a couple of years to get around to it as I can do it better than they can, and I can do it in a week” (Kirkpatrick, 2010).

On February 4th, Zuckerberg turned on TheFacebook.com for Harvard students only. Within 24 hours over 1,200 students had signed up, and after one month over half of the undergraduate population had a profile. By March, Facebook had expanded to Stanford, Columbia, and Yale, opening up to those schools only because they showed interest and were fellow Ivy League schools (Kirkpatrick, 2010).
At this time Facebook was set up as a limited liability company in Florida. Facebook kept its growth slow and monitored the speed of the growth closely. They would open at one school, wait until growth plateaued, and then open the service to another school. This helped them avoid some of the problems Friendster had with growth. Friendster was one of the first social media sites. It grew too fast to handle the growth on the technical side. Friendster’s servers were often overloaded causing users to grow upset and quit using the service. According to The Facebook Effect (2010), Facebook tried to have enough servers at the beginning to handle 10x the users they currently had in order avoid having the same issues as Friendster.

By June of 2004, TheFacebook.com was open to over 30 campuses and over 150,000 students were registered users. At this time, Facebook also received its first investment. It was from Peter Thiel for $500,000 in exchange for 10.2% of the company. By August, TheFacebook.com was already a big enough company that Mark Zuckerberg and several of its key employees decided not to return to Harvard in the fall but instead continue to work on the company full time. On October 31st, Facebook had half of a million users. On November 30th, not even one year after it started, Facebook reached 1,000,000 users (Kirkpatrick, 2010).

Facebook reached 2 million users at over 370 schools by mid-February 2005. In August, 2005 they officially changed to Facebook.com. In September, Facebook opened to high school students and expanded internationally to universities in the United Kingdom. In the fall at least 85% of college students were members of Facebook with over 60% returning daily, an unbelievable rate of return for any website. To top it off, users were viewing over 230 million pages daily. By the end of 2005, there were over 5 million users at over 2,000 colleges and 25,000 high schools in the United States, Canada, Mexico, Great Britain, Australia, New Zealand, and Ireland (Martelli, 2013).
Facebook responded to one of their users biggest complaints in 2006: College students couldn’t be friends with their friends that were still in high school. They merged the high school and college websites (which were separate until this point) into one site accessible to everyone. They also made two deals for advertising, one with InterPublic Group and the other with Microsoft. This made 2006 the first profitable year for Facebook.

In August 2006, Facebook added a newsfeed for pictures. They noticed that users were changing their photos several times a day and they wanted to make it easier for users to view and upload pictures to make Facebook a place you could do everything. Sites for photo sharing, like Flickstr, were popular at this point. Facebook took note of this and allowed people to upload photos to their Facebook Pages. People loved it and eventually Facebook became the most popular photo hosting site. There were over 12 billion pages being viewed a day (Kirkpatrick, 2010).

In September, Facebook opened up to everyone over the age of 13 with a valid email address. Zuckerberg wanted to make the world more transparent and assumed that by people adding you as a friend they were verifying your identity, and that using a university or high school issued email was not needed anymore. By December 2006, not even two years after Facebook started, there were 12 million users. There had been several offers to buy the company, some which went as high as $2 billion (Kirkpatrick, 2010).

In 2007, there was another round of investing in which Hong Kong billionaire Li Ka-Shing invested $60 million for a 0.8% share in the company and Microsoft invested $240 million for 1.6% of the company. This gave Facebook an implied value of around $15 billion (Martelli, 2013).
The biggest change in 2007 was the addition of Facebook Pages for businesses in the late summer. This was a huge step for Facebook; until this point businesses were not allowed to have pages or groups. By the end of 2007 there were over 100,000 business pages. From its beginnings, Zuckerberg had stated that growth comes first and that revenue will simply follow.

As the company grew, Zuckerberg set several restrictions on advertisements. They had specific layouts and size requirements and Zuckerberg wasn’t willing to budge on them since he didn’t want them to begin with. This led to the advertisements being limited to the right hand side of the page, which is the same today. Facebook was only for individuals to connect, until Facebook opened up to businesses in 2007 and allowed them to interact with customers for the first time. Before 2007, advertisers were not allowed to access Facebook and only had the results (often surpassing the goal numbers) as proof that their advertisements were running.

In October of 2008, Facebook set up its international headquarters in Dublin, Ireland (Martelli, 2013). Many technological additions came to Facebook in 2008. They added Facebook Chat, the “People You May Know” feature, the Wall (for each user), and Facebook Connect (Knoblauch, 2014).

Facebook surpassed MySpace in May 2009 in U.S. based traffic (Martelli, 2013). This was the beginning of Facebook really starting to set itself apart as the most used social network. In 2009, Facebook acquired FriendFeed and claims that it was cash flow positive for the first time. In this year, they added the “Like” feature which is now one of the most well-known features of the site. Facebook also added the “Events” feature where individuals or businesses can invite their friends or followers to events happening in real life, and the homepage was
updated to show status updates of friends in real time, and users could start tagging friends in statuses (Knoblauch, 2014).

_The Social Network_, a movie about how Facebook started, was released in 2010 (Martelli, 2013). This movie is fictional. It is based on a true story but the similarities are very few (Kirkpatrick, 2010a). In 2010, Facebook acquired a contact importing startup and a photo-sharing service. Facebook added face recognition software for photo tagging and Community Pages which consist of Wikipedia articles. In June, Facebook employees sold off shares of the company on Second Market at a company valuation of $11.5 billion (Martelli, 2013).

Facebook did another round of financing in 2011, raising $500 million from Goldman Sachs and a Russian investor. This round of financing valued the company at $50 billion dollars. In that year, Facebook launched an iPad app, partnered with Skype to add video chats, partnered with Heroku for application development using the Facebook Platform, and launched the Timeline interface for users (Martelli, 2013).

The year 2012 was busy for Facebook. They acquired Instagram for 1 billion dollars and reached 1 billion active users. More importantly, Facebook went public. Its IPO was $38 per share valuing the company at $104 billion. This is the largest valuation for an internet company in the U.S. (Martelli, 2013). Although the IPO did very well, there were several issues surrounding Facebook going public. First, Nasdaq had several issues: stocks should have started trading at 11:05am but were not available until after 11:30am, some orders didn’t come through, and investors were unsure if some of their orders had closed as many as five days after it went public. Second, Facebook may or may not have disclosed sensitive financial information to large banks that was not available to the public which is a gray area legally. It cannot be proven that
Facebook did this, but it is highly likely due to four large banks changing their outlooks for Facebook in a short timeframe before the IPO was released (Pepitone, 2012). It is essential to note that it is unclear why this happened and even if Facebook did this, it wasn’t necessarily illegal.

Graph search and hashtags were introduced in 2013. Graph Search allows users to employ phrases to search Facebook instead of using keywords. Hashtags allow you to comment on trending topics like Twitter. In 2013, internet.org was founded as a way to make internet more affordable to everyone. Internet.org is a partnership between several organizations including Facebook (Internet.org, 2013).

**Problems**

While in many cases Facebook has seemingly gotten very lucky, they have also had their fair share of problems and controversies to deal with. Not only have they had a few substantial lawsuits brought against them but they also have their users riot against new changes almost every time a new feature is introduced.

Facebook has been hit by numerous lawsuits. Most of them have dealt with one of two problems: intellectual property or privacy.

One of the first lawsuits was between Eduardo Saverin and Facebook. Saverin was one of the initial business partners when Facebook was a LLC based out of Florida. The LLC was not a sufficient formal structure for the new company. It didn’t define how the company operated, had no contracts, no official employees, and no payroll. When Facebook tried to turn itself into a corporation based out of Delaware, Saverin refused to sign off on the change and froze the Florida bank account (Kirkpatrick, 2010). Facebook and Saverin both signed non-disclosure
reports so little has been discussed of the outcome of the lawsuit, but it has been reported that Saverin got about 5% of the company (Parr, 2011a).

In 2003, the Winklevoss twins and their partner Divya Narendra asked Zuckerberg to be the programmer for their social media site Harvard Connection, later to be known as ConnectU. Over a period of about three months, Zuckerberg communicated with the three through emails and meetings. Zuckerberg claims he wasn’t very interested in the project due to the plethora of projects he was working on of his own and that the prior programmers had left a mess to deal with (Kirkpatrick, 2010). When Facebook was released in 2004, the brothers sent Zuckerberg a cease-and-desist letter (Parr, 2011a). They also took matters to the dean who was not convinced of the validity of the argument and left it alone (Kirkpatrick, 2010). Towards the end of 2004, the Winklevoss brothers filed a lawsuit against Zuckerberg. This lawsuit was dragged out until 2008 when it was finally settled. Facebook acquired ConnectU’s assets in exchange for 1,253,326 shares and $20 million in cash (Parr, 2011a).

There have also been a series of privacy lawsuits against Facebook. A simple Google search of “Facebook Privacy Lawsuits,” turns up about 23,400,000 results. There have been lawsuits based off of almost all of the problems mentioned in the following paragraphs. In fact in recent years there have been at least one or two new privacy lawsuits brought against the company each year. Some have more legitimacy than others and they have had varying results in court due to this. Needless to say, Facebook has been hit hard by at least a couple of these cases.

While Facebook has proven to be a powerful tool for bringing people together, this tool has turned against itself a number of times. When Facebook pushed News Feed live on their website in 2006, there was a strong negative reaction from the users. Not only was this a new
feature, but a major change to how the site operated. Only 1% of the messages about News Feed were positive. About 500 protest groups appeared within a couple days. This was one of the biggest controversies that Facebook ever faced. The very thing that Zuckerberg wanted to do, make information that friends posted more easily accessible, worked against the company. Users were able to see their friends’ complaints and join protest groups alongside their friends. There were even protests outside of the Facebook headquarters and security guards had to escort employees to and from the office. Not for a minute did Zuckerberg think of turning it off as it was doing exactly what it was intended to do. Facebook increased the security features to help calm users and over time users adjusted to the new feature (Kirkpatrick, 2010).

In 2009, the privacy controls were renovated. Facebook attempted to explain to users how to put friends into groups so they could assign various levels of privacy and control who sees what. Unfortunately, the default setting on the new controls was set so that everything was public. A formal complaint was filed with the Federal Trade Commission led by Marc Rotenberg, EPIC, the American Library Association, and the Consumer Federation of America (Kirkpatrick, 2010).

Facebook’s most damaging controversy happened in 2008 with Beacon (Kirkpatrick, 2010). Beacon was an alert service intended for activities such as playing games or adding recipes to an online recipe box, and you could also announce purchases you made on partner sites to your friends. It was an opt-out system which meant that if you didn’t want to share with your friends the new shoes you bought or the movie you just rented, you would have to click not to share it. This had a couple flaws because users often missed the opt-out box which was a design flaw, but most importantly it misused personal information which violated Facebook’s principles about the importance of privacy and giving users control over their own information.
The public’s reaction was quick and severe. A group called MoveOn.org filed formal complaints with the Federal Trade Commission. This situation caused many people to be skeptical of Facebook’s motives with information and Facebook has not completely gained user trust back from this incident (Kirkpatrick, 2010).

In February of 2010, Facebook’s legal department made a few changes to the company’s “terms of service.” An article was posted on a blog the next day called “Facebook’s New Terms of Service: ‘We Can Do Anything We Want With Your Content. Forever.’” Needless to say, this article was shared on a variety of blogs and made it to the mainstream press. Groups sprung up against the new terms of service which garnered over 100,000 members in just a couple days. Zuckerberg announced three days after the start of the crisis that they would temporarily revert to the old terms of service until they could figure out what to do next. The next week Facebook had created two new documents: a set of Facebook Principles and a “Statement of Rights and Responsibilities” to replace the old terms of service. He also announced that users would be able to vote on these documents before they would be implemented. Over 660,000 people voted and 74% of the users favored the revisions (Kirkpatrick, 2010).

While there have been several problems and mishaps throughout Facebook’s history that could have destroyed the company, it has always adjusted and fixed them quite quickly. These problems may worry some business owners, but almost every large company at one time has had a lawsuit or two brought against it or has had problems within the company that could have brought it down. These issues are not issues that only affect Facebook.
Today

While the history of Facebook isn’t necessary knowledge in order to use the tools it provides, it is extremely beneficial. To properly use Facebook as a marketing tool, it would be helpful to be familiar with how it went from being run out of a dorm room to a company that has over 1.23 billion active users (Facebook Newsroom, 2013). Every day, there are more than 4.75 billion content items shared on Facebook (including status updates, wall posts, photos, videos and comments), more than 4.5 billion “Likes,” and more than 10 billion messages sent (Internet.org, 2013). Facebook’s beginnings and changes over the years are what made it into the powerhouse it is today. It had to change to stay relevant to its users and the constantly evolving world of technology.

Like Facebook, marketing has had to evolve to stay relevant. Businesses can no longer rely solely on traditional marketing methods as they are becoming increasingly distrusted by consumers (McKenna, 2006), and consumers are looking for multiple lines of communication with businesses (Weinberg, 2009). Facebook has a variety of tools for businesses that help solve these problems, including: pages, groups, events, ads, applications, and analytics (Zarrella & Zarrella, 2011).

The Guidebook

As I’ve stated previously, Facebook has many tools available for small businesses. To illustrate these, I wrote a short guidebook intended to help small businesses with their basic Facebook marketing questions. The guidebook was based off of several sources. Due to the guidebook being intended for use by small business owners, I decided that including the citations as would be done in an academic paper would be distracting to the intended user so the citations
were listed at the end of the paper. It goes through how to set up a page, the tools available and how to use them, tips concerning usage, and how to avoid some of the dangers of social media marketing. This Guidebook can be seen in Appendix A.

**Application of the Guide Book**

As the applied part of this thesis I gave the guidebook to three separate businesses in different industries that use Facebook in a variety of ways. I asked them the same series of questions: How easy was the guidebook to follow? Did you encounter any problems that were not discussed in the guidebook? What would you change about the guidebook? How did the guidebook specifically help your business? What changes did you make to how you use Facebook? Any other comments or suggestions for me?

**Business A: New to Facebook**

Business A is owned by a married couple. They have three locations for their business in two cities and only one of their locations has a Facebook page. One of the owners is familiar with Facebook, but the other one doesn't understand it and has no desire to. Instead of answering any of the questions, they both gave me general feedback on the guidebook. The first owner who is familiar with Facebook said, “It’s great. Easy to follow, good information, easy to understand. The explanations on what some of the statistics were helped me understand what to look for from now on and what I can do to help reach more of our customers.”

The second owner said that the guidebook had a lot of good information, but that they weren’t interested in learning about Facebook since the other owner took care of it. For that reason they did not finish reading the guidebook. If I were to have given them more time to go through the guidebook, I may have been able to convince the second owner to read it. The
guidebook should be understandable even if a person doesn’t have any knowledge of Facebook. I think that the feedback from the second owner would have given an important insight into how easily understandable the guidebook is.

**Business B: Sporadic use of Facebook**

Business B has had a Facebook Page since 2010. During this time, they have used it occasionally without much consistency. The owner was not well versed on Facebook marketing and for that reason often forgot about it or felt intimidated by it.

In response to the question, how easy was the guidebook to follow, the owner felt that it could be improved. “In places where you list several things I would get lost or it would take me time to get through them and understand what is going on. It would be better in a bullet format.” When asked what he would change about the guidebook, the owner said that he would make clearer distinctions between sections, work in bullet form, and simplify the guidebook more. In response to the question, how did the guidebook specifically help your business, the owner said that it reminded him to try and use Facebook more and on a more consistent basis. He has also started to pay attention to the insights since reading the guidebook, something he thinks will be useful as his business becomes more active.

**Business C: Already established on Facebook**

Unfortunately, I was unable to get feedback from the third business. I had contacted both the owner and general manager through email a week and a half before my thesis was due asking if they had feedback for me. A week before it was due I called to see if they had gotten the email and if they had anything yet. The manager told me that the owner said he would give me feedback and since the owner said he would take care of it, the manager hadn’t read the
guidebook. The Friday this was due, I called once more and asked if it would be at all possible to get the feedback before the end of the day. The manager said he would make sure to put pressure on the owner to get the feedback to me, especially since he knew that the owner had read the guidebook. Well, the day came and went and no feedback came in. Since it was Easter weekend, I didn’t email or call over the weekend and called in the morning on Monday. I found out on Monday that the owner was in Las Vegas and so I would not be getting the feedback in time to finish writing my Thesis.

**Feedback Summary**

I found it was quite difficult to work with business owners during this process of obtaining feedback. I knew all of the owners I worked with, which I thought would have helped me get more feedback, but was not very successful. Based off of the feedback that I got, I can say that two businesses found various parts of the guidebook helpful, but which parts exactly I don’t know. By what the two owners said I feel that the insights portion was the most useful to them, but only time will be able to tell if it actually was helpful to them and the only way to judge that would be to analyze their insights. I could make more connections if I were to have given the guidebook to more businesses, but I don’t know how helpful that would have been. All of the owners were very short and to the point. Even with a question guide, the most I got was a few sentences. It would be an interesting process to apply this on a broader scale and see what type of feedback I would get and if it would be the same as the two businesses that responded.
Personal Reflection on Guidebook and Thesis

While I think I have a relatively thorough paper and covered a good amount of information, I think that there are a few things that could be added or enhanced.

First, I would add a section going through the offers Facebook had from other companies wanting to buy the company as well as the different rounds of financing that were done. This would help emphasize the legitimacy of the company. There were several offers to buy the company within the first year it was operating, all for over $10 million (Kirkpatrick, 2010).

Then I would expand on what I have already. While I cover the basics in each section, there are several books written on each topic and I could go more in depth.

Finally, I would give my guidebook to more than three small businesses. While I felt that three weeks would be a fair amount of time for a business owner to look over the guidebook and provide feedback, I was mistaken. I know that small business owners wear many hats and are extremely busy, but I didn’t realize that it would be as hard as it was to get feedback from them. I felt that this section of the paper could have been better if I would have had the foresight to talk to more small business owners. That would give me more feedback which would give me a better idea of how I could improve the guidebook.

Overall, the process of doing this paper was an incredible learning experience. It continually challenged my skills in both writing and research. I had to rework my outline, rewrite, and cut out sections of the paper on a regular basis. Having never had written a paper or done a project of this magnitude before, I learned quite a bit on time management and the importance of staying focused.
There were a couple problems that arose in my thesis solely due to the length of time I had to work on it. I took Pre-Thesis Seminar in the fall of 2011. Since writing the proposal three years ago, Facebook has changed significantly. I have had five semesters to work on my thesis and of course it got put off until the last semester. Granted during one of those semesters and a summer I was in China. Doing any sort of research in China on Facebook had to be done through a VPN that would not always stay connected on internet that was not always available or fast enough to accomplish any serious work. It is a tough realization that I could have had my thesis done before this point due to the amount of time I have had to work on it. At the same time, I realized that it needed to be written in a short period of time due to the speed in which the information goes out of date. A lot of my rewriting came from sources being expired or there being newer sources available with better information. Even during this semester, Facebook made changes that affected parts of my guidebook.

While this process was incredibly challenging, it was also highly rewarding. This single paper is longer than all of the papers I have written in the past 2-3 years combined. I got great feedback from the businesses and it is a good feeling to know that I was able to help them. I am now familiar with how to write a long research paper. I feel confident that if I decide to get an MBA, I will be able to do the research required. Even if no one reads this paper after I graduate, even if no other businesses take a look at my guidebook, I accomplished more than I thought possible when I started the Honors Program five years ago and that in itself is an accomplishment to me.
Facebook Marketing for Small Businesses

A Short Guide

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Honors Thesis
Introduction
With the rising cost of doing business, why should small businesses use Facebook marketing? Is it worth the time and effort put in by a relatively small staff? As the most popular social media sight for all ages, Facebook has over 1.23 billion monthly active users, which makes it the most prominent social media network. This gives businesses on the site access to a multitude of different communities, demographics, interests, and ideas. Businesses of all sizes have been moving onto Facebook each year in growing numbers, and 95% of social media users believe a company should have a presence in social media.

Marketing on Facebook
Facebook has many tools available for small businesses. This guide will go through the basics of setting up a Facebook page, what the basic tools are, and how you can track your results. This guide can be used by any business, regardless of their current usage of Facebook. If your company is not currently on Facebook, I would recommend going through this page by page. If you already have a Facebook page for your company I would recommend skipping forward to page 13 “On Your Page”.

Before you get started setting up your company’s page, there are a few questions you must ask about your business:

What is the business’s name?
What is our mission?
How will going on Facebook help us reach this mission?
What do we sell?
What do we have to offer?
Who is our target market (who are the customers we want)?
How much money am I willing to spend on Facebook (budget)?
How much time am I willing to spend on Facebook?
Is our purpose in entering Facebook to drive in-store sales, increase online sales, launch a new product, build awareness, or promote a mobile app?
Setting up a Personal Profile
The first step to getting your business on Facebook is to be on Facebook yourself. To create a business page, you need to have a personal profile. If you already have a personal profile on Facebook, you can skip this section and go directly to “Creating a Business Page” on page 10. If you already have a business page but are not familiar with the layout go to page 13 “On Your Page”. If you already have a business page and are familiar with the layout, skip forward to “The Tools” on page 16.

To set up a personal profile, go to www.Facebook.com and click sign up. This will take you to a page for you to enter some of your personal information.

The next step is to find your friends already on Facebook. You can do this by importing your contacts list from your email address. If you would like to do this, enter your email and click Find Friends and then follow the instructions on the next page. If you don’t want to upload your email contacts to Facebook, you will still have to hit Find Friends, but on the next screen scroll to the bottom, and on the right hand side there will be an option to skip this step.

After you find your friends, Facebook will come up with a list of people you may know. If you want to add them as a friend on Facebook, click on the Add Friend button next to that person’s name. By adding someone as a friend, you are giving them access to the information that you decide to post on Facebook. You will be able to see their information and you will be able to interact with them in a variety of ways.
Step 3 is adding information to your Facebook page. This allows you to show the world who you are. The amount of information you decide to put on Facebook is your own choice. You are not required to fill out any personal information that you don't want to. The more information you fill out, the easier it is for friends and family members to find you. The screenshot on the next page shows you what type of information Facebook is asking for. Take note of the drop down menu to the right of every blank. This allows you to decide who sees your information. You can set the privacy so that only your friends can see where you went to school and where you are employed or you can allow that to be public. If you change one of the blanks, it will only change that one, none of the other settings will change. You can see the various privacy options in the picture above. Close Friends and Family are two lists that you can sort your Facebook friends into later and decide if you want to share things with each individual group.

Once you have added some basic information, Facebook will recommend some pages for you to 'Like'. If you Like these pages, you will receive their updates in your News Feed (the News Feed will be covered in greater depth later). To like a page, click on the Like button below its icon. Once you've clicked on it, the button will change to say 'Liked.' You can see the difference in the picture to the left. Like the other steps so far, you are able to skip this one if you want to.

The final step is to add a Profile Picture to your Facebook page. You can add a picture of yourself, a picture of your dog, or a picture of something that's important to you. Most people put a picture of themselves as the Profile Picture. This picture is available for everyone to see. You cannot set it to be private. This is how people will find out if they know you when they search your name. Once again this is optional and you can skip it if you are just creating your personal page to make a business page or if you don't want a Profile Picture.

Once you have finished the sign up process, you will be taken to the Welcome screen which will give you the option of learning more about Facebook and finding more friends. As you add friends, Facebook will get better at recommending friends for you. After the first time signing in, you will be taken directly to your News Feed. The News Feed is a stream of information created by your friends' status updates, shared links, photos, and any posts from pages you Like.
Basic Facebook Layout

Now that we have a personal page set up, let’s get to know it a little bit before we move on.

If you look at the list on the left hand side of the screen (as can be seen above) there are several things you can do. You can message your friends (these messages are private, like an email, but if you write on their wall, it is public to their friends), add events, add photos, find friends, and add friends to different lists. There are many applications that Facebook provides for you to use.

On the top left hand side of the page, there is a search bar that allows you to search for people, places, and things. This will search Facebook first and then search the web if it doesn’t find what you are looking for. To the right of the search bar are several icons.

The two people will show you if you have any pending friend requests. If you have a friend request, a little red bubble will pop up with the number of friend requests waiting for you.

The speech bubbles are your private messages to friends and chats with friends. If you decide to chat with them, a message box will appear in the bottom right hand corner of the page. These messages are private and the chats will get saved into your message inbox.

The world shows you if you have any new notifications. This will also have a bubble pop up telling you if you have new notifications and how many.
Then there are three labels: Home, Find Friends, and your name. Home takes you to your newsfeed, Find Friends helps you find friends, and your name takes you to your wall. If you have been on Facebook for a while, the Find Friends label will not be there.

After the labels there are two icons: a padlock and a gear. The padlock is a quick drop down menu to change your privacy settings, and the gear allows you to change your account and privacy settings, log out, get help, or report a problem in detail.

In the middle of the page near the top, there is a box that allows you to share what you are feeling, doing, thinking, or anything you feel like sharing. You can share links with your friends or photos and videos that you just took. This is where and how you communicate on Facebook. This box will post the information directly to your wall where it will be available for whoever your privacy settings allow to see it.

The right hand side of the page changes from time to time. It may be a list of people you may know to add as friends, events going on in the week, requests from friends, today’s birthdays, and advertisements that are geared towards the information you filled in about yourself.

The next place we should look at is your wall. To get to your wall, click on your name in the upper right hand corner of your home page. According to Facebook, this is your place to collect photos, interests, and life events that tell your story.

Your wall is where you can tell your friends as much as you wish to about yourself. It will ask for your work and education, relationship status, family, places lived, basic information, contact information, sports you like, music you like, movies and TV shows you’ve seen, books you’ve read, and places you’ve been to. You are able to control who sees this information by editing your privacy settings by clicking on the small gear in the upper right hand corner of the screen.
You can also upload photos to your wall. There are two main pictures on your wall: your Profile Picture and your Cover Photo. The public is able to see both of these photos automatically. This is how your friends and family know that they are adding the correct person as a friend and aren’t adding a stranger. These are customizable photos and you can change them as often as you see fit.

On your wall, the first place you see is your timeline. This is a stream of your statuses, when you added a job, pictures you’ve uploaded, etc. Under your cover photo, you have the ability to go to your About page, Photos page, and Friends. There is also a drop down menu that has links to several other places.

Once again, it is completely up to you how much information you add and who you share that information with. While it is possible to go in depth with your personal profile, as long as you have a basic knowledge of how to get around, you can set up your business profile and start to market your business using Facebook.
Creating a Business Page
Now that we have a base for Facebook, a way to log in, and a general knowledge of how to use it, we can go about setting up a page for our business. The first step is to go to your home page and look on the left hand side. The categories are arranged (from top to bottom): Favorites, Groups, Apps, Friends, and Pages. Look under the Pages category and click on Create a Page. This will allow you to select what type of page you are creating as can be seen in the figure below. This paper will discuss how to create a local business or place page. If you are not the official representative for an artist, brand or business, you cannot create...
the page. You may create a group, but not an official page.

From here click on the Local Business or Place icon and it will open up a menu for you to enter your business’s information, as can be seen on the right. First choose the category of business you fall under and then fill out the rest of the blanks and agree to the Facebook Pages Terms. Then click on Get Started.

It is important that you use the full business name when creating the page. Whatever you enter under Business or Place Name will be the name of the page, which you cannot change once the page is created. Facebook will also remove your administrative rights automatically if you use a generic name instead of your company’s name (ex: “beer” or “photography”).

The following pages are important and you should complete them as thoroughly as possible.

After you have your information entered into Step 1: About, you are able to skip steps 2-4, but you should do all of this right away so your page is as filled out as possible by the time you are done creating it. The more information you have on your page, the easier it will be for customers to find you and interact with you.
Set Up Michaela's Thesis

1. About  2. Profile Picture  3. Add to Favorites  4. Reach More People

Upload From Computer  Import From Website

Save Photo  Skip
Step 3 allows you to add your business page to your favorites tab on your home screen. This is also highly recommended as it will help you to easily access your page as soon as you log into Facebook.

Step 4 allows you to add a payment method for advertising on Facebook. It is completely up to you whether or not you want to do this now or later. If you do decide to do this now, simply follow the screens that pop up to add a payment method. They are straight forward and tell you exactly what to do. Once you are done with Step 4, you will be taken to your business’s home page.
On Your Page
Before you start to work with your Facebook page, you need to be familiar with where things are on it. This section will go through where everything is and the basics you can do with them. The Tools section, which starts on page 16, goes further into how to use the tools available.

Admin Panel

The Admin (administration) Panel is where you will find the insights for your business. You can see new posts, new notifications, messages, receive page tips, invite friends, watch informational videos, see basic page insights, and get help. Only you can see the Admin Panel, unless you authorize another member of your business access to it by going to Edit Page > Manage Admin Roles and adding another person through the instructions on that screen.

Posts

In the upper left section of the Admin Panel is your post list. This lists your most recent posts and the total reach they had. If you click on one of the links, it will take you to that specific post in a new page. The total reach is the total number of people who saw your post and the paid reach is the number of people who saw your page post in an ad or sponsored story. You can advertise each post individually if you so choose by following the instructions that appear when you hover over the Boost Post button on the far right of the post area of the Admin Panel.
The notifications and posts sections share a spot in the Admin Panel. If you are seeing one and want to see the other, click on the word of what you would like to see in the top left corner ( ). The notifications will tell you if you have any new likes on a post, if someone posted on your page, commented on a status, or liked your page. If they choose, administrators will also receive notifications for the business page in the same place they receive personal page notifications on the top right hand side of the screen at the world icon.

**Messages**

If you have your page set up so people can private message you, the messages will show up in the upper right hand side of the Admin Panel. If you do not want to allow private messages, you can turn it off by clicking on Edit Page > Edit Settings > Messages and then unselecting “Allow people to contact my page privately by showing the Message button” and then save the changes.

If you get a new message there will be a red box with the number of new messages in the messages part of the Admin Panel. If you click on a specific message it will take you into that message so you can respond as your page. You can get to your inbox from any message by clicking the button that says Inbox. Once in your inbox you can see all of your private messages.

**New Likes**

Facebook will show you who your new Likes are. If you are not friends with the person, it will still show their name and profile picture, but depending on their personal security settings that may be all you can see.
Insights will be covered in more detail later on, so this will just cover what is shown in your Admin Panel. Your Insights are in the center of the Admin Panel and will almost always show your reach and the percentage change from the previous week. The reach is the number of people who saw your posts. From this box you can go to see the rest of your Insights by clicking on the button that says Check out Page Insights on the bottom or clicking on See All on the top.

**Invite Friends/Page Tips**
In the bottom right hand corner of the Admin Panel, you will see one of two things, either a place where you can invite friends to like your page or receive page tips from Facebook. The page tips are usually videos under five minutes long.

**Wall**
Below the Admin Panel is your wall. The wall on your page will be set up the same as your personal page, but you have more control over its content. You are able to go into Edit Settings and control: whether or not your business page is published (available to the public to see), who all can post and what they can post, privacy, tagging ability, notification settings, country restrictions, age restrictions, words to block, profanity filter, whether or not you want your page recommended to others based on similar pages, whether or not you have comments available, if you want to merge pages (if you have an old page and a new one), and if you want to delete your page.

Under Edit Page Info, you can update the About area on your wall. This gives you the option to provide as much or as little information as you see fit on your business. I would recommend entering in as much as you are comfortable with. The more information that is easily accessible to customers, the better.
The Tools
This section will go through how to use the tools Facebook provides for you. Later we will go through what you should do to get the most out of Facebook.

Posting

In the upper left hand side of the wall there is a box that allows you to post to your wall. It gives you the option to post a status, photo or video, an offer, an event or milestone. You can also schedule or backdate a post if you click on the clock at the bottom of the post box. Next to the clock is a location marker. If you select this you can say where you are posting from. If you would like to add a picture to the written post, click on the camera next to the location marker.

Status
Your Facebook status is how you reach your customers. It allows you to talk about what is going on with your business, mention any specials going on, ask customers questions, and share other important information with your followers. To get a good idea of what types of things you should post on Facebook, look at what leaders in your industry are doing and follow their example.
Photo/Video
To post a photo/video go to the box that allows you to post and click on Photo/Video. The box will change to the following:

Upload Photos/Video will allow you to upload one video or multiple pictures. This will put them on your page as a timeline picture. If you want to make a photo album for an event your company just had or pictures of your facilities, click on Create Photo Album. After you select the pictures that you want, the following screen will pop up. It will allow you to title the album, tell where they were taken, and add information about the album.

Offer
To create an offer you have to have at least 50 people like your page. From the box that allows you to post, click on Offer, Event + and click Offer. This should change automatically once you have 50 followers. If it doesn’t change, contact Facebook Help to find out the reason. You will then be asked to fill out the information. You can give it a title, picture, expiration date, your audience, a budget, and your estimated reach. You can click on More Options to add a start date, online redemption link, or terms and conditions. It will allow you to preview your offer in the top left and make any changes then click on Post Offer.
Event
If you have an upcoming event open to the public, one way to get the news out is to make a Facebook Event. You can do this by going to the posting area, selecting the Event, Milestone + link, and then selecting Event. This will pull up a screen that will ask you to fill in the name of the event, details, when and where the event is, and if there is a link to buy tickets. If you want, you can target the event to a specific segment of your followers by clicking Add Targeting.

Once the event is created, you can write a post, add a photo or video, or ask a question on the event wall. You can promote the event through going to the upper right corner and using Boost Post.

Milestone
According to Facebook, a milestone is a key moment in your business that you have decided to highlight on your page. They have a flag icon and take up the full width of a page. You add a milestone by going to Events, Milestone + and clicking Milestone. From there it will have another pop up screen that appears as the picture to the right.

The milestone is automatically set to the current date, but if you want to set a milestone that happened in the past you can change the date. This allows you to put a title, location, date, a short story about the milestone, and a photo if you would like. Once you put the milestone in, it will look something like the screenshot below.
Promote

Promoting your page or a specific post or event means that you are paying Facebook to show your post more often in your followers’ feeds or as paid advertising on the right hand side of the screen.

To promote your page, look in the right hand corner for the Promote Page button and click on it. Once you click on it the screen will look like the screenshot to the right.

It is important to note that you can control who sees your ad through all of the different categories (audience, interests, age, and gender). You can select cities, states/provinces, and countries underneath audience. You can have multiple cities, states, or countries listed, but you cannot have cities and countries listed. Figuring out who you want to target is a very important step in your business and will affect how you use Facebook.

After the audience, you can focus on the interests of your target market. Some example interests for a coffee shop are: coffee, tea, muffins, latte, art, music, drinks, hot chocolate, and espresso. The interests will change for every business. You should enter between four and ten interests for maximum reach. Facebook will also show you related interests to what you have already typed in.

If you are targeting a specific age group, you can do that. Maybe there is a minimum age that you want to target. For instance a bar would want the minimum age to be 21 and the maximum age would depend on if they are a college bar, a billiards hall, or an upscale establishment. Of course those are just examples and something could fall anywhere in between. It is your job to figure out who you are trying to attract and make sure you are correctly targeting that group. Finally, you can also select gender.

To promote a specific post, go to the post you would like to promote and on the bottom right corner of the post select Boost Post. The first thing you notice when you look at this is you can select to target people who like your page and their friends or people you choose through targeting. If you choose “people you choose through targeting,” you will have the same options as promoting your page (location, age, gender, and interests) to attract your target audience. When boosting a post, the minimum you can enter for the maximum budget section is $20. This will reach between 2,500 and 10,000 people depending on your audience. You can select how many days you want to boost the post for, and if needed, you can go into advanced options to get more specific. The advanced options are not really necessary unless you are running a large campaign. Once you click Boost Post it will take you to your payment information to finish
setting up your advertisement.

You can choose how much money you want to spend a day on promoting your page or posts. Based off your daily budget, Facebook will tell you an estimate of how many Likes or views you may get a day. You can either run the ad continuously (until you decide to stop the ad) or you can set an ending date. Once you are satisfied, hit the Promote Page button. This will take you to a screen to add a new payment method or if you already have a payment method set up, it will allow you to choose which payment method you would like to use.

**Scheduling Posts**

If you want to schedule a post, set it up like normal, then click on the clock on the bottom of the post box. This will allow you to schedule the post for a past or future date. This allows you to be more efficient with your time so you don’t have to go online every time you need to post. Once you have the date set and the post written, hit the schedule button. This will pop up a message box telling you when the post is scheduled for, asking if you want to change or cancel the post and if you would like to schedule another post.

If you go to your Activity Log, either by clicking on the pop up message after scheduling a post or clicking on Edit Page > Use Activity Log, you can see the posts you have already posted and the ones you have scheduled for the future.

If you need to edit or delete one of your scheduled posts, click on the date and it will take you to a page that shows you what the post will look like once published. From here hover over the post body and a drop down arrow will appear in the top right corner. This drop down list gives you the options to Edit Post, Get Notifications (receive an alert if someone likes or comments on the post), Embed Post (place the post on your company website using HTML coding), or Delete the post.

**Activity Log**

You get into the Activity Log by going to Edit Page > Use Activity Log. The activity log will allow you to see all of the activity on your page and then look at the activities taking place through categories. For instance you can see all the photos that were posted to your company’s page and all the comments people have left. For each post you can select if you want it to be highlighted. (A highlighted post goes all the way across the page and is bigger. This should only be done for important posts. If you do this with many posts it will lose its effectiveness.) You can also allow, hide, or delete the post from your page. You can also change the date or report/mark it as spam.

**Insights**

Before reading this section, I highly suggest going to your Facebook page, clicking on Insights, and then clicking on the button in the top right corner. From here click Take the Tour
Again and start the tour of your Page Insights. After you have completed the tour, I suggest watching the video associated with the tour. These two things will give you a strong base for this section.

I will go through this section by each tab on the top of the page.

It should be noted that Page Insights are only available to page admins after at least 30 people like their page.

**Overview**

When you first open your Page Insights it will take you to the overview tab. This tab will show you the data from the past week. The page will look like the following screenshot:

Let's look at the Page Likes tab first. If you click on the Page Likes arrow, it will take you to the Likes tab, the same as if you actually clicked on the Likes tab at the top of the page. This summarizes how many Likes you have had in the past week and compares it to the Likes that you had last week. It
will tell you your Total Page Likes and what the percentage change is from the previous week. Underneath the Total Page Likes is the New Page Likes. This tells you how many new Likes you had in the past week and the percentage change in New Page Likes from the previous week.

Next to the Page Likes, you have the Post Reach. Post Reach is how many people have seen your posts. If you click on the arrow on post Reach, it will take you to the Reach tab, the same as if you clicked on Reach at the top of the page. The Total Reach is how many people saw any activity from your page including: posts, posts by other people, page like ads, mentions, and check-ins at your business. It will also tell you the percentage change from the previous week. Underneath the Total Reach is the Post Reach. The Post Reach only tells you how many people saw your posts for the week. This also shows the percentage change from the previous week.

On the right hand side of the overview page, there are four different graphs that measure engagement with your page. If you click on the arrow next to Engagement it will take you to the Reach tab. It will tell you the unique number of people who liked, commented, shared, or clicked on your posts. This means that one person may have liked multiple things and clicked on something but still only counts as one person engaged. Underneath the number of people engaged is the percentage change from the previous week. Below the number of people engaged are your four graphs. There is an individual graph for each Likes, comments, shares, and post clicks.

Facebook defines post clicks as the total number of clicks on your posts, not including Likes, comments, or shares, which are broken down above. Each graph shows the current week in a colored line and the previous week in a light gray line.

Underneath the Page Likes, Post Reach, and Engagement areas on the overview page is a listing of your five most recent posts. This area shows you the date published, the post, type, targeting, reach (organic/paid), engagement (post clicks, and Likes, comments, and shares), and promotions. This area is a quick way for you to see how your most recent posts are doing. If you click on Your 5 Most Recent Posts or the arrow, you will be taken to the Posts page.

Likes
The Likes page has four different graphs on it. We will go through each one individually.
The above is the first graph on the page, and it gives you control over all the other graphs. It allows you to select the time frame you would like to look at. You can select 1W to look at the previous week, 1M to look at the previous month, and 1Q to look at the previous quarter. If you want to look at another time frame, you can select the time period you want by choosing the start and end dates. I am going to show the graphs on the 1M setting.

The second graph is your Total Page Likes as of today (shown below this paragraph). You can scroll along the graph with your mouse to see when the Total Page Likes changed and on what day. This will help you see the overall trend of your Total Page Likes, how fast it is growing, and when your times of fast growth were.

The next graph is Net Likes: What Changed. This shows your Likes, Unlikes, and Paid Likes. This will help you see your average performance over time. Over the past month on my page you can see I had one Like on the 17th of February, one on the 1st and 2nd of March, three Likes on the fifth, and one again on the 7th. Ideally this would be consistent. You should be posting on a consistent basis to make sure that there is steady interaction with your followers.

The final graph on the Likes page goes through where your page likes came from. There are five categories that it currently puts the Likes into: on Your Page, Page Suggestions, Uncategorized Desktop, Uncategorized Mobile, and Page Likes. You are able to scroll over the graphs and interactively see where all the Likes came from and the date that they occurred. This can be seen in the screenshot below.
All of these graphs are interactive as well, so if you click on one of the options on the side, you can see your averages from the last period and your average this period for any of the links. You can see how this works in the screenshot below. It shows the net Likes graph average for organic Likes and the where your page Likes came from.

Reach
As with the first graph on the Likes tab, the first graph on the Reach tab allows you to define the time period you want to see. For this section, I will use the one month setting as I did with the Likes.
The Post Reach graph shows you the number of people who saw your posts. If you decide to pay for advertising, you will see a darker orange area above your Organic Post Reach. You will notice spikes when you had a post or were posting on a regular basis.

The Likes, Comments, and Shares graph shows you how many people Liked, commented, or shared throughout your selected time period. You can hover over any point on the graph and it will tell you what that peak means.

The Hide, Report as Spam, and Unlikes graph will show you if you are losing followers. I have not had any of these problems yet, so do not have any data to show, just a flat line on the bottom of the graph. It is important to pay attention to this graph. If people are hiding posts, hiding all of your posts, reporting any of your posts as spam, or unliking your page, you should figure out why. If you only have one or two people doing one or more of the above, that is ok. If you start to have large amounts of your followers start to do any of these four things, you should worry. Some questions to ask yourself if you begin to have problems: Have I been posting more often
than usual? Have I been using proper grammar and spelling? Have I posted anything politically charged? Have I posted anything that may be controversial in any way?

The Total Reach is the number of people who saw any activity from your page. This should stay relatively steady if you are posting on a regular basis and sticking to a schedule. If the Total Reach goes down, that means that less people saw activity on your page whether it was posts, posts by other people, page like ads, mentions, or check-ins. If the Total Reach goes down and your Post Reach goes up, that means that the increase in Post Reach was not enough to cover the decrease in the other areas of Total Reach.

If the Total Reach goes up, but the Post Reach goes down, that means that posts by other people, page like ads, mentions, and check-ins have gone up more than the Post Reach went down. There are several reasons the Total Reach may go up. You may have started an advertising campaign that is proving successful, you may have promoted a post, you may have posted more than usual, you may have had a special going on if the person checked-in at your business, or more people may have mentioned your page.

It is important to pay attention to your reach. This will let you know whether or not your posting schedule is working, your advertising campaign is working, and/or how many customers are coming in contact with your page.
Visits
The Visits tab starts out with the same graph allowing you to decide the timeframe you would like to look at. The next graph is Page and Tab Visits. This will allow you to see the number of views of your timeline, admin tabs, Insights, Likes tab and others. At the bottom of this tab is other page activity. This will only show up for businesses that have page mentions, check-ins, and posts by other people on your page. If you don’t have these things the area will still be there, but it will tell you that there is not enough data to render the charts.

![Page and Tab Visits Graph]

Posts
The Posts tab will show you three main things. One: when your fans are online. Two: post types. Three: posts published.

![When Your Fans Are Online and Post Types]

The screenshot above shows a couple different things. Under days, it shows how many people are online on any given day. This tells us that Wednesday is the day that the greatest number of followers are online for my page. Under times it shows a grid that goes by time and followers. The blue area is the average over the past week. So on average the peak time I have followers online is at 9pm, but anytime from noon to 9pm is a good time.
If you want to see on average how many people are online at a given time, you can scroll across the graph with your mouse and it will give you a number at any given hour. This can be seen in the screenshot above.

If you want to see the data for a particular day, it will show you when people were online at that time. This is my graph from Wednesday. Wednesday’s data is the dark blue line which is shown on top of the average data. This tells me that if I am posting on Wednesdays, I should post around 10:45am so when many of my followers are online at 11am more of them will see the post. If I were to post twice that day I would also post at 6:45pm so at 7pm, when I have several followers online, they will be more likely to see my posts in their News Feed.

Once you have active followers on your Facebook page, you can click on Post Types. The following screenshot comes from the Facebook Help video on Insights. This will tell you the average reach for each type of post and the average engagement on this type of post.
The third and final section of the Posts tab is the All Posts Published section. This shows all of your posts for a specified time period. It shows you when the post was published, the title or first couple lines of the post, the type, who you were targeting, the reach, the engagement, and whether or not you can promote it. If you click on the drop down arrow, you can see the reach in terms of organic/paid or fans/non-fans. If you click on the drop down arrow next to Likes, Comments & Shares, you can set it to Post Clicks/Likes, Comments & Shares, Likes/Comments/Shares, Post Hides, Hides of All Posts, Reports of Spam, Unlikes, or Engagement Rate (the percentage of people who liked, commented, shared, or clicked on your post after having seen it).

<table>
<thead>
<tr>
<th>Published</th>
<th>Post</th>
<th>Type</th>
<th>Targeting</th>
<th>Reach</th>
<th>Engagement</th>
<th>Promote</th>
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<tr>
<td>03/13/2014</td>
<td>Timeline Photos</td>
<td></td>
<td></td>
<td>5</td>
<td>0</td>
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<tr>
<td>03/10/2014</td>
<td>3,000 words in 5 days!</td>
<td>20</td>
<td>2</td>
<td>4</td>
<td>2</td>
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<tr>
<td>03/09/2014</td>
<td>Test</td>
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<tr>
<td>03/05/2014</td>
<td>Say guys, can someone send me a private message on this page so I can show you how it</td>
<td>36</td>
<td>6</td>
<td>6</td>
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<tr>
<td>02/20/2014</td>
<td>6 Core Truths About People That Every Entrepreneur Should Know</td>
<td>28</td>
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<tr>
<td>02/20/2014</td>
<td>Not only is this quote awesome, but the website that it comes from is just as awesome!</td>
<td>44</td>
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<tr>
<td>02/14/2014</td>
<td>If you are interested in further readings, Mashable is a great place to find information on almost anything</td>
<td>22</td>
<td>2</td>
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<tr>
<td>02/12/2014</td>
<td>Timeline Photos</td>
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<td>44</td>
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<tr>
<td>02/06/2014</td>
<td>10 fun facts about Facebook's Mark Zuckerberg</td>
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<td>4</td>
<td>4</td>
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<tr>
<td>02/04/2014</td>
<td>About Advertising on Facebook</td>
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<td>1</td>
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</tr>
<tr>
<td>02/03/2014</td>
<td>20 Best Company Facebook Pages</td>
<td>30</td>
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</tbody>
</table>
The People tab tells you the demographics of the people who Like your page. It tells you their gender, age, country, city, and language. This will help you know if you are accurately reaching your target market. I, for instance, have friends from several countries, which can be seen in both the countries and languages spoken. If you scroll over a bar for any particular age and gender, it will tell you what percent are your fans, and what percentage that demographic makes of all Facebook. This can be seen in the screenshot below.
Ads Manager

You can get to the Ads Manager by clicking on the button in the upper right corner of the Insights pages. According to Facebook, Ads Manager allows you to view all of your campaigns, view your ad sets and ads, make changes to your bids and budgets, and stop or restart your ad sets and ads at any times. You’ll also find information containing your payment history and payment method information. If you go to the Reports tab under Ads Manager you can export Ad Performance Reports. These reports will provide the data about your advertising performance; it will also help you learn more about who is engaging with your ads. It includes statistics like impressions, clicks, click-through rate, and spending. All of this information is also available in your Ads Manager.

From Ads Manager you can get to several things by using the tab on the left. You can go to Campaigns & Ads, Pages (which takes you to Insights), Reports, Settings, Billing, Conversion Tracking, Power Editor, Account History, and Audiences. You should be familiar with the Campaigns & Ads and Reports sections.

Campaigns & Ads will show you the campaign, status, results, cost, reach, start date, end date, budget, remaining money in budget, and the total amount spent. You can generate a full report by clicking on Full Report in the center of the page. You can also create an ad by going to the top right corner and clicking on Create an Ad.

The Reports page will show you the start and end date, campaign, reach (how many people saw your ad), frequency (the average number of times each person saw your ad), impressions (the number of times the ad was viewed), and clicks (the total number of clicks on your ad).
**Page Management**

It is important when you have a Facebook page that the right people in your organization are the ones managing it. You can also control who has what powers on the Facebook Page. To do this, go to **Edit Page** on your Admin Panel and click on **Manage Admin Roles**. This will take you to the Admin Roles page. There are five different roles that you can assign: Manager, Content Creator, Moderator, Advertiser, and Insights Analyst. The following table comes from Facebook Help and shows you what the different roles are able to do.

<table>
<thead>
<tr>
<th></th>
<th>Manager</th>
<th>Content Creator</th>
<th>Moderator</th>
<th>Advertiser</th>
<th>Insights Analyst</th>
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</thead>
<tbody>
<tr>
<td>Manage Admin Roles and Page Settings</td>
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<td></td>
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<tr>
<td>Edit the Page and Add Apps</td>
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<td>✔</td>
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<tr>
<td>Create Posts as the Page and Delete Posts</td>
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<td>✔</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Respond to and Delete Comments</td>
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<td>✔</td>
<td>✔</td>
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<tr>
<td>Send Messages as the Page</td>
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<td>Create Ads</td>
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<td>✔</td>
<td>✔</td>
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</tr>
<tr>
<td>View Insights</td>
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<td>✔</td>
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</table>
**Tips for Using Social Media**

When it comes to using social media, there is no standard or typical marketing plan. However, there are several things that research has shown to be effective for managing a Facebook page and increasing your efforts and ROI.

**Goals**

It is important to have goals when you set up your Facebook page. You need to decide why you are going on Facebook and use that to guide what you do. According to Blaise Lucey at Constant Contact, there are 5 questions you should ask yourself when planning a social campaign: How many fans does my Facebook Page have already? Why would someone like this Page? How tech-savvy is my audience? How often do I interact with fans? How are people going to find the Page in the first place?

**Schedule**

After you know your goals, set a schedule for posting and stick to it. The schedule will keep you on track and will help you become more consistent in your postings. This will also allow you to schedule your posts for dates in the future and not have to worry about posting for several days. You can post up to a couple times a day, but any more than that and you will likely irritate your audience. Facebook recommends posting about once per day. You should experiment with different posting schedules to figure out what works best for your individual page based on your engagement metrics in your page Insights. When experimenting with a different posting schedule make sure to try it for a week to three weeks before changing it again.

**Consistency**

When posting, it is important that you are consistent. You need to post on a regular basis. You have to be consistent in what you are saying, how you are saying it, and how you interact with followers. If you have two people posting, one that uses a lot of exclamation points and the other who rarely uses punctuation, there can be confusion that could cause your company to lose its reputation. It is always a good plan to use proper punctuation, grammar, and a consistent voice when writing posts. A spelling error can have a negative impact on a professional customer. You have to figure out who your target market is (who you want as your customer) and write your posts the same way you would speak to them if you were meeting face-to-face.

**Time**

The time of day affects who sees your posts. If you are posting at 10am and your target market is high school students, they will most likely be in class and miss your post by the time they are done with school between 2 and 3pm. When setting up your schedule, it is important to pay attention to what times have the greatest number of views. This will give you a good idea of when you should post to have the farthest reach. You can go to your Insights to see the time your followers are online the most, both by day and the average for the previous week.

You can also see how many people saw your post by looking at the bottom left hand corner of the post or by going to your Activity Log and looking at each individual post.
Interactions
When you do anything on Facebook, you will most likely have interactions with your customers. Some will be positive interactions while others will be negative. As a business, you should decide how to deal with both positive and negative interactions and be consistent about it.

Positive
Do not feel you have to respond to or like every single positive comment on your page. If you have a smaller fan base and would like to do this, feel free to, but if you forget to like something or it takes you a long time to respond, you may upset a fan who noticed how you Liked or commented on everything else. I would recommend responding only to things that either ask for a comment or are above and beyond a standard comment. It is up to you to decide how you want to do this, but if you respond to every positive comment, just know that as you get more followers you won’t be able to keep it up.

Negative
Negative comments need to be taken care of immediately and with great care. Negative comments on Facebook can easily go viral and can ruin a business very quickly. Most of the people who post on Facebook will expect a response within 24 hours. Once the situation is pacified, don’t forget to follow up. The follow up is just as important as diffusing the situation. If you handle these comments well and pacify the upset customer, you can often turn a bad situation into a good one by creating a loyal customer out of an upset one.

When to Spend Money
Every business will spend money differently on Facebook. You should figure out your budget (if you have one) and then spend money based on that. If you are new and are trying to get more followers, put most of your budget towards page likes. If you are starting an advertising campaign, put most of the budget strictly towards that campaign. You can also put the majority of your money towards boosting posts to gain views of your page. How much you spend and where will change over time. It will depend on the amount of money you have to spend and your company’s goals in using Facebook.
Dangers of Facebook Marketing and How to Avoid Them

While there are many tools you can use to promote your company on Facebook, there are also risks associated with using Facebook. This section will go through the biggest problems associated with using Facebook as a company and how to avoid them. Although there are risks, it is also risky not to have an internet or social media presence, since customers expect companies to be online.

Complaints Going Viral

Take care of your negative comments as quickly as possible and don’t delete them. Respond in a positive way. If you delete someone’s comment and they see that, they will get more upset and probably spread a lot of bad publicity for your company. Try to diffuse the situation as calmly as possible. If the customer is trying to start a debate, do not engage with them online. Try to either meet with them face-to-face or converse in a private message or email. Complaints cannot be stopped altogether as a certain percentage of your audience will always find something to complain about, but it is important to respond with care because you don’t know which complaints may go viral.

Improper Use (Staff)

When you have several people in your organization managing the Facebook page, it is important that they all have the same guidelines to follow. Improper use of Facebook can be a problem in any organization. You can track who is posting what in the Posts section of the Insights. When you click on a post, underneath it will say who posted it. You should have guidelines for Facebook use for your business if you have several people posting. If an employee is posting something inappropriate, has poor grammar, or is not following the business’s guidelines for using Facebook, they should either be talked to about fixing their actions or removed as a page manager.

Wasting Time

Facebook can be very distracting and it is important that you don’t end up wasting your time on it. As a small business owner, your time and your employees’ time needs to be devoted to the task at hand and not be wasted surfing the internet. It is a good idea before you go on Facebook to decide what you want to accomplish, make a list, and do it. Once the list is done, if there are any other things that you need to do that will benefit the business, take care of them and get off.

Security

Your business’s page information is only accessible from the administrator’s personal profiles. Any administrators of your page should change their passwords periodically, be careful of what applications they allow information to, and keep their privacy settings high. This is important because if any of the administrator’s personal profiles are hacked, the hacker has access to private business information and can change things on the business page. For this reason it is good to have two administrators at all times in case one account is hacked. That way the other
administrator can take action to make sure that the business page is not compromised. It is a good idea not to have “featured administrators.” This lists the administrators’ names on the business page which makes it easier for someone to know whose page to hack. It also protects the business if an administrator posts content on their personal page that is not in line with the business’s goals.
**Good Resources**

This guide should have covered the majority of questions you had surrounding Facebook. If you need any further assistance, the following links are a good place to start. Facebook is a constantly changing medium so it is a good idea to use the Help pages on Facebook. Those will be the most up to date and give you the most accurate information.

Facebook Help: [https://www.facebook.com/help/364458366957655](https://www.facebook.com/help/364458366957655)

Facebook for Business: [https://www.facebook.com/business](https://www.facebook.com/business)

Facebook Pages: [https://www.facebook.com/FacebookPages](https://www.facebook.com/FacebookPages)

Facebook Advertising: [https://www.facebook.com/advertising](https://www.facebook.com/advertising)

Privacy for Pages: [https://www.facebook.com/help/329858980428740](https://www.facebook.com/help/329858980428740)

Facebook Security: [https://www.facebook.com/security](https://www.facebook.com/security)
Sources Used in the Guidebook


Appendix B: Full Source List


