

What the Facebook IPO Means for B2B Marketers:

Vendors Share “Wishlist” Items To Optimize Engagement

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By Matt McKenzie, Contributing Editor

Facebook's IPO filing, announced last week, will raise at least \$5 billion and could value the company at more than \$75 billion. It's an astonishing amount of money, reflecting Facebook's rapid growth and immense user base – as well as the site's growing clout as an advertising and marketing platform.

For many B2B marketers, however, Facebook remains an enigma. There's a consensus that companies need to establish a Facebook presence, but very little agreement on how or even why to engage with users. According to a Penton Marketing Services [study](#), for example, 90% of B2B companies with a social media presence “actively participate” on Facebook, yet just 47% are satisfied with their social media strategy.

So while B2C marketers have embraced Facebook as a powerful brand-building tool, their B2B counterparts are still trying to find the right formula for success.

Solving the Facebook B2B Puzzle

“A lot of B2B marketers are puzzled by Facebook,” said Jason Miller, Program Manager for Social Media and Content at [Marketo](#). “They don't see a lot of good examples to emulate yet, and getting into a [user's] newsfeed without paying for advertising is still really hard to do.”

Part of the problem, according to Joe Chernov, VP of content marketing at [Eloqua](#), is the fact that Facebook can be a tough nut to crack for B2B marketers seeking engagement with a specific audience segment. “This may sound strange given Facebook's past struggles with privacy, but B2B versus B2C are lines we draw, not lines [Facebook executives] draw,” Chernov said. “They will evolve their advertising offerings in a way that adds value and connectivity to the member community, and if those models work for B2B marketers, all the better. But I see no evidence that they are planning to tailor an offering for B2B marketers specifically.”



Even when B2B marketers engage with Facebook users, industry experts say they must reckon with a different approach to building and maintaining these relationships. "Most [Facebook users] joined and currently participate using what I'll call a 'home' persona, rather than a professional persona," said Trip Kucera, Senior Analyst for the **Aberdeen Group**. "My guess is that there will be a gradual transition to use of Facebook for professional connections, and I frankly don't see it as a big priority for Facebook given the consumer marketing opportunity in front of them."

The Elephant in the Room

That opportunity, by any standard, is immense. According to Facebook's pre-IPO regulatory filings, the site currently has 845 million users who visit at least once a month, and 483 million of those are daily users. According to Eloqua's Chernov, those eye-popping numbers are precisely why B2B marketers have no choice but to focus heavily on the Facebook user base.

"Facebook's strength is its size," Chernov said. "The lion may be 'king of the jungle,' but it's no match for an elephant. Facebook is nearing one billion members; it's the elephant."

As a result, Chernov said, B2B marketers will have to rethink and adjust their own tactics to suit the Facebook environment. "We need to change our behavior to coincide with the mores of the Facebook community," he noted. "If B2B marketers are hawking white papers on Facebook, they're going to get tuned out. We have to lighten up on the starch, loosen our top button and be human. We don't face a technical or operational challenge on Facebook. We face a cultural one."

According to Marketo's Miller, however, Facebook does offer some opportunities for tech-savvy marketers. In conjunction with Scorch Agency, a St. Louis-based creative firm, Marketo recently developed a Facebook app that ties a special offer download to a custom-designed form, which is linked in turn directly to Marketo's revenue pipeline.

"It's easier than we thought, and it's remarkable to have a lead form directly inside Facebook," Miller said. Yet he also acknowledges that technology can't offer a silver-bullet solution for B2B marketers targeting Facebook users: "It's all about reaching decision-makers, thought leadership and engagement."

The bottom line, according to Kucera, is that Facebook places unique – and often uncomfortable – demands upon B2B marketers. "I think B2B marketers need to think like B2C marketers," he said. "This might frustrate many B2B marketers, who tend to think about marketing activity from a revenue performance perspective. They need to shift this mindset when approaching Facebook and just think about audience acquisition and engagement within Facebook's walled garden, before figuring out how to convert them into a lead."

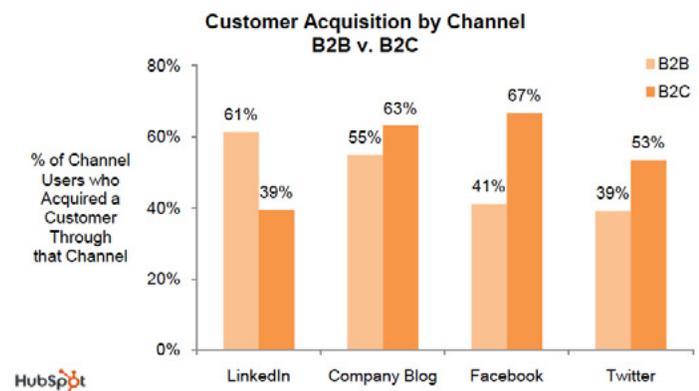
Will IPO Cash Change the Game?

What about the long-term impact of the Facebook IPO, which will inject vast amounts of cash – and a new set of expectations – into the business?

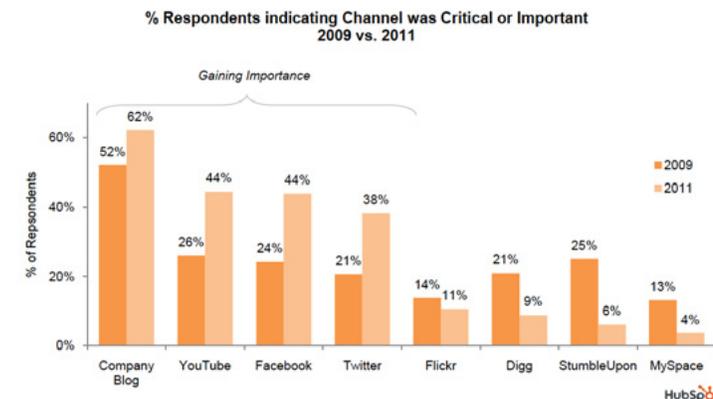
According to Miller, increased pressure to generate profits could force Facebook to “up the ante” on its marketing offerings fairly quickly. “That includes catering more packages for the B2B marketers, in the form of more engaged ads, focused ads based on user profiles,” he said.

Kucera suggested that Facebook might make it easier for users to separate their personal and professional relationships – and for B2B marketers, in turn, to engage users more effectively. “There are certainly many ways Facebook could make it easier to maintain different lists, social groups and/or personas,” he said. “Facebook is already recognizing and categorizing the context of status updates, so it’s not a stretch to think there’s some intelligence that could be applied” to the process.

David Cummings, CEO of [Pardot](#), also raised the possibility that Facebook will leverage business-focused user data in much the same way that LinkedIn does today. “There are huge opportunities for targeted advertising based on more professional-type data points for B2B marketers,” Cummings said. “It’s just a matter of whether Facebook does it themselves or partners with a company like LinkedIn.



B2C marketers still report more success acquiring customers on Facebook than B2B marketers, especially compared to LinkedIn, but nearly twice as many marketers considered Facebook a “critical” or “important” customer acquisition channel in 2011, compared to 2009.



Source: *The 2011 State of Inbound Marketing / HubSpot*

The 'Buy or Build' Question

Facebook also could rely more heavily upon acquisitions to add features of interest to B2B marketers, according to Miller. "I'd like to see them buy an analytics company, maybe one that integrates with Google Analytics," he said. "Even though they've made vast improvements, they're still all over the place when it comes to reporting."

As a rule, however, Cummings said he thinks Facebook is far more likely to build (or duplicate) new features rather than using partnerships or acquisitions, whether that's with a major player like LinkedIn or easily-acquired startups. "I don't see the 'build it here' attitude changing," he noted. "It's more of a cultural thing – they have access to the engineering talent, and there's no reason for them to go looking for things they can build themselves."

Either way, Miller said his Facebook technology "wish list" also would include a built-in ad optimizer and more options for interactive ads, while Chernov said he would like to see Facebook acquire Slideshare. "I think integrating SlideShare-hosted content and functionality, like form capture, into Facebook would make brand pages much more of a resource than they are today," he said.

Cummings said that his B2B marketing wish list for Facebook would include the "equivalent of a status inbox for user status streams," allowing marketers to reach selected users more reliably. "As a marketer right now, it's too much of a black box for your updates to go to your fans," he said. "However the business model for doing it ultimately works, there's a need to get access to [users] in a more consistent and reliable manner."

Privacy Concerns Loom Large

On the other hand, Miller warned, Facebook also could face pressure to limit access to its user base – or at least to the information that makes it so valuable to marketers.

"With the IPO there could be pressure on Facebook with regard to privacy issue," Miller stated. "And that could affect its ability to target advertising. It would be a serious problem if it happened, since their platform is so useful for targeting ads because of those user profiles and behavior."

Cummings, however, said he doesn't think privacy concerns will have a major impact on how Facebook builds out new features: "As long as Facebook is giving value to its users, I think some of the privacy concerns, while important, aren't going to derail the business."

In addition, there have been concerns that Facebook is falling behind on efforts to monetize its mobile user base, which according to the company now totals more than 400 million users. Chernov, however, said he's confident that Facebook will catch up quickly as its

IPO approaches. "As it did with the web site, Facebook builds scale, facilitates member engagement, and then begins serving ads incrementally. Expect the same model to be used to monetize their mobile app."

No matter how these issues play out, however, Miller said there's simply no alternative but for B2B marketers to the time and effort required to build a winning Facebook strategy. "B2B marketers will be forced to spend more time there since Facebook unveiled its customer growth numbers," he said. "That's going to be the nudge that makes B2B marketers take notice."

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