

Friday, Jan. 25th, 2011
Vol. 27, No. 01

Soft•letter

BUSINESS INSIGHTS FOR SOFTWARE DEVELOPERS & PUBLISHERS

Facebook: Next Generation Best Practices

by Joe Dysart, Softletter



Our Benchmark 50 Days Sales Outstanding report shows Google throwing strikes in this key metric, with Microsoft picking up a spare. See pages 4-5.

We're ambivalent about Facebook, we have to confess. Yes, it's viral and widely used and everyone's on it (400m+ and counting). That's the problem. One misstep and a casually stupid (or misunderstood) statement is racing through the Internet at warp speed to embarrass your company and/or perhaps end your career. You're not in control of your Facebook site page and it can be taken down instantly without any warning or no good reason (see our **25 Tips** article for more information on this charming Facebook practice). And implementing Facebook marketing programs is a multi-step process that's difficult, though not impossible, to measure. But then you think of those 400m users in the system and the fact that the law of averages dictates that some of your market has got to be out there on some page somewhere and you think you just have to try it. And some software companies are succeeding with Facebook, as the article below documents. Just be sure you read our tips before diving in.

With the roll-out of Facebook's new make-over this spring a fait accompli, many software marketers rejoice that some of the service's new features will make it much easier for them to do business on the social network—both creatively and from a business analytics perspective.

Millions of Facebook users have been watching the latest evolution of the service—which includes a new look and feel for everyone who has a Facebook account—roll-out across the network since late 2010.

"Facebook is a terrific way to engage with potential and current customers," says Kevin La Rue, marketing manager for Nik Software (<http://www.facebook.com/niksoftwareinc>). "Our strategy was to start with a level of effort manageable for our team and grow our "friends" organically to a critical mass. In that respect, we're making good progress."

Adds Elissa Fink, vice president marketing for Tableau Software (<http://www.facebook.com/pages/Tableau-Software/27228877081>): "We believe that Facebook has a lot of potential. The more Facebook extends into the realm of connecting professionals—and not just personal friends—the more useful it will be to software makers."

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25 Quick Tips to Maximize Your Facebook Usage

by the Softletter Staff

We've not previously been big fans of Facebook for B2B marketing in the software industry because of privacy and security issues and the association of the site with teenyboppers and the college crowd. But the site now scares Google with its 400m+ active users, number four most-trafficked website ranking, and fastest growing demographics coming from those 25+ years old.

Thus, it's time to look at Facebook as a serious business tool (but we warn you, if you're a smaller company, attempting to Tweet, manage a LinkedIn group, and grow a Facebook community will suck up inordinate amounts of time). To date, in terms of lead generation and business generation, none of the major social marketing systems have ranked as high as "old" reliables such as E-mail or webinars. Nonetheless, the system's growth makes it incumbent for you to at least consider using Facebook for marketing and lead generation, though its applicability to your business will still be driven by the markets you address.

That said, here are 25 quick tips to using Facebook.

The Facebook Plunge

1. If you're new to social marketing systems, don't start with Facebook (unless your marketing segment is heavily oriented to B2C). Facebook is the most dangerous of the social marketing systems; one of the most popular metaphors associated with the system is it's a "party." Parties are nice things, but they can sometimes spin out of control. The heavily viral nature of the Facebook systems means that anything you post on your site can quickly spread throughout the system in minutes. Only work with Facebook when you can devote an experienced resource to it.
2. This point builds upon point one. Censor and manage your Facebook pages closely. Establish company wide policies on what your employees can and cannot say about your company on your and their pages. If you are not able or prepared to enforce this, consider not using Facebook. Conventional wisdom says censoring your Facebook pages will harm your ranking and productivity in the system. Your business will hurt far more if inappropriate comments and opinions are posted on your Facebook Wall and other pages. And set your profanity filter to "Strong."
3. Remember that you don't control your Facebook site—Facebook does! And Facebook can and has taken down numerous and significant sites with no warning. Recently, tech sites NeoWin, Ars Technica, and RedMond Pie were shut down for weeks by Facebook because of a fraudulent DMCA complaints sent by people using junk E-mail addresses. Official Facebook policy requires that someone complaining about your site must rescind their complaint before your Facebook page will be restored. Facebook's willingness to anger significant press and influencer sites means that you can't count on your size or market significance to move Facebook to protect you or your business interests.
4. Consider using smaller social sites instead of Facebook to manage communities

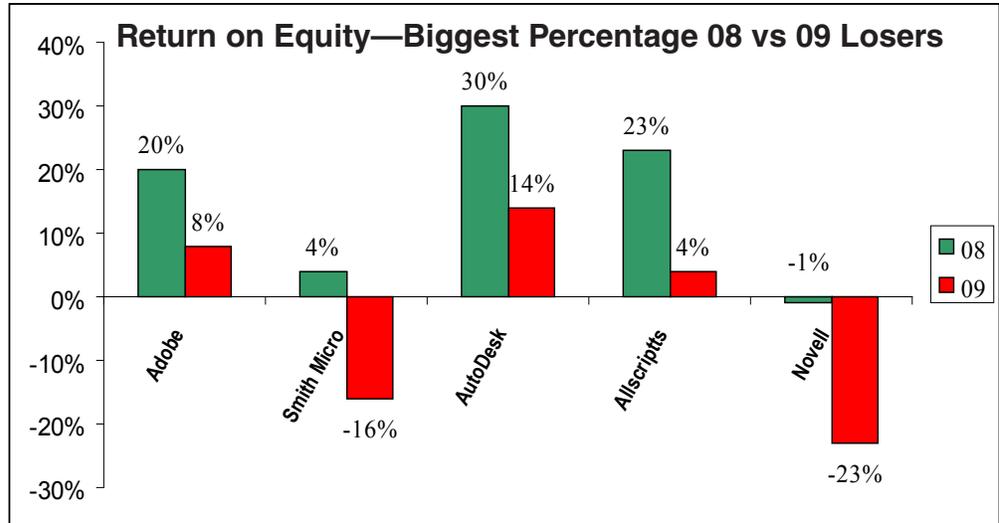
of like interests and business focus. Grouply, GroupMe, Huddl, Shizzlr Stack Exchange and other systems offer Facebook-like functionality and/or aggregate content (but do lack the critical mass of people using these systems that is one of Facebook's attractions). Or use Facebook's new "Groups" feature (introduced last autumn) to limit your community to a more manageable size and scope.

5. Rather than relying on Facebook (and all other social marketing systems) as primary online marketing systems, consider using them as feeder systems that connect into a social marketing system such as an online forum or other community system you can directly manage and control. Many new forums and community builders now provide API connections to Facebook, Twitter, LinkedIn and other systems. Even if such connectivity is not available out of the box, it may pay to develop it internally.
6. In the our recent **Social Marketing for Software Companies Survey**, 73% of Facebook users stated their primary reason for using Facebook was "brand building." Brand building is something marketers tend to fall back on when they don't have a clue. Unless you are a very big company, you don't have the money for brand building. Your mindset should be that your primary use of any social marketing system is to either drive revenue through lead generation and promotions or decrease costs by leveraging the network effects of these systems in areas such as recruiting and customer service and support.

Facebook Operations

7. When setting up your Facebook account, think carefully about what E-mail address you'll use with the account. If you have already created a Facebook account with the E-mail address you've decided is applicable to a business you'd like to use with a new account, Facebook makes it difficult to use this address with the new account. Facebook does not allow you to delete an account, only "deactivate it." It will only "delete" an account if you do not log onto the deactivated account for a period of at least two week (we've seen longer times) and will not let you use the account's E-mail address until the old account finally disappears from the system.
8. If you're going to use Facebook, most experts believe that posting every day or every other day is optimal. In our recent social marketing survey, 40% of corporate Facebook users stated that they posted daily. Your content should of course be relevant to your audience, but Facebook users seem to like to discuss Facebook as well. If you can post content about your customers using Facebook, this will probably help your EdgeRank (covered later).
9. Facebook allows you to create two types of accounts—**Business** and **Personal**. In most cases, avoid Business accounts; their functionality is highly limited in terms of the network effect that makes Facebook useful. Only create a **Business** account if the only thing you'll be doing with Facebook is administering ad campaigns.
10. When Facebook was first established, **Profiles** were the primary way to network and communicate with other Facebook members. **Pages** have supplanted **Profiles**. When setting up a Facebook account for your business, focus on creating

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Benchmarks: Days Sales Outstanding, 2009

Days sales outstanding (DSO) measures the time in days required to collect your accounts receivables. DSO is used to judge firm’s financial department’s efficiency and its ability to ride herd on your receivables. An effective DSO operation will typically not allow your receivable’s balances to exceed 50% of your selling terms (and 30% is considered a better median). For example, if your terms are typically 30 days, an unpaid bill should be moved into the delinquent category at 45 days. A company that allows its DSO ratio to continually creep up is suffering from either a poorly run accounting department or, in some cases, may be allowing DSO figures to cover serious business problems.

The standout in these numbers continues to be Google, with a three year DSO average of 47 days, up only a day from our last DSO analysis. As we pointed out in our last report, Google’s core business of selling AdWords is a close to real time enterprise, and if you don’t pay your bill on time, your campaign stops almost immediately. And while the Google Android market is not as that developed as Apple’s, it drives revenue in the same real-time fashion.

In contrast to last year’s analysis, Microsoft’s three year DSO numbers have improved, with 2009’s figures a decided improvement, down to 70 days, a respectable performance from 2008’s 82 days. We attribute the improvement to Microsoft’s clearing of the entire Vista mess off its receivables. Windows 7 is a solid success, Office has, to date, fended off Google Docs, OpenOffice, LibreOffice, etc., etc. and vendors see the need to pay their bills to Redmond on a more timely basis. The company is still not a DSO leader, but it’s role as “banker” to the desktop software market makes it unlikely it will any time soon.

Broken out by categories, **Desktop** led the rankings, an impressive performance given that some of these companies must deal with two tier distribution. SaaS saw a significant drop in DSO; this is to be expected given the recurring revenue model these companies operate under. **Vertical Market** and **Enterprise** both turned in respectable 59 day numbers and **Education** also impressed with its 2008 51 day performance.

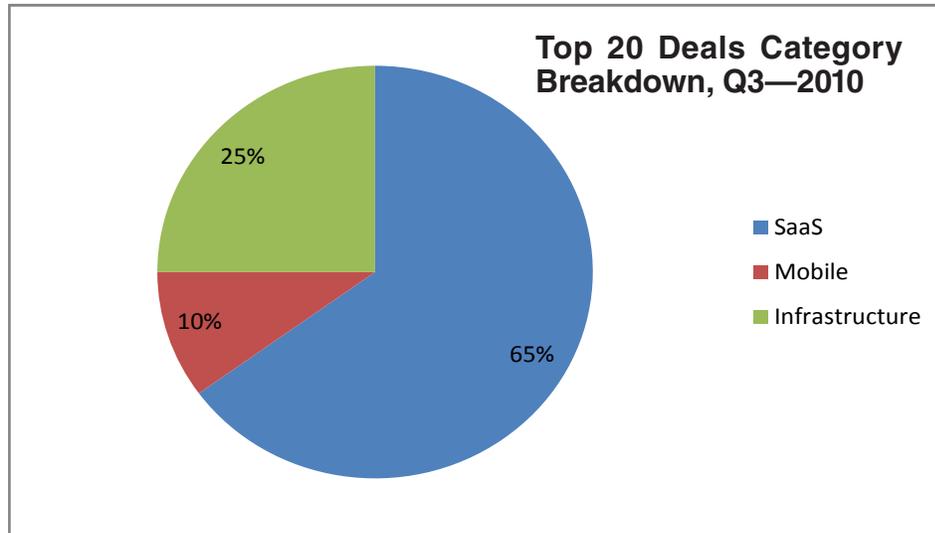
Individual standouts in the Benchmark DSO 50 were Skillsoft (160, but that’s better than 2008’s 223!), Novell (149—people tend to delay paying their bills if they think you’re going out of business or being acquired), Magic (8), Pegasystems (2007: 103; 2009: 54) and Intuit (15).

The Benchmark 50: Days Sales Outstanding, 2009

	Revenues (000)			Days Sales Outstanding			Avg. '07-'09
	2007	2008	2009	2007	2008	2009	
Microsoft	\$51,122,000	\$60,420,000	\$58,437,000	81	82	70	78
Google	\$16,593,986	\$21,795,550	\$23,650,563	48	44	49	47
Desktop Applications				37	47	39	41
Adobe	\$3,157,881	\$3,579,889	\$2,945,853	37	48	51	45
Corel	\$250,480	\$268,230		72	55		64
Intuit	\$2,672,947	\$3,070,974	\$3,182,537	18	15	15	16
Smith Micro	\$73,377	\$98,424	\$107,279	65	68	82	72
Symantec	\$5,199,366	\$5,874,419	\$6,150,000	47	47	50	48
Bitstream	\$23,610	\$24,008	\$21,489	35	28	29	30
Nuance Commo. (Scansoft)	\$602,000	\$868,500	\$950,400	21	26	13	20
Vertical Market Applications				83	64	59	69
Ansys	\$385,340	\$478,339	\$516,885	46	47	47	47
Autodesk	\$1,839,800	\$2,171,900	\$2,315,200	60	65	50	58
Unica	\$102,243	\$121,131	\$100,618	100	64	60	75
Allscripts	\$281,908	\$383,771	\$548,439	105	46	59	70
Advent	\$215,303	\$264,832	\$259,508	82	63	62	69
Micros	\$785,727	\$954,184	\$911,847	84	74	63	73
Enterprise Applications				78	68	59	68
Sapient	\$565,989	\$687,488	\$666,678	53	47	61	54
SPSS	\$291,000	\$302,913		71	52		61
Manhattan Associates	\$337,401	\$337,201	\$246,667	78	69	56	68
Concur Technologies	\$115,996	\$215,491	\$247,596	99	65	69	78
Pegasystems	\$161,949	\$211,647	\$264,013	103	74	54	77
Lawson	\$750,388	\$851,926	\$757,328	72	72	68	71
Open Text	595,664	725,532	785,665	79	68	54	67
SaaS				90	77	59	76
Blackbaud	\$257,038	\$302,495	\$309,338	63	63	59	62
Callidus	\$101,657	\$107,181	\$81,058	85	77	57	73
DemandTec	\$43,485	\$61,270	\$75,005	120	109	54	94
salesforce.com	\$497,098	\$748,700	\$1,076,769	94	107	90	97
RightNow Technologies	\$112,077	\$140,435	\$152,687	96	96	76	89
Savvis	\$793,833	\$857,041	\$874,414	24	22	19	22
Vocus	\$58,076	\$79,383	\$84,579	90	68	79	79
Network Tools				68	69	70	69
Novell	\$932,499	\$956,513	\$862,185	82	74	149	101
Citrix Systems	\$1,391,942	\$1,583,354	\$1,614,088	60	55	70	62
McAfee (Network Associates)	\$1,308,220	\$1,600,065	\$1,927,332	65	74	56	65
iPass	\$191,732	\$191,368	\$171,377	68	64	58	63
VMWare	\$1,325,811	\$1,881,027	\$2,023,937	78	66	96	80
NetScout	\$102,472	\$168,956	\$267,604	65	69	54	63
Quest Software	\$630,981	\$735,377	\$695,236	88	76	83	82
Developer Tools				50	67	72	63
Magic Software	580,400	\$620,000	\$550,400	8	8	8	8
Red Hat	\$400,624	\$523,016	\$652,572	82	89	72	81
Sybase	\$1,025,530	\$1,131,930	\$1,170,569	87	87	85	87
Progress Software	\$493,500	\$515,560	\$494,137	70	67	73	70
Pervasive Software	\$40,783	\$42,467	\$47,218	50	48	61	53
TigerLogic Corp.	\$18,744	\$19,772	\$16,252	36	16	21	25
MicroFocus	\$268,781	\$228,196	\$274,731	48	84	84	72
Education				62	59	51	57
Apollo Group	\$2,723,793	\$3,140,931	\$3,974,202	26	26	27	26
Renaissance Learning	\$107,932	\$115,223	\$121,513	30	26	32	29
Scientific Learning	\$46,053	\$47,754	\$55,288	49	59	42	50
Skillssoft	\$225,172	\$281,228	\$328,494	153	223	163	179
Saba Software	\$99,867	\$107,777	\$102,821	76	75	71	74
SumTotalSystems	\$121,924	\$126,646		80	68		74
Plato Learning	\$69,632	\$68,401	\$65,183	62	36	60	53
All companies (median)	314,201	360,486	516,885	70	65	59	68

Note: "Years" may not correspond to company fiscal years. Individual firms are averages; segments are medians.

* 2009 filings not yet available.



Benchmarks: Software Venture Capital Investments—Q3, 2010

VC's invested \$4.8 billion in 780 deals 2010s third quarter, seeing a 31% decrease in dollars and a 19% decrease in dollar terms. The decrease in dollars was due primarily to a drop in "large round" investments Clean Technology. While we think this is something of a coincidence, please remember our discussion of the future of clean tech in our Q2 analysis. Since that writing, Congress has been casting a very skeptical eye on this sector and we don't think large amounts of federal funds will be pushed into clean tech markets in the future. The sector, like software, will have to compete for dollars by delivering real economic results, something it has not been able to do to date.

Clean Tech's loss seems to have been software's gain. The industry resumed its position as the number one investment sector, with \$1b being disbursed into 190 rounds; this figure, however, has to incorporate a 13% dollar decrease and a 21% deal volume decline from the second quarters \$1.1b into 242 rounds.

Looking more closely at software reveals the impact of SaaS and the mobile applications market on venture funding. Softletter estimates that 75% of the second and third quarter's funding was directed into firms built around SaaS and mobile business models. And if you're not a software company, you're probably a software infrastructure firm or "appliance" company. For example, the number one deal in our third quarter listing, Trilliant, is a "software" company only in the most tenuous sense; the company's core business is providing a "smart power grid," (which, admittedly, uses lots of software). Of the top 10 deals listed in our top 50, 35 can be categorized as either SaaS or mobile applications investments.

Of particular note are the substantial investments being placed in online video and video management services, bets that are represented by such firms as Qumu (\$8.5m), Beaumaris Networks (\$8.9m) and Matchbin (\$5.9m). There's no shortage of video on the web, but the glowing prognostications made several years ago for the technology have, in many senses, not been completely realized. But the explosion of the tablet market, which is on the cusp of replacing paper, books, and laptops as a prime source of content consumption, is driving increased interest in video on the web.

The Top 50: Software Venture Capital Investments—Q3, 2010

Company	Business Focus	Lead Investor	Investment
Trilliant, Inc	Network solutions for grid management	VantagePoint Ventures, Zouk	106,000,000
iContact Corp	Web-based marketing software services	IDEA Fund Part., JMI Equity	\$42,500,000
SquareSpace	Provides web-based content publishing tools	Accel Part., Index Ventures	\$38,500,000
Airstrip Tech	Provides Remote Patient Monitoring platform	Sequoia Capital	\$30,000,000
Aster Data Sys	Clustered databases for Web analytics	Cambrian Ventures, JAFCO	\$30,000,000
Jive Software, Inc	Social business collaboration software	Kleiner Perkins Caufield & Byers	\$30,000,000
BluArc Corp	Network storage equipment systems	Crosslink Capital, RWI Ventures	\$22,700,000
Cardlytics, Inc	Software solution for banks and marketers	Canaan Part., ITC Holdings	\$18,000,100
Adaptive Comp.	Provides intelligent automation software	EPIC Ventures, Intel Capital	\$15,998,000
Power Assure, Inc	Develops energy management software	Draper Fisher Jurvetson	\$15,249,900
shopkick, Inc	Develops iPhone applications	Greylock Part.	\$15,050,000
Revolution Prep	Test preparation courses for the SAT/ACT	Kennet Venture Part.	\$15,000,000
YouSendIt, Inc	Provides digital content delivery services	Alloy Ventures, Sigma Part.	\$15,000,000
Zeebo, Inc	Designs entertainment and education system	Qualcomm Ventures	\$15,000,000
Nimbula, Inc	Develops cloud operating system	Accel Part., Sequoia Capital	\$15,000,000
Retail Solutions	Software for the emerging RFID market	Red Rock Ventures, SAP Ventures	\$14,000,000
Zilliant, Inc	Provides pricing software and services	ABS Ventures, Austin Ventures	\$13,117,000
uTest, Inc	Develops community testing platform	Scale Venture Part.	\$13,000,000
StorSimple	Application-optimization hybrid storage	Index Ventures, Mayfield Fund	\$13,000,000
SportsMEDIA	Real-time scoring and wireless data system	Vicente Capital Part.	\$12,500,000
eWise Systems	Online payment and security solutions	Balderton Capital, Individuals	\$12,100,000
Xactly Corp	Sales compensation application	Alloy Ventures, Bay Part.	\$12,000,000
Pixazza, Inc	Develops an e-commerce enabling platform	CMEA Capital, Google Ventures	\$12,000,000
Sonatype, Inc	Develops software creation platforms	Accel Part., Bay Part.	\$11,600,000
EverFi, Inc	Develops media education platform	New Enterprise Associates	\$11,000,000
Whamcloud	Application scaling for HPC storage	Undisclosed Firm	\$10,000,000
C7 Data Centers	Provides multiple data centers	Canopy Group	\$9,000,000
Beaumaris Netwks	Develops video service technology solutions	Castile Ventures, Charles River	\$8,952,900
Qumu, Inc	Enterprise video communications solutions	Advanced Technology Ventures,	\$8,750,000
Viridity Software	Energy resource management software	North Bridge Venture Partners	\$8,000,000
mFoundry, Inc	Provides mobile financial solutions	GRP Part., Ignition Part.	\$8,000,000
TopSchool, Inc	Higher education institutions	MK Capital	\$8,000,000
EnterpriseDB	Products and services based on PostgreSQL	Fidelity Ventures, TransLink Capital	\$7,500,100
Mantara, Inc	Develops securities trading solution software	Allen & Buckeridge Pty	\$7,500,000
Red Beacon, Inc	Online recruitment search engine	Mayfield Fund, Venrock Ass.	\$7,400,000
CiraNova, Inc	Electronic design automation	Alloy Ventures, Intel Capital	\$7,298,000
AdSafe Media	Online protection and risk management	Atlas Venture	\$7,298,000
Inveshare, Inc	Internet-based communications utility	Gilo Ventures, Goldman, Sachs	\$6,505,000
deCarta, Inc	Software platform for location-based services	Cardinal Vent.Capital, Sand Hill	\$6,167,100
Vela Systems, Inc	Mobile software for field administration	Autodesk Ventures, GrandBanks	\$6,060,000
InstaMed Comm	Healthcare payments network and platform	Ashby Point Capital, Osage Part.	\$6,000,000
Perceptis, Inc	Provides customized IT services to universities	Frontier Capital	\$6,000,000
BA-Insight, Inc	Provides information access solutions	Milestone Venture Part., Osage	\$6,000,000
iLevel Solutions	private equity software and reporting solutions	Egis Capital Part.	\$6,000,000
TimeTrade Sys	Online self-service appointment scheduling	Ascent Venture, CommonAngels	\$5,607,000
Convoke Systems	Develops information management software	Flybridge Capital Part.	\$5,500,000
Morph Labs	Operates as a cloud platform company	CSK Venture Capital, Frontera	\$5,500,000
Matchbin, Inc	Rich websites for local media companies	Greycroft Part., vSpring Capital	\$5,316,000
CloudCrowd Hld	Business process outsourcing services	Draper Fisher Jurvetson	\$5,141,000
Reach Call, Inc	Provides Web-based telemedicine	C&B Capital, Council Ventures	\$5,000,100

pages first. Making your life easier is Facebook's new capability of allowing you to switch between the **Profile** and **Page** views.

11. Facebook allows you to create custom tabs that share space with the default **Home**, **Profile**, **FindFriends** and **Account** tabs. To create a custom tab, find the FBML (FBML is Facebook's proprietary version of HTML) in the system's search box and add it to the appropriate page. You'll then have to go through a short process of setting up the FBML; if you're not comfortable with this, there are inexpensive services that will do this for you. Remember that you can only have one FBML application per page, so you'll need to decide where you want to display tabs on your pages. The most typical use of tabs are to serve as landing pages, encourage visitors to your site to provide you their E-mail address, inform visitors about special promotions, etc. Custom tabs are important and you should implement them as soon as you've become comfortable with basic Facebook operations.
12. The Facebook **Share** button is being deprecated in favor of the **Like** button. The **Like** function is primarily designed to allow you to add a direct connection to your Facebook page from a third party or corporate website. When a visitor to your site clicks on the Facebook **Like** button an article appears in the visitor's friends **News Feed** with a link back to your site. (It is possible to link the **Like** button to your Facebook page.) The **Like** function is implemented by embedding code provided by Facebook into a page on your site; two code versions are provided, one designed for use with Java enabled pages(iFrames; this option allows enables more advanced page analytics). If your site is based on a CMS (content management system) such as DNN, Drupal, Ektron or relies on dynamically generated pages, you may have to use a plug in to do this gracefully.
13. Put your **Share** button on all content relevant to your company, including blog posts, downloadable material you want to distribute widely, forum posts, etc.
14. Facebook will allow you link your account to Twitter, Skype, Zvent and LinkedIn (to a page, not to your profile) either through direct services or third party applications. Linking social systems increases their network effect and you should investigate cross linking to all social systems you use if possible.

Search Optimization

15. To optimize your Facebook page for SEO purposes, remember that Bing, not Google, powers the site's internal search. Also remember that a Facebook page's name is also its page title tag. You can create search engine friendly URLs for your Facebook page by using the vanity URL feature of the site; you need twenty five **Like** links to that page before this feature can be turned on (if your site is large enough, you can post **Like** links to your Facebook from within your site to speed this process along).
16. Most experts recommend posting to your Facebook page at least every other day and once a day is considered (see tip eight) optimum, particularly in B2C markets. This can represent a considerable amount of work on the part of your marketing department so use existing content on your site such as blog posts, forum posts, interesting comments about your industry from third party sources, etc to help fuel your posts. Facebook is not a venue for long posts, so short snippets of interesting information should suffice most of the time. The site has

recently upgraded its **Comments** feature, allowing longer posts, but the rule is still to keep your posts short and sweet.

17. The ratio of business to “personal” posts on your Facebook page differs based on what your site wishes to accomplish and your company size. But even for the largest sites, a continuous stream of self promotions on your Facebook page is tedious. Probably one third of your content should consist of the lighter aspects of the industry in which you compete leavened with some personal tidbits about your Facebook manager or management team—birthdays, anniversaries, new additions to the family, etc. Avoid personal posts that stray too far into politics (unless you’re a politically-oriented site), religion, and so on. You are permitted to post one funny pet video; no more after that. Videos of your pet snake ingesting a live mouse **aren’t funny** (a true life example).
18. To use Google analytics within Facebook, use iFrame-based pages. Google’s tracking system doesn’t work well with Facebook pages built around FBML. Unless you are a professional web developer, you will probably need to hire a third party to build these pages.

Facebook Advertising

19. Facebook pages and profiles require constant attention if anyone is to actually “see” your page. Facebook has its own uber ranking algorithm (sigh), the “EdgeRank.” When you post new material to your page/wall, the Facebook system assigns your updates and notes a ranking based on the number of people who read and comment on the post, how many posts are “shared,” how many are “liked” and the number of these interactions over time. The overall goal of this (from Facebook’s point of view) is to sell you advertising to your fan base, who will presumably be interested in your ads because over time people who have interacted with you have similar interests. If this sounds somewhat convoluted, it is. Facebook is an ouroboros, with every tentacle of the system pushing on the other.
20. Facebook advertising is 33% to 50% less expensive than Google on a CPC basis. There is a great deal of debate about which system is more effective in reaching a targeted audience. Facebook fans point to the fact that the relationship model you build creates a universe of people who are supposed to have similar interests (and thus similar demographics) to yours. Google adherents note that targeting search terms means, in theory, that people are looking for products/services such as yours and are further along the sales funnel. Only time and experimentation with your market can determine if you should spend on one, both, or neither of these advertising systems.
21. A nice feature of the Facebook ad system is that it allows you to count your prospective market by setting up an ad campaign that targets your prospective market without actually launching the ad. Once you have setup a campaign that targets your audience by interests, location, and other demographics, the system will count the number of people who meet your criteria.
22. Unlike Google, Facebook ads are more image oriented. Incorporating an image

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into your ads will generate increased click-through rates.

23. If you wish to geo-target your ad campaigns, implement the Facebook **Place** page. This enables you to aggregate your fans into local groups.

The Social Graph and Open Graph Protocols

24. Google wants to control the world of relevant search while Facebook wants to control the world of relevant social interaction. One way Facebook hopes to achieve this is via a strategy the company call “social graphing.” A social graph tracks and aggregates relationships between entities (usually people, though anything, including companies, can be entities in the graph). To push this process along, Facebook supports what it calls the “Open Graph Protocol.” Implementing this protocol for a website involves putting specialized tags onto your page that will enhance your website’s social graph standing. More information about the use of these tags can be seen at this link—<http://ogp.me>. We hope you enjoy the process of adding yet more meta tags to your website.
25. To see your Facebook page’s standing in its social graph, **use the Social Graph** widget located on the right side of your profile page. You will see a graphical representation of your site’s social graph ranking. The denser the graph, in theory, the better. Right now, this feature isn’t terribly useful, but Facebook is building a revenue model around this relationship aggregation technology and plans to spend more time and money persuading you to spend more time and money worrying about this graph.

Facebook vs LinkedIn and Twitter—The Graphics

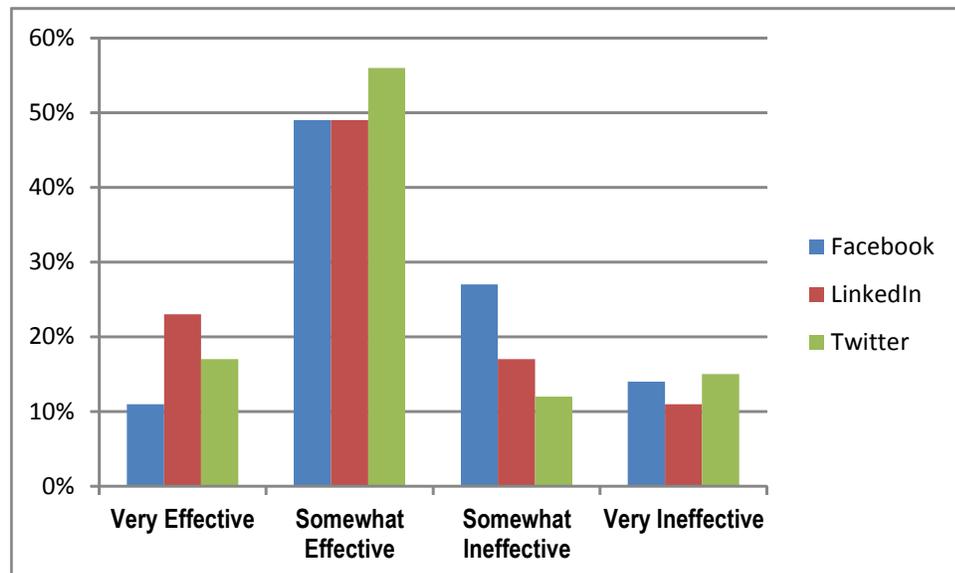


Figure One: Comparative Effectiveness of Facebook, LinkedIn, and Twitter. Source: The Softletter Social Marketing for Software Companies Survey

Facebook lags significantly behind LinkedIn and Twitter in the **Very Effective** category and it’s combined **Somewhat Ineffective** and **Very Ineffective** score of 40% is the highest of the three systems.

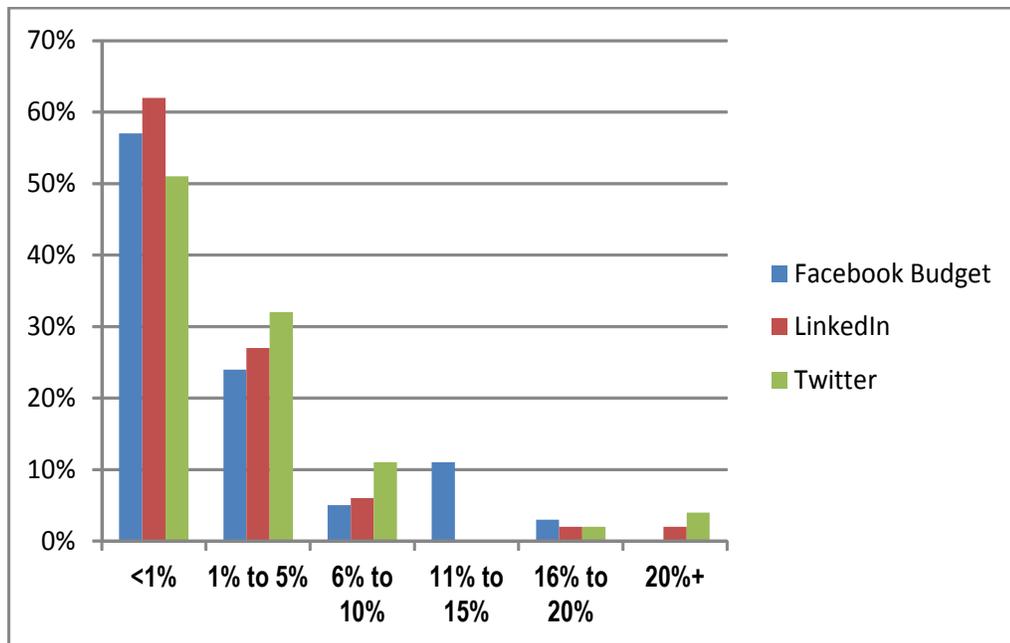


Figure Two: Current Budgetary Expenditures on the Major Social Systems as a Percentage of Overall Marketing Budget. Source: The Softletter Social Marketing for Software Companies Survey

Software companies are not spending very much on the social systems at this time, though we suspect expenditures will rise over time. Note that expenditures on Facebook and Twitter are tracking a bit higher than on LinkedIn.

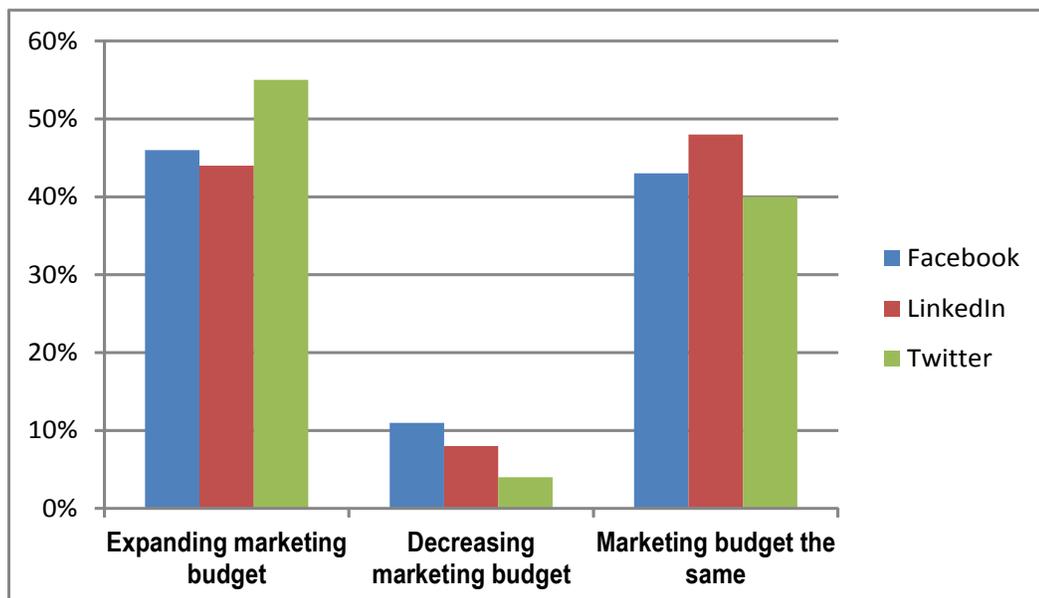


Figure Three: Planned Budgetary Expenditures on the Major Social Systems Over the Next 12 Months. Source: The Softletter Social Marketing for Software Companies Survey

“When someone clicks the “Like” button everyone in your Facebook group knows it. It also functions as the only way to access groups, discussions, and fan pages. And on Facebook, there’s no “Dislike” button. When you don’t “Like” something, you are taking access permissions away.”

—Joe Dysart
Sofifletter



Figure One: Nik Facebook Site. (Note the reference to the artistic activities of one of the company’s employees)

One of Facebook’s most anticipated changes is the service’s new ability to easily add framed content to a Facebook page—technically known as content presented within iFrames. Essentially, the change enables any software maker to easily mirror the Web design on their web site on a Facebook page—as long as it’s within an iFrame.

Scores of Web designers are celebrating the move, since attempting to duplicate the look and feel of a company’s website pages on Facebook had previously presented quite a challenge in many cases.

Moreover, web marketers say the introduction of easy iFraming also makes it much easier for a business to crunch analytics, including tracking user activity on Facebook pages, and thoroughly analyzing how sales and other sought-after conversions are unfolding on company Facebook pages.

All told, the make-over has stimulated marketers to update their best marketing practices for the service, as detailed below:

Understand Why Facebook is So Powerful

While social networking has been around for awhile (people were

socializing on CompuServe discussion forums long before Mark Zuckerberg got his first tricycle), Facebook was one of the services that made such networking effortless, fun and multifaceted. For example, once someone signs up for your “fan” or business page on Facebook, they immediately begin getting info about your company in their News Feed, can instantly share your offers to others in their social network, can effortlessly engage in discussions on your Facebook page, can give their opinion about your products or services and can shop on your Facebook page—all without even thinking about how to do these things.

Small wonder Facebook now has 400m+ registered users and is still growing.

Get Creative With Facebook’s Newly Unshackled Web Design Features

As noted, for years web designers have bemoaned the fact that they were forced to use Facebook’s propriety programming for much of the designing they did on the Facebook site. No more. With the roll-out of Facebook’s latest make-over March 1st, the service is now offering Web designers complete creative design freedom within specified framed areas of your pages on Facebook site.

“I for one am thrilled with this long-awaited news,” says Janet Driscoll Miller, CEO of SearchMojo, a Web marketing firm. Essentially, any content that appears within these specially designed iFrames is no longer subject to the limitations of Facebook’s design format. Instead, the content can be easily designed with more robust Web design programs like DreamWeaver or Microsoft Expression. “This is a huge time saver when you’re trying to program pages to match your corporate brand,” Miller adds. (You can check out what your content will look like within an iFrame at this link: http://www.facebook.com/whosbloggingwhat?sk=app_126661227405239).

Take Advantage of Facebook’s New Integration with Google Analytics

“Not long ago, Facebook removed some features that allowed you to track your page views in Facebook via Google Analytics,” Miller says. That’s no longer a problem, she adds, now that Google allows company Web content to be displayed within the new iFrames model. Essentially, any content showcased within the frame can be completely tracked, sliced and diced with Google Analytics (<http://www.google.com/analytics/>), a free program with a great reputation for analyzing user behavior on websites.

Easily Track Sales and Other Conversions Sought on Your Facebook Presence

“Seriously, this one deserves about 15 exclamation points,” Miller says. “iFrames makes tracking conversions from Facebook—and keeping ad respondents within the Facebook application—much easier.”

“At present, a strong generational divide separates users of social media. If your target audience is over 35, the primary vehicle for many audiences is still E-mail. If you’re under 34, an integrated approach is likely to be effective. If under 20, you may have to rely on social media exclusively. If you’re targeting someone at the workplace, E-mail remains the most effective approach.”

—Joe Dysart
Softletter

Post a “Like” Button

A recent Facebook innovation, the ability to **Like** a business confers an instant recommendation of your business to everyone within a Facebook user’s circle—be it 12 people, or 1,200 people. You can easily add a **Like** button to your Facebook page by visiting: (<http://developers.facebook.com/docs/plugins/>).

Consider Other Business-Friendly Social Plugins

These plugins include **Recommendations**, which gives users personalized suggestions for pages on your site that they might like and **Comments**, which allows visitors to comment on content on your Facebook site.

Meanwhile, the **Like Box**, enables users to “like” your Facebook page and view its stream directly from your Web site; **Facepile** shows profile pictures of a user’s friends who have already signed up for your site and **Live Stream** allows users to exchange comments and engage in other shared activity in real-time as they interact during a live event on your Facebook page.

“We have Facebook/Like on our website to integrate our website content into the social community,” says Tableau’s Fink.

Post Freely Under Your Business Name to Other Pages on Facebook

With the March 1st make-over, Facebook has made it very easy for a software maker to make a post to the walls of other pages. Previously, business’ messages had been restricted to appearing on the Facebook **News Feeds** of people who liked you, friends of those people, and on the wall of your own business Facebook page. Used judiciously, this new freedom to post to the walls of other Facebook pages could make promotion on Facebook much easier.

Post Often, Interestingly and With Plenty of Graphics

The only way to continually attract attention to your Facebook page is via constant updates to your page. Fortunately, you can post to Facebook a few times a week, or in some cases, every day, and other Facebook users won’t consider you annoying. After all, those who “friend” you are clearly saying they are interested in what you have to say. Just be sure it’s interesting, and it includes images or video often. Graphics are the lifeblood of Facebook.

“Our marketing and education teams meet weekly to plan upcoming content and timing details across the various social networks,” says Nik Software’s La Rue. “Nik Software enjoys a fervent, loyal fan base and we wanted to be actively participating in their online conversations to both humanize our brand and show responsiveness to their needs.”

“Facebook’s social portal model attracts a demographic that doesn’t want to login into multiple sites to manage their online life; they prefer the simplicity of the single login, single interface approach.”

—Joe Dysart
Softletter

Engage, Don't Broadcast

If you've had a business page on Facebook for any amount of time, no doubt you've heard this. But it bears repeating. Businesses that use traditional methods to broadcast their brands on Facebook are generally received with a collective yawn—and sometimes even negative retribution—from Facebook users protective of the social network's culture.

Quite simply, Facebook users expect a conversation from the businesses they befriend. And they expect it to be authentic. In **Softletter's Social Marketing Survey for Software Companies**, all three social marketing companies posted relatively poor figures for responses to direct marketing promotions, though Facebook showed surprising strength in comparison with the other systems.

“The underlying business model underlying Facebook has been a “party,” a visual image perhaps driven perhaps too strongly by the movie “The Social Network.” A “rave” is not the type of party you're normally going to try to create with your Facebook site. Think wine and cheese, with contemporary but tasteful music playing in the background.”

—Joe Dysart
Softletter

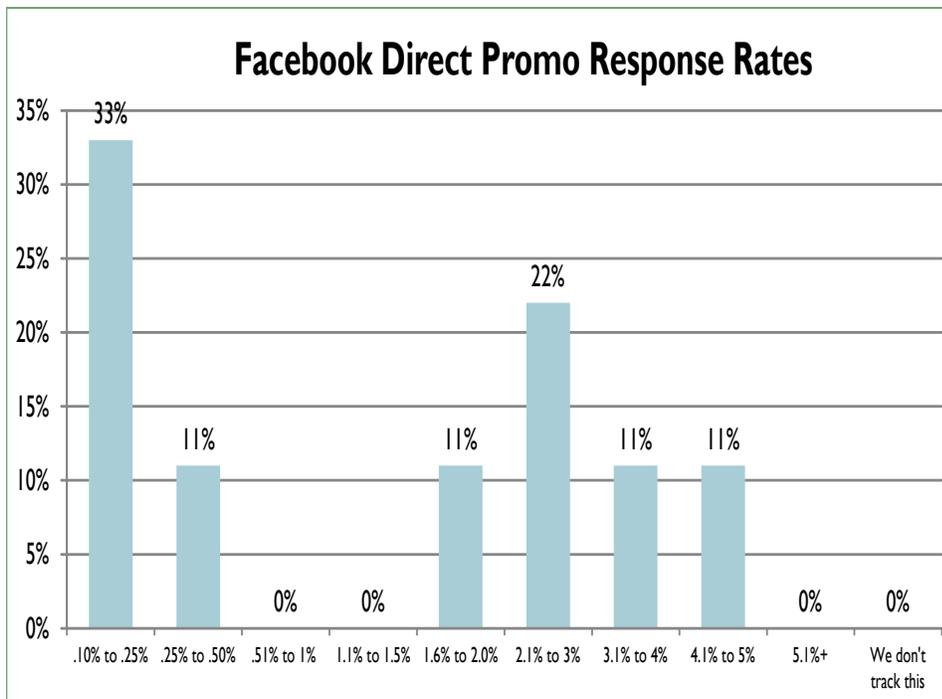


Figure Two: Facebook Direct Prom Response Rates. Note Facebook's strength in the higher response rate cohorts. Source: The Softletter Social Marketing for Software Companies Survey

“There are a lot of creative options with Facebook, but it's not a silver bullet,” says Tableau's Fink. “You have to work it to make it work for you. It's more than just having a page. If your product isn't community-oriented or your company is not willing to open up to a community, being on Facebook is not going to mean anything. It's about how good your brand is at supporting and nurturing a community and about the work you put it into it.”

“Share This” E-mail, Social, and Website Resources

- AddToAny (www.addtoany.com): Free service that enables you to create a “share this” widget you can add to E-mail, website, social service pages. Works with Feedburner and Wordpress.
- E-mail Gone Social (www.slideshare.net/Silverpop/email-gone-viral-email-share-to-social): Online slide share presentation hosted by Silverpop discusses integrating E-mail and social marketing.
- Facebook Messages (www.facebook.com/about/messages/): Messaging system allows users to use a Facebook e-mail address with the @facebook.com suffix to communicate outside the social network.
- LinkedIn Share button (<http://blog.linkedin.com/2010/11/30/linkedin-share/>): Information on new service from LinkedIn.
- Ping.fm (<http://ping.fm>): Free service that allows you to access various social systems from one posting.
- Tweetymail (www.glance.com): Online service that allows you to push E-mail to your Twitter account.

THE ATLANTIC WIRE ON WHY IT’S NOT EASY BEING MARK S. ZUCKERBERG:

“Facebook has made Mark E. Zuckerberg a rich man but, for Mark S. Zuckerberg, it’s caused a lot of headaches. The Indianapolis bankruptcy attorney who shares his name with the Facebook founder told a local TV station today that the social networking site disabled his account, believing he was lying about his name. S. Zuckerberg explained that when he signed up for an account two years ago, he had to send Facebook copies of his driver’s license, birth certificate, and Indianapolis Bar Association license before he was permitted to join. (Quoted on http://news.yahoo.com/s/atlantic/20110511/tc_atlantic/markszuckerberghashisfacebookaccountdeleted37607,05/11/2011)

BLUELOCK FOUNDER BRIAN WOLF ON THE AMAZON EC3 OUTAGE:

“The companies who found themselves off line for a week because of the EC3 outage only have themselves to blame. Amazon’s SLA says 99% uptime; that’s up to eight days in a year off line. It’s up to the service provider to understand the architecture of the infrastrucutre they’re depending on and pay for the extra nines and/or have a disaster recovery plan in place.” (Quoted on 04/29/2011)

STAR NUMBERS FROM BNN-NEWS.COM: MICROSOFT VS.

APPLE: Microsoft 2011 Q1 financial performance by far exceeds analysts’ estimates, as the net profit spiked 31%, hitting 5.23 billion dollars, while revenue grew 13%, totalling 16.4 billion dollars.

...Despite the bright performance, Microsoft still has to step back to give way to Apple in terms of Q1 profit. Apple posted 5.99 billion dollars profit, while its revenue hits over 24.6 billion dollars. (Quoted on BNN.com, 04/30/2011)

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Subscription rates: \$395 worldwide. Subscription office: Aegis Resources 34 Sugar Hill Rd.