

How many Facebook users will go public?

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Facebook now asks users if they want their comments open to the public. So far, few do—but marketers are salivating at the potential.

Marketers trying to horn in on the conversations happening on the Web are paying closer attention to what many consider the ultimate prize: Facebook's user profiles.

On June 24, Facebook began testing a feature that lets users share their updates with the public—not just members they've deemed "friends." Each time a user provides an answer to Facebook's profile-page question "What's on your mind?," Facebook's software asks who may be allowed to see it. For instances when "everyone" is chosen, third-party companies are working on software that can analyze the information to see what products or services Facebook members might be interested in. And Facebook is modifying its search engine to look for these real-time feeds as well, the company has said.

"It opens up a whole other realm of content for companies who want to engage customers," says Marcel LeBrun, chief executive of Radian6, a software company that makes tools that let advertisers and public relations people draw conclusions from conversations on Twitter and other social-media sites. Radian6, Sysomos, and RightNow Technologies (RNOW) all have told BusinessWeek that they're modifying their current products to take advantage of Facebook's new status-broadcasting feature.

The insights marketers may glean could prove intriguing. As public status updates accumulate on the site, visitors will be able to search for all mentions of specific keywords, such as "Obama" or "American Idol." Meredith Chin, a Facebook spokeswoman, says some of the site's users may choose to publicly broadcast updates about concert tickets for sale, political opinions, or other matters "widely applicable to more people than your friends."

Marketers are treading lightly

Software companies hoping to mine Facebook's data will need to tread carefully, though. Only a small fraction of the site's 200 million users make their profile data available to companies. And marketers will need to avoid running afoul of the site's famously detail-oriented audience, which tends to bristle at any intrusions on their privacy.

Take telco Embarq (EQ), which sells local and long-distance calling and Internet service plans. The company keeps track of 50 to 100 mentions of its brand each day on Twitter and in comments left on blogs, according to interactive brand manager Kevin Cobb. When bad weather knocks out service for some subscribers, Embarq can find those who are complaining online, then post responses to let them know technicians are on the case.

Facebook's user status updates could open up similar ground, but Cobb says Embarq will proceed cautiously. "It's very much a personal site," he says. Instead of making friends with a customer and starting a conversation, as the company would on Twitter, Embarq's customer-service reps might simply leave a single comment on a user's page letting him or her know how to get in touch. "If people are careful, [Facebook] can provide a lot of value," says Cobb.

Mining social-media conversations to monitor brand equity or find potential customers isn't new. A variety of companies have already set to work building tools to help marketers exploit the value of online conversations. But Facebook's status-update changes could deliver a trove of data that has been mostly sealed from marketers' view.

Facebook could analyze the data itself

How large a sales opportunity Facebook's changes offer depends in part on how many of its users become comfortable sharing their updates with the world. Currently the public-status feature is turned on only for the few hundred thousand Facebook users who have manually set their entire profiles to the share-with-everyone setting.

Still, some marketing executives see lots of potential. Comcast (CMCSA) and Dell (DELL) are among the companies that can spend hundreds of thousands of dollars a year on software from Radian6, which lets them monitor a variety of Web commentary about a topic or brand and analyze the tenor of those comments. Radian6 CEO LeBrun says once his customers begin pulling public Facebook updates into the software, the average number of posts Radian6 sees every day for all its clients could increase significantly from about 6 million daily posts now.

Facebook itself could also analyze status data. The company already lets businesses build "pages" around their brands and sign up users who want to receive regular updates on new products. For example, Research In Motion's (RIMM) BlackBerry page has more than a quarter-million Facebook fans. Arming advertisers on the site with tools that spot relevant conversations about their brand across the social network's pages could be a future revenue source for Facebook, says Forrester Research (FORR) analyst Josh Bernoff. "The ability to report on what's happening on their own network may be one of their major selling points," he says.

Andy Monfried, CEO of Lotame Solutions, which places ads on social networks—though not Facebook—says Facebook could use the status updates to show its members ads that better zero in on their interests. "They can know a ton about individuals and use that data to better target and monetize their media," he says.

For many Facebook users, though, that knowledge is a problem. Many of the hundreds of comments users left in response to the company's June 24 blog post were negative. To make the most of its new software changes, Facebook may once again need to mollify swaths of its audience who openly share information about themselves on the site, but protest when it's used for commercial purposes.

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