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Facebook's shift away from engagement will benefit mobile advertisers

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By David Serfaty

Is Facebook's recent shift from engagement and affinity ads to performance-based social ads bad for the social network? In a recent article, *Mobile Marketer* associate editor Chantal Tode posed that question to a number of marketers.

While opinions varied, the central argument boiled down to this: Facebook's advertising model is rapidly changing to a mobile-first solution. Marketers need to adapt to continue to generate benefits from this powerful and growing mobile ad channel.

About face

After less than two years as a mobile advertising medium, Facebook has quickly made its mark in mobile.

The social network recently revealed that 49 percent of its third-quarter 2013 advertising revenue came from mobile ads

More than 900 million users connect to Facebook through their smartphones and tablets each month, according to the company.

Mobile is no longer the future of Facebook advertising it is here. Facebook is investing heavily in developing new performance-based mobile ad solutions that deliver both engagement and improve customer acquisition and sales.

Facebook's push to monetize its mobile offering via performance-based advertising solutions has left some wondering whether it is abandoning its roots as a social network.

Some marketers question whether Facebook is still relevant as an engagement platform, as it was often perceived in its early days.

The real question, though, is: What took Facebook so long to embrace performance-based mobile ad solutions? It is only natural for Facebook to shift from affinity- to performance-based mobile social ads.

Marketers that claim they do not want this type of advertising and remain enthralled with affinity-based Facebook ad solutions are kidding themselves.

Facebook's introduction in April 2013 of cost-per-action ad buys and more advanced performance-based targeting methods is in line with much of the online advertising industry, which increasingly embraces performance-based advertising over pure branding campaigns.

This shift is supported by IAB data showing that 66 per cent of all online advertising in the United States in 2012 was performance-based.

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For performance-based marketing professionals, Facebook's recent shift away from engagement and affinity ads is welcome news.

Many have long advocated for more performance-based advertising opportunities on the social network.

Advertisers need more than just the ability to engage with consumers. They need to be able to drive consumer actions. Increasingly, the opportunity to do so is via mobile.

Mobile targeting and measurement solutions are the future

Now that Facebook has made it clear that its future rests squarely with mobile and, more specifically, with a compelling mix of mobile engagement and performance-based advertising, marketers need additional targeting and measurement options to optimize their mobile campaigns. These include:

More integrated cross-device measurement solutions. Marketers need the ability to track touch points on a user level across all types of devices, such as serving users a direct response ad on their smartphone. They also need the ability to track a user's path-to-purchase from that ad across other devices.

Support more platforms. Judging by the requests we get from performance advertisers, there is an increasing demand to drive users to the Amazon app store. Facebook needs to implement targeting and measurement for Amazon apps.

CPM optimization to funnel user actions. Facebook's optimized CPM bid mode currently can be used to find users who are likely to install an app. It would be helpful to have the ability to go beyond that level and find users who are likely to engage with a brand's ad and pay for a product or service.

Facebook is more than just consumer engagement

It is time for advertisers to accept that Facebook is way more than just an engagement and affinity platform. It can and should be a major direct marketing tool for many brands, especially in mobile.

The long-term benefit of advertising on Facebook is not purely brand affinity. It is brand affinity plus engagement plus actual sales. The way to achieve the latter is by embracing Facebook's shift toward performance-based advertising solutions in both mobile and desktop. Trying to fight that model looks like an increasingly outdated mindset.

Today's successful Facebook mobile ad campaigns require a smart mix of engagement messaging and advertising that supports performance-based targeting solutions that generate leads and improve sales performance.

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