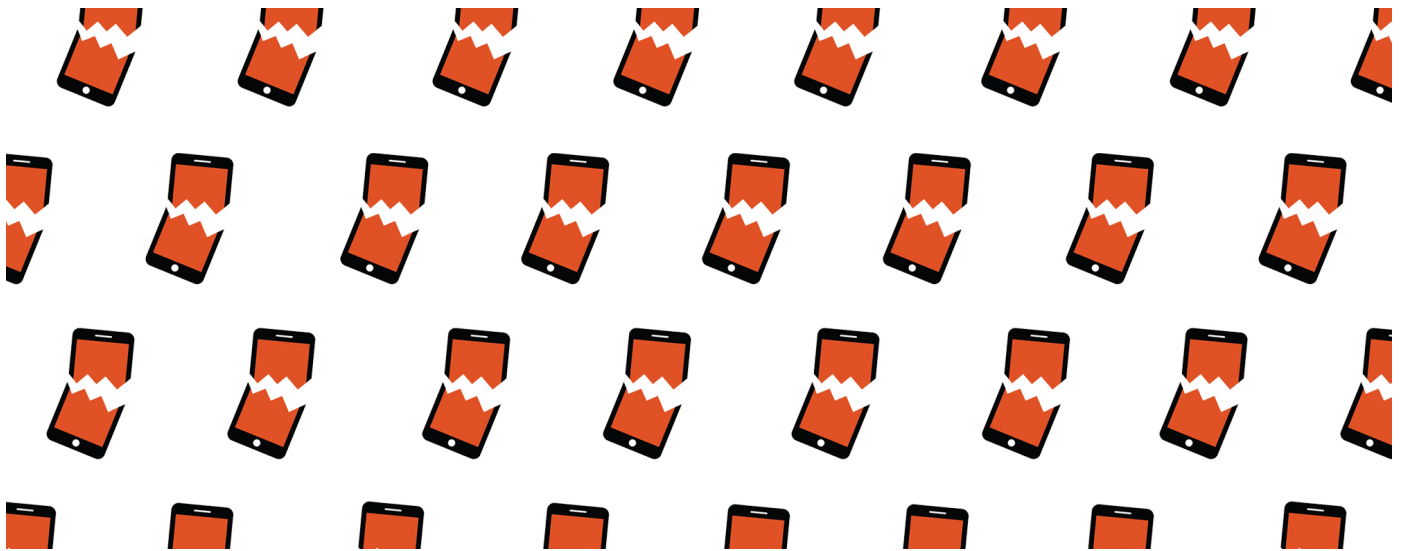


JULY 07, 2020

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# M360 PANORAMA

*Marketing Insights Newsletter of Marketing360.in*



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## BOYCOTT ON FACEBOOK ADVERTISING

*By Mahak Bhatewara - Content head*

### BOYCOTT ON FACEBOOK ADVERTISING BY MAJOR BRANDS: THE REASONS AND ITS IMPLICATIONS

The advertising boycott lashing out on Facebook is unlike anything that the social-media giant has faced in its 16-year history. Facebook has long been criticized for not doing enough to combat hate speech but now the "Stop Hate for Profit" campaign is gaining rapid momentum in a way that threatens Facebook's bottom line.

Till now more than 800 companies worldwide have pulled millions of dollars in advertising from Facebook, with major brands being Coca-Cola, Ford, Unilever, Starbucks, Sony, Clorox, Adidas, Denny's, Volkswagen, Microsoft, and many more.



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## Why Brands Are Boycotting Advertising On Facebook?



PHOTO BY STOPHATEFORPROFIT.ORG

On June 17, a coalition civil rights organization led by the NAACP, Colors of Change, and the Anti-Defamation League, launched a campaign called #StopHateforProfit. The campaign accused Facebook of allowing racist, violent, and verifiably false content on its portal.

The coalition group further requested businesses to "hit pause on hate" and not advertise on Facebook in July as Facebook makes nearly all of its money from ads, more than \$70 billion last year.

Facebook has long been criticized for not doing enough to combat hate speech in 2017 it was accused to fuel a genocide against Rohingya Muslims in Myanmar, in 2019 a gunman used the social network to live to stream the mosque shootings in Christchurch, New Zealand, and the latest hit came in the wake of the police killing of George Floyd, a 46-year-old Black man in Minneapolis which sparked massive protests regarding police brutality and racial justice.

Companies boycotting advertising on Facebook are dissatisfied as the platform is increasingly becoming polarised and unable to provide brand safety. Thus, companies are losing their trust on Facebook.

## How The Brands Can Benefit From This Advertising Pause?

For brands this Facebook ad boycott could actually pay off more than advertising on Facebook does. Among the companies that have joined the boycott, a lot of them have already planned to pull back on marketing spending due to COVID-19. Thus, if they reduce the money spent on social media advertising not only they are saving that money, but they are also getting "earned" media and goodwill.

The brands' stand in this campaign, as per experts, is a low-risk statement that results in positive publicity and marketing. Moreover, it is a lower-risk way for CEOs to make a political statement.

## Will This Boycott Hit Facebook's Bottom Line?

As per reports, since the news of boycott breakout, Facebook's shares fell by 8.3%, market share saw a cut by \$56 billion and Mark Zuckerberg's net worth was also reduced by \$7 billion. But has this boycott really hit Facebook's bottom line? Not really.

As per an analysis done by Fortune, it would take thousands of Facebook's 8 million advertisers to make a dent. As of now out of the 25 largest spenders on Facebook ads last year, only three companies- Microsoft, Starbucks and Pfizer, have joined this campaign. These top 25 businesses accounted for just 3% of Facebook's 2019 revenues. Even if all 100 of Facebook's biggest advertisers joined in the campaign, they would account for just 6% of the company's annual ad revenue.

Source of data: foxcarolina.com

### Brands Or Facebook: Who Will Suffer More?

There is no doubt that this ad boycott will do more harm to Facebook's already tarnished image than to its finances.

The social network has faced a number of scandals around privacy and election interference. The boycott is threatening Facebook's reputation.

It is to be noted that boycotting Facebook for more than a month is easier said than done. Facebook gathers and provides the brands with valuable customer data which is used by brands for targeting customers.

Thus, some companies, especially the small ones, could be hurting themselves more by limiting their exposure to social media. Joining the ad boycott would actually hurt their bottom line infinitely more than that of Facebook.



#### Facebook's Response:

**Facebook** has spent the past few days negotiating and persuading the brands to come back to the platform with the promise to address the concerns of social network profits from hate and outrage and bring in modest changes. But advertisers and the agencies are so far unimpressed with promises made.

## Marketing Without Facebook Advertisements

**The brands have changed their media planes for July making it Facebook free.**

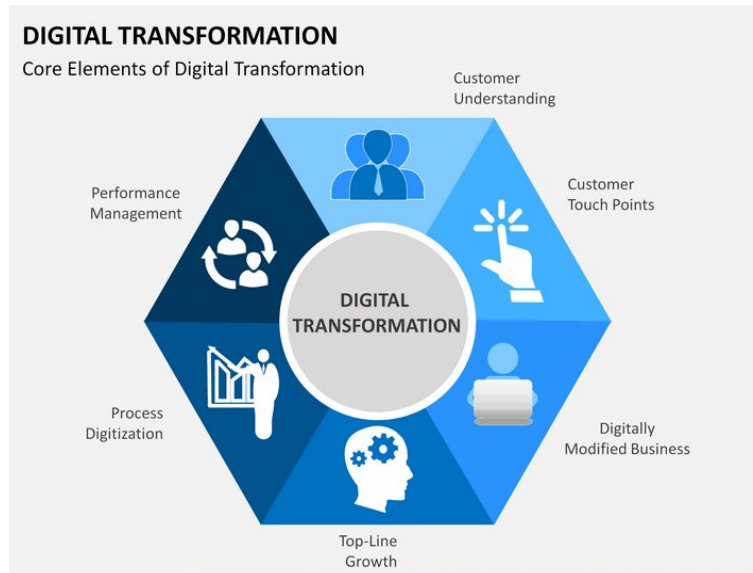
Some alternatives that they have opted for- Organic PR by supporting #StopHateForProfit movement, Snapchat advertising, mobile In-app advertising, YouTube In-stream ads, Email marketing, Influencer marketing, SEO, etc.

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# HOW DIGITAL TRANSFORMATION HAS CHANGED THE FACE OF MARKETING

By Shreya Mav - Training and Development Head



There has been a massive change in the marketing environment due to the vast growth of digital marketing. The reach of the internet is broad and making the world more technologically focused, advertisers have no choice but to follow the trend.

Digital Marketing has changed everything about how businesses and the consumer think and behave. It has transformed the scope of small companies while asking more from already existing businesses.

## Digitalization and Growth of Digital Marketing

Digitalization is gaining a lot of importance in today's era. Businesses are shifting from traditional means of marketing to digital means. These below-mentioned points are responsible for its growth:-

- **Customer service Never Sleep:** Customer service was of no significance until the digital age. Providing door-to-door service to handle customer issues used to take a lot of time. However, with the rise of digital technologies, it has become so easy to remain in contact with the consumer and provide 24X7 customer support as a result of the need to maximize customer loyalty.
- **Traditional marketing:** Customers are more interested in the easy way they can get through their mobiles or tablets. It's probably that people are shifting more towards online. Nowadays, people are more interested in watching TV shows and cricket over mobile online than TV, as they can be accessed from anywhere.
- **Change in communication:** The way of communication has evolved, now the audience prefers digital platforms rather than any other medium. Because of this, it's easier to hit the target market. Marketers heavily rely on social media channels to keep in touch with their customers and create a positive brand image for them.
- **Cost-Effective:** Advertising is so important to attract more customers. As small companies or start-ups cannot afford to spend in bulk, Digital Marketing has been acting as a support to them, as its cheaper than any other medium.

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# DIGITAL TRANSFORMATION

Now, the properties of digital media, such as more precise metrics, combined with interactivity, have created new marketing opportunities. Digital technology plays a powerful role as a marketing tool.

- **Digital transformation affects marketing funnel**, a traditional concept used by marketers to map out the behavior of potential buyers, which eventually results in a real purchase. Digital transformation allows the companies even more leverage over the process of the marketing funnel, giving marketers two important new tools: multi-stage interactivity and analytics.
- Digital transformation has changed the way digital marketing operates, **it can now tailor content to individual customers**. Today, with analytics, it is possible to monitor the preferences of individual consumers, make suggestions, and even send customized emails based on user activity before they move. Consumer interest is being tracked on social media.
- Analytics has become a turning point for marketing and digital transformation continues to highlight how important it can be in all future marketing activities. Social media sites provides data to the marketing team precisely how many people watched the video.
- Digital transformation provides marketing experts with even more reliable consumer data and measurements, helping them to tweak and refine marketing strategies. Digital transformation has had a huge effect on interactivity. Unlike traditional media, digital media is interactive, allowing people more options over what and how they consume and who they share it with. **Social media enables customers to connect with business pages, ask questions, and get answers in return.**
- Digital transformation ensures that when something is recognized, the software will automatically respond to these conditions and send e-mails or customized responses immediately. **Chatbots are taking up the role of basic customer service support for simple tasks, increasing marketing response, and productivity.**



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## TRADITIONAL MARKETING CERTAINLY ISN'T DEAD!

Traditional marketing for a long time has been the preferred form of advertisement for many companies. The trend appears to be shifting with a lot more businessmen preferring digital media over traditional means.

But, Traditional advertising methods are still considered to be the top five most trusted formats, including out-of-home, radio, direct mail, television, and print advertising.

Traditional advertising has also seen a high degree of interaction.

### Few points why it is still not dead:-

- It brings more customers as people like to do business with people, they know.
- It has dramatically changed, but, television advertising is still good for branding.
- We, as an industry, developed and established through traditional marketing, which seems to be the basis for a successful campaign, irrespective of the other components we use.
- The internet has opened up a whole new world of possibilities for advertisers, but traditional methods are as powerful as always when it comes to lead generation.
- Digital marketing is, in essence, part of general traditional marketing, it is more of a medium for communicating the brand message than a discipline of its own.
- It's great in reducing customer retention costs.

## ABOUT MARKETING360.IN

Everything you're looking out for to quench your curiosity of marketing, whether it be marketing concepts, latest trends, news, brand stories, innovative campaigns, buzz-worthy advertisements, we've got you covered, marketing360.in is your one-stop solution to look forward to.

We are a club of 35+ aspiring marketers, content creators, social media enthusiasts, graphic designers, and tech experts, who work together as a family of committed individuals to deliver the best value to our readers. We aim to bridge the gap between the books and the practice.

Our work has been recognized by brands like McDonalds India, KFC India, Royal Enfield, Dunzo It, HDFC Bank, Amul, PeeSafe, and many others so far.

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