



Facebook Places: Bringing Location To The Masses



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What are location-based-services (LBS)?

Broadly, they're mobile apps that let you share where you are and where you've been with your social web. By 'checking in' where you are – say, a local sandwich shop, or a highly innovative global media agency – you can act as an advocate by describing what you're doing and how you're feeling, and leave tips for future visitors, turning users into mini Yellow Pages.

What is Facebook Places?

Facebook Places is a service operable from Facebook smart phone apps and touch.facebook.com that allows users to 'check in' at a particular location, see who else is there, and update their friends on what they're doing. There's not really much more to it than that.

What's exciting about Facebook Places?

- a) Scale: Existing LBS applications, such as Foursquare & Gowalla, have user-bases in the low millions – at best. By opening up Facebook Places to a potential audience of 500 million, albeit with an initial restriction to its US audience of 120 million users, they move LBS on to an entirely different scale.

One of the criticisms of Foursquare has been that, outside of the US, the lack of scale means that its utility/enjoyment can be limited. Adding LBS to a platform where most of your friends already spend some time removes this issue.

- b) Content: The great thing about Facebook Places – and the thing that Foursquare has lacked all along – is an ability to associate media with the place(s) that the media represents. It was Apple iPhoto that introduced the ability to geo-tag photos so that they can be sorted according to where they were taken & viewed on maps showing where you've been, who you've been with, and what you've done. Facebook is now the world's biggest photo sharing site so Facebook Places will help to make sense of shared events & experiences through associated media.

People who attend the same graduation event, or the same wedding, can now upload high quality videos & images to Facebook straight from their handset, but rather than reference the media purely through the user that does the upload, the Newsfeed will talk of an experience, attended and illustrated by a person. Friends of attendees, for instance, people who are unable to attend a wedding, can see the wedding in the Newsfeed and look at all the media at once. They may wish to comment, like and share the media, and so the Newsfeed spreads the news.



What does this mean for advertising?

Where this gets really interesting is when we consider the notions of advocacy, recommendation & intent. Checking-in at a specific location to share an experience presents our industry with two opportunities:

- a) Businesses will be able to claim their locations by searching for the place on Facebook and clicking the link "Is this your business?" and the listing owner may then be prompted to merge the place with an existing Facebook page. Owners can therefore monitor what people think about their venue. Venues should therefore claim themselves as soon as they can (i.e. immediately in the US, as the service becomes available elsewhere) through Places so users check-in on their own turf; advocates should be rewarded & feedback should be used to breed better experiences.
- b) A check-in is another action - an action of intent is one less thing we need to predict. Action creates data; data that can be analysed to better understand user behaviour. It's unclear how Facebook will help advertisers disseminate this data, and we suspect that media agencies will be best place to do this ourselves, but suffice to say that profiling, segmentation and qualitative modelling will improve.

Is Foursquare dead?

Foursquare already makes money; it started making money 5 times quicker than Google and YouTube and so this is unlikely to kill it. Their business model is effectively a direct marketing proposition based on engagement with users-of-intent rather than interruptive blanket advertising, whilst the element of game-play does not appear to be something Facebook are looking to replicate. This could stunt Foursquare's growth (thus making its current valuation difficult to justify) but it could just as easily open them up to a whole new audience.

Conclusion

Facebook's move is based upon its scale: it simply has far more users than any other platform or service and, as such, could be expected to dominate this field in the years to come. However, as with any move by Facebook, there remain serious reservations over privacy and whether users truly understand the issues relating to broadcasting details of their whereabouts.

It also remains to be seen how interesting this marketing proposition will be to companies that lack a physical retail presence: such brands have found interesting & innovative ways of using Foursquare to market themselves and it will be in Facebook's interest to help major global brands do the same thing on their platform.