

Morpace Omnibus Report

June 2010

Frequent consumer usage of Facebook provides a marketing opportunity for retailers

As the Internet continues to offer methods of increased customer interactivity, consumers' collective attention span is becoming progressively shorter, and thus more elusive to today's businesses. Successful integrated marketing strategies will have to use multiple communication channels to reach a business' desired market segments.

One channel which cannot be ignored is that of social media, specifically Facebook.

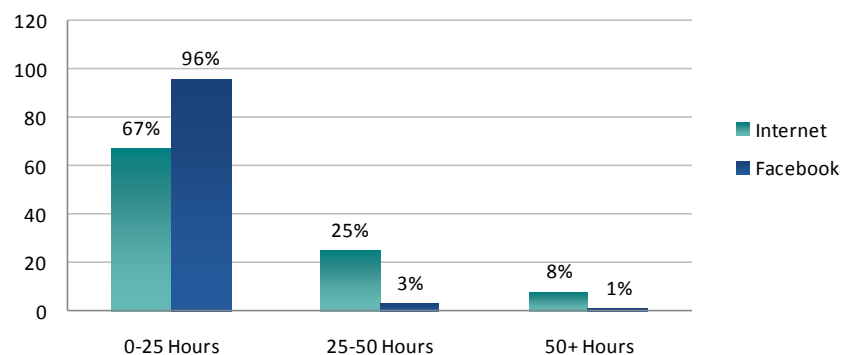
The 2010 May Omnibus Study, conducted by Morpace Inc. is a follow-up to a set of initial Facebook results that were uncovered in April. Our May data finds that not only do consumers spend a surprisingly large percentage of their weekly Internet time on Facebook, they also multi-task while using the site. This suggests there may be an opportunity for retailers to integrate Facebook into their marketing strategy to attract consumers and increase both sales and market share.

The study surveyed an online panel of 1,000 American consumers. It found the average consumer spends a good amount of time on the Facebook website, both overall and as a percentage of their weekly Internet time.

"Social media should be considered a unique component of any integrated marketing campaign."

*- Kirk Baetens
Morpace Vice President
Retail Practice*

Time Spent on Internet vs. Time Spent on Facebook (Hours per Week)



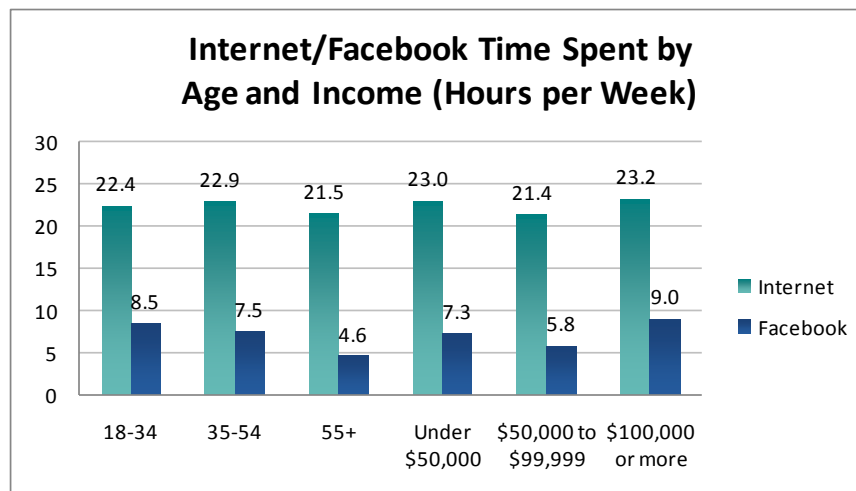
The findings display an average of 22.4 hours consumers spend online on a weekly basis. Demographically, males spend more time than females on the Internet (24.7 hours). Unmarried consumers spend significantly more time on the Internet each week (23.8 hours) than married consumers (20.8 hours).

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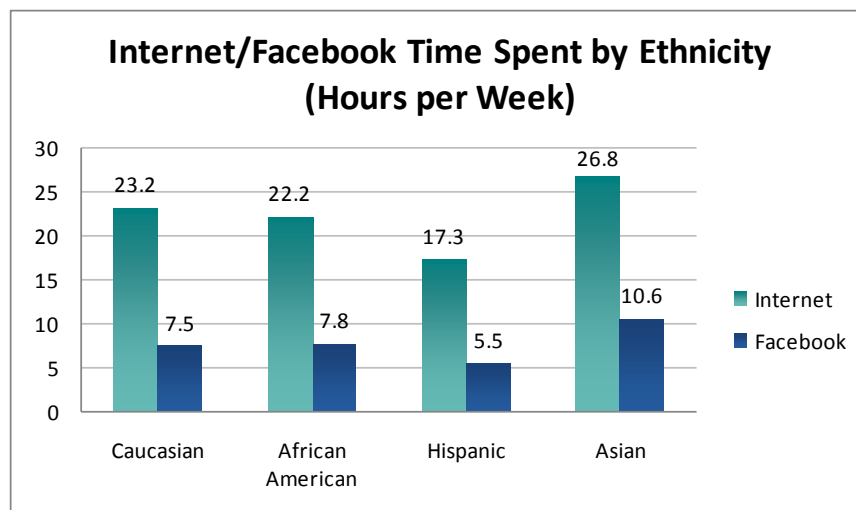
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Of the 22.4 hours a week consumers spend on the Internet, an average of 7.3 hours is spent on Facebook. So, the typical Facebook user spends nearly one out of every three minutes on Facebook.

Individuals aged 18 to 34 spend 8.5 hours a week on Facebook, nearly 38 percent of their total Internet time. It is also interesting that consumers who have an annual household income greater than \$100,000 spend an average of nine hours a week on Facebook, equating to 39 percent of their total Internet time.



The results also show variability between ethnic groups. Asians spend 10.6 hours a week on Facebook, or 40 percent of their total Facebook time. African Americans spend 7.8 hours a week on Facebook, equating to 35 percent of their total Internet time.

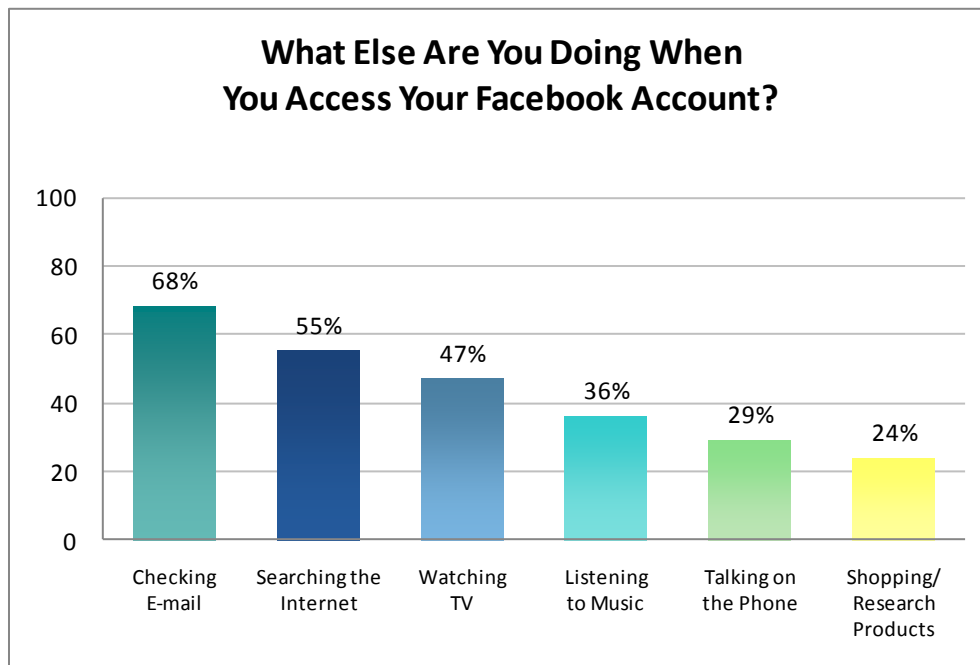


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These results may surprise some but it is quite important to note that consumers have integrated Facebook into their daily lives by multi-tasking while logged into the social networking site. While on Facebook, 68 percent of consumers are also checking email. This percentage does vary across ethnic, gender, and socioeconomic segments. However, every aforementioned segment has at least one out of every two consumers checking email while on Facebook.

Additionally, 55 percent of consumers are also searching the Internet simultaneously to Facebook usage. The third most widely reported activity performed when on Facebook is watching television (47 percent).



Unmarried consumers watch significantly more TV while on Facebook than married respondents (54 percent vs. 40 percent respectively). Additionally, 52 percent of African American consumers reported watching TV while on Facebook, the highest percentage of all ethnic groups. Only 5 percent of consumers report not multi-tasking on Facebook.

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Conclusions

This study suggests a well organized Facebook page, acting in conjunction with more traditional advertising mediums, can not only increase consumer awareness but also fulfill consumer needs for knowledge of specific products, events, and promotions.

Additionally:

- Consumers are spending not only a large amount of time on Facebook, but they are also spending a large percentage of their Internet time on the social networking site.
- Mirroring traditional marketing campaigns to a Facebook page may promote greater brand awareness. Promoting Facebook pages, discounts, and information as part of other advertising efforts can increase visibility and market penetration.
- Facebook pages with reciprocal linking can help retailers increase online sales. As consumers continue to be bombarded with marketing messages, it becomes more and more vital for businesses to make their products easily accessible to the consumer who may have a short attention span.

While the strategies for leveraging Facebook in your integrated marketing communications plan may differ, it appears Facebook can be efficiently utilized by the savvy marketer to create and maintain competencies in the social media environment.

For further insights, or to explore research opportunities, contact Kirk Baetens, Morpace Vice President, Retail at 248.539.5253 or kbaetens@morpace.com.