



FameBit

Evolving Google's social media
marketing platform



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Executive Summary



Market Analysis

Growth in Social Media Marketing

Need for Data Protection

Need for Flexibility by SMBs

Strategy Overview

Evolve Google's influencer marketing platform, Famebit

New Reward System for Businesses to Reduce Cost

New Social Media Features to Boost Connectivity

Outcomes

Substantial market size

106,234

Estimated SMB customers

Strong revenue prospects

\$6,360,220

Estimated initial annual revenue

Expected growth

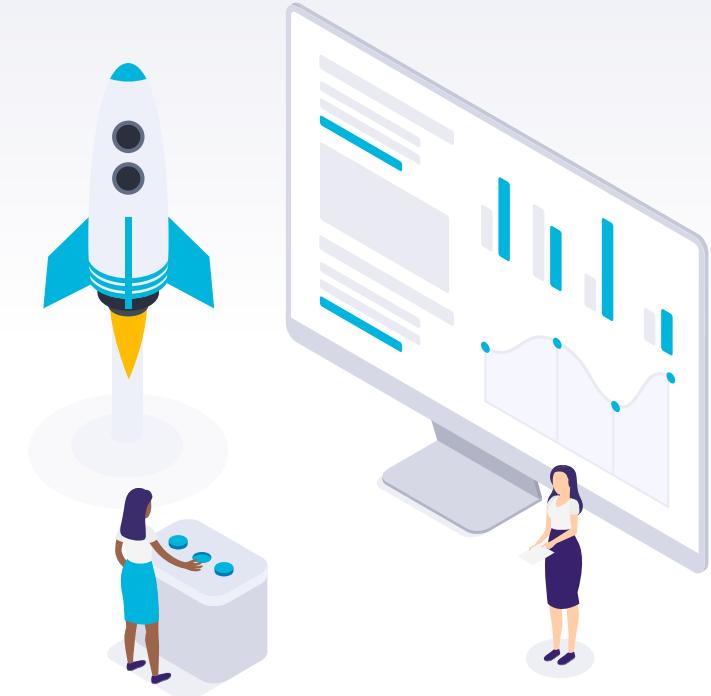
\$26,240,698

Estimated annual revenue by 2024



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Market Analysis



Marketing Trends

Digital Marketing is unlocking more potential customers





Growth in Digital Marketing



Global Increase in Digital Marketing

In 2019, global online ad spending increased by 4.7%



More SMBs are engaged in Digital Marketing

50% of Australian SMBs are now at “high or advanced” levels of digital engagement



Digital Marketing leads to More Growth

SMB at advanced digital engagement achieved 28% more revenue in 2019

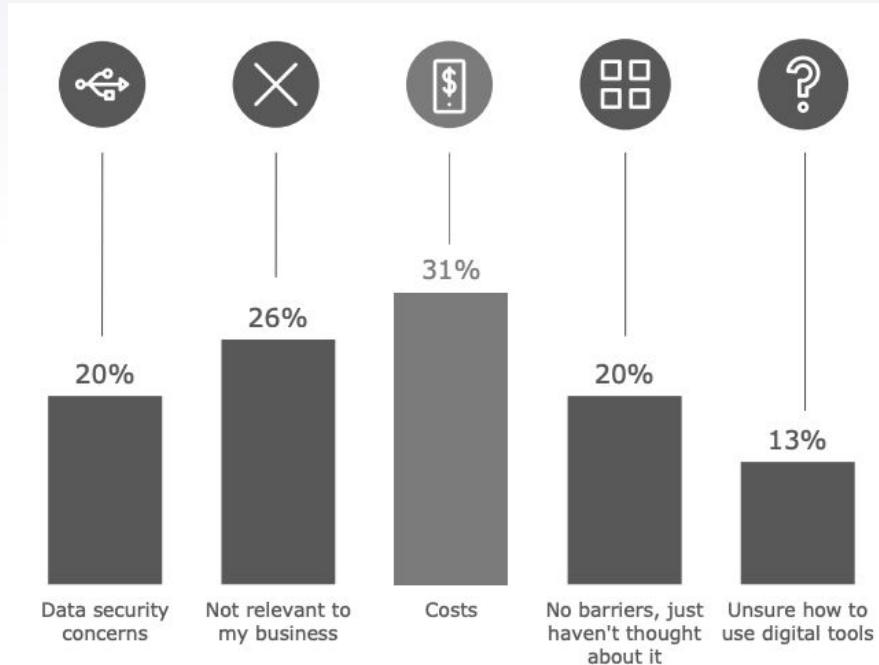
Barriers to Digital Marketing

Main barriers include:

- ▶ Cost (31%)
- ▶ Relevance to Business (26%)
- ▶ Data security concerns (20%)

To capitalise on this trend:

- ▶ Cost effective digital marketing
- ▶ Address protection needs of SMBs



Growth in Social Media Marketing

- ▶ **3.5 billion** social media users in 2020
- ▶ **9% growth** in social media users in 2019
- ▶ Social media marketing is projected **increase by 9.7%** in 2020

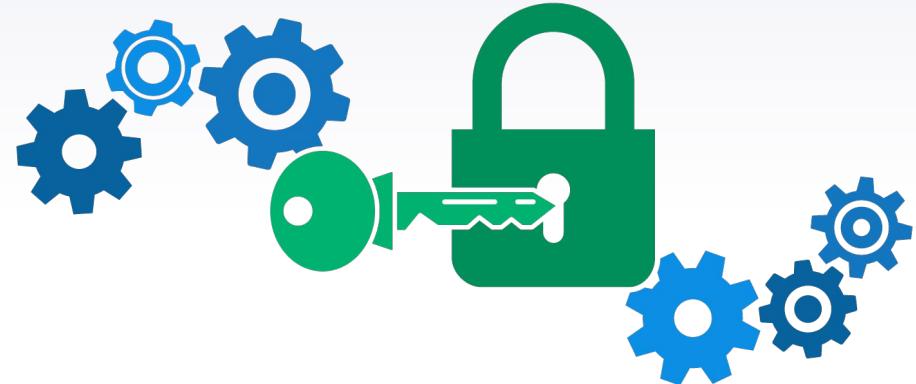


- ▶ **91%** of customer say authenticity is important when choosing brands
- ▶ **41% of Australian SMBs** see social media as a business tool in 2020
- ▶ Businesses are making **\$5.20 for every \$1** spent on influencer marketing

Australian SMBs should leverage social media marketing

Consumer Trends

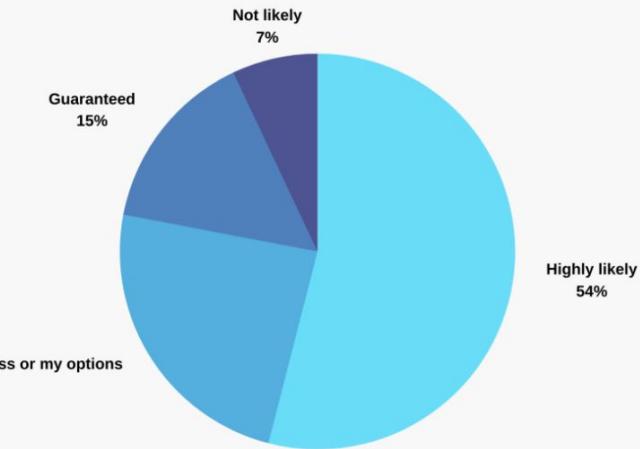
The increasing importance of data protection and consumer privacy



Important to Customers

- ▶ 41% of customers don't believe companies care about the security of their data. - Salesforce Research

How likely are you to walk away from a business that requires you to provide highly personal information (like phone number or email) in order to conduct business with them?



Source: Akamai Research Consumer Attitudes Toward Data Privacy Survey

We need to restore consumer trust

Important to Businesses

- ▶ **97% of companies realise benefits** from their privacy investments - CISCO Consumer Privacy Survey
- ▶ **82% of organizations view privacy certifications** such as ISO 27701 as a **buying factor** when selecting a product or vendor - CISCO Data Privacy Benchmark Study 2020





SMB Trends

Flexibility is key in times of uncertainty





Financial flexibility

Budget constraints

1. Tightened cash flow
2. Costs of HR reorganisation
3. Reduced consumer demand

66%

Reduction in turnover and cash flow

64%

Reduction in demand for goods or services

30%

Restructured staffing arrangements

Financial uncertainty

1. Financial restructuring
2. Altered investment plans
3. Renegotiated agreements

24%

Deferred loan repayments

26%

Brought forward investment plans

38%

Renegotiated property rent/lease arrangements



SMBs are more **cost-sensitive**



SMBs need **financial adaptability**



Operational flexibility

Regulatory uncertainty
Reduced operating hours
Restricted supply chains
Fluctuating demand

which calls for...



Tighter inventory control
Flexible HR arrangements
Adaptable distribution networks
Variable business agreements

29%

Experienced difficulty in sourcing stock or raw materials

48%

Faced government restrictions on operations

20%

Changed quantity of orders of inputs

38%

Changed the method of delivery of products and services



SMBs require **operational agility**

“ How can Google leverage these business trends to serve the needs of Australian SMBs?





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Strategy Overview



Evolve Google's existing Youtube influencer platform, **Famebit**

Make it cost effective and foster communication between SMBs and influencers





What does FameBit do?

Marketplace for businesses to find and collaborate with Youtube influencers



What it currently has?

- ▶ Businesses can launch campaign and receive proposals from influencers
- ▶ 10% transaction fee for influencer and business
- ▶ 65000 influencers to choose from

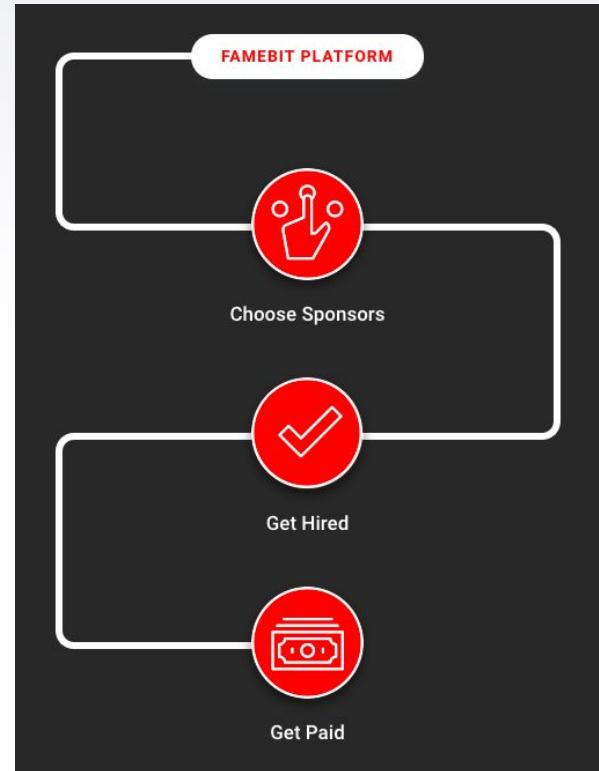


What it should have?

- ▶ With only active 25000 users in 2016, it needs more active members on the platform
- ▶ Competitive price model
- ▶ Communication tool between businesses and influencers

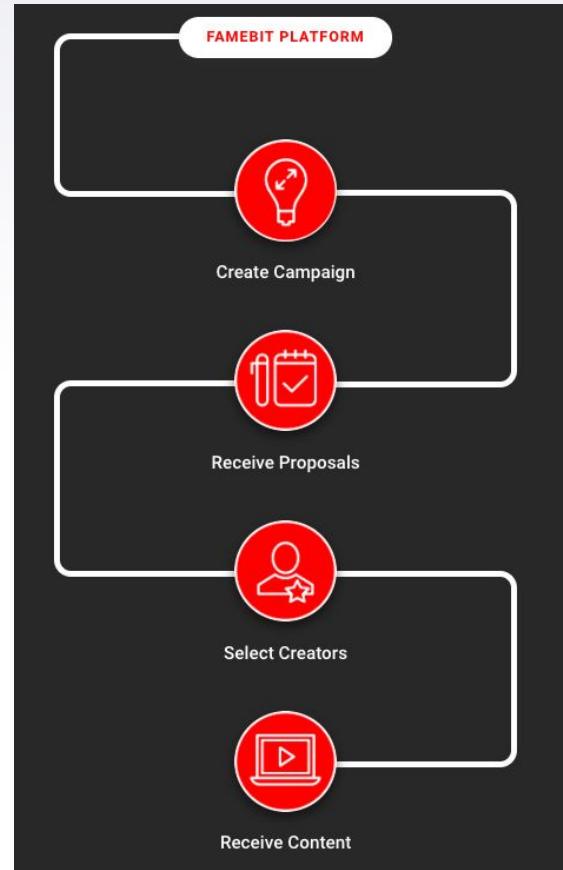
Existing Process

- ▶ **For Influencers:**
 - ▷ Influencers are offered sponsors they can choose from
 - ▷ They will submit a proposal for the sponsorship, along with their promotion fee
 - ▷ The influencer promotes the product to their followers
 - ▷ Once the endorsement is complete, the influencer gets paid



Existing Process

- ▶ **For Businesses:**
 - ▷ Business chooses which platform they want to promote their brand on.
 - ▷ Creators will apply by sending proposals
 - ▷ Business can then select their favourite creators
 - ▷ The creator will publish and share the endorsement





Brand New Features

Introducing the new 'Fame' Credit System and an Integrated Social Media Platform





New Credit System

▶ Benefits Influencers

- ▷ Influencers who send proposals to more businesses receive 'Fame'.
- ▷ More Fame leads to lower commission taken from that influencer!



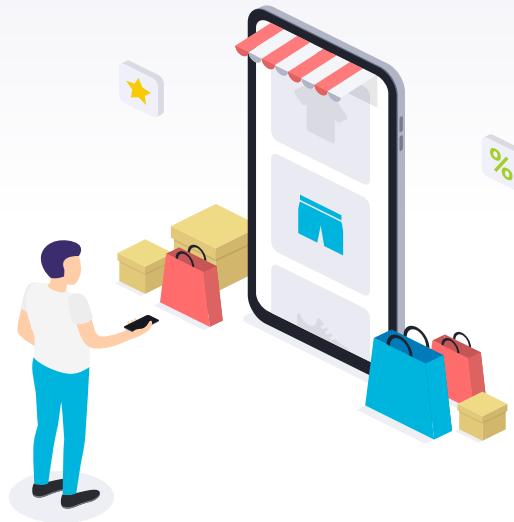
▶ Supports Small Creators

- ▷ Initial commission rates for smaller creators will automatically be set lower

New Credit System

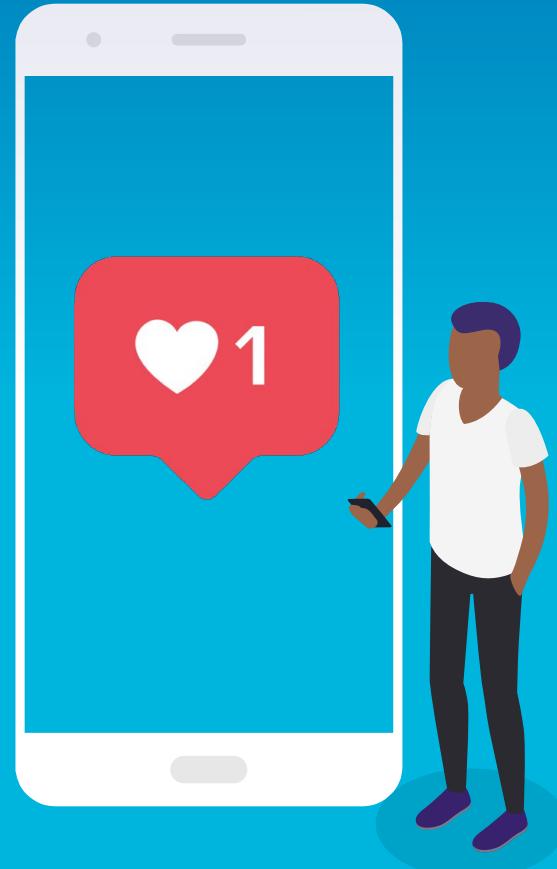
▶ Benefits Businesses

- ▷ Similarly to the influencers, businesses are rewarded for being more active on Famebit
- ▷ The more transactions a business partakes in, the more Fame they receive
- ▷ More Fame means lower commission!



Integrated Social Media Platform

Creating a professional network of SMBs and SMIs





New Social Media Feature

FOLLOW

Businesses and influencers can follow each other and keep up to date with one another

MESSAGE

Businesses and influencers can message each other if they have questions, or just want to say hi!

REVIEW

Businesses and influencers can leave reviews for each other - was working together an enjoyable experience? Would you recommend them to others?



Target Market

OUR TARGET: SMBs who see social media as a marketing tool



106,234

Estimated SMB
market size



**Making social media marketing
accessible in challenging times**

65% of influencer marketing annual budget was below \$100,000 (2019). The average budget is \$4,879 for small businesses and \$14,387 for medium businesses (2018).



**Alleviating difficulties in social media
marketing**

Influencer marketing is the most difficult channel to navigate for SMBs, according to a survey of 1000 SMBs

Value for SMBs



Increasing trust between SMBs and SMIs

On our platform, SMIs create their own personal profile showcasing their abilities, audience, and individual flair.

SMBs get a better glimpse into who the SMI is and match with authentic influencers.



Providing cost-effective marketing

Not only will FameBit be more accessible to SMBs with fewer financial resources, our reward system gives SMBs more value for their money.



Reaping the benefits of the network effect

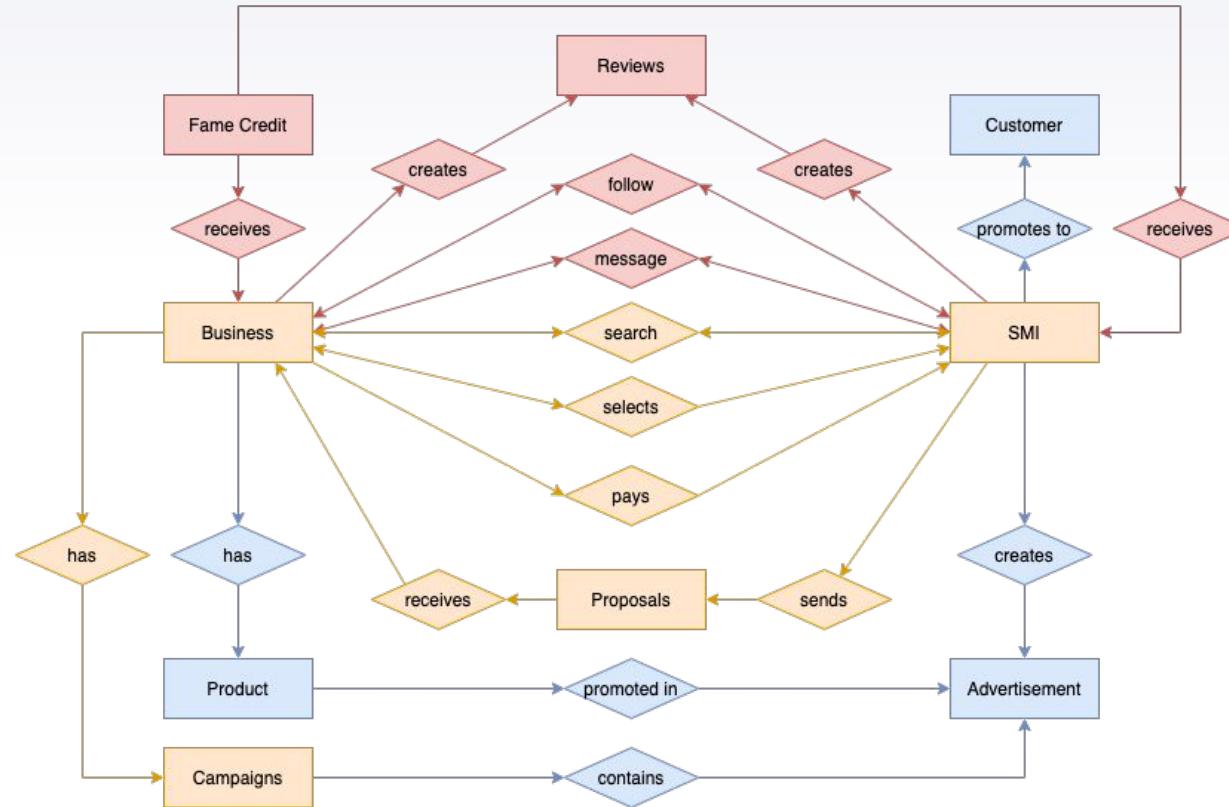
By allowing SMBs and SMIs to connect and network in an authentic way, SMBs can choose from a wide variety of influencers to bring them the most marketing value.



3 Our Technology



Relationship Diagram



Legend:

- Existing Relationships in Famebit
- New Relationships in Famebit
- Relationships beyond Famebit



Solution Architecture

User	Browser Web interface				
Business Capabilities	Messaging Follow users Review users SMI analytics Proposal reports Campaign creation Search users Selecting SMI				
Application and Services	Send and receive text	Send and receive invite requests	Accept invite requests	Record and update reviews	Produce analytics reports
		Record proposals	Manage and update campaigns	Filter SMI and SMB	
Data	Business	SMI	Reports	Text, photos, videos	Data warehouse
Infrastructure	Google Data Centers			Google Cloud Platform	



Value for Google



Attract Active Members onto Famebit

By rewarding users and fostering B2B networking on FameBit, this entices SMBs and SMI to join the platform, increasing revenue for Google



Creating Shared Value for Australian SMBs

FameBit's new features helps entice more SMI to promote businesses on Youtube, increasing brand awareness and growth for SMBs



Inviting more SMBs into Google's ecosystem

By attracting more SMBs onto FameBit, this entices businesses to utilise Google's business tools such as Google My Business and Google Analytics

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Financial Feasibility





SMBs Market Sizing

Estimated market size:

106,234

SMB customers in Australia

2,309,436

Total SMBs in Australia

23%

Have a social media presence on YouTube

20%

Are innovating their marketing methods



SMBs are looking to **innovate**

Estimated market growth

1.8% p.a.

Growth of SMB customer base in Australia

5.5%

Growth in the number of
SMBs in Australia (2016-19)



SMBs form a **growing customer base**



SMIs Market Sizing

Estimated market size:

>217,000

SMI customers across YouTube

>31,000,000

Total YouTube channels

0.7%

Have affiliated links in their videos



SMIs are available to **influence**

Estimated market growth

>40% p.a.

Growth of SMI customer base on YouTube

40%

Year-on-year growth in the number of YouTube channels over the last 2 years

70%

Growth in the number of channels with 10K-100K subscribers in 2019



SMIs are **increasing drastically**



Estimated Annual Revenue

10%

Average commission rate

106,234

SMBs in FameBit's accessible market

97.8%

Of SMBs are small businesses with

2.2%

Of SMBs are medium businesses with

~12500

SMBs are using FameBit, which implies

\$4879

Annual social media marketing budget

\$14387

Annual social media marketing budget

11.8%

Market share within accessible SMB market

\$6,360,220

Estimated initial annual revenue

1.8%

Annual growth in number of Australian SMBs

40%

Annual growth in influencer marketing expenditure over the next 4 years

\$26,240,698

Estimated annual revenue by 2024



Estimated Costs

Fixed costs

Google Data Centers

Google Cloud Platform

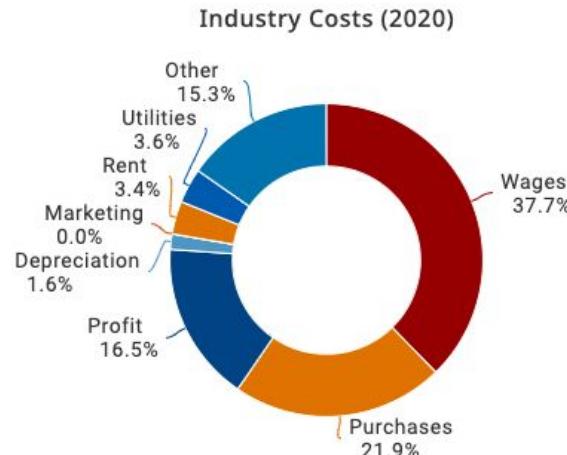
YouTube infrastructure

Variable costs

\$5,310,782

Estimated initial annual cost

Digital Advertising Cost Structure



Estimated initial annual costs

\$2,397,803

Wages

\$1,392,888

Purchases

\$228,967

Utilities

\$216,247

Rent

\$1,074,877

All other costs

\$1,049,436

Estimated initial annual profit



5

Future Developments





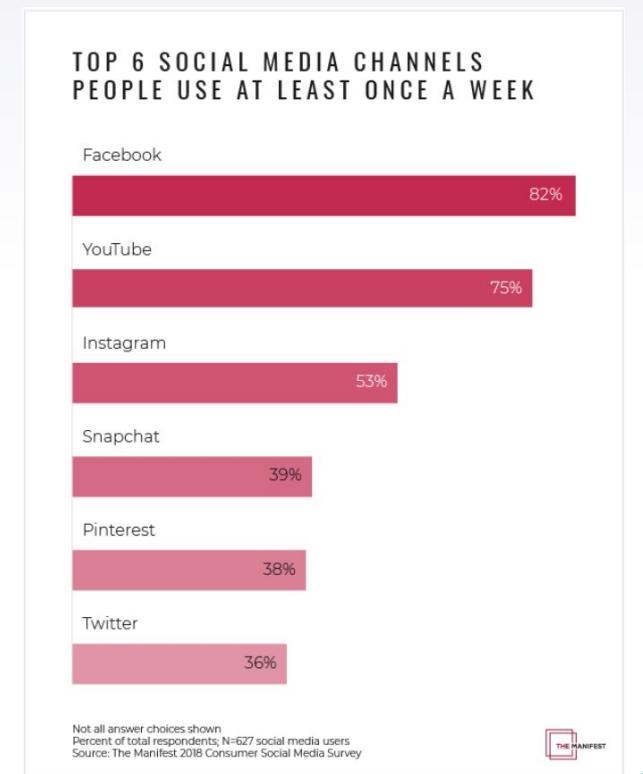
Potential Future Developments

Target influencers on different platforms

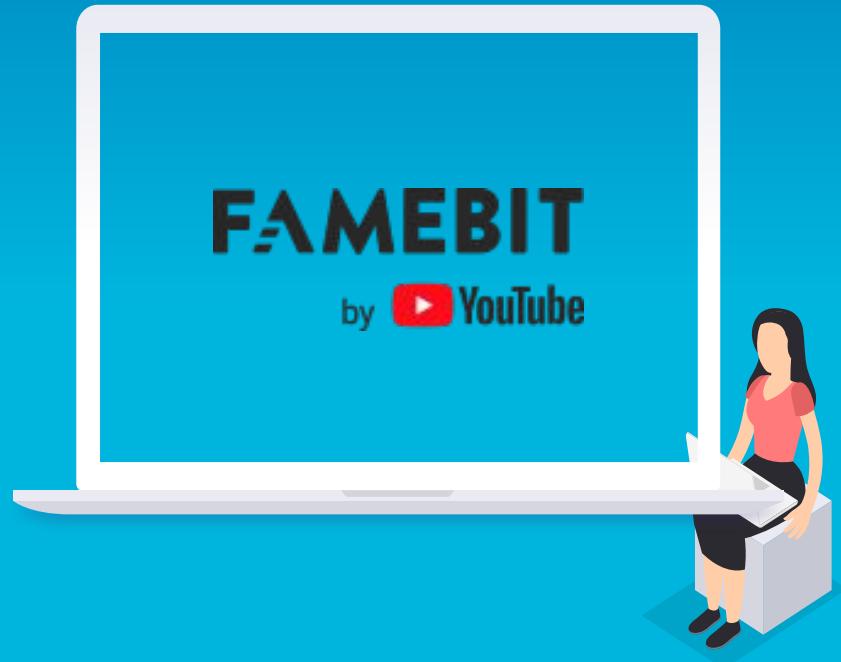
- ▶ Famebit can expand into other social media platforms such as **Facebook and Instagram**
- ▶ Instagram's revenue totalled **\$20 billion** in 2019, **33%** higher than YouTube's ad revenue that year.

Influencer Analytics with APIs

- ▶ Famebit can collect **basic data on influencers** from other platforms using **APIs**, such as **Instagram's Insight API** for social interaction metrics.
- ▶ With this data, FameBit can leverage supervised and unsupervised machine learning to **match** these influencers with the optimal business



Thank you!





6 Appendix



List of Appendices



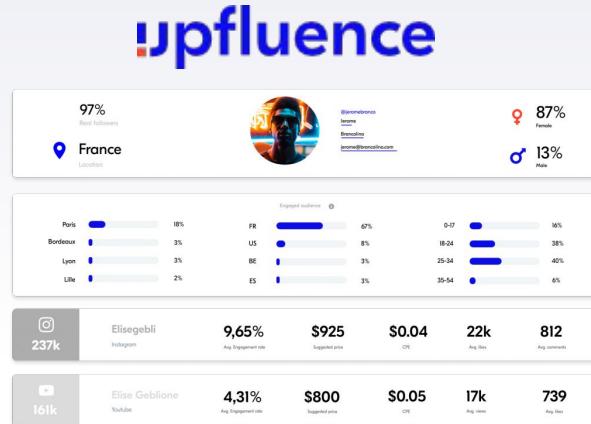
1. Competitors
2. Internal Resources
3. Implementation Plan
4. Internal Resources
5. Influencer Marketing Effectiveness
6. Influencer Marketing Analysis
7. Information Needs
8. Justification for New Features
9. Personalisation of FameBit
10. Effect on Consumers and Platform Integrity
11. FameBit's Payment System
12. Other Future Developments
13. Privacy
14. Financial Flexibility within the COVID-19 Context



Competitors

UpFluence

- Influencer search and discovery tool that provides campaign management and marketing analytics
- Uses a massive database with 500 million items of content, spread across Facebook, Twitter, Instagram and YouTube.



NeoReach

- Also a influencer discovery tool with over 3 million influencers on their platform
- Targets large businesses with an annual subscription of \$50k to \$500k



With most influencer platforms **lacking strong communication tools**, our **reward system** and **social media features** sets FameBit apart from its competitors



Leveraging Internal Resources

Data analytics technology

The technology from Google products such as Google Analytics can be fully utilised in FameBit to show SMBs the progress of their campaigns.

Machine learning technology

Google's machine learning technology can be used to link SMBs to the most suitable SMIs and to create an authentic networking experience.

Existing user base

A portion of Google's existing user base in its products can be carried over to kickstart the success of the new and better FameBit.

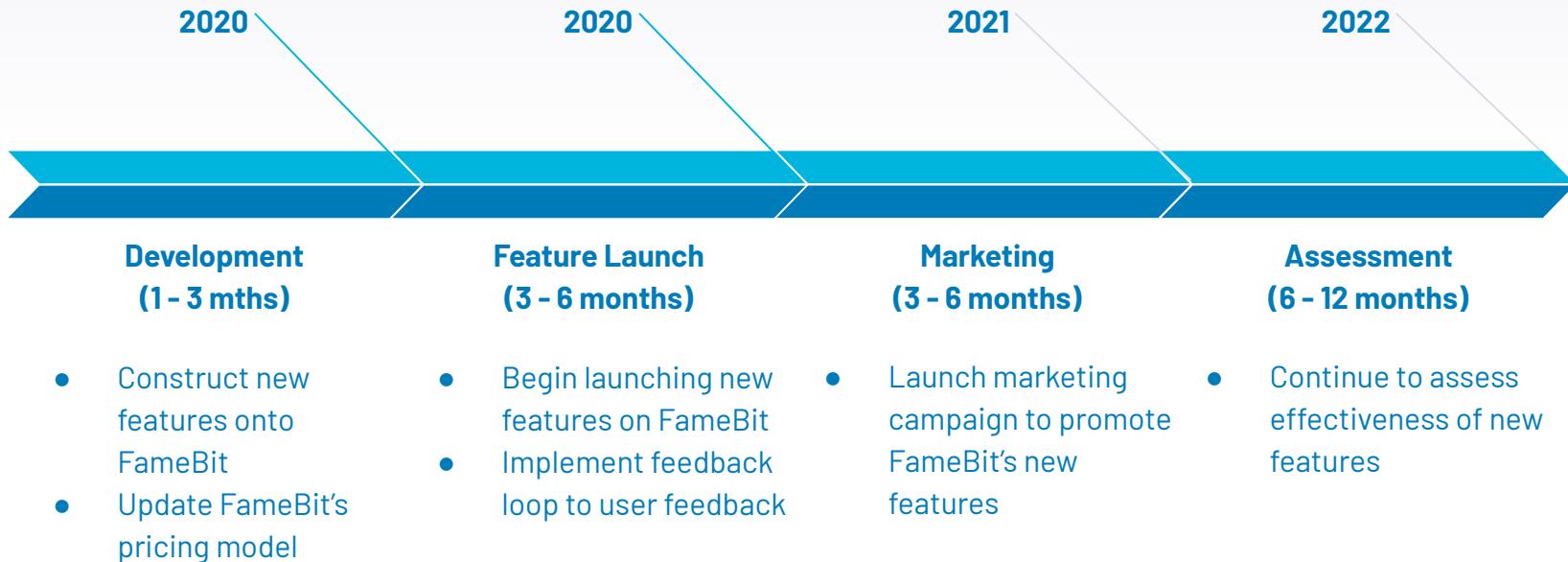
A more accessible and effective FameBit

Google is in the perfect position to leverage its existing internal resources to create a better FameBit.





Implementation Plan





Influencer Marketing Effectiveness

Engagement vs Followers

Followers	Avg Engagement
3 - 10k	5.71%
10k - 25k	3.67%
25k - 50k	2.32%
50k - 100k	2.29%
100k +	1.84 %

Cost of influencer marketing

Social media channel	Cost/follower
Facebook	\$25 / 1000 followers
Instagram	\$10 / 1000 followers
Twitter	\$2 / 1000 followers
Youtube	\$20 / 1000 followers
Snapchat	\$10 / 1000 followers
Blogs	\$60 / 1000 followers

- ▶ Micro influencers (10k - 50k) have higher engagement rate compared to mega influencers
- ▶ In 2018, average budget for small businesses was \$4,879, medium businesses \$14,387

Influencer Marketing Analysis

Influencer marketing and SMBs

- ▶ **Youtube** is considered the **3rd most important** social media marketing channel
- ▶ In Australia, **70%** uses Facebook and **68%** uses Youtube
- ▶ **71%** of consumers prefer to make purchases on the basis of social media references
- ▶ **34%** of influencer marketing annual budget is below \$10000 in 2019

Authenticity of Influencer marketing

- ▶ According to Boston Consulting Group, **authenticity** is one of the top qualities that would attract customers to a brand
- ▶ **62%** of customers believe that it was unethical for influencers to promote products that they didn't actually use themselves.
- ▶ **Influencer fraud** involves working with fake influencers, which requires Google's fraud detection systems





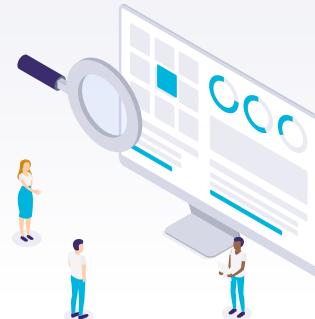
Information Needs

Entities	Information collected	Entities	Information collected	Entities	Information collected
Business	<ul style="list-style-type: none">• Name• Country• Bank details• Email• Phone number• Campaigns created	Proposals	<ul style="list-style-type: none">• SMI• Business• Proposal idea• Proposal date• Proposal details	FameBit credit	<ul style="list-style-type: none">• Proposals sent• Campaigns created• Current discount rate
SMI	<ul style="list-style-type: none">• Name• Country• Youtube account• Follower count• Bank details• Profile details	Campaign	<ul style="list-style-type: none">• Business• Campaign name• Launch date• End date	Review	<ul style="list-style-type: none">• Reviewer• Reviewee• Date• Rating• Comments

Justification on New Features

Why a Reward System?

- ▶ Department of Marketing in American University of the Middle East assessed which **loyalty program activity** based on recency, frequency and monetary framework is **most effective for B2B customers**
- ▶ The results suggest that in a linear loyalty program, the **frequency** of rewards **impacts sales the most**
- ▶ Companies should focus their efforts on **defining the best level of frequency** rewards in their LPs



Why have Social media features?

- ▶ A study by Augure PR Communications & Marketing on **challenges faced by business** in influencer marketing suggests that;
- ▶ **61%** find it difficult to **identify relevant influencers** for their brands and their campaigns
- ▶ **56%** find it difficult to **attract attention** and **develop lasting relationships** with influencers
- ▶ Social media offers **open communication** in order to build relationships on the platform



Personalisation of Famebit

Filters for SMI searching

- ▶ Country
- ▶ Platform
- ▶ SMI traits
- ▶ Age of SMI
- ▶ Amount of followers
- ▶ Average of views
- ▶ Average of likes
- ▶ Engagement rate
- ▶ Audience age
- ▶ Gender of audience
- ▶ Location of audience
- ▶ Audience growth
- ▶ Budget
- ▶ Media type
- ▶ Content type

Metrics for SMI analysis

- ▶ Audience age distribution
- ▶ Gender distribution
- ▶ Country distribution
- ▶ Sentiment analysis
- ▶ Followers growth over time
- ▶ Average Likes over time
- ▶ Like to follower ratio
- ▶ Post frequency

How to match the right SMB and SMI?

- ▶ Machine Learning can be used to recommend SMIs to SMBs that they find relevant
- ▶ Recommend SMIs who are similar to other SMIs that the business collaborated with
- ▶ Recommend SMIs who are similar to other SMIs that the business rated highly
- ▶ Use collaborative filtering to recommend SMIs based on choices of similar businesses

Effect on Consumers and Platform Integrity

Intrusive and disruptive advertisements damage corporate credibility

- ▶ **64%** of consumers use ad-blockers because ads are **intrusive or annoying**
- ▶ **54%** of consumers use ad-blockers because ads **disrupt what they are doing**
- ▶ **34%** of consumers feel like they are being **tracked by retargeted ads**



Authentic advertisements are effective

- ▶ **68%** of consumers are **fine with seeing ads** as long as they **aren't 'annoying'**
- ▶ **77%** of consumers agree with the statement "I wish there were a way to **ad-filter instead of ad-block** completely."



FameBit's Payment System

Self-Service for Creators

We Only Get Paid When You Get Paid

0%

Sign Up Free

10%

Service Fee

We work hard to bring creators amazing sponsorships, smart tools, and super fast payment processing so that you can focus on doing what you love. We support you at every step and ensure you're protected and compensated for successful campaigns. Our small 10% fee is deducted only once your content is approved for publishing and payment is released.

What Creators Get:

Access to sponsorships, flexibility and control to set your own rates, payment protection, secure workflow, super fast payments, and top notch support team.

Self-Service for Brands

Pay Only When Content Is Approved

0%

Listing Free

10%

Service Fee

Branded content should be affordable for all brands, which is why you control your costs by setting your own budget. What's more, your money is held securely in escrow throughout the entire campaign, and our small 10% fee is only processed once you approve content for publishing. In other words, when you are happy!

What Brands Get:

Access to a huge community of creators, flexible budgeting, campaign targeting, proposal filtering, simple payment options, secure workflow, post campaign reporting, and top notch support team.



Other Future Developments

Adding video chat function onto FameBit

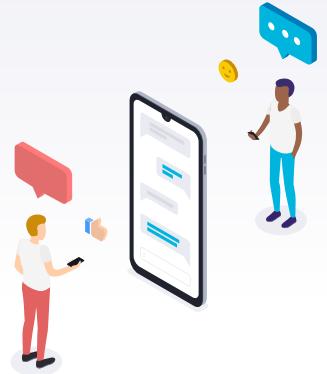
- ▶ SMB and SMI can communicate orally to build stronger relationships
- ▶ This can be implemented with Google's existing video chat system, Google Duo

Deferred payment system for SMBs to pay later

- ▶ SMBs can purchase content now and pay later and Google will have accounts receivables
- ▶ However, there needs to be a way to enforce payments by business after a deadline to avoid bad debt

Targeting the bigger fish in the pond

- ▶ We can specifically target and tailor our reach towards the larger influencers and the biggest corporations
- ▶ This will require a larger user base to be feasible





Privacy Policy

FameBit operates within Google's and Youtube's privacy policy

- ▶ Google currently tracks information provided by consumers (e.g. activity data)
- ▶ Provide services; Maintain and improve services; Develop new services; Provide personalised services

Information is kept secure by Google

- ▶ Google only shares information with your consent
- ▶ Data is encrypted while in transit
- ▶ Google review their information collection to prevent unauthorised access of data

- Terms you search for
- Videos you watch
- Views and interactions with content and ads
- Voice and audio information when you use audio features
- Purchase activity
- People with whom you communicate or share content
- Activity on third-party sites and apps that use our services
- Chrome browsing history you've synced with your Google Account



Financial Flexibility within the COVID-19 Context

Google's Current Ad Credit System

- ▶ Google is currently providing their **SME customers worldwide with US\$340 million in ad credits**, which can be used towards future ad spend until the end of 2020 across our Google Ads platforms
- ▶ This is to “to help small and medium-sized enterprises (SMEs) stay in touch with their customers during this challenging time.”



Famebit in tandem with Ad Credits

- ▶ Our implementation of FameBit will complement Google's current Ad Credit system, allowing for cheaper and more flexible advertising on YouTube
- ▶ This allows more SMEs to take advantage of YouTube advertising despite tighter budgeting constraints