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# MKTG 612- MARKETING ANALYTICS REPORT

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## Facebook Positioning Analysis



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## **TABLE OF CONTENTS**

<b>1. INTRODUCTION</b>	<b>2</b>
1.1. Background	2
1.2. Research Objective	2
1.3. Research Method	3
1.4. Limitations	3
<b>2. DIMENSIONS OF PERCEPTUAL DATA</b>	<b>3</b>
2.1. Positioning Maps	3
2.2. Dimensions of the Positioning Maps	3
2.3. Dimensions	4
2.4. Factors loadings	5
2.5. Perceptual data and its 3-dimensional visualization	6
2.6. 3D visualization of the perceptual map	7
<b>3. CONSUMER PERCEPTION</b>	<b>7</b>
3.1. Consumer’s perception of Facebook with its competitors	7
3.2. Interpretation	8
<b>4. IS THE CURRENT POSITIONING OF FACEBOOK CORRECT?</b>	<b>10</b>
<b>5. REPOSITIONING FACEBOOK TO SEGMENT 3</b>	<b>11</b>
5.1. Enhance attribute - “Connectivity”	11
5.2. Enhance attribute - “Diversity of Content”	11
5.3. Rebranding	11
<b>6. CURRENT AND FUTURE POSITIONING OF FACEBOOK</b>	<b>12</b>
6.1. Current Positioning	12
6.2. Future Positioning	12
<b>7. CONCLUSION</b>	<b>12</b>
<b>8. APPENDIX</b>	<b>13</b>
<b>9. REFERENCES</b>	<b>13</b>

## 1. INTRODUCTION

Facebook is losing users for the first time and shares in Meta have fallen off a cliff, any further declines in the size of Facebook's active users base may adversely impact the company's ability to deliver ad impressions and, in turn, their financial performance. Facebook's chief financial officer David Wehner blamed an increase in internet data prices in India, its largest market, for the dip in daily active users. Though the number of users logging in each month to Facebook continues to grow, the number of users logging into Facebook daily is decreasing.

In this fast-paced world, where there are so many ways a person can/want to spend their time, there are many social media platforms and apps that Facebook is competing with. Facebook's CEO Mark Zuckerberg said Facebook was struggling to compete with the short-video app TikTok. The management wondered how it might increase active users and retain current users on the app by repositioning Facebook.

### 1.1. Background

There are about 7.7 billion people in the world, out of which at least 3.5 billion people use social media. This means that social media platforms are used by one in three people in this world. The percentage of US adults using social media has increased from 5% to 79% from 2005-2019. In affluent countries, almost all young people use social media.

Facebook, an online social network platform that has dominated the social media market for a decade is a part of the company Meta. Facebook was founded in 2004 by Harvard university students Mark Zuckerberg, Eduardo Saverin, Dustin Moskovitz, and Chris Hughes. The membership was initially limited to university students, but by 2006 all the people above 13 years have access to Facebook. It is the largest social network in the world with nearly 3 billion users as of 2021. The Facebook site is free to members and derives its revenue from advertisements on the website.

### 1.2. Research Objective

Identifying Facebook's current brand positioning by conducting a survey on Facebook to understand and study its competitors (Instagram, Snapchat, TikTok, Twitter) by comparing them on various attributes such as content diversity, content quality, privacy features offered by the platform, connectivity, audio and video quality, filters for sharing data and few others.

The main objective of this project is to increase Facebook's active users and retain current users on the app by repositioning Facebook using positioning analyses.

### **1.3. Research Method**

Positioning analysis is a process of analyzing where our product or service stands in relation to the other similar products or services offered in the market. It is a process of identifying and communicating our organization's unique attributes to our target customers or users by countering the competitors.

A closed-ended questionnaire or survey was conducted to gather the data on how people rate and like the different attributes of Facebook, Instagram, Snapchat, TikTok, and Twitter. The survey data is divided into 2 parts, perceptual data, where users are asked to rate the different attributes offered by the apps, and preference data, where the users are asked to rate the apps based on their overall preference. This data is based on a survey conducted on 143 users who are knowledgeable about all the social media platforms included in the survey.

### **1.4. Limitations**

The limitations of this study include the location of the users participating in the survey, since many of the students involved in this project are from India, the majority of the survey participants are from India. Another possible limitation of this survey is the age group of the survey participants, many of the survey participants lie between 18 to 29 years.

## **2. DIMENSIONS OF PERCEPTUAL DATA**

### **2.1. Positioning Maps**

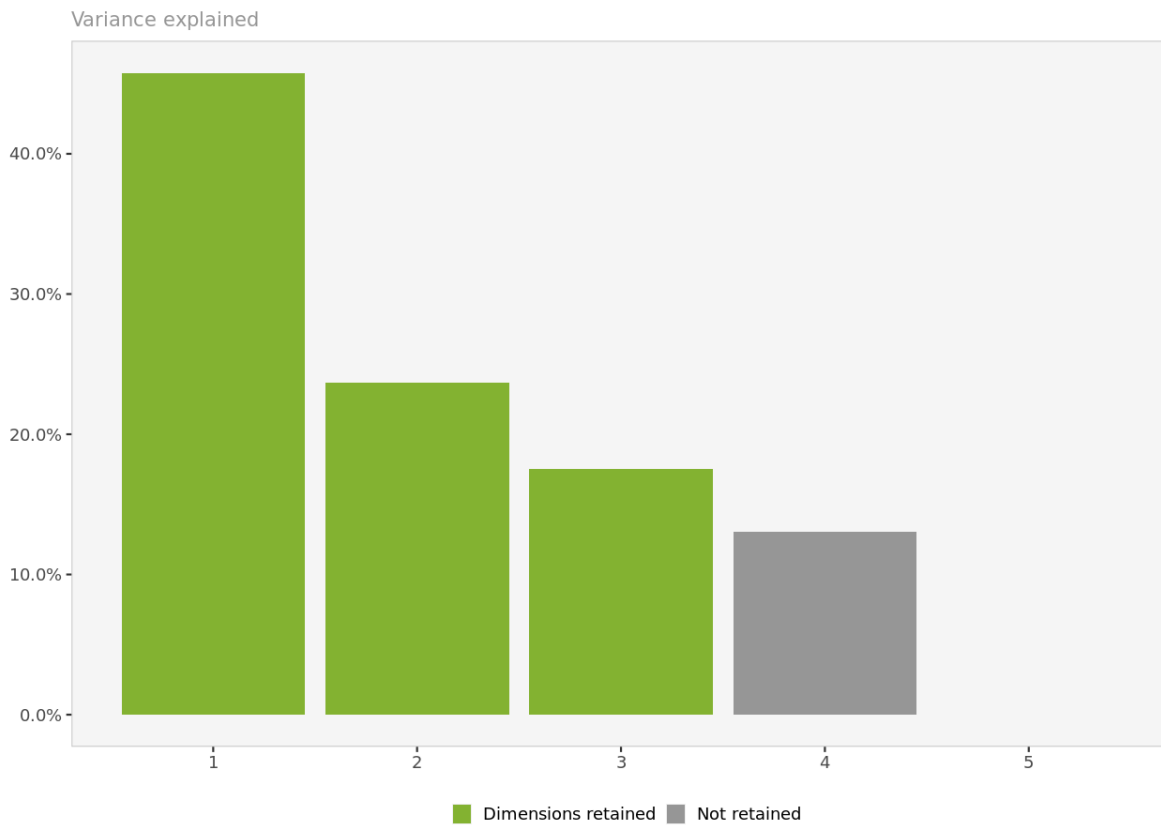
The positioning maps help us to find customer needs and wants that have not been satisfied. It also identifies and leverages product strengths that are valued by the market. It determines how to overcome product weaknesses and selects competitors to compete against. It also helps to identify market segments based on the appealing capability of new products or concepts.

### **2.2. Dimensions of the Positioning Maps**

The first two dimensions of the positioning map explain 69.5% of the variance in the data. Cumulatively, the first three dimensions explain 87% of the variance in the data. The third dimensions accounts for an additional 17.5% of the variance, out of a total 86.9% variance.

	Variance explained	Cumulative variance
<b>Dimension 1</b>	45.8%	45.8%
<b>Dimension 2</b>	23.7%	69.5%
<b>Dimension 3</b>	17.5%	86.9%
<b>Dimension 4</b>	13.1%	100.0%
<b>Dimension 5</b>	0.0%	100.0%

**Table 1. Variance and cumulative variance explained by dimension.**



**Figure 1. Variance Graph**

**Variation Explanation:** Each additional dimension captures a decreasing portion of the variance found in the original data.

### 2.3. Dimensions

- **Dimension 1: CONNECTION:** The attributes which are mostly captured by dimension 1 are [“Connectivity”]. The least captured attributes are [“Like, Share, Comment”, “Messaging”, “Censor”, “Video/Audio”].
- **Dimension 2: EASE OF USE:** The attributes which are mostly captured by dimension 2 are [“User-friendly”, “Diversity of Content”, “Ads”].
- **Dimension 3: CONFIDENTIAL:** The attributes which are mostly captured by dimension 3 are [“Privacy”, “Filters”]

	Dimension I	Dimension II	Dimension III
1 Most positive	Connectivity/Up time	User-Friendly	Privacy feature
2		Diversity of Content	Filters for sharing data
3		Advertisement Recommendations	
4 ...			
5	‘Like’, ‘Share’, ‘Comments’ features		
6	Messaging features		
7	Censorship of content		
8 Most negative	How is the Video/audio call quality?		

**Table 2. Coordinate Positions of Dimension Attributes**

The above table displays the names of attributes depending on their position along with each dimension.

#### 2.4. Factors loadings

	Dimension I	Dimension II	Dimension III
Censorship of content	-0.1154	0.0073	0.0745
Diversity of Content	0.0875	0.1231	0.0367
Filters for sharing data	0.0357	0.0338	0.1425
Messaging features	-0.1083	-0.0856	-0.0282
‘Like’, ‘Share’, ‘Comments’ features	-0.0895	0.0742	0.0469
How is the Video/audio call quality?	-0.1271	-0.0420	-0.0119
Advertisement Recommendations	-0.0894	0.1169	0.0700
Connectivity/Up time	0.1124	-0.0499	0.0431
User-Friendly	-0.0177	0.1704	-0.0698
Privacy feature	0.0005	-0.0540	0.1926

**Table 3: Factor Loadings of Attributes.**

## 2.5. Perceptual data and its 3-dimensional visualization

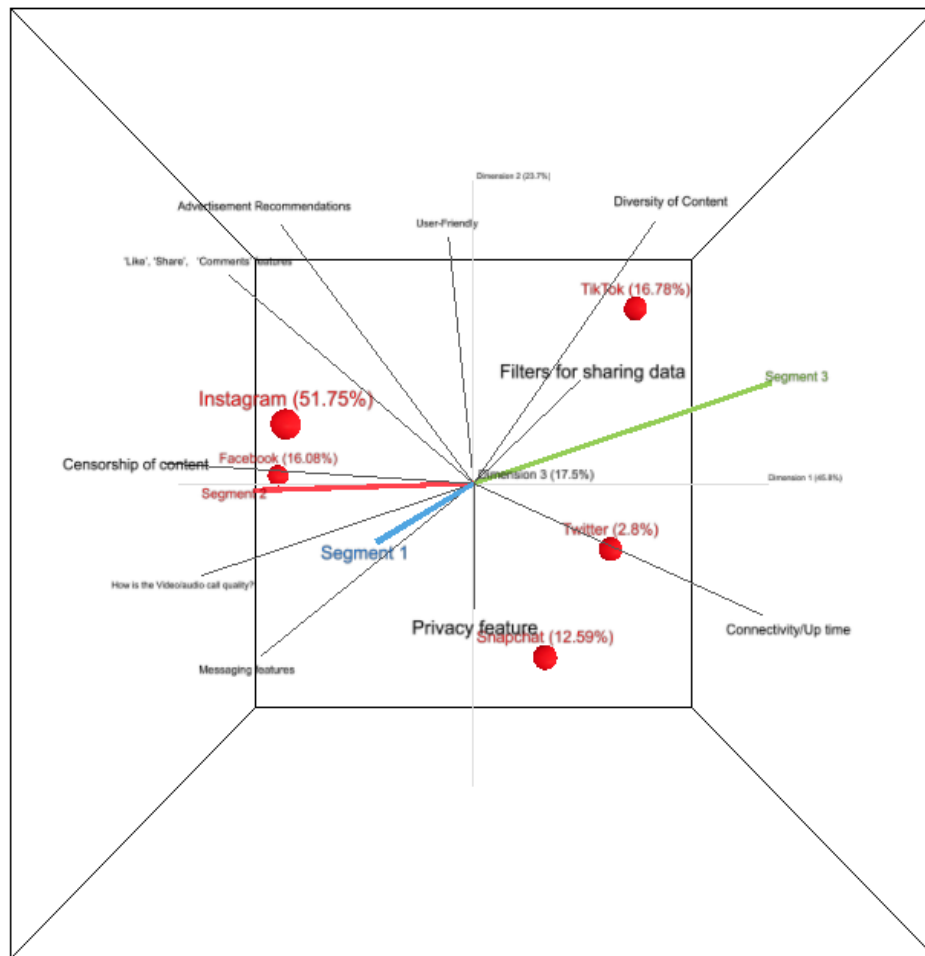
A perceptual map is a chart used by market researchers and businesses to depict and understand how to target customer views about a given brand or product.

	Facebook	Instagram	Snapchat	TikTok	Twitter
<b>Censorship of content</b>	3.5	3.8	3.1	2.6	2.3
<b>Diversity of Content</b>	2.6	3.0	2.6	3.7	3.3
<b>Filters for sharing data</b>	2.1	3.8	3.7	3.7	2.3
<b>Messaging features</b>	3.8	3.3	3.0	2.2	3.1
<b>‘Like’, ‘Share’, ‘Comments’ features</b>	3.4	3.6	2.1	2.7	3.0
<b>How is the Video/audio call quality?</b>	3.8	3.3	2.9	2.1	2.4
<b>Advertisement Recommendations</b>	3.3	3.7	2.3	3.0	2.6
<b>Connectivity/Up time</b>	2.2	2.7	3.1	3.0	3.7
<b>User-Friendly</b>	3.4	2.9	2.1	3.8	2.5
<b>Privacy feature</b>	2.2	3.7	2.9	2.4	3.2

**Table 4. Perception values for each attribute**

**Data Overview:** Perception values for each attribute are shown in red if they are significantly (1 standard deviation) less than the average perception of all brands. Perception values are shown in green if they are significantly more than the average perception of all brands.

## 2.6. 3D visualization of the perceptual map



**Figure 2. 3D Perceptual Map**

This figure shows a 3-dimensional visualization of the perceptual map. It displays all the brands, their attributes, and preferences. We can spot the dominance of brands here. Instagram seems to be more dominant than other brands.

## 3. CONSUMER PERCEPTION

### 3.1. Consumer's perception of Facebook with its competitors

In the perceptual map, we have displayed only the objects.



### 3.2. Interpretation



**Figure 3. All brands displayed on the perceptual map**

In an interpretation map, we know that the closer two objects are, the more similar they are perceived to be, which indicates the rate of similarity of their underlying attributes. Since the first 3 dimensions of the perceptual map have been retained, the map can be seen as a cube in 3 dimensions. This view displays the cube seen from a particular angle.

We can view from the above map that people in the market perceive Facebook as highly competitive with Instagram. The following table displays the coordinates of each brand viewed from a dimension I.

Dimension I	
<b>Facebook</b>	-0.771
<b>Instagram</b>	-0.504
<b>Snapchat</b>	0.238
<b>TikTok</b>	0.568
<b>Twitter</b>	0.469

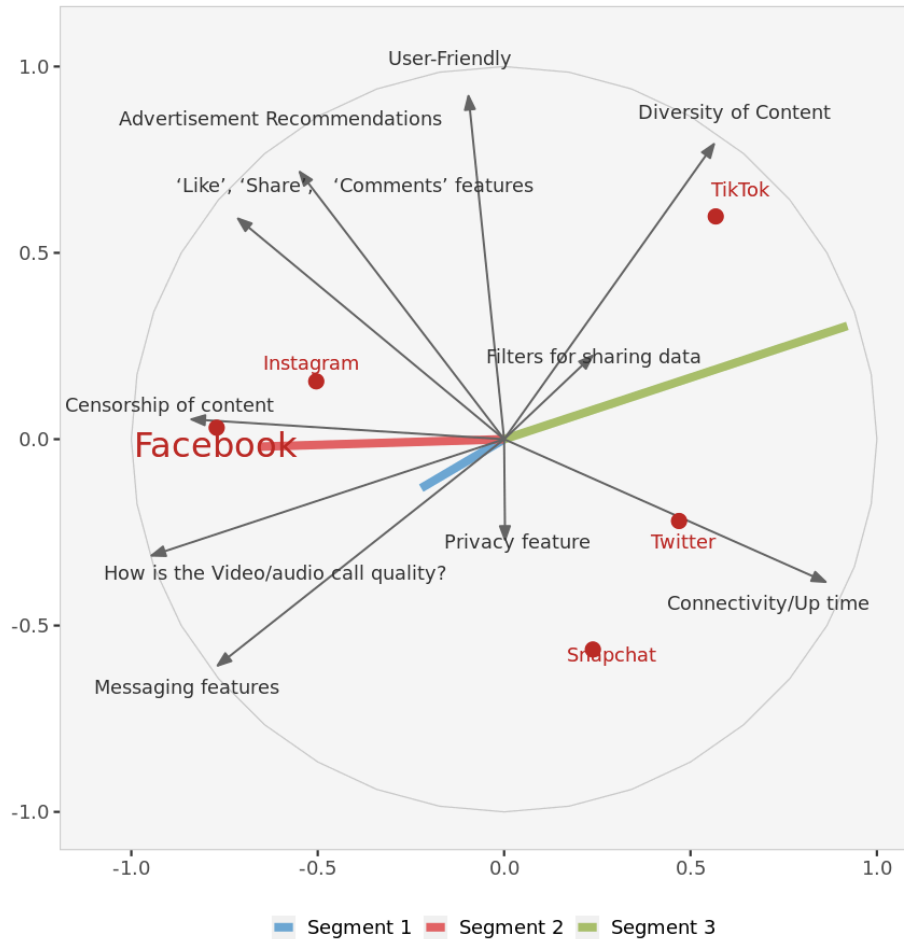
Table 5. Table of Coordinates of Dimension I

	Average preference	Segment 1	Segment 2	Segment 3
<b>Instagram</b>	3.70	4.65	4.05	2.44
<b>Twitter</b>	3.02	3.10	2.98	2.98
<b>Facebook</b>	2.88	3.10	3.67	2.00
<b>Snapchat</b>	2.88	3.86	1.90	2.70
<b>TikTok</b>	2.71	3.12	1.60	3.22

Table 6. Average Brand Preference

Each brand displays its average overall preferences and average preferences by segments(if the segmentation option is selected).

#### 4. IS THE CURRENT POSITIONING OF FACEBOOK CORRECT?



We can see in the chart above, Facebook's current segment is - "Segment 2" and the attributes that belong to segment 2 are "censor", "Video/Audio", "Messaging", "Like, share, comment", "Ads". So, currently Facebook is positioned in a segment that enjoys the majority of attributes. So, we can say that Facebook is well-positioned.

However, we aim to increase its users. What can we do? To overcome this problem, there are 2 strategies which we can implement. They are explained as below:

- Focus more on the segment 2 attributes to further increase the captured market area under the same segment.
- Re-position to other segments as well.

Thus, we should reposition Facebook to *Segment 3*. This will help us capture the market dominated by its competitors i.e.: "Tik Tok" and "Twitter" to increase the number of users.

	Average preference	Segment 1	Segment 2	Segment 3
<b>Instagram</b>	3.70	4.65	4.05	2.44
<b>Twitter</b>	3.02	3.10	2.98	2.98
<b>Facebook</b>	2.88	3.10	3.67	2.00
<b>Snapchat</b>	2.88	3.86	1.90	2.70
<b>TikTok</b>	2.71	3.12	1.60	3.22

**Average brand preference.** For each brand, displays its average overall preferences and average preferences by segments(if segmentation option is chosen).

## 5. REPOSITIONING FACEBOOK

The most essential attributes in segment 3 are "Diversity of Content" and "Connectivity". As a result, we must concentrate on these attributes to grab the category 3 market which is mainly acquired by Twitter and Tik Tok. So, we will reposition Facebook as "Diverse Content Rich" and "Always Available". For achieving this we can do the following:

### 5.1. Enhance attribute - "Connectivity"

Connectivity is a characteristic of availability. It is not possible to create an impression without being technically feasible. So, Facebook needs to improve this attribute. Without further improvement, it is impossible to capture segments of the market.

### 5.2. Enhance attribute - "Diversity of Content"

Facebook already has diverse content. If a user's score is low, it means that Facebook's recommendation system is not efficient enough to attract viewers. Facebook needs to understand its users more to recommend more diverse content. If the content is not available, then they should include or modify some of its features to incorporate different types of content.

### 5.3. Rebranding

Sometimes repositioning involves rebranding. Rebranding is updating or fully changing the brand identity. More updates to the brands' identity involve more risk. There are chances that we can lose the current customers. So, instead of changing the brand's full identity by any means, we should update its identity in such a manner that it will be able to create an impact on the new target segment without a loss to its current market segment.

**How can we achieve this?**

In order to achieve rebranding, Facebook needs to do the following:

**a) Advertisement:** Advertising and highlighting Facebook as “Content Diverse” and “Always Available” will do a great job. We will highlight the aspects that look to be more appealing in the third segment. *Note:* Without improving the attributes, “Content Diverse” and “Always Available”, if we try to reposition them, it will not provide the expected outcome. So, this feature must be handled carefully with respect to the branding.

**b) Positioning statement:** We can modify the **current positioning statement** to portray Facebook as more content diverse. We will not change the current positioning statement but just tweak it a bit. Changing the current positioning statement completely is a risky job. So instead of coming up with a new positioning statement, we will try to update the current one.

## 6. CURRENT AND FUTURE POSITIONING OF FACEBOOK

### 6.1. Current Positioning

The current positioning statement of Facebook is:

*“to give people the power to share and make the world more open and connected.”*

### 6.2. Future Positioning

As we discussed earlier in the rebranding section, to portray Facebook more diverse in different aspects like content, we can tweak the data as below:

*“to give people the power to share and make the world more open and connected by sharing and experiencing their own world anytime.”*

So, in the above statement, “Anytime” adds for “Connectivity (availability)” and “experiencing their own world” adds for “diverse content”.

## 7. CONCLUSION

Social media is a very powerful tool for any organization and so is it for Facebook. It increases one's visibility, enhances relationships, establishes communications between customers, provides a feedback forum, and also improves an organization's awareness and reputation.

With the help of our survey and analysis of comparing Facebook with other social media platforms, we figured out that it lags in.

- Diversity of Content

- Filters for sharing data
- Connectivity and Uptime
- Privacy Feature

Considering the comparative downfalls that Facebook has experienced, we suggest some changes which can help it regain its social media standing and increase the number of users in the market. The aim here is to increase Facebook's current market size as well as capture new markets. To achieve this, we can enhance the attributes of segment 2.

For capturing a new market, Facebook needs to be repositioned to segment 3. It can also be enhanced by rebranding after repositioning. Advertisements will help it improve the current brand image. Tweaking the current mission statement to, "to give people the power to share and make the world more open and connected by sharing and experiencing their own world, anytime.", which explains that Facebook is content diverse and is available at any point of time to its users, will support its growth.

## 8. APPENDIX

The questionnaires for the research are provided below:

- 1) How do you like the Messaging feature of the applications?
- 2) Is the application User-Friendly?
- 3) Diversity of Content
- 4) Privacy feature for accounts provided by applications.
- 5) How often is the application available? (Connectivity/Up time)
- 6) How often are the ads shown relevant to you? (Advertisement Recommendations)
- 7) Censorship of content (suppression or prohibition of any parts of violent/politically unacceptable data).
- 8) How do you like the 'Like', 'Share', 'Comments' features?
- 9) How do you like Filters for sharing data?
- 10) How is the Video/audio call quality?
- 11) Rate each of the applications on the basis of your preference.

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