



FAST TAKE

F8

Facebook Developer Conference

April 18-19th 2017

ABOUT FACEBOOK F8

This week Facebook held its annual F8 Developer Conference, a must-attend event for both developers and marketers based on key product updates and initiatives historically announced. This year, the major focus was on Augmented Reality (AR) as Facebook CEO Mark Zuckerberg put a stake in the ground for Facebook “to make the camera the first augmented reality platform,” thus setting the tone for the content that followed. While Snapchat could legitimately claim they have already done this, Zuckerberg’s point, though unstated, was that there are a slew of technologies (e.g. camera-based AR) that only Facebook’s massive global scale and footprint can make mainstream.

**F8 PROVIDES
DEVELOPERS &
MARKETERS WITH
CRITICAL UPDATES
ON PRODUCTS &
INITIATIVES**

Below are the major announcements, key takeaways from Facebook’s F8 Conference 2017 and what it all means for marketers.

I. CAMERA EFFECTS

The bulk of Zuckerberg’s keynote focused on plans to launch an AR ecosystem within Facebook, starting with the Camera Effects platform, which will allow developers to build AR functionality that is integrated with Facebook’s in-app camera. The Camera Effects platform enables developers to create effects that can overlay onto Facebook’s in-app camera. To support developers, Facebook is launching AR Studio, a software to help developers create AR experiences.

WHAT DOES THIS MEAN FOR MARKETERS?

It’s clear that Facebook sees the camera as the most important part of a smartphone. Not only is Facebook driving to encourage users to use it to share photos and videos with their network, but they are also encouraging users to unlock AR experiences within Facebook, including masks and frames. If Facebook has its way, consumers will view the world through the camera, enjoying games and filters layered over it. Overall, there are two major ways this benefits Facebook. The most obvious is that they are hijacking a key feature from rival Snap and moving it forward by opening up a toolset for developers. As with Stories the hope is to give current Facebook users (of any of their apps) no reason to try out Snapchat. The other major plus is to revitalize engagement and sharing on Facebook, which has been trailing off recently. The more users engage in the platform, the more unique data points Facebook can leverage about those users.

II. FACEBOOK SPACES

Delivering on Zuckerberg's 2014 statement when he said that he sees VR as the future of social interaction, Facebook announced a new product for the Oculus platform, Facebook Spaces, which lets users interact with each other in VR via avatars sharing a virtual world. This VR app is leveraging social VR, letting users build a virtual world and hang out in it, as well as watch 360-degree videos, draw with virtual pens and call friends via Messenger.

WHAT DOES THIS MEAN FOR MARKETERS?

While the hardware is still too expensive for mass consumer adoption, this is an interesting announcement as it provides a window into how Facebook sees VR's future. We've been waiting to see what Facebook does with Oculus, and if this is any indication, it sounds like Facebook sees the future of VR (and social networking) as the removal of any distinction between online/offline social networks for users. Facebook took great pains to describe this as in beta and until they solve the expense and awkwardness of VR hardware, this is likely still a very narrow niche. However, Zuckerberg tossed off the notion of VR glasses and contact lenses during his keynote so it is possible that the future F8 could well hold the next breakthrough in VR delivery and not just iterations of the experience itself.



Image Source: James Martin/CNET

III. MESSENGER

According to Facebook, Messenger now has 1.2 billion users (up from 900 million last year), while the number of AI-enabled chatbots, the focus of last year's F8, has grown 3x since September 2016 to 100,000. With functionality continuing to expand, Facebook claims to be just getting started, especially when it comes to Messenger and business. For example, Facebook announced chat extensions that allow multiple users to engage with a business or third party app at the same time. The result? The integration of both music (Spotify is integrated into it and Apple Music was promised to be coming soon) and games into the platform (e.g. sharing the latest hit song from Spotify or challenging your friend to a round of Words With Friends) all via the Messenger platform. So, for example, Messenger users can drop a song from Spotify into a group thread, allowing them all to listen to the song simultaneously.

Chatbots will also be easier to find via a new Discover tab accessible via homescreen, allowing users to find the latest bots, including MasterCard's, which allows U.S. users to order from FreshDirect and Subway.

Lastly, Facebook is bringing its virtual assistant, M, into Messenger to perform relevant functions. For example, if you are discussing what to do for dinner with a friend on Messenger, M can suggest ordering via Delivery.com.

WHAT DOES THIS MEAN FOR MARKETERS?

Messenger chief David Marcus described the platform as “the Yellow Pages” of messaging apps, highlighting the continued growth of Messenger as a B2C communication tool. When thinking about what a full consumer journey can look like in Facebook, it's reasonable to see Messenger as a potential transaction point reached through experiences and interactions with content and other brand experiences in the newsfeed, all moved along by smart retargeting of paid media and tailored creative.



Image Source: newsroom.mastercard.com

IV. VIDEO CONTENT MONETIZATION

This announcement was mostly a rehash of already-known moves to ensure content partners are able to gain revenue by being on the platform. For example, for video publishers, lucrative opportunities seem to be built into a larger rollout of ad breaks that insert a short (<15 second) ad within content. Facebook refers to this as mid-roll. While it's unclear how many viewers will make it this far it may in fact be an interim step towards a more traditional pre-roll unit. Facebook so far has resisted pre-roll, but their stance on sound-on for videos seem adamant.

WHAT DOES THIS MEAN FOR MARKETERS?

As marketers continue to evaluate how to allocate (and reallocate) their budgets, quality, premium content is needed to both attract and retain users on the platform (as well as brands' budgets). If publishers can find success with Facebook's new monetization tool, we predict that both quality and quantity of premium video content in Facebook's Newsfeed and dedicated video tab will grow. There is also reason to think that Facebook will evolve the video tab into a more searchable robust consumer experience for lean-back content. However, overall, the takeaway is to be aware that the relationship between Facebook and publishers is still an uneasy one.

V. SLAM

Thanks to SLAM's technology, users will be able to access AR games that incorporate real-world objects, using SLAM, which results in the ability to create overlays over whatever is in front of a user, turning nearly anything into a game board.

WHAT DOES THIS MEAN FOR MARKETERS?

The most obvious impact is the ability for marketers to create experiences through the camera that tie to a physical location – a boon for retailers, travel and hospitality verticals, and any other place-specific or event-specific marketing. Facebook didn't talk about potential improvements in brand safety but there is an implication here that the ability to map bodies and objects with great precision could lead to a more robust set of safeguards, even on Live content.

WHAT'S NEXT FOR MARKETERS & FACEBOOK?

The biggest news from this year's F8 was the strong focus and push into AR. The announcements overshadowed the other news and ran the gamut from adding an information layer to user experiences and game creation that will advance the goofy picture and video augmentation applications users are already familiar with from competitive players. While Facebook may be late to the game in certain areas, the key differentiator is its approach to opening the door to savvy developers – many whom are willing and eager to not only get catch them up quickly but ensure Facebook dominates the space. This model is similar to when Steve Jobs opened up the app store to help the iPhone leapfrog over the nascent smartphone market – a smart synthesis of existing ideas into something world beating. This push will allow marketers to gain a new creative canvas for content creation and test camera experiences that add value either through information (something that almost never happens on Snapchat) or entertainment. As developers increase usage of object and location recognition, we will see retailers also looking at new ways to enhance the in-store experience.

The other big area for marketers to play with if they haven't already is Messenger. Adding more capabilities to connect with outside apps for music and commerce (so far) should be a reason to consider what can be brought to a customer through Messenger that would increase their convenience. If you were a QSR that could mean ordering a meal or a travel brand could make booking a ticket or a hotel stay easy to do.

FACEBOOK'S FUTURE: BEYOND SOCIAL

This year's F8 announcements cement Facebook's place as perhaps the most sophisticated digital platform for marketers and brands. Facebook's 10-year plan makes it clear that they don't see themselves as a social network – at least when it comes to brands and media; they consider themselves a full-fledged digital experience destination. Entertainment, commerce and information combines on the platform to make Facebook an indispensable portal to everything consumers want online. Becoming the core of a consumer's online experience is an old dream, one that AOL, Yahoo and later Google have all been attempting since the late 90s. However, it is possible that Facebook will be the one to achieve this via their proposed initiatives.

ADDITIONAL RESOURCES

[F8 site](#)

CONTACT:

Noah Mallin, Head of Social
Tel: +1 (212) 474-0618
Noah.Mallin@mecglobal.com

MEC OFFICE

825 7TH AVE
New York, NY
10019



www.mecglobal.com

