

How Facebook's Driving the Global Economy

N. L. (January 25, 2012)



The famous social network added €15.3 billion to Europe's economy in 2011, chief operating officer Sheryl Sandberg said Tuesday, citing a study by Deloitte. It also supported more than 230,000 jobs in Europe, 33,800 of those just in Italy.

“Social media is not just posts and pictures and the fun things with friends, but this is really serious stuff. This is about growth, this is about jobs and empowering people.”

These were the words of [Facebook](#) [2] COO Sheryl Sandberg during a speech she made this past Tuesday, January 24th, at the [DLD](#) [3] (Digital, Life, Design) conference in Munich.



According to a new [Deloitte](#) [4] study Facebook, added \$15.3 billion in value to the European economy in the past year. Speaking specifically of Italy, Facebook is helping its economy with a total of €2.5 billion and 33,800 jobs. According to the study, advertising, fan pages, applications, events organized on Facebook and the use of a land or mobile line in order to connect increase by €15.3 billion business for European companies thus creating 232.000 jobs. Italy's quota is at 16%.

Facebook's summary of the findings says that:

Facebook adds an estimated €15.3bn value to the European economy

Facebook helps to support 232,000 jobs across Europe

Increased businesses participation through advertising, customer referrals and enhanced brand value is worth around €7.3bn

The Facebook App Economy is worth €1.9bn and supports around 29,000 jobs.

While Facebook is changing businesses in new and exciting ways, the methodologies used to measure its economic impact are well established.

Deloitte's study examines four key areas:

Narrow impact: Facebook employs staff across Europe. That means money spent on wages, buildings, equipment and with suppliers.

Business participation: Companies are increasing their revenue and building their brands thanks to Facebook advertising, fan pages, 'likes' and by communicating directly with customers.

Platform impacts: European businesses that build apps for Facebook employ thousands of people. Also, social events planned online mean money spent on venues, food, drink and other expenses.

Technology sales impacts: For many people, Facebook is the deciding factor when considering a new smartphone or tablet computer. Accessing the site or app also drives consumption of mobile and fixed-line broadband.

Luca Salvioli, reporter at [Il Sole 24 Ore](#) [5] writes in an article published on the 24th that Italy is first in the business participation category. Its value is more than \$1.6 billion, more than England and Germany. "Brands that have an online presence grow faster," Richard Allan Facebook Director of Policy in Europe is reported to say. "When economy goes badly, businesses strive to find new ways of acquiring clients and sell their products. Facebook will start a promotion to give €100 worth of ad credits to 50,000 European small businesses in Italy, England, Germany and Spain."

Salvioli's article lists a few of Italy's success stories "Banca Ifis has launched the rendimax deposit account taking into consideration all requests received on their Facebook page, [4WDItalia](#) [6], a small business that imports accessories and replacements parts for Jeeps from the United States, and FotoDiscount, a business that provides photographic prints. They have used the social network to find new clients."

Reporter Liz Gannes of the site [All Things Digital](#) [7] writes that at the end of her presentation "Sandberg acknowledged that €100 is a minor amount, but said it should be enough for most small businesses to reach all of their target customers on Facebook."

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