

Facebook banks on replicating mobile Ad success with its News Feed redesign

LONDON, UK: Facebook formally unveiled the redesign of its News Feed this week. The social network was keen to stress the changes have been designed to "clean up the page, declutter it, make it simpler, more modern and easier for people to use."



The update also means adverts on Facebook will be far more visible to users as they will now take up more screen space although the social network was quick to deny this was another objective behind the update. According to Andreas Poulos, COO at London-based digital marketing agency, Greenlight, whilst Facebook's latest move is shrewd in that it is has redesigned the News Feed to mirror that on mobile where it has proved successful from an advertising perspective, the conflict between user experience and driving more ad dollars looms large.

Redesign will encourage people to stay on the site longer

The redesign is a welcome development as Facebook was beginning to look a little dated.

The screenshots show some big aesthetic changes. Instead of a single feed when a user logs in, the change will see multiple feeds dividing content by several categories including music and photos. All in all, this will likely encourage users to stay on the site longer, notes Poulos.

The redesign has also allocated more space to games, music and advertising.

Facebook has claimed nothing has changed when it comes to ads, but has conceded they will take up more space because of the redesign.

The redesign mirrors Facebook's successful format of advertising in newsfeeds on mobile

In January, Facebook revealed its mobile ad sales had more than doubled on the previous quarter to total US\$306m, to account for 23% of the Social network's overall ad revenues. Poulos commented then that the challenge Facebook faced was in how it could increase monetisable engagement between users and advertisers whilst maintaining quality in terms of both targeting and also user experience.

"Facebook has taken the success of advertising in peoples' newsfeeds on mobile and based its News Feed redesign on mirroring that format (or close to it) on all devices - this should boost revenue."

Pouros also noted back in January that Graph Search, Facebook's smart search engine that it had just launched, was capable of doing this at the local business level, but pointed out that getting increasingly more from the big brands was the big challenge.

The conflict between user experience and driving more ad dollars looms large

"In the last earnings call, Zuckerberg stated Facebook had not seen any evidence that the increased advertising it introduced at that stage had had a negative impact on people", says Pouros. "The challenge now is to 'reinvent' advertising so people don't feel they are being bombarded by ads. Facebook is now championing 'high quality advertising' in an attempt to do that."

However, research from Greenlight also indicates that Facebook may need to pace itself a little less aggressively when it comes to cashing in on its advertising sweet spot.

Findings from the agency's "Search & Social Survey (2012-2013)"*, suggest 15% of users would pay Facebook to see no ads at all (which may of course be an opportunity in of itself), whilst close to 70% say they 'never' or 'rarely' click on advertisements or sponsored listings in Facebook, so this apathy is very real.

Pouros concludes: "Notwithstanding, a small minority of users think that Facebook has gone far enough with ads already (using tools like Facebook Purity to strip them out entirely). Only time will tell if Facebook has. And if it has not, when is it too much?"

The conflict between user experience and driving more ad dollars looms large. It did with AltaVista historically, who were then unseated in the search engine wars with a new upstart (Google), with a cleaner interface and better user experience."

*Greenlight's soon to be published global annual "Search & Social Survey (2012-2013)" asked 500 people - students, law enforcement professionals, medical staff, accountants, lawyers, the unemployed, and everyone in between, how they engage with online advertising, search engines, and social networks, in order to glean insight into how consumers engage with marketers today, and formulate views on what the future might hold.

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