

## Facebook tries out targeted ads

## April 6 2011, By Mike Swift

Facebook is testing a new system that instantly targets ads based on the content of members' wall posts and status updates, as the social network joins a growing list of Internet companies working with advertisers to market products related to a person's interests or online activities at that moment.

For some time, <u>Facebook</u> has used the contents of members' <u>status</u> <u>updates</u> and wall posts to target advertising, but the test is the first time that the social network has had the ability to select ads almost immediately, related to content that users are sharing. The service is an example of new technology that increasingly allows advertisers to tailor ads based on what users are doing online at that moment.

For example, a Facebook user responding to posts on a friend's wall about the University of Connecticut Huskies men's basketball team and the NCAA basketball tournament last week began to see ads featuring UConn athletic gear and a travel company endorsement from the University of Kentucky basketball team - the Huskies' opponent in the Final Four in this past weekend's tournament. A Facebook spokeswoman acknowledged that the Palo Alto, Calif., social network is testing real-time ad technology that could produce those results.

"Advertising on Facebook can be more useful for people because they have explicitly shared their interests on the site. We use this information to show people ads that they may be interested in," Facebook said in a statement released to the Mercury News. "We are currently testing a product that helps surface relevant advertising more quickly to people



based on the real-time content they are sharing, such as status updates or the Pages they like."

The Facebook spokeswoman, Annie Ta, declined to say how long the test might last or when Facebook might adopt it for all users.

Facebook has always targeted advertising based on the information people share when they join the social network or update their profile, such as age, gender, where they live, their occupation and relationship status. Facebook already collects data on the content of status updates or other "Likes" people share, to target ads to users on later visits.

The test product, however, actively targets ads in real-time, even as people are on Facebook and sharing content with their friends. That capability appears similar in intent to technology used by companies like Google, Yahoo and Microsoft, which increasingly can customize advertising based on a person's search history and profile in the milliseconds between a user typing in an Internet URL and the page appearing on their browser.

Andrew Frank, an analyst who follows Internet advertising for the research firm Gartner, said while real-time targeting can be valuable for advertisers, companies like Facebook must tread a delicate line in deciding how and what subjects to use for ad targeting.

"The main issue is tuning it right so it's relevant, but not too relevant," Frank said. "I've heard reactions across the board, from people who say this is really creepy, to people who say it's really good and it makes the ads more interesting and relevant."

But if Facebook were to start serving up drug <u>ads</u> to people exchanging comments about a medical condition, Frank said, users probably would not like that.



"There is a general problem with targeting, that if the targeting method is too obvious to the user, it makes them start asking questions about it, which is not, of course, what the advertiser wants them to do," Frank said. "I'm not sure which side of the line this particular technology will fall on, and Facebook isn't sure either, which is why they are running a test."

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Citation: Facebook tries out targeted ads (2011, April 6) retrieved 27 April 2024 from <a href="https://phys.org/news/2011-04-facebook-ads.html">https://phys.org/news/2011-04-facebook-ads.html</a>

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