

# Facebook experiments with putting more ads in users' News Feeds

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Facebook is testing a new advertising service that lets marketers drop more messages into users' news feeds.

The messages can target users on their [mobile devices](#) and computers even if they haven't "liked" the [advertiser](#). Marketers can promote posts from their pages to users who are not their fans, said Facebook spokeswoman Annie Ta.

"This is a small test and we're constantly gathering feedback from people on how to improve our ad experience," she wrote in an [email](#).

It may be a small test, but it could be a big opportunity for Facebook. Until now, marketers could only target users or their friends in their news feeds if they had "liked" a product or service. The difference may not be easy for users to discern. The items will all carry a "sponsored" label.

Facebook has said it's moving cautiously to make sure users' news feeds aren't bombarded with ads.

Facebook's stock has been dragged down by concerns over slowing revenue growth and its [moneymaking](#) potential, particularly when it comes to showing users ads on mobile devices.

Facebook rolled out its first mobile ad product earlier this year. "Sponsored stories" appear in the [news feed](#) after users or their friends

said they "liked" a product or service.

In a research note on Wednesday, S&P Capital IQ analyst Scott Kessler said he predicted revenue growth of 25 percent through 2014.

"Additionally, we have grown more optimistic about the company's efforts related to monetization and mobile," he wrote.

Shares of Facebook, which have dropped more than 40 percent since its initial public offering in May, closed Wednesday's session up 82 cents, or 4 percent, at \$21.20.

A few hedge funds reported owning Facebook shares this week, including George Soros, Steve Cohen's SAC Capital Advisors and John Thaler's JAT Capital Management.

Facebook's lockup agreement, which kept insiders from selling shares, begins to expire Thursday. A flood of Facebook shares could put more pressure on the stock.

Kessler thinks those fears have been overblown.

He does not "necessarily see a significant negative impact," he wrote Tuesday.

"Shareholders that sold [stock](#) as part of Facebook's IPO will be able to sell up to 271 million shares starting August 16. This amounts to 14 percent of Facebook's indicated outstanding diluted shares," Kessler wrote. "We do not expect early employees and investors will be aggressive sellers of [Facebook](#) shares at current levels."

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