

Facebook tests video ads in budding YouTube challenge

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Facebook is dabbling in video ads and sharing revenue with content creators

Facebook on Thursday confirmed that it is dabbling in video ads and sharing revenue with content creators, in a move that would compete with Google-owned YouTube.

An advertising model being tested by the leading online social network is part of a "Suggested Videos" feature designed to recommend clips for

people based on snippets they tune into in News Feed at Facebook.

"We're running a new suggested videos test, which helps people discover more videos similar to the ones they enjoy," a Facebook spokesperson said in an email reply to an AFP inquiry.

"Within suggested videos, we will be running a monetization test where we will show feed-style video ads and share revenue with a group of media companies and video creators."

Suggested videos are related to what is watched by members of the social network, perhaps focused on the same topics or posted by similar publishers. The feature is being tested for some people accessing the social network with iPhones, according to Facebook.

Revenue from ads appearing in the Suggested Videos feed will be shared, with 55 percent of the money going to those providing the content, according to Facebook.

The California-based social network said that it is not taking any money in from advertising while it tinkers with the formula for serving up video marketing messages.

Industry tracker eMarketer forecast that the amount of money spent on video ads in the United States this year will hit \$7.77 billion, growing slightly more than a third from the \$5.81 billion spent in 2014.

Online video sharing powerhouse YouTube takes a lion's share of ad revenue, bringing in \$7.6 billion in gross revenue last year, according to eMarketer.

YouTube's share of the video ad market was predicted to rise to 25 percent, with the Silicon Valley company taking in \$9.5 billion globally

this year. YouTube splits ad revenue with content creators.

Facebook logo tweaked

Facebook's foray into cashing in on video watching at the social network—particularly on smartphones or tablets—came as the social network finetuned its logo to be easier to read on mobile devices.

The first changes to the Facebook logo in a decade were subtle, keeping the widely-recognized lower-case 'f' but making the "a" and "b" thinner and more rounded.

The logo unveiled on Wednesday kept the style of white letters on a blue background that it has had since it was first created in 2005.

Facebook claimed an audience of more than 1.4 billion people, and has been adapting to a trend of members increasingly accessing the social network from smartphones or tablets instead of laptop or desktop computers.

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