

Facebook expands reach with buy-and-sell 'Marketplace' (Update)

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Facebook launched Monday a "Marketplace" trading platform that lets users of the vast social network buy and sell goods with each other in a mighty challenge to the likes of eBay and Craigslist.

The new feature puts Facebook—with a global base of 1.7 billion users—squarely in competition with local online selling platforms led by Craigslist, and offers an alternative to marketplaces like eBay.

Facebook said the new program formalizes what some members have already been doing in Facebook Groups for years.

"Facebook is where people connect, and in recent years more people have been using Facebook to connect in another way: buying and selling with each other," said product manager Mary Ku in a blog post.

"This activity started in Facebook Groups and has grown substantially. More than 450 million people visit buy-and-sell groups each month—from families in a local neighborhood to collectors around the world."

The new feature helps facilitate this with "a convenient destination to discover, buy and sell items with people in your community," Ku said.

Marketplace will display photos of items for sale based on proximity, and users can adjust their location and search for specific items or categories such as clothing, household items or electronics.

Buyers and sellers can message each other, make or accept bids and make arrangements to take delivery of the goods being sold.

Although Facebook is not charging users, the new selling platform could offer in the future the potential to further monetize its global user base, and keep them on the network.

Second effort

The launch is Facebook's second time around for an online marketplace after a 2007 effort that failed to gain traction.

In recent years, Facebook has been testing a "buy button" which allows its users to instantly purchase items for sale from its online partners.

In September it unveiled a new online payment system that will allow businesses to sell directly to consumers on its Messenger application.

Facebook has also been an intermediary for "virtual goods" for online games played on the social network.

The new Marketplace will be rolling out to users over 18 years old in the United States, Britain, Australia and New Zealand in the coming days on the Facebook app for iPhone and Android, with additional countries and a desktop version planned in the coming months.

It offers yet another way for Facebook, already the largest and most profitable social network, to engage its users.

In its most recent quarter, Facebook said net profit leaped 186 percent from a year earlier to \$2.05 billion, and revenues jumped 59 percent to \$6.4 billion.

Facebook gets most of its revenue and profit from online ads which are tailored to user data, but it has been moving to boost its service revenue as well, and has begun selling Oculus virtual reality hardware.

Facebook, which has been criticized for allowing gun sales over its platform, took steps earlier this year to ban private transactions involving firearms.

The company has said its requirement for users to post their real names acts as a check against the sale of illicit goods anonymously.

In a separate announcement, Facebook said it was launching a slimmed-down "Messenger Lite" application for users with slow internet connections.

It will be available initially in Kenya, Tunisia, Malaysia, Sri Lanka and Venezuela.

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