

Q&A: What Facebook's shift could mean to users, businesses

January 12 2018, by Barbara Ortutay



In this Wednesday, June 21, 2017, file photo, Facebook CEO Mark Zuckerberg speaks as he prepares for the Facebook Communities Summit in Chicago. Facebook is once again tweaking the formula it uses to decide what people see in their news feed to focus more on personal connections and take the spotlight off brands and news articles. Facebook says it will highlight posts people are most likely to engage with and make time spent on social media more "meaningful." (AP Photo/Nam Y. Huh, File)

In coming days, Facebook users will see fewer posts from publishers.



businesses and celebs they follow. Instead, Facebook wants people to see more stuff from friends, family and other people they are likely to have "meaningful" conversations with—something the company laments has been lost in the sea of videos, news stories (real and fake), and viral quizzes on which "Big Bang Theory" character you are.

Here are some frequently asked questions about what users and businesses might expect from the changes.

WHY IS FACEBOOK DOING THIS?

CEO Mark Zuckerberg has been doing a bit of soul-searching about the negative effects his company may be having on society and its users' psyches. He's come a long way since November 2016, when he dismissed the notion that fake news on Facebook could have influenced the U.S. presidential election as a "pretty crazy idea."

Now it's his personal goal for 2018 to fix the site and weed out hate, abuse, meddling by malicious nation states, while also making it more "meaningful" and less depressing for users.

While he acknowledges that Facebook may never be completely free of malign influences, Zuckerberg says that the company currently makes "too many errors enforcing our policies and preventing the misuse of our tools."

The company also faces pressure from regulators in the U.S. and abroad, and a growing backlash from academics, lawmakers and even early executives and investors about the ways in which social media may be leaving us depressed, isolated, bombarded by online trolls and addicted to our phones.



Facebook would much rather make changes on its own than have its hand forced by regulators—or to see disillusioned users move on to other, newer platforms.



In this Thursday, Jan. 4, 2018, file photo, a man demonstrates how he enters his Facebook page as he works on his computer at a restaurant in Brasilia, Brazil. Facebook is once again tweaking the formula it uses to decide what people see in their news feed to focus more on personal connections and take the spotlight off brands and news articles. Facebook says it will highlight posts people are most likely to engage with and make time spent on social media more "meaningful." (AP Photo/Eraldo Peres, File)



HOW WILL IT AFFECT THE COMPANY'S BUSINESS?

Facebook's stock price dropped almost 6 percent on Friday morning before regaining some ground. That suggests investors take Facebook seriously when it says the move will likely make users spend less time on its service. Less time, of course, means fewer advertising eyeballs at any given time.

This is a huge shift for Facebook, which until recently has been laser-focused on keeping users glued to the service by offering a bevy of notifications and "engaging" but low-value material.

Facebook has been doing very well financially. Its stock hit an all-time high earlier this month, and the company's market value is more than \$522 billion. Its quarterly results routinely surpass Wall Street's expectations.

So arguably the company can afford to shift its focus a bit away from quarterly profit gains and metrics like "user engagement" that get advertisers salivating. Zuckerberg already signaled this would happen late last year, when he said the company's planned investments in preventing abuse would hurt profitability.

While the changes could hurt Facebook's business in the short term, happier users could make for better profits over the long term. At least, that's what the company hopes.

IS THIS THE END FOR BRANDS AND PUBLISHERS ON FACEBOOK?

Many news organizations, bloggers and businesses have grown reliant on



Facebook to spread information—articles, videos, infomercials—to their followers without paying for ads. The changes could jeopardize that route to their audiences, though some speculate it could be a ploy to force these companies to buy more Facebook ads.

"It's obvious that the days of getting exposure as a business on Facebook are coming to an end," said Michael Stelzner, the CEO of social media marketing company Social Media Examiner. While Facebook has made plenty of changes to its news feed algorithm in the past, he said, this time might be different.



In this April 18, 2017, file photo, conference workers speak in front of a demo booth at Facebook's annual F8 developer conference in San Jose, Calif. Facebook said Thursday, Jan. 11, 2018, that it is tweaking what people see to make their time on it more "meaningful." The changes come as Facebook faces criticism that social media can make people feel depressed and isolated. (AP Photo/Noah Berger, File)



That's because Facebook is being "far more explicit" in its wording about what sorts of posts will diminish. "It has never been this black and white," Stelzner said.

WON'T THIS JUST REINFORCE THE "FILTER BUBBLES" THAT TRAP USERS AMONG THE LIKE-MINDED?

Do you enjoy arguing with people you disagree with? Maybe, maybe not. But Facebook's goal is to make people happier using the site—not to expose them to opposing views. So yes, this is possible.

That said, company says this is how people make friends and interact with each other offline. We gravitate toward people like us. And Facebook says its own research shows that users are exposed to more divergent views on its platform than they would be otherwise. Of course, this is difficult to verify independently, since the company doesn't often show that data to outsiders.

ARE PEOPLE REALLY GOING TO SPEND LESS TIME ON FACEBOOK?

Admitting that its changes will likely reduce the time people spend on Facebook less was a big deal for the <u>company</u>. Video, especially, has been a big focus for the <u>social media</u> giant—and videos have been especially good at keeping users around. This latest move, however, will de-emphasize videos too.

While it's too early to tell what users will do, there's little reason not to trust Facebook on this particular question.



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