

Facebook lured advertisers by inflating ad-watch times up to 900 percent: lawsuit

October 18 2018, by Ethan Baron, The Mercury News

Not only did Facebook inflate ad-watching metrics by up to 900 percent, it knew for more than a year that its average-viewership estimates were wrong and kept quiet about it, a new legal filing claims.

A group of small advertisers suing the Menlo Park social media titan alleged in the filing that Facebook "induced" advertisers to buy video ads on its platform because advertisers believed Facebook users were watching video ads for longer than they actually were.

That "unethical, unscrupulous" behavior by Facebook constituted fraud because it was "likely to deceive" advertisers, the filing alleged.

The latest allegations arose out of a lawsuit that the advertisers filed against Mark Zuckerberg-led Facebook in federal court in 2016 over alleged inflation of ad-watching metrics.

Facebook knew by January 2015 that its video-ad metrics had problems, and understood the nature of the issue within a few months, but sat on that information for more than a year, the plaintiffs claimed in an amended complaint Tuesday in U.S. District Court in Oakland.

Facebook disputed that allegation. "Suggestions that we in any way tried to hide this issue from our partners are false," the company told the Wall Street Journal, which first reported the latest allegations. "We told our customers about the error when we discovered it—and updated our help center to explain the issue."

Facebook in 2016 revealed the metrics problem, saying it had "recently discovered" it. The firm told some advertisers that it had probably overestimated the average time spent watching [video ads](#) by 60 percent to 80 percent. Tuesday's filing alleged that Facebook had instead inflated average ad-watching time by 150 percent to 900 percent.

Facebook did not immediately respond to a request for comment on the alleged inflation of ad-watching metrics by up to 900 percent.

The plaintiffs are seeking class-action status to bring other advertisers into the legal action, plus unspecified damages. They also want the court to order a third-party audit of Facebook's video-ad metrics.

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Citation: Facebook lured advertisers by inflating ad-watch times up to 900 percent: lawsuit (2018, October 18) retrieved 23 May 2024 from <https://phys.org/news/2018-10-facebook-lured-advertisers-inflating-ad-watch.html>

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