

## FACEBOOK RACES TO CLOSE THE GAP IN AD REVENUE AGAINST GOOGLE TO PROVE ITS WORTH

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a dark blue square background.

With the looming possibility of an IPO within the next year, Facebook is working hard to prove its worth. Right now, with the reputation of being more popular than profitable, the social networking site is working tirelessly to secure tentpole advertising deals with major marketers that will be worth up to eight-figures. To ensure this occurs, Facebook has created a "client council" that includes representatives from half a dozen major agency-holding groups and professionals representing six prominent brands. Among the council you will find members representing Walmart, Coca-Cola, Aegis Media Americas and Diago. Facebook CEO, Mark Zuckerberg, tuned into the first council meeting via webcam. Many show cosmetic concerns like Facebook's constant change in design which catches its clients and users off guard. Others have more technical concerns like the social networking giant's lack of metrics for return on investment (ROI) to present to potential investors. The balance between innovation and consistency has always proven to be a struggle for Facebook, and will continue to work as its biggest challenge in the near future. However, despite the concerns, Facebook continues to work tirelessly to offer comforting solutions to concerns. While working with Diageo, Facebook has worked to soothe its concerns by offering a sneak peak at any new features, and in-depth metrics to help the company assess performance and ROI throughout the brand in return for the company's \$10 million investment. Facebook plans to become the initial place top brands go to when spending advertising dollars online, and believes it will with negotiation agreements like this until it proves its worth to brands across the globe. Facebook is currently working to premier a professional advertisement unit with major brands in mind. It is targeted to those that already spend millions of dollars on Facebook advertisements each year. This new development will enhance these company's experience with Facebook advertisement by offering "Insights" that will measure the success of a company's advertisement campaign. By implementing the client council and enhancing the experience for advertisement investors, Facebook hopes to narrow the widening gap between Facebook and Google ad revenue. According to the 2011 eMarketer report, Google makes 34.4 percent more ad revenue share than the social networking giant. While the user experience remains the prominent focus of Facebook, its doing what it can to please its marketing clients as well. By offering what the marketers are asking for, like more social ads, Facebook gives marketers premium advertising space, while integrating it seamlessly with the Facebook user experience. As Facebook continues to demonstrate a solid revenue stream capable of supporting the estimated \$100 billion valuation the social network has. According to Dave Williams, the CEO of Social-Engagement Advertising Firm, Blinq Media, Facebook is not looking for a small piece of the pie, but for a larger piece. Right now, Facebook commands the most display ads, even more than its search engine competitor, Google. The social network is estimated to sell \$3.8 billion in advertising space on the site this year.

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