

INCREASED AD-RATES, BOOMING BUSINESS, BOOST FACEBOOK IPO-MOMENTUM

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

Facebook's impending IPO has got a huge shot-in-the-arm with a new survey suggesting that its advertising rates have shot up by 41 percent. This will give its revenue-generating image a huge boost and provide impetus and thrust to its intended \$100bn stock-market flotation. The study, compiled by ad agency TBG Digital, was based on 372 billion impressions in more than 190 countries for 235 clients from Q1 2011 to Q1 2012. Its double advantage for the social-media giant as the figures also show that along with increased cost of advertising, Facebook was increasing the number of ads it was carrying on each page. Simon Mansell, the chief executive of TBG Digital said, "It's good news for Facebook. Facebook has seen an increase in pricing at the same time it has grown the number of ads per page to seven, which you would naturally expect to actually deflate prices." "Facebook is earning more from Marketplace ads which could have a positive impact on their imminent IPO. We have seen an increase of 41% in Cost per Thousand impressions (CPM) since Q1 2011, which indicates how much Facebook earns per ad served. Average CPM has increased by 15% from Q4 2011 to Q1 2012 with the US seeing an increase of 11% and the UK seeing an increase of 13% during the same period." he added. TBG Digital's quarterly survey has unveiled another vital finding, saying that the number of Facebook users clicking on news stories has grown three times, in comparison to the number of users it had in the previous quarter. The increase is owing to what the survey terms "social readers." The social reader technology that when a Facebook user, while logged in to the site, visits an external "partner" new website, the social reader technology will "automatically post an update to that user's Facebook news feed, telling their friends they've read that story." Mr. Mansell said it also showed Facebook was becoming important for sharing news in a way that "other social networks such as Twitter have dominated to date." Many websites have signed up as partners with Facebook's social reader technology, among them such big names as the Guardian, The Washington Post and Yahoo. Mr. Mansell also spoke of the potential of the site's social reader service becoming a source of revenue generation, given that the number of Facebook users who click on a news story has grown by 196 percent. For the moment the service is free, but Facebook just might charge for it, the same way as it has done for its games. Facebook is certainly sitting pretty, snug and safe, as it prepares to go public.

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