

Facebook Is Testing A Product That Will Revolutionize Mobile For Users And Startups

A month ago, [news broke that Facebook is testing a mobile ad network](#). [1]

[Facebook](#) [2], under severe pressure to re-accelerate its revenue growth, is testing *lots* of new businesses these days, and the mobile ad network news got lost in the wash.

Here's why we should actually be paying very close attention: a [Facebook](#) [3] mobile ad network, if successful and widely adopted, would dramatically increase the amount of money media and tech companies are able to make in the next decade.

Here's the deal.

Right now on the Web, the most successful advertising business other than search is advertising targeted to specific users based on lots of anonymized data collected about them. This data might be their location, age, gender, Web surfing history, purchase history, or an almost infinite amount of other pieces of information in a truly infinite amount of combinations.

The point is: Web publishers know who is looking at their ad inventory and they can sell their inventory to advertisers looking to reach certain types of people.

The problem that Facebook's ad network will solve is that at the moment, mobile app publishers from [Rovio](#) [4] to [ESPN](#) [5] to [Evernote](#) [6] do not have the same amount of information about the people who are using their apps and looking at their ad inventory.

The reason that Web publishers know who is looking at their ad inventory is that Web users, in their surfing, download something called "cookies" to their browsers. When they load a new page, the publisher of that page can read past cookies downloaded, and build a data mosaic of the person looking at their ads.

On mobile, apps are separate pieces of software from browsers. They cannot look at the cookies downloaded in the browser. [iPhone](#) [7] browsers don't download cookies at all, anyway.

So Mobile app makers are flying blind. Right now, they are [selling](#) [3] ads using a very old-fashioned model. They are guessing what kinds of people might like the content that their app offers, and then asking advertisers if they would like to buy ads to reach those kinds of people. Advertisers don't like to buy ads this way these days, and they don't have to.

So, how does a Facebook mobile ad network solve this problem?

Easy:

- Evernote allows its users to sign-up using their Facebook account.
- Facebook takes this user ID, and checks the cookies the same user's browser had last time he or she logged into Facebook or visited one of the pages tracked by Facebook's data partners.
- Facebook then takes the anonymized data about this user (really, many similar users) and sells Evernote ad inventory to advertisers trying to reach that kind of user.

If the Facebook mobile ad network works out, it is a big, positive development for several constituencies:

- Advertisers, who will be able to reach customers on mobile, a platform that is going to be bigger than desktop by the end of the decade.
- App developers, who will be able to monetize through targeted advertising.
- Users, who will have more and better apps to use because there will be a better [financial](#) [3] for developers to make them.

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Links:

[1] <http://www.businessinsider.com/facebook-mobile-ad-network-test-2012-9>

[2] <http://www.businessinsider.com/blackboard/facebook>

[3] <http://www.businessinsider.com/facebook-is-testing-a-product-that-will-revolutionize-mobile-for-users-and-startups-2012-10#>

[4] <http://www.businessinsider.com/blackboard/rovio>

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