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Facebook's New Year Resolution: More video ads in news feed

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The amount of **video** on **Facebook** Inc.'s news feed more than tripled last year, as many users and advertisers discovered the option for the first time. How much bigger **video** will get on the social network depends largely on Fidi Simo.

Simo is **Facebook's** director of product in charge of **video**. After the social network debuted **video** ads last March, her team added tools for advertisers to measure whether the promotions fit goals they'd set. This year, Simo said she plans to tweak the website's design so marketers can more easily buy **video** ads and monitor their campaigns. She's also **working to improve video targeting so the right Facebook users see the right ads.**

Her efforts are central to **Facebook** tapping the U.S. online-**video** advertising market, which EMarketer Inc. estimates will reach \$7.8 billion this year, up 30 percent from \$6 billion in 2014. While that's a fraction of the \$70.1 billion U.S. television-advertising market, the growth rates in digital **video** promotions exceed that of other parts of the advertising industry, providing a lucrative revenue source for Menlo Park, California-based **Facebook**.

"We're just really at the beginning of understanding what **video** on **Facebook** is about," Simo said. "We want to make sure that we're really communicating on how people are engaging with **video** so marketers can really understand."

Embracing Video

Facebook has released a progress report about **video** on the social network, including how users and brands have boosted the amount of **video** in the news feed by 3.6 times in the past year. In addition, the number of **video** posts per person has jumped 75 percent, with more than half of daily U.S. visitors watching at least one **video** a day, the company said. **Facebook** Chief Executive Officer Mark Zuckerberg said in a November public question-and-answer session that in five years, most of **Facebook** will be **video**.

Still, Simo's job remains complicated -- especially with marketers. Brands typically measure a promotion's success against television and other parts of the Web. **Facebook's video** ads don't work the same way as those offerings, as they can be targeted more specifically to certain demographics. **Facebook** ads also run alone, instead of appearing ahead of other content like on Google Inc.'s YouTube and Hulu Inc.'s streaming service. What's more, the social network's promotions play automatically without sound in the news feed until people click on them.

Education Kick

That means Simo has had to create new metrics for marketers to evaluate their **video**-ad campaigns in **Facebook**, including how many people clicked on a link at the end of a **video**. She has also had to educate advertisers on **video**,

attending the company's advertising council meetings, where executives at **Facebook** meet with consumer giants like Coca-Cola Co. and Unilever Plc. Marketers have asked to see more clearly how their advertising leads to sales, Simo said.

Facebook doesn't break out revenue from **video** ads, for which it has been charging \$1 million or more a day for 15-second spots, people familiar with the situation have said. Advertisers including Kate Spade & Co. and Gap Inc. have used **Facebook's video** ads, the company said.

Facebook "is coming on strong and has the potential to put pressure on YouTube," according to an eMarketer report that said social media will change the rules for **video** advertising.

More Steps

Facebook has been taking more steps to improve **video** ads. In September, the company unveiled an ad server tool called Atlas to let marketers get data on how often individuals saw ads and on what device -- something that's essential for **video** now that 65 percent of **Facebook's video** is viewed via mobile devices. In July, **Facebook** also agreed to acquire startup LiveRail, which will help it serve **video** advertisements outside of the social network.

"LiveRail will make it so that publishers can be more efficient, and Atlas can help them understand how it helped their business," said Brian Boland, a vice president focused on ads at **Facebook**.

Simo, who joined **Facebook** in 2011 from eBay Inc. and who has helped the social network simplify its ad-format options, got her team to build more ways for advertisers to measure **video** last year, such as letting them see how many people are watching at a certain time. The company also added prompts at the end of its ads that sent people to websites or asked for an action.

This year, one type of **video**-ad campaign Simo said she'll continue to pitch heavily to advertisers is one that involves following up on **videos** with other kinds of ads, called retargeting. That will help **Facebook** get closer to proving that it can drive sales, she said, with **videos** helping to brand a product and the follow-up promotion moving someone to actually purchase the item.

"This is really the year where we made a lot of investment and advertisers are now embracing the fact that we are big in **video**," Simo said.

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GRAPHIC: File photo The number of **video** posts per person has jumped 75 percent, with more than half of daily U.S. visitors watching at least one **video** a day, **Facebook** reports.

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