



## FACEBOOK, MYSPACE LAUNCH NEW TARGETED ADS

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*MySpace and Facebook have created tools that allow advertisers to target users based on their interests and personal information, a shift that concerns some privacy experts.*

Facebook announced Tuesday that a new tool, called "Facebook ads," will allow companies to build special "pages" on the site. If a user visits the page and interacts with it – by uploading a picture or checking out a product – that information will be communicated to the users' friends, along with a company logo.

Company executives think this will excite advertisers.

"Nothing influences people more than a recommendation from a trusted friend," said Mark Zuckerberg, the 23-year-old Facebook founder. "A trusted referral is the Holy Grail of advertising."

The company launched 10,000 "Facebook ad" pages Tuesday night.

### **Targeted advertising**

This follows a similar move by rival networking site MySpace, which said on Monday that it was expanding the "HyperTargeting" system it launched in July to target 100 consumer categories including: music, movies, personal finance, sport and travel.

MySpace said more than 50 advertisers, including Procter & Gamble, Ford and Sony Electronics, have joined the program, which goes through the information member pages — the process is called data mining -- to determine their main interests and what kind of commercial messages they might respond to.

"It's looking at what they say, what they do and what they say they do," said Adam Bain at Fox Interactive Media, the parent company of MySpace within Rupert Murdoch's News Corp.

"It's not keyword-based, so they don't have to mention Tom Cruise for us to know they're a fan," Bain told Reuters. "We're smart enough to understand the movies they list have Tom Cruise in them."

MySpace also unveiled a self-service advertising tool allowing groups like small businesses, musicians and politicians to post an ad and choose who sees it.

"Let's say you're a reggae band, and you want to reach people who like reggae music, you want to reach people who are a certain age, a certain gender, you know where they live. You can actually target your ads to show up on those people's profile pages on MySpace," Mark Glaser, editor and host of MediaShift, a Web log at PBS.org, told the NewsHour.

### **The sought-after demographic**

Advertisers are anxious to reach the nearly 160 million MySpace and Facebook users—many of whom fall into the coveted 18-34 age group. This age group tends to be better educated, make more money and have more discretionary income to spend.

And MySpace and Facebook encourage users to volunteer personal information about themselves — something all advertisers want so they can better target their ads.

Both sites stand to make large amounts of money by offering advertisers unique opportunities.

"For example, knowing a list of people's friends isn't necessarily useful unless the system could automatically remind people of birthdays, and then advertise a specific gift the friend might like based on his or her preferences," reporter Stefanie Olsen writes on CNet.com.

### **Security concerns**

Some media experts are concerned that social network users don't fully consider the amount of personal information they're putting in the online public sphere.

Search engines such as Google track all of your searches and can tell if you are interested in a certain movie star, planning to buy a new MP3 player or facing a specific health problem.

Plus when advertisers use behavioral advertising, they are using technical tools called "cookies" to follow where you are visiting, page by page, click by click, on the Internet.

"They're following to see what sites you visited so that, let's say, you had gone to a travel site and looked into buying a ticket to go to Jamaica, and then you went on and went to a few other sites, and you were on a social networking site, and you got an ad that actually was offering you a deal on that trip to Jamaica," Glaser explains.

"So it's a little bit scary when you start to see these very targeted ads. And you wonder, 'How did they know that I'm interested in Jamaica? How did they figure that out?'"

Consumer groups and others are looking for ways to limit such access.

"There's been talk about a do-not-track database, which is similar to a do-not-call database, where you could actually put your name in and say, 'I don't want online advertisers and marketers to track my movements online.' But the marketers and the Web site publishers believe that that's not a good solution because it's going to take away from their ways of making money," Glaser added.

## Will it work?

Not everyone thinks this new advertising tool will work. Some fear that it may annoy and alienate the very Web users advertisers hope to target.

"I think it's going to be easy to get advertisers to test," Keith Benjamin of the venture firm Levensohn Venture Partners told the San Jose Mercury News. "I'm skeptical whether targeting is going to get people to click through and buy something."

*--Compiled by Annie Schleicher for NewsHour Extra*

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