Facebook is expanding into Search Ads. What will this mean?

Facebook has decided to test Search Ads in selected industries in the US and Canada. What does this experiment mean for the search advertising industry?

Facebook is always eager to try out new monetization ideas. This time there’s a really interesting one with an attempt to test search ads.

It was back in 2012 when Facebook tried Sponsored Results for the first time, but the experiment didn’t last long.

This time, Facebook is re-introducing Search Ads in its search results and Marketplace, which takes them into direct competition with Google.

More details about the experiment

Facebook has decided to test a small set of advertisers from the automotive, ecommerce and retail industries in the US and Canada.

These advertisers are able to pick the placement of ‘Search Results’ in Ads Manager and they are currently not charged for the specific placement. A business cannot currently run a search ad without running a news feed ad first. Thus, it

currently serves as an extension to an existing ad, but it can still offer useful insights to Facebook about the success of this experiment.

Moreover, there is no option yet to target specific keywords or phrases in the beta phase, which could change in the future if search ads roll out to more advertisers.

Image: Techcrunch

The ads are repurposed news feed ads of image or carousel format since videos are not currently supported. Search ads won’t appear on desktop and they will have a clear label of ‘Sponsored’ tag to help users understand why they are seeing the specific result. Users are currently able to opt out from seeing the ads but they are able to hide them temporarily.

Facebook has not shared screenshots yet of how the ads look like.

The idea is to test the search ads to a selected audience before it rolls out to more advertisers globally.

Is Facebook competing with Google?

This is an interesting move from Facebook and we’re expecting more similar experiments to come from the big social network. Google may be dominating the search advertising industry, but Facebook is not shy of its attempt to increase its advertising

revenue.

With an advertising revenue that exceeds $33 billion worldwide in 2018, Facebook is looking for new ideas of monetization. As its user base grows, there are more searches taking place every day. Although not all searches are commercial, there is still an opportunity to capitalize its popularity.

Source: Statista

Instagram ad revenue seems to be on the rise and Stories are quickly turning into an engaging type of content. Search ads can now open a new path for revenue growth that will bring Facebook in direct competition with Google.

Should Google worry then?

There is no indication yet that Google should be threatened. It’s not clear yet if this experiment will quickly roll out to all countries and advertisers. However, it gives us an indication of Facebook’s next plans and they cannot be ignored.

Going beyond Google, it can be an interesting disruption in the search advertising industry. More advertisers could be willing to try out Facebook’s beta phase to reach an audience that goes beyond Google and Bing. Facebook has already established a powerful position in social advertising so it shouldn’t be really hard to expand its services in new territories.

After all, showing search ads in the Marketplace can enhance the ecommerce marketing tactics in the platform, right before the decision process.

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Facebook users have already adjusted to seeing ads in the news feed, which means that there may not be a hard time adjusting to another placement.

It’s just on Facebook to make sure that there is a balance between user engagement and revenue growth. It’s critical to keep the ads in context with the searches to avoid having bigger problems with the trust among users.

2019 should be an intriguing year in the clash of the tech titans so we can’t wait to see how this experiment will turn out.

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