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BREAKING NEWS: Nokia preps big splash for 58

News

COMMENT: Staring monetisation in the Facebook

ME Staff Jan 12 2009, 9:29am

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ME exec ed Tim Green on why ad revenue is just the start for mobile-only social networks...



So Facebook has recruited its 150 millionth member. We're not sure who he or she is. But my money's on a young female who likes parties, drinking and taking poor quality photographs of herself pouting.

Facebook's CEO Mark Zuckerberg is very proud of the landmark, and has compared his company's population with that of a large country like Nigeria or Japan.

If only it had Nigeria's oil or Japan's talent for making consumer electronics. It has neither of these things. What it does have is the vague promise of massive ad revenues tomorrow. Maybe it will get them. But in 2008, eMarketer estimated its advertising haul at \$210 million.

It's a pitiful amount when you consider that Facebook was valued at \$15 billion after Microsoft bought a tiny stake. Indeed, the revenue is equal to \$1.40 per year for every subscriber. \$1.40! Barely enough to buy you a house in certain areas of the US.

Now, the people at Facebook are clever. They may even be cleverer than me, although my mum would argue otherwise. The management has stated many times that its focus is users first, monetisation second.



So I'm sure they have all sorts of intriguing new ideas planned. But for the moment it's all banners, and not very interesting ones either.

Especially when you compare what's happening in mobile. I've been speaking with pureplay mobile social networks like Buzz City this week as part of a feature I'm writing for the MWC issue of Mobile Entertainment.

They're finding ways to monetise their networks not just through advertising but by getting users to pay for virtual gifts or to improve their 'standing' and visibility on the service. One of them told me their key advertiser group is the user base itself, just for this reason.

None of these mobile specialists is especially worried about MySpace or Facebook on mobile, which they see as so web-centric they don't even let users sign up from the handset.

I wouldn't be surprised if, a few years from now, Facebook decides the best way to get a presence in mobile in certain geographies is to advertise on Buzz City's network.

ME on your mobile

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