

It's Still Early Days for Facebook's Expansion Beyond Social Media

Watch and Marketplace tabs have found a tough reception among US users

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New data indicates that some of Facebook's services are having a tough time gaining traction among users in the US.

In fact, the survey of Facebook users from [RBC Capital Markets](#), carried out in December, found that about seven in 10 respondents rarely or never opened the Marketplace tab in Facebook.

And an even higher percentage, around eight in 10, said the same about the Watch tab—an indication that many Facebook users have yet to find an enticing reason to engage with the video service.

As a refresher, Facebook's Marketplace is a consumer-to-consumer (C2C) ecommerce platform that launches from Facebook's core app and shows users nearby items for sale. And Watch is a video platform designed to host episodic content that looks a lot like what you'd see on traditional TV.

Watch seemed like a clear bid by Facebook to compete with services like YouTube, which has developed its own ecosystem of platform-

specific content creators that have racked up millions of views in some cases, birthing a new type of digital celebrity.

Frequency with Which US Facebook Users Use the Facebook Marketplace vs. Watch* Tabs, Dec 2017

% of respondents



Note: n=4,101 ages 13+; numbers may not add up to 100% due to rounding; *the separate tab exclusively focused on video
Source: RBC Capital Markets, "Internet Social Butterflies: Highlights from Our Third Social Media Survey," Dec 8, 2017

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Watch has faced other challenges aside from an indifferent attitude among Facebook users. According to a recent report in Digiday, creators publishing content on Watch are not entirely happy with the advertising revenue model employed on the video platform.

Digiday reported that several content creators had pressed Facebook to allow them to sell both mid-roll ads and sponsorships on their own shows as part of efforts to better monetize their initiatives.

Facebook is in the midst of tweaking its Watch formula for better results, however. A report from Bloomberg found Facebook was dumping several shows it had funded for Watch, instead funneling those dollars into budgets for remaining productions.

Facebook is also bolstering its Marketplace efforts. In November, the company announced a substantial expansion of real estate listings featured on Facebook.

That move came soon after an October announcement from Facebook that allowed local car dealerships, as well as online dealers like Cars.com, to list their inventory on Marketplace.

It's probably too early to tell if these new services are a success for Facebook. But they seem to be in line with a business strategy of adding on a suite of services intended to increase Facebook's "stickiness," which is already expected to grow over the coming years.

eMarketer estimates that US adults will spend an average of 25.29 minutes per day on Facebook this year, with that figure set to grow to 27.20 minutes by 2019.