Facebook's Year in Review: Grading Its Progress on Three Big Questions

ARTICLE

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A t the end of last year, we asked three important questions about Facebook in 2019:

- Can it solve its image problem and regain user trust?

- Can its video efforts keep up with the likes of Netflix?

- What does the shift from public to private sharing mean for Facebook?
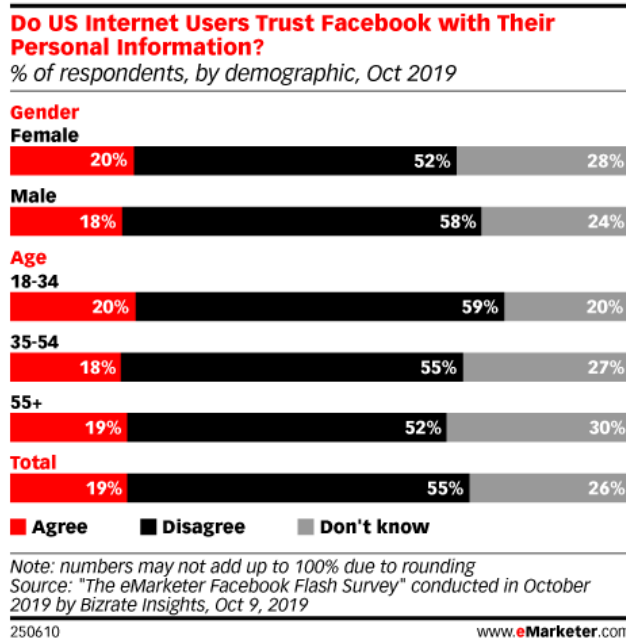
Now that this year is drawing to a close, how did Facebook do? Not very well on the first two, and the jury is still out on the third.

Facebook's Image Problem

At the end of last year, we said it was imperative for Facebook to work hard to turn around its image after a scandal-plagued 2018. And it did: Facebook mounted an expensive TV ad campaign themed "More Together" and rebranded its apps to clearly indicate they are "from Facebook." It also began a large-scale test of removing likes from Instagram, which it believes will lead to more well-being among Instagram's users.

CEO Mark Zuckerberg also worked hard to polish the company's image. He appeared before Congress and in the op-ed pages of The Washington Post and other publications to plead the case that Facebook is serious about corralling its growing problems, ranging from data privacy to fake news and misinformation to market dominance questions.

But trust in Facebook remains low. An October 2019 eMarketer study conducted by Bizrate Insights found that just 19% of US internet users ages 18 and older trust Facebook with their personal information. That level of trust remained virtually the same across genders and age groups.

Do US Internet Users Trust Facebook with Their Personal Information?

% of respondents, by demographic, Oct 2019

Gender

Female

| 20% | 52% | 28% |

Male

| 18% | 58% | 24% |

Age

18-34

| 20% | 59% | 20% |

35-54

| 18% | 55% | 27% |

55+

| 19% | 52% | 30% |

Total

| 19% | 55% | 26% |

■ Agree   ■ Disagree   ■ Don't know

Note: numbers may not add up to 100% due to rounding
Source: "The eMarketer Facebook Flash Survey" conducted in October 2019 by Bizrate Insights, Oct 9, 2019

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Meanwhile, Facebook fell 16 places in Brand Key's annual Loyalty Leaders List, from No. 8 to No. 24. The August 2019 study asked respondents ages 16 to 65 to identify categories in which they were consumers and then assess individual brands within those categories.

News of a huge $5 billion fine didn't help Facebook's image either. The fine—the largest privacy penalty ever enacted by the Federal Trade Commission—came after a lengthy investigation into the company's practices. In addition to the fine, the ruling required enhanced external oversight of Facebook's practices and the creation of an independent privacy committee of Facebook's board of directors.

None of these developments bode well for Facebook's efforts to shore up trust with consumers, and the hard work will need to continue in 2020.

Grade: B for effort, C- for progress

Facebook's Video Platform Still Lags the Major OTT Players

We were accurately pessimistic last year about whether Facebook Watch and Instagram's IGTV could go head to head with the major over-the-top (OTT) players this year. There is little to show that either

service has gained much traction. And a new crop of entrants, from Disney+ to Apple TV+, will make it even tougher for Facebook's video properties to stand out.

Only 9% of US video streaming service users ages 15 and older surveyed by AudienceProject in Q3 2019 said they used Facebook Watch, unchanged from Q4 2018. Netflix, Amazon Prime Video, YouTube and Hulu remain the four dominant players. The survey was conducted among those who had used a streaming or downloading service to watch TV or movies in the week prior to being surveyed.

Video Streaming Services Used by US Video Streaming Service Users, Q2 2017, Q4 2018 & Q3 2019
% of respondents

	Q2 2017	Q4 2018	Q3 2019
Netflix	78%	79%	80%
Amazon Prime Video	42%	55%	60%
YouTube	56%	53%	48%
Hulu	31%	40%	44%
HBO Go	15%	13%	11%
HBO Now	14%	11%	11%
Google Play	14%	10%	9%
Facebook Watch	-	9%	9%
YouTube Premium	-	-	9%
iTunes	10%	10%	7%
Sling TV	5%	6%	5%
PlayStation Vue	6%	4%	3%
Other	11%	11%	9%

Note: ages 15+ who have used a streaming or downloading service to watch TV/movies in the past week
Source: AudienceProject, "Insights 2019: Traditional TV, online video & streaming - Disney+ special," Nov 13, 2019

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It's somewhat of a bright spot that Facebook Watch ranked higher than Sling TV or PlayStation Vue, which have been on the market longer (PlayStation Vue is shutting down in January, however), and only slightly lower than HBO's two streaming products.

But considering that Facebook Watch is free—as is IGTV—the lackluster uptake is still concerning heading into 2020.

Grade: D

From Public to Private Messaging

As 2018 ended, we were curious how Facebook would tackle the growth of private sharing in social media. We expected it would focus more attention on its smaller, messaging-oriented properties such as WhatsApp and Facebook Messenger, and that it would shift its attention away from the News Feed and toward Stories. We also questioned whether the introduction of ads on WhatsApp would change the way users perceived the messaging app.

Here, the jury is still out on Facebook's progress. While Facebook is still heavily focused on Stories, there are no signs that it's moving away from the News Feed. And WhatsApp didn't end up introducing ads this year; Status Ads are slated to appear in 2020.

The biggest news on this front was that in March 2019, the company announced a pledge to shift all of Facebook's apps toward private communications. The plan, as described by Zuckerberg, will be built around principles such as encryption, interoperability and secure data storage. But progress has been slow, and there are questions about whether encrypted messaging (which is what WhatsApp uses) is the right direction to go for Facebook's other apps, and about whether any of these moves will give users more privacy from Facebook's data gathering machine (not likely).

We suspect that the pivot toward private communication will take some time.

Grade: Since it's too early to give a letter grade, we'll just give it a P for passing.