Facebook's Trust Problem

Article

There's no question that Facebook had a pretty rough 2017.

Despite reporting strong financial growth and making attempts to expand its offerings beyond social media, the platform came under increasing fire from several quarters for various reasons, among them allowing offensive content to flourish and facilitating the purchase of discriminatory advertisements.

And then there's the issue of trust. Rightly or not, Facebook has been saddled with a reputation for serving as a conduit for "fake news," a phrase that itself has increasingly lost

real meaning over time.

Data from The Verge underscores Facebook's ongoing public perception troubles. In a survey of US internet users conducted in the fall of 2017 with the aid of Reticle Research, the level of trust engendered by Facebook trailed that of banks, Amazon, Google, Microsoft and Apple. In fact, the only entity that Facebook outperformed in that regard was Twitter.

The Verge also reported that Facebook's level of popularity among its survey sample also lagged behind other large tech firms, including Google, Amazon and Microsoft.

In addition, only about one-quarter of respondents said they felt Facebook's News Feed was more interesting or relevant to them than one year ago.

Extent to Which Their Newsfeed Has Changed This Year According to US Social Media Users, Oct 2017
% of respondents

Don't know 29.9%
More interesting/relevant 25.2%
Less interesting/relevant 14.8%
About as relevant 30.1%
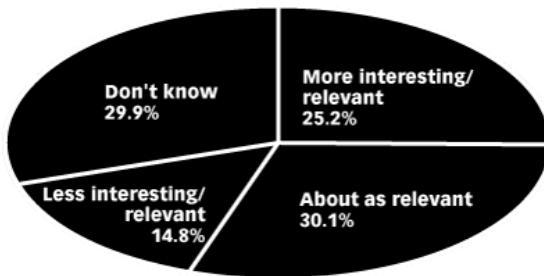
Note: items in newsfeed vs. last year; e.g., on Facebook or Instagram
Source: The Verge, "The Verge Tech Survey" conducted by Reticle Research, Oct 27, 2017
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www.eMarketer.com

A recent survey of US marketers from Society for New Communications Research of the Conference Board (SNCR) found that a substantial number of them—73%—felt social media platforms should take the lead in solving the problem of fake news. Only publishers and media companies received a higher response rate.

Despite these findings, eMarketer expects Facebook will continue to dominate US social network ad spending. eMarketer estimates the company will generate $21.57 billion in US ad revenues this year, accounting for almost 83% of total social media ad spending in the country.

But Facebook may face substantial challenges over the coming year as well. Regulators have indicated the firm is likely to face tougher scrutiny over issues such as user privacy and tax-reporting policies.