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**POV:** WHAT MARKETERS NEED TO KNOW  
ABOUT FACEBOOK'S LATEST NEWS FEED  
ALGORITHM UPDATE  
JULY 2016



# WHAT MARKETERS NEED TO KNOW ABOUT FACEBOOK'S LATEST NEWS FEED ALGORITHM UPDATE

## EXECUTIVE SUMMARY

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In late June, Facebook updated its [News Feed algorithm](#) to emphasize posts from users' friends and family. This move will inherently result in less emphasis being placed on content from publishers and brand pages, including photos, videos and links. Marketers with Facebook pages will likely see a small decline in organic page reach.



As part of this update, Facebook also introduced "News Feed Values," a new document that allows Facebook to be more transparent about its approach to the ranking algorithm.

While algorithm changes occur almost every month and are routine, the scope of this update and steps taken to increase transparency are noteworthy. This POV will address how the "News Feed Values" impact page reach and discuss implications for marketers.

## NEWS FEED VALUES

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We've always known Facebook's News Feed is powered by an algorithm. This algorithm uses a number of factors to display personalized content that Facebook thinks users will like. However, what those factors are and how they are weighted has mostly been a mystery.

"[News Feed Values](#)" gives marketers a glimpse into Facebook's process. This set of guidelines is what Facebook adheres to when it changes the algorithm. We've highlighted several of the most significant guidelines.

### **FRIENDS AND FAMILY COME FIRST**

"Facebook was built on the idea of connecting people with their friends and family," wrote Adam Mosseri, vice president of product management at Facebook. "That is still the driving principle of News Feed today."

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Facebook's research has shown that, after friends and family, users have two other expectations of their feeds:

- + **It should be informative** — People highly value stories they consider informative. These stories could be posts about a current event, a famous celebrity, local news or a recipe. What one person finds informative may be different from what another finds informative.
- + **It should entertain** — Facebook will try to predict what users want to spend their time reading and watching to serve them more relevant content in the future.

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### **USERS CONTROL THE EXPERIENCE**

Facebook has incrementally given users more control of their feeds over the past few years. Last year, Facebook introduced [News Feed Preferences](#) to help users choose the friends and pages they would like to “See First” in their feeds. As News Feed evolves, Facebook will continue to provide users with more powerful tools to personalize their experiences.

This update solidifies that Facebook intends on cultivating good user experiences in the News Feed.

### **AUTHENTIC COMMUNICATION**

Feedback from News Feed surveys indicates that authentic stories are the ones that resonate the most. Facebook strives to understand what kinds of stories people find misleading, sensational or spammy to show less of that content moving forward.

The introduction of “News Feed Values” is itself a welcome step toward authenticity and transparency for marketers. Facebook came under fire earlier this year for a lack of



transparency about how it chooses stories for Trending Topics. Brands can finally gain some understanding about how their content will be ranked in News Feeds.

## IMPLICATIONS FOR MARKETERS

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There is no question that this update puts some marketers in a tough spot. The algorithm shift continues a trend years in the making — organic reach has declined and the platform is “pay to play.”

Facebook anticipates that “this update may cause reach and referral traffic to decline.”

However, News Feed algorithm updates ultimately improve the user experience and keep more users coming back more frequently. This creates a larger audience for marketers to target both organically and through paid media.

Facebook acknowledges that there will be more competition for News Feed real estate for brands. In turn, Facebook has made it easier for brands to advertise on the platform. The infamous “20% text” rule, designed to limit the amount of text in ad images, is no more. Facebook’s [updated policy](#) on branded content makes it easier for brands to see returns on native and paid advertising.

Facebook is trying to balance between content that is interesting and relevant to users and content that is valuable for advertisers. Brands should continue to create content that informs or entertains to engage with users and limit any potential page reach declines.

Marketers who may be impacted by this change should consider adding paid media to their marketing mix. Intouch expects Facebook to keep adding new paid opportunities, ad units and ad formats for brands in the coming months.

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