

“Facebook Paid Ads had Little Impact on Consumers”

General Motors confirmed that it is pulling its advertising from Facebook because it determined paid ads had little impact on consumers. GM had been spending about \$10 million on paid advertising and \$30 million on unpaid marketing on Facebook.

“We are reassessing our Facebook advertising, but we remain committed to very aggressive social media strategies and will continue to push content on Facebook through our product and brand Facebook pages,” GM spokesman Patrick Morrissey told AFP.

GM's pullback comes as other marketers are questioning the value of paid ads on Facebook despite the vast amounts of time huge numbers of consumers spend on the site.

The US auto giant is the third largest advertiser in the United States with expenditures of \$1.8 billion in 2011, according to Kantar Media.

"As good as Facebook has been at evolving to serve consumers, that's how bad it's been at serving marketers," Forrester analysts Nate Elliott and Melissa Parrish said in a blog post. "Somehow Facebook still hasn't stumbled upon a model that's proven consistently successful for marketers, or that brings in the massive revenues to match the site's massive user base."