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How Carolyn Everson made Facebook an ad juggernaut, with ski trips, cocktails, and exclusive clubs

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- Facebook went from a college-networking site into a \$70 billion digital-ad machine by cultivating close relationships with top marketers and the agencies that manage their multibillion-dollar budgets.
- The company developed its ad business gradually and sold marketers on a cheap product with unprecedented growth and scale.
- It hired executives away from Google and mimicked its approach by dedicating teams to individual brands and agencies.
- The 2011 hire of Carolyn Everson and her development of Facebook's exclusive client council and Marketing Partners groups further cemented its status as an indispensable ad tool.
- Facebook also used industry events like Cannes and CES, as well as ski trips, to develop personal connections without the flashier perks offered by TV-network salespeople.
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In just over 15 years, Facebook has grown from a college-networking site into a \$70 billion digital-ad machine.

Facebook achieved this unprecedented growth in large part by developing deep relationships with some of the big brands — like Coca-Cola, Starbucks, and Verizon — that are [boycotting its platform](#), as well as the ad agencies that hold the keys to their multibillion-dollar budgets.

A Facebook spokeswoman said, without going into detail, that this story mischaracterized "some elements about the history of our business."

"We have a proven track record of working in close partnership with the advertising industry and together will continue to focus on what's ahead," she said.

Facebook sold advertisers on scale

Facebook made itself indispensable by selling sheer scale — even as advertisers complained it wasn't transparent enough with its data.

In 2008 and 2010, Facebook hired away two key executives from its rival Google: Chief Operating Officer Sheryl Sandberg and Chief Revenue Officer David Fischer. In 2011, it hired former MTV and Microsoft sales executive Carolyn Everson, who became the face of the company's ad business as vice president of global marketing solutions.

Everson cozied up to ad agencies

Facebook created teams dedicated to specific agencies and clients called global marketing solutions. Everson started Facebook's client council and the Facebook Marketing Partners program, which brought advertisers and company leadership closer together.

The client council is a group of marketers and agency executives with outsized influence over Facebook's advertising business, and it has since expanded to include regional and specialty units around the world. The Marketing Partners are companies that have been certified by Facebook as experts in using its ad products.

"The development of the client council created a 'club' that informed advertisers but effectively sold Facebook innovation and insulated Facebook when issues like reporting errors cropped up," said Rob Norman, an adviser to GroupM, the largest ad-buying network.

People involved in both groups signed nondisclosure agreements — which Facebook said is standard industry practice — in exchange for an early look at Facebook features and ad tools before public release. CEO Mark Zuckerberg attended the first council meeting in 2011 via videoconference. Members got a hoodie and T-shirt, which mimicked Zuckerberg's de facto uniform, as swag.

A former holding-company executive said Facebook used the council to shape press coverage, explaining problems to clients in a positive way and encouraging members to be sources for reporters.

"Carolyn changed the understanding of agencies as second-class citizens at Facebook," Craig Atkinson, the chief client officer at digital agency Tinuiti, said.

Agency executives said while Google's sales pitch was based on numbers, Everson's appeal was more emotional. When Facebook went through crises over inflated video metrics, data privacy, and hate speech, Everson was there to reassure clients and do damage control.

"Does Carolyn need to be as close as possible to me and others? Absolutely," a holding-company executive who has been involved in several calls about the boycott said. "If I didn't know her, I would be attacking her."

Mark Zuckerberg speaks at the Cannes Lions festival in 2010.
Sebastien Nogier/Reuters

Facebook went straight to company CMOs

Along with agencies, Facebook also went directly to advertisers.

Chris Cox, Facebook's vice president of product at the time, and other executives met with Unilever's marketing team in May 2010. It was the first time Facebook had reached out to a major advertiser without an agency present, and ad execs feared the platform would threaten their livelihoods.

Matt Britton, the CEO of the consumer-intelligence firm Suzy and founder of the digital agency MRY, said he invited a Facebook rep to a 2011 meeting with Johnson & Johnson and was surprised to see three sales people show up.

"I felt like they were trying to take money away from us," he said. "They needed to get to the source, and the source is the CMO."

Facebook used soft power to woo advertisers

The more time agencies and clients spent with Facebook, the less attention they paid to its competitors. Everson courted advertisers by hosting parties at major industry events like the Cannes Lions festival and CES, where Facebook and Omnicom Media Group cosponsor an invite-only cocktail event every year.

Everson takes industry leaders, like WPP's global chief client officer, each winter on multiday trips to the Deer Valley Ski Resort in Park City, Utah. Attendees can take in screenings of the latest movies, spa treatments, guided mountain tours, skiing sessions, and dinners in Park City every night, a media buyer who has been on these trips said. Everson also regularly invites a small number of the most important executives, like holding-company CEOs, to her home in Beaver Creek, Colorado.

The former CEO of a holding-company agency said she never accepted these invites because she didn't want to feel obligated to direct her clients' money toward Facebook. But Everson found other ways to cater to executives like her, by hosting events with the

professional women's group Fast Forward and inviting clients and agency leads to attend with a friend.

Facebook turned off its spigot as it became a major ad player

Facebook's pitch to advertisers paid off early on — in 2006, the holding company IPG spent \$5 million to acquire 0.4% of the company.

Facebook sealed the deal with advertisers by hooking them with the ability to reach audiences at minimal expense, then charging them for that reach.

During Facebook's first marketing conference at New York's American Museum of Natural History in February 2012, Sandberg and Everson announced new premium ad products and guaranteed that a majority of brands' fans would see their messages — for a cost.

Clients realized they'd spent millions to acquire fans that they were only "renting."

"They flipped the switch, and there was Carolyn ready to take your money," the CEO of the holding company agency said.

Facebook went public less than three months later.

By this point, advertisers had little choice but to work with the biggest social platform. General Motors' chief marketing officer announced that his company would stop advertising on Facebook and found himself out of a job by the end of the year.

Facebook's dock at Cannes 2017.

Eric Gaillard/Reuters

Facebook's business has shifted toward small advertisers

Even as they demanded more accountability from Facebook, big advertisers poured money into multiyear deals that gave them preferential pricing and access to new ad formats. Publicis Groupe pledged to put \$500 million into Facebook in 2014, AdAge reported at the time. Two years later, the snack giant Mondelez bumped up its spend in 52 countries.

Agencies and clients tried to get an in with Facebook by taking part in projects like its mid-2010s "clean room" program that let firms and clients access internal anonymized data on ad campaigns, as long as that information stayed within Facebook's walls. Omnicom was the first holding company to participate.

A Facebook spokeswoman said this was a pilot program that didn't confer any special advantage. An Omnicom spokeswoman declined to comment.

At the same time, Facebook let anyone run ads on the platform, which made it hard for big brands and agencies to gain a strategic edge.

As the recent boycott has underscored, Facebook depends more on small and midsize advertisers than on big agencies and their clients. The 100 top-spending advertisers represent just 6% of its annual revenue.

And those smaller companies continue to spend, while major firms like Dentsu's 360i and IPG Mediabrands have actively encouraged clients to join the boycott.

Several people said the boycott was a way for execs to express years of frustration with Zuckerberg and his team over their lack of transparency, among other issues. But Facebook wouldn't have become the juggernaut it is today without their help.

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