

Facebook Loses Money Following User Information Leak

Posted May 7, 2018

Category : Business

Unlocking Word Meanings

Read the following words/expressions found in today’s article.

- 1. **massive** / 'mæʃɪv / (adj) – very large in amount or degree
Example: There is a **massive** amount of information about medicine available online.
- 2. **lucrative** / 'luːkrəˈtɪv / (adj) – profitable
Example: If you want to make money, invest in a **lucrative** company.
- 3. **take a hit** / ˈteɪk ə ˈhɪt / (idiom) – to experience damage or loss
Example: Our product sales **took a hit** when the quality issue came up.
- 4. **wake-up call** / ˈweɪk ʌp kɔːl / (n) – anything that makes someone understand a problem or danger fully
Example: The shooting incident was a **wake-up call** for the government.
- 5. **mitigate** / ˈmɪtɪˌɡeɪt / (v) – to lessen the severity of something
Example: We need to come up with ways to **mitigate** the risk of hacking.

Article

Read the text below.

Facebook shares have recently suffered a **massive** loss after the media reported that a third party was able to access its users’ personal information.

In 2017, Facebook was one of the most **lucrative** companies in the world, with its stock increasing by 53%. However, the social media company **took a hit** after it was reported that Cambridge Analytica illegally accessed Facebook’s user information. Cambridge Analytica allegedly used the information to create profiles of American voters, which were used to help Donald Trump win the 2016 US Presidential Election. Because of this, Facebook not only lost \$100 billion, it also lost the trust of Americans.

To address the issue, Facebook founder and CEO Mark Zuckerberg promised to fix the problem. The company also ran advertisements in several newspapers in the United States to express its apology.

However, one investor from New York called for organizational changes in Facebook. He said that the issue serves as a **wake-up call** to social media and Internet companies. This investor also said that Facebook should have independent officers who are experts in data usage and ethics to **mitigate** the risk of personal information misuse.

Despite the issue, some experts believe that investing in Facebook is still a good idea. For instance, a global Internet analyst believes that investors will earn from buying Facebook stocks because people around the world still use it.

SimilarWeb, a market intelligence platform, supports this idea. The company reported that Facebook usage worldwide is still the same and is not greatly affected by the personal information leak in the United States.

Viewpoint Discussion

Enjoy a discussion with your tutor.

Discussion A

- Do you agree that it is still a good idea to invest in Facebook? Why or why not?

- What other things can Facebook do to regain the trust of its investors and users?

Discussion B

- What would you do if the social media you are using leaked users’ personal information?

- What can other online businesses do to avoid a similar issue?