

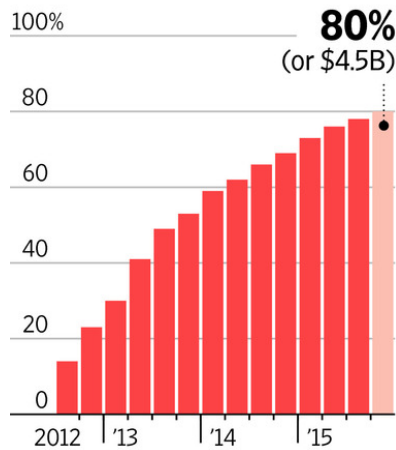
Facebook Profit Tops \$1 Billion

https://www.wsj.com/articles/facebook-profit-tops-1-billion-1453929139?mod=Searchresults_pos2&page=1

Updated Jan. 27, 2016 10:45 pm ET

- RBC Capital Markets analyst Mark Mahaney said, "2015 was the year that Facebook went from being an experiment to a must-buy for advertisers."

Facebook's mobile ad revenue as a share of total ad revenue



Source: the company

THE WALL STREET JOURNAL.

- For most of past year, [Facebook's spending outpaced its revenue growth](#), as the company accelerated hiring and invested in projects such as virtual reality, artificial intelligence and delivering Internet access to remote areas.
- In the latest quarter, however, that dynamic reversed: Revenue rose 52% to \$5.84 billion, from \$3.85 billion. Costs, meanwhile, rose 21%.
- Behind the investor enthusiasm: Facebook still has many untapped revenue drivers at its disposal, including video, messaging and virtual reality, analysts say. Facebook users watch 100 million hours of video on the social network every day, Chief Executive [Mark Zuckerberg](#) said during a conference call with analysts.
- "This is all the very beginning, video is barely monetized right now and the other platforms are barely monetized," said Jan Rezab, founder of Socialbakers, a social-media metrics company. "Video is only at 20% at what it can be."

★ Facebook, Google Tighten Grip on Mobile Ads

https://www.wsj.com/articles/facebook-revenue-rises-39-1438200350?mod=Searchresults_pos3&page=1

Updated July 29, 2015 7:52 pm ET

- Analysts estimate that consumers spend between one-fifth and one-third of their time on mobile devices on Facebook-owned apps. Users now spend more than 46 minutes a day on average on Facebook and its other properties, including Facebook Messenger and photo-sharing app Instagram, Chief Executive [Mark Zuckerberg](#) said.
- Market researcher eMarketer says that together, Facebook and Google will capture more than half of the \$69 billion world-wide mobile-advertising market this year. Google leads, with 35% share, but Facebook is growing faster.
- Facebook's results stand in contrast to other tech firms that increasingly rely on mobile users and advertisers for growth. TwitterInc.'s shares tumbled 14% Wednesday after it reported a weak gain in new users. Investors also punished [Yelp](#) Inc., sending its shares down 25%, after the online reviews site lowered its revenue outlook.
- Beyond mobile ads, Facebook and Google increasingly compete in areas ranging from streaming video to virtual reality and search. Mr. Zuckerberg told analysts on a conference call that Facebook users now conduct about 1.5 billion searches a day. Facebook has indexed more than two trillion posts.

- Facebook also said it would start sharing ad revenue with video creators in a bid to attract more high-quality videos to the social network and grab a piece of advertisers' television budgets.
- In fact, Facebook today resembles even more closely a younger Google—growing rapidly with enviable profit margins.

★ Facebook Pushes Speedier News Publishing

https://www.wsj.com/articles/facebook-pushes-speedier-news-publishing-1431559007?mod=Searchresults_pos12&page=1

Updated May 13, 2015 8:46 pm ET

- Facebook Inc.'s move to directly host news articles marks Silicon Valley's latest attempt to appeal to impatient mobile consumers.
- On Wednesday, the company announced an initiative, dubbed Instant Articles, in which nine media organizations will publish content directly on Facebook's iPhone app, rather than just links. Participants include the [New York Times](#), National Geographic and BuzzFeed.
- Facebook said this experiment will allow users to access articles about 10 times faster than they can now. The average load time? Just eight seconds, Facebook said. But for smartphone users, that's a lifetime.
- Faster downloads can help Facebook bolster its dominance on mobile devices, where users increasingly spend their time. Having users stick around longer would give the social network better data on its users, which it could then parlay into showing users more relevant—and lucrative—ads.
- A recent Pew Research Center study said nearly two-thirds of American adults own a smartphone, up from just over a third in the spring of 2011. A separate Pew study found 39 out of 50 news sites have more traffic coming from mobile users than from desktop.
- It also offers closer ties with the social network that is the leading source of referrals to their sites; some say Facebook accounts for as much as 70% of their traffic.
- To entice publishers, Facebook is allowing them to keep all the revenue from any ads they sell to accompany their content. Publishers can sell excess ad inventory through Facebook's advertising network and keep 70% of the revenue.
- But many publishers are wary of Facebook's growing power as a portal for news on smartphones, heightened by their lack of control over the algorithm that governs users' newsfeeds. Facebook has a history of tweaking the algorithm in response to user complaints, which in turn took a toll on publishers' online traffic and advertising dollars.
- Tech companies long ago drew a connection between slow loading speeds on the Internet and their bottom lines. In 2006, [Amazon.com](#) Inc. said previously a delay of even one-tenth of a second in loading its website nipped about 1% from its sales. In 2009, [Google](#) Inc. said slowing search results by 100 to 400 milliseconds—less than half a second—meant users conducted between 0.2% and 0.6% fewer searches.

☑ Facebook Advances Bazaar Ambitions

https://www.wsj.com/articles/facebook-advances-bazaar-ambitions-1441323353?mod=Searchresults_pos13&page=1

Sept. 3, 2015 7:35 pm ET

- The social network is making it easier for its 1.49 billion users to buy, sell and trade used items from cars to waffle irons through a Facebook group.
- The move is Facebook's latest advance into commerce. Last month, it said it was testing a way for businesses to sell items through their Facebook pages. In March, Facebook said it would allow users to track online orders through its Messenger app.
- "Why should you leave [Facebook] just go buy something?" said Mr. Solis.
- For now, Facebook isn't generating revenue from For Sale Groups. It isn't charging either listing or transaction fees.

- Facebook's push pits it against eBay and Craigslist, which have far more experience linking buyers and sellers. EBay says it has about 800 million items listed globally.

Facebook Policies Taken to Task in Report for Data-Privacy Issues

https://www.wsj.com/articles/facebook-policies-taken-to-task-in-report-for-data-privacy-issues-1424725902?mod=Searchresults_pos14&page=1

Feb. 23, 2015 4:11 pm ET

- A report commissioned for Belgium's privacy watchdog on Facebook Inc.'s revised policies and terms-of-use concluded that they give users a false sense of control over their data privacy, and that the Silicon Valley social-network company is acting in violation of European privacy law.
- A Facebook spokesperson said the company recently updated its terms and policies to make them more clear and concise, to reflect new product features, and to highlight how the company was expanding people's control over advertising.
- "As a company with international headquarters in Dublin, we routinely review product and policy updates, including this one, with our regulator, the Irish Data Protection Commissioner, who oversees our compliance with the EU Data Protection Directive as implemented under Irish law."
- The commission's main concerns were about software additions to browsers, called plug-ins, advertising and the sharing of photos through WhatsApp and Instagram, companies that Facebook now owns, the spokeswoman said.
- The report said Facebook places too much burden on users to navigate a complex web of settings, including for privacy, apps, advertisements and followers. Facebook's default settings related to behavioral profiling or social ads, for example, are particularly problematic, it said. Opt-outs for sponsored stories or collection of location data aren't provided, it said.
- "Any 'like' may become a trigger to portray a user in a 'Sponsored Story' or Social Ad. From the latter one can opt-out, but the only way to stop appearing in Sponsored Stories, is by stopping to 'like' content altogether. Users are even more disempowered because they are unaware about how exactly their data is used for advertising purposes," the report said.

✓ Facebook's Free Internet Access Program in Developing Countries Provokes Backlash

https://www.wsj.com/articles/facebook-free-internet-access-program-in-developing-countries-provokes-backlash-1443119580?mod=Searchresults_pos18&page=4

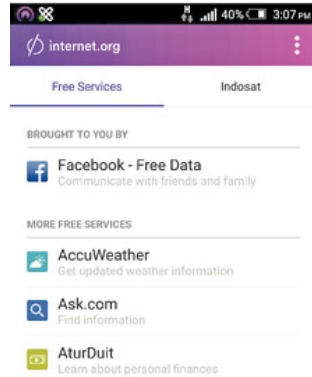
Sept. 24, 2015 at 2:33 pm ET

- But after testing it, the 24-year-old student from a mining town on the eastern edge of Borneo soon deleted the app, called Internet.org, frustrated that he was unable to access [Google](#).com and some local Indonesian sites.
- Mr. Gery's reaction illustrates the unexpected criticism Facebook has encountered to its bold initiative to bring free Internet access to the world's four billion people who don't have it, and to increase connectivity among those with limited access. He is one of many users who say a Facebook-led partnership is providing truncated access to websites, thwarting the principles of what is known in the U.S. as net neutrality—the view that Internet providers shouldn't be able to dictate consumer access to websites.

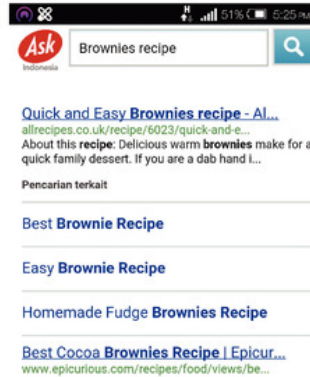
Facebook's Free Web Access App

Facebook teams up with telecom operators in developing countries to provide free Web access via a special smartphone app and browser for feature phones.

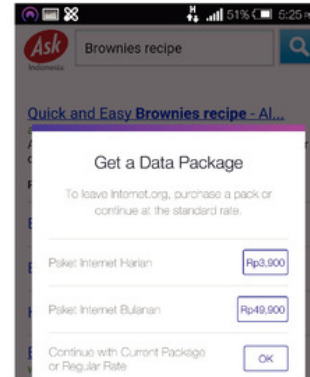
1. In Indonesia, users are given access to Facebook, the company's Messenger app, Wikipedia, job listings and more.



2. Information like weather and sports news is also available. Google is not on the platform, but users can search Ask.com.



3. When users click to view websites outside the platform, they are prompted to pay for the data.



Photos: Resty Woro Yuniar/The Wall Street Journal

THE WALL STREET JOURNAL.

- Users with data-enabled feature phones can access a special website through a mobile browser, while those with smartphones can download the app from Google's Play Store. Though arrangements vary by country, the Internet.org app typically provides a simplified, low-data version of Facebook, its Messenger service and selected local websites offering services like jobs, health information and sports updates. Facebook says it works with mobile operators, which provide free data, and governments to pick sites for the platform.
- But criticism about the initiative has placed Facebook in an awkward position. The social network along with other tech companies like Amazon.com Inc. and Twitter Inc. are members of the U.S. industry group Internet Association, which advocates for net neutrality, among other issues. In markets like Indonesia and India, critics say Facebook is more interested in controlling which websites users can tap into than in ensuring free Internet access. "It's not Internet.org. It's walled garden.org," said Sunil Abraham, head of the Bangalore, India-based Center for Internet and Society.
- On Thursday, Facebook said it was changing the name of the Internet.org app and mobile website to Free Basics by Facebook in order to better distinguish it from the company's wider Internet.org initiative. Asked whether the change was related to criticism of the project, a Facebook spokeswoman said that the name will "more intuitively describe the product to consumers."

Facebook Connection

The U.S. company's Internet initiative aims to provide free Web access to users in developing countries.

Web usage by country as a percentage of population



Top five countries by total Facebook users, in millions



Sources: World Bank (web usage); We Are Social (users) THE WALL STREET JOURNAL.

- Search results on Ask.com—which is available via the platform in Indonesia—can be viewed free of charge, but users incur a data fee when clicking through to websites not included in the initiative. Facebook notes that Google and [Microsoft Corp.](#)'s Bing search engine are a part of the program in some countries, but not Indonesia.
- soon after the backlash in India, Facebook began to open up its program to outside developers as long as their sites were compatible on both feature phones and smartphones and worked in low-bandwidth conditions.
- Some mobile operators are expecting to benefit from Internet.org, providing data free of charge in hopes that low-income users will become hooked on Internet connectivity and ultimately pay for data plans.
- "The common interest between us and Facebook is they want to get the number of Facebook customers up," said Mr. Rusli. "We don't mind pushing their agenda because we know Facebook customers tend to be more sticky," or inclined to use data services more frequently. He added that his company tries to steer clear of the net-neutrality debate.

Facebook Looks to Bring Virtual Reality to Mobile Devices

https://www.wsj.com/articles/facebook-looks-to-bring-virtual-reality-to-mobile-devices-1442178190?mod=Searchresults_pos15&page=4

Sept. 13, 2015 at 5:03 pm ET

- The social network is working on a stand-alone video app that would support 360-degree or "spherical" videos, people familiar with the matter said. The format, typically compiled from multiple cameras, allows users to change their viewing perspective by tilting their phones.
- As conceived, the app would work on many platforms including Apple Inc.'s devices and those using Google Inc.'s Android operating system. Development of the app is in early stages and it is unclear when or if the app will launch.
- In March, Mr. Zuckerberg said Facebook would support spherical video in its news feed, saying users would be able to "move around inside the video and view it from different angles."
- Oculus is expected to ship a consumer version of its Rift headset in the first quarter of next year. Mr. Zuckerberg hopes the Oculus headset will power a host of new "immersive" experiences, from virtual doctor appointments to live concerts to courtside seats at a basketball game.

- A mobile-video app would offer a less immersive experience than a headset. But an app would help extend Facebook's presence in virtual reality beyond Oculus and introduce the technology to a much larger audience.
- Deutsche Bank estimates Oculus will sell about 1.5 million headsets next year. By comparison, world-wide mobile phone shipments will exceed two billion that same year, according to market-research firm Gartner.

★ Chat Apps Take a Swipe at Facebook

https://www.wsj.com/articles/new-apps-take-a-swipe-at-facebook-1436397615?mod=Searchresults_pos13&page=4

July 8, 2015 at 7:20 pm ET

- Five years ago, Justin Pak primarily used Facebook to keep tabs on friends and family. Now the 28-year-old New York brand strategist favors any of the six messaging apps on his phone.
- Facebook Inc. popularized the notion of an online social network a decade ago. Now, the rapid rise of messaging services is changing social networking, as users increasingly communicate one-to-one, rather than the one-to-many more common on Facebook.
- Six of the world's 10 most-used apps are messaging services, according to data startup Quettra. On average, messaging apps are used an average of almost nine times a day, compared with 1.9 for all apps, according to the Flurry mobile-analytics unit of Yahoo Inc.
- Inside Facebook, Deutsche Bank estimates that users tap its WhatsApp and Messenger texting apps 25 to 30 times a day, compared with 15 for the main Facebook feed. Analysts expect WhatsApp to reach a billion users by early next year, seven years after it began—two years faster than Facebook itself hit that mark.
- "We believe that messaging, it's one of the few things that people actually do more than social networking," Facebook founder and Chief Executive [Mark Zuckerberg](#) said during a public question-and-answer session last year.
- Still, the shift poses risks for Facebook, which makes money by inserting advertising in users' "feeds" of posts by their friends. Many messaging apps don't show messages in a similar stream, making it more challenging to display ads.
- Some Asian messaging services generate revenue in other ways. Roughly 550 million people in China turn to [WeChat](#) each month to keep tabs on friends, play mobile games and watch NBA games, with parent [Tencent Holdings](#) Ltd. getting a cut when users make purchases of real or virtual goods. It also places ads in its "Moments" feed, which is similar to Facebook's news feed.
- Line, which is popular in Japan, Taiwan and Thailand, makes money through in-app purchases and by selling packs of online stickers for about \$1.99 apiece to its 205 million monthly active users.
- So far, such initiatives don't generate anywhere near as much revenue as Facebook ads. Line, WeChat and Korea's KakaoTalk collect \$1.50 to \$3 a year per monthly active user, according to RBC Capital Markets analyst Mark Mahaney. That is less than one-third of Facebook's \$9.45 in revenue per monthly user in 2014.
- On average, though, Facebook users are sharing less. Roughly 42% of Facebook users said they posted a status update or commented on the social network in the first quarter—down from 69% in the first quarter of 2013, according to surveys by market researcher GlobalWebIndex.
- "The rise of Messenger, WhatsApp and others is causing behaviors on 'traditional' networks to become much more passive," said Jason Mander, head of trends for GlobalWebIndex. "We're not leaving sites like Facebook per se, but we are using them for fewer things."

Is Facebook Friend or Foe for Telecom Operators?

https://www.wsj.com/articles/is-facebook-friend-or-foe-for-telecom-operators-1425258983?mod=Searchresults_pos6&page=4

Updated March 1, 2015 at 8:24 pm ET

- They contend that Internet giants like Facebook Inc. and [Google Inc. GOOG 2.36%increase; green up pointing triangle](#) are profiting handsomely at their expense. The Internet companies offer apps that let users circumvent network operators to make phone calls and send text messages free. They also cash in on the traffic for their ads.
- The telecom operators say this strategy upends the economics that make investing in Internet infrastructure viable.
- “Mark Zuckerberg is like the guy who comes to your party and drinks your champagne, and kisses your girls, and doesn’t bring anything,” says Denis O’Brien, chairman of Digicel Group, a wireless provider in 33 countries in the Caribbean, South America and elsewhere.
- Tensions between Internet companies and the telecom industry aren’t limited to the margins of the connected world. European telecom carriers routinely complain that companies like Google are getting a free ride. In the U.S., carriers lost a high-profile battle over so-called net neutrality last week, when the Federal Communications Commission decided to reclassify their networks as utilities.
- But the issue is especially acute in the developing world, where carriers make less money from wireless Internet service and still depend heavily on phone and text services for revenue.
- Facebook says it can help get more people online without additional construction. Over 90% of the world’s population already lives within range of some type of Internet signal, the company says, yet only about a third of those people use the Internet because they don’t understand the value. It says the best way to demonstrate the benefits is for wireless carriers to let subscribers access Facebook without charge.
- Tigo, Millicom’s operator in Paraguay, offered users free access to Facebook for six months in 2013 and increased its number of mobile data users by 30%. Four out of every 10 of those new users stuck around to pay for mobile Internet service, said Mario Zanotti, the operator’s head of Latin America.

★ Facebook’s Facial Recognition Is Latest AI Step

https://www.wsj.com/articles/facebook-facial-recognition-is-latest-ai-step-1435099738?mod=Searchresults_pos20&page=3

Updated June 23, 2015 at 10:49 pm ET

- Facebook Inc. says it has developed a way to recognize people in photos even if their faces are obscured.
- Facebook said it can identify individuals with 83% accuracy using a method dubbed PIPER, an acronym for pose invariant person recognition.
- The method also allows Facebook to identify someone partly through their social circles,
- The technology could help Facebook develop more products akin to its newly launched photo-sharing app Moments, which uses face recognition to group images based on who is in each photo.
- In the future, this technology could help advertisers, law-enforcement officials and academics mine photos for clues about a person’s activities, interests and social circles, experts said.
- “If you have people’s faces recognized without their consent, you’re violating their right to a private life,” said Mike Weston, chief executive of London-based data-science consulting group Profusion.

☑ Facebook to Beef Up Messenger Mobile App

https://www.wsj.com/articles/facebook-to-beef-up-messenger-mobile-app-1427313825?mod=Searchresults_pos9&page=3

March 25, 2015 at 4:03 pm ET

- Facebook Inc. unveiled plans on Wednesday to beef up its Messenger mobile application to allow users to book reservations, track online orders and send custom videos, a push to make the app a tool for commerce.
- The social-networking company also announced an embedded video player that will make it easier for users and publishers to host Facebook videos on their pages, and it launched a tool to help businesses track mobile ads’ effectiveness.
- “Moving from just being a single service to a family of world-class apps to help people share in different ways is the biggest shift in our strategy to connect people in many years,” Chief Executive [Mark](#)

[Zuckerberg](#) told roughly 2,500 attendees at Facebook's annual F8 developers' conference in San Francisco.

- On Wednesday, Facebook said about 40 other apps now connect to Messenger through the Messenger Platform, including e-commerce companies Zulily Inc. and Everlane.
- Executives laid out a vision in which consumers can shop online and buy items by sending a thumbs-up icon, a feature that could keep users in the app for longer periods. The initiative is led by David Marcus, who was hired from [eBay](#) Inc.'s [EBAY 2.21%increase; green up pointing triangle](#) PayPal unit last year to run Messenger.
- Opening Messenger to businesses offers a communication tool between companies and customers to supplement email.
 - Opening Messenger to businesses offers a communication tool between companies and customers to supplement email.

For Facebook, Mobile Has 'Super Bowl' Reach

https://www.wsj.com/articles/for-facebook-mobile-has-super-bowl-reach-1443557111?mod=Searchresults_pos1&page=3

Sept. 29, 2015 at 4:05 pm ET

- Mobile represents the fastest adoption of communications technology ever and fundamentally changes marketing because it allows brands to push out very personalized ads to users, Ms. Sandberg said. Still, the mobile shift hasn't quite happened for marketers, she said, noting that brands still spend nine times more on print than they do on mobile right now.
- One in five minutes of time users spend on their smartphones in the U.S. is spent on Facebook or photo-sharing app Instagram, which Facebook purchased in 2012. Facebook boasts 4 billion video views a day while Instagram recently unveiled it has hit 400 million users. To attract more advertisers, Facebook is working on third-party verification and offers different ways to buy inventory, Ms. Sandberg said. The company is also looking to improve the creative of ads served to consumers, with products such as Custom Audiences and improved targeting.
- while mobile advertising spending is on the rise, there remains a discrepancy between the percentage of marketers' ad budgets allocated for mobile and consumers' time spent on these devices.
- "If I think about where mobile is right now, it feels a little like we're in kindergarten and still have a lot to learn," Ms. Cacy said. "It's not a knock on the industry, we're still playing around with it."

Facebook Expands Ad Network to Mobile Web

https://www.wsj.com/articles/facebook-expands-ad-network-to-mobile-web-1453824114?mod=Searchresults_pos19&page=2

Jan. 26, 2016 at 11:01 am ET

- Facebook will now help publishers sell advertising on their mobile websites, potentially broadening its footprint in mobile advertising.
- Facebook's Audience Network product previously sold and placed ads into mobile applications, but it will now include support for mobile websites, too, the social network and online advertising company announced Tuesday.
- That's good news for publishers that wish to work with the company to sell their ad space but garner most of their traffic from mobile websites instead of apps. Many publishers have struggled to generate significant advertising revenues from their mobile Web properties to date.
- "Mobile Web was a huge ask for publishers because it's hard for them to monetize their supply and to deliver relevant ads there," he added.
- During a study conducted in June 2015, comScore found 93% of visits to 25 news publishers came through mobile Web browsers, compared with 7% of visits from apps. The mobile Web accounted for 55% of time spent.

- Facebook said multiple publishers have already tested its mobile Web ad services, including Hearst, Slate, Answers.com, Elite Daily, Dibly, Cracked, Vuclip, La Place Media, USA Today Sports Media Group and Time Inc.
- Facebook keeps a cut of the ad revenue it generates through the Audience Network, with the remainder being passed to publishers.
- In terms of ad formats, publishers will have the opportunity to serve typical banner ads to mobile Web users through the Audience Network, but Facebook said it expects so-called “native” formats to perform better for publishers and advertisers alike. Publishers will have the ability to customize their ad units to match the look and feel of their mobile sites.
- Facebook said native formats make up more than 80% of the impressions across the Audience Network today and perform up to seven times better than standard banner formats.
- According to Mr. Boland, Facebook expects the addition of mobile Web support to help grow its Audience Network further, but that depends largely on publishers choosing to participate. Some publishers have expressed concerns about leaning on Facebook to help sell their ad space, particularly since they already rely on the company to drive large amounts of their mobile traffic.

Facebook Hires Former FCC Chairman Kevin Martin

https://www.wsj.com/articles/facebook-hires-former-fcc-chairman-kevin-martin-1431471208?mod=Searchresults_pos18&page=2

May 12, 2015 at 6:53 pm ET

- Facebook Inc. hired former Federal Communications Commission Chairman Kevin Martin to manage the social network’s mobile and global access policy from Washington.
- Facebook, like other big tech companies, has stepped up its presence in Washington in recent years, and spent \$9 million last year on lobbying efforts around issues including immigration, according to the Center for Responsive Politics.
- Mr. Martin, who served on the FCC from 2001 to 2009 and as chairman from 2005 to 2009, had advised Facebook for the past two years on policy issues related to connectivity, use of radio spectrum, and mobility, while at law firm Squire Patton Boggs.

Ask M for Help: Facebook Tests New Digital Assistant

https://www.wsj.com/articles/ask-m-for-help-facebook-tests-new-digital-assistant-1447045202?mod=Searchresults_pos16&page=2

Nov. 9, 2015 at 12:00 am ET

- What if you could replace most of your web searches and apps with a single interface that just gets things done? That is the premise of Facebook’s new “M”—a “digital assistant” available through its chat app, Facebook Messenger.
- Still in beta, M is only available to approximately 10,000 people in the Bay Area.
- If M works, it could mean Facebook will open up a major new front in its battle with Google for your attention, and in the process give the social-networking site access to a gigantic pool of direct-response advertising dollars that has so far eluded the company.
- Plenty of companies are trying to get to this future, and their products include Apple’s Siri, Microsoft’s Cortana and the voice-recognition systems Google integrates into its apps and operating systems.
- Facebook already has several advantages over these. The first is that unlike voice-driven systems, chat is already a familiar interface for billions of people. The [total number of people using messaging services](#) is more than 2.5 billion, and estimated to grow to more than 3.6 billion by 2018, according to Michael Wolf, chief executive of tech consulting firm Activate. The second is scale, since Facebook messenger already has more than 700 million users. This yields Facebook’s third advantage, which is that with access to so many users, Facebook has a plausible way to get the gigantic quantity of conversational data required to make a chat-based assistant sufficiently automated.

- At present, says Alexandre Lebrun, who heads the Facebook team that built the artificial intelligence for M, humans participate in answering requests sent to Facebook's M. These requests can take almost any form, from asking M to make you a restaurant reservation to sending your friends a parrot.
- M is watching humans handle requests that M itself isn't yet smart enough to handle, and every day it learns a little more and gets a little better at handling those requests,
- even as Facebook has kept the number of humans "powering" M more or less constant, progress made by its underlying algorithm allows Facebook to roll it out to more people every day, on account of the increased automation.
- The key technology here isn't the AI that powers M—the underlying code and algorithms are largely open source, says Mr. Lebrun—but the data Facebook is accumulating from every conversation.
- if M can handle at least 80% of user requests on its own, "we have a very scalable solution." The most frequent requests are the most easily automated, he adds.
- A [2014 report from eMarketer](#) puts the share of digital advertising that goes to direct response ads at 59%. In other words, if Facebook can convince people to use a digital assistant like M instead of a search engine, it more than doubles the size of the ad market Facebook can capture and the gains, most likely, would come at Google's expense.
- M also has the potential to open up Facebook to the same scrutiny faced by search engines before—namely, how can we trust the results?
- Ted Livingston, CEO and founder of Kik, a popular messaging app, says his own company is working on "bots" that allow people to interface not just with the Internet but with things in the real world, like menus at restaurants. Kik's solution presents users with a straightforward set of preprogrammed choices.

Facebook Prods Users to Share a Bit More

https://www.wsj.com/articles/facebook-prods-users-to-share-a-bit-more-1446520723?mod=Searchresults_pos13&page=2

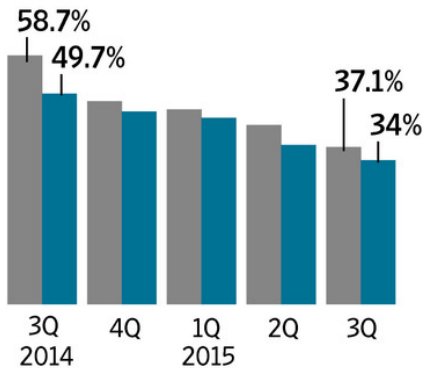
Updated Nov. 13, 2015 at 12:01 am ET

- Surveys show users post less often on the social network, which relies on users for an overwhelming majority of its content. In the third quarter, market researcher GlobalWebIndex said 34% of Facebook users updated their status, and 37% shared their own photos, down from 50% and 59%, respectively, in the same period a year earlier.
- Facebook users still visit the network often. Some 65% of Facebook's 1.49 billion monthly users visited the site daily as of June. But these days, they are more likely to lurk or "like" and less likely to post a note or a picture.
- If fewer users post, "Facebook can potentially seem quite dry or quite boring," said Jason Mander, head of trends at GlobalWebIndex.
- So Facebook is fighting back with new features. Since May, the social network has placed prompts related to ongoing events at the top of some users' news feeds, aiming to spur conversations. The prompts are partly based on a user's likes and location, according to Facebook and companies working with Facebook.
- A Facebook spokesman said the company is testing "timely reminders about things people might want to post about." So far, the response rates have been "excellent," the spokesman said, declining to provide specifics.

Social Slippage

Surveyed Facebook users are posting with less frequency.*

- Uploaded and shared my own photos
- Updated my profile status / posted a comment about what I'm doing



*Quarterly poll of 50,000 Internet users, approximately 40,000 of which are Facebook users.

Source: GlobalWebIndex

THE WALL STREET JOURNAL.

- There is surprisingly little data about how often users post on Facebook. Analysts define “engagement” as the share of monthly Facebook users who check the network daily, but that doesn’t reflect what users do on the site.
- Mr. Mander said Facebook’s efforts may be gaining traction. In the third quarter, 50% of those polled by GlobalWebIndex said they were active or contributed to Facebook, up from 42% in the first quarter.
- Facebook has introduced other features to encourage sharing, including new emojis that give users a wider range of expressions beyond “like.” In March, Facebook launched “On This Day,” a feature that lets users relive and share past posts.

Tencent Likes Facebook’s Success

https://www.wsj.com/articles/tencent-likes-facebooks-success-1426746064?mod=Searchresults_pos12&page=2

March 19, 2015 at 2:21 am ET

- the diversified Chinese Internet giant company is explicitly copying Facebook’s advertising strategy
- Until now, Tencent’s main strategy for making money on WeChat has been to use it as a platform to distribute mobile games.
 - This approach seems to be [hitting some limits](#). After all, not everyone plays smartphone games, and even fewer people pay real money for virtual items within those games. Developers also need to constantly crank out new games to keep users interested.
- WeChat is often compared with Facebook’s WhatsApp, a pure chat tool. But WeChat also has Facebook-like social networking features. Since January, Tencent has been experimenting with placing ads in its “moments” feed, which is similar to Facebook’s timeline, where users share updates, news and photos with friends.
- But investors shouldn’t expect quick results. For one thing, while Facebook’s timeline is its primary feature that users are obsessed with, WeChat’s moments page is secondary to its primary function as a chat app.

Facebook Director Sells Nearly Half His Stake

https://www.wsj.com/articles/facebook-director-sells-nearly-half-his-stake-1447168207?mod=Searchresults_pos11&page=2

Nov. 10, 2015 at 10:10 am ET

- The sales represent about 45% of what had been Mr. Andreessen's personal holdings in Facebook.

Facebook Adds Tool to Detect Unauthorized Posts of Video

https://www.wsj.com/articles/facebook-moves-to-help-sift-out-unauthorized-video-1440973693?mod=Searchresults_pos8&page=2

Aug. 30, 2015 at 6:28 pm ET

- Facebook Inc., under fire from top Web-video creators who say it fails to prevent their videos from being posted without permission, is trying to make it easier for them to protect their content, particularly when videos go viral.
- Until now, Facebook has relied on technology partner Audible Magic to help it identify unauthorized video content through audio fingerprinting. But that effort hasn't been effective in quelling the recent chorus of complaints.
- The new technology isn't fully automated. Creators will have access to a Web-based dashboard that will allow them to identify videos they would like to monitor. If the system finds a matching video on Facebook, the creator has the option of reporting the clips to the company.
- The system puts the burden of finding violations on the creators, in contrast to Google's Content ID. That software product, which has been around since 2007, finds videos posted without permission and flags them automatically.
- It is possible that repeat offenders could be blocked from posting videos or photos to Facebook, said a person familiar with the matter.
- Even as video has exploded on Facebook over the past year, generating four billion streams a day, many YouTube stars have been cool to the platform. One reason: Facebook doesn't offer them a way to make money.

Facebook Takes On New Role: Marketing Consultant

https://www.wsj.com/articles/facebook-takes-on-new-role-marketing-consultant-1426036185?mod=Searchresults_pos4&page=2

March 10, 2015 at 9:09 pm ET

- Facebook Inc. has found a new use for its trove of user data: helping companies get feedback on their products and glean information that can refine their marketing.
- The social network said Tuesday it is launching a product called Topic Data that companies can use to see what Facebook users are saying about such things as brands, products, events and activities. The idea is to let companies tap Facebook's vast knowledge of what its users like, say and do.
- Facebook said all the information is anonymized and aggregated, and that it won't disclose any data that can be traced to particular users.
- Facebook has teamed with social-data company DataSift to provide access to the data. DataSift will pull information from the social network and make it available to analytics firms, and they then can analyze, present and sell it to their clients as they see fit.
- Facebook isn't currently charging DataSift for access to the data, although it may in the future. The companies say DataSift will charge analytics firms for Topic Data based on the volume of information they request.
- Businesses already are using data collected from other social networks to look for clues to consumer behavior and tastes. Companies such as StockTwits and DataMinr track social-media services such as Twitter Inc. with the goal of providing insights for clients in finance, media and the public sector, for

example. Twitter said it generated \$47 million from “data licensing and other revenue” during the fourth quarter of 2014. Facebook’s Topic Data could potentially be used for similar purposes.

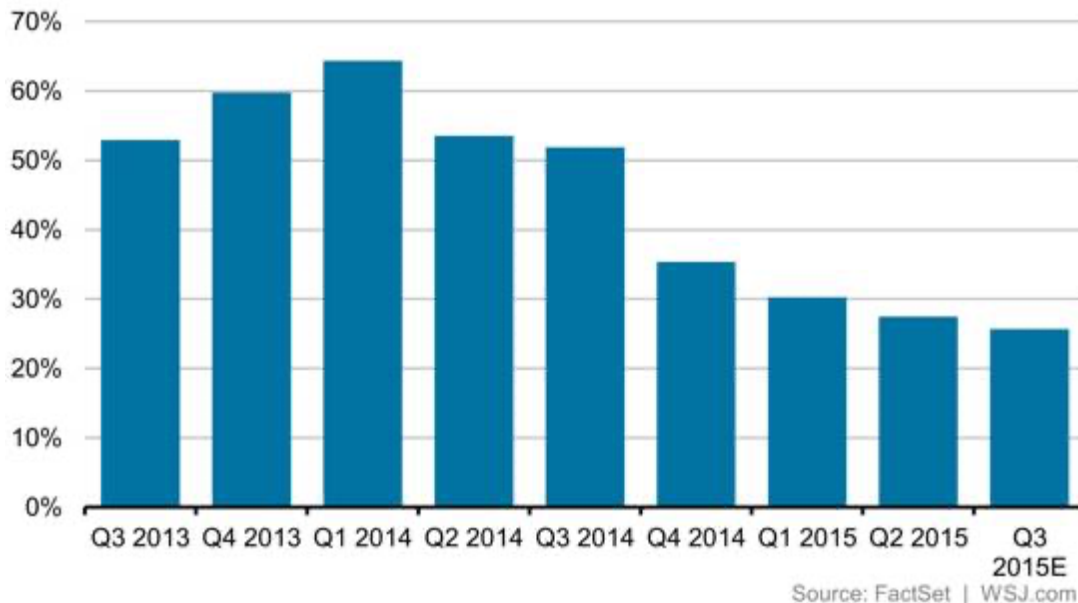
Facebook: Is the Writing on the Wall?

https://www.wsj.com/articles/facebook-is-the-writing-on-the-wall-1446577237?mod=Searchresults_pos1&page=2

Nov. 3, 2015 at 2:00 pm ET

Timeline History

Facebook revenue growth per share



- Such data points are what get investors excited about the value of advertising revenue on Facebook. [Research from eMarketer](#) predicts 38% growth in the value of mobile advertising in 2016 and 21% in 2017 with Facebook’s share holding steady at around one-fifth of the total.

Facebook to Share Ad Revenue With Video Creators

https://www.wsj.com/articles/facebook-will-sharead-revenue-1435790090?mod=Searchresults_pos17&page=1

Updated July 1, 2015 at 10:38 pm ET

- Facebook said it would begin sharing ad revenue with video creators, a move designed to attract more polished content and more ads. If successful, the effort will make Facebook a more serious threat to [Google](#) Inc.’s YouTube in online video.
- Until now, Facebook has slotted video ads into users’ news feeds. The new feature, called Suggested Videos, will include ads between professionally produced content from major media companies, much like TV advertisements.
- The revenue-sharing model Facebook unveiled Wednesday is similar to YouTube’s, in that Facebook will keep 45% of the revenue. Unlike YouTube, however, video producers on Facebook will have to split their share more ways, potentially leaving them with a smaller cut.
- Under the new program, mobile users who view a video in their news feed will then be directed to videos that Facebook thinks they might be interested in. Video ads will be interspersed among these videos, much like TV commercials. Initial media partners include the National Basketball Association, Hearst Corp., Fox Sports, Funny or Die and Tastemade.
- Early reaction from marketers was generally positive. They said they liked that their ads could potentially be shown alongside the type of high-quality content they typically align themselves with on TV, rather than inserted, potentially out-of-context, in the news feed.

- Another big draw for advertisers is that the sound for their ads will be switched on by default, a welcome shift for those who have bemoaned the fact that auto-play ads on Facebook have been muted until now.
- But there was skepticism as well. Mr. Rupczynski questioned how many users would go “deeper and deeper” into Facebook’s video channel.
- “Facebook will need to make sure that it has mechanisms to manage copyright and piracy issues as well as move advertisers beyond the traditional TV/video metrics like reach and frequency to engagement and affinity,” said Aaron Goldman, chief marketing officer for 4C Insights.
- During the first few months, Facebook won’t charge advertisers for ads shown, so there won’t be any revenue to share. Mr. Rose said Facebook will watch how users react to the feed and later set up a way to package and price the ads.

Facebook Woos Chinese Advertisers

https://www.wsj.com/articles/facebook-woos-chinese-advertisers-1427659098?mod=Searchresults_pos16&page=1

March 29, 2015 at 3:58 pm ET

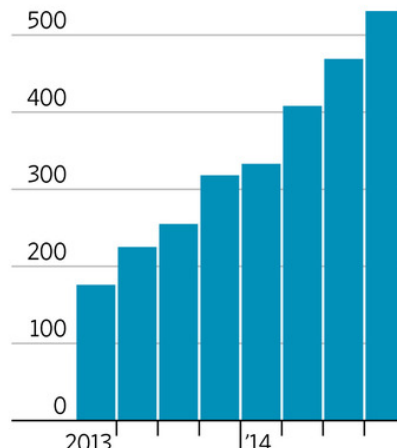
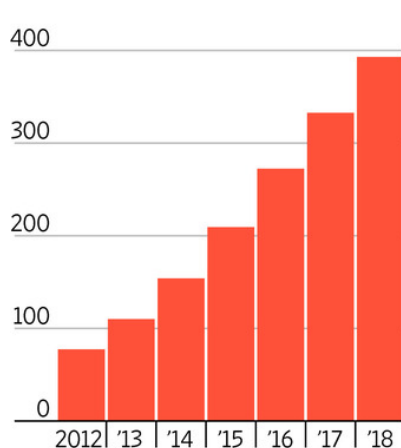
Facebook Stays in the China Game

Online advertising growth on the mainland is too good for the social-media giant to pass up

China’s online ad revenue estimates **Facebook’s Asia-Pacific ad revenue**

500 billion yuan

\$600 million



Note: 100 billion yuan = \$16.1 billion

Sources: iResearch Global (China’s ad revenue); Facebook (Asia’s ad revenue)

THE WALL STREET JOURNAL.

- Facebook Inc. is hiring in Hong Kong, has tapped a second local partner to reach advertisers and is waging a charm campaign to draw more business from Chinese companies, even though Chinese users can’t access its service. The aim is to pitch Chinese companies to the benefits of reaching Facebook’s 1.39 billion active monthly users beyond China’s borders.
- Other companies whose services are blocked are also intensifying competition on the mainland. [Google](#) Inc., [GOOG -3.16%decrease; red down pointing triangle](#) which pulled some of its services out of China five years ago over censorship concerns, unveiled a Chinese-language developer channel on YouTube last month and recently opened up its Google Play store to Chinese app developers. This month, Twitter Inc. opened its first Hong Kong office with an eye toward gaining more advertising business in China.
- The ramp-up comes as Facebook intensifies its efforts to someday enter China. Beijing has banned Facebook, Twitter and other foreign social-media services.

- It isn't clear whether the push is resonating in Beijing. Chinese officials have tightened their grip on cyberspace in recent months, including a renewed push to force Internet users to give up their anonymity and to suppress content that they deem to be rumors.
- Chinese companies that use Facebook appear unfazed by the government's stance. "Companies here look at advertising from a pragmatic perspective and say, 'Is this the way to accomplish our business goal?'" Mr. Crampton says. "If it is, let's do it."
- PZoom, one of two authorized resellers that have helped Facebook boost its ad revenues in China.
- MeetSocial, an affiliate of ad agency Shanghai TianQing Info Tech Co., became the second mainland Facebook reseller last year in a process that was "a lot like dating,"
- MeetSocial and PZoom get commissions from Facebook and charge service fees to clients that are usually based on a percentage of the company's ad spending. Facebook partners usually earn anywhere from 10% to 15%, depending on the work level involved, according to people familiar with the industry.

Facebook Focuses on Emerging Markets for New Products

https://www.wsj.com/articles/facebook-focuses-on-emerging-markets-for-new-products-1445363303?mod=Searchresults_pos15&page=1

Oct. 20, 2015 at 1:48 pm ET

- the company's road map is shaped by how Facebook is used in countries such as Indonesia, India, Thailand and Myanmar, places where the service is popular but connections are often poor.
- Mr. Cox said the enhancements aim to make Instant Articles "a more regular part of the daily experience."
- More than 80% of Facebook's users are outside of the U.S. and Canada, and the company has taken a series of steps in recent years to shore up connectivity in its fastest-growing markets.