

★ Instagram Unveils Instagram Stories

http://www.wsj.com/articles/instagram-unveils-instagram-stories-1470146403?reflink=desktopwebshare_permalink

Aug. 2, 2016 at 10:00 am ET

- Instagram is ripping a page from Snapchat's playbook to encourage its 500 million users to post more often. The lure: photos that disappear.
- The [photo-sharing app](#), a unit of Facebook Inc., Tuesday unveiled Instagram Stories, a feature that lets users post photos that vanish after 24 hours.
- The move is an acknowledgment that many people, especially teenagers, reserve Instagram for their best photos, while using rival Snapchat, an app where photos disappear, to post everyday moments. Instagram's new feature is meant to alleviate the pressure to perform.
- Instagram Stories appear in a row at the top of a user's feed. Tapping a circle reveals an array of photos that other users posted over the last 24 hours, from oldest to newest. Instagram also allows users to block some users from seeing images posted as a story, a feature not available in the main feed.
- For now, Instagram won't show ads within this feature. Instagram shows ads in its main feed.
- Unlike the main Instagram feed, there is no way to "like" or "comment" on photos in stories; a user only sees who viewed these images, an attribute borrowed from Snapchat. "Not having feedback is important for Instagram because it is a contrast to the highly pressurized space of a feed where it's all about did this get enough likes, is this good enough?" Mr. Systrom said.
- The move comes as Snapchat appears to be gaining traction, especially among teens. Snapchat eclipsed Instagram in an April Piper Jaffray survey of American teens. According to the semiannual survey, 28% of more than 6,530 teens polled said the disappearing photo app was their top social network, edging out Instagram with 27%. Six months earlier, 33% of teens ranked Instagram first and 19% favored Snapchat.
- The pressure to attract "likes" on Instagram is so great that teens often delete photos that don't fare well. One internal survey showed some teens delete about half the photos in their Instagram feeds, according to a person familiar with the data. Mr. Systrom declined to confirm the figure, but said "deletions are fairly high" among Instagram users when photos don't get enough likes or teens no longer feel the photos reflect their lives.
- Still, Instagram users have been posting more photos and spending more time in the app in recent months, executives say. Facebook Chief Executive [Mark Zuckerberg](#) last week said activity had increased after Instagram adopted an [algorithmically driven feed](#).
- The new feature is an attempt to promote even more sharing. If users post one photo a week on Instagram, Mr. Systrom hopes they will post five to 10 a day with Instagram Stories.
- Stories already mentioned launch in company outlook information.

Facebook Takes Further Steps to Reduce 'Clickbait'

http://www.wsj.com/articles/facebook-takes-further-steps-to-reduce-clickbait-1470330002?reflink=desktopwebshare_permalink

Updated Aug. 4, 2016 at 3:02 pm ET

- Starting Thursday, the social network is altering the formula for its news feed to punish publishers that churn out vague or misleading headlines designed to lure users into clicking.
- The latest tweak to Facebook's news feed targets two types of headlines—those that "withhold information" and those that "exaggerate or mislead" users—said Adam Mosseri, Facebook product manager for news feed, in an interview.
- The changes apply to headlines on links to text articles but not videos.
- In Facebook surveys, users complain about posts with enticing headlines that ultimately disappoint the reader. But many of its 1.7 billion users can't help but click on such headlines.
- Over the past 2 ½ years, Facebook has attempted to squash clickbait by pushing it down the news feed, while also promoting what it describes as "high-quality" content.

- To devise its new formula, Facebook created guidelines around what constituted clickbait and then asked employees to classify tens of thousands of headlines as clickbait or not. Facebook used this data to build software that reads every headline and gives it a score based on how similar it is to clickbait.

★ Facebook Will Force Advertising on Ad-Blocking Users

http://www.wsj.com/articles/facebook-will-force-advertising-on-ad-blocking-users-1470751204?reflink=desktopwebshare_permalink

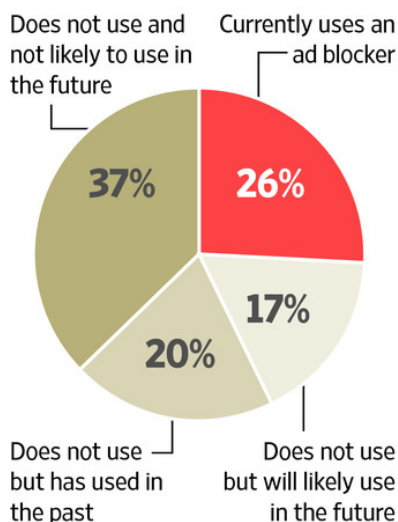
Updated Aug. 9, 2016 at 4:55 pm ET

- Facebook is going to start forcing ads to appear for all users of its desktop website, even if they use ad-blocking software.
- The social network said on Tuesday that it will change the way advertising is loaded into its desktop website to make its ad units considerably more difficult for ad blockers to detect.
- User adoption of ad-blocking software has grown rapidly in recent years, particularly outside of the U.S. According to estimates by online advertising trade body the Interactive Advertising Bureau, [26% of U.S. internet users now use ad blockers](#) on their desktop devices. Facebook declined to comment when asked on what portion of its desktop users have ad-blocking software installed.
- With the move, Facebook risks turning off some of its 1.7 billion monthly users who prefer not to see ads while browsing the internet. But users are more likely to access Facebook's app on smartphones and tablets, which are less susceptible to ad blocking than personal computers. Facebook will not circumvent ad blockers on mobile devices.
- Facebook stands to gain financially from showing ads to ad-blocking users. On the company's second-quarter [earnings call in July, Facebook executives said](#) its "ad load"—the volume of ads its users typically see—was in a "good zone." That means it doesn't think it can push many more ads to users than they already see during the time they are spending on the social network.
- Mr. Bosworth acknowledged that forcing ads onto people who have attempted to avoid them could irritate those users, but he said the company has invested heavily in ensuring advertising on Facebook is "uninterruptive" and relevant. Facebook is also introducing more ways for users to control the type of advertising they see on the service.

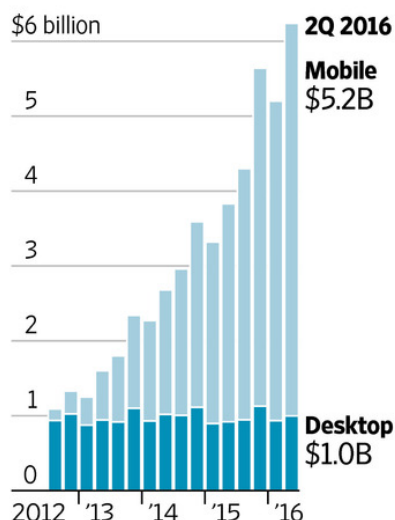
Blocking the Ad Blockers

According to a recent study 26% of U.S. internet users use ad blocking software on desktop devices. Facebook gets most of its ad revenue from mobile but will circumvent ad blocking on its desktop service.

Survey of ad blocking use*



Facebook ad revenue



*1,292 computer users surveyed.

Sources: Interactive Advertising Bureau; the company

THE WALL STREET JOURNAL.

TV Companies Resist Facebook Video Deals

http://www.wsj.com/articles/tv-companies-resist-facebook-video-deals-1470823203?reflink=desktopwebshare_permalink

Aug. 10, 2016 at 6:00 am ET

- Facebook has been courting premium content owners for its “Suggested Videos” feature and Facebook Live, its new live-streaming product, people familiar with the matter say. Media companies want to partner with Facebook to get in front of a massive pool of viewers on their phones, but they have serious concerns about Facebook’s proposed deal terms and its recent algorithm changes for how content surfaces in users’ News Feeds.
- One major sticking point for TV channel owners: Facebook wants its ad sales force to be in charge of selling ads against TV companies’ videos. That could mean that a Facebook sales rep would be able to court a media buyer by highlighting, for example, a clip from CBS’ “The Late Show with Stephen Colbert,” just like CBS does – a prospect that spooks TV channel owners.
- When the NFL auctioned streaming rights for Thursday Night Football, Facebook kicked the tires (Twitter [won the deal in April](#)). Still, NFL executives are concerned that Facebook hasn’t shown appreciation for the value of premium content, both in its proposed deal terms and algorithm tweaks.
- Though the NFL was an early Facebook video partner – the two [struck a deal in late 2014](#) – the agreement wasn’t renewed after it expired. Other sports leagues like Major League Baseball and Major League Soccer have struck deals with Facebook and say they are pleased with early results.
- Television companies, which are grappling with an exodus of younger viewers from traditional cable TV, could also benefit from such a massive platform. Many of them, including Disney and NBCUniversal, are dabbling in limited ways. NBCU’s E! channel is [making five original series](#) for Facebook Live, and Disney has a test with “Suggested Videos” for some ABC and Freeform content.
- But those companies haven’t reached formal, overall deals with Facebook. TV executives say they’ve been put off by the tech company’s constantly-shifting goalposts and its failure to articulate a clear path for content owners on how they’ll make money from participating in its video offerings.
- Last summer, Facebook unveiled “Suggested Videos,” which presents Facebook users with a collection of videos and ads after they click to watch a publisher’s video in their feed. But Facebook’s proposed ad model – where it takes a 45% cut and divvies up the rest among the publishers, based on time spent watching – [fell flat with big TV companies](#).

Publishers Flock to New Instagram Stories

http://www.wsj.com/articles/publishers-flock-to-new-instagram-stories-1470999602?reflink=desktopwebshare_permalink

Aug. 12, 2016 at 7:00 am ET

- Media firms are flocking to the new [Instagram Stories](#), and that includes many of the same companies that are part of select group of publishers creating content for Snapchat Discover.
- Since Instagram introduced Stories less than two weeks ago, a flurry of media companies including CNN, Food Network, People, Comedy Central, Cosmopolitan and Tastemade have taken to regularly producing Stories, and some say they are seeing solid early viewership numbers. AwesomenessTV, which caters to teens and tweens, has even run one of the first ads on the platform.
- But they differ from the more professionally produced Snapchat Discover, which allows a limited list of approved media partners to post scheduled, pre-produced collections of content that often features unique Snapchat-esque animation.
- Since Instagram Stories launched Aug. 2, [Time](#) Inc. has been aggressively testing it, particularly with coverage of the Rio Olympics. For example, its brand Sports Illustrated has been posting images from various Olympic venues to Instagram Stories. Entertainment Weekly is planning to use the format on Friday to reveal this week’s cover featuring “Fantastic Beasts” star Eddie Redmayne. Earlier this

week, [People produced an Instagram Story from Rio with members of NBC's "Today" show](#), including Hoda Kotb, that generated over 100,000 views, according to a Time Inc. spokeswoman.

- Instagram Stories are designed for less-polished and less-perfected content, which is also an appeal for publishers. Users don't even have an option to like the posts, removing some of the pressure.
- The fact that Instagram is showcasing Stories along the top of a user's feed at the moment is helping to drive early consumption, publishers say. Mashable's first Instagram Story generated approximately 30,000 unique viewers, more than double what the site sees on an average video posted to Instagram, said a spokesman. Similarly, Food Network says that its Stories have regularly exceeded 100,000 views and that the audience is being accumulated much faster than the network's average Instagram post.
- Publishers say that Instagram has provided solid access to data and measurement early on. But unlike the average Instagram post, Instagram Stories aren't necessarily designed to be shared—whereas Snapchat Discover content can be shared within Snapchat.
- Of course, comparing Instagram Stories with Snapchat Discover is a bit apple and oranges. Both apps claim huge daily audiences: Snapchat reaches 150 million people a day, while Instagram says it reaches 300 million daily users. Snapchat Discover, however, provides a unique, stand-alone section of its app specifically to showcase media partners' content, and Snapchat delivers ads into Discover content that either Snapchat or the partners can sell.

★☑ WhatsApp to Share User Data With Facebook

http://www.wsj.com/articles/whatsapp-to-share-user-data-with-facebook-1472137680?reflink=desktopwebshare_permalink

Updated Aug. 25, 2016 at 3:50 pm ET

- The messaging service WhatsApp will start sharing phone numbers and other user data with Facebook Inc., a moneymaking strategy that strays from its promise that little would change when the app was acquired by the social network in 2014.
- [In a blog post Thursday](#), WhatsApp said its first update to its terms of service and privacy policy in four years will allow coordination with Facebook to analyze how people use its service, better fight spam and make friend suggestions.
- "Even as we coordinate more with Facebook in the months ahead, your encrypted messages stay private and no one else can read them. Not WhatsApp, not Facebook, nor anyone else," WhatsApp said in the blog. "We won't post or share your WhatsApp number with others, including on Facebook, and we still won't sell, share, or give your phone number to advertisers."
- Jan Koum, WhatsApp's founder and chief executive, said the app would experiment with new monetization models in January while announcing the messaging app's plans to drop its subscription fee—the app's only source of revenue at that point.
- Facebook, which generates the vast majority of its revenue from ads that appear in its news feed, is exploring ways to generate revenue from its stable of apps, including photo-sharing app Instagram, virtual-reality company Oculus VR and its other messaging app, Facebook Messenger. Facebook's monetization plan for Messenger also relies on connecting businesses with users, although it hasn't generated revenue from these efforts yet.
- Under the changes to WhatsApp, Facebook will now be able to recognize when someone is using its main service as well as WhatsApp. By sharing a phone number with Facebook, WhatsApp said, the social network can improve on friend suggestions and show relevant ads. WhatsApp claims it can better fight spam using more personalized data from Facebook.
- Other Facebook apps such as Instagram might use WhatsApp data in the same way. Facebook doesn't plan to integrate WhatsApp and its other messaging service, Messenger.

☑ Facebook Scaling Back Human Intervention of 'Trending' Feature

http://www.wsj.com/articles/facebook-scaling-back-human-intervention-of-trending-feature-1472246994?reflink=desktopwebshare_permalink

Aug. 26, 2016 at 5:29 pm ET

- Facebook Inc. said Friday it is letting software almost entirely drive what appears in its “trending” feature, scaling back the human intervention that led to allegations of political bias earlier this year.
- The social media giant said it is eliminating the descriptions that have typically accompanied the topics and headlines that appear in the “trending” feature, which is distinct from the Facebook news feed. Those descriptions were written by contract workers hired by Facebook called “news curators.”
- Now, instead of a story description, users will see just a hashtag or a topic and a tally of how many other are talking about that particular topic online based on original posts as well as articles and posts shared by users on the topic—similar Twitter Inc.’s trends lists.
- Users see different subjects in their trending feature depending on data Facebook has collected about them: their likes, location and other topics they have clicked on.
- Facebook said there are still people involved in selecting what appears as a trending topic. Their job will be making sure that a topic deserves to “trend” by making sure it is tied to a current news event, among other things. For example, usage of the hashtag #lunch spikes around lunchtime every day, but won’t appear in this feature.

★ Facebook Share Count Glitch Highlights Publishers’ Reliance on Social Network’s Data

http://www.wsj.com/articles/facebook-share-count-glitch-highlights-publishers-reliance-on-social-networks-data-1472500393?reflink=desktopwebshare_permalink

Aug. 29, 2016 at 3:53 pm ET

- Some online publishers and developers were surprised in recent weeks when Facebook seemingly cut off access to information they use to help gauge the performance of content across the social network.
- Data wasn’t being received from Facebook’s “Graph API” feature, which publishers use to help understand how links to articles are being distributed and engaged with across Facebook. Some publishers also use the information to display a counter on their website pages that shows the number of shares links to their articles, videos and other content receive across Facebook.
- After being contacted by The Wall Street Journal about publishers’ concerns, Facebook said the halted data was an unintended glitch, introduced as part of an update on Aug. 8 to “application programming interface” technology, through which Facebook shares data with third-party developers and publishers.
- Many publishers and media companies now rely heavily on Facebook to distribute links to their content, and the glitch was a reminder of how much they rely on the social network for information about how it performs. Without data from Facebook, they have little insight into how their website content is being shared across the social network, and whether it is resonating with readers and viewers.
- Some publishers have expressed concerns that Facebook will begin to limit the amount of data it shares with them about links back to their websites and instead provide more robust data only for content posted natively. That could potentially push media companies to publish more of their content directly to Facebook through initiatives such as Instant Articles.

Facebook to Allow Users to Trigger ‘Safety Check’ Feature

http://www.wsj.com/articles/facebook-to-allow-users-to-trigger-safety-check-feature-1472502618?reflink=desktopwebshare_permalink

Updated Aug. 29, 2016 at 4:56 pm ET

- Facebook Inc. said Monday that it is planning for communities to be able to trigger its “safety check” function instead of the social media giant having sole control over it during a disaster, reinforcing its stance that it is merely a platform.

- Facebook has faced criticism that it applies the “safety check”—which lets users in a designated area mark themselves as “safe” on their Facebook profiles—unevenly, favoring some countries over others. Facebook employees have used the tool after recent terrorist attacks in Europe and Pakistan, and last week following [the earthquake in Italy](#).
- The change shifts the sensitive decision of which incidents merit the safety check from Facebook’s responsibility. “The next thing we need to do is so communities can trigger safety check themselves when there is a disaster,” Mr. Zuckerberg said Monday during a town hall question-and-answer session during a visit to Italy.
- “We are a technology company, not a media company,” Mr. Zuckerberg said at the meeting, which was streamed live on his Facebook page Monday. “We build tools, we do not produce any of the content.”

In Apple’s Wake, Facebook’s Tax Arrangements in Ireland Raise Questions

http://www.wsj.com/articles/in-apples-wake-facebooks-tax-arrangements-in-ireland-raises-questions-1472584789?reflink=desktopwebshare_permalink

Aug. 30, 2016 at 3:19 pm ET

- The European Union [demanded Tuesday that Apple pay Ireland \\$14.5 billion in back taxes](#), after ruling that a deal with Dublin allowed the company to avoid almost all corporate taxes across the entire bloc for more than a decade.
- Ireland’s tax deal with Apple raises questions about Facebook’s tax arrangements in the country, where the social network has major operations.
- Facebook’s tax practices are already under investigation in the U.S. Last month, the [Internal Revenue Service sued Facebook for documents](#) related to how it transferred some assets to Ireland in 2010. The IRS said it suspected that Facebook’s accountants had undervalued some of the assets by “billions of dollars.”
- Facebook said in a quarterly filing in July that it [could be on the hook for \\$3 billion to \\$5 billion in additional taxes](#) as a result of this IRS investigation.

Instagram Finally Brings Image Zoom to Apps, But It’s a Letdown

http://www.wsj.com/articles/instagram-finally-brings-image-zoom-to-apps-but-its-a-letdown-1472668214?reflink=desktopwebshare_permalink

Aug. 31, 2016 at 2:30 pm ET

- Zoom. It’s one of the biggest requests Instagram users make of Facebook Inc.’s photo-sharing app. And starting Wednesday, people can get a closer look at photos and videos, using the familiar “pinch” gesture. For something so eagerly awaited, however, it’s a disappointment.
- The image resolution doesn’t change as you enlarge it—the close-up just looks grainier and more pixelated.
- The reason? Every photo and video you share on Instagram is scaled to a [width between 320 and 1,080 pixels](#). If your photo or video has a width of more than 1,080 pixels (as most modern cameras these days do), Instagram downscales your photo or video as it process your visuals to be shared in its social network. For comparison’s sake, photos shared to the Facebook app are scaled to a width of between [720 pixels and 2,048 pixels](#), depending on the size of your original image.
- The new zoom feature works on every photo and video in the app, except those shared to Instagram stories—the social network’s new Snapchat-rivaling feature that lets users [post photos and videos that disappear after 24 hours](#).

Facebook Pushes Advertisers to Speed Up Their Mobile Sites

http://www.wsj.com/articles/facebook-pushes-advertisers-to-speed-up-their-mobile-sites-1472673181?reflink=desktopwebshare_permalink

Aug. 31, 2016 at 3:53 pm ET

- Facebook wants advertisers to speed up their mobile websites and plans to limit where and when ads appear across its service if they point users to slow-loading sites.
- Advertisers might soon find their ads aren't delivered to mobile users with slow internet connections, for example, if their websites load slowly when users tap on those ads.
- "Many businesses haven't optimized their website for mobile yet and still have very slow loading times. This can lead to negative experiences for people, and problems for businesses such as site abandonment, missed business objectives and inaccurate measurement," the post said.
- As much as 40% of website visitors abandon a site once there has been a loading delay of 3 seconds, Facebook said, citing a report by technology research company Aberdeen Group.
- For its part, Facebook said it would begin "prefetching" advertisers' websites to help speed up their loading times even further.
- This will essentially involve Facebook's app pre-loading a version of an advertiser's site before a user even taps on an ad, which Facebook said can shorten mobile site load time by up to 29%, improving the experience and decreasing the risk of the consumer leaving the page and moving on to something else.
- Advertisers won't need to opt-in to have their sites preloaded by Facebook, nor will they have the option to opt-out. Facebook will determine which content it will preload, based on how likely it believes users are to tap on different ads.
- Facebook's online ad rival Google has similarly been pushing marketers and publishers to speed up their mobile websites. The company uses page load speed as a signal to rank websites on its search engine results pages, for example, and it launched a project called Accelerated Mobile Pages in October.

★☒ Facebook's 'Trending' Feature Exhibits Flaws Under New Algorithm

http://www.wsj.com/articles/facebook-trending-feature-exhibits-flaws-under-new-algorithm-1473176652?reflink=desktopwebshare_permalink

Sept. 6, 2016 at 11:44 am ET

- In late August, the social network put an [algorithm in charge](#) of its "trending" feature, selecting the most popular topics, articles and keywords. The change came after allegations in the spring that the contract workers who curated the news headline feature altered which articles appeared for political reasons.
- Yet in recent days, the "trending" lists have appeared more flawed than when humans were in charge. There have been false stories, misidentified keywords, and celebrity gossip in the place of more serious news.
- The recent "trending" fumbles show how Facebook grapples with its role as a tech company providing a significant amount of news. "We are a technology company, not a media company," Chief Executive [Mark Zuckerberg](#) said on Aug. 29 during a town-hall meeting broadcast on the site.
- Relying on an algorithm distances the company from what appears on the site—though the algorithm itself is written by humans.
- "Choosing what to highlight in the trending section, whether by algorithm or humans, is an editorial process," said Zeynep Tufekci, an associate professor at the University of North Carolina who studies the social impact of technology. "Catching misinformation, fake news or even incitement are journalistic decisions."
- Other tech companies also rely on algorithms to surface news. [Alphabet](#) Inc.'s Google News uses hundreds of signals to compile and rank stories. The company aims to surface "quality" stories, it says, in

part by selecting articles that are cited by other news organizations. Google doesn't write its own headlines; it only uses information provided by the news organizations.

- Twitter Inc.'s trends lists look similar to the new version of Facebook's "trending": a list of topics with the number of people talking about them.
- After "trending" became automated on Aug. 26, Facebook replaced all headlines with a keyword, which users can hover over for a description of the story.
- Some of the keywords don't accurately represent the main topic of the news story. News recently labeled "The Hamptons" was about presidential candidate Hillary Clinton's recent fundraising efforts there.
- The credibility of "trending" news took a hit in the past week. It featured a story from conservative site EndingtheFed.com about Fox News anchor Megyn Kelly that falsely claimed that Fox News fired Ms. Kelly because she secretly supported Mrs. Clinton for president.
- On re-review, the topic was determined to be inaccurate and no longer appears in trending, she said. She added that Facebook is working to make its detection of hoax and satirical stories more accurate.

German Regulator Orders Facebook to Stop Collecting WhatsApp User Data

http://www.wsj.com/articles/german-regulator-orders-facebook-to-stop-collecting-whatsapp-user-data-1474988889?reflink=desktopwebshare_permalink

Sept. 27, 2016 at 11:08 am ET

- Hamburg's commissioner for data protection, Johannes Caspar, said [user-data exchange](#) between the two services infringed German data-protection law after WhatsApp changed its data-sharing terms last month.
- WhatsApp has [notified existing users](#) of the change and given them the opportunity to opt out. In Mr. Caspar's view, however, Facebook is an independent entity that also has to ask the permission of WhatsApp users.
- WhatsApp's plan to share user information with Facebook immediately raised concerns among privacy regulators in Europe when it was announced last month.
- According to Mr. Caspar, people who don't use WhatsApp or Facebook were also at risk of having their details collected should WhatsApp forward data that it collected from users' address books of external contacts.

Facebook Pushes Advertisers to Look Beyond Views and Likes

http://www.wsj.com/articles/facebook-pushes-advertisers-to-look-beyond-views-and-likes-1475016012?reflink=desktopwebshare_permalink

Sept. 27, 2016 at 6:40 pm ET

- Speaking to advertising executives on Tuesday, Facebook Inc. executives downplayed controversy over the company's miscalculation of a video metric and called for ad buyers to focus on metrics tied to business outcomes.
- "Universally, I've heard that no one has actually utilized that metric," she said. "It did not impact (return on investment) and did not impact billing."
- Meanwhile, the group of digital media companies that have spent the past year or so building large video audiences on Facebook in the hopes they will soon be able to make money off that traffic through ads will be left wanting. Ms. Sandberg said right now the company is focused on ramping up its consumer video audience, not its video ad business.

Facebook Ad Campaign Will Urge Users to Stream Live Video

http://www.wsj.com/articles/facebook-ad-campaign-will-urge-users-to-stream-live-video-1475180285?reflink=desktopwebshare_permalink

Sept. 29, 2016 at 4:18 pm ET

- Facebook Inc. plans a major ad campaign, including TV spots and billboards, to encourage more of its 1.7 billion users to stream live video on the social network,
- With this ad campaign, Facebook hopes to win over ordinary users, who don't live-stream as often, the people said. The campaign, developed by Facebook's in-house ad studio called The Factory, will incorporate clips of live videos posted by the social network's users to explain how the feature works. The idea is to "show people what's possible" on Live, one of the people familiar with the campaign said.
- It isn't clear how much Facebook plans to spend on the ad campaign or when it will begin.
- The Factory is run by Scott Trattner, a former Apple ad executive who worked on some of that company's major campaigns, including those for the iPod and iPhone.
- Live videos also have thrust Facebook into controversy. Facebook briefly removed, then restored, video from a Minnesota woman showing her boyfriend, Philando Castile, dying after being shot by a police officer. It also aired videos of the fatal shooting of Dallas police officers and a French terrorist holding a child hostage.

A Primer on the Facebook Measurement Wars

http://www.wsj.com/articles/a-primer-on-the-facebook-measurement-wars-1475617965?reflink=desktopwebshare_permalink

Oct. 4, 2016 at 5:52 pm ET

- Facebook has been taking heat over the revelation that for two years it miscalculated a key metric, [overestimating by as much as 80% the average time people spent watching video on its platform](#).
- Some in the ad world say the controversy highlights why Facebook and other big digital platforms shouldn't be "grading their own homework," but should instead be submitting to measurement by independent, third-party tracking companies. It's become a flashpoint for those [arguing internet giants operate "walled gardens" with little transparency](#).
- When it comes to tracking basics such as how many people see a Facebook advertising campaign and how viewable the ads are, Facebook relies on Nielsen, Moat, comScore and Integral Ad Science.
- Up until this year, Facebook itself was the only source of any data on video duration—the metric that it miscalculated. Moat only started tracking video duration at the start of 2016 and Integral Ad Science just recently started tracking such data.
- The Facebook mistake didn't affect billing, because the botched video metric isn't the basis for transacting business. Advertisers purchase video ads in one of two ways -- they can pay Facebook the instant ads appear on a user's screen, or pay only for those that are seen for at least 10 seconds.
- Still, some ad buyers saw the bad data as a red flag. One concern is that the faulty number could have affected how they allocated ad dollars to different platforms.
- The ANA is pushing for Facebook to get accredited by the Media Rating Council, the industry's measurement standard-bearer.
- Typically, the MRC audits and accredits measurement companies like Nielsen and comScore. Though some individual media companies have undergone audits as well in the past, it is not standard procedure. However in this case, platforms like Facebook and YouTube, since they are so huge and collect and self-report so much viewer data, act like media research firms in some respects.
- Some ad buyers would like Moat's metrics to emerge as the new currency, the basis for transacting business, similar to the role Nielsen plays in the TV industry. And indeed, some digital media companies do allow advertisers to buy based on Moat metrics, Mr. Goodhart says, but Facebook doesn't. Its billing, as noted above, is based on its in-house metrics.

- All these measurement issues make it harder for an ad buyer to allocate budgets. A few years ago, an ad buyer may have been simply looking for enough data points to show that a digital platform -- say, Facebook -- should be part of a media plan. Now, the question is how much share of spending each of those platforms should be taking, especially in comparison to TV. That requires much better confidence in the numbers.

★☑ Facebook's Oculus Working on Stand-Alone Virtual-Reality Device

http://www.wsj.com/articles/facebook-oculus-working-on-stand-alone-virtual-reality-device-1475783637?reflink=desktopwebshare_permalink

Updated Oct. 7, 2016 at 12:22 am ET

- Oculus, which reunited its developers this week for the first time since the launch of the Rift goggles, is coping with competition from [HTC Corp.](#) and [Sony Corp.](#), and a string of disappointing gaffes. Shipping problems and a higher-than-expected price bungled the launch. The headset still doesn't have a hit game that would broaden its appeal to mainstream consumers.
- In recent weeks, anger at founder Palmer Luckey for his political views has caused backlash from the developers Oculus relies on to make games and other attractions for the Rift. Those hiccups cost Oculus about 5,000 units in lost sales last month, estimates Piper Jaffray analyst Gene Munster.
- Now Oculus is trying to reignite enthusiasm for its headset. Oculus revealed Thursday that it is working on a new lower-end headset that wouldn't need to be tethered to a personal computer, like the Rift, or a mobile phone. It also unveiled its \$199 Touch hand controllers for grabbing and moving virtual objects, allowing users to move more freely through a room, a feature that HTC's Vive headset bundled with its launch.
- Mr. Zuckerberg also said Facebook would pay \$250 million to developers creating virtual-reality content—on top of the \$250 million already spent.
- Developers' attitudes toward Oculus, which Facebook snapped up for \$2 billion in 2014 before it had launched a single product, have shifted during the past year from what one developer described as a "love fest" to varying shades of disappointment.
- Mr. Zuckerberg has predicted virtual reality will be the next major computing platform, allowing the most immersive way yet for users to play games, socialize online and watch videos.
- The market for high-end virtual-reality headsets is still nascent. Oculus, the first to market, was followed soon after by HTC's Vive. Next week, Sony Corp. is planning to release a headset that analysts expect to have broad appeal because it connects to the company's PlayStation 4 videogame console, which has sold more than 43 million units world-wide.
- There also are more low-cost headsets that work with smartphones, such as the newly announced Daydream View from [Alphabet Inc.](#)'s Google unit or the \$100 Gear VR headset co-developed by [Samsung Electronics Co.](#) and Oculus.
- "We have yet to see that killer app," such as a game, that "can make or break a platform," said Ben Schachter, an analyst at Macquarie Securities. For example, the success of [Nintendo Co.](#)'s Wii console largely was driven by the popularity of its "Wii Sports" launch title.
- Oculus struggled to meet expectations of when the Rift would ship and how much it would cost—common misfires among new technologies. After targeting a release by the end of 2015, [the company pushed shipment to regular customers back to April 2016.](#)

'Engine' Software Fuels Growth for Videogame Industry

http://www.wsj.com/articles/videogame-industry-adapts-to-running-on-engines-1476123424?reflink=desktopwebshare_permalink

Updated Oct. 10, 2016 at 6:43 pm ET

- Engines, much like their namesake car part, are the dynamic workhorses that make videogames tick. They have grown sophisticated enough to handle core duties such as graphics and physics for a company's entire pallet of games, saving time and money on development.
- Facebook thinks a widely used game engine will help revive its dormant videogame business, which generated peak revenue of \$65 million in December 2011, according to Piper Jaffray Co. analysis. Today, the social network is churning \$45 million a month from games, accounting for roughly 3% of its total revenue, the bank said.
- In August, Facebook announced a partnership with Unity Technologies Inc., whose engine powers the blockbuster mobile app "Pokémon Go." The social-networking company wants game makers that license Unity's engine to be able to convert their wares for Facebook's site with just a few clicks, rather than have to rebuild them from the ground up.
- In making it easier for developers to bring games to the company's site, Facebook is hoping to capture a slice of the growing videogame market, which is on track this year to reach \$99.58 billion in annual global revenue and \$118.63 billion by 2019, according to research firm Newzoo BV.

☑ Sony Joining the Virtual-Reality Race

http://www.wsj.com/articles/makers-of-virtual-reality-goggles-hope-to-overcome-slow-start-1476210659?reflink=desktopwebshare_permalink

Oct. 11, 2016 at 2:31 pm ET

- Sales of virtual-reality goggles are off to a modest start, despite years of hype. The maker of the world's top-selling videogame console wants to change that.
- [Sony](#) Corp. [SONY -0.28%decrease; red down pointing triangle](#) on Thursday [plans to launch](#) the PlayStation VR, \$399 goggles that will compete with Facebook Inc.'s [Oculus Rift](#) and [HTC](#) Corp.'s [2498 3.28%increase; green up pointing triangle](#) Vive, among others. The game company must also overcome consumers' unfamiliarity with the technology.
- Virtual reality offers a new way to [play games](#), socialize online, watch video and more, typically through goggles that [immerse users in a digital world](#). But adoption has been sluggish.
 - Surveys show many people don't understand the technology and aren't interested in trying it.
- This year, sales of virtual-reality hardware -- including low-end goggles that work with smartphones -- are expected to reach \$1.64 billion, according to research firm IHS. That is on par with other new product categories.
- Sony thinks the PlayStation VR can break into the mainstream. The goggles plug into Sony's PlayStation 4 videogame console, found in more than 43 million homes world-wide, while the Rift and Vive each need to connect to high-powered computers costing \$1,000 or more.
- One [big hurdle](#) for all makers of virtual-reality goggles: a shortage of games and video to lure users.
- Sony expects to have more than 50 games available for the PlayStation VR launch by year-end, but executives are unsure if any will be a big hit. "We're going to need some time to find that out," said Mr. Layden.
- Sony hasn't disclosed sales targets for the PlayStation VR. Wedbush Securities analyst Michael Pachter estimates consumers will buy between one and three million units by year-end. That would quickly make it the market leader: Mr. Pachter estimates that Facebook and HTC will each sell about 200,000 of their systems in 2016, because they cost more and fewer consumers own computers powerful enough to support those devices.

★ Facebook to Add Food-Delivery Option

http://www.wsj.com/articles/facebook-to-add-food-delivery-option-1476882004?reflink=desktopwebshare_permalink

Updated Oct. 19, 2016 at 8:15 pm ET

- Over the past month, Facebook has rolled out several features intended to help its users shop, keep tabs on events and gather information from connections. The latest, launching on Wednesday, allow users to buy movie tickets, order food delivery and book salon appointments straight from the app.

- The moves show how Facebook is trying to move beyond its traditional social networking function. In recent years, [personal sharing on Facebook has been declining](#), forcing the company to seek other ways to keep its users hooked.
- Earlier this month, Facebook rolled out Marketplace, a new section within the app enabling buying and selling between users. A separate mobile app for events on Facebook made its debut a few days later. Users can purchase movie tickets through Facebook's partnership with Fandango Inc.
- Some of the recently added features bridge the gap between the social and the utilitarian, such as a new recommendation feature added Wednesday. In that tool, users can more easily ask their Facebook friends for recommendations of restaurants or local handymen and Facebook will plot those businesses on a map.
- There are risks to Facebook's utilitarian strategy. Building more useful features will require Facebook to bolster its search function, which Mr. Sebastian described as "still not particularly well-developed."
- Facebook also doesn't have direct control over the user experience. Hours after launching the Marketplace tab, users started posting guns, drugs and other banned items for sale. Facebook apologized and halted the rollout of Marketplace until it could get the issues under control.

★☑ Facebook Leaders Call It a Tech Company, Not Media Company

http://www.wsj.com/articles/facebook-leaders-call-it-a-tech-company-not-media-company-1477432140?reflink=desktopwebshare_permalink

Oct. 25, 2016 at 5:49 pm ET

- Facebook Inc. continued to resist the label of media company, but is getting even more heavily involved in content.
- Video will be 70% of all traffic to sites like Facebook's mobile traffic by 2021, Mr. Cox added.
- Mr. Cox and Ms. Sandberg—two of the longest tenured executives at the 12-year-old social media company—also reiterated that Facebook is a technology company focused on building tools, not a media company focused on making stories.
- But as it has grown, Facebook has found itself grappling with the some of the very issues faced by news organizations for decades. That tension has been highlighted over the last year by several controversial content decisions made by Facebook.
- In September, the company drew rebuke when its reviewers deleted posts containing a famous Vietnam War photo of a girl fleeing napalm bombs. Facebook [later reversed the decision](#) after intense criticism from Norway's prime minister and the nation's largest newspaper, saying it would allow the image due to its "history and global importance."
- Ms. Sandberg said Facebook has twin goals: to be a platform for all ideas and to create a safe community.
- "I think the really big question is how do we make sure that people have free expression on Facebook," said Ms. Sandberg. She added that the company is evolving as a service and trying to "really figure" out where to draw the line on content. Facebook said it would seek input from publishers, journalists, photographers, law-enforcement officials and safety advocates as it allows more newsworthy content.