

Facebook 'Live' Doesn't Have to Be Live

http://www.wsj.com/articles/facebook-live-doesnt-have-to-be-live-1462810329?reflink=desktopwebshare_permalink

May 9, 2016 at 12:12 pm ET

- Despite its name, the social network's new video tool is allowing media companies and video creators to stream pre-recorded content, leading some to wonder if they should "broadcast" every video through the feature.
- "It's still early days with live video on Facebook so this was a test and an experiment", said Athan Stephanopoulos, president at NowThis. "We decided to take a bunch of viral videos and run them live. Then we were getting involved in the comments."
- A Facebook spokesman said the social network doesn't have policies stating that video streamed via Facebook Live actually has to be recorded live. The company does not recommend streaming pre-recorded content, the spokesman added, because a strength of the feature is the ability for on-camera hosts to interact with viewers in real time.
- The pre-recorded feature is encouraging some media companies to promote their Web series to "air" on Facebook Live at a certain time, in a similar manner to a linear television show. After they are streamed, Facebook Live videos function as normal Facebook videos. Some publishers believe videos may perform better if they begin as live ones.
- Live video technology company Telestream was one of Facebook's first live video API partners, and says it's currently working with a range of media companies and publishers to help power their Facebook Live efforts.

★ Facebook Feeds Rely on Data, Human Touch

http://www.wsj.com/articles/facebook-feeds-rely-on-data-human-touch-1463011560?reflink=desktopwebshare_permalink

May 11, 2016 at 8:06 pm ET

- Facebook Inc. is largely ruled by algorithms. But ultimately people must make judgments about what to show its 1.6 billion users, and how.
- That mutual dependence on software and people came into view this week following allegations that Facebook workers manipulated the "trending topics" feature by suppressing conservative viewpoints.
- Facebook has become an important [source of news](#) for many users, who spend an average of 50 minutes a day on the social network, according to the company.
- Current and former employees say the algorithm is based on years of research observing how users interact with the network, and continual testing. But science goes only so far, and intuition plays a role as well,
- "Facebook's news feed team needs a human touch because ranking based purely on algorithms would feel unnatural, the same way that robots today do not appear quite human," said SC Moatti, a former Facebook product leader and author of "Mobilized" a book about the business of mobile.
- Facebook's ultimate goal is to get more users to spend more time on the network, so the company spends a lot of time and energy deciding what to show users.
- Facebook says three factors have an outsize impact on a post's relevancy score: the author of the post, the type of post and whether a user's friends have liked, commented or otherwise engaged with that post. A post is deemed to be read once most of it has been on the user's screen for a specified, but unknown, amount of time.
- Other signals include how much time a user spends reading posts from that author and how often they are shared. Posts from new Facebook friends get higher priority, as Facebook wants users to build connections with these friends
- The network matters too: Users on a slower network may be shown more text posts; faster speed might yield more video. A user might also be shown more video if they tend to watch videos from start to finish, Facebook says.

- Facebook tweaks the algorithm often—it has announced updates nearly once a month in the past 2 ½ years; many of those changes were designed to make the feed less promotional and repetitive.
- Facebook launched the trending topics feature in 2014 as part of an effort to compete with sites like Twitter as a platform for conversation about real-time news.

Facebook Tweaks Rules on Video Ads After Mic Tests New Units

http://www.wsj.com/articles/facebook-tweaks-rules-on-video-ads-after-mic-tests-new-units-1463069425?reflink=desktopwebshare_permalink

May 12, 2016 at 12:10 pm ET

- It isn't unusual for Facebook's advertising and content [policies](#) to [change week-to-week](#) as the social network [looks for more ways to bring in revenue](#) while carefully managing the user experience.
- But the constant evolution, particularly with video, may be starting to rile publishers who are looking for their own ways to make money from the increasing number of consumers getting their news and entertainment from social sites.
- For example, the rules said it was OK if publishers posted videos featuring products from paying advertisers. But advertisers weren't permitted to run any sort of banner ad in a sponsored text post or photo. Yet technically they could run a banner-type ad on top of a video, as long as this banner didn't appear during the first three seconds of that video and didn't stay on screen for more than five seconds.

Activision Blizzard to Publish Daily Live Programming on Facebook

http://www.wsj.com/articles/activision-blizzard-to-publish-daily-live-programming-on-facebook-1463076410?reflink=desktopwebshare_permalink

Updated May 12, 2016 at 2:11 pm ET

- As it does with all of its partners, Facebook will provide Activision Blizzard with data on viewership and help it build an audience for the video, some of which will be exclusive to the social network and at times featured on Facebook's own sports page.
- Activision Blizzard plans to publish live content daily—match highlights, statistics, expert commentary and player interviews—on its Facebook page for Major League Gaming, a tournament and production company it acquired last year for \$46 million. Facebook users who follow the page will be notified of live broadcasts, just as they do today if they follow pages from the Verge or The Wall Street Journal, for example.

☑ Facebook Will Turn Your Panorama Photos Into 360-Degree VR Images

http://www.wsj.com/articles/facebook-will-turn-your-panorama-photos-into-360-degree-vr-images-1463085672?reflink=desktopwebshare_permalink

Updated May 12, 2016 at 6:03 pm ET

- Facebook said, in a [blog post from its Oculus virtual-reality division](#), that “in the coming weeks,” its users will be able to turn their panoramas into 360-degree photos and upload 360-degree photos made with dedicated 360-degree cameras.
- Once you upload an image, your friends will be able to pan around the picture by tilting their phones, or by dragging their finger or cursor around the photo.
- These 360-degree photos will be viewable in Facebook's mobile apps, its website and both the Oculus Rift and Samsung Gear VR virtual reality headsets (through an Oculus 360 Photos app).

- Facebook isn't doing all this just to give you something to do with your panoramas. It is backing 360-degree photography because it [needs content for Oculus](#). The VR market is nascent, but Oculus is an early leader, with the Samsung Gear VR headset, now in the hands of [more than 1 million Samsung phone owners](#), and its more ambitious, [if delayed](#), Oculus Rift system for PCs.
- When it comes to making 360-degree photos to share on Facebook, you can do that with a dedicated 360-degree camera, like the [\\$350 Ricoh Theta S](#). Or, if you don't want to spend that kind of money, Facebook will support 360-degree photos created in apps such as [Google Street View](#) on both iOS and Android, [Google Camera](#) for Android, and the built-in camera app found on [Samsung's latest Galaxy phones](#). Each of these apps directs you to shoot about a dozen individual photos in specific directions. They then digitally stitch those images into a sphere that is viewable in 360 degrees.

★☑ Facebook's Curators Shape 'Trending' News Feature

http://www.wsj.com/articles/facebook-curators-shape-trending-news-feature-1463095472?reflink=desktopwebshare_permalink

Updated May 12, 2016 at 10:22 pm ET

- Facebook Inc. exerts more editorial control than it previously disclosed over the "trending" news feature on the social network
- Facebook Thursday published the [28-page editorial guidelines](#) for the trending feature, hours after the Guardian published [a similar document](#). Disclosing the guidelines, and an accompanying blog post, marked Facebook's latest effort to quell concerns that it manipulates the trending feature for political purposes.
- Together, the documents underscored tensions between Facebook's view of itself as an open platform for the exchange of ideas and the way it often functions as a traditional publisher, by selecting and highlighting certain news stories over others.
- According to the guidelines, Facebook's curators shape computer-generated lists to select and present highlighted topics, including the "correct angle" for a topic, the proper photo and the primary link to a news source. They also include suggestions on "blacklisting" items from the trending list because they duplicate other items, they are "stale," or they come with a "low quality hashtag." Under certain conditions, curators also can add topics not identified by Facebook's software.
- Late Thursday, Facebook Chief Executive [Mark Zuckerberg](#) said he plans to invite "leading conservatives and people from across the political spectrum" to discuss concerns about how Facebook presents news.
- He repeated earlier statements that Facebook has found no evidence that its news curators suppressed conservative views or conservative news outlets.
- The documents also highlight the degree to which Facebook relies on traditional media outlets to identify the trending topics. Its computers generate a list of potential trending topics from content and discussions on the social network. Curators are given a list of [1,000 news sources](#) from which they write a description of the topic. To be marked as important, a topic must be mentioned in five of 10 national news outlets, including The Wall Street Journal, the New York Times, the BBC, Fox News and BuzzFeed.
- According to those rankings, eight of the 10 national news outlets that play an outsized role in determining trending topics are more popular with liberals. The two exceptions are the Journal and Fox News.
- "My criticism is this: Facebook is now among the world's most important gatekeepers, and it has to own that role. It's not an afterthought," according to a tweet from the account of Zeynep Tufekci, assistant professor at the University of North Carolina's school of information and library science.

★☑ Vine Stars Are Leaving for Facebook and Other Platforms

http://www.wsj.com/articles/video-stars-are-withering-on-the-vine-1463152655?reflink=desktopwebshare_permalink

May 13, 2016 at 11:17 am ET

- Three years after it burst onto the scene to create a new breed of short-form comedy and give rise to a group of heartthrob stars, Vine is struggling. Marketers and ad buyers that paid creators to make “sponsored” Vines have soured on the app, which is owned by Twitter, and are directing dollars toward competitors like Snapchat, Facebook and Instagram. Video creators frustrated with Vine have followed the ad money, and some of the top “Viners” rarely post anymore as they focus on their other social media accounts.
- Video creators, marketers and ad buyers have grown tired of Vine for a confluence of reasons. Some Vine stars felt like the app wasn’t supportive of their work and didn’t implement a sustainable advertising model. Meanwhile, platforms like Facebook and Facebook-owned Instagram poured resources into video, and Snapchat started to gain traction with Vine’s young audience. Once the new shiny new object, Vine’s rigid six-second format eventually languished with stars and brands.
- A year ago, Vine was regularly ranked as a top five entertainment app in the iOS store, and a top 50 app overall. While hardly cratering, Vine has slipped to landing in the top 20 among photo and video apps, surpassed by Snapchat, Instagram and a number of specialty photo and video apps like Solo Selfie, according to App Annie. Vine is now in the neighborhood of 200th among all apps.
- Meanwhile, Vine lacks an ad product like Twitter’s “promoted tweet” or Snapchat’s sponsored geofilters, meaning that if a brand wants Vine as part of an ad campaign, it has to work with individual creators (or make their own Vines and pay to promote them on Twitter). A medley of “influencer” marketing firms, like Twitter-owned Niche, act as the middleman to help brands get their products mentioned in a video.
- “We thrive on creators doing awesome things on Vine, Periscope, and Twitter,” said Will Stickney, spokesman at Twitter. “It’s one of our top priorities this year to give those creators even better tools across all those products, including Vine, which continues to be a place where creative trends start and explode across the Web.”
- Mr. Casteo said his ad deals on Vine were “few and far between,” but on Facebook brands are more willing to pay because he has clear data about the age, gender and other attributes on the makeup of his some 260,000-strong audience. In recent days, he has posted ads on Facebook for Celsius energy drink and Natural Light beer. “There is way more potential,” Mr. Casteo said. He posts infrequently on Vine now.
- Ryan Detert, CEO of influencer marketing firm Influential, says that only about three brands of the hundred or so that the company works with have asked to include Vine in a campaign in the past year. “It’s the low man on the totem pole. It’s the first to be omitted,” Mr. Detert said.
- Some video creators are now voting with their feet, like Simone Shepherd, who has over [3 million followers on Vine](#). Ms. Shepherd posts funny videos about relationships and family and has recently started actively posting content to Facebook, which she says has shown creators a respect that was hard to come by at Vine. Plus, the audience potential is much larger on Facebook, she said.
- Indeed, despite the grumblings about Facebook [not moving fast enough](#) to protect creators’ content and the fact that its advertising model is a work in progress, several top Vine creators are finding Facebook’s vast video audience hard to ignore.

★☒ Facebook to Sell Video Ads on Behalf of Other Firms

http://www.wsj.com/articles/facebook-to-sell-video-ads-on-behalf-of-other-firms-1463407203?reflink=desktopwebshare_permalink

Updated May 16, 2016 at 1:50 pm ET

- Facebook Inc. is now selling video ads on behalf of other companies, a move that could prove lucrative for the technology giant and intensify its competition with [Alphabet](#) Inc. subsidiary Google and other online ad specialists.

- The company said on Monday it will help marketers sell and place “in-stream” and “in-article” video advertisements across third-party websites and applications, including those operated by Daily Mail, Mashable and USA Today Sports Media Group.
- Facebook will get an unspecified cut of the revenue. Typically, the company takes a roughly 30% share of revenue in its audience network—where it also sells display advertising—and gives the rest to publishers, according to people familiar with the matter. Publishers can also opt to include the [video ads alongside content](#) on Facebook’s Instant Articles feature, where media companies [publish articles](#) instead of linking back to their sites.
- Digital publishers are now investing heavily in online video, lured in part by the relatively high prices marketers are prepared to pay for video ads compared with other forms of online advertising
- Facebook said it hopes to help those companies extract revenue from that content more successfully. “We think there are an awful lot of publishers looking for help monetizing their video,” said Brett Vogel, product marketing manager at Facebook.
- But the company is also proving to be a heavyweight as an ad broker elsewhere on the Web—and that is an increasing focus for the business. Facebook said fourth-quarter 2015 sales on its Audience Network, which includes thousands of websites and apps, suggested an annualized run rate of \$1 billion. (Facebook’s advertising revenue last year was over \$17 billion.)
- For their part, marketers will be able to target video ads across the Audience Network as they do on Facebook itself, using the detailed information Facebook has about its users.
- Advertisers will only be able to target video ads based on the audience they’re trying to reach; they won’t be able to direct their ads to specific sites or types of content. Advertisers can opt to pay for video ads only when they are viewed for at least 10 seconds. That option comes at a premium.
- The “in-stream” ads themselves will be between 10 and 30 seconds long, Facebook said, and will appear before, during, or after video content on publishers’ websites and apps, when viewed from mobile and desktop devices.

What if Facebook Gave Us an Opposing-Viewpoints Button?

http://www.wsj.com/articles/what-if-facebook-gave-us-an-opposing-viewpoints-button-1463573101?reflink=desktopwebshare_permalink

Updated May 18, 2016 at 11:19 am ET

- One reason: Facebook’s home page News Feed is run by a personalization algorithm that feeds you information it thinks you want to see. It’s a machine tuned to promote sunset selfies and live cat videos, not foster political discourse. Why not add an opposing-viewpoints button that gives me the power to see a headline from another side?
- Conservative commentator Glenn Beck this week shared similar feelings, directing his frustration at the social network: “[Facebook truly is the only communal experience we now have in some ways. We need to see what ‘the other side’ is talking about.](#)”
- In America, more than 60% of members get political news from Facebook—and liberals are particularly tuned into it as a source, [according to Pew Research Center](#). Facebook has courted serious news outlets, including the Journal, [to publish “instant articles”](#) directly into its streams.
- Facebook is replacing the old corner newsstand, where the covers of Forbes and Rolling Stone might sit inches apart. On Facebook, it isn’t easy to recreate that experience, or even tweak what shows up in your News Feed (though I have a few tips later in this column). Of course, Facebook isn’t to blame for ignorant commentators or closed minds—they’ve been around as long as there’s been news. But it can no longer shrug off accountability for its invisible hand on news.

Facebook Tweaks Algorithm, Tripping Cheetah Mobile

http://www.wsj.com/articles/facebook-tweaks-algorithm-tripping-cheetah-mobile-1463738919?reflink=desktopwebshare_permalink

Updated May 22, 2016 at 4:20 am ET

- Last October, Facebook tweaked algorithms to give advertisers a metric on how ads perform on third-party publishers. Ads on Cheetah's platform didn't do well, and revenue was hit. Separately, Facebook has tightened policies that have hurt Cheetah's ability to direct its own advertising clients onto Facebook, says Morgan Stanley.

French Look at Online Ad Dominance Enjoyed by Google, Facebook

http://www.wsj.com/articles/french-look-at-online-ad-dominance-enjoyed-by-google-facebook-1464034655?reflink=desktopwebshare_permalink

May 23, 2016 at 4:17 pm ET

- The probe highlights the growing interest by European antitrust regulators in the role played by big Internet companies and the large sets of personal data they collect about individuals. Germany's competition authority earlier this year [opened a probe into whether Facebook](#) abuses its dominance as a social network to get users to give up personal information.
- In 2015, Google and Facebook together accounted for 43% of global net advertising revenue online, according to an estimate from market-research firm eMarketer.

Facebook to Revamp 'Trending Topics' Feature to Reduce Bias Risk

http://www.wsj.com/articles/facebook-shifts-trending-topics-feature-amid-bias-fears-1464051610?reflink=desktopwebshare_permalink

Updated May 23, 2016 at 10:49 pm ET

- Facebook Inc. told a U.S. senator that an internal investigation had found "no evidence of systematic political bias" against conservatives in its trending topics tool, but that it will revamp how the feature works to minimize the potential effects of individual biases.
- Still, Facebook said it couldn't rule out the possibility of "isolated improper actions or unintentional bias" by workers in how trending topics are selected. The company said it is making several changes intended to "minimize risks where [human judgment is involved](#)."
- Among other things, Facebook said the curators who assemble and approve topics will no longer rely on external websites and news outlets to assess the importance of potential topics. Facebook said it is adding more oversight to the trending topics team, but didn't offer specifics.
- "The seriousness with which Facebook has treated these allegations and its desire to serve as an open platform for all viewpoints is evident and encouraging and I look forward to the company's actions meeting its public rhetoric," Mr. Thune said in a statement Monday, in response to Facebook's letter.
- "I think this is a good step," said Brent Bozell, president of conservative media watchdog the Media Research Center, in a statement. "Facebook was relying on a preponderance of liberal and leftist 'news' organs. By not relying on any specific news outlets, Facebook returns to its neutral roots."
- "This issue is still unresolved even after these admissions of wrongdoing by Facebook," said Matt Schlapp, chairman of the American Conservative Union, which hosts the annual Conservative Political Action Conference. "We will continue to press this matter until we are satisfied that conservatives will be fairly treated."
- Facebook said it uses human editors "to bridge the gap between what an algorithm can do today and what we hope it will be able to do in the future."
- Prior to Monday's changes, curators on the team relied on a variety of external sources to identify and verify trending topics. They assigned an "importance level" to news stories based on how they were covered by 10 major news outlets, including The Wall Street Journal, Fox News, the New York Times and the Huffington Post. They also used a list of 1,000 media publications known internally as the "Media 1K" to help write topic descriptions.

- Under the new rules, the team will no longer rely on external websites and news outlets; they will have to rely on Facebook's internal data to vet and select its "trending topics."

Facebook Planning to Shut Down its Ad Exchange

http://www.wsj.com/articles/facebook-planning-to-shut-down-its-ad-exchange-1464199840?reflink=desktopwebshare_permalink

May 25, 2016 at 2:10 pm ET

- Facebook is planning to shut down its ad exchange, [FBX](#), which enables third party ad technology companies to purchase ads on the social network.
- In ad tech circles, this move is hardly a surprise. [Facebook had pared down](#) the [number of partners](#) eligible to buy ads via FBX in early 2015 and lately appears to have shifted its focus to its own Audience Network, which lets marketers buy ads across the Web using Facebook's data--through direct deals with Facebook.
- The ad inventory available through the FBX product was limited to space desktop computers, such as display ads that appear along the right side of Facebook's home page. FBX did not feature mobile or video ads. And mobile now makes up the bulk of Facebook's traffic and revenue.
- "Mobile is now a necessary component of effective marketing campaigns, and Facebook is helping millions of businesses understand their customers' purchase path across devices," said Matt Idema, vice president of monetization product marketing. "Dynamic Ads and Custom Audiences have mobile at their core and are delivering excellent results for businesses, so Facebook Exchange spending has shifted towards those solutions."
- Facebook has been beefing up its [Audience Network](#), and recently [started selling video ads through the platform](#).
- Meanwhile, Facebook has found itself becoming even more central to both the media distribution business and the digital advertising industry, perhaps making FBX less important to its future.
- Antonio Garcia-Martinez, a former Facebook product manager who helped build FBX, said that the exchange was hatched around the time Facebook was going public and the company was "desperate to boost revenue."
- "People interpreted this as a massive move into programmatic," he added. "But they hated any idea of outside bidders having access and control [of Facebook ads]. Facebook always want to have everything owned and operated."
- Now that mobile advertising on Facebook has exploded, FBX may have simply outlived its usefulness, said Mr. Garcia-Martinez, [who is publishing a book on Silicon Valley next month](#).

Facebook Plans to Shut Down Video Ad Exchange Product LiveRail

http://www.wsj.com/articles/facebook-plans-to-shut-down-video-ad-exchange-product-liverail-1464303877?reflink=desktopwebshare_permalink

May 26, 2016 at 7:04 pm ET

- Facebook is shutting down its LiveRail programmatic video ad exchange business, according to people familiar, effectively closing the last remaining part of the ad technology company that [the social network acquired in 2014](#).
- LiveRail provided a set of tools that media companies like Hulu and A&E Networks used to sell Web video ads. These companies used LiveRail's technology to establish "private exchanges," where marketers could buy ads, often armed with ad targeting data, using automated software.
- Facebook appears to be [funnelling its energy](#) toward the [Facebook Audience Network](#), a product via which Facebook sells ads on sites across the Web using its robust trove of consumer data for ad targeting. Recently, Facebook added video ads to the Facebook Audience Network, for example.

During its fourth-quarter 2015 earnings call, Facebook said sales on the Audience Network were trending toward an annualized run rate of \$1 billion.

- “We are discontinuing the LiveRail Private Exchange to focus on finding better ways for publishers to sell their ad space directly to advertisers, as well as expanding our video ad offering via Audience Network,” said a Facebook spokeswoman. “This is what many of our publishing partners told us they wanted, and we believe this will make video ads more relevant to the people who watch them.”

★☑ Facebook Wants to Help Sell Every Ad on the Web

http://www.wsj.com/articles/facebook-wants-to-help-sell-every-ad-on-the-web-1464321603?reflink=desktopwebshare_permalink

May 27, 2016 at 12:00 am ET

- To that end, the social network and online advertising company said Thursday it will now help marketers show ads to all users who visit websites and applications in its Audience Network ad network. Previously Facebook only showed ads to members of its social network when they visited those third-party properties.
- The change is a subtle one, but it could mean Facebook will soon help to sell and place a much larger portion of the video and display ads that appear across the Internet. The change will also intensify competition with [Alphabet](#) Inc. [GOOG -1.23%decrease; red down pointing triangle](#) subsidiary Google, which dominates the global digital-advertising market, and a wide range of other online ad specialists.
- Facebook disclosed in March that about 1.65 billion people now use the site each month. According to the International Telecommunication Union, a total of 3.17 billion people used the Internet globally in 2015.
- To date, Facebook has only showed ads across its Audience Network to Facebook users, targeted based on information the company has collected about its users’ tastes and behaviors. Now Facebook plans to collect information about all Internet users, through “like” buttons and other pieces of code present on Web pages across the Internet. It will then use the information it collects to target ads to non-Facebook users.
- For example, if a non-Facebook user visits a cooking-related website, Facebook might determine that person is interested in cooking and may target them elsewhere across the Web with ads for cooking-related products. One way it will do so is by placing small pieces of code on users’ devices called cookies, which can be used to identify them as they move around the Internet.
- This type of tracking and ad targeting is now commonplace online and is already being employed by a wide range of online advertising networks and ad companies to help marketers place ads across the Internet.
- But Facebook thinks it can use the technology and tactic more effectively than other online advertising companies, thanks largely to the enormous amount of data it has on its own users. That can help it spot patterns in people’s behaviors and better infer what a non-Facebook user might be interested in based on a relatively small amount of information, Mr. Bosworth said. Online advertisers sometimes refer to this tactic as “lookalike” targeting.
- Facebook gets an unspecified cut of the revenue from ads it sells through its Audience Network. Typically, the company takes a roughly 30% share and gives the rest to publishers
- Some publishers might be wary of handing more of their ad sales operations to Facebook. Many already rely heavily on the social network to generate traffic for their sites, and some now post content directly to Facebook through Instant Articles.

NBA Launches a Facebook Messenger Bot for the Finals

http://www.wsj.com/articles/nba-launches-a-facebook-messenger-bot-for-the-finals-1464886391?reflink=desktopwebshare_permalink

June 2, 2016 at 12:53 pm ET

- But before the players hit the court, the league is also unveiling a bot designed to help fans find their favorite highlights via Facebook Messenger.
- If fans become friends with the new NBA bot on Facebook, they'll be able to request specific highlights featuring any player from the two teams in the finals. For example, people can search for "Steph Curry," and they'll immediately have access to highlights featuring the Warriors' three-point star. People can also set alerts, and the bot will notify them when clips have been added featuring their favorite players or teams.
- For now, the new Facebook NBA bot, built specifically for this year's finals, won't be a revenue driver for the league.
- "This is about marketing and learning," said Melissa Brenner, the NBA's senior vice president of digital media. "This is a new distribution mechanism, and we want to help fans get highlights quickly and easily."
- The bot follows along with the league's overall digital-forward strategy, which embraces marketing the league to fans on various social channels. For example, Twitter's Vine is [littered with six-second NBA clips](#). And league commissioner [Adam Silver recently appeared](#) at YouTube's Brandcast event, praising the platform's ability to reach users in markets across the globe.
- In addition to the new bot, the NBA has been experimenting with Facebook Live.
- And while [Facebook Live](#) and Facebook bots are relatively unproven—the social network [rolled out this chatbot capability in April](#)—the NBA sees great value in being early. "If you don't try it early, you could be left behind," said Ms. Brenner.
- Even with all of the chatter over younger audiences preferring to consume content on mobile devices over live TV, Ms. Brenner noted that the league hasn't seen any diminished interest in its broadcasts. In fact, Monday's night's thrilling game 7 matchup between the Warriors and the Oklahoma City Thunder on TNT [resulted in the league's largest cable audience ever](#).

Senator Pushes Facebook to Release Orlando Shooter's Online Activity

http://www.wsj.com/articles/senator-pushes-facebook-to-release-orlando-shooters-online-activity-1466112382?reflink=desktopwebshare_permalink

June 16, 2016 at 5:26 pm ET

- The head of a Senate committee is pressing Facebook to provide lawmakers with all of Orlando gunman Omar Mateen's activity on the social-media website, noting that the suspect apparently posted several alarming statements on the [night of the attack](#).
- A Facebook spokeswoman declined to comment on Sen. Johnson's letter but confirmed the company is working with law enforcement on the investigation into the Orlando shooting.

★☑ Facebook Signs Deals With Media Companies, Celebrities for Facebook Live

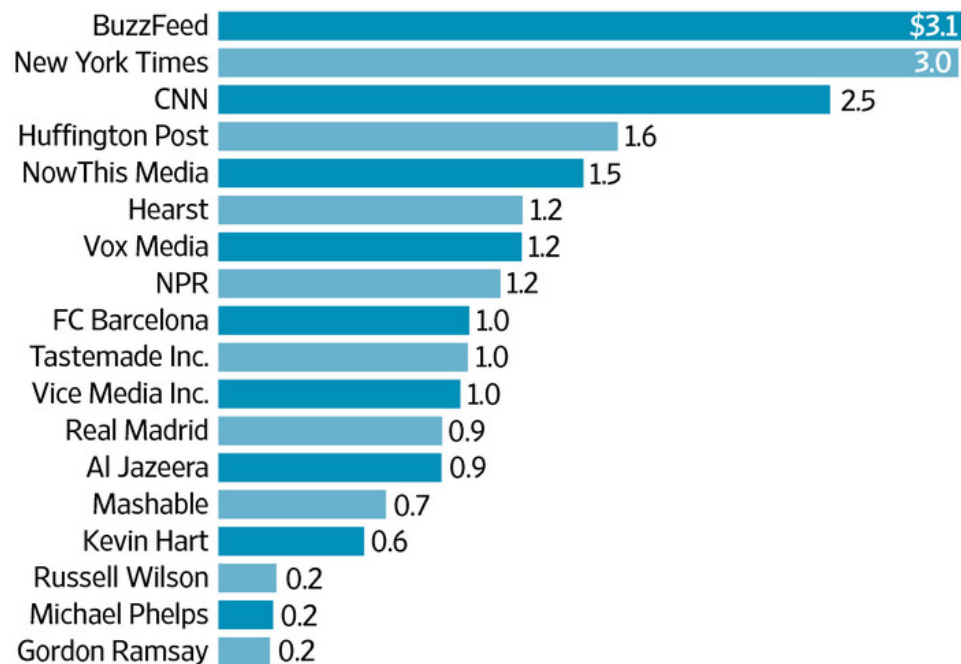
http://www.wsj.com/articles/facebook-signs-deals-with-media-companies-celebrities-for-facebook-live-1466533472?reflink=desktopwebshare_permalink

Updated June 22, 2016 at 9:44 am ET

- Facebook Inc. has inked contracts with nearly 140 media companies and celebrities to create videos for its nascent live-streaming service, as the social network positions itself to cash in on a lucrative advertising market it has yet to tap—and keep its 1.65 billion monthly users engaged.
- The arrangements are a way to encourage publishers to produce a steady stream of high-quality videos until Facebook figures out a more concrete plan to compensate creators, such as through sharing of ad revenue.

Now Playing, Live on Facebook

A selection of companies and individuals paid by Facebook to provide live video content. **Amount of contracts, in millions of dollars**



Source: Document reviewed by the Journal

THE WALL STREET JOURNAL.

- The document isn't a full accounting of all of Facebook's dealings with video creators, but it shows the broad scope of the tech giant's efforts to promote its Facebook Live product.
- Facebook is already a major video hub—its users watch 100 million hours of video daily in their news feeds. Chief Executive [Mark Zuckerberg](#) is betting that live videos will provide a further lift in user engagement, getting people to come to the service more often and stay longer.
- Though Facebook is an advertising powerhouse—it accounts for nearly 20% of U.S. mobile ad revenues, according to eMarketer—it has yet to tap into digital video as a major revenue source, unlike [Alphabet](#) Inc.'s YouTube. That market, which is worth \$9.8 billion in the U.S. alone, represents a big opportunity.
- In May, 44% of the top 500 Facebook pages maintained by media companies posted at least one live video on Facebook, up from 11% in January, according to an analysis by Socialbakers, a social-media metrics company.
- Facebook is a "relative rookie" to live-streaming compared to rivals including disappearing messaging app Snapchat, Twitter Inc.'s Periscope app and YouTube, RBC Capital Markets analyst Mark Mahaney in a note this week. But given its large user base, "Facebook should be a viable competitor for consumer attention," Mr. Mahaney wrote.
- The contract values are based on publishers' popularity on Facebook and the number of broadcasts they are willing to stream, according to Facebook and people familiar with the terms of the deals. Some contracts include requirements related to the length of individual broadcasts; in other cases, some additional payouts are available to publishers who exceed their minimum requirements.
- After a live video is over on Facebook, it is stored so Facebook users can watch it later. About two-thirds of the watch time for a Facebook live broadcast happen after the fact, Facebook executives say.
- Facebook has said it found that the average user watches live video three times longer than other types of video.

YouTube Will Soon Let You Stream Live Video From Your Phone

http://www.wsj.com/articles/youtube-will-soon-let-you-stream-live-video-from-your-phone-1466790311?reflink=desktopwebshare_permalink

June 24, 2016 at 1:45 pm ET

- At the [forefront of the live-video trend](#) are Facebook Inc.'s Facebook Live and Twitter Inc.'s Periscope, so it's no surprise YouTube, the king of video uploads, wants in on the action. Soon, you'll be able to use YouTube's app to broadcast live with your iPhone or Android handset—and hopefully not burn through your entire month's data allowance in the process.
- But before you can host a live stream using YouTube, a subsidiary of [Alphabet Inc.'s GOOG - 1.01% decrease; red down pointing triangle](#) Google, a few popular YouTube personalities and channels are getting access to the new feature.
- Whenever YouTube's live video arrives for the masses, it'll be easy to use, Wilms promised. "YouTube mobile live streaming will be baked right into the core YouTube mobile app," he said. "You won't need to open anything else, just hit the big red capture button right there in the corner, take or select a photo to use as a thumbnail, and you can broadcast live to your fans and chat in near real time."
- You might be thinking: Wait a minute, I thought YouTube already offered live broadcasting. True, YouTube has had it since 2011, but [a webcam-equipped laptop or desktop](#) was required. Now, a smartphone is all you need to host a live feed.
- Wilms argued search will give YouTube an advantage since its live videos will show up in regular search results like any other YouTube video. Facebook Live and Periscope videos can only be searched for inside of those apps.

CMO Today: Facebook Sets the Pace in Digital Advertising

http://www.wsj.com/articles/cmo-today-facebook-sets-the-pace-in-digital-advertising-1469705441?reflink=desktopwebshare_permalink

July 28, 2016 at 7:30 am ET

- CEO [Mark Zuckerberg](#) envisions a "world that is video-first," though the company's resistance to pre-roll ads remains steadfast. The company also made the rare admission that its ad load is at capacity, meaning the only way it can sell a higher volume of ads is by signing up more users or getting people to spend more time on Facebook.
- Is the Facebook Live magic already fading for media companies? Many content creators have rushed to start producing live content for Facebook over the past few months—even before the social network has a business model figured out—driven by the belief that Facebook had made Live its next algorithm priority.
- [But already, some companies like Fox Sports are pulling back](#), reports The Information, citing how difficult it is to keep producing live content for small audiences without a built-in revenue stream.

☑ Facebook to Give Friends' Posts More Weight

http://www.wsj.com/articles/facebook-to-give-friends-posts-more-weight-1467208804?reflink=desktopwebshare_permalink

Updated June 29, 2016 at 10:27 am ET

- The social network also said it would prioritize posts from friends and family in users' news feeds over content from publishers and public figures, in hopes of persuading users to spend more time on the site.
- The newsfeed changes could mean some publishers will see readership on Facebook decline "a small amount but a noticeable amount," said Adam Mosseri, the product manager who runs Facebook's news feed.
- Even a small change in the news-feed algorithm will have significant implications for news outlets. Facebook drives more than 40% of traffic to digital publishers, more than any other site, according to [social-media-analytics company Parse.ly](#). Given Facebook's sway, many publishers are

expanding their presence on the network, despite concerns about ceding even more power to Facebook.

- “At Facebook’s urging, publishers have invested heavily in producing various content formats for its platform, and this appears to limit the reach of those investments. It’s a perfect example of why publishers need to be judicious in continuing to make bets that put them in control of their own destiny,” said Mike Dyer, president and publisher of the Daily Beast.
- Facebook relies [largely on an algorithm](#), or computer program, that combs through roughly 100,000 signals and creates a “relevancy score” for each post for a specific user. No two users have the same news feed.
- “It’s important for people to understand that there’s a group of people who work on news feed, not just sort of like a third-party agent that acts autonomously,” Mr. Mosseri said. He said Facebook wants to show users posts that those users want to see. “That is an opinion. That isn’t neutral. That’s not a political bias, but that is a bias and that is reflected in our decisions and therefore it is reflected in our ranking order,” Mr. Mosseri said.
- Facebook [tweaks the algorithm](#) often—roughly once a month over the last 2 ½ years. Many of the changes are aimed at making the feed less promotional and repetitive. Facebook generally discloses in broad terms when and how it has altered the formula.
- The latest tweak came after Facebook found that users felt posts from friends were being “drowned out” by publishers, Mr. Mosseri said. Facebook has become an important source of news for many users, who spend an average of 50 minutes a day on the social network, according to the company. As a result, publishers often post hundreds of items a day. Friends, by contrast, post just a few times a week, Mr. Mosseri said.
- Posts widely shared by Facebook users will be less affected. Once a user shares an article, video or other content, Facebook considers it “friend content,” Mr. Mosseri said. That means it will appear higher in a user’s news feed.

If You Use Facebook Photo Syncing, Download Your Photos (or the Moments App) Now

http://www.wsj.com/articles/if-you-use-facebook-photo-syncing-download-your-photos-or-the-moments-app-now-1467813336?reflink=desktopwebshare_permalink

July 6, 2016 at 9:55 am ET

- Facebook Inc. is removing all remnants of its smartphone app [photo-syncing feature](#) on Thursday. Users who want to prevent their saved private images from being deleted will have to download them now, or get [Facebook’s Moments app](#).
- This has no effect on images that already have been shared on Facebook with friends or the public. We repeat, if you shared images, they won’t be removed July 7. However, Facebook’s move will have an impact on most people who turned on a feature to automatically sync photos taken with their phones.
- While Facebook is one of the most popular photo-sharing services in the world, Moments has yet to catch on. It uses facial recognition to identify people so it can automatically group photos based on who is in them, and when and where they were taken. Moments is just an app; there is no web browser version.
- While Messenger has been quite successful—Tuesday night, Messenger was the No. 3 most popular free app in [Apple](#) Inc.’s App Store rankings, while Facebook itself was ranked sixth and Moments was 58th—the social network has had [less luck with other breakaway apps](#). Paper, a stand-alone news app, is being officially mothballed this month. [Other failed apps](#) include Slingshot (a Snapchat rival), Rooms (for group chats), Riff (for video editing), Home, [Poke and Camera](#).

Facebook Launches End-to-End Encryption Option for Messenger

http://www.wsj.com/articles/facebook-launches-end-to-end-encryption-option-for-messenger-1467987394?reflink=desktopwebshare_permalink

Updated July 8, 2016 at 4:31 pm ET

- Facebook [introduced end-to-end encryption to the one billion users of its WhatsApp messaging app](#) in April. With WhatsApp, end-to-end encryption is turned on by default, but with Messenger users will have to turn on the feature.
- Mr. Leach said encrypting Messenger is a tougher challenge than WhatsApp because the service is widely used via browsers on personal computers, as well as on smartphones. “If secret conversations were default, then you’d only be able to use one device to talk to one device,” he said.
- Matthew Green, an assistant professor of computer science at Johns Hopkins University who was invited by Facebook to review its end-to-end encryption effort, said he would like to see the feature turned on by default, but he agreed that this would be a challenge. “It’s really hard to get an encrypted messaging app that has all the features that Facebook wants to work on the web and on multiple devices,” he said.
- Facebook said secret conversations wouldn’t immediately be available on Messenger for group conversations, chatbots, payments or videos. Mr. Leach said Facebook hoped to extend the capability over time.
- Aside from WhatsApp and Messenger, several other text services offer end-to-end encryption, including [Apple](#) Inc.’s iMessage, [Alphabet](#) Inc.’s Allo and Viber.
- Facebook’s move comes amid a public debate over the use of encryption, weighing privacy concerns against the needs of law enforcement. By using end-to-end encryption, Facebook messages will be unreadable by Facebook itself as well as by criminal investigators.

★ New Challenge for Social Media: Policing Violent Live Videos

http://www.wsj.com/articles/new-challenge-for-social-media-policing-violent-live-videos-1468199203?reflink=desktopwebshare_permalink

July 10, 2016 at 9:06 pm ET

- Live video, however, is uncharted territory for social-media sites. In the past year, there have been at least 18 violent acts—rapes, killings, suicides—disseminated on live video. This material can shine a light on events normally hidden from view, but also can shock or disturb viewers who have no way of knowing what is coming.
- The inconsistency in how Facebook and other sites are dealing with violent videos shows the perils of rolling the service out without the technology or manpower to police it. Facebook said the Minnesota video was removed because of a “technical glitch,” which it didn’t explain. The video was reinstated after users complained that it showed an important news event.
- Facebook and Twitter both have standards that limit what users can post on their sites involving violence. Both ban any content that mocks or praises violence, but allow for it in cases in which the material is newsworthy.
- The way social media sites have censored content on their sites before—relying mostly on users to flag objectionable posts, which are then screened by computer programs and human beings—isn’t always sophisticated enough for live video, experts say. They add that no software exists that can identify violence on streams without human intervention.
- On Friday, Facebook acknowledged it hasn’t mastered monitoring live video. “Live video on Facebook is a new and growing format,” the company said in a post. “We’ve learned a lot over the past few months, and will continue to make improvements to this experience wherever we can.” One improvement has been its ability to interrupt a flagged live stream if it violates the company’s rules.
- Tech companies are starting to test a more proactive approach to handling such content. For the past few months, Facebook has been running an experiment in which it reviews publicly shared live broadcasts once they have reached a certain number of views or gone viral, even if there are no complaints. Twitter says Periscope is working on a tool to automatically monitor live-streamed video clips for offensive actions or harassment.

- The launch of live-video streaming before grasping all the challenge reflects a Silicon Valley ethos: ship it out and work out the kinks later.

Facebook Taps Office 365 While Developing Own Workplace Service

http://www.wsj.com/articles/facebook-taps-office-365-while-developing-own-workplace-service-1468296061?reflink=desktopwebshare_permalink

Updated July 13, 2016 at 1:38 am ET

- Facebook Inc. has signed a deal to use [Microsoft](#) Corp.'s [MSFT -0.04%decrease; red down pointing triangle](#) online email and other software, even as it develops its own workplace communication and collaboration service.
- The social network's 13,000 employees will tap some portions of Office 365, including its email and calendar. But they won't have access to Yammer, Microsoft's workplace social network, or Skype for Business, for messaging and videoconferencing, which directly compete with Facebook's own services.
- Microsoft's primary competition in web-based email and calendaring comes from [Alphabet](#) Inc.'s Google. Facebook was unlikely to use Google's Gmail and calendar service given the fierce competition between those two companies, said [Gartner](#) Inc. analyst Matt Cain.

Facebook to Pay Internet Stars for Live Video

http://www.wsj.com/articles/facebook-to-pay-internet-stars-for-live-video-1468920602?reflink=desktopwebshare_permalink

July 19, 2016 at 5:30 am ET

- Mr. Piques, who is 30 years old and lives in Los Angeles, is among nearly two dozen YouTube creators, Vine stars and internet personalities Facebook is paying to create live broadcasts, according to [a document reviewed by The Wall Street Journal](#).
- However, about 15% of the recipients named in the document are internet celebrities more typically seen on [Alphabet](#) Inc.'s [GOOG -1.23%decrease; red down pointing triangle](#) YouTube, Twitter Inc.'s video-sharing platform Vine, disappearing photo app Snapchat or Facebook's Instagram.
- Justin Osofsky, Facebook's vice president of global operations and media partnerships, said the deals aren't an "acquisition strategy to go after Vine and YouTube stars." Rather the payments are intended to "encourage experimentation" on Facebook Live, he said.
- Facebook hasn't yet decided how it—or creators—will generate revenue directly from Facebook Live, which launched earlier this year.
- Such "influencers" tend to have smaller followings than media companies such as BuzzFeed, but their fans usually are younger and more likely to 'like' or share content. Advertisers have noticed and are paying influencers as much as \$150,000 for a single promotional post on Instagram, according to marketing-analytics company Captiv8. Facebook, which owns Instagram, doesn't get a cut of those deals.
- Facebook isn't the first tech company to pay for content to bolster a new offering. Beginning in 2011, YouTube paid more than \$100 million to media companies, Hollywood production companies and online-video creators to create "channels" on the site. (The [Wall Street Journal was among the participants](#), but the company has no arrangement with Facebook to create videos for Facebook Live, a Dow Jones spokeswoman has said.)
- YouTube no longer pays creators directly, but offers them a share of revenue from advertising that accompanies their videos.
- Facebook's move into live video came as some internet celebrities, including Mr. Piques, soured on Vine, where they say users are less engaged.

- A spokesman for Twitter, which owns Vine, said building better creative tools was a top priority, and noted its efforts to help Vine creators make money.
- Creators say Facebook Live videos typically don't attract as many views as other videos on Facebook, but they draw more comments because users interact with the content in real time.

★ Some Media Companies Cool on YouTube Distribution

http://www.wsj.com/articles/some-media-companies-cool-on-youtube-distribution-1469095200?reflink=desktopwebshare_permalink

July 21, 2016 at 6:00 am ET

- Even as the [media business becomes more fixated on web video](#), some publishers are questioning whether YouTube is still worth their investment.
- “You never count Google out, but something has to change at YouTube, or Facebook and Snapchat are going to own this world,” said a prominent digital media executive. For some newer media companies, YouTube has become an afterthought, this person said. “Google can’t rest on its laurels.”
- The shift in tone regarding YouTube shows how quickly the technology and media landscape as well as consumer habits have evolved.
- the video site is now crowded with more content than ever, and it doesn’t have the built-in network for sharing that helps other sites rapidly amass viewers, particularly on mobile.
- A fair number of publishing executives say they are now more bullish on platforms like Facebook, Instagram, Snapchat and, in some cases, even Twitter when it comes to amassing video audiences.
- Mr. Topolsky and other executives noted that, for many people, YouTube often serves as a video search engine and not a place where people connect with friends, limiting its ability to help users discover new videos and have them spread.
- To be sure, YouTube has fostered an ecosystem of homegrown creators who do continue to thrive on the platform. These YouTube stars have established their own form of video content, driven by personalities, often talking to their fans directly about topics ranging from videogames to beauty or hair tips. Given their fans’ propensity to subscribe to YouTube channels and to comment and share, they likely very much see YouTube as a kind of social network.
- But, as many executives noted, media companies don’t generally excel at creating this type of personality-driven content, and young people don’t necessarily turn to YouTube seeking professionally produced videos from big media brands.
- YouTube doesn’t make it easy for content to get discovered or shared—key strengths of other social platforms like [Facebook](#) and Instagram, he said.
- YouTube, for its part, says that more and more creators and media companies are publishing on its platform and finding audiences. “In the past year alone, we’ve launched thousands of additional news channels to YouTube and the time people spent watching news content has more than doubled. Our partner revenue growth has averaged 50% over the last three years” said a YouTube spokeswoman.
- The Web video giant recently [introduced a live mobile streaming offering](#). Plus, it boasts of content distribution deals with media giants like the NFL and has made strides in getting advertisers to consider it as an alternative outlet for TV budgets.
- Some publishers contend that while it’s harder to gain viewership on YouTube, the audience proves to be far more engaged and loyal.
- It’s worth noting that [YouTube](#) shares 55% of the revenue generated by pre-roll ads with the publisher, while Facebook, for instance, doesn’t offer pre-roll video ads. But, at the same time, Facebook has been paying media companies and celebrities directly to create videos and experiment with its Facebook Live feature.
- The power of Facebook’s vast network—not to mention the fact that videos play automatically on the site and that Facebook’s algorithm appears to favor video—is hard for publishers to resist.

With Yahoo Deal, Verizon Sets Sights on Facebook, Google

https://www.wsj.com/articles/with-yahoo-deal-verizon-sets-sights-on-facebook-google-1469542028?mod=Searchresults_pos15&page=4

Updated July 26, 2016 at 12:21 pm ET

- Its \$4.83 billion deal to acquire Yahoo Inc. announced Monday will allow the nation's biggest wireless carrier to become a meaningful player [in the digital media industry](#), which could be as large as \$180 billion by 2020, CEO Lowell McAdam said.
- "Yahoo brings viewers. Viewers bring advertising. Advertising brings top-line growth," said Verizon Chief Financial Officer Fran Shammo.
- Verizon's thesis for the Yahoo investment is content creators and advertisers are hungry for alternatives beyond Facebook and Google as the market for digital media expands for both in-home and mobile consumption. This year, Google collected an estimated 31% of digital ad revenue globally and Facebook had 12%, according to eMarketer. Yahoo and AOL combined have about 2.2%.
- "There's been a lot made of are we going to challenge Google and Facebook in this process," Mr. McAdam said. "We're a small player today relative to them. All we need to do is take more than our fair share of the growth of the market and this will be a success for us."
- Verizon said traditional 300-channel TV bundles are beginning to fray, and more media consumption is moving to smartphones, especially among millennials. Mr. McAdam pointed to how some of its other investments, such as its recent acquisition of Complex magazine and AwesomenessTV, will help it ride that wave.
- "The big advertisers have come to us saying that they have more ads to place than they have good places to put them," Mr. McAdam said. "We will be one of the few that can deliver advertising and content across the home, across the mobile device, and across the internet."
- Investing in mobile media will also allow Verizon to draw revenue from a less capital-intensive business, Mr. McAdam said, and one that doesn't have to deal with a labor union. Verizon spent \$7.3 billion in capital expenditures on its networks in the first half of the year, and had to manage a 45-day labor strike.

Facebook's Rally Is Too Much of a Good Thing

http://www.wsj.com/articles/facebook-rally-is-too-much-of-a-good-thing-1469561879?reflink=desktopwebshare_permalink

July 26, 2016 at 3:38 pm ET

- [More competition](#) could ultimately be the thing that dents Facebook's earnings. Snapchat's rising popularity among both young and older users is the latest concern. Snapchat could prompt users to spend less time and activity on Facebook's properties, such as Instagram. Analysts at Jefferies project Snapchat could eventually deny Instagram as much as \$150 million in advertising spending.

Facebook's Answer to Silicon Valley Housing Crunch: Build Apartments

http://www.wsj.com/articles/facebook-answer-to-silicon-valley-housing-crunch-build-apartments-1469534402?reflink=desktopwebshare_permalink

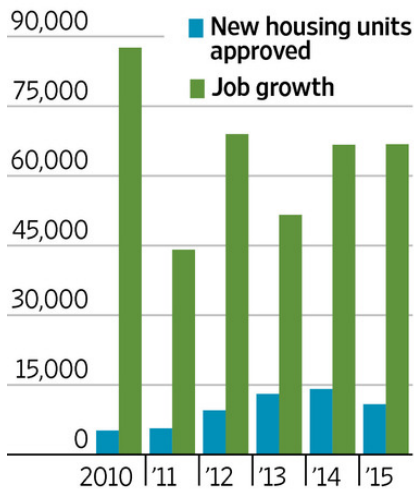
Updated July 26, 2016 at 4:19 pm ET

- So in an effort to shore up city support, Facebook earlier this month made an unusual pledge for a tech company. It would build at least 1,500 units of housing, meant not specifically for Facebook employees, but for the general public.
- The novel move is a gesture intended to address a growing frustration in the region: too many workers, too few homes.

- Under the plan, 15% of the units would be reserved for low- or middle-income families, and the company is offering numerous other benefits for the city, including millions of dollars to study and improve transportation. It is unclear whether Facebook or a third party would develop the buildings, which are located on a site that is currently a set of industrial buildings owned by Facebook. The timing, too, is uncertain.

Housing Gap

Job gains are far outpacing home permits in San Francisco and Silicon Valley*, leading to housing shortages



*San Mateo, Santa Clara and San Francisco counties

Sources: U.S. Census Bureau (housing); California Employment Development Dept. (jobs)

THE WALL STREET JOURNAL.

Facebook Earnings: What to Watch

http://www.wsj.com/articles/facebook-earnings-what-to-watch-1469625600?reflink=desktopwebshare_permalink

July 27, 2016 at 9:20 am ET

- Photo-sharing app Instagram, which Facebook [bought for \\$1 billion in 2012](#), doubled down on its ad strategy last year. Facebook has yet to break out revenue for the unit, but many analysts are optimistic. UBS analyst Eric Sheridan estimates Instagram's second-quarter revenue was \$550 million and many analysts predict the app's revenue will be around \$2.5 billion this year. Still, Instagram [faces stiff competition](#) from disappearing chat app Snapchat, which is quickly making [inroads with advertisers](#). Tuesday, Jefferies analyst Brian Pitz wrote advertisers may divert as much as \$150 million from their Instagram budgets to Snapchat in the fourth quarter.

★ The Lesson of Yahoo: Don't Lose Your Focus

http://www.wsj.com/articles/the-lesson-of-yahoo-focus-1469651219?reflink=desktopwebshare_permalink

July 27, 2016 at 4:27 pm ET

- The funny thing about the portal concept is that it never really died. And this is the lesson of Yahoo: every internet giant eventually succumbs to the same hubris when it is at its most commanding. They fall prey to the notion that they can be the all-encompassing starting point for every interaction with the internet.

- Take Google, which in 1998 adopted as [its mission to “organize the world’s information”](#) and hasn’t updated it since. After usurping Yahoo’s throne on the desktop, its product lines proliferated, from email and a mobile operating system to productivity software and dozens of smaller projects.
- For a time, it seemed like Google could be everything to everyone, a Yahoo plus a Microsoft plus an Apple. Then in 2010 [Facebook eclipsed Google in the amount of time people spent](#) using it. A year or so later, Google Chief Executive Larry Page [delivered his “more wood behind fewer arrows” memo](#), declaring that Google would kill off many of its smaller projects and focus on what was working.
- Mr. Page’s reorganization was a good first step, but Google had yet to absorb Yahoo’s lesson completely. Just over six months after Mr. Page’s memo, Google launched Google+, its ultimately unsuccessful attempt to compete directly with Facebook.
- Today’s apex predator—by share of time spent, if not revenue—is Facebook. In its relentless and successful push to increase user engagement, or the number of users and the amount of time they spend there, it has become something like the internet’s new home page. Users are spending 50 minutes a day on Facebook’s products already, and [the company wants even more of their time](#). Even Facebook’s acquisitions of WhatsApp—messaging as the new home page—and Oculus VR, which sees virtual reality as the new mode of interaction with the internet—speak to its ambitions to become the modern-day equivalent of an internet portal.
- Neither will be able to command users’ attention forever. From Instagram, which Facebook acquired, to Snapchat, which it couldn’t, Facebook, like Google, has faced one disruptive competitor for users’ attention after another. There will be more.
- For both Facebook and Google, the response to every threat has historically been to launch or acquire a service that can compete. Sometimes this strategy works, but at what opportunity cost? Google’s failed social and media products attest to this cost.

5 Things Marketers Should Note From Facebook’s Second-Quarter Earnings

http://www.wsj.com/articles/5-things-marketers-should-note-from-facebooks-second-quarter-earnings-1469660053?reflink=desktopwebshare_permalink

July 27, 2016 at 6:54 pm ET

- Facebook Chief Operating Officer Sheryl Sandberg described mobile as a priority for the company and said it’s “working closely with marketers to make the transition [to mobile].”
- In terms of pre-roll video advertising, Mr. Zuckerberg said the company doesn’t think it would be a good experience in the news feed. So instead of running ads before clips, the company is focusing on placing video ads in between pieces of video content. There was no update on when Facebook will introduce advertising to live video content.
- The company said it believes its “ad load”—the volume of ads its users typically see—is “in a good zone.” That means it doesn’t think it can push many more ads to users than they are already seeing during the time they are spending on the social network. So the only way for Facebook to sell more ads across its service is to attract more users or get current users to spend even more time on Facebook. This is also why Facebook is investing in its Audience Network, which helps advertisers place ads on websites and apps not owned by Facebook.

Facebook’s Huge Crowd-Pleaser

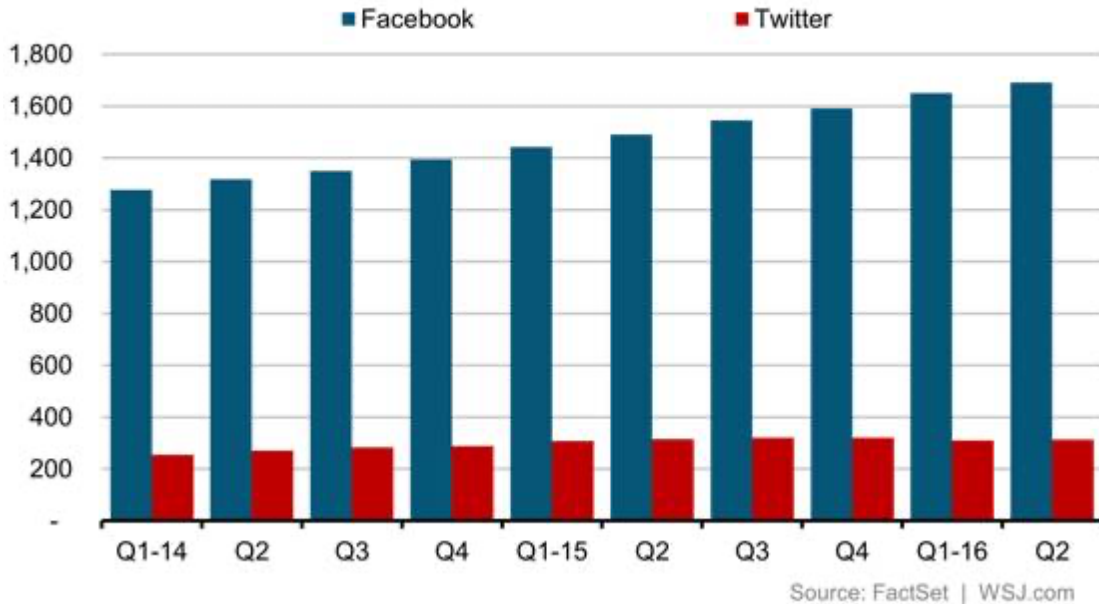
http://www.wsj.com/articles/facebook-huge-crowd-pleaser-1469657063?reflink=desktopwebshare_permalink

July 27, 2016 at 6:04 pm ET

- Someday, Facebook will simply run out of people. It is an obvious point only worth mentioning because the earth’s natural population seems, so far, the main impediment to the company’s growth rate.

Loading

Monthly Active Users, in millions



- It risks nothing to say this won't continue forever. Some populations will remain stubbornly out of Facebook's reach. These include unconnected masses in underdeveloped countries and, perhaps, many Snapchatting teens.

Facebook Posts Strong Profit and Revenue Growth

http://www.wsj.com/articles/facebook-posts-strong-profit-and-revenue-growth-1469650289?reflink=desktopwebshare_permalink

Updated July 27, 2016 at 10:21 pm ET

- Facebook Inc.'s mobile bet has shrunk the time it takes the social network to leap from one milestone to the next: On Wednesday, Facebook topped \$2 billion in quarterly profit, six months after crossing the billion dollar mark for the first time.
- Executives said they expect growth to slow over the rest of the year, as the company laps the second half of 2015, when revenue growth began to accelerate. But it has its next growth move planned: video.
- Facebook is outpacing its competitors in advertising and user growth.
- Facebook's market share in mobile advertising, where it is the second-biggest player after Google, is expected to jump to 12% this year from 8.6% two years ago, according to research firm eMarketer. Twitter and Yahoo both trail, with less than a 2% market share this year.
- Wednesday, Mr. Zuckerberg said Facebook would apply that same focus to becoming "video-first." The company is pouring big money into this effort and Mr. Zuckerberg predicted that within five years or so most of what people consume online will be video.
- Facebook will have to make it easier to watch videos as well as offer tools to create them. Mr. Zuckerberg said the company is looking to build video products for its messaging apps such as Facebook Messenger and WhatsApp, both of which have than a billion users apiece.

Facebook May Owe Billions More in Taxes

http://www.wsj.com/articles/facebook-gets-tax-notice-over-transfer-of-assets-overseas-1469750400?reflink=desktopwebshare_permalink

Updated July 28, 2016 at 10:06 pm ET

- Facebook Inc. said it could be on the hook for \$3 billion to \$5 billion in additional taxes as a result of an Internal Revenue Service investigation into how the social network transferred assets overseas.

- The IRS earlier this month [sued Facebook](#) for documents related to the transfer, saying it suspected that Facebook's accountants had undervalued some of those assets by "billions of dollars." But neither the agency nor Facebook had said before Thursday what the company's potential tax liability could be.
- The IRS notice applies only to the 2010 tax year, but if the IRS takes a similar position for other years it is investigating and wins in court, it could result in an additional federal tax liability of between \$3 billion and \$5 billion, plus any interest or penalties.
- Facebook said it disagrees with the IRS's position and plans to file a petition in U.S. Tax Court challenging the notice. If the IRS prevails, it would have a "material adverse impact to Facebook's finances," the company said in the filing. Tax Court cases can take years to conclude and can be appealed into other federal courts.
- U.S. companies pay the country's full 35% tax rate on profits they earn around the world. They get foreign tax credits to prevent double taxation and don't have to pay the residual U.S. tax until they repatriate the money. That gives companies incentives to book profits in low-tax countries and leave the money there.
- The IRS said it went to court because Facebook failed to hand over requested documents. In a court filing Monday, the IRS said Facebook failed to respond to a seventh summons from the IRS. Facebook also didn't show up in court on June 29 and didn't provide the information demanded by the IRS.