

## ● Facebook's New Message to WhatsApp: Make Money

[https://www.wsj.com/articles/facebook-new-message-to-whatsapp-make-money-1533139325?st=3csjqjgumhnyhq0&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-new-message-to-whatsapp-make-money-1533139325?st=3csjqjgumhnyhq0&reflink=desktopwebshare_permalink)

Updated Aug. 1, 2018 at 3:55 pm ET

- Messaging service WhatsApp, which has a user base of roughly 1.5 billion, is set to start showing ads in its Status feature next year WhatsApp has laid out plans to sell advertisements for the first time, soon after its owner Facebook said revenue growth at the company was slowing.
- The announcements follow disagreements between Facebook leaders and WhatsApp's co-founders, Jan Koum and Brian Acton, over how to monetize the popular, free service.
- WhatsApp users exchange an average of 60 billion messages a day, but only a fraction are between companies and consumers—in part because the system isn't designed to facilitate that kind of interaction, executives said. "
- The company will introduce new ad types to let users know they can text companies directly via WhatsApp for any customer-service queries instead of calling.
- WhatsApp will charge companies between a half a penny and 9 cents—depending on the country—for every message delivered to a potential customer, a spokesman said.
- About 100 companies have been testing the feature, including [Singapore Airlines](#) Ltd., e-commerce company Wish and ride-sharing company Uber Technologies Inc., WhatsApp said.
- Users will be able to choose whether to opt into receiving messages from businesses. WhatsApp executives believe users will adapt to the new tools, a spokesman said, adding that the company has seen positive feedback from ads in Instagram Stories.

## Fake Facebook Accounts Latched On to Real U.S. Protest Groups

[https://www.wsj.com/articles/fake-facebook-accounts-latched-on-to-real-u-s-protest-groups-1533202200?st=uasys8vn6je7i32&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/fake-facebook-accounts-latched-on-to-real-u-s-protest-groups-1533202200?st=uasys8vn6je7i32&reflink=desktopwebshare_permalink)

Aug. 2, 2018 at 5:30 am ET

- The fake Facebook pages and accounts helped promote more than three dozen events in the last 15 months, most of them protesting the policies of President Trump or promoting left-leaning causes, according to a Wall Street Journal review of 40 now-deleted listings promoted by three groups in particular: "Resisters," "Black Elevation" and "Aztlan Warriors."
- Facebook said it removed dozens of pages and accounts from its platform and Instagram, like those shown here.
- Fake accounts can push unwitting groups toward the fringes, Mr. Brookie said. "
- Russia has denied it attempted to interfere in the 2016 election.
- Last summer, representatives from Resisters contacted activists in Springfield, Mo., who were organizing a rally called "The People's Protest.
- "It just piggybacks onto very real sentiment," he said. By appearing to be peers, fake pages can push others to increasingly polarized positions and make the extreme seem normal, he said.
- Many up-and-coming grass-roots organizations rely on social media to connect with activists and publicize events. It is difficult to tell which groups online are legitimate, said Sam Woolley, director of digital intelligence at the think tank Institute for the Future. "What's real grass-roots activity versus fake grass-roots activity?" he asked.

## Facebook Gives Local Newspapers Tips on How to Boost Subscriptions

[https://www.wsj.com/articles/facebook-gives-local-newspapers-tips-on-how-to-boost-subscriptions-1533207600?st=tmenursptbk3el6&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-gives-local-newspapers-tips-on-how-to-boost-subscriptions-1533207600?st=tmenursptbk3el6&reflink=desktopwebshare_permalink)

Aug. 2, 2018 at 7:00 am ET

- Pilot program with 14 midsize publications comes amid often tense relationship between news industry and social-media giant
- Since March, Facebook has held training sessions with executives from 14 midsize newspapers from around the U.S. to develop strategies for bringing in more paying customers via Facebook and beyond.
- Facebook also brought in experts from areas outside the news field, including e-commerce companies such as Dollar Shave Club. "
- The publishers submitted plans on how they would spend their grant money and what goals they hoped to achieve by the time the group reconvenes in January.
- Facebook said it planned to expand the program to include a slate of nonprofit, membership-based news sites, as well as to bring the original group back for another series of sessions focused on subscriber retention.
- Facebook intends to invest an additional \$4.5 million in support.

## ★● Facebook to Banks: Give Us Your Data, We'll Give You Our Users

[https://www.wsj.com/articles/facebook-to-banks-give-us-your-data-we'll-give-you-our-users-1533564049?st=f7pnuqtft8v898&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-banks-give-us-your-data-we'll-give-you-our-users-1533564049?st=f7pnuqtft8v898&reflink=desktopwebshare_permalink)

Aug. 6, 2018 at 10:00 am ET

- Facebook has asked large U.S. banks to share detailed financial information about customers as it seeks to boost user engagement
  - The social-media giant has asked large U.S. banks to share detailed financial information about their customers, including card transactions and checking-account balances, as part of an effort to offer new services to users.
- Facebook increasingly wants to be a platform where people buy and sell goods and services, besides connecting with friends. The company over the past year asked [JPMorgan Chase JPM -1.77%](#) & Co., Wells Fargo & Co., [Citigroup Inc. C-1.55%](#) and [U.S. Bancorp USB -1.76%](#) to discuss potential offerings it could host for bank customers on Facebook Messenger, people familiar with the matter said.
- [Data privacy](#) is a sticking point in the banks' conversations with Facebook, said people familiar with the matter. The talks are taking place as Facebook faces several investigations over its ties to political analytics firm Cambridge Analytica, which accessed data on as many 87 million Facebook users without their consent.
- Facebook said it wouldn't use the bank data for ad-targeting purposes or share it with third parties. "
- Facebook has told banks that the additional customer information could be used to offer services that might entice users to spend more time on Messenger, a person familiar with the discussions said. The company is trying to deepen user engagement: Investors shaved more than \$119 billion from its market value in one day last month [after it said its growth is starting to slow](#).
- Banks face pressure to build relationships with big online platforms, which reach billions of users and drive a growing share of commerce. They also are trying to reach more users digitally. Many struggle to gain traction in mobile payments.
- Facebook shares climbed sharply Monday on the news, rising 4.45%, marking the biggest one-day gain since last month's historic drop.
- As part of the proposed deals, Facebook asked banks for information about where their users are shopping with their debit and credit cards outside of purchases they make using Facebook Messenger
- [Alphabet](#) Inc.'s Google and [Amazon.com](#) Inc. also have asked banks to share data if they join with them, in order to provide basic banking services on applications such as Google Assistant and Alexa
- That hasn't assuaged concerns over Facebook's privacy practices. Bank executives are worried about the breadth of information being sought, even if it means their bank might not being available on certain platforms their customers use. Bank customers would need to opt-in to the proposed Facebook services, the company said in a statement Monday.

- JPMorgan isn't "sharing our customers' off-platform transaction data with these platforms, and have had to say no to some things as a result," spokeswoman Trish Wexler said.
- Banks view mobile commerce as one of their biggest opportunities but are still running behind technology firms such as PayPal Holdings Inc. and Square Inc. Customers have moved slowly, too; many Americans still prefer using credit or debit cards, along with cash and checks.
- In recent years, Facebook has tried to transform Messenger [into a hub for customer service and commerce](#), in keeping with a broader trend among mobile messaging services.
- In an effort to compete with PayPal's Venmo, a group of large banks last year connected their smartphone apps to money-transfer network Zelle. Results are mixed so far: While usage has risen, [many banks still aren't on the platform](#).

## Italy's UniCredit Has Stopped Advertising on Facebook

[https://www.wsj.com/articles/italys-unicredit-has-stopped-advertising-on-facebook-1533665929?st=oo3p7tjjdzet2w1&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/italys-unicredit-has-stopped-advertising-on-facebook-1533665929?st=oo3p7tjjdzet2w1&reflink=desktopwebshare_permalink)

Updated Aug. 7, 2018 at 4:32 pm ET

- UniCredit's decision was unveiled Tuesday by the bank's chief executive, Jean-Pierre Mustier, in response to a reporter's question on whether the bank has shared customers' information with Facebook.
- Mr. Mustier said the bank never shares customer information and had stopped using Facebook for its advertising and marketing campaigns.
- He added that it won't advertise on Facebook again until the U.S. company improves its ethical standards. "
- A UniCredit spokesman said the bank had decided to stop using Facebook for advertising campaigns at the end of March, following news about the company's connections to Cambridge Analytica.

## On Facebook, New Rules to Protect Organizations' Profile Pages

[https://www.wsj.com/articles/on-facebook-new-rules-to-protect-organizations-profile-pages-1533935415?st=wy2nqsykmm9o01o&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/on-facebook-new-rules-to-protect-organizations-profile-pages-1533935415?st=wy2nqsykmm9o01o&reflink=desktopwebshare_permalink)

Aug. 10, 2018 at 5:10 pm ET

- Social network says people who run pages for businesses, groups will need authorization Facebook said a new authorization process would make it harder for people to administer a business's or organization's Facebook page using a fake or compromised account.
- The process includes using two-factor authentication and confirming primary country location.
- The Info and Ads section, a recent feature that offers more transparency about ads running on Facebook, as well as the company's Instagram and Messenger services, will provide more details, including whether a group's page has merged with another.
- The company said in October that only authorized advertisers would be able to run electoral ads on Facebook or Instagram, and this year [extended that requirement to "issue ads."](#)
- Facebook, under fire for issues including alleged interference by Russia in the 2016 presidential election, has • made several efforts to enhance its transparency.
- On Friday, Facebook said Instagram will provide more details about accounts with large audiences in a few weeks. "

## ★● Facebook Removes Data-Security App From Apple Store

[https://www.wsj.com/articles/facebook-to-remove-data-security-app-from-apple-store-1534975340?st=nu38choiudnry8i&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-remove-data-security-app-from-apple-store-1534975340?st=nu38choiudnry8i&reflink=desktopwebshare_permalink)

Updated Aug. 22, 2018 at 8:26 pm ET

- Apple last week informed Facebook that the Onavo app violated data-collection policies Facebook is removing its data-security app Onavo from the Apple app store.
  - This was the app which gave FB information on how Snapchat was doing and which gave FB the alert it used in order to purchase WhatsApp. It gave FB the info of what apps were being used on the phones where it was installed. Its policies stated that it did that but since users rarely read these policies, it was not necessarily widely known.
  - Onavo allows users to create a virtual private network that redirects internet traffic to a private server managed by Facebook. The app, which bills itself as a way to “keep you and your data safe,” also alerts users when they visit potentially malicious sites. Facebook is able to collect and analyze Onavo users’ activity to get a picture of how people use their phones beyond Facebook’s apps.
- guidelines, which were designed to close longstanding gaps that opened user data to abuse.
- Apple recently has begun the process of removing apps that aren't in compliance with its new rules.
- Apple said in a statement that its updated developer guidelines made clear that apps shouldn't collect information about other apps installed on a user's device for analysis or marketing. "
- Wednesday's move comes several months after Apple and Facebook executives sparred publicly over their disparate approaches to data privacy.
- The app won't vanish from the phones of users who have already downloaded the app, but Facebook will no longer be able to push updates of the app. Onavo will still be available on Android devices, the person said.
- Data from Onavo has helped shape Facebook's product and acquisition strategy, paving the way for its 2014 purchase of WhatsApp and push into live video in 2016, among [other efforts](#).
- Earlier this year, U.S. [lawmakers requested more information](#) about the way Facebook uses data gleaned from Onavo. [In responses](#), Facebook claimed that its privacy policy for the Onavo app makes it clear to users that their activity is being tracked.

## ● Facebook Bans Quiz App That Captured Data of Four Million Users

[https://www.wsj.com/articles/facebook-bans-quiz-app-that-captured-data-of-four-million-users-1534992464?st=coyb0fh1ou6vp9v&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-bans-quiz-app-that-captured-data-of-four-million-users-1534992464?st=coyb0fh1ou6vp9v&reflink=desktopwebshare_permalink)

Updated Aug. 22, 2018 at 11:02 pm ET

- Facebook bans second app—following Cambridge Analytica's personality-prediction app, thisisyourdigitallife—in several months Facebook's move comes almost five months after it initially suspended the myPersonality app.
- Facebook Inc. on Wednesday banned from its platform a quiz app that could have exposed the data of up to four million users, after the developers declined to be audited by the social-media giant as part of its effort to track down potential abuses.
- One of the researchers behind the app, David Stillwell, called the ban "nonsensical and purely for PR reasons." Mr. Stillwell said the findings from the myPersonality app were used to publish [several social-science research papers in recent years](#) and that he and his research partner were invited to Facebook's offices in 2011 and 2015 to discuss their work.
- This is the second app after Cambridge Analytica's personality-prediction app, thisisyourdigitallife, to be banned by Facebook as part of a larger investigation, begun several months ago, into data abuse by outside developers.
- So far, Facebook has suspended more than 400 apps as part of a broader investigation under way since March to piece together what happened to large chunks of user data and determine any level of abuse that needs to be disclosed to users and lawmakers.
- In May, Facebook said it suspended 200 apps.
- The myPersonality app was initially suspended on April 7 as part of a separate investigation into an app called Cubeyou, a Facebook spokeswoman said. In May, Facebook was alerted to the fact that login

credentials for the app, which was supposed to be available only to academics, could be easily found online

## Facebook Taps HP's Antonio Lucio as CMO

[https://www.wsj.com/articles/facebook-taps-hps-antonio-lucio-as-cmo-1535138243?st=if9ssabtqkobjwh&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-taps-hps-antonio-lucio-as-cmo-1535138243?st=if9ssabtqkobjwh&reflink=desktopwebshare_permalink)

Updated Aug. 24, 2018 at 4:17 pm ET

- He'll report into Facebook Chief Product Officer Chris Cox, and arrives as the company is trying to respond to a number of challenges, including scrutiny of its data-privacy practices and debate over how far it should go in policing offensive content or fake news.
- Mr. Lucio, who previously held top marketing roles at HP, Visa and at PepsiCo, replaces Gary Briggs, who announced his retirement in January. •
- Mr. Lucio is a high-profile marketing executive known for championing diversity on Madison Avenue.
- In 2016, he mandated that HP's advertising and public relations agencies add more women and minorities, following a string of accusations of sexist and racist behavior by agency executives. "

## Sheryl Sandberg's New Job Is to Fix Facebook's Reputation—and Her Own

[https://www.wsj.com/articles/sheryl-sandberg-leans-into-a-gale-of-bad-news-at-facebook-1536085230?st=lnfg9qq34gy1403&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/sheryl-sandberg-leans-into-a-gale-of-bad-news-at-facebook-1536085230?st=lnfg9qq34gy1403&reflink=desktopwebshare_permalink)

Updated Sept. 4, 2018 at 9:17 pm ET

- Facebook Inc. Chief Operating Officer Sheryl Sandberg was the architect of a business strategy that built the social network from a fast-growing but wobbly startup into a global advertising juggernaut with a market value of more than half a trillion dollars.
- But during five nightmarish days in March, she and her communications team couldn't figure out how to address the [public's mounting outrage](#) over allegations that political firm [Cambridge Analytica had improperly accessed data](#) on tens of millions of Facebook users. [While anger grew, she and Chief Executive Mark Zuckerberg remained silent.](#)
- Ms. Sandberg has told people the delayed response was one of the company's biggest mistakes ever.
- While the technology platform designed and overseen by Mr. Zuckerberg is also to blame for some of Facebook's challenges of late, units under Ms. Sandberg's control failed to respond to mounting signs of trouble, including evidence that Russia interfered in the 2016 presidential election and the growing use of fake news to stir violence and harm overseas a number of current and former employees. •
- Now Ms. Sandberg must fix the mistakes. Urged by his board to be more proactive, Mr. Zuckerberg quietly asked her to lead the company's efforts to identify and prevent future blowups on the platform. The new job, insiders say, is at least as challenging as the company's transition to mobile several years ago, which was late and rocky. Ms. Sandberg's role is likely to be complex, expensive and thankless, people close to the company say, with any failures very public.
- Facebook's Chris Cox has been put in charge of all the company's apps.
- Meanwhile, at a company where departures are uncommon, five senior executives on Ms. Sandberg's leadership team have said in recent months they are leaving.
- While senior leaders worked collaboratively, Mr. Zuckerberg and Ms. Sandberg effectively ran two separate businesses that share the same campus, according to a number of current and former employees. "
- During the Cambridge Analytica crisis, Ms. Sandberg worked through the weekends and school functions.
- People close to Ms. Sandberg strongly dispute the suggestion that she was distracted and say she scheduled her book tour around her work obligations. "
- Alex Stamos recently resigned as Facebook's chief security officer.

- In early 2018, almost all of the 127-member security team were shifted over to Mr. Zuckerberg's side of the house, a move that reflected Facebook's maturing approach to security, Mr. Stamos said. "
- Now, Ms. Sandberg's mandate is to spend a majority of her time on safety and security vulnerabilities.

## ● Facebook to Start Fact-Checking Photos, Videos

[https://www.wsj.com/articles/facebook-to-start-fact-checking-photos-videos-1536867288?st=1pcy9p3apmxstlu&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-start-fact-checking-photos-videos-1536867288?st=1pcy9p3apmxstlu&reflink=desktopwebshare_permalink)

Updated Sept. 13, 2018 at 4:06 pm ET

- The company said Thursday it will use technology and human reviewers to try to staunch what it called in a statement "misinformation in these new visual formats." Previously, the company's efforts had been focused on rooting out false articles and links.
- Yet, as with other technology companies, Facebook will face a significant challenge in designing algorithms that are able to catch doctored photographs and videos, or those that have been posted without context. A Facebook spokeswoman said the company's efforts to fact-check video and photos will rely on technology but also human reviewers who work for groups certified by an organization called the International Fact-Checking Network.
- She acknowledged that "figuring out whether a manipulated photo or video is actually a piece of misinformation is more complicated; just because something is manipulated doesn't mean it's bad." Ms. Lyons added the company can use technology "to identify different types of manipulations in photos, which can be a helpful signal that maybe something is worth having fact-checkers take a look at."
- In addition to technology, Facebook will rely on user feedback to help flag false content in videos and graphics, similar to what it does now with articles. The firm also examines comments on a post that might indicate misinformation and whether those sharing content have a history of sharing items rated false by fact-checkers.

## Facebook and Financial Firms Tussled for Years Over Access to User Data

[https://www.wsj.com/articles/facebook-sought-access-to-financial-firms-customer-data-1537263000?st=st7nwknwed66nz&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-sought-access-to-financial-firms-customer-data-1537263000?st=st7nwknwed66nz&reflink=desktopwebshare_permalink)

Sept. 18, 2018 at 5:30 am ET

- As recently as last year, the social-media company pressed financial firms for the ability to use customer data flowing through its Messenger platform for a range of purposes, including advertising, according to people familiar with the matter and documents reviewed by The Wall Street Journal. Concerned about privacy, several firms negotiated bespoke agreements that limited how Facebook could use any financial information that would pass through its servers.
- Facebook has in recent months taken steps to give users more control over the massive cache of data it collects. Earlier this year, the company changed its privacy policy to more clearly spell out how it handles advertising and user data. In April, before the European Union began enforcing its General Data Protection Regulation privacy law, Facebook asked users to review information about different types of advertising.
- Facebook has in recent months taken steps to give users more control over the massive cache of data it collects. Earlier this year, the company changed its privacy policy to more clearly spell out how it handles advertising and user data. In April, before the European Union began enforcing its General Data Protection Regulation privacy law, Facebook asked users to review information about different types of advertising.
- She said Facebook hasn't and doesn't use consumer financial data for so-called ad targeting, or placing ads in front of specific audiences.
- Facebook's negotiating stance with financial firms evolved over the years, ranging from asserting ownership of all data that passes through its servers to, later on, allowing financial firms to restrict its use of the information. Several of the deals were negotiated ahead of Facebook's 2017 developer conference,



when more than a dozen companies in multiple industries, including financial services, launched services on Messenger.

## Bertelsmann to Merge Unit That Moderates for Facebook With a Competitor

[https://www.wsj.com/articles/bertelsmann-to-merge-unit-that-moderates-for-facebook-with-a-competitor-1537273357?st=l94rvz25mq93cz1&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/bertelsmann-to-merge-unit-that-moderates-for-facebook-with-a-competitor-1537273357?st=l94rvz25mq93cz1&reflink=desktopwebshare_permalink)

Sept. 18, 2018 at 8:22 am ET

- Bertelsmann's Arvato customer relations management division runs moderation centers in Germany and elsewhere, where workers pore over content on Facebook that has been flagged as objectionable. The task has taken on a higher profile as governments increasingly demand moderation of online content.
- But the unit hasn't been growing as quickly as Bertelsmann had hoped, and the company said in January it was considering options for the business. On Tuesday, it announced a merger between the unit and the customer relations business of Morocco-based Saham Group to form a new company in which both firms will retain a 50% stake.

## ● EU Demands Facebook Update 'Misleading' Fine Print

[https://www.wsj.com/articles/eu-demands-facebook-update-misleading-fine-print-1537438609?st=hvbw2srtzv3iyo&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/eu-demands-facebook-update-misleading-fine-print-1537438609?st=hvbw2srtzv3iyo&reflink=desktopwebshare_permalink)

Updated Sept. 20, 2018 at 6:34 am ET

- The European Union is ramping up pressure on Facebook Inc. to better spell out to consumers how their data is being used or face sanctions in several countries.
- "I am becoming rather impatient. We have been in dialogue with Facebook almost two years," Ms. Jourová said at a press conference. "I want to see not progress—that is not enough for me. I want to see results."
- At issue for Ms. Jourová was the clarity of Facebook's terms of service. The company updated them in the spring, but Ms. Jourova said they remain insufficiently explicit about how the company monetizes users' data. A spokeswoman for the EU's executive arm said that directing users via hyperlinks to Facebook's "data policy," which gives some more detail on ad targeting, isn't enough for consumers.
- The sharply worded salvo comes on top of a series of legislative proposals and regulatory actions from Europe aimed at reining in the power and perceived excesses of a cadre of big tech companies. The EU in May implemented a sweeping new privacy law, GDPR, and its parliament recently approved a draft copyright bill aimed at making Silicon Valley companies pay more money to support music firms and news publishers.
- The EU's executive arm has also issued fines for alleged anticompetitive conduct by Alphabet Inc.'s Google, and ordered EU countries to recoup allegedly unpaid taxes from Apple Inc. and Amazon.com Inc. On Wednesday, antitrust officials disclosed a new preliminary probe into Amazon's treatment of third party sellers.

## ● Instagram Co-Founders to Step Down From Facebook

[https://www.wsj.com/articles/instagram-co-founders-to-step-down-from-facebook-1537843179?st=46zvfyf2h50goeew&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/instagram-co-founders-to-step-down-from-facebook-1537843179?st=46zvfyf2h50goeew&reflink=desktopwebshare_permalink)

Updated Sept. 25, 2018 at 12:35 am ET

- The co-founders—Kevin Systrom, Instagram's chief executive, and Mike Krieger, chief technology officer—clashed with Facebook executives over the extent of Instagram's autonomy in recent months, according to people familiar with the matter. Earlier this year, Chief Executive Mark Zuckerberg shifted a senior Facebook executive, Adam Mosseri, over to Instagram in anticipation that the founders might leave, one of the people said.

- Among other things, Facebook officials, including Mr. Zuckerberg, clashed with the co-founders over growth tactics and how to more rapidly expand the photo-sharing app's user base, another person said. Senior Facebook officials had known the two men were frustrated working within a large company and had begun making preparations for them to leave, another person familiar with the matter said.
- The departure represents the second major exit by the founders of an acquisition that had become central to Facebook's growth. WhatsApp co-founders Jan Koum and Brian Acton left after a series of disagreements over how to wring more money from the messaging service, which Facebook bought for \$22 billion in 2014.
- Some of the tension began this year, according to people familiar with the dynamic, as Facebook and Instagram executives began to clash over the extent to which Instagram could chart its own direction within Facebook's orbit. Some Facebook teams began exerting more control over their Instagram counterparts, one of the people said.
- The news in some ways heightened Instagram's importance within the company, as its popularity among younger users is seen as more stable than at Facebook's main platform. Instagram has also largely stayed out of the negative glare of Facebook's privacy issues, which intensified earlier this year on the revelation that political firm Cambridge Analytica had accessed the personal data on tens of millions of users without their knowledge.

## Facebook Has Troubles With the Better Half

[https://www.wsj.com/articles/facebook-has-troubles-with-the-better-half-1537893762?st=786vy7c5vl27v98&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-has-troubles-with-the-better-half-1537893762?st=786vy7c5vl27v98&reflink=desktopwebshare_permalink)

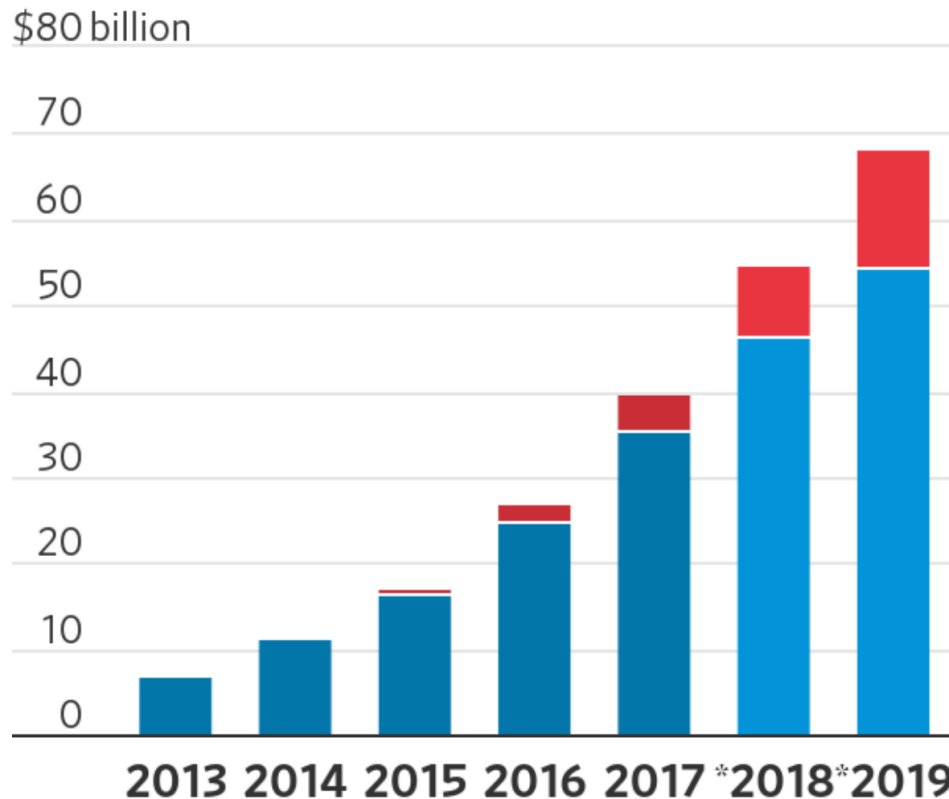
Sept. 25, 2018 at 12:42 pm ET



# No Filter

Facebook's advertising revenue per year

■ Core Facebook ■ Instagram



Note: \*2018-19 are projections

Source: the company, Visible Alpha

- That has made Instagram more vital to Facebook's future. So it should be little surprise that Facebook's leaders would take a keener interest in the service. And analysts still consider Instagram to be "under-monetized" relative to Facebook's core business. Instagram—which had no revenue when Facebook bought it—is now on track to generate more than \$8 billion in revenue this year, according to consensus estimates tabulated by Visible Alpha. That is about 15% of the total advertising revenue the company is expected to report this year, even though Instagram's user base is about 45% the size of the Facebook core service.
- Facebook's challenge will be handling that business without turning off Instagram's user base, which includes many of the younger crowd that have avoided the company's core social network. That won't be easy, and investors are a little skeptical. Facebook's share price slipped nearly 1% midday Tuesday following the news, while Snapchat parent Snap Inc.'s shares rose more than 2%. It doesn't help that Facebook's hands-off approach to Instagram to date has created the image that its co-founders alone are responsible for its success. And in the age of Instagram, image is everything.

## Facebook's Messing With Instagram Prompted Co-Founders' Departure

[https://www.wsj.com/articles/facebook-messing-with-instagram-prompted-co-founders-departure-1537905005?st=du9yf00bu1epvwm&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-messing-with-instagram-prompted-co-founders-departure-1537905005?st=du9yf00bu1epvwm&reflink=desktopwebshare_permalink)

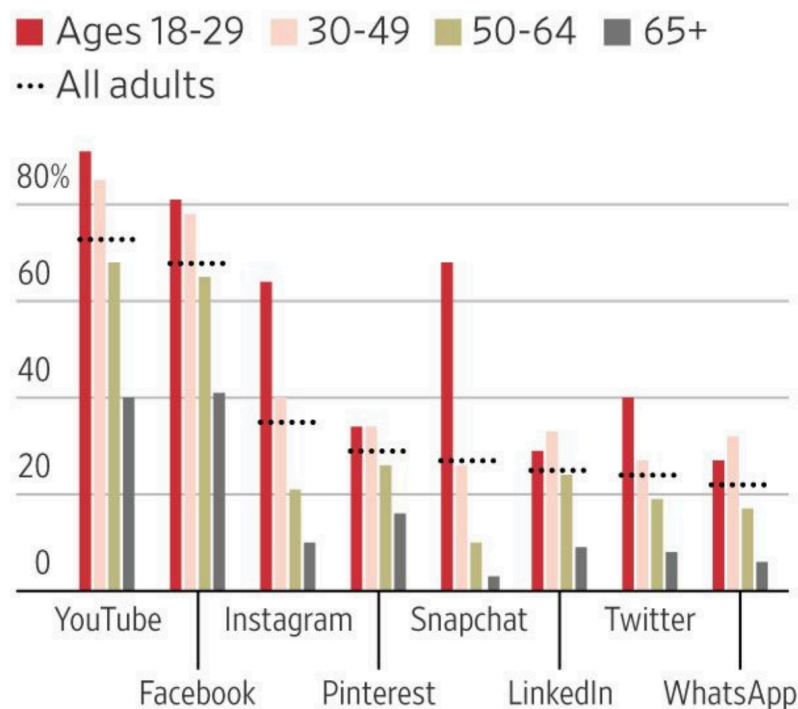
Sept. 25, 2018 at 3:50 pm ET

- Within Facebook, Mr. Zuckerberg saw his increased involvement with Instagram as indicative of his recognition of the app's growing role in the company's future, according to a person familiar with his thinking.
- But since late last year, and particularly in recent months, Instagram and Facebook officials disagreed over issues including Instagram's autonomy within the larger organization and Facebook's growth tactics, according to people familiar with the matter.

## Faceoff

Popular among younger people, Instagram ranks third behind YouTube and Facebook in use by U.S. adults, according to Pew Research.

### U.S. social-media usage, by age and platform



Source: Pew Research Center telephone poll of 2,002 adults conducted Jan. 3-10, 2018; overall margin of error +/- 2.4 percentage points

- Instagram officials argued that some of Facebook's product changes undercut the app's ability to add and retain users, according to people familiar with the matter. After years of supporting Instagram's growth, Facebook appeared to be diverting users' attention to its main app from Instagram, where ads still don't command the same prices as those that appear in Facebook's news feed.
- "These departures come at a critical time for [Facebook], as it faces multiple significant legal and regulatory issues around the world, and is trying to support growth and margins while investing substantially," Scott Kessler of CFRA Research said. "We think Systrom's and Krieger's departures are a notable negative."
- Instagram has remained largely above the fray. It is viewed by many users as less political and divisive, with a focus on travel, fashion and celebrity culture that has become less a central part of the Facebook experience as the site has emphasized more news. It also has continued gaining strength, topping more

than a billion monthly users in June, helped by younger users who held Facebook accounts but weren't using them as much.

## ● Instagram Founders' Exit Triggers Concerns on Madison Avenue

[https://www.wsj.com/articles/instagram-founders-exit-triggers-concerns-on-madison-avenue-1537905987?st=bs714k4yn3kebhv&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/instagram-founders-exit-triggers-concerns-on-madison-avenue-1537905987?st=bs714k4yn3kebhv&reflink=desktopwebshare_permalink)

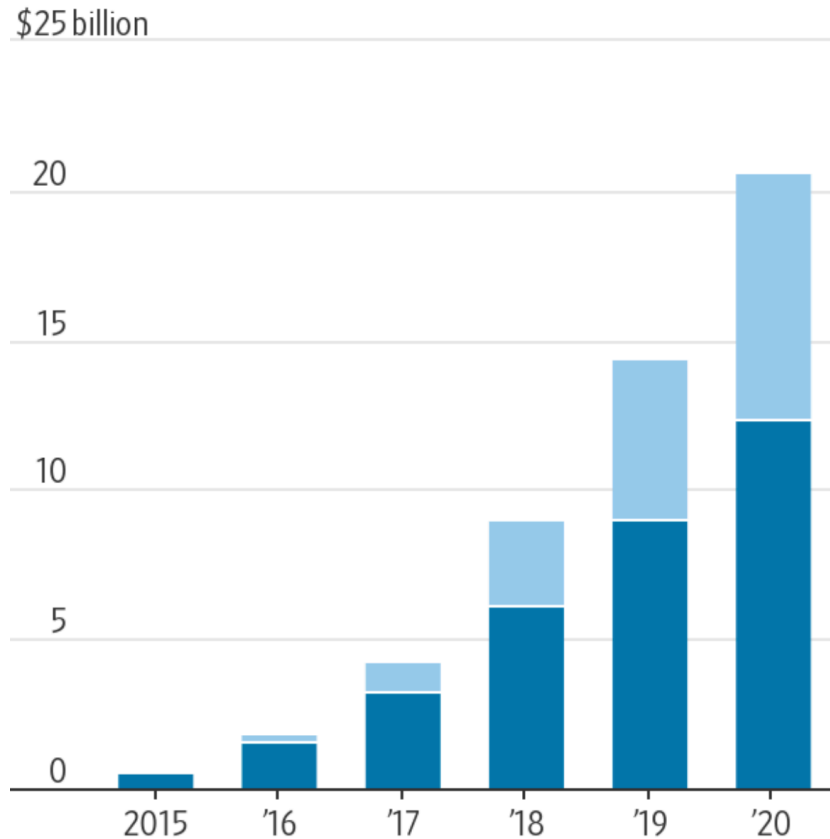
Sept. 25, 2018 at 4:06 pm ET

- Advertising executives expressed concern that the exits of Instagram's founders could signal unwelcome change for an app that has become a hugely appealing destination for marketers, with an identity separate from parent Facebook Inc.
- Any sign of instability at Instagram could raise concerns for advertisers, who are spending more dollars to the app as younger audiences migrate there from the original Facebook platform.
- "If the founders left because they were worried about the future path of Instagram and what Facebook is going to do, that would be concerning," said Mike Parker, global president at Hearst-owned digital ad firm iCrossing.
- Some ad executives worry about Instagram losing the features that distinguish it from Facebook, such as its photocentric, simple design. Several features are now available across both the Facebook and Instagram platforms, including the Stories format—disappearing photos and videos—and their respective video sections, Instagram's IGTV and Facebook Watch.
- While making features available on both platforms expands the number of customers advertisers can reach, it also raises the question of "whether or not these options provide unique, differentiated opportunities for advertisers," said James Douglas, head of media for Reprise, a digital ad agency owned by Interpublic Group.
- Instagram has become an attractive platform for advertisers, thanks to its visual nature and the easy-to-use Facebook ad-buying software that lets them place and measure their ads on the photo-sharing app. Instagram has also been left relatively unscathed as Facebook deals with issues ranging from the unauthorized disclosure of users' data to the spread of misinformation on its platform.

## Adding Up

Instagram's global ad revenue, in billions

■ U.S. ■ Rest of World



Note: 2018-20 are projections

Source: eMarketer

- "Instagram has more heavy usage of Stories, so that's an area of continued growth opportunity because the effective levels of monetization in Stories are lower," Mr. Wehner said.
- "The platform is at a scale now where founders are most important if they are capable executives and still passionate to run the ship. Kevin is uber-talented and I've been blown away by his execution, but for Madison Avenue this is a nonevent," said Gary Vaynerchuk, founder and CEO of digital agency VaynerMedia. "Facebook is loaded with talented executives."

## ● Facebook's Virtual Reality Meets Hard Reality

[https://www.wsj.com/articles/facebook-virtual-reality-meets-hard-reality-1537993262?st=0c5eolgt3szns47&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-virtual-reality-meets-hard-reality-1537993262?st=0c5eolgt3szns47&reflink=desktopwebshare_permalink)

Sept. 26, 2018 at 4:21 pm ET

- The job is easier because Facebook remains a company of vast financial resources that currently serves about one-quarter of the world's population. As such, there is no company better positioned to make virtual reality into a true mass-market technology. Facebook, through the Oculus brand it acquired four years ago for \$2 billion, already has two VR headsets on the market and announced a third on Wednesday at its Oculus Connect developers' conference.
- But the difficult part is that this is still Facebook. The social network's reputation has taken a big hit this year over controversies involving everything from misinformation to election hacking to user privacy.

Those controversies have finally started to weigh on the company's booming user growth, as well as its market value. And while the company is currently focused on games through its Oculus label, Facebook's ultimate aim to make VR a mass-market force on its own platform. CEO Mark Zuckerberg himself introduced the new Quest headset on stage Wednesday, while also reminding the audience of his oft-stated goal of eventually bringing 1 billion people into VR.

- The Oculus Quest and the lower-end Go headset are important steps on that path. The Go, which sells for \$199, already has sold nearly 290,000 units since its launch in May, estimates market-research firm SuperData. But Facebook's ultimate success in VR may hinge on the question of whether consumers will really want to strap themselves into a virtual world run by a tarnished advertising giant. It's a question that can no longer be taken for granted.

## ● Facebook Finds Security Flaw Affecting Almost 50 Million Accounts

[https://www.wsj.com/articles/facebook-flaw-allowed-hackers-to-take-over-user-accounts-1538153947?st=iywke4rzo2b04ug&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-flaw-allowed-hackers-to-take-over-user-accounts-1538153947?st=iywke4rzo2b04ug&reflink=desktopwebshare_permalink)

Updated Sept. 28, 2018 at 7:17 pm ET

- Facebook Inc. said hackers gained access to nearly 50 million accounts in what amounts to the largest-ever security breach at the social network at a time when it is working to regain the trust of its more than 2 billion users.
- The company said Friday it didn't know who was behind the attack, which was discovered earlier this week. Hackers could have gained access to the accounts as early as July 2017, the company said.
- Chief Executive [Mark Zuckerberg](#) said Facebook didn't have evidence the attackers had accessed people's private messages and posts, or posted as those users. But he didn't rule out that possibility.
- Executives said the attack was sophisticated, requiring the hackers to find and exploit three obscure flaws in its code. They said it would be difficult to determine who was behind it. "And we may never know," said Guy Rosen, Facebook's executive in charge of safety and security.
- The revelation comes months after Facebook overhauled its security team and eliminated the role of chief security officer. The news also comes little more than a month before the 2018 midterm elections, a period during which Facebook will be under intense scrutiny to safeguard its platform from foreign meddling.
- Facebook said all users who were believed to be affected by the breach were automatically logged out of their account late Thursday night Pacific Time and asked to log in again. Users that weren't logged out of their account aren't believed to have been affected. Facebook also said there would be a notification at the top of affected users' news feeds that would appear after they logged back in to their accounts.
- Facebook's authentication tokens can be used to log in to websites outside of Facebook itself, Mr. Kaminsky said, through the "Log In With Facebook" feature used by sites such as Tinder and Spotify. A Facebook spokesman said this was technically possible but Facebook didn't have evidence that it occurred. Some affected users have been logged out of third-party apps as a precaution, the spokesman said.
- In Washington on Friday, the breach prompted [a request for more information by Rohit Chopra](#), a Democratic commissioner on the Federal Trade Commission, as well as a call for social-media legislation from Sen. Mark Warner (D., Va.)

## Longtime Facebook Executive Mosseri Takes Over Instagram

[https://www.wsj.com/articles/longtime-facebook-executive-mosseri-takes-over-instagram-1538417773?st=orlg10jrounw19a&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/longtime-facebook-executive-mosseri-takes-over-instagram-1538417773?st=orlg10jrounw19a&reflink=desktopwebshare_permalink)

Updated Oct. 1, 2018 at 2:30 pm ET

- The move follows the abrupt resignations of the app's co-founders Kevin Systrom and Mike Krieger. Adam Mosseri joined Facebook in 2008 as a designer and went on to oversee the social-media giant's news feed.
- Messrs. Systrom and Krieger recruited Mr. Mosseri to Instagram.
- The move was blessed by Mr. Zuckerberg partly on the belief that Mr. Mosseri would be part of the app's new leadership if the co-founders eventually stepped down, The Wall Street Journal previously reported.
- Mr. Mosseri, 35 years old, starts his new role Monday and his title will be "head of Instagram."
- Among Mr. Mosseri's first tasks will be to fill Instagram's executive ranks after a series of departures.
- Mr. Mosseri will also have to strike a balance between maintaining Instagram's reputation as less political and divisive than its parent company, with a focus on travel, fashion and celebrity culture—while also meeting Facebook's appetite for growth, especially at a time when the main platform is adding new users at a slower pace.

## Facebook Briefs Lawmakers on Breach in Effort to Guard Against Backlash

[https://www.wsj.com/articles/facebook-briefs-lawmakers-on-breach-in-effort-to-guard-against-backlash-1538579413?st=hctc7sexj1bmw9o&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-briefs-lawmakers-on-breach-in-effort-to-guard-against-backlash-1538579413?st=hctc7sexj1bmw9o&reflink=desktopwebshare_permalink)

Oct. 3, 2018 at 11:10 am ET

- Facebook briefed Department of Homeland Security officials last week and some individual lawmakers this week, according to people familiar with the matter.
- The company is expected to meet with other congressional committees, including the Senate Intelligence Committee, about the breach as early as this week, other people familiar with the matter said.
- Facebook's efforts to keep lawmakers in the loop about the incident are notable given that [the company has been under intense scrutiny](#) for the past two years for a range of issues, including its handling of user data.
- In the latest breach, the hackers exploited a series of flaws in Facebook's website that allowed them to steal access tokens—digital keys that keep users logged into Facebook—which in turn let the hackers impersonate users and access any private information available to the people they were impersonating.
- Even as it tries to stem the political fallout, some third-party app developers say Facebook has been slower to help developers who might have been affected by the breach.
- These developers deployed a Facebook feature—the "Login with Facebook" button—that could have enabled hackers to access users' activity on third-party sites such as Spotify, Tinder and Airbnb.
- In an email after the breach was disclosed, Facebook said it couldn't provide developers with a list of affected users due to "privacy concerns," one person familiar with the memo said.
- Facebook also is the subject of a continuing Federal Trade Commission probe into whether it violated terms of an earlier consent decree when data of tens of millions of users was transferred to the political research firm Cambridge Analytica without their permission.

## Facebook's Zuckerberg Tells Employees to Respect Diverse Views of Colleagues

[https://www.wsj.com/articles/facebook-zuckerberg-tells-employees-to-respect-diverse-views-of-colleagues-1538767936?st=nk2my7yiOed6pgo&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-zuckerberg-tells-employees-to-respect-diverse-views-of-colleagues-1538767936?st=nk2my7yiOed6pgo&reflink=desktopwebshare_permalink)

Updated Oct. 5, 2018 at 7:00 pm ET

- Facebook Inc. Chief Executive Officer [Mark Zuckerberg](#) told a packed room of employees Friday that the company should embrace diverse views, but he expressed frustration that a senior executive had [attended Judge Brett Kavanaugh's highly politicized hearing](#) last week, according to a person familiar with the remarks.



- Mr. Zuckerberg spoke at a town hall called to address outrage among many employees that Facebook's public policy chief, Joel Kaplan, appeared at the hearing in support of his longtime friend, Judge Kavanaugh, who had been accused of sexual assault.
- When asked if he regretted going, Mr. Kaplan said it was critical to stand by friends and couldn't say whether he would have done things differently.
- Instead, he said he regretted not informing Ms. Sandberg and other senior officials about his plans, said the person familiar with the meeting.
- Mr. Kaplan's appearance last week sparked a roiling internal discussion within the company that has drawn hundreds of comments from employees and became a test for how company executives felt about the #MeToo movement, Trump-era politics and freedom of speech and expression, people familiar with the matter say.
- Ms. Sandberg has previously posted an internal message calling Mr. Kaplan's appearance at the hearing "a mistake."

## ● Facebook Pushes Into Africa

[https://www.wsj.com/articles/facebook-pushes-into-africa-1539000000?mod=Searchresults\\_pos6&page=2](https://www.wsj.com/articles/facebook-pushes-into-africa-1539000000?mod=Searchresults_pos6&page=2)

Oct. 8, 2018 at 8:00 am ET

- Social media giant helps connect remote parts of Uganda to internet, after past efforts to widen access in developing world drew criticism
- The Ugandan cable is the largest terrestrial network Facebook has helped construct in Africa and part of what the company describes as a broader push to connect the approximately 3.8 billion people who are still without internet around the world.
- The move comes as Facebook's user growth slows in developed markets like the U.S. and Europe.
- The social media giant's presence on the continent remains small compared with other regions, but the Menlo Park, Calif.-based company said its strategy to get more people onto a faster and more robust internet will plug more of sub-Saharan Africa into the global economy.
- In Uganda alone, the potential for growth is huge: just 42% of approximately 43 million Ugandans have a mobile phone, according to the Groupe Speciale Mobile Association. Google also has invested in fiber-optic cable in the capital, Kampala.
- Facebook, which declined to comment on the cost of the Ugandan cable, says its Africa strategy is a long-term effort. Analysts say the lack of connectivity on the continent is a central impediment to increasing economic growth: Removing barriers to commerce and trade should create more opportunities for consumers to spend.
- "It's not a philanthropic venture. It's a strategic investment with a long-term goal," said Ebele Okobi, Facebook's director of Africa public policy. "We see this as an enabler of our business, not as a way to gain advantages."
- In July, Uganda imposed a tax on social-media use, which president of 32 years Yoweri Museveni blames for spreading "fake news" and gossip.
- Internet service providers, including Airtel, block social media sites until a tax of 200 Ugandan shillings (5 cents) a day is paid.
- In July, Uganda imposed a tax on social-media use, which could exclude poorer consumers from accessing the internet at all.

## ★● Facebook Launches Portal Video-Chat Devices for the Home

[https://www.wsj.com/articles/facebook-launches-portal-video-chat-devices-for-the-home-1539003601?st=j84rljs1xc4vuqd&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-launches-portal-video-chat-devices-for-the-home-1539003601?st=j84rljs1xc4vuqd&reflink=desktopwebshare_permalink)

Oct. 8, 2018 at 9:00 am ET

- The Portal will allow customers to make video calls to their connections on Facebook or its chat app, Messenger.

- The devices, the \$199 Portal and the \$349 Portal+ with a larger, adjustable touch screen, allow customers to make video calls to their connections on Facebook or its chat app, Messenger.
- The Portal camera detects how many people are in the room and automatically pans out and zooms in based on the crowd. A microphone array detects and amplifies the voice of the person speaking even if that person moves. These features run locally on each Portal device, not on Facebook servers, the company said.
- Both devices come loaded with [Amazon.com](https://www.amazon.com) Inc.'s Alexa voice-assistant software—also found in Amazon's competing line of Echo speakers—allowing users to complete tasks like checking the weather and ordering groceries.
- The devices' debut comes as Facebook is under fire for its handling of user data.
- Pressing the "mute" button on the device stops the circuit running to the Portal's camera and microphone so the features are cut off from power. (Amazon has a similar feature in its Echo speakers.)
- Its camera doesn't use its facial-recognition software to identify people using the device. Voice commands uttered after saying "Hey Portal" are sent to Facebook's servers but can be deleted.
- The Portal also comes with a physical shutter that goes over the camera. Facebook says it doesn't listen, view or retain the contents of video calls made over Portal.
- Portal doesn't come with the Facebook or Instagram apps.
- Users must log in with a Facebook account, however.
- Hardware is still unfamiliar territory for Facebook, whose core strength is in developing software services like its social network used by more than two billion people a month.

## Facebook Says Fewer Users Impacted by Recent Cyberattack than First Thought

[https://www.wsj.com/articles/facebook-says-fewer-users-impacted-by-recent-cyberattack-than-first-thought-1539365152?st=au8dyl8tp5d8g47&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-says-fewer-users-impacted-by-recent-cyberattack-than-first-thought-1539365152?st=au8dyl8tp5d8g47&reflink=desktopwebshare_permalink)

Updated Oct. 12, 2018 at 3:38 pm ET

- Facebook now says 30 million users were impacted by a recent cyberattack, down from an initial estimate of 50 million.
- In a blog post Friday, Facebook said 30 million users had their access tokens stolen, as opposed to the original estimate of 50 million.
- Of the 30 million involved, Facebook said 14 million were the most affected.
  - They had their names and contact details—including phone numbers and email addresses—accessed, along with such data as their gender and relationship status, as well as the last 10 places they checked into and 15 most recent searches. Fifteen million others had their names and contacts accessed. The attackers didn't get any information from the million remaining users who were vulnerable in the security breach.
- In some cases, it is possible private messages of users were compromised if they were acting as an administrator on any of the pages that were targeted, Mr. Rosen said. He said the breach didn't affect Facebook's Instagram, WhatsApp or Facebook Messenger units.
- Mr. Rosen said he hasn't seen any evidence of the data on the "dark web"—a network of websites used by hackers and others to share information and where stolen information often changes hands.
- Facebook's security breach comes as the social network is still trying to win back the trust of its 2 billion users after a series of missteps in the last year.
- Facebook on Friday gave more detail on how hackers were able to carry out the attack. It said they started with a smaller set of accounts that they controlled and were connected to Facebook friends. Then they moved from account to account through those friends, stealing the access tokens as they fanned out.
- Facebook said it would be notifying the 30 million users whose accounts were affected, including those who may have since shut down their Facebook accounts.

## ★● Advertisers Allege Facebook Failed to Disclose Key Metric Error for More Than a Year

[https://www.wsj.com/articles/advertisers-allege-facebook-failed-to-disclose-key-metric-error-for-more-than-a-year-1539720524?st=1yib68ymfm7xhsf&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/advertisers-allege-facebook-failed-to-disclose-key-metric-error-for-more-than-a-year-1539720524?st=1yib68ymfm7xhsf&reflink=desktopwebshare_permalink)

Updated Oct. 16, 2018 at 4:43 pm ET

- Advertisers allege that Facebook knew for more than a year about problems measuring viewership of video ads before disclosing the issue.
- A group of small advertisers filed a lawsuit in California federal court in 2016, alleging the tech giant engaged in unfair business conduct by disseminating inaccurate metrics that significantly overestimated the amount of time users were spending watching video ads.
- Facebook said the lawsuit is without merit and has moved to dismiss the fraud claim.
- The error, and Facebook's handling of it, became a critical moment in the relationship between the social-media giant and marketers who pay its bills. Many brands already were skeptical of the practice by Facebook and other tech giants to closely guard their internal ad data—one top executive likened it to “grading their own homework.” The incident fueled renewed calls for Facebook to allow independent measurement and auditing.
- Damping marketers' concerns is important for Facebook as it seeks a bigger piece of U.S. spending on online video ads, which is projected to grow 30% this year to \$27.8 billion.
- Facebook is expected to account for almost 25% of U.S. video ad spending, eMarketer estimates.
- Facebook told some advertisers that it likely overestimated average time spent watching videos by 60% to 80%. The plaintiffs alleged in Tuesday's complaint that the error was much larger and that the average viewership metrics had been inflated by some 150% to 900%.
- Facebook also said at the time that the error didn't affect billings. However, in their complaint, the plaintiffs claim Facebook's misrepresentations “induced” advertisers to purchase video ads and to pay more for Facebook's video ads because they believed users were watching videos for longer than they actually were on average.
- The claims that Facebook failed to act when it discovered the video metric error were in an August filing, but were heavily redacted at the time.
- The plaintiffs allege the Facebook documents show that by July 2015 the company had received inquiries from several advertisers about video metrics that appeared suspect, and had essentially determined the cause of the issue.
- After the video-metric error, Facebook disclosed other errors in its measurement practices on several occasions and came under renewed pressure from the ad industry to make changes.

## Facebook Finds Hack Was Done by Spammers, Not Foreign State

[https://www.wsj.com/articles/facebook-tentatively-concludes-recent-hack-was-perpetrated-by-spammers-1539821869?st=n71sduju6vfh605&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-tentatively-concludes-recent-hack-was-perpetrated-by-spammers-1539821869?st=n71sduju6vfh605&reflink=desktopwebshare_permalink)

Updated Oct. 17, 2018 at 8:46 pm ET

- Facebook said last week that the hack affected 30 million users.
- The preliminary findings suggest that the hackers weren't affiliated with a nation-state, the people said.
- Internal researchers now believe that the people behind the attack are a group of Facebook and Instagram spammers that present themselves as a digital marketing company, and whose activities were previously known to Facebook's security team, said the people familiar with the investigation.
- The incident immediately raised questions about the hackers' motivation, in part because Russian and Iranian operatives have in the past used social media, including Facebook, to cause mischief in the U.S. Other countries, including North Korea and China, have in the past been accused of cyberattacks for various purposes.

- The stolen tokens are digital keys that allowed the hackers to access any part of a user's Facebook account, and would be of great use to state-sponsored attackers looking to conduct espionage, according to security researchers.
- However, the Facebook internal probe suggests the goal of the hackers was financial, not ideological, the people said.
- The hackers accessed only a limited subset of the data they could have taken, Facebook said last week. Instead of accessing personal messages, they accessed contact details—including phone numbers and email addresses—gender, relationship status, and search and check-in data belonging to 14 million users. For another 15 million users, only names and contacts were accessed; and the attackers didn't obtain personal information from 1 million people affected by the breach.

## ★● In Facebook's Effort to Fight Fake News, Human Fact-Checkers Struggle to Keep Up

[https://www.wsj.com/articles/in-facebooks-effort-to-fight-fake-news-human-fact-checkers-play-a-supporting-role-1539856800?st=k2ki6z94audxexl&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/in-facebooks-effort-to-fight-fake-news-human-fact-checkers-play-a-supporting-role-1539856800?st=k2ki6z94audxexl&reflink=desktopwebshare_permalink)

Oct. 18, 2018 at 6:00 am ET

- The social network's algorithms scan billions of posts each day in hopes of flagging misinformation before it goes viral; humans can't keep up
- The vast majority of Facebook's efforts against fake news are powered by artificial intelligence, not humans.
- Factcheck.org is one of five domestic groups hired by Facebook to deploy human fact-checkers to help prevent a repeat of 2016, when the social-media giant's platform was flooded with misinformation aimed at sowing divisions ahead of the presidential election.
- Facebook's war room, which became operational in September ahead of elections in Brazil, is staffed by employees rather than outside fact-checkers, although the company said it would include the outsiders in thorny decisions.
- Out of Factcheck's full-time staff of eight people, two focus specifically on Facebook. On average, they debunk less than one Facebook post a day. Some of the other third-party groups reported similar volumes. None of the organizations said they had received special instructions from Facebook ahead of the midterms, or perceived a sense of heightened urgency.
- Facebook says fact-checkers were always expected to play a supporting role, and the reality is that humans can't move quickly enough to identify and act on misinformation before it goes viral on a platform the scale of Facebook's, with billions of posts produced each day.
- The most important function of human fact-checkers is to contribute to Facebook's understanding of the sites that share false news and provide feedback that helps machine learning become more effective, Ms. Lyons said
- Earlier this year, Facebook also recruited the Associated Press to do fact-checking in all 50 states ahead of the midterms, a spokeswoman for Facebook said.
- other, from the University of Michigan, found the overall quality of content on Facebook has improved since mid-2017.
- Facebook for years resisted fact-checking content on the site, with CEO [Mark Zuckerberg](#) saying he didn't want the company's employees to be "[arbiters of truth](#)." The introduction of third-party fact-checkers was an effort in part to insulate the company from criticism that it wasn't taking misinformation seriously and that it could potentially inject the biases of its employees in the decisions to demote fake news.
- At Factcheck, the editing process can be time-consuming to assure that there are no mistakes. Each post is screened by as many as four editors before being published, said Saranac Hale Spencer, one of the two reporters Factcheck hired specifically to work on the Facebook initiative. When Facebook first set up the initiative, it required that at least two fact-checking organizations agree that something was incorrect before listing it as debunked, but it has since loosened up the requirement in the interest of speed, Ms. Spencer said.

- Facebook is also doing more to guide the fact-checkers on which items to address. On Friday, Facebook started testing a system to notify fact-checkers with a push notification when it identifies an item that the company has a high degree of confidence is false. Previously, the fact-checking groups had little guidance in how to choose among the thousands of flagged posts that populate the database at any given time.

## Are Facebook's Bad Metrics to Blame for 'Pivot to Video'? Publishers Disagree

[https://www.wsj.com/articles/are-facebooks-bad-metrics-to-blame-for-pivot-to-video-publishers-disagree-1539871200?st=u6u833p7tge79kn&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/are-facebooks-bad-metrics-to-blame-for-pivot-to-video-publishers-disagree-1539871200?st=u6u833p7tge79kn&reflink=desktopwebshare_permalink)

Oct. 18, 2018 at 10:00 am ET

- Allegations that Facebook Inc. misled advertisers about video viewership on its platform have reignited debate among publishing executives about who is to blame for the publishing industry's ill-fated bet on video produced for social-media networks.
- Many publishing companies shifted resources toward shareable videos based, in part, on hopes they would perform well on Facebook.
- Fox Sports, Mic Networks Inc. and Mashable were among the group of digital publishers that laid off writers to make room for video producers.
- He noted that Facebook was upfront about the limitations of video advertising products for publishers in 2016, the year that the social-media company was allegedly misleading
- Media companies and publishers were given inaccurate data about how long their video content was watched across the social network, possibly affecting the types of content they chose to post.
- Facebook's inflated viewership metrics might have resulted in a decrease of advertising dollars being spent on other platforms, but it likely didn't cause publishers to invest heavily in video by itself, said Alex Skatell, founder of the Independent Journal Review. He noted that Facebook was upfront about the limitations of video advertising products for publishers in 2016, the year that the social-media company was allegedly misleading advertisers.

## Facebook Fined Over Cambridge Analytica Case, but U.K. Wishes for Bigger Penalty

[https://www.wsj.com/articles/regulator-wishes-it-could-fine-facebook-more-in-cambridge-analytica-case-1540467235?st=i0u3r0md0sez18j&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/regulator-wishes-it-could-fine-facebook-more-in-cambridge-analytica-case-1540467235?st=i0u3r0md0sez18j&reflink=desktopwebshare_permalink)

Oct. 25, 2018 at 7:33 am ET

- The U.K.'s privacy watchdog on Thursday fined Facebook Inc. £500,000 (\$645,000) for allowing illicit access to users' data by the political-data firm Cambridge Analytica—and said it would have handed the social network a bigger fine if it could have.
- The fine—which is the maximum allowed under the U.K.'s old privacy law—is a warning for tech companies like Facebook.
- The fine is a pittance for Facebook, just over 1% of its daily profit in the second quarter.
- Under the European Union's new GDPR privacy law, which has been implemented by the U.K., Britain's Information Commissioner's Office can now issue fines up to 4% of a company's annual global revenue, or \$1.6 billion in Facebook's case.
- Facebook said it was reviewing the U.K. decision.
- The fine confirms a preliminary decision the U.K. regulator issued in July, giving Facebook a chance to respond.
- The case has become a rallying cry for privacy activists who say that companies are doing too little to safeguard user data.

# ★ 'The Facebook Dilemma' Review: A Message That Can't Be Ignored

[https://www.wsj.com/articles/the-facebook-dilemma-review-a-message-that-cant-be-ignored-1540496100?st=g72wd2gsu79vbs8&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/the-facebook-dilemma-review-a-message-that-cant-be-ignored-1540496100?st=g72wd2gsu79vbs8&reflink=desktopwebshare_permalink)

Oct. 25, 2018 at 3:35 pm ET

- An unrelenting 'Frontline' documentary wants you to know that Facebook is not your friend.
- But what viewers will also come away with is a sense of something else—something entirely relevant to the situation: That Mark Zuckerberg is the worst company spokesman in the history of corporate America. If he told you the sky was blue, you'd wonder what his agenda was.
- And it's Mr. Zuckerberg's innate sense of shiftiness that perfectly reflects his company as profiled by a "Frontline" team that includes reporters Anya Bourg and Dana Priest, and James Jacoby, the film's director, writer, producer and on-air presence.
- Mr. Jacoby goes in with all the hard questions and has enlisted a group of eight former senior Facebook staffers to address his concerns—ranging from hate speech to Russian election interference to Facebook's alleged complicity in the genocide of Rohingya Muslims in Myanmar to its weaponization by the likes of Philippine strongman Rodrigo Duterte.
- There's not a lot of TV that's genuinely "must see," but "The Facebook Dilemma" qualifies.
- Part 1, which airs Monday night, concerns itself with the warnings that arose, very early on, about the dangers Facebook posed to democratic institutions.
- Tuesday's Part 2 deals with the company's response, or lack thereof, to charges that it has enabled "fake news" and the disruption of electoral politics.

## Facebook Growth Slows as It Revamps

[https://www.wsj.com/articles/facebook-reports-weak-revenue-growth-1540930935?st=x5gsm9fl3w9l1wv&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-reports-weak-revenue-growth-1540930935?st=x5gsm9fl3w9l1wv&reflink=desktopwebshare_permalink)

Updated Oct. 30, 2018 at 7:26 pm ET

- Facebook Inc. recorded lower third-quarter revenue than expected and warned that it is in the early stages of a transformation in its core businesses that will lead to slower growth and higher costs in the short term.
- Chief Executive [Mark Zuckerberg](#) said the main Facebook service has thus far made an unsteady transition from the news-feed format to increasingly popular but less lucrative products like Stories, which lets users share photo and video montages that disappear after 24 hours.
- Mr. Zuckerberg added that he believes the company is at least a year away from upgrading its internal systems to the point that it can prevent misinformation and abuse "at the level we want."
- Facebook has been bracing for slower growth in its advertising business, which currently collects the bulk of its revenue from ads that appear in the Facebook news feed.
- For the third quarter, Facebook reported per-share earnings of \$1.76, up from \$1.59 a year earlier and beating analyst projections of \$1.46, according to data compiled by FactSet.
- Facebook's net income rose to \$5.13 billion from \$4.71 billion.
- Revenue leapt 33% to \$13.73 billion, falling slightly short of expectations of \$13.77 billion. The percentage increase was the lowest in six years, FactSet said.
- Before Tuesday's earnings report, Facebook shares had fallen about 20% year to date and about 34% since its earnings report in late July.
- Facebook is bracing for slower growth in its advertising business, which collects the bulk of its revenue from ads that appear in the Facebook news feed.
- When it comes to video, Mr. Zuckerberg said Facebook was seeing growing usage of its videocentric products like Facebook Watch and IGTV—but remained "well behind" Alphabet's YouTube, which he called Facebook's primary rival in video.
- Facebook also faces stiff competition in messaging from Apple Inc., which offers iMessage across all its devices, Mr. Zuckerberg said.





- Says in early interview that he thinks people are too careful. That sometimes its better to do something and later say sorry then not get stuff done.
  - "Move fast and break things"
- If you build a product that people love you can make mistakes.
- The idea that technology was always good to society masked certain changes that were going on.
- Internally the vision of giving the people the ability to share and be more connected was something that was also felt by the employees and excited them.
- Had the sense that they were building the future and had a focus on youth being a good thing. Were somewhat aware that they were creating an independent digital nation state and were in some sense aware that they were maybe being naïve in that by connecting the world it would really make it a better place.
- The company was very focused on growth and how to make the experience more engaging.
- Algorithm is designed to show people in their newsfeed what they would want to see, giving each user a unique experience. This also made users tend to continue scrolling more and is specified as the secret sauce of the company and its success.
- The introduction of the like button also gave FB vast amount of information that would be crucial to correctly feed the algorithm and bring forth a better experience in the feed.
  - Like button acted like a social lubricant. Made people feel heard and gave FB a better understanding of who was most important and which companies/ brands attracted each user's attention.
- Laws at the time didn't hold internet companies liable for the content posted on their sites. This allowed the internet economy to grow and thrive.
  - It was up to FB to make the rules. It made rules against inciting violence but it allowed people very close to the edge and allowed others to respond.
  - No nudity, no violent or hateful speech.
  - Relied on the public's common sense and common decency to police the site. Didn't think that it would become a place where false information would take the same relevance as the truth.
- First big issue was the protest organized in Egypt which made the president at the time step down. This was sparked through a FB page. Tunisia was also something similar. The technology was the enabler to gather all these people together to make a protest.
  - FB in this case was used to unite people to fight together for democracy.
  - This later evolved in a civil fight in Egypt between people who wanted an Islamic State and Christians - there was polarization.
    - Environment on social media rewarded polarization because its engaging content.
    - The tools don't separate good and bad, it just favors engagement.
- When issues started going sour in Egypt, the same activist who used FB to unite people against the government was wrongly accused of saying things that he didn't say and this fake speech was spreading and became dangerous for him. He started trying to contact FB to let them know that their tool was

dangerous and that they should do something in order to ensure that it was being used for good but he states that he felt he wasn't listened to. He says that really it's a hard position for the company to be in.

- In a company that's built on numbers and metrics, anecdotes sometimes got lost along the way.
- Governments were starting to express concern with the speed at which rumors could spread in FB. The representative in the Egypt area said that they didn't have a solution and all she could do was report back to HQ.
- They were also warned by a reporter and told them that they were understaffed to be able to manage a platform of that magnitude.
  - Staff grew at a slower pace than FB's users and overall use worldwide. The company was trying to keep costs down because it also had to be profitable, especially as it was planning to IPO.
- FB stated to be focused much in privacy, where it only had the information each user had chosen to share. Later on, as FB faced pressure due to its revenues staying flat and not growing according to shareholder's expectations, So Sandberg and her team started to collect information about their users wherever they went on the internet.
  - It also got information of what users did online by partnering with data brokerage firms that collected all kinds of user data.
  - The combination of all this was what created the best tool for advertisers at the time and this skyrocketed ad revenue.
- Consumers didn't really know that FB had this relationship this data brokerage firms until a law student from Vienna who was visiting California went to a talk where an FB lawyer was presenting. He asked FB for all the information they had on him and this included also messages that he had deleted from his account.
  - FB is always looking, including last location of where they assume you were.
  - This person filed a complaint with the Data Protection Agency saying that they were violating Europe privacy law.
- Someone who interviews Mark felt that he just didn't think about privacy.
- Deceptive conduct what the FTC's worry because FB wasn't keeping track of what the 3rd party apps were doing with that data. There was no due diligence on these 3rd party apps.
- The person who was managing privacy did not feel qualified for how important it became for the company. It wasn't a big department filled with people with experience.
  - Security and privacy was not a priority. Revenue growth and user growth was the focus which was gleamed by the lack of response.
- More than 200 academic reports were made since 2012 that indicated how FB apps and ads could be maliciously used. Saw opportunity for mass manipulation.
- Facebook was weaponized by Russians in order to undermine Ukraine from the inside. They used the tools to pay for the ads in order to make sure that they appeared first for their targeted users. When the government approached FB about this, they said that since they are an open platform, they can't control what people post and everyone is free to post information that they want. When the Ukrainian government pointed out that they were fake accounts, they said they would verify but restated that they believe in freedom of speech and that anyone can say anything.
  - Nobody was sent to evaluate the issue. This happened in 2014.

[The Facebook Dilemma, Part Two \(full documentary\) | FRONTLINE](#)



- FB showed how to use its tools in order to target better their ads and make them more receptive.
- Donald Trump's social media campaign came at \$100M and requested to have a person explain how to better use FB in order to use it more efficiently.
- 62% of Americans got their news from FB at the time of the election.
  - Unlike other media sites, FB didn't see itself as responsible for the news that was being posted on their site.
  - Editors have responsibility - FB took the role of editing without the responsibility, its editor was the algorithm.
  - Inside FB they didn't see this as a problem. There was no thought whether news needed additional protection.
- The strong presence of known news outlet in FB gave it credibility as a place where users could go to for news. It also opened the way for non-legitimate news source to pass by as legitimate since they looked pretty similar to legitimate sources.
- A reporter discovered a city in Macedonia where it was common to create these fake news websites. They didn't care about the outcome of the elections. These websites were an easy way to make money since the content usually was very engaging, it would send people to the website in which they could place ads and therefore make money.
  - Example: Pope endorses Trump, which went even more viral than a New York Times scoop about Trump's taxes which was a true story.
- Even though internally it was perceived by some people as a problem, the scope and possible solutions were not clear.
  - Of all the threats that FB saw associated with being an important news distributor, they didn't focus on misinformation and that resulted in it not being addressed adequately.
- FB pages that were getting the most attention and engagement were those pages which skewed to the far ends of political views where the party they supported was heavily celebrated and the other party was demonized, creating polarization.
  - "The very things that divide us most cause the most engagement."
- One of the first investors in FB contacted MZ and SS directly to express his concern on FB's algorithm placing information that caused anger and fear (and therefore polarization) at the forefront of people's newsfeed. The response he received was that he was seeing isolated issues that had already been resolved instead of a more proactive response in reassess the metrics by which they run the company.
- Brad Parscale (Trump 2016 Digital Media Director) says that nobody was upset or mentioned beforehand any issue with FB until Donald Trump was officially elected as president. The reason why everyone is so mad is that a platform built by liberals was used efficiently to elect a republican candidate.
  - He mentioned how president Obama had used it in his previous campaign and this was published on magazines and people called him a genius for using it.
- Concerning the Russian interference, even though there were ads that promoted the fake accounts' posts, the biggest part of the problem was that those Russian operatives could create fake accounts stating that they were in the US while really they were in Russia. Since the pages they created attuned to hot topic issues like immigration, most of the content spread on its own. The Russians exploited

polarization and helped the appeal of Donald Trump and got some people out to vote that usually wouldn't go.

- A similar situation where FB was used to manipulate democracy was in the Philippines where a reporter tried to warn FB of the risk since 2016.
  - Anyone who would criticized the drug war on FB would get brutally bashed.
  - Countries that have weak governments and lots of corruption are very vulnerable when exposed to FB without some type of governance or rules. This creates chaos.
- Something similar helping to spread fake news and create polarization happened in Myanmar, incentivizing hate between Muslims and Buddhists.
  - FB was warned in 2015 about this.
  - UN came out with a report that stated that FB was partially responsible for a genocide.
- FB stated that since they were created and worked mainly from Palo Alto, many of the issues that arose in other parts of the world were things that they could not have predicted or expected due to the different realities they faced. That is why part of the solution to the problem was to hire people locally that can have that scope and provide more warning/ filter content better in order to have a safer place for users.
- Considered themselves as idealistic that platform would be used for good.
- This isn't a problem that we solve, it's a problem that we contain.
- Even though FB has invested more and is bringing more focus towards privacy and security post the CA scandal, as long as it keeps on doing as well as it's doing, it won't become a real issue to solve.