

Few Facebook Users Share Daily, Survey Says

<https://www.wsj.com/articles/SB10001424052702304851104579361483237946424>

Feb. 3, 2014 8:21 pm ET

- While there are more people than ever using Facebook, only a small percentage of users are sharing details about their lives every day.
- Of Facebook's more than 1.2 billion users, only 10% update their status daily, while only 4% update it more than once a day, according to the Pew survey. About 15% of users comment on photos more than once a day.
- The survey suggests that a significant portion of Facebook is a one-way conversation buoyed by Internet voyeurs who relish the ability to document their lives with their friends or the public.
- Engagement, or the amount of time each user spends on Facebook, has become a key metric for investors because it is directly tied to the number of ads Facebook can sell. Each action taken by Facebook users equals another data point for Facebook. Analysts say Facebook's future business success relies on its ability to leverage that data with more accuracy as its user growth slows.
- Of the respondents, 44% said they click on the "like" button on content posted by their friends. Even that kind of low-level sharing is invaluable, Facebook says.
- The Pew survey reported a quarter of adults say they share nothing at all on Facebook. But even those users are still shown lucrative advertising needed to keep the social network profitable.
- Of those interviewed, 27% said they disliked "other people seeing posts or comments you didn't mean for them to see." Others felt pressure to get "likes" and were "tempted" to share too much information.
- For Facebook to achieve its goal of becoming a utility that connects the world, one challenge will be convincing a higher percentage of the population to feel comfortable about sharing ever more intimate details about their lives.

★☑ Now the Message Is a Facebook Medium

<https://www.wsj.com/articles/SB10001424052702303636404579393671576066400>

Updated Feb. 19, 2014 9:46 pm ET

- Investors will have to take that on faith for now, as WhatsApp has about 450 million users globally. The company has succeeded in building a powerful mobile-messaging platform that spans the various platforms that include iPhone, Android, Windows and BlackBerry. That is a tempting business for Facebook, which also is working to make its offerings ubiquitous across all mobile devices.
- And the company has made clear that it isn't looking to simply get every one of those services tied into its flagship social network.
- The combined price of \$19 billion represents about \$42 per user compared with about \$30 per user in the Instagram deal—based on the value of Facebook's shares at the time of that deal. And Facebook's current market cap values its own user base at around \$140 per user. On the basis of the price paid per user as a percentage of a Facebook user, the WhatsApp deal is actually at a lower rate than Instagram.
- However, Instagram and Facebook users are valued essentially as potential eyeballs for advertising. By contrast, Mr. Zuckerberg and WhatsApp chief Jan Koum on the deal call both ruled out advertising as a way to generate revenue from WhatsApp.
- The company clearly sees its opportunity in the large base of customers who pay billions of dollars each month to wireless carriers for texting.
- both Facebook and WhatsApp executives said they weren't interested in monetizing the messaging service in the near term. That is certainly bold given Facebook is shelling out about a third of its cash on hand for the deal—along with enough stock to dilute current shareholders by nearly 8%.

☑ Facebook-WhatsApp Deal: Still a Tough Sell in Asia

<https://www.wsj.com/articles/SB10001424052702303636404579394820225329820>

Updated Feb. 20, 2014 9:18 pm ET

- That is because in Asia, even more than on Facebook's home turf, the big, growing social-media market is on mobile phones. And if Facebook wants to be as dominant on smartphones in Asia as it has been on

personal computers, WhatsApp will need to lure users away from three popular apps in the region: [Naver Corp.'s 035420 2.21%▲](#) Line, Tencent Holdings WeChat and Kakao Corp.'s Kakao Talk.

- Each, though little known in the U.S., has a stranglehold on a big Asian market: Line in Japan, WeChat in China and Kakao in South Korea. Those apps, which offer social-networking and entertainment features on top of instant messaging, represent trends in mobile Internet that started in Asia, a shift from trends starting in the U.S. and then spreading to Asia.
- "It's certainly true that competition is getting intense in many markets," Line Chief Strategy Officer Jun Masuda said Thursday. Facebook's latest deal "is proof of how valuable smartphone messaging has become in the age of mobile."
- WhatsApp, with 450 million monthly active users, has a larger base world-wide than the three Asian apps, but they aren't far behind. Line boasts 350 million registered users, while WeChat has more than 272 million monthly active users. Kakao has 133 million registered users. The Asian apps also have demonstrated an ability to increase revenue by offering games and other services that users pay for. WhatsApp charges users a flat \$1 after a year of use.
- The Asian apps have led some mobile-messaging trends. WeChat became popular in China thanks to a function that allows the app to work like a two-way radio, with users leaving brief voice messages for each other. Last year, WhatsApp made its voice message function more prominent.
- In China, where Facebook is largely unavailable, WhatsApp isn't blocked. That offers a potential new channel for Facebook to compete in the world's largest smartphone market. Though if WhatsApp adds social-media functions and gains traction in China, it likely would either have to begin self-censoring, as Chinese social networks do, or run the risk of being blocked in the country.
- And given WeChat's dominance, analysts said it would be difficult for WhatsApp to make a dent in the market. With its 2012 acquisition of Instagram, Facebook got a foothold in China, but the photo-sharing app remains relatively unpopular in China because of domestic competition.
- Tencent had approached WhatsApp about an acquisition, according to people familiar with the matter.
- The Asian apps, which can be downloaded free, use mobile games to generate revenue through in-service purchases of virtual goods, such as weapons for games.

Major Players in Messaging Apps

WhatsApp	WeChat	KakaoTalk	Line	Viber	Snapchat
WhatsApp Inc. (DEVELOPER)	Tencent Holdings	Kakao Corp.	Line Corp.	Viber Media Inc.	Snapchat
U.S. (COUNTRY OF ORIGIN)	China	South Korea	Japan/South Korea	Cyprus	U.S.
450 million active users a month	272 million active users a month	133 million registered users	350 million registered users	300 million registered users	Unavailable
One of the pioneers in mobile messaging, WhatsApp, which Facebook is to buy, is focused on simple messaging	Dominant in China, the world's largest smartphone market	Turned its first annual profit in 2012; biggest outside shareholder is Tencent	85% of registered users are outside Japan, based mostly in Thailand, Taiwan, Indonesia and India	Japanese e-commerce firm Rakuten recently agreed to buy Viber for \$900 million	Snapchat year reject \$3 billion b offer from Facebook

Sources: the companies; staff reports

The Wall Street

- In fast-growing regions such as Southeast Asia and India, there isn't a dominant messaging player yet. That could provide an opportunity for Facebook, which already is popular in those regions. Though

Facebook's ambitions for WhatsApp aren't fully clear, the new partnership could rev up competition across emerging markets

Facebook's Zuckerberg: WhatsApp Worth More Than Its Price Tag

<https://www.wsj.com/articles/SB10001424052702303426304579403160484584946>

Updated Feb. 24, 2014 3:01 pm ET

- [Mark Zuckerberg](#) has a message for doubters of Facebook acquisition of mobile-messaging service WhatsApp: \$19 billion was cheap.
- The Facebook chief executive said Monday that the five-year-old mobile application was worth more than Facebook agreed to pay for it last week, because the app is a rare platform that has the potential to reach over a billion users.
- In a question-and-answer session here at the yearly [Mobile World Congress](#), Mr. Zuckerberg said that other messaging apps are already monetizing their users at \$2 to \$3 a head. Meanwhile WhatsApp, with little revenue so far, [is on a trajectory to grow quickly from 450 million users to over a billion](#), Mr. Zuckerberg said.

Facebook Cracks Down on Illegal Guns Posts

<https://www.wsj.com/articles/SB10001424052702304732804579421680522756074>

Updated March 5, 2014 9:06 pm ET

- Facebook said it would remove offers to illegally sell guns without background checks or across state lines. Facebook will notify users offering to sell guns of relevant laws and limit the visibility of posts and pages about gun sales to users 18 and older. When users search for guns on its Instagram site, Facebook said it would display messages about gun laws.
- Facebook said it would rely on users to report posts and pages offering to sell guns.
- Last week, technology news site VentureBeat reported that it arranged to buy a gun illegally on Facebook in 15 minutes, and The Wall Street Journal reported assault-weapons parts and concealed-carry weapon holsters have been advertised to teens on Facebook.
- Craigslist, [eBay Inc. EBAY -1.62% ▼](#) and Google Inc. have policies against users posting about weapons for sale. Google+, which, like Facebook, is not an ecommerce site, lists this policy on its site: "Our service is not ready to support the marketing of any regulated products at this time. Do not facilitate the promotion or sale of pharmaceuticals, alcohol, tobacco, fireworks, weapons, or health/medical devices."

Emotions Vented Online Are Contagious, Study Finds

<https://www.wsj.com/articles/SB10001424052702303546204579435550002436002>

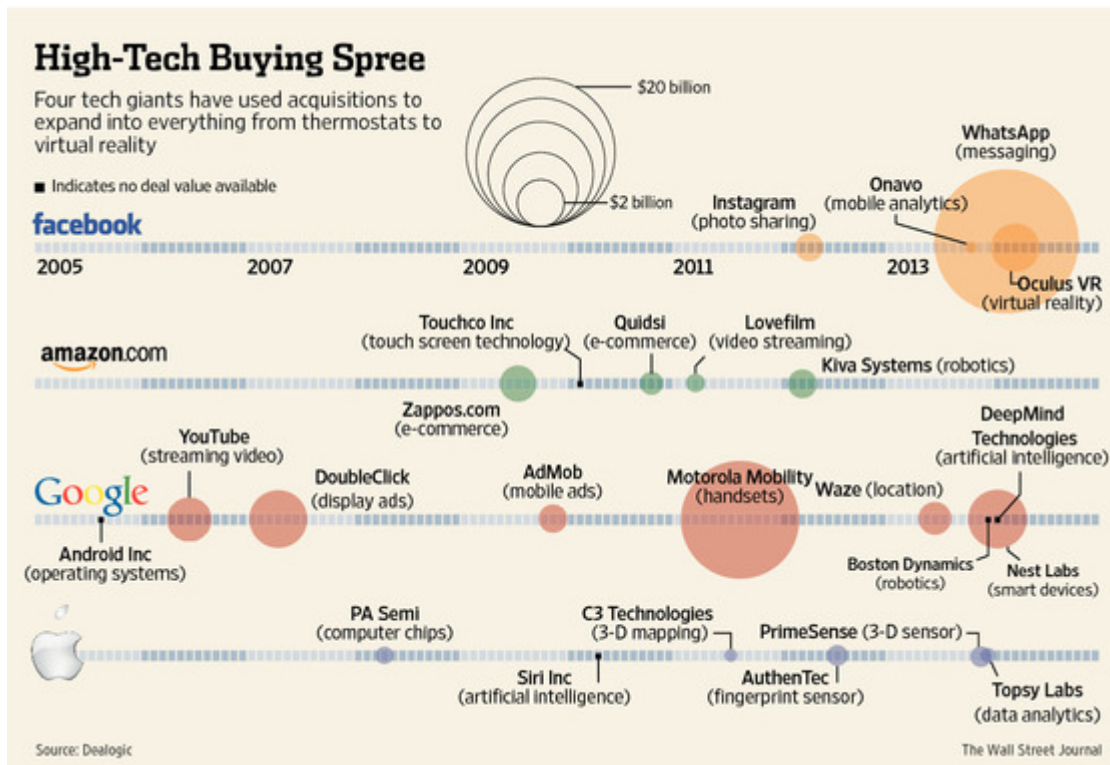
Updated March 12, 2014 7:16 pm ET

- With about 1.2 billion active users, a volatile upbeat or downbeat mood could quickly spread through Facebook, Dr. Fowler said. "It is going to have implications for financial markets, which have bubbles and busts, and it has implications for political activity," he said.
- In a 2012 study of social media and voting behavior, Dr. Fowler and his colleagues reported that a single Election Day message sent out across Facebook likely caused an additional 340,000 voters to turn out for the 2010 U.S. midterm elections.

Cash, Paranoia Fuel Tech Giants' Buying Binge

<https://www.wsj.com/articles/SB10001424052702304688104579463861257201576>

March 26, 2014 8:15 pm ET



- Facebook has been drawn to social networks with huge user bases, as it seeks to pull more people into its sphere and gather more knowledge about them for advertising purposes. In 2012, Facebook acquired [photo-sharing app Instagram for \\$1 billion](#). It followed that up with the [WhatsApp deal last month](#).
- Google aims to expand beyond delivering information, into tools for communication, entertainment and transportation, among others. In addition to Nest, Google has designed laptops, smartphones, streaming-video devices, eyewear and watches, all the while investing in artificial intelligence and robotics companies to stay on the cutting edge.
- Apple and Amazon have been less bold in making their deals but are plowing the proceeds of their core businesses into new arenas, such as video and payments.
 - Apple, traditionally focused on well-designed consumer electronics, is looking to offer live television and cautiously moving into the advertising industry.
 - Amazon has moved far outside its core retail business to place multiple bets on the future, from streaming video to cloud computing to its own mobile device, the Kindle Fire.
- The four companies are competing to control as much as possible of the tech ecosystem. In Silicon Valley parlance, it's all about controlling "the platform." A big reason is to gather data about users, to serve them ads or to anticipate their next purchase.
- All are acutely aware of the consequences if they don't adapt quickly. Yahoo Inc. ceded Web search to Google and has never fully recovered. [Microsoft](#) has yet to develop a following on smartphones; it is trying again with its pending acquisition of Nokia Corp.'s handset business.
- "The main thing that has caused companies to fail, in my view, is that they missed the future," Google CEO Larry Page told a conference audience last week.
- "History suggests that there will be more platforms to come," Facebook's Mr. Zuckerberg said Tuesday. The companies that control those platforms will "benefit financially and strategically," he said.
- On Facebook's campus in Menlo Park, Calif., the front of a sign shows its signature "like" button, a thumbs-up signal. But the back of the sign, obscured by trees, still displays the name of Sun Microsystems Inc., which used to occupy the campus, and was swallowed by [Oracle](#) Corp. in 2009. Facebook left Sun's name on the sign to remind it of what happens to companies that fail to innovate.

★ Seeing Facebook Through Google's Glasses

<https://www.wsj.com/articles/SB10001424052702303847804579477523879998940>

April 2, 2014 2:02 pm ET

- Despite Facebook's new virtual-reality goggles, its investors may be more puzzled than ever about the company's vision for its own future. One clue comes from a rival that makes some nifty glasses of its own: Google.
- Facebook has been on a shopping spree lately, spending \$19 billion on messaging service WhatsApp and snapping up goggle maker Oculus VR for \$2 billion. The two deals call to mind Facebook's surprise \$1 billion purchase of photo-sharing platform Instagram two years ago. Chief [Mark Zuckerberg](#) has said the recent acquisitions fall under his goals of "connecting everyone" and "building the knowledge economy." In plainer language, the purchases are big bets on the future of social networking.
- Facebook and Google are using their highly profitable advertising businesses—and, in Facebook's case, a very high stock valuation—to invest in what might become the next big thing, even if that this is only tangentially related to their core businesses.
- For every Oculus, WhatsApp and Instagram, Google has a Nest Labs, a Waze and a YouTube, for which it paid \$3.2 billion, just over \$1 billion and \$1.65 billion, respectively. Both companies have invested in artificial intelligence and have projects devoted to expanding Internet services to underserved populations.
- Both are also helmed by founder-CEOs with controlling stakes, giving them relatively free rein to do big deals without approval. By buying in, shareholders essentially sign up for the ride; an implicit expression of faith that these companies' visionary leaders can keep coming up with brilliant ideas.
- Facebook's recent acquisitions come with virtually no revenue, let alone profits, so investors must return to what they know and can more easily predict: the prospects for the core business. And those look strong. Analysts forecast earnings per share to nearly double over the next two years, compared with a 41% increase at Google.
- There is an added wrinkle: Google's cash position gives it plenty of firepower for more deals. Facebook has favored stock deals. And why wouldn't it, given the multiple awarded by the stock market? Investors with a nervous eye on Mr. Zuckerberg's predilection for bold moves should remember that they enable him by supplying the currency.

Facebook to Launch Video Ads Overseas

<https://www.wsj.com/articles/SB10001424052702304422704579574073549970510>

May 20, 2014 1:07 pm ET

- Facebook is launching video advertisements overseas, the company said Tuesday, increasing the potential audience for the 15-second spots that automatically play in users' news feeds.
- Facebook said it would roll out the ads to its 1.28 billion users slowly, so that it can monitor how people interact with them.
- Facebook said it would show video ads beginning Tuesday to users in seven other countries: Australia, Brazil, Canada, France, Germany, Japan and the United Kingdom.
- Facebook has taken steps to tightly control the quality of the auto-play video ads so they won't annoy users, who can scroll right past them. But some advertisers have worried the ads won't be effective.
- Facebook said Tuesday that it will provide metrics for advertisers so they can see if the ads are effective. The metrics include the number of people who view the videos and the length of time people watch the videos.
- "These new metrics are designed to help you learn what's resonating with people and determine how to more effectively create and promote your videos on Facebook,"

Too Much Information? Facebook, Google Face Backlash Over Logins

<https://www.wsj.com/articles/SB10001424052702304908304579566332777108814>

May 20, 2014 2:00 pm ET

- Facebook and [Google](#) Inc. [GOOG -0.67% ▼](#) are battling to be the gateway through which users connect to websites and mobile apps. But users and businesses may be losing interest in such "social login" services.
- Consumers worry about broadcasting their preferences and habits to companies and across their social networks. Businesses are torn between making life easier for users and letting Facebook and Google see the resulting data.
- Facebook created Facebook Connect in 2008, and later changed the name to Facebook Login. App makers have found it useful in attracting users, who are spared the hassle of registering their credentials. Meanwhile, Facebook learns more about what its users did elsewhere on the Web. Google followed suit with Google+ Sign-In in 2013.
- But a Forrester survey of 66 large and midsize companies finds that only 17% use social-login buttons, and more than half have no plans to do so. Forrester hadn't previously done a similar survey, but Ms. Mulpuru-Kodali says social login offerings are no longer appealing to retailers and users.
- Businesses whose core products are built around an app, such as hotel-booking site HotelTonight, say one-click sign-in is a huge benefit on a smartphone's small screen. People "are happy with the option of bypassing a lengthy form," HotelTonight CEO Sam Shank said of Google+ Sign-In. "What matters is making the transaction as seamless as possible." HotelTonight also uses Facebook Login.
- Facebook says its service is gaining popularity, and is used by 80 of 100 top-grossing smartphone apps in the U.S. Google has described its login button as a potential replacement for browser cookies, which can be inaccurate and don't extend a user's identity to smartphones.
- Both companies are shifting their social-login strategies. Facebook recently said it would begin to offer anonymous logins and also allow users to choose which data they want to share, a response to privacy concerns. The head of Google+ recently stepped down amid signs the social network isn't popular with users.
- Frank Hamlin, executive vice president of marketing for Guitar Center, said that adding social login buttons from Google and Facebook last year helped attract younger customers, but the numbers are small and haven't translated into sales. "There's definitely value in the data, but not demonstrable revenue," he said. "It hasn't moved the needle on the business."

? PayPal Executive Takes Job at Facebook

https://www.wsj.com/articles/paypal-executive-marcus-takes-post-at-facebook-1402357720?mod=Searchresults_pos20&page=1

Updated June 9, 2014 8:40 pm ET

- David Marcus, president of [eBay](#) Inc.'s [EBAY -0.83% ▼](#) PayPal payments subsidiary, is leaving to become Facebook vice president of messaging products.
- At Facebook, Mr. Marcus will run Facebook Messenger, a standalone app as well as a feature in Facebook's desktop platform. But he won't oversee WhatsApp, the mobile-messaging service Facebook agreed to buy for \$19 billion in February.
- The high-profile hire is the latest example of Facebook's push into mobile messaging, an increasingly important part of its plan to connect the world through its platform.
- In April, Facebook began forcing mobile users to download Messenger to send and read messages from other users. Facebook previously had included that function in its main mobile app.
- It isn't clear why Facebook is putting so many resources in its own messaging service when it paid such a steep price to acquire another one.
- Facebook founder and Chief Executive [Mark Zuckerberg](#) has said the apps are used differently. Facebook Messenger is used by people to stay in touch with friends and relatives, who may not expect an immediate response. WhatsApp is used for more-instant communication, as a replacement for text-messaging conversations.
- On Monday, Facebook accidentally released a version of Slingshot, an app that works in a similar way to the disappearing-message app Snapchat. According to the company spokeswoman, Facebook's Creative Labs division is working on the app and hopes to release it officially soon. The spokeswoman said Mr. Marcus will have no involvement with Slingshot.

- *What could this mean towards FB's journey towards monetizing messenger? Why does it make sense for a PayPal Executive which comes with a high paycheck to lead this app?*

Facebook to Target Ads Based on Web Browsing

https://www.wsj.com/articles/facebook-to-give-advertisers-data-about-users-web-browsing-1402561120?mod=Searchresults_pos5&page=1

Updated June 12, 2014 5:41 pm ET

- Facebook took another step to reap commercial benefit from the lives of its billion-plus users, saying it will allow advertisers to target ads based on users' Web-browsing habits.
- Thursday's move reversed Facebook's previous position on users' browsing data and renewed critics' concerns about the company's commitment to user privacy.
- At the same time, Facebook showed increasing deftness in handling user concerns about privacy. It offered users new control over the information Facebook uses to target ads, distributed an animated video explaining the changes, and gave users a way to opt out of seeing targeted ads based on their browsing habits. In May, it began sending users messages from a cartoon dinosaur, explaining how to control the personal information they share with other apps.
- Mr. Adams said Facebook's privacy controls could improve the quality of its data, if users change their list of interests. He said Facebook's move might also help advertisers target the same consumers on personal computers and mobile devices. "That's something very few companies can deliver."
- Brian Boland, Facebook's ad-product marketing lead, said the change will likely increase the number of "interests" associated with each user, allowing advertisers to send more targeted ads to more people. For instance, users who regularly visit bowling websites but don't "like" any bowling-related content on Facebook could soon see ads related to bowling.
- Jules Polonetsky, executive director of the Future of Privacy Forum, a Washington, D.C., think tank focused on data handling, lauded Facebook's approach. "Facebook is using marginally more data, but providing significantly more transparency, so overall it's a positive," he said.
- Mr. Rotenberg said Facebook's opt-out program is ineffective, because it requires users to go to a separate website. He said user choices are easily undermined because the program works by placing an opt-out cookie on people's websites. The minute users clear their cookies, they also delete the opt-out preference. He also said many companies don't participate in the opt-out program.

Facebook Service Returns After Apparently Widespread Outage

https://www.wsj.com/articles/facebook-service-returns-after-apparently-widespread-outage-1403167531?mod=Searchresults_pos1&page=1

Updated June 19, 2014 7:00 am ET

- For roughly 30 minutes around 4 a.m. ET, Facebook's services from Asia across the Middle East and Europe had this message for users: "Sorry, something went wrong."
- A Facebook spokesman said the service disruption was the result of a mistake that occurred while the company was updating its software.

Facebook's New Ad Effort Focuses on Emerging Markets

https://www.wsj.com/articles/facebook-s-new-ad-effort-focuses-on-emerging-markets-1404286202?mod=Searchresults_pos18&page=2

July 2, 2014 3:30 am ET

- Facebook user growth has slowed in the U.S., but in emerging markets such as South America and Asia, its user base is expanding rapidly. Now, the social network is attempting to extract greater revenue from those markets with new, tailored ad formats and more local sales offices.

- Meanwhile, Facebook is also extending ad capabilities that have proved successful in established markets, such as the ability to target ads to users based on geographical information.
- According to forecasts from ZenithOptimedia, ad spending in Latin America will grow 12.5% between 2013 and 2014, and by 10.9% in the "fast-track Asia" region which includes China, India and Indonesia. By comparison, ad spending in North America is forecast to grow 4.7%, ZenithOptimedia said.

★☑ Facebook Experiments Had Few Limits

https://www.wsj.com/articles/facebook-experiments-had-few-limits-1404344378?mod=Searchresults_pos7&page=1

July 2, 2014 7:39 pm ET

- Thousands of Facebook users received an unsettling message two years ago: They were being locked out of the social network because Facebook believed they were robots or using fake names. To get back in, the users had to prove they were real.
- The experiment was the work of Facebook's Data Science team, a group of about three dozen researchers with unique access to one of the world's richest data troves: the movements, musings and emotions of Facebook's 1.3 billion users.
- The little-known group was [thrust into the spotlight](#) this week by reports about a 2012 experiment in which the news feeds of nearly 700,000 Facebook users [were manipulated](#) to show more positive or negative posts. The study found that users who saw more positive content were more likely to write positive posts, and vice versa.
- Facebook Chief Operating Officer Sheryl Sandberg said Wednesday during a trip to India that the study was "part of ongoing research companies do to test different products" and was "poorly communicated."
- The company said that after the feedback on the study, "We are taking a very hard look at this process to make more improvements."
- Until recently, the Data Science group operated with few boundaries, according to a former member of the team and outside researchers. At a university, researchers likely would have been required to obtain consent from participants in such a study. But Facebook relied on users' agreement to its Terms of Service, which at the time said data could be used to improve Facebook's products. Those terms now say that user data may be used for research.
- "There's no review process, per se," said Andrew Ledvina, a Facebook data scientist from February 2012 to July 2013. "Anyone on that team could run a test," Mr. Ledvina said. "They're always trying to alter peoples' behavior."
- Facebook said that since the study on emotions, it has implemented [stricter guidelines](#) on Data Science team research. Since at least the beginning of this year, research beyond routine product testing is reviewed by a panel drawn from a group of 50 internal experts in fields such as privacy and data security. Facebook declined to name them.
- Company research intended to be published in academic journals receives additional review from in-house experts on academic research. Some of those experts are also on the Data Science team
- Since its creation in 2007, Facebook's Data Science group has run hundreds of tests. One published study deconstructed how families communicate, another delved into the causes of loneliness. One test looked at how social behaviors spread through networks. In 2010, the group measured how "political mobilization messages" sent to 61 million people caused people in social networks to vote in the 2010 congressional elections.
- Many of Facebook's data scientists hold doctoral degrees from major universities in fields including computer science, artificial intelligence and computational biology. Some worked in academic research before joining Facebook.
- Adam Kramer, the lead author of the study about emotions, said in a 2012 interview on Facebook's website that he joined the company partly because it is "the largest field study in the history of the world."
- Much of Facebook's research is less controversial than the emotions study, testing features that will prompt users to spend more time on the network and click on more ads. Other Internet companies,

including Yahoo Inc., [Microsoft](#) Corp., [Twitter](#) Inc. and [Google](#) Inc., conduct research on their users and their data.

Facebook Ads Become 'Costlier' Choice for Small Businesses

https://www.wsj.com/articles/facebook-ads-become-costlier-choice-for-small-businesses-1407341983?mod=Searchresults_pos12&page=4

Updated Aug. 6, 2014 3:31 pm ET

- When it comes to advertising on [Facebook](#) these days, small-business owners are competing for more limited ad space—and paying more for ads even if they don't result in sales.
- While the value of Facebook ads may be improving for some, many small businesses are disadvantaged, he adds, because they don't have the financial or human resources to manage the work behind a successful social-media ad campaign, including designing ads, measuring their reach and making changes to improve their effectiveness.
- One reason some businesses' Facebook ads are reaching fewer users and costing more is that competition for ad space has intensified. Roughly 1.5 million firms of all sizes pay to advertise on Facebook today, up from around one million a year ago. Also, there's less space available. Ads in Facebook's right-hand column recently took on a new, larger design, allowing room for fewer per page.
- In an April survey of 728 small-business owners, 83% said they expect to spend nothing this year on Facebook ads. But 14% said they expect to spend between \$1 and \$4,999 this year and 1.3% said between \$5,000 and \$9,999.
 - Of those who previously paid for Facebook ads, just 19% said they've seen a quantifiable increase in sales, revenue or brand awareness, according to the survey, by The Wall Street Journal and Vistage International. Fifty-five percent didn't, and 26% were unsure

Facebook Tries to Muscle In on YouTube

https://www.wsj.com/articles/facebook-tries-to-muscle-in-on-youtube-1410474459?mod=Searchresults_pos8&page=1

Sept. 11, 2014 6:27 pm ET

- In what may be another signal that Facebook wants to take on YouTube, the company has reached out to some of the [Google](#) Inc.-owned [GOOG -0.67% ▼](#) video site's biggest content producers and encouraged them to test distributing their videos on the social network,
- Facebook's push reflects a desire by the social network site to become a bigger competitor in Web video and to get more content on its site
- Right now content creators use Facebook to promote their programming but prefer people to watch the videos on YouTube and other platforms where they can make money through ad sales more easily.
- Facebook and the video content creators are discussing how advertising might be incorporated into these videos, says a person familiar with the situation. It is likely that some sort of ad product will be rolled out by the end of the year.
- To be sure, Facebook has always been a big player in Web video, often ranking No. 2 behind Google in terms of monthly video audience in the U.S. And much of the video content consumed on Facebook, at least until recently, was YouTube videos posted by individual fans. But Facebook more recently has emphasized videos uploaded directly to its site, which allows the site to sell ads against the videos.
- If Facebook succeeds with the video push, it could undercut YouTube's dominance of the online video ad market, where the Google site now has about 20% of the market, eMarketer estimates.
- Facebook's video push isn't without potential pitfalls. There are some Web video executives who have been involved in the early tests who have wondered whether Facebook users, who are just getting used to lots of videos automatically playing in their news feeds, will tolerate pre-roll ads before video content in these feeds.

- Paul Kontonis, executive director of the Global Online Video Association, is bullish on Facebook as a video platform for creators. "All the [multi-channel network content creators] are looking forward to building a community on Facebook and directly uploading more video," he said. "And we see this as great marketing and a way to make money from ads eventually."

★☑ Facebook Extends Reach With New Advertising Platform

https://www.wsj.com/articles/facebook-extends-reach-withad-platform-1411428726?mod=Searchresults_pos2&page=1

Sept. 22, 2014 7:32 pm ET

- Facebook next week will unveil a new advertising platform designed to improve how marketers target and measure the advertisements they buy across the Web
- The product, called Atlas, is a re-engineered version of the Atlas Advertiser Suite business Facebook purchased from [Microsoft](#) Corp. in 2013. It promises to help marketers understand which Facebook users have seen, interacted with or acted upon ads that appear both on Facebook's services and on third-party websites and apps.
- It will also provide an automated ad-buying tool known in the industry as a "demand-side platform" or "bidder," which will offer marketers the ability to buy ads that target Facebook's members as they move around the Web.
- The move is aimed at helping Facebook challenge [Google](#) Inc.'s dominance of the online ad space. Some advertising executives say Facebook could provide marketers with better targeting capabilities and more detailed and accurate information about ad campaigns than they previously have had access to.
- Currently, advertisers typically target and track the performance of online ads by dropping small pieces of code on Web users' computers called "cookies." The problem with cookies, advertising executives say, is they are often inaccurate, unreliable and they don't work effectively on smartphones and tablets.
- With Atlas, Facebook hopes to fix those problems by linking users' ad interactions to their Facebook accounts, which can be used to track users across both desktop and mobile devices, albeit on an anonymous basis. For example, a marketer using Atlas might now be able to understand that a customer purchased a product on a desktop computer, but first saw an ad for it on their smartphone device. Facebook already tracks users this way across its own service, but Atlas will now extend the functionality to other sites and apps.
- "The biggest impact of this will be in mobile. People spend more time on mobile than on desktop, but marketers don't spend there because cookies don't work," said an ad executive familiar with Facebook's plans. "This could finally enable us to spend more money in mobile," the ad executive added.
- Facebook also plans to pitch marketers on the concept of using Atlas to tie consumers' offline behaviors to their online ones. For instance, a consumer who purchases a pair of shoes in a store might volunteer her email address at the checkout. Facebook could then use that email address to inform the retailer if, when, and where the consumer saw its ads across the Web, if the email address is tied to a Facebook account.
- Google also is working on a cookie alternative of its own, although it hasn't been formally offered to marketers.

★ Websites Are Wary of Facebook Tracking Software

https://www.wsj.com/articles/websites-are-wary-of-facebook-tracking-software-1411513056?mod=Searchresults_pos12&page=3

Sept. 23, 2014 6:57 pm ET

- Online retailers and publishers are pushing back against Facebook efforts to track users across the Internet, fearing that the data it vacuums up to target ads will give the social network too much of an edge.

- Facebook has long kept track of the websites its users visit when they aren't on the social network. Three months ago, it began using the data to build more detailed user profiles, allowing advertisers to target people with more personalized marketing pitches.
- That has rankled some retailers, advertisers and Internet publishers, which worry that the wider use of browsing history will hand Facebook, and potentially their own rivals, more information about existing and prospective customers.
- In response, some businesses appear to have changed their sites to send less data to Facebook; others say they are considering such moves.

Cookie vs Pixel Tag

Cookies and pixels work together to track people on the Web and gather personal information for advertising and other purposes.

COOKIE

PIXEL TAG

WHAT IT IS



Small text files that live on users' computers. They are associated with a specific Web browser.



Lines of code that live on websites that users visit.

WHAT IT DOES



During normal Internet use, websites silently create and install cookies onto computers. They help companies track the websites that a computer visits and help target ads.



Pixels identify cookies installed on computers, then report back to the companies that installed the cookies. The pixel code is part of Facebook's 'Share' and 'Like' buttons.

HOW FACEBOOK USES IT



Facebook installs cookies on its users' computers, so it knows when people have logged in to the social network or whether someone who saw an ad on Facebook later visited the advertiser's site.



In June, Facebook changed its policies, allowing information gathered from those pixels to be used for advertising purposes. Advertisers can use the data to buy ads on Facebook targeted to potential customers who navigate away from their site and later visit the social network.

Source: staff reports
The Wall Street Journal

- The concern underscores the love-hate relationship between website owners and Facebook.
- While other websites keep track of individuals who stop by, noting them by their computers, the difference is that Facebook has real names—allowing it to do more with the information that accumulates about a person's browsing and shopping habits.
- A spokesman for Facebook said its profiles of users won't rely too heavily on any one website, such as Blinds.com. The spokesman said advertisers can opt out of allowing their data to be used in ad targeting—but they won't be able to target users based on data gathered from other sites.
- John Strabley, director of strategy for Quaero, a firm that helps companies like ESPN and MSNBC manage the customer data they gather online, said many of his clients would rather not share data with Facebook—but they don't want to miss out on the potential traffic from readers who share their content on the social network.

- But advertisers say sending information to Google doesn't scare them as much as sending information to Facebook, mainly because Facebook knows users' real identities.

Facebook's Fine Print Includes Permission to Track

https://www.wsj.com/articles/facebook-fine-print-includes-permission-to-track-1411513486?mod=Searchresults_pos12&page=1

Sept. 23, 2014 7:04 pm ET

- In order to access Facebook, users must agree to a lengthy [terms of service](#) contract that outline everything Facebook has permission to do. That includes [tracking users](#), even when they aren't on Facebook, for advertising purposes.
- Facebook tracks users by placing a cookie, or a small text file, on the computers of its users. The cookie communicates with so-called pixel code installed on many popular websites.
- The [pixel code also lets Facebook know](#) what its users are looking at on the Web. That information is invaluable to Facebook, because it gives the company a better idea about the interests of users. That increases the effectiveness of Facebook's targeted advertising, which means Facebook can charge companies more for ads.
- Users who want to get a glimpse of what Facebook knows about them have a couple of options. By clicking the "x" or the "v" in the top-right corner of a Facebook advertisement, users can access the "ad preferences," where they will see a list of the characteristics Facebook uses to target ads at them.

CMO Today: News Digest What You Need to Know About Facebook's Atlas

https://www.wsj.com/articles/what-ad-executives-are-saying-about-facebooks-atlas-platform-1411947548?mod=Searchresults_pos5&page=3

Sept. 28, 2014 7:39 pm ET

- Facebook Inc. will officially unveil its Atlas ad-serving and measurement platform this week.
- **It's designed to improve online-ad measurement.** Facebook's big pitch is that Atlas makes it easier for marketers to measure which ads have been displayed to specific users.
 - Marketers have tried to understand which users have seen their ads by dropping small pieces of code on their computers called "cookies." But cookies are often unreliable.
 - Facebook says Atlas will fix that problem by linking users' ad interactions to their Facebook accounts, whether the ads appear on Facebook or on third-party sites. Atlas will essentially follow users across the Web.
- **It could make mobile measurement a reality.**
 - Because it tracks "people" instead of cookies, Facebook says Atlas can also help marketers track the relationship between their online ads and offline sales.
 - Facebook says its strategy of tying ad data to Facebook members' profiles, allows tracking across a range of devices.
- **It's not just for display advertising.** The measurement element of Atlas essentially can be used to track any digital ad, Mr. Jakubowski said, which is why Facebook is in talks to get it baked into various publishers' services. Instagram has integrated Atlas tracking, so the performance of ads purchased across the photo-sharing service will be reported in Atlas.
- **An ad buying tool is coming.** Facebook plans to use the same technology to help marketers buy ad space.

★ Facebook Aims to Shrink Google's Lead in Digital Ads

https://www.wsj.com/articles/facebook-aims-to-shrink-googles-lead-in-digital-ads-1412182918?mod=Searchresults_pos18&page=4

Oct. 1, 2014 1:01 pm ET

- On Monday, Facebook [relaunched Atlas, an advertising system](#) it bought last year from [Microsoft](#) Corp. and rebuilt to help marketers and agencies show better-targeted ads on

websites other than Facebook. Atlas also helps marketers track how campaigns perform, particularly across multiple devices.

- Atlas is aiming squarely at Google's DoubleClick, the dominant ad-serving, management and [tracking tool](#) for advertisers and agencies. Google will take 32% of the \$120 billion global digital ad market this year, according to estimates from eMarketer. Facebook is second with an estimated 8% share this year, eMarketer says. But that lead was built at a time when most people surfed the Web, clicked on ads and bought stuff online using desktop computers.
- Now more people are switching between desktop computers, smartphones and tablets, creating openings for others, like Facebook. The world-wide mobile ad market, where Facebook is gaining ground on Google, is projected to grow 92% this year to \$36 billion. EMarketer projects that Facebook will grab 20% of this market this year, up from about 17% last year, while Google's share will slip to 45% from 46%.
- Facebook says Atlas is more accurate than Google's DoubleClick services because Facebook knows the real identities of users who are logged in to the social network as they tap the Internet on different devices. That means the performance of ads served through Atlas can be tracked better across the Internet, whether users are using smartphones, tablets or personal computers.
- Facebook says it can better control how often users see an ad, regardless of the device. Advertisers now complain that some people see the same ad repeatedly, while others in the intended audience never see it.
- In contrast, DoubleClick doesn't use people's real identities from when they are logged into Google services such as Gmail and its own social network Google Plus. Instead, on the Web DoubleClick relies on third-party cookies, which are pieces of computer code that are dropped into users' Web browsers to collect anonymous data on their online activities.
- But cookies generally can't follow a user from a laptop to a smartphone, making it hard for DoubleClick to tell whether the person who saw an ad on the laptop is the same person who clicked on the same ad later on the phone. Indeed, when users switch to mobile devices, DoubleClick uses other required tracking technology such as Apple's Identifier for Advertisers, or IDFA, and a similar one for Android devices to track ads. It has no way of linking Web cookies with these mobile identification tools but is working on ways fix that.
- Google doesn't offer a similar service for DoubleClick. It could probably match Atlas's tracking capabilities across devices because it has a lot of identity data from its various Web services. However, the company has held back on using that data because of privacy concerns and regulatory scrutiny, said Mr. Bloom and other ad industry executives.

Facebook Tightens Oversight of Research

https://www.wsj.com/articles/facebook-tightens-oversight-of-research-1412292491?mod=Searchresults_pos10&page=1

Oct. 2, 2014 7:28 pm ET

- On Thursday, Facebook said it would tighten oversight of its data scientists by giving them clearer guidelines and creating an internal review panel of senior researchers. It also said researchers would be schooled in the ethics of such studies.

Facebook Heads Into the Workplace

https://www.wsj.com/articles/facebook-heads-into-the-workplace-1416270987?mod=Searchresults_pos17&page=1

Nov. 17, 2014 7:36 pm ET

- Facebook wants to move into the workplace, challenging [Microsoft](#) Corp., [Google](#) Inc. and a number of newcomers with a workplace-collaboration tool.
- The Menlo Park, Calif., social network plans to launch "Facebook at Work," in early January, according to a person briefed on the matter. The product, which will allow employees to communicate and

collaborate on projects, is being tested in fewer than a dozen companies; the details are still being finalized.

- Facebook's move comes as work communication is evolving to include more real-time chatting and document collaboration. Microsoft acquired social-enterprise company [Yammer in 2012](#) and has been incorporating it into its Office productivity suite. [International Business Machines](#) Corp. has its own workplace social-networking service called "Connections." Slack, a new enterprise-collaboration tool, was recently [valued at roughly \\$1 billion](#).
- A recent survey by Software Advice found more than half of the respondents viewed Facebook's privacy policies as "Completely Unacceptable."
- "If enterprises can't be guaranteed that their data is going to remain private, they're not going to use it," said Brian Blau, research director for consumer technologies at Gartner. He said Facebook ultimately will charge for the workplace product. "That's the model for business," he said.
- Facebook will bring one big asset to the enterprise: Its social network is one of the most commonly used pieces of software, with 1.3 billion users. Facebook at Work will look very similar to the online social network, the person briefed on the matter said, which could help speed up its adoption in workplaces.
- If Facebook can get a critical mass of companies to adopt the software, it could open up new opportunities. For instance, it could give workers the ability to make their professional profiles "public," which would turn Facebook into a professional social network to rival LinkedIn Corp.
- LinkedIn's main business is recruiting, but some job recruiters already use Facebook to find candidates. Facebook could also combine what it knows about users' personal lives with their work profiles, to create even more valuable data for recruiters.
- "A couple of years ago, people were hot and heavy on cracking that nut, but it seems to have died down a little bit," said Mr. Chesterman about the interest in social tools for the workplace.

Facebook, Please Don't Let the Mullahs Troll Us

https://www.wsj.com/articles/mariam-memarsadeghi-and-akbar-atri-facebook-please-dont-let-the-mullahs-troll-us-1416873076?mod=Searchresults_pos16&page=1

Nov. 24, 2014 6:51 pm ET

- The way Facebook's detection systems work, once a post is reported by enough users—no matter the content, intent or who is reporting it—the post is marked as a terms-of-use violation. As it happens, the Iranian regime, much like the Chinese and Russian governments, is adept at mobilizing trolls to report activity it doesn't like. Facebook inadvertently becomes the morality police, and that will always work to the advantage of tyrants.
- The same tyrants benefit from other well-intentioned Facebook policies. The prohibition on anonymous users, for instance, has kicked off thousands of activists who use pseudonyms to protect their own safety. Whistleblowers, advocates for political prisoners, rally leaders, labor activists, feminists and bloggers all use the platform to organize without detection. But in addition to eluding dictators, these activists must also worry that Facebook employees (or data machines) in Menlo Park, Calif., will detect that their names are not real.

New Facebook Rules Will Sting Entrepreneurs

https://www.wsj.com/articles/new-facebook-rules-will-sting-entrepreneurs-1417133694?mod=Searchresults_pos15&page=4

Nov. 27, 2014 7:14 pm ET

- as of mid-January, the social network will intensify its efforts to filter out unpaid promotional material in user news feeds that businesses have posted as status updates.
- The change will make it more difficult for entrepreneurs like Ms. Bossie, the founder of four-year-old Earthegy, to reach fans of their Facebook pages with marketing posts that aren't paid advertising.
- Businesses that post free marketing pitches or reuse content from existing ads will suffer "a significant decrease in distribution," Facebook warned in a post earlier this month announcing the coming change.

- He says he has “a lot of empathy” for business owners who “are feeling this evolution” in the reduction of what he describes as organic reach. But, he says, organic reach is only one of several reasons companies benefit from having a presence on Facebook. Last month, there were more than one billion visits to Facebook pages directly. “Having a presence where you can be discovered still has a ton of value,” he says. “We don’t want them to spend any dollar with us unless it’s doing something spectacular to help them grow their business.”
- Some small-business owners say they have begun to accept Facebook as “a pay-to-play marketing channel” for businesses.

At Facebook, Boss Is a Dirty Word

https://www.wsj.com/articles/facebook-millennials-arent-entitled-they-are-empowered-1419537468?mod=Searchresults_pos6&page=1

Dec. 25, 2014 2:57 pm ET

- For much of corporate America, the millennial generation is a puzzle. At Facebook it became the answer.
- Born after 1980, millennials are often thought of as entitled and clinging to a fantasy that work should be fun. They are also a majority of Facebook’s 8,000 employees. A Payscale study this month found the median age at Facebook was 28, compared with 30 at [Google](#) Inc. and 31 at [Apple](#) Inc.
- Rather than shrink from the stereotypes, Facebook embraced them and crafted management techniques around them.
- Employees are given unusual freedom to choose, and change, assignments, even outside their areas of expertise. “Management” is less a promotion than a parallel career track.
- Managers are urged to put employees in roles that cater to their strengths.
- To be sure, Facebook doesn’t give employees free rein. Executives describe a balance between keeping young workers productive and doing what’s practical. Facebook staffers are rated on a Bell curve relative to peers. That can jolt young employees accustomed to being told they are high achievers. For some, an average performance review compared with others was “the worst thing that ever happened in their career,” Mr. Faul said.
- “I don’t think many people could make it at Facebook for more than 10 years,” says Karel Baloun, who was among the oldest employees when, in his early 30s, he worked at Facebook in 2005 and 2006. Mr. Baloun, who wrote a book about the experience, says working at Facebook is hectic and intense. “After seven or eight years or 10 years, you’re done, you’re burned out, you get replaced,” he says.
- Now, Mr. Welsh is a “People Engineer.” A millennial himself, Mr. Welsh says Facebook is the first place he’s worked where employees are shifted into new roles based on their strengths, not the company’s needs
- Peter Cappelli, a professor of management at the University of Pennsylvania’s Wharton School, says Facebook’s approach helps retain employees, at a time when tech talent is scarce. “Employers haven’t really been paying attention to being nice to employees over the past few years—except maybe in Silicon Valley,” he says.

★ Facebook and Beijing

https://www.wsj.com/articles/facebook-and-beijing-1420155729?mod=Searchresults_pos19&page=2

Jan. 1, 2015 6:42 pm ET

- Can information companies participate in China’s huge market without selling their souls to the Communist Party? Facebook is the latest American tech firm to face this question, and critics are blaming the social-media giant for taking down a post about self-immolation by a Tibetan monk.
- China has long blocked Facebook, and founder [Mark Zuckerberg](#) has made overtures to Beijing to enter the country. In October he gave a speech in Mandarin at Tsinghua University, and earlier this month he hosted China’s chief Internet censor, Lu Wei, at the Facebook campus in California.
- China arrests anyone attempting to organize a political group. But even a censored version of Facebook would still bring greater access to information for Chinese users, who have been confined to China-only

social networks and isolated from international users. Access to Facebook would dramatically widen their horizons.

- But Facebook would also face political and business risks. China's remarkably robust censorship depends on Internet firms doing most of the work themselves. Within each company are employees who scour the site for objectionable content, based on directives from the Ministry of Information.
- No Western company can actively engage in censorship and retain the trust of its customers. Google refused to carry out this work and began to route searches through its Hong Kong servers. That led the government to block its search engine, and for several days Gmail was completely blocked too.
- If Facebook wants to try to do business in China without internalizing the censorship regime, then more power to it. The potential reward to shareholders and Chinese customers are considerable, but so are the risks to its brand and reputation.

★ Facebook's Friendship Costs a Lot

https://www.wsj.com/articles/facebook-friendship-costs-a-lot-heard-on-the-street-1422487142?mod=Searchresults_pos1&page=2

Jan. 28, 2015 6:19 pm ET

- The social network's [fourth-quarter revenue and earnings came in ahead of expectations](#) Wednesday as its base of monthly active users grew 13% year over year.
- But that growth came at a significantly higher cost: Expenses under generally accepted accounting principles jumped by 87%. Even excluding costs such as share-based compensation and related payroll taxes, they climbed 50%.
- At the end of the third quarter, Facebook said it expected total expenses to swell by between 55% and 75% in 2015. That announcement caused its stock to tumble.
- Facebook is investing in various products, including Messenger, Instagram, WhatsApp and Oculus, to drive continued growth in user engagement. It also is spending on advertising technology and Atlas, its recently relaunched ad-serving and -measurement platform.
- Meanwhile, the company has made it clear it plans to take it slowly when it comes to fully monetizing Instagram and other apps. Facebook's investments may well pay off in years to come, but many investors don't have that kind of patience.