

French Regulator Alleges Facebook Violates Privacy Laws

https://www.wsj.com/articles/french-regulator-alleges-facebook-violates-privacy-laws-1454965422?mod=Searchresults_pos5&page=1

Updated Feb. 8, 2016 at 4:49 pm ET

- The CNIL has ordered Facebook to, among other things, inform people who don't have Facebook accounts that their Internet surfing is being tracked via like buttons across the Web, and to seek explicit consent for collecting information about users' religious beliefs, sexual orientation and other sensitive information.
- It also orders Facebook to stop sending user data to the U.S., based on a trans-Atlantic legal agreement Safe Harbor that was [invalidated by the European Union's top court](#) last year.
- The order from France is the latest escalation in [five, coordinated Facebook probes](#) launched by privacy regulators from the Netherlands to Spain. Late last year, Belgium's Privacy Commission ordered Facebook to stop tracking nonusers when they weren't on the site. A German regulator also ordered Facebook to start allowing users to use pseudonyms on the site.
- Privacy advocates say the new law and enforcement push is helping restore some balance to the relationship between individual users and Internet superpowers that have become among the world's most valuable companies by selling targeted online ads.
- But companies say the pressure could force them to offer new services later in Europe—or not at all. Facebook, for instance, in the wake of the Belgium order said it would stop collecting information on non users' browsing habits.

Facebook Steps Up Efforts Against Terrorism

https://www.wsj.com/articles/facebook-steps-up-efforts-against-terrorism-1455237595?mod=Searchresults_pos3&page=1

Feb. 11, 2016 at 7:39 pm ET

- Facebook relies on users to report posts that violate its standards, such as images that “celebrate or glorify violence.” After an attack, it scours news reports or asks police agencies and activists for names so it can remove suspects' profiles and memorialize victims' accounts.
- Some counterterrorism experts say Facebook shouldn't quickly delete user accounts, so police can monitor them and possibly snare others. But Ms. Bickert, who worked on public corruption and gang-related violence cases as a prosecutor, said leaving up terrorist messages could cause harm.
- Facebook's new approach wins plaudits from some academics and activists, who say the company is more helpful than other tech firms.

Mark Zuckerberg's Uphill Battle

https://www.wsj.com/articles/mark-zuckerbergs-uphill-battle-1455598860?mod=Searchresults_pos14&page=1

Feb. 16, 2016 at 12:01 am ET

- Last week TRAI, India's Internet regulator, declared that services favoring any type of content by offering it free—that is, waiving the usual mobile data charges—are illegal. Only a handful of other countries have banned so-called “zero rating” of content, including Chile, the Netherlands and Slovenia.
- TRAI's ruling coincided with the first anniversary of a stripped-down version of Facebook being offered, along with a few dozen other services, free by mobile telecommunications company [Reliance Communications](#). All of the services on Facebook Free Basics—the company's plan to offer free access to a limited number of websites—have their Internet traffic channeled through Facebook's servers for technical reasons.
- In the past year, according to Reliance, Facebook Free Basics brought one million more people onto the Internet in India. That pales in comparison to the 100 million Indians who came online for the first time in 2015, bringing the total number of Internet users in India to 400 million, 300 million of which access the Internet from mobile devices, according to the Internet and Mobile Association of India

- The problem with Free Basics is that if it had been allowed to play out, and eventually succeeded in bringing not one million Indians online but tens or hundreds of millions, it would have given Facebook the power to determine which companies, both indigenous and multinational, win or lose on India's still-nascent domestic Internet.
- That's because Facebook itself has to approve every service that piggybacks on its deal with Reliance. Though Facebook has pledged to allow onto Free Basics any service that meets Facebook's requirements, the very existence of those requirements, including that services supported by Free Basics be "low bandwidth," is problematic.
- "Once you create walled gardens that raise barriers of entry, anybody capable of getting into agreements like Free Basics are in a competitive sense the only companies who can be online," said Mishi Choudhary, a lawyer and activist at the Software Freedom Law Center, which provides legal services to not-for-profit developers of open source software. "It starts a race to the bottom—today it's Facebook Free Basics, tomorrow it's Google or some telco."
- Specifies in 10Q/ Earning Call that one of the biggest growth regions was India. As one of FB's biggest growing markets, how can this affect them for future growth? Validate how much India represents of DAU/ MAU count. Could this be significant to slowing their growth in emerging markets?

Vox Hires Choire Sicha to Oversee Partnerships With Facebook, Snapchat

https://www.wsj.com/articles/vox-hires-choire-sicha-to-oversee-partnerships-with-facebook-snapchat-1455714001?mod=Searchresults_pos15&page=3

Feb. 17, 2016 at 8:00 am ET

Facebook Will Make Instant Articles Available to All Publishers

https://www.wsj.com/articles/facebook-opens-up-instant-articles-to-all-publishers-1455732001?mod=Searchresults_pos13&page=1

Feb. 17, 2016 at 1:00 pm ET

- For publishers, the economics of the arrangement were compelling: those that sell ads against an article posted on the site [keep 100% of the money](#). If Facebook sells the ad, the publisher keeps 70% of the revenue.
- Facebook has [eased the restrictions](#), and some publishers now say stories posted on the site generate the same amount of ad revenue on a per-view basis as pageviews on their own mobile sites.
- Facebook says it will continue to allow publishers access to audience data and to track article traffic through their own analytics systems and through third-party providers like [comScore](#) Inc.

Facebook Seeks to Ease Tensions With Telecoms With Cellular-Network Project

https://www.wsj.com/articles/facebook-seeks-to-ease-tensions-with-telecoms-with-cellular-network-project-1456124403?mod=Searchresults_pos9&page=1

Updated Feb. 22, 2016 at 5:50 am ET

- Facebook said Monday that it has joined with [Intel](#) Corp. [INTC 0.30%increase; green up pointing triangle](#) and Nokia Corp. and carriers including Deutsche Telekom AG to share information about designing cellular networks, and to make these blueprints available for anyone to use and improve upon.
- The stated goal of the Facebook-led initiative, called the Telecom Infra Project, or TIP, is to make it easier and less expensive for telecommunications companies to connect people in places that don't have cellular service, from urban basements to rural villages.

- Telecom executives say Internet giants such as Facebook and Google Inc. are profiting at their expense.
- Online companies are mostly spared that expense. Recently, they have started to offer messenger services such as Facebook's WhatsApp, which has eaten away at the telecom industry's old cash cows—text messages and phone calls. The Internet services also make money off ads.
- Facebook didn't previously account for much bandwidth, but that changed with the social network's new emphasis on video. Facebook now accounts for 16% of a mobile carrier's traffic in North America, behind only YouTube at 20%, according to a December 2015 report from Sandvine Inc.
- Mr. Suri said Facebook's new initiative addressed that concern by investing in network technologies. "I think both sides realize they need each other," he said.
- "For the time being, Facebook needs operators to test these new systems. But tomorrow, maybe they won't need us anymore," a European telecommunications executive said.

Facebook Isn't So Good at Judging Your Credit After All

https://www.wsj.com/articles/lenders-drop-plans-to-judge-you-by-your-facebook-friends-1456309801?mod=Searchresults_pos5&page=3

Feb. 24, 2016 at 5:30 am ET

- Regulatory hurdles have stymied efforts by online lenders and credit-data providers to use information from social media to judge American borrowers' creditworthiness. Facebook Inc. itself made it tougher for outsiders to tap its treasure trove of data last year. Plus, some startups have concluded that using the data for financial purposes could come off as creepy.
- Last May, Facebook limited the amount of information that third-party services could pull from a user's profile. The move [affected a broad swath of businesses](#), including lenders that wanted to make decisions based on a borrower's map of Facebook relationships.
- "In order to protect privacy," social networks including Facebook "limited the depth you can get through a profile," he said. "We had to come up with alternative ways to [gauge risk] based on some info we pull from [applicants'] phones and marry to our data." Applicants must agree to have their mobile calling and texting patterns used in an analysis, he added.
- Of course, social media could grow more useful to lenders down the road, and some firms do use it for identity verification or outside the U.S. Lenders including Affirm say they consider whether a person has a social-media profile to confirm an identity in cases where other information, such as a phone number, isn't available.
- But many firms say analysis of social-media data hasn't proven a better tool to judge creditworthiness than traditional factors.
- Facebook in recent years has explored being bigger in lending. In 2014, executives met with several lending startups and credit-data agencies, people familiar with the meetings said. Facebook didn't want to underwrite loans; instead, the talks centered on whether Facebook data could be used to find responsible loan candidates, the people said.
- The preliminary discussions didn't go far, but several of the people said Facebook profiles showed promise as a way to verify a borrower's identity and combat fraud. Last year, the Menlo Park, Calif., company run by [Mark Zuckerberg](#) secured a patent that, among other things, allows lenders to assess creditworthiness based on the credit ratings of people in a borrower's network.
- In the U.S., it would face tough regulatory hurdles. [A January report by the Federal Trade Commission](#), which monitors rules on credit and consumer data, indicated that social networks could risk being subject to regulation as a consumer-reporting agency if their data was used as loan criteria.
- In another blow, the FTC also said it could broaden its application of credit-reporting rules to data that isn't specific to the borrower, such as social-media patterns of people who live in a particular ZIP Code.

As Facebook Moves Beyond 'Like,' You Need to 'Love' and 'Haha' With Caution

https://www.wsj.com/articles/as-facebook-moves-beyond-like-you-need-to-love-and-haha-with-caution-1456318800?mod=Searchresults_pos10&page=3

Feb. 24, 2016 at 8:00 am ET

- The Like button isn't going away, but now when you hover your mouse cursor over it, five other options will pop up: Love, Haha, Wow, Sad and Angry.
- In case you're wondering, Facebook says it won't be using reactions to fine-tune ads for now, but it hasn't nixed the idea for the future.
- "Our life has been distilled into finding a way to express our feelings with the least amount of effort," says Larry D. Rosen, emeritus psychology professor at California State University, Dominguez Hills, and author of "iDisorder," a book on tech obsession. "If clicking a 'sad' button makes us feel like we have expressed a deep emotion in a split-second, we've got problems."
- A lack of love could also lead to sadness. Studies have shown that Facebook and our obsession with instant feedback can have a negative impact on self-worth and self-esteem. You can imagine how some people will feel if their posts get no love.
- Before the Sad button, we had to type out meaningful responses to rough news—whether it be the death of a loved one, or a battle with a life-threatening disease. Now, an already-impersonal shortcut just got even more impersonal.
- When it comes to helping people feel supported in a hard time, real-world, face-to-face empathy is six times as valuable as virtual empathy—Facebook posts included—Prof. Rosen and his colleagues found, [in a study published in "Computers in Human Behavior."](#) If Facebook posts are so ineffective, imagine the impact—or lack thereof—of an animated sad face.
- Facebook chose the five new reactions based on the emotions people expressed most in comments and the top stickers and emoticons, says Julie Zhuo, the company's lead product design director. Wow seems to cover a whole range of OMG-grade feelings, both good and bad. Haha seemed far simpler.

Islamic State Hackers Take Aim at Facebook's Zuckerberg, Twitter's Dorsey

https://www.wsj.com/articles/islamic-state-hackers-take-aim-at-facebooks-zuckerberg-twitters-dorsey-1456362911?mod=Searchresults_pos6&page=2

Updated Feb. 24, 2016 at 8:42 pm ET

- A video posted Tuesday by "Sons Caliphate Army," the self-styled hacking division of Islamic State, takes aim at the recent campaigns by Facebook and Twitter to shut down accounts by Islamic State extremists. The video was said to be authentic by Storyful, a news agency that verifies content posted online.
- The video doesn't threaten the lives of Mr. Zuckerberg or Mr. Dorsey, but it shows an image of the two U.S. technology executives with bullet holes. At the end of the video, a banner on the screen says, "To Mark and Jack, founders of Twitter and Facebook and to their Crusader government. You announce daily that you suspended many of your accounts, and to you we say: Is that all you can do? You are not in our league."
- "What we found, specifically, was that users who did return had lower levels of activity and smaller networks," J.M. Berger, a fellow at the Program on Extremism, said in an email. "Twitter has also changed its terms of service to make it hard to come back, for instance by eliminating a loophole that previously let users create accounts without a verified phone numbers or email."

Brazil Court Orders Release of Facebook Executive

https://www.wsj.com/articles/brazil-court-orders-release-of-facebook-executive-1456924754?mod=Searchresults_pos9&page=2

Updated March 2, 2016 at 10:51 am ET

- A Brazilian court on Wednesday ordered the release of a senior Facebook Inc. executive a day after federal police arrested him in response to the company's failure to provide access to WhatsApp messages linked to an organized-crime and drug-trafficking investigation

- “Diego’s detention was an extreme, disproportionate measure, and we are pleased to see the court in Sergipe issue an injunction ordering his release,” Facebook said in a statement Wednesday. “Arresting people with no connection to a pending law-enforcement investigation is a capricious step and we are concerned about the effects for people of Brazil and innovation in the country. We remain willing to address questions Brazilian authorities may have.”
- This is the second time in three months that Facebook has clashed with Brazilian authorities.
- WhatsApp says it doesn’t store its users’ messages after they have been delivered, so it is unlikely the service would be able to hand over messages to law enforcement. WhatsApp has been rolling out end-to-end encryption as well, which means WhatsApp can’t intercept or compromise those messages.

★ Google Joins Facebook-Led Initiative That is Rewiring Data Centers

https://www.wsj.com/articles/google-joins-facebook-led-initiative-that-is-rewiring-data-centers-1457547663?mod=Searchresults_pos8&page=3

Updated March 9, 2016 at 2:15 pm ET

- Google is revealing some of its most closely guarded secrets: Blueprints for its custom-built server racks.
- The search engine giant, part of Alphabet Inc., on Wednesday said it is contributing designs for its high-voltage server racks to the nonprofit Open Compute Project Foundation, an effort to share designs for data-center equipment that has changed the balance of power in the computer-hardware industry.
- The announcement marks Google’s first involvement with the project, which is led by Facebook Inc., joining several hardware vendors and customers that buy large numbers of servers. [Open Compute members include](#) Apple Inc., Microsoft Corp. and Goldman Sachs Group Inc., among others. “It allows all the vendors to produce something that they know can be consumed by Facebook or Goldman Sachs or Yahoo or whoever else is in that space,” said Urs Hölzle, the head of Google’s cloud platform business.
- Google has been working with its energy-efficient 48-volt server racks since 2010 and is sharing the design so others can take advantage of the power savings associated with high-voltage hardware, Mr. Hölzle said.
- Open designs have another benefit for customers. They standardize the way different data-center components work together, so equipment from different vendors can work together, Mr. Hölzle said. “We do try to eliminate gratuitous differences.... because over time they accumulate and make your life harder.”

Social Networking Comes (at Last) to the Workplace

https://www.wsj.com/articles/social-networking-comes-at-last-to-the-workplace-1457921537?mod=Searchresults_pos13&page=3

Updated March 14, 2016 at 1:40 pm ET

- So far, the results are promising. About 2,500 employees, about half of those who have been offered accounts, are actively using the service, which combines the look and feel of Facebook.com with new corporate controls to help managers get their fingers on the pulse of intra-company conversations. Views of educational videos at NRT are up 400%, due in large part to Facebook’s simple and familiar user interface, Mr. Bragdon believes. And, most important, the service feels and operates like a vibrant and useful networking tool. “Now you’re getting answers from multiple people in
- Meanwhile, others are changing their opinion about corporate social networks, too. Duncan Stewart, director of research for technology, media and telecommunications with Deloitte Canada in Toronto, has made a study of corporate social networks. He says that in some ways, successful ones resemble Twitter more than Facebook. They revolve around a devoted core of “hyperusers”—perhaps 20% of a company’s employees—while 30% will pop in occasionally, he says. In his experience, the other 50% simply don’t use the software.
- “One of the things we saw was that in order for that kind of social network to work in an organization, it really needs active community management,” he says.

- “It’s really, really easy to use,” she says. By contrast, she says, “When you roll out Yammer or Socialcast at work, there’s training involved.”

★ Tencent Makes Advertising Push

https://www.wsj.com/articles/tencent-makes-advertising-push-1458235312?mod=Searchresults_pos17&page=3

Updated March 18, 2016 at 12:02 am ET

- The app—which [Tencent Holdings](#) Ltd. [TCEHY 1.74%increase; green up pointing triangle](#) developed in 2011 as a simple communication tool in China offering free text messages, like Facebook Inc.’s WhatsApp—has evolved into a full-service mobile platform. Users like Ms. Ren turn to WeChat to order food, pay bills and even invest in financial products. Its vast user base and innovations have grabbed the attention of global Internet giants like Facebook.
- But having lured nearly 700 million monthly active users to WeChat, Shenzhen-based Tencent now faces the challenge of catching up with its rivals in earning money from such platforms. To address this, Tencent is pushing ads aggressively, taking a page from Facebook’s playbook. The move has been a balancing act of keeping users happy while trying to cash in on the app’s popularity.
- “There is no escape from WeChat,” she said, adding that she would be annoyed to see more ads on the app. “My friends and business contacts are all using it.”
- The competition to earn money off mobile services is heating up as China’s Internet market matures. Even after years of strong growth from online games, Tencent trails Facebook and Chinese rivals Alibaba Group Holding Ltd. and [Baidu](#) Inc. in generating ad revenue.
- The ad business could be a potential gold mine because on average, Chinese smartphone users spend more than an hour on WeChat each day, according to research firm QuestMobile. Even as China’s economy slows down, the size of China’s online advertising market by revenue is expected to almost double to 410.5 billion yuan (\$62.9 billion) by 2018 from 209.7 billion yuan last year, according to forecasts from research firm iResearch.
- Tencent is taking steps to help advertisers target ads to social-media users. Thanks to these efforts, its online ad revenue surged to 5.73 billion yuan in the fourth quarter, accounting for 19% of the company’s total revenue, up from 7.8% three years ago.
- Being part of WeChat’s first social ad campaign helped Coca-Cola gain media exposure, but WeChat as an advertising platform wasn’t yet mature, said Michelle Yang, Coca-Cola China’s director of media and digital marketing. It was unclear how well WeChat’s system for targeting audiences and tracking data worked, Ms. Yang said.
- Since then, Tencent has been investing more in the technology that allows advertisers to target ads based on a user’s online activities and preferences, according to the company. The company added that it limits the volume, frequency and formats of ads posted on its WeChat’s page.
- It has also been hiring researchers and engineers who specialize in digging through data and ferreting out patterns, a step toward improving how it targets ads for specific types of online users. Some of those experts have joined Tencent from Facebook, [Alphabet](#) Inc.’s Google and search provider Baidu, according to people familiar with the matter. Tencent has also recruited marketing and branding managers from auto makers and electronics makers to tap their knowledge of advertisers’ requirements, the people familiar with the matter said.

Video Creators Are Frustrated With Pace of Facebook’s Antipirating Efforts

https://www.wsj.com/articles/video-creators-are-frustrated-with-pace-of-facebooks-anti-pirating-efforts-1459416600?mod=Searchresults_pos6&page=1

March 31, 2016 at 5:30 am ET

- The creators, who make money when YouTube sells ads against their work, say this copyright infringement hits them in the pocketbook. They have been bombarding Facebook with requests to take down the offending material, and are tired of the Whac-A-Mole game.
- Facebook's staggering growth in video—users now watch them about eight billion times a day across the social network—has made the issue more pressing for content creators. Though the financial toll freebooting has taken on creators is unclear and impossible to measure, they fear that fraudulent views potentially could dilute the money they draw from viewers who see advertising on YouTube.
- "They are certainly showing good-faith efforts in terms of trying to create software to try to deal with the freebooting issue," said Lee Essner, president and chief operating officer of Jukin, whose business involves licensing and distributing viral videos on the Web.
- Under the Digital Millennium Copyright Act, the onus is on creators to flag infringing content to companies, who are obligated to respond to those "take-down requests." By all accounts, Facebook is responding, but the issue is that it can take hours or days, and by then a viral video typically has run its course.
- YouTube was pushed to develop its "Content ID" matching technology that helps screen out copyright-infringing content. Video creators say Content ID has helped reduce such issues on YouTube.
 - YouTube's technology is proprietary, so Facebook engineers are building its rights-management system from scratch and are tailoring it to Facebook's scale and sharing options, the Facebook spokeswoman said.
- Facebook also is expanding the team that responds to take-down notices, and is removing pages and profiles that repeatedly upload pirated content.
- Posting legitimate copies of their work on Facebook isn't a great option, some creators say, because the social network still has yet to widely roll out ways to make money from video. YouTube creators can earn anywhere from hundreds of dollars to millions, depending on the number of views their videos receive and the demographics of their audience, among other things. [The Wall Street Journal reported in 2014 that PewDiePie](#), the most popular YouTuber, can pull in \$4 million in ad sales a year.
- Facebook says it is working on revenue-sharing models. Last year, it started sharing ad revenue with a few video companies through a video-only feed called Suggested Videos, where ads are inserted between videos. Facebook will keep 45% of the revenue as is the case on YouTube. But unlike YouTube, the other 55% will be split among the creators of the two videos on either side of the ad. On YouTube, ads are affixed to a single video.

Publishers Say Jury Is Still Out on Facebook's Suggested Videos Product

https://www.wsj.com/articles/publishers-say-jury-is-still-out-on-facebooks-suggested-videos-product-1459850401?mod=Searchresults_pos15&page=1

April 5, 2016 at 6:00 am ET

- Facebook has spent much of the past year trying to [build a video juggernaut](#), including the addition of a feature that encourages users to binge watch back-to-back videos from professional Web publishers.
- While publishers are starting to see a trickle of advertising revenue come in from the [Suggested Videos program](#), reviews so far of the evolving initiative are mixed. Some media companies are optimistic Facebook could soon become the next big platform where they can make money from video ads, yet others believe Facebook has a way to go in terms of fine-tuning its user experience and ad model for video.
- Facebook introduced [Suggested Videos last summer](#) as a way to help users discover more video content on the platform and to help professional video publishers generate revenue without resorting to pre-roll video ads. When people click to watch a publisher's video in their feed, they are then presented with a scrollable collection of other "suggested" videos to watch. While no ad runs before the start of the first clip, after that ads from brands like [Heineken](#) are interspersed between some videos.

- The ad revenue is divided up between Facebook and the publishers whose videos run during the same viewing session as the ad. However, at this point, users don't have to watch any ads if they don't want; they can simply skip over them.
- One of the goals of the initiative was to get users to start viewing Facebook as a video destination and not just a place where people chance upon videos in their news feeds. There is no question that video viewership on Facebook has ballooned over the past few years; the site now generates 8 billion video views a day.
- Facebook rolled out the Suggested Videos menu gradually—first on iOS devices, then on desktop. It became available to the entire Facebook audience as of the start of 2016.
- So far, revenue has been tiny. Several publishers say that Facebook Suggested Videos have regularly generated a few thousand dollars a month. One video partner said it took the time to calculate how much money it was bringing in from Facebook Suggested Videos relative to how many videos it delivers via the product—and the rate paled in comparison to other video platforms.
- Facebook calculates which partners get which portion of the 55% based on how much time the viewer spent with each video during a given session. But the partners say they are somewhat in the dark about how they get paid, making it difficult to plan.
- Steven Oh, chief business officer at the progressive-leaning news firm the [Young Turks](#), said that while ad revenue from Suggested Videos is growing every month, "It's still a low number," he said.
- Most media partners agree that it's early days. Given Facebook's history of gradually tweaking its products before going big, many urge patience.
- "This is still very much in a test phase," said Athan Stephanopoulos, president at [NowThis](#), which has aggressively pushes content to social platforms. "What I can sense is that they are working really hard to figure it out. We think it can be a lot more and will be a lot more."
- It's worth noting that none of the major broadcast networks have signed on to participate in Suggested Videos. NBC doesn't distribute clips from "The Tonight Show" through this outlet, nor does CBS for "The Late Show With Stephen Colbert." ABC and ESPN are also not distributing clips via Facebook Suggested Videos, though [Walt Disney](#) Co. sibling Maker Studios is testing the product. Fox Broadcasting isn't participating, but Fox Sports is.
- It's worth noting that until last year, both ABC and NBC chose not to run ads next to their late-night clips on YouTube until they were able to reach palatable agreements with parent company Google.
- One thing publishers like about Suggested Videos is that right now, it's for professional media companies only. In other words, publishers aren't competing for ad space with user-generated content.
- Mr. Oh at the Young Turks said Suggested Videos needs a total rethink. The product is hard for the average Facebook user to find, and since Facebook has trained people to watch video without sound, many never click on videos and stay for more, he said.

★ Facebook to Allow Media Companies, Marketers to Post Sponsored Content

https://www.wsj.com/articles/facebook-to-allow-media-companies-marketers-to-post-sponsored-content-1460116801?mod=Searchresults_pos12&page=2

April 8, 2016 at 8:00 am ET

- Advertisers and Web publishers will be able to post articles, videos and images that marketers have paid for to their Facebook pages; to date, they have only been able post such content within ad units. The new policy for so-called "organic content" applies to Facebook Instant Articles, video and even the new Facebook Live product.
- This change should be welcome news to publishers like BuzzFeed and Forbes, which have made sponsored content a staple of their ad offerings. And for Facebook, the new policy should theoretically bring in more revenue. Marketers and their media partners will likely run ads on Facebook to make sure that more people can see this sponsored content in their news feeds.
- Branded content on the site will be required to feature a new icon designed to make it clear to consumers that the content comes from a paying advertiser.

- Facebook is also introducing a new tool to help brands better track when media partners, or even paid celebrities, post content featuring their products. Mr. Rose said this tool will help companies identify which sponsored posts are resonating with users, and they can pay to run more ads promoting this content.

Facebook Launches Tool to Combat Video ‘Freebooting’

https://www.wsj.com/articles/facebook-launches-tool-to-combat-video-freebooting-1460492932?mod=Searchresults_pos12&page=1

April 12, 2016 at 4:28 pm ET

- In a [blog post](#), Facebook said that the tool, called Rights Manager, will allow video creators to “easily upload and maintain a reference library of the video content they want to monitor and protect.” Creators can set rules that either permit or report copies of their work based on criteria like how much of the video has been clipped or how many views it has garnered.
- In the announcement, Facebook said its new tool will also work with its nascent live-streaming push, Facebook Live. “We check every Facebook Live video stream against files in the Rights Manager reference library, and if a match surfaces, we’ll interrupt that live video,” the company said.

Facebook Doubles Down on Its Messenger App

<https://www.wsj.com/articles/facebook-doubles-down-on-its-messenger-app-1460484169?mod=LS1>

Updated April 12, 2016 at 6:25 pm ET

- Facebook Inc. on Tuesday said it is working with more than two dozen companies on a new initiative aimed at turning its Messenger app into a hub for shopping, news and entertainment.
- At its annual F8 conference in San Francisco, Facebook showed developers how to build so-called chatbots in the app to field customer-service questions and help people order goods, without requiring a person at the other end of the conversation.
- More than 25 companies are using chatbots in Messenger to start, including Walt Disney Co., eBay Inc., JetBlue Airways Corp. and News Corp’s The Wall Street Journal. No money is changing hands in the partnerships.
- This marks the second-consecutive year Facebook has highlighted Messenger at F8. People [already favor the private, one-to-one communication style](#) of messaging apps to social networks, and the trend is expected to accelerate.
- Many companies using messaging apps to talk to potential customers so far rely on workers to field the questions. Users expect prompt replies. Chatbots could help expand the number of businesses that can interact with Messenger’s 900 million users.

Facebook and Google: The \$230 Billion Question

https://www.wsj.com/articles/facebook-and-google-the-230billion-question-1460485612?mod=Searchresults_pos14&page=3

Updated April 12, 2016 at 7:24 pm ET

- For investors, though, the rise also presents a twofold challenge. The first is to find a more fundamental way to examine growth expectations, as opposed to trying to quantify amorphous hopes for products or revenue streams that may take years to materialize. The second is to determine what that analysis says about today’s market values and the past year’s gains.
- But investors can use a back-of-the-envelope method to model what the companies’ advertising businesses may generate years in the future. And doing so suggests markets are pricing in too much growth.

The Algorithm Is an Editor

https://www.wsj.com/articles/the-algorithm-is-an-editor-1460585346?mod=Searchresults_pos16&page=2

April 13, 2016 at 6:09 pm ET

- In only a few years, the number of Americans who get their news (as opposed to the latest cute cat videos) from Facebook, Google, Apple and Twitter has increased markedly. Four in 10 adults in America now get news from Facebook and one in 10 from Twitter, according to the [Pew Research Center](#). “Among [Millennials](#),” Pew researchers write, “Facebook is far and away the most common source for news and information about government and politics.”
- Tech companies, seeing the economic promise of this trend, are working hard to become the dominant distributors of news. Facebook’s Instant Articles, which allow news stories to load much faster than before, will be open to all publishers in April. Apple has launched Apple News, Google offers Accelerated Mobile Pages, and Twitter has Moments.
- But the change is profound. Facebook has implemented algorithms that will determine who sees which Washington Post articles. Two people with very similar interests may get different news, depending on what Facebook’s servers believe is best for each reader. This is an extraordinary change from when a newspaper editor determined what the reader would see either in print or via the paper’s own website.
- Yet as technology evolves, the tech companies’ position that they are not news organizations becomes increasingly implausible. Simply by presenting articles in a different manner, the tech companies profoundly affect how news is consumed.
- The tech companies have reacted with steps that, while eminently sensible and responsible, seem to contradict their position as simply “pipes.”
- It could be argued that the tech firms are not news companies because they don’t have reporters. However, that 20th-century model does not really apply to modern firms. What the social media companies have is a treasure trove of information about anyone with a smartphone or Internet service and about the choices they make. Information arrived at through data mining, such as the public mood on particular issues, is already making its way into presidential debates and other political discussions. Google is training reporters on how to use its data. It is hard to imagine that the tech companies will resist further exploiting their store of information so that they can remain mere “pipes” in an increasingly competitive market.
- The legacy media companies addressed this issue by trying, admittedly with varying degrees of success, to establish walls between the departments responsible for editorials, news reporting and advertising. This will be far more difficult in an era where algorithms—not editors—often control the content and ads a person consumes.

Facebook Launches Research Lab, Hires Google Executive to Helm It

https://www.wsj.com/articles/facebook-launches-research-lab-hires-google-executive-to-helm-it-1460580859?mod=Searchresults_pos18&page=2

Updated April 13, 2016 at 7:01 pm ET

- Facebook Inc. created a research lab to develop hardware products and hired a top Google executive to lead the effort, underlining the social-networking company’s broadening technology ambitions.
- Building 8 will help launch a 10-year strategic plan outlined by Mr. Zuckerberg at its [annual F8 developer conference](#) this week, including advances in artificial intelligence, augmented and virtual reality, and extending Internet access to billions of people around the world
- Dr. Dugan is the latest high-level defection from Google to Facebook. Last year, Facebook hired Mary Lou Jepsen, a high-profile executive from Google’s advanced-projects lab, to work on Oculus. Her background is in display technology.
- At Building 8, which is named for the number of letters in Facebook, Dr. Dugan will build new hardware products that mix the physical and digital worlds, the company said. Mr. Schroepfer said Building 8 will help other Facebook teams on longer-term projects, including its artificial-intelligence research lab and its [Oculus virtual-reality division](#), which [recently started shipping](#) its first VR headset.

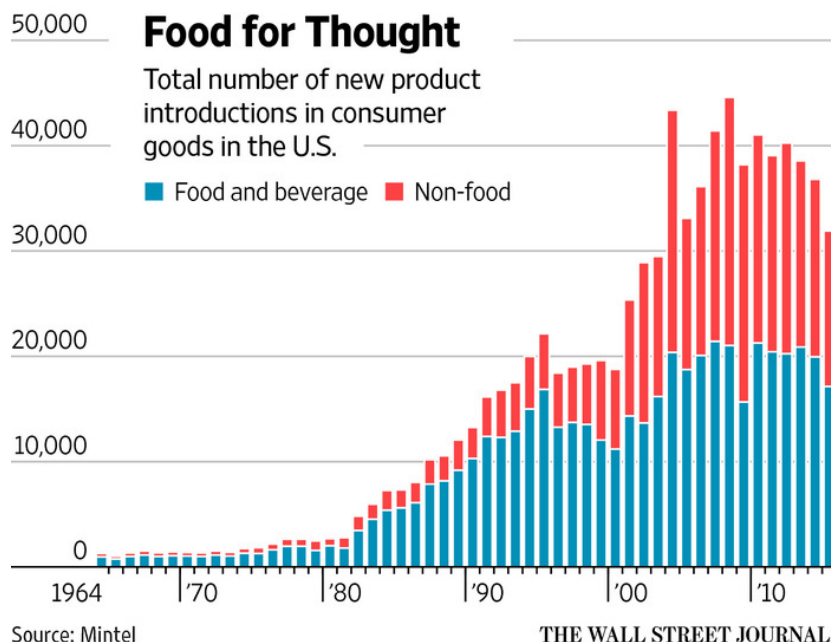
- Building 8 will develop products similar to the virtual-reality camera that captures 360-degree video that Facebook unveiled this week, he said. Facebook doesn't plan to sell that camera. Instead, the company released the designs publicly to encourage other companies and developers to build VR cameras and thus make it easier for people to create VR content, which would be a boon to Facebook's vision for the technology.

Why There Are More Consumer Goods Than Ever

https://www.wsj.com/articles/why-there-are-more-consumer-goods-than-ever-1461556860?mod=Searchresults_pos20&page=2

April 25, 2016 at 12:01 am ET

- And Facebook, more than search, more than word-of-mouth, and more than previous types of advertising, is an unprecedented way to generate that market.
- "Facebook is one of the huge factors that differentiates retail these days," says Tom Montgomery, co-founder of men's [apparel company Chubbies](#). "Before Facebook, you didn't have the ability to tell 800 of your friends that something is good."
- Facebook has two kinds of power. The first is word-of-mouth, personal endorsements of new products to large numbers of others. The second is targeted advertising. For startups, Facebook is an advertising engine unlike any other, even Google. Google's strength is targeting people who've shown interest in a product. Facebook prides itself on knowing you so well that it can show you things you didn't know you wanted.



Facebook Hopes Chatbots Can Solve App Overload

https://www.wsj.com/articles/facebook-hopes-chatbots-can-solve-app-overload-1460930220?mod=Searchresults_pos15&page=2

Updated April 17, 2016 at 10:14 pm ET

- [Mark Zuckerberg](#) thinks you suffer from app overload, and last week he unveiled his solution: chatbots. Over the next few years, they may boost the bottom line of Facebook Inc. and other Internet companies while changing the way you use your smartphone. But first, they'll need to get a lot smarter.
- But the bots that have Mr. Zuckerberg excited spring from the marriage of popular text-messaging programs and burgeoning artificial-intelligence techniques. If all goes according to plan, they will know what you like, remember what you've told them and cooperate to make your life easier.

- To Facebook, bots look like something more modern: a fresh alternative to apps—and a way to connect the company's business partners with its 1.9 billion Messenger and WhatsApp users, especially born-to-chat millennials. And Facebook bots have an added bonus: They run in the background on the company's Messenger service. That means there are no apps to download. Users get convenience, and Facebook gets its own alternative to [Apple](#) Inc.'s lucrative App Store.
- "No one wants to have to install a new app for every business or service that they want to interact with," Mr. Zuckerberg said at his company's F8 developer conference last week. "We think that you should just be able to message a business in the same way that you message a friend."
- Right now, Silicon Valley's hopes seem to be pinned on the prospect of a bot revolution. [Alphabet](#) Inc.'s [Google](#) and [Microsoft](#) Corp. are pushing ahead with new bot initiatives, as are messaging companies Kik Interactive Inc. and Telegram Messenger. A crush of new startups is trying to develop the bot equivalent of a killer app.
- Facebook is following the lead of [Tencent Holdings](#) Ltd.'s WeChat, China's most popular messaging app, which already lets people use bots to shop or pay bills. Facebook Messenger currently hosts more than 25 bots that provide the same kinds of services you'd find on a website or app: weather forecasts, news updates, flower deliveries. But instead of pointing, clicking or swiping, users tap and send text messages.
- Making money from bots isn't yet a priority, Facebook said. But observers see great potential. Capturing half the predicted business for customer support via messaging would represent a brand-new \$4 billion revenue opportunity, says Evercore Group LLC.
- The initial run of Facebook bots already has faced backlash for failing to behave as expected.
- To fulfill their promise, experts say, Facebook's bots will need to get better at conversing in everyday language. "They aren't taking natural language; they are taking menu names," said Bruce Wilcox, the author of Rose, the winner of the most recent Loebner annual chatbot competition.
- But with many of Messenger's 900 million users now experimenting with bots, Facebook is generating mountains of new data about how they want these bots to work. And that is expected ultimately to make them more useful.

Facebook: Why This Tech Giant Is Different

https://www.wsj.com/articles/facebook-still-has-a-lot-of-friends-1461685383?mod=Searchresults_pos8&page=1

April 26, 2016 at 11:43 am ET

- There has been plenty to cheer about the social network's impressive growth of late, particularly on mobile. It also has relatively untapped sources of revenue at its disposal over both short- and long-term horizons, specifically in messaging and virtual reality.
- When broadcast media dominated advertising, only big brands could afford to market their goods. The cost of ad buys limited how many products a company could introduce each year, because the products had to appeal to a broad audience, says Jay Contessa, a 28-year veteran of [Unilever](#) NV.
- Lynn Dornblaser, who monitors consumer-packaged goods at Mintel, says that since 1980, the share of sales controlled by the 20 biggest manufacturers has steadily declined, as consumers spread their purchases across more, and smaller, brands. At the same time, more new consumer goods are being introduced every year.
- In the past, the upswing in new products was driven by the emergence of new types of stores, as when natural-food and gourmet-food stores arrived in the 1980s, says Ms. Dornblaser. But starting in the early 2000s, the Internet became a driving force in product introductions. And Facebook is the latest manifestation of this trend.
- This isn't the end of big conglomerates—most exits in consumer-packaged goods are of startups selling themselves to the big companies, after all—but ours is an age in which companies are able to indulge our ever more esoteric tastes.

What to Know About Live Video, Social Media's Latest Craze

https://www.wsj.com/articles/live-video-what-to-know-about-social-medias-latest-craze-1461691861?mod=Searchresults_pos13&page=2

April 26, 2016 at 1:31 pm ET

- Facebook is investing big time. A few weeks ago, [Mark Zuckerberg](#) announced [new live broadcast features](#)—[through a live broadcast](#), of course. Twitter has been bragging about the momentum of its live app, Periscope, and Google's YouTube is expected to announce [its own smartphone-based live video](#) soon.
- Why live video? My cynical take: It's the latest gimmick to get us to record, share and watch more video. By 2020, [75% of the world's mobile traffic will be video](#), according to an ambitious estimate by networking-equipment maker [Cisco](#). The big brands want to get the jump on any competition and keep us locked into their money machines.
- My optimistic take: It's a powerful, spontaneous way to share your life and interact with people. Think of it as one-way video chat with two-way texting. A reporter live in Syria can read a viewer's suggestion to move a little to the left to get a better view of the scene. A musician in his bedroom can take song requests. Aunt Ida and the rest of the fam can tune in to Stacy's dance recital from across the country.
- Ultimately, it may end up looking a lot like what you see on TV. Livestream's Facebook-friendly \$400 wide-angle Mevo camera, due this summer, will allow low-budget broadcasters to cut to different camera angles.
- Soon, you'll see a Live Video tab in the Facebook iPhone and Android apps. Like Periscope, the area will surface the most popular public videos currently in progress around the world, plus streams from friends and people you follow. For now, you can go to facebook.com/livemap to see many current public live broadcasts, with the most popular ones highlighted. You can see them, but unless you like the feed or comment on it, they can't see you.
- The tool gives you the opportunity to choose your audience, but it's just not clear enough what "public" means. And unlike past privacy debates, this is not about words and pictures on a screen, but live video from within people's homes.

★ Facebook Developing Camera-First Format

https://www.wsj.com/articles/facebook-developing-camera-first-format-1461601368?mod=Searchresults_pos1&page=1

Updated April 26, 2016 at 6:43 pm ET

- Facebook Inc. is developing a stand-alone camera app to encourage its 1.6 billion users to create, and share, more photos and videos, people familiar with the matter said.
- A prototype of the app developed by Facebook's "friend-sharing" team opens to a camera, similar to disappearing photo app Snapchat
- Still, it reflects anxiety within Facebook over [users' increasingly passive behavior on the social network](#). Many users check Facebook daily or even multiple times a day, but fewer are sharing photos, videos and status updates about their own lives. Reversing the trend is a growing priority within the company.
- In June 2014, it launched Slingshot, a Snapchat-like app that let users trade photos and videos that disappeared after 24 hours. It earlier launched a photo-editing and -sharing app called Camera. Neither gained much traction among users and both were later dropped. The new app would have slightly different features, such as the live-streaming "mode."
- Technology-news website The Information reported earlier this month that "original broadcast sharing" on Facebook was down 21% as of mid-2015, compared with the prior year. In the first quarter of 2016, 33% of Facebook users polled by market researcher GlobalWebIndex said they updated their profile status in the past month and 37% said they uploaded or shared their own photos. A year ago, 44% said they updated their profile status in the prior month and 46% said they uploaded or shared their photos.

- Facebook has also attempted to re-engage users with new features such as “On This Day,” which lets users relive and share past posts. This and similar features appear may have prompted more users to “like” Facebook posts, according to GlobalWebIndex, which said that in the first quarter of 2016, 82% of Facebook users clicked “like” at least once in the prior month, up from 73% during the same period a year earlier.
- Last month, the company bought video-sharing app MSQRD, which lets users enhance videos through filters and offers the ability to “swap” faces with others in the picture. Snapchat has a similar feature in its main app.
- Last year, Facebook shut its in-house app incubator, Creative Labs, and removed three of the unit’s unpopular apps from the Apple’s App Store and Google’s Play store. Facebook said it would continue to develop stand-alone apps.

Facebook Earnings: What to Watch

https://www.wsj.com/articles/facebook-earnings-what-to-watch-1461765515?mod=Searchresults_pos2&page=1

Updated April 27, 2016 at 10:18 am ET

- Facebook launched [new ad products last year](#), including several for its photo-sharing app Instagram. Third-party data suggest the products are gaining traction. Last week, digital-marketing agency Kenshoo said its clients’ spending on Facebook shot up 86% in the first quarter of 2016 compared with the same period a year earlier. Spending also rose 9% in the first quarter compared with the fourth quarter of 2015—a surprise to Chris Costello, Kenshoo’s senior director of marketing research, who said spending typically declines in the first quarter. Mr. Costello noted the growing popularity of dynamic product ads, a type of ad launched in February 2015. Other analysts point to Instagram, which [Credit Suisse](#) predicts generated \$572.5 million in first-quarter revenue.
 - New ad products specified mainly include Instagram ad products and easier management of ads between FB platforms.
- [Video ads are expected to be](#) among the biggest drivers of Facebook’s revenue growth in 2016. Credit Suisse analysts predict Facebook generated \$260 million from video ads in the first quarter and will net \$1.74 billion for the full year. But there are many unresolved questions around [Facebook Live, the live-streaming product](#) that Facebook has been touting in recent months. Analysts are looking for an update on the company’s video strategy during its first-quarter earnings call, as well as details on Live’s reception among video advertisers and how Facebook may ultimately monetize Live.

Facebook Results: Investors Like Living in Zuckerberg’s World

https://www.wsj.com/articles/facebook-results-investors-like-living-in-zuckerbergs-world-1461793800?mod=Searchresults_pos7&page=2

April 27, 2016 at 5:50 pm ET

- The social network said it would create a new class of nonvoting stock that would allow Mr. Zuckerberg, Facebook’s chief executive and founder, to sell shares without diluting his majority voting control. The move comes after he and his wife announced a plan in December to [give away 99% of their shares](#) during their lives.
- Many investors awoke to the power Mr. Zuckerberg has over the company’s direction when he decided to buy messaging service WhatsApp for what [ended up being around \\$21 billion in stock](#). On a call Wednesday to discuss his company’s results, he argued the company’s founder-controlled structure has helped it make big winning bets, such as its purchase of Instagram, and defend itself against takeover offers.

Five Things Marketers Should Note From Facebook's First-Quarter Earnings

https://www.wsj.com/articles/five-things-marketers-should-note-from-facebooks-first-quarter-earnings-1461797367?mod=Searchresults_pos8&page=2

April 27, 2016 at 6:49 pm ET

★ Facebook Revenue Soars on Ad Growth

https://www.wsj.com/articles/facebook-revenue-soars-on-ad-growth-1461787856?mod=Searchresults_pos10&page=1

Updated April 28, 2016 at 12:59 am ET

- Facebook Inc. reinforced its standing as a mobile-advertising powerhouse, nearly tripling its quarterly profit at a time when its Silicon Valley rivals are underperforming.
- “Businesses are no longer asking if they should market on mobile, they’re asking how,” Chief Operating Officer Sheryl Sandberg said in an interview. “This is a shift that we think we’re very well-positioned to take advantage of and build on.”
- Facebook also said its board had proposed creating a new class of nonvoting shares, designed to further cement founder and Chief Executive [Mark Zuckerberg](#)’s control over the company. The new Class C shares would have the same economic rights as other shares but wouldn’t have voting rights, allowing Facebook to distribute them to employees and through acquisitions without diluting Mr. Zuckerberg’s control. Google—now [Alphabet](#) Inc.—made a similar move in 2014.
- The results offered further evidence that Facebook is gaining traction with advertisers at a time when many are shifting funds from their print and television budgets to digital offerings. Ad companies, including Interpublic Group’s Magna Global, project digital media will surpass television as the world’s largest advertising medium as soon as next year.
- Facebook is expected to garner about 12% of the \$186.8 billion global digital-advertising market this year, up from 10.7% last year and 8.6% in 2014, according to data firm eMarketer. By contrast, Google’s share is projected to decline to 31% from 33% in 2015 and 35% two years ago.
- Facebook said average ad prices increased 5% in the first quarter, as advertisers bought more mobile ads. Marketing-technology company Kenshoo said mobile ads cost about \$4.39 per 1,000 impressions in the first quarter, more than double the \$2.17 cost on desktop.
- Over the past year, Facebook has launched several new ad types, such as dynamic product ads, which allow users to scroll through items in a company’s product catalog. It also made it easier for companies to buy ads on its Instagram image-sharing network; those ads are inserted in users’ feeds. In a note, Piper Jaffray analyst Gene Munster said Instagram ads accounted for the increased share of revenue on mobile devices.
- Mr. Wehner said Facebook’s ability to target ads allowed the company to show more ads without frustrating users.
- Mr. Wehner offered a cautionary note on the conference call, warning that growth rates may slow later in the year. “We expect that the main drivers of advertising revenue growth will continue throughout 2016, but we will face tougher comparable as the year progresses given the accelerating ad revenue growth we experienced throughout 2015,” he said.
- Mr. Zuckerberg said overall sharing as well as sharing per user was up across Facebook and its suite of apps, but the way users are sharing has changed. Some of that stems from users’ shift to mobile phones from desktops, he said. For example, people tend to share more videos from their mobile devices.