

## ● Facebook's Stock Plunges After Profit Declines

[https://www.wsj.com/articles/meta-platforms-facebook-fb-q4-earnings-report-2021-11643762900?st=iu91jxe8kfoc62b&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/meta-platforms-facebook-fb-q4-earnings-report-2021-11643762900?st=iu91jxe8kfoc62b&reflink=desktopwebshare_permalink)

Updated Feb. 2, 2022 at 7:06 pm ET

- Facebook parent Meta Platforms Inc. startled investors with a sharper-than-expected decline in profits and a gloomy outlook in its first earnings report since Chief Executive Mark Zuckerberg outlined a pivot to the metaverse.
- Meta shares plunged after the results were announced, dropping more than 20%.
- Meta also lost about a million daily users globally and stagnated in the U.S. and Canada, two of the company's most profitable markets, the results show.
- Meta's results were in contrast to fellow digital-ad giant and Google parent Alphabet Inc., which on Tuesday reported blockbuster results that sent shares climbing more than 7% on Wednesday.
- Meta executives said the company is working at a disadvantage because of Apple's changes that require apps to ask users for permission to track their activity and share it with other apps or websites.
- The company reported a \$10.3 billion profit for the fourth quarter, below analyst expectations of \$10.9 billion and a small decline compared with a year earlier.
- The Reality Labs unit posted a \$3.3 billion loss, an amount that has grown consistently in recent quarters.
- Investors said the pairing of slower revenue growth with higher spending on initiatives like the metaverse is a troubling combination. "
- The latest earnings come as Meta continues to face criticism from lawmakers and users over revelations in The Wall Street Journal's "Facebook Files" series, which showed that the company knows its platforms are riddled with flaws that cause harm.
- The company has also endured a series of executive departures in recent months.

## Meta's Investors Get a Reality Check

[https://www.wsj.com/articles/metasp-investors-get-a-reality-check-11643846172?st=4tnudandwlv6d76&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/metasp-investors-get-a-reality-check-11643846172?st=4tnudandwlv6d76&reflink=desktopwebshare_permalink)

Updated Feb. 3, 2022 at 12:01 am ET

- Today in the real world, his company is staring at a roughly \$200 billion loss in market value.
- For the first time since the company started reporting the metric as a public company, Facebook's daily active users declined on a sequential basis in the fourth quarter.
- Further, Meta warned its first-quarter revenue would be more than \$2 billion below Wall Street's forecast at the midpoint of its guidance, noting impacts to both impression and price growth, specifically citing increased competition from video-first platforms like ByteDance's TikTok.
- The result was a stunning 21% selloff for Meta's stock in after-hours trading.
- It will invest tens of billions in the coming years toward its next phase in building the metaverse, but little of that will be of near-term help.
- Meta may have a new reporting segment in Reality Labs, but 97% of its revenue was still coming from advertising in the fourth quarter.
- And on Wednesday, Meta Chief Executive Mark Zuckerberg listed Reels as his company's first priority for this year.
- Mr. Zuckerberg also said back in October that Meta's goal was "to help the metaverse reach a billion people...this decade."
- Stifel's Mark Kelley estimates there will be 2.5 billion gamers globally, excluding China, by the end of this year.
- If true, Meta would only have to reach 40% of them over the next eight years to reach its goal.

## ● Snap Posts First Profit as It Adjusts to Apple Privacy Push

[https://www.wsj.com/articles/snap-posts-first-profit-as-it-adjusts-to-apple-privacy-push-11643922756?st=zxdg03env6582m5&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/snap-posts-first-profit-as-it-adjusts-to-apple-privacy-push-11643922756?st=zxdg03env6582m5&reflink=desktopwebshare_permalink)

Updated Feb. 3, 2022 at 4:55 pm ET

- Snap Inc. posted its first quarterly profit and signaled it is adjusting to disruptions in the digital-advertising market caused by Apple Inc. privacy policy changes that are affecting Facebook parent Meta Platforms Inc. Snap on Thursday posted a net profit of \$22.6 million in the most recent quarter after sales advanced 42% to \$1.3 billion from the year-ago period, beating Wall Street expectations.
- The social-media company's shares were hit hard in trading ahead of the numbers after Meta on Wednesday said it would suffer a \$10 billion revenue loss this year from the software changes Apple made to ad tracking through its iOS software.
- Shares in Snap rallied after the earnings release, advancing more than 50% in after-hours trading.
- Snap said it is developing tools to help advertisers address the problems posed by Apple's changes. "
- Snap, in its results, forecast sales of up to \$1.08 billion for the current quarter, beating average analyst expectations, according to a survey by FactSet.

## Facebook Feels \$10 Billion Sting From Apple's Privacy Push

[https://www.wsj.com/articles/facebook-feels-10-billion-sting-from-apples-privacy-push-11643898139?st=yyp9831moxhrus9&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-feels-10-billion-sting-from-apples-privacy-push-11643898139?st=yyp9831moxhrus9&reflink=desktopwebshare_permalink)

Updated Feb. 3, 2022 at 5:22 pm ET

- Meta Platforms Inc. closed down more than 26% in Thursday trading—a \$230 billion-plus loss in market capitalization—after Chief Financial Officer David Wehner on Wednesday said the company expects the Apple policy to cost it more than \$10 billion in lost sales for 2022, equivalent to about 8% of its total revenue last year. "
- Rival social-media platform Snap Inc., which retreated more than 23% Thursday amid concerns over the impact Apple's policy is having on the online ad market, cheered investors after the closing bell with its first-ever quarterly profit.
- Meta says that policy has made ad targeting more difficult and measuring the impact of placements harder.
- Videogame company Zynga Inc., which specializes in smartphone games like Words With Friends and has its own advertising platform, suffered an earnings hit from the new Apple policy that led its shares to drop sharply last year.
- Andersen said elements of the company's advertising business "began to recover from the impact of the iOS platform changes quicker than we anticipated."
- Meta's CFO, Mr. Wehner, said Apple's policy treats Google differently, suggesting that the difference might reflect a longstanding business relationship between the two companies. "
- Google said its search and advertising revenue rose 36% and topped \$43 billion in the most recent quarter, led by strength in retail-related ad spending, with YouTube advertising up 25% from the year-earlier period.

## Facebook Parent Meta's Stock Plunges, Loses More Than \$200 Billion in Value

[https://www.wsj.com/articles/facebook-owner-metas-stock-price-plunges-premarket-jolting-tech-investors-11643887542?st=8wlacknvoo3kv0g&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-owner-metas-stock-price-plunges-premarket-jolting-tech-investors-11643887542?st=8wlacknvoo3kv0g&reflink=desktopwebshare_permalink)

Updated Feb. 3, 2022 at 5:25 pm ET

- Shares of Facebook parent Meta Platforms Inc. plunged Thursday, wiping about \$232 billion from the technology giant's market value, the biggest one-day decline for a stock in U.S. history.
- The company startled investors late Wednesday with a sharper-than-expected decline in profit and a gloomy outlook.

- That pulled Meta's shares down 26% Thursday to close at \$237.76, its steepest one-day decline since it started trading in 2012.
- The drop in market value also surpassed the record that Apple set in September 2020.
- With Thursday's close, Meta now has a market value of about \$647.17 billion, making it the seventh-largest stock in the S&P 500.
- Warren Buffett's Berkshire Hathaway Inc., with a market value of about \$703.8 billion, replaced Meta as the sixth-largest Thursday.
- Meta shares are down 29% year to date.

## The Zuckerberg Effect Is Fading in Social Media

[https://www.wsj.com/articles/the-zuckerberg-effect-is-fading-in-social-media-11643974201?st=itbt78wx3jfnix&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/the-zuckerberg-effect-is-fading-in-social-media-11643974201?st=itbt78wx3jfnix&reflink=desktopwebshare_permalink)

Feb. 4, 2022 at 6:30 am ET

- Shares of social-media companies Snap , Pinterest and Twitter closed down an average of 13% on Thursday following a sobering Wednesday-evening earnings report from Meta Platforms that showed Facebook's owner losing daily active users on its legacy Blue platform for the first time in at least a decade.
- Meta, citing both Apple iOS changes and increasing competition from short-form video platforms such as TikTok, had a top-line guidance that came in well below Wall Street's expectations, with both factors expected to continue to affect ad-revenue growth through at least the end of the year.
- The result was a loss of \$230 billion in market value for Meta—the biggest single-day loss ever for a U.S. company.
- On Thursday, Snap reported fourth-quarter revenue growth of 42%—12 percentage points above the midpoint of its guidance and more than 10 percentage points above Wall Street's estimate.
- reported that Snapchat daily active users grew 20% year on year and 4% sequentially in the fourth quarter.
- As further proof, image-sharing company Pinterest said Thursday it lost monthly active users on a sequential basis for the fourth quarter—its third consecutive quarter of sequential declines.
- As of the end of the year, Pinterest's monthly user base was the lowest it has been since the second quarter of 2020.
- Positively, Pinterest said its revenue grew 20% year on year in the fourth quarter, besting Wall Street's growth forecast, with guidance for first-quarter revenue growth coming roughly in line with analysts' expectations.

## ● Reels vs. TikTok Becomes Crucial Fight for Facebook Parent Meta

[https://www.wsj.com/articles/facebook-parent-meta-faces-uphill-battle-in-video-fight-with-tiktok-11643979603?st=wrnyz8913xa31nz&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-parent-meta-faces-uphill-battle-in-video-fight-with-tiktok-11643979603?st=wrnyz8913xa31nz&reflink=desktopwebshare_permalink)

Feb. 4, 2022 at 8:00 am ET

- While Meta executives said Reels is now the company's fastest-growing content format, ByteDance Ltd.'s TikTok is growing even faster.
- It was the most-downloaded app of 2021, and overtook Meta's Instagram in popularity among coveted young users.
- Meta's Instagram Reels allows users to watch, create and share short videos.
- Meta launched Reels on Instagram in the U.S. in August 2020 as its answer to TikTok.
- His videos on Instagram Reels average 15,000 views.
- Andre Brown says he posts daily on both TikTok and Instagram.
- Although Mr. Brown gets paid for his Reels out of a \$1 billion creator fund Meta announced last year, he estimates that 85% of his total revenue comes from brand deals he strikes for his videos on TikTok. "
- Meta's fund has helped to draw in those who make content for Reels, though it illustrates that attracting creators can be expensive.

- Austin Becker switched to Reels after making videos for Snap.
- Reels is already the biggest contributor to engagement growth on Instagram and is growing very quickly on Facebook too, Mr. Zuckerberg told analysts.
- However, Reels has also begun cannibalizing usage of Instagram and Facebook's Feed and Stories features—the company's biggest moneymakers.
- But, Mr. Zuckerberg cautioned, "there's a lot of work to do here."

## Peter Thiel to Step Down From Facebook Parent Meta's Board

[https://www.wsj.com/articles/peter-thiel-to-step-down-from-facebook-parent-metas-board-11644268545?st=glb9jhsvrer3t8l&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/peter-thiel-to-step-down-from-facebook-parent-metas-board-11644268545?st=glb9jhsvrer3t8l&reflink=desktopwebshare_permalink)

Updated Feb. 7, 2022 at 6:42 pm ET

- Peter Thiel, one of Facebook's earliest investors and its longest-serving outside board member, is planning to step down from his position at the social-media giant, parent company Meta Platforms Inc. said Monday.
- Mr. Thiel intends to focus his efforts on helping Republican candidates supporting the agenda of former President Donald Trump in the 2022 midterm elections, according to a person familiar with the matter.
- Mr. Thiel, a multibillionaire who has made his fortune as one of Silicon Valley's top venture-capital investors, has served on the tech company's board since 2005.
- He became Facebook's first outside investor in August 2004 by acquiring a stake in the company for \$500,000 that earned him hundreds of millions of dollars in profits.
- Mr. Thiel is expected to step down after the company's annual shareholder meeting, which is typically in May. "
- For the coming midterm elections, Mr. Thiel will be supporting J.D. Vance and Blake Masters, who are running for U.S. Senate seats representing Ohio and Arizona, respectively, the person said.
- Messrs. Vance and Masters have campaigned as closely aligned with Mr. Trump on issues such as immigration and online speech.
- Mr. Thiel had discussed with people close to him the possibility of resigning from Facebook's board as far back as 2018, after his relationship with the company came under strain following a dispute with a fellow director over Mr. Thiel's support for Trump's campaign.
- As chairman and CEO, Mr. Zuckerberg controls most of the company's voting stock through supervoting shares.
- The majority of Meta's outside shareholders in recent years have voted to separate those roles, which the company has rejected.
- Mr. Thiel rose to prominence in the early 2000s as one of the original founders of PayPal Holdings Inc., which he led as CEO until eBay Inc. acquired it in October 2002 for \$1.5 billion.
- Mr. Thiel, who spoke at the 2016 Republican National Convention in Cleveland, is one of the tech industry's most prominent conservatives.

## Meta's Super Bowl Ad Leans on an Animatronic Dog to Promote Metaverse

[https://www.wsj.com/articles/metas-super-bowl-ad-leans-on-an-animatronic-dog-to-promote-metaverse-11644503400?st=r7p6g5i2tzsjehq&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/metas-super-bowl-ad-leans-on-an-animatronic-dog-to-promote-metaverse-11644503400?st=r7p6g5i2tzsjehq&reflink=desktopwebshare_permalink)

Feb. 10, 2022 at 9:30 am ET

- Meta Platforms Inc.'s Super Bowl ad will try to sell the promise of the metaverse, and the company's virtual- reality headsets, with the help of an out-of-work animatronic singing dog.
- The commercial that the Facebook parent plans to run during the game features the company's Quest 2 headset, which sells for at least \$299.
- The ad depicts an animatronic band with a steady gig at a Chuck E. Cheese-style arcade restaurant called Questy's.

- The ad, which Meta released Thursday, is part of a broader campaign showing the company's technologies as conducive to "immersive social experiences."
- Meta's Super Bowl ad 'Old Friends.'
- Shares in Meta plunged last week after it reported a sharper-than-expected decline in profits and a dismal outlook in its first earnings report since Chief Executive Mark Zuckerberg outlined the shift and dropped the Facebook Inc. name. "

## Texas Sues Meta Over Facebook's Facial-Recognition Practices

[https://www.wsj.com/articles/texas-sues-meta-over-facebooks-facial-recognition-practices-11644854794?st=gmm2wbouaf816et&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/texas-sues-meta-over-facebooks-facial-recognition-practices-11644854794?st=gmm2wbouaf816et&reflink=desktopwebshare_permalink)

Updated Feb. 14, 2022 at 3:50 pm ET

- The Texas attorney general filed a suit against Facebook parent Meta Platforms Inc. on Monday, charging that the social-media giant's longstanding and now discontinued use of facial-recognition technology violated that state's privacy protections for personal biometric data.
- The lawsuit, filed in state district court in Marshall by Texas Attorney General Ken Paxton, seeks civil penalties in the hundreds of billions of dollars, according to a person familiar with the matter.
- Facebook has been secretly harvesting Texans' most personal information—photos and videos—for its own corporate profit," Mr. Paxton said. "
- Texas Attorney General Ken Paxton said Meta's capture of facial geometry in photographs that users uploaded from 2010 to late last year violated Texas law.
- Facebook previously settled another lawsuit over its facial-recognition practices for about \$650 million.
- After Facebook's settlement of the Illinois class-action case became known, Texas sent its own civil subpoena to the company seeking information about the facial-recognition system.
- Texas says Facebook's facial-recognition system ignored that state's legal requirements for capturing users' facial features. "
- The Texas law makes it unlawful to capture people's biometric identifiers without their informed consent and prohibits sharing that information.
- The complaint estimates that at least 20 million Texans were members of Facebook in 2021.
- The civil subpoena issued by Texas demanded all the materials that Facebook had produced in response to the class-action lawsuit.
- "Facebook announced, in November 2021, that it would cease use of the face-recognition feature on its Facebook social-media platform," the complaint says. "
- In a blog post announcing that it was ending its use of facial recognition, Facebook said that it would "continue working on these technologies and engaging outside experts...[But] amid this ongoing uncertainty, we believe that limiting the use of facial recognition to a narrow set of use cases is appropriate."
- The Texas suit also says Facebook has obtained patents for systems "where consumers wandering in stores or standing at checkout counters have their faces scanned and matched with their social-networking profiles."
- The Texas investigation itself might have slowed at least some of the facial-recognition system's shutdown.
- Following the company's announcement in early November, Texas authorities demanded that relevant data be preserved while the state investigated.
- In a follow-up letter on Nov. 10, Texas officials said Facebook had confirmed that Meta "will not delete any source code related to Facebook's Facial Recognition system," and would "preserve all metadata related to the system" including data sufficient to identify Texas users, which users had facial recognition enabled, and which users had face templates saved.
- The attorney general's office expressed concern about that, and demanded that Meta not delete any face template information for past or present Texas residents.

# Mark Zuckerberg Wants His Employees to Be Known as 'Metamates'

[https://www.wsj.com/articles/mark-zuckerberg-wants-his-employees-to-be-known-as-metamates-11644963356?st=hgln7h9upn8ycq8&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/mark-zuckerberg-wants-his-employees-to-be-known-as-metamates-11644963356?st=hgln7h9upn8ycq8&reflink=desktopwebshare_permalink)

Feb. 15, 2022 at 5:15 pm ET

- Meta Platforms Inc.'s employees are now "metamates."
- In a staffwide note shared online Tuesday, Facebook founder Mark Zuckerberg offered his vision for corporate culture at Meta Platforms Inc., his recently rebranded company that he says will "build awesome things," "live in the future" and be run by employees whom he called metamates.
- Andrew Bosworth, an executive at Meta who will soon take over as its chief technology officer, said the nickname plays off a refrain already used at Instagram, also owned by Meta, which is itself a remake of a Naval slogan. "
- Facebook also said Tuesday that it was changing the name of its "News Feed" feature to "Feed."
- Meta would build off the core values that Facebook established in 2007, but adapt them for the future.

## ● Inside Facebook's \$10 Billion Breakup With Advertisers

[https://www.wsj.com/articles/facebook-apple-google-advertising-privacy-changes-11645199877?mod=Searchresults\\_pos10&page=1](https://www.wsj.com/articles/facebook-apple-google-advertising-privacy-changes-11645199877?mod=Searchresults_pos10&page=1)

Feb. 18, 2022 at 11:00 am ET

- Apple Inc. introduced a privacy feature for mobile devices last year that restricts user tracking, she said, her costs to acquire such customers rose 10-fold.
- They are slashing their spending on Facebook and Instagram and sending their ad money to Google, Amazon.com Inc. and other platforms, according to ad buyers and e-commerce companies.
- Earlier this month, Meta said it expects a roughly \$10 billion hit to sales this year as the result of the Apple change, which requires apps to ask users for permission to track their activity and share it. "
- Meta said in a written statement that it has more than 10 million advertisers. "
- Apple's harmful policy is making it harder and more expensive for businesses of all sizes to reach their customers," it said. "
- Meta has been working to show advertisers that ads on Facebook and Instagram are driving more sales than its analytics show.
- And the company is developing new technology it hopes will give marketers nearly as much information about ad performance as they had before Apple's changes.
- Meta also has appealed to users to opt into device tracking.
- She said the company slashed its Facebook spending by about 80% and shifted money elsewhere, including to Amazon search ads.
- Ath Sport cut its spending on Facebook ads and started spending 60% of its total marketing budget on Google search ads, which were more effective, he said.
- Advertising industry executives said marketers began to think more about moving money away from Facebook back in the summer of 2020, before Apple's change.
- In the aftermath of the George Floyd murder, some brands temporarily boycotted Facebook over concerns about hate speech and faulty information on the platform.
- The Apple change was a tipping point.
- Toilet-spray maker -Pourri, which has relied heavily on Meta during the pandemic to generate e-commerce sales, said during the second half of 2021 that its return on its ad spending on Facebook began to decline as ad prices increased.
- The company said it is seeking to shift about 30% of its ad dollars from Meta to diversify its spending.
- It already has begun to move some of its Facebook spending to TikTok, Amazon search ads and digital ad offerings from retailers such as Walmart Pourri spends roughly \$10 million a year on digital advertising.



- Snap, Pinterest and TikTok increased incentives they offer to companies that make a significant commitment, such as free credits to use toward future ad buys.
- TikTok and Snap have tried to help brands repurpose Facebook ads so they work better on their platforms, the ad buyers said.
- TikTok has benefited from having lower ad pricing than Facebook, though the increased interest in the platform among advertisers might change that, said Mr. Ahene. Just as Apple's changes made it harder to measure the effectiveness of Facebook ads on iPhones, Google's proposal could do the same when it comes to Facebook ads delivered to Android users.
- Google said it would give the industry substantial notice before ending its current system.
- The long timeline will give the ad industry time to prepare.
- Women's handbag brand Hammitt worked with Measured Inc., a company that uses statistical modeling to estimate how well Facebook ads are performing.
- As a result, Hammitt reduced its Facebook ad spending only slightly, from 50% of its total ad budget to 43%.
- Facebook's longer-term challenge is to shore up its ability to efficiently target ads at users.

## ● **Meta's Facebook Escalates TikTok Rivalry, Launches Reels Globally**

[https://www.wsj.com/articles/metasp-facebook-escalates-tiktok-rivalry-launches-reels-globally-11645549200?st=6tu01tdcw4gjxpa&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/metasp-facebook-escalates-tiktok-rivalry-launches-reels-globally-11645549200?st=6tu01tdcw4gjxpa&reflink=desktopwebshare_permalink)

Feb. 22, 2022 at 12:00 pm ET

- Meta Platforms Inc. ramped up its counterattack against TikTok by launching its short-video product Reels for all global Facebook users on Tuesday and introducing many new features for advertisers.
- Meta has also been buffeted by the impact of a privacy feature introduced by Apple Inc. last year that disrupted its digital-advertising business.
- The company said video now accounts for more than half the time users spend on Facebook and Instagram.
- Meta introduced Reels in August 2020 to its Instagram users in the U.S. as the company's response to TikTok, which is owned by ByteDance Ltd. The company then introduced Reels to U.S. Facebook users in September 2021.
- Before Tuesday's announcement, Facebook Reels had already been made available in Canada, Mexico and India, while Instagram Reels is already available throughout most countries.

## ● **Make the Meta Quest 2 a Better VR Headset—and Portal to the Metaverse**

[https://www.wsj.com/articles/meta-quest-2-review-metaverse-11645571617?st=7fii32dz6jqc0ul&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/meta-quest-2-review-metaverse-11645571617?st=7fii32dz6jqc0ul&reflink=desktopwebshare_permalink)

Feb. 23, 2022 at 8:15 am ET

- I'm specifically talking about the \$299 Meta Quest 2—formerly known as the Oculus Quest 2—because it's the most popular headset on the market.
- Meta hasn't announced sales figures but did report \$1 billion in spending in the Quest content store.
- The NPD Group, a research firm, said that sales of VR and augmented-reality hardware more than doubled during the 2021 holiday season, versus the prior year. "
- Despite more people buying Quests, Facebook parent Meta reported its VR unit lost \$3.3 billion in the fourth quarter of 2021.
- The Quest 2 is hampered by various issues, including subpar battery, finicky navigation and not-so-obvious safety features.
- Long-term solution: Meta's high-end headset, dubbed Project Cambria, is due later this year, and will have more sensors and something called "pancake optics."
- Meta hasn't shared much about what its next headset will look like, but it did share this blurry photo.

- Sony just announced its PlayStation VR2 headset, which will also be slightly slimmer than its predecessor, with improved comfort.
- But you'll still look like a marionette, wired to the PlayStation 5.
- The \$99 Anker Charging Dock, which powers the headset and includes rechargeable batteries and special battery covers so you can just drop the controllers in the dock to charge.
- Perhaps Meta's next headset will also have more batteries.
- Long-term solution: Meta's next headset will come with redesigned controllers.
- It will also have more sensors for improved hand tracking.
- Further out, Meta is exploring a wrist wearable to detect precise finger and hand movements.
- Walled Off From the World When you're in the virtual world, you really feel like you're in the virtual world.
- The headset then warns you, with a virtual fence, when you're about to cross the border.
- A more helpful feature is a more hidden one: Passthrough gives you a grainy black-and-white camera view of your real surroundings, without you taking off your headset.
- Toggle on Double Tap for Passthrough.
- This is what Passthrough looks like in the headset.
- The company's Project Nazare AR glasses are still a few years out.
- Apple's also working on some sort of headset, according to analysts and other industry insiders.

## ● Big Tech Is Spending Billions on AI Research. Investors Should Keep an Eye Out

[https://www.wsj.com/articles/big-tech-is-spending-billions-on-ai-research-investors-should-keep-an-eye-out-11646740800?st=04ld26r9hn3tqoo&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/big-tech-is-spending-billions-on-ai-research-investors-should-keep-an-eye-out-11646740800?st=04ld26r9hn3tqoo&reflink=desktopwebshare_permalink)

March 8, 2022 at 7:00 am ET

- Research labs at big companies are pushing the horizons of what artificial intelligence can do in areas like image recognition, natural language processing and more.
- And several of the big firms are allocating ever more capital in a race to build out these capabilities.
- For instance, Meta Platforms Inc. says that by midsummer its AI Research SuperCluster system will house 16,000 Nvidia Corp. graphics processing units, a massive engine that Meta claims will be the fastest of its kind in the world.
- While these companies take different tacks, both have the potential to catalyze tomorrow's advances in drug discovery, new materials, remedies to climate change, closer analysis of military-drone footage and more.
- And they are hardly the only ones: Microsoft Corp., Amazon.com Inc., Oracle Corp., International Business Machines Corp. and others are also in the AI marathon.
- In contrast, S&P 500 companies spent an average 2.82% of revenue on R&D, according to Morningstar Inc., which calculated a revenue-weighted average for index constituents in each of their latest fiscal years.
- Meta said its AI Research SuperCluster houses 6,080 Nvidia GPUs at present, a number that will rise to 16,000.
- The computing power will be used for language-processing and computer-vision research, with an eye toward creating the immersive world the company calls the metaverse, said Shubho Sengupta, a software engineer involved in the project.
- The supercomputer will help Meta researchers build AI models that can work across hundreds of languages, analyze text, images and video together, and develop augmented-reality tools and rich, multidimensional experiences in the metaverse, the company said.
- The technology also will help it more easily identify harmful content, Meta said.

## Meta's Head of Youth Is Leaving the Company

[https://www.wsj.com/articles/metas-head-of-youth-is-leaving-the-company-11646867244?st=q8hhpf6kmy86k&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/metas-head-of-youth-is-leaving-the-company-11646867244?st=q8hhpf6kmy86k&reflink=desktopwebshare_permalink)



March 9, 2022 at 6:07 pm ET

- Pavni Diwanji, Meta Platforms Inc.'s vice president of youth, is stepping down as part of a restructuring.
- Ms. Diwanji joined the company in December 2020, according to her LinkedIn profile.
- She previously served as a vice president at Alphabet Inc.'s Google, where she led YouTube kids and other family-oriented projects.
- Adam Mosseri, head of Instagram, will continue to oversee youth-focused work, Ms. Otway said, adding that Instagram for kids, a project that was paused indefinitely in September, remains halted.
- The project, which would have created an Instagram for kids under age 13, was suspended following pressure from lawmakers and state attorneys general and an investigation by The Wall Street Journal that found Instagram can have a negative effect on teen mental health.
- Instagram for Kids was just one of the company's plans to engage younger users.

## ● Google-Facebook Ad Deal Is Investigated by EU, U.K.

[https://www.wsj.com/articles/google-facebook-ad-deal-is-investigated-by-eu-u-k-11646989673?st=goo6ncvi3a4t6xu&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/google-facebook-ad-deal-is-investigated-by-eu-u-k-11646989673?st=goo6ncvi3a4t6xu&reflink=desktopwebshare_permalink)

Updated March 11, 2022 at 6:25 am ET

- The European Union and the U.K. opened formal antitrust investigations into whether Alphabet Inc.'s Google and Facebook owner Meta Platforms Inc. sought to illegally cooperate in digital advertising, one of the few instances in which major regulatory bodies are exploring whether two Silicon Valley giants acted together to thwart competitors.
- The European Commission, the EU's top antitrust enforcer, and the U.K.'s Competition and Markets Authority said Friday they are each investigating a once-secret 2018 deal, known as Jedi Blue, that emerged as part of a lawsuit brought a year and a half ago by a group of U.S. states led by Texas.
- Both Google and Meta disputed the characterization of their deal as potentially anticompetitive.
- The two new cases are part of a big wave of antitrust enforcement in Europe.
- the CMA oversight of the company's plan to stop supporting an advertising technology called third-party cookies in its Chrome browser.
- Google denies its ad-tech business is anticompetitive and says it will work with EU regulators in their probe.
- The company also points to its settlement with the U.K. as an example of how it works with regulators to promote competition.
- The EU is finalizing the texts of two new tech laws, one that seeks to limit potential abuses of dominance and the other that aims to force them to do more policing of online content, both backed by significant fines.

## ● Instagram Adds Parental Controls for the First Time

[https://www.wsj.com/articles/instagram-adds-parental-controls-for-the-first-time-11647391028?st=wwr5qtd3qvtfwca&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/instagram-adds-parental-controls-for-the-first-time-11647391028?st=wwr5qtd3qvtfwca&reflink=desktopwebshare_permalink)

March 16, 2022 at 9:00 am ET

- Instagram on Wednesday started rolling out parental controls for its app for the first time.
- Parent company Meta Platforms Inc. will soon also let guardians supervise teens' activity in virtual reality.
- The first three Instagram parental-supervision tools—available Wednesday in the U.S. before arriving globally in the coming months —will let parents see how much time their teens spend on Instagram and set limits.
- Parents can view what accounts their teens follow, as well as who follows them.
- It also lets teens notify their parents when they report inappropriate behavior.
- The company plans eventually to make the tools available on its other platforms, such as Facebook.
- Along Instagram's new parental controls will let guardians see how much time their teens spend on the app, and set time limits.

- The VR parental-supervision tools, which will limit access to Quest headset content that is not appropriate for younger ages, will begin rolling out in April.
- The tools won't allow parents to see posts their teens like or comment on, direct messages they send and receive, or content they are viewing.
- Instagram also isn't enacting an age-verification tool, which would make it more difficult for children under age 13 to join the app.
- While the tools might give some control over how teens use Instagram, it doesn't do enough to change what they consume on the app, parenting experts say.
- Even with parental controls, Instagram's algorithm can serve up self-harm content, such as posts about eating disorders, said Devorah Heitner, author of "Screenwise: Helping Kids Thrive (and Survive) in Their Digital World."
- Instagram also said it would allow more than one parent to supervise a teen's account.
- Along with the new Instagram controls, Mr. Mosseri detailed new parental tools for Meta's Quest VR headsets, such as blocking teens from downloading age-inappropriate apps.

## Facebook Parent Sued Over Scam Ads by Australian Regulator

[https://www.wsj.com/articles/facebook-parent-sued-over-scam-ads-by-australian-regulator-11647585391?st=x6uhmy76f5mrtjm&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-parent-sued-over-scam-ads-by-australian-regulator-11647585391?st=x6uhmy76f5mrtjm&reflink=desktopwebshare_permalink)

Updated March 18, 2022 at 10:32 am ET

- An Australian regulator is suing Meta Platforms Inc., accusing it of not doing enough to remove scam ads from Facebook that featured public figures promoting cryptocurrency, deepening the social media giant's legal troubles over the issue.
- The Australian Competition and Consumer Commission alleged in federal court that the scam ads were still being displayed on Facebook even after public figures around the world complained that their names and images were being used without consent.
- One of them, Andrew Forrest, the chairman and largest shareholder of major iron ore producer Fortescue Metals Group Ltd., has filed litigation against Meta in Australian and American courts over similar fake ads.
- Meta said it has cooperated with the regulator's investigation so far and intends to defend itself in court.
- The company says it uses technology to detect and block scam ads and tries to get ahead of scammers' attempts to evade its detection systems. "
- According to the Australian regulator, the ads had links that took Facebook users to a fake media article that included quotes from public figures endorsing a cryptocurrency or other moneymaking venture.
- The ads included well-known Australians like businessman Dick Smith, television presenter David Koch and politician Mike Baird, the regulator said.
- The regulator said Meta's technology enabled the fake ads to target the users who were most likely to engage with them.
- The review is largely automated, but it relies on employees to build and train the systems and in some cases ads are manually reviewed.
- Meta has taken legal action against organizations or individuals who are responsible for similar scam ads.
- In 2020, Meta said one defendant provided so-called cloaking software and services designed to circumvent automated ad review systems.
- Other public figures have had legal tussles with Facebook over scam ads.
- Meta has faced increased regulatory scrutiny all over the world after The Wall Street Journal published a series of articles, called The Facebook Files, that revealed harm caused by the social media company's platforms and its challenges in addressing those issues.
- More recently, Australia said it would introduce legislation to make social-media companies liable for defamatory comments published on their platforms, a move that risks exposing tech companies to lawsuits.

# Mark Zuckerberg and Meta's Leadership Take Remote Work to the Extreme

[https://www.wsj.com/articles/mark-zuckerberg-and-metas-leadership-take-remote-work-to-the-extreme-11648040580?st=f83jglesytrbw60&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/mark-zuckerberg-and-metas-leadership-take-remote-work-to-the-extreme-11648040580?st=f83jglesytrbw60&reflink=desktopwebshare_permalink)

March 23, 2022 at 9:03 am ET

- The company's management team, including Chief Executive Mark Zuckerberg, is scattering to locations far from its Silicon Valley headquarters in an extreme test of the limits of remote work.
- Chief Marketing Officer Alex Schultz plans to move to the U.K., and Guy Rosen, the company's vice president of integrity, will be moving to Israel in the near future, according to a company spokesman.
- Meanwhile Javier Olivan, Meta's chief growth officer, has split his time between California and Europe but is planning to spend more time abroad, the spokesman said.
- Naomi Gleit, Meta's head of product, has relocated to New York.
- Mr. Zuckerberg has also been spending more time away from the company's headquarters in Menlo Park, Calif., according to people familiar with the matter.
- He said Mr. Zuckerberg plans to spend more than half his time in California and work remotely the rest of the year.
- The company's embrace of remote work follows its name change from Facebook Inc. to Meta in October, when the company signaled that it thinks virtual first interactions are the future of the internet.
- The executive exodus from Menlo Park comes as Meta navigates significant challenges to its business.
- The company's stock price is down more than 32% since it announced its 2021 fourth-quarter earnings on Feb. 2.
- That plunge has cost the company more than \$300 billion in market value.
- With Meta pushing to build more products for its users that allow them to interact online virtually, having executives spread out geographically might be an asset, said Stephen Lee, founding principal at Logan Capital, a registered investment adviser that has bought Meta shares on behalf of clients.
- Adam Mosseri, the head of Instagram, has worked remotely from locations including Hawaii, Los Angeles and Cape Cod.
- Having executives working together in person allows them to collaborate, strategize and build trust with one another, said Bill George, senior fellow at Harvard Business School where he is a professor of management practice.
- Being together physically can also help create and maintain a company's culture, including by mentoring junior employees. "

## Mark Zuckerberg Is Away From the Office

[https://www.wsj.com/articles/mark-zuckerberg-is-away-from-the-office-11648638180?st=1eha2r0gbo27dnv&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/mark-zuckerberg-is-away-from-the-office-11648638180?st=1eha2r0gbo27dnv&reflink=desktopwebshare_permalink)

March 30, 2022 at 7:03 am ET

- Meta says its goal is to be "the most forward-leaning company for remote work" at its scale and believes it could have tens of thousands of people working remotely in the future.
- Online real-estate giant Zillow Group was exceptionally early to embrace a permanent work-from-home option, announcing back in July 2020—just a few months into the pandemic—that 90% of its employees would have the option to continue to work from home at least indefinitely.
- He said it has enabled Zillow to move quickly through the wind-down of its iBuying business.
- Meta says it is still too early to share data on how many of its employees have chosen to pursue remote work as an option but did say 2022 will be "a learning year."
- In the end, he and Zanele Munyikwa, a Ph.D. student at MIT Sloan School of Management, found public video game companies that moved to remote work during the pandemic reported 4.4 times more delays than they did pre-pandemic, while those that didn't shift to remote work reported roughly half the delays compared with before the pandemic. "

- In that sense, Meta's bet on remote work is a critical proof-of-concept.

## ● Meta's Clock Gets TikTok'd

[https://www.wsj.com/articles/metask-clock-gets-tiktokd-11649070000?st=d6ymzhzowoeq1j7&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/metask-clock-gets-tiktokd-11649070000?st=d6ymzhzowoeq1j7&reflink=desktopwebshare_permalink)

April 4, 2022 at 7:00 am ET

- ByteDance Ltd.'s TikTok has proven so fierce a competitor for Meta Platforms Inc. that it mentioned the short-form video platform five times on its February earnings call.
- Meta launched Reels globally on Instagram in 2020 and on Facebook earlier this year.
- The company said last month that Reels was its fastest-growing content format "by far" and that it was already the biggest contributor to engagement growth on Instagram.
- While Reels is helping slow user attrition, investor attrition is another matter: Meta's stock is down by a third this year.
- Morgan Stanley's Mr. Nowak estimates that 40% of the Reels ad revenue will be subject to sharing with creators and that the company will pay out a generous 55% of that to them, consistent with what YouTube has paid out and what he said Meta has paid out in the past with Facebook Watch and Instagram's IGTV.
- Meta seems to have reached its expiration date, with many users set upon moving on to newer, shinier platforms.

## Social Media May Have to Embrace the Musk

[https://www.wsj.com/articles/social-media-may-have-to-embrace-the-musk-11649691208?st=bg1srtcngmtelx7&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/social-media-may-have-to-embrace-the-musk-11649691208?st=bg1srtcngmtelx7&reflink=desktopwebshare_permalink)

Updated April 11, 2022 at 3:06 pm ET

- Social media might be moving beyond its historical underpinnings in ad dollars.
- Advertising will remain the principal monetization driver at Twitter, Meta Platforms and other social-media companies for some time.
- But moves to diversify beyond ads are in motion already.
- Twitter's future as a predominantly ad-based business came into question last week after Tesla Chief Executive Elon Musk disclosed he had become the company's largest shareholder.
- Mr. Musk also said over the weekend that he wouldn't join Twitter's board of directors, just days after accepting a seat.
- Meanwhile, in the metaverse, Facebook parent Meta Platforms isn't just trying to build a three-dimensional place for users to socialize; it is trying to create a virtual shopping mall.
- Meta has for years been talking about building up commerce applications to complement its advertising cornerstone.
- The company is exploring the introduction of coins, tokens and lending services across its apps, the Financial Times reported last week.
- In a statement, Meta said it is focused on building for the metaverse "and that includes what payments and financial services might look like."
- Twitter's stock is up nearly 13% over the last three months, while Meta's is down over 35%, suggesting investors might be less excited about a whole new business model for social media than they are for a new look.

## WhatsApp Communities: Meta's Messaging App Now Supports Large Groups and Adds New Chat Features

[https://www.wsj.com/articles/whatsapp-communities-metas-messaging-app-now-supports-large-groups-and-adds-new-chat-features-11649948028?st=coijpju070qtfsi&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/whatsapp-communities-metas-messaging-app-now-supports-large-groups-and-adds-new-chat-features-11649948028?st=coijpju070qtfsi&reflink=desktopwebshare_permalink)

April 14, 2022 at 11:00 am ET

- On Thursday, the Facebook parent company unveiled plans for Communities, a collection of group chats linked to, for example, a school, so all community members could be alerted of snow days or PTA meetings.
- The company also introduced new messaging features for all of WhatsApp's more than two billion users, available in the coming weeks.
- Communities can be set up around social groups, families, the places you live and work, or other related arenas.
- New chat features, available to all users, will appear in the WhatsApp app in the coming weeks.
- And the app will support group voice calls up to 32 people.
- Like with Facebook groups, a WhatsApp community administrator has special privileges and access.
- They can control who belongs to the community and can see all the members' phone numbers.
- Administrators for individual groups inside a community also have privileges, such as they can delete messages.
- And you can control who sees your profile picture.
- WhatsApp says it will limit how many people are allowed to be in a community.

## ● How Meta Platforms Fell Behind in Indian Mobile Payments

[https://www.wsj.com/articles/how-meta-platforms-fell-behind-in-indian-mobile-payments-11650539523?st=jo4b4doa1jkh0gk&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/how-meta-platforms-fell-behind-in-indian-mobile-payments-11650539523?st=jo4b4doa1jkh0gk&reflink=desktopwebshare_permalink)

Updated April 21, 2022 at 7:15 am ET

- But in the massive market of India, Facebook parent company Meta Platforms has fallen far behind in mobile payments, which serve as the crucial last step in closing an online sale.
- Meta has a popular mobile messaging platform in the country with WhatsApp, which has its own local payment service.
- The Indian government has stalled WhatsApp Payments' rollout for years now, at first because of Meta's refusal to store financial data in India, and then over concerns about privacy and cybersecurity.
- WhatsApp's decision to sue the Indian government last year over its rules to weaken encryption hasn't helped matters.
- During this time, WhatsApp rivals Google Pay and Walmart-backed PhonePe have taken over the market.
- Combined, they control over 80% of the UPI market share, according to official figures published by the NPCI.
- In comparison, WhatsApp's payment share stands at an abysmal 0.02% by value.
- According to the new rules, no third-party payment provider can exceed a 30% market share.
- This is expected to encourage more companies to challenge Google and Walmart's duopoly in the market.

## Facebook Revenue Slows but User Gains Boost Stock

[https://www.wsj.com/articles/meta-platforms-facebook-fb-q1-earnings-report-2022-11651022191?st=7l6a4ssukhbimy0&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/meta-platforms-facebook-fb-q1-earnings-report-2022-11651022191?st=7l6a4ssukhbimy0&reflink=desktopwebshare_permalink)

Updated April 27, 2022 at 6:26 pm ET

- Facebook parent Meta Platforms Inc. added more users than expected but posted its slowest revenue growth since going public a decade ago, as the company navigates growing competition and privacy headwinds for its advertising business.
- The company cited the war in Ukraine as a contributor to the revenue slowdown, among other factors.
- Meta's stock price was battered in February when the company posted quarterly results that showed a sharper- than-expected decline in profit, a gloomy revenue outlook and a dip in its daily active users.
- Before Wednesday, Meta shares had fallen nearly 44% and the company had lost nearly \$400 billion in market value.

- The company plans to launch a web version of Horizon Worlds later this year in an effort to grow user adoption of the service, Mr. Zuckerberg said.
- Meta's advertising revenue for the first quarter was \$27.9 billion, up 6.6% compared with a year prior.
- Analysts had predicted Meta's advertising revenue would rise to \$28.3 billion in the first quarter of 2022.
- The revenue growth marked the slowest pace since the company went public in 2012, signaling the impact that ad-tracking changes introduced by Apple Inc. last year have had on its advertising business.
- Facebook's user base grew to 1.96 billion daily active users, up from 1.93 billion reported in February.
- Analysts had expected Meta to report an uptick in Facebook's daily users to 1.95 billion.

## Meta Works Its Age

[https://www.wsj.com/articles/meta-works-its-age-11651101013?st=h1vxftiy9v5ih9&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/meta-works-its-age-11651101013?st=h1vxftiy9v5ih9&reflink=desktopwebshare_permalink)

April 27, 2022 at 7:10 pm ET

- Shares flew 18% in after-hours trading after Meta said revenue for the first quarter came in within its guidance range—albeit at the low end and below what analysts had forecast.
- On the heels of Google parent Alphabet's ad revenue miss on Tuesday, OK was apparently great.
- Earnings per share of \$2.72 came in above Wall Street's forecast—but were bolstered by more than \$9 billion in share repurchases in the quarter.
- Earnings per share declined 18% from a year earlier, while net income fell 21%.
- Facebook's daily active users declined on a sequential basis in the fourth quarter for the first time since the company started reporting the metric as a public company.
- AB Bernstein analyst Mark Shmulik said in a recent note that investors' focus had "rightly" shifted back to core fundamentals, including the health of digital advertising, user engagement and profitability, calling the recent hysteria over nebulous concepts like the metaverse "silly season."
- Yes, blue Facebook has peaked, ad revenue growth is slowing and the metaverse is still a dream.
- And even moms seem to be tiring of Pinterest—its results Wednesday show it is still bleeding users on a year-on-year basis as of the first quarter.
- Last but certainly not least, Twitter is about to become a debt-laden business belonging to the world's richest loose cannon.
- Having shed nearly \$400 billion in market value over the last 12 months, Meta's enterprise value came in at just 3.1 times forward sales as of Wednesday's close—less than half the multiple of Snap and on par with Pinterest for the lowest multiple in the group.