

Instagram Boss to Decamp to London to Expand Global Push

https://www.wsj.com/articles/instagram-boss-to-decamp-to-london-to-expand-global-push-11659454888?st=95yy2zc692pphnr&reflink=desktopwebshare_permalink

Aug. 2, 2022 at 11:41 am ET

- The head of Instagram plans to temporarily relocate to London this year to help bolster operations there, according to a spokeswoman for parent Meta Platforms Inc., a move that comes amid a wave of user backlash over new features that make the app more like its video-centric rival TikTok.
- Adam Mosseri, who has led Instagram since 2018, will focus on supporting the platform's product team as it works to attract more content creators and help them earn a living on it, the spokeswoman said.
- London is already Meta's largest engineering hub outside the U.S., she said, with more than 4,000 employees in the city.
- Meta walked back some of the new Instagram features at the center of the hubbub just hours after Mr. Zuckerberg defended their arrival.
- Meta last week posted its first-ever revenue loss for the June-ended quarter and its stock price is down more than 50% this year.

● Facebook Marketplace and DoorDash Team Up for Local Deliveries

https://www.wsj.com/articles/facebook-marketplace-and-doordash-team-up-for-local-deliveries-11660329443?st=yua12hk9z6mtkfr&reflink=desktopwebshare_permalink

Updated Aug. 12, 2022 at 4:42 pm ET

- Drivers for DoorDash Inc. are delivering items that consumers purchase from Facebook Marketplace as part of a new partnership between the delivery app and Meta Platforms Inc. The deal is an attempt to get more people, especially younger ones, to use Meta-owned Facebook, according to a person familiar with the plan.
- Facebook and DoorDash confirmed they tested the service in several U.S. cities in recent months.
- The service lets Facebook users purchase and receive items from Marketplace without leaving their homes.
- It can deliver items that fit in a car trunk and are up to 15 miles away, people familiar with the plan said.
- Shares of Meta were up 1.7% on Friday while DoorDash's stock price slipped 0.7%.
- Increased use of Facebook Marketplace would help Meta better measure the effectiveness of ads, and reclaim some of the data it lost after Apple changed its policy, because commerce channels provide more-detailed data for advertising.

Federal Trade Commission Drops Mark Zuckerberg From Antitrust Lawsuit

https://www.wsj.com/articles/federal-trade-commission-drops-mark-zuckerberg-from-antitrust-lawsuit-11661306414?st=uz397r1bk89xye2&reflink=desktopwebshare_permalink

Updated Aug. 24, 2022 at 5:56 am ET

- The Federal Trade Commission said it would drop Mark Zuckerberg from a lawsuit filed last month seeking to block Meta Platforms Inc. from buying a small virtual-reality company.
- In return, the Meta chief executive agreed not to purchase the startup, Within Unlimited Inc., and its fitness app called Supernatural, in his personal capacity or through any other entities he controls, according to a court document filed Tuesday.
- The FTC alleges that Meta and Mr. Zuckerberg are nonetheless trying to expand the company's virtual-reality empire by buying the fitness app, a move that they say violates antitrust laws and lessens competition.
- He added that Meta already owns a bestselling virtual reality fitness app.

Meta, Twitter Remove Network of Accounts That Pushed Pro-Western Narratives

https://www.wsj.com/articles/meta-twitter-remove-network-of-accounts-that-pushed-pro-western-narratives-11661366479?st=sdjccv6jt25un9d&reflink=desktopwebshare_permalink

Updated Aug. 24, 2022 at 5:05 pm ET

- Facebook parent Meta Platforms Inc. and Twitter Inc. have removed accounts that pushed pro-Western content to audiences in the Middle East and Russian-speaking Central Asia, including posts critical of Russia's invasion of Ukraine, according to a report released Wednesday.
- Twitter said the U.S. and the U.K. were the 'presumptive countries of origin' of the accounts.
- outlets funded by the U.S. government, including Voice of America and Radio Free Europe, and links to websites backed by the U.S. military.
- In another burst of activity, the accounts criticized Russia's relationship with the Taliban after it regained control of Afghanistan last year following the U.S. withdrawal, accusing Russia and China of ignoring its alleged human-rights abuses.
- Twitter shared a data set with researchers of about 300,000 tweets from 146 accounts from March 2012 to February 2022.
- Other accounts appeared to be part of a covert campaign of unclear origin.
- For example, one Twitter account that falsely posed as someone in Iraq had previously claimed to operate for the U.S. military.
- Social-media companies have developed a patchwork of policies in recent years to guard their platforms against accounts with fake identities or that send out spam messages in coordination with other accounts, even if the content itself isn't outright disinformation.
- Since then, social-media companies have routinely identified fake networks of accounts pushing propaganda either directly on behalf of foreign governments or in support of them.
- Just 19% of the covert accounts attracted more than 1,000 followers, the report said.

● Facebook Parent Meta Agrees to Settle Cambridge Analytica Lawsuit

https://www.wsj.com/articles/facebook-parent-meta-agrees-to-settle-cambridge-analytica-lawsuit-11661629592?st=y4xc4ankhqge1vc&reflink=desktopwebshare_permalink

Aug. 27, 2022 at 3:46 pm ET

- Facebook parent Meta Platforms Inc. agreed to settle a lawsuit that accused the social-media platform of allowing third parties, including Cambridge Analytica, to access private user data, according to a court filing on Friday.
- The two sides requested a 60-day stay of the lawsuit, which is being handled by the U.S. District Court for the Northern District of California.
- The suit followed revelations that Cambridge Analytica, a now-defunct British consulting firm that worked on former President Donald Trump's 2016 campaign, had improperly obtained and exploited Facebook user data.
- Facebook agreed to pay fines in the U.S. and U.K., and make changes to its privacy practices following the incident.
- Cambridge Analytica, which closed in 2018, has denied any wrongdoing.
- Lawyers for Facebook users were set to question Meta Chief Executive Mark Zuckerberg and former Chief Operating Officer Sheryl Sandberg.

Meta's Latest Antitrust Headache Is in India

https://www.wsj.com/articles/metas-latest-antitrust-headache-is-in-india-11661780719?st=crqk25pxulo4drh&reflink=desktopwebshare_permalink

Aug. 29, 2022 at 9:45 am ET

- Last week, India's antitrust regulator, the Competition Commission of India, got the green light from the Delhi High Court to investigate WhatsApp's controversial privacy policy, which was released last year.
- The probe had been on ice for almost 18 months after the encrypted messaging app and its parent Meta Platforms sued to block it.
- The probe, the first of its kind in India, will look into the full scope and impact of WhatsApp's data-sharing practices with its parent and other Meta companies.
- Prasad in early 2021 said that WhatsApp had 530 million users in India.
- The antitrust agency is already probing Google, Amazon.com and Walmart-owned Flipkart, and Indian food tech firms Swiggy and Zomato over other alleged antitrust violations.
- Globally, more countries are looking at privacy and user tracking as competition issues.

● Lina Khan's Merger Metaverse

https://www.wsj.com/articles/lina-khans-merger-metaverse-federal-trade-commission-meta-within-virtual-reality-mark-zuckerberg-chris-milk-11661808044?st=qaylrz1uf7b58jc&reflink=desktopwebshare_permalink

Aug. 29, 2022 at 6:40 pm ET

- Her agency's lawsuit to block Facebook-parent Meta from acquiring Within Unlimited, the virtual-reality app developer, creates an antitrust metaverse worthy of Doctor Strange.
- Last year Meta announced plans to acquire Within, the studio behind the popular VR fitness app Supernatural that offers guided workouts in exotic locations. "
- Enter the FTC's three Democratic commissioners, who overruled career staff and voted to bring a lawsuit to block the acquisition under the Clayton Act.
- The FTC wants to constrain Meta's VR ambitions while setting a regulatory precedent that will create new antitrust uncertainty and discourage acquisitions across the U.S. economy.
- Under current antitrust precedent, the FTC would have to prove that the VR fitness market is highly concentrated; that Meta probably would have entered the market and its entry would have pro-competitive effects; and there are few other firms capable of doing so.
- Failing to demonstrate any of these things, the FTC shifts the burden to Meta to prove that it wouldn't seek to develop its own fitness app if it doesn't acquire Within.
- Though the lawsuit doesn't say so explicitly, it's clear the FTC is trying to prevent Meta from using acquisitions to expand its leading position in VR.
- But Ms. Khan thinks Meta should have been barred from buying Instagram and WhatsApp, and she doesn't want it getting bigger.
- She'd prefer to break up Meta instead.

● Meta Acquires Berlin Startup to Boost Virtual-Reality Ambitions

https://www.wsj.com/articles/meta-acquires-berlin-startup-to-boost-virtual-reality-ambitions-11662147631?st=gqp8l85ra5sesuu&reflink=desktopwebshare_permalink

Updated Sept. 2, 2022 at 4:35 pm ET

- Facebook parent Meta Platforms Inc. has acquired Lofelt, a Berlin startup whose technology aims to replicate the illusion of touch in virtual reality, the tech giant said on Friday.
- The acquisition, completed weeks ago but only made public on Friday in response to questions from The Wall Street Journal, comes as Meta is locked in a legal battle with the Federal Trade Commission over its push into virtual-reality technology.
- The company's key product was Lofelt Studio, a suite of tools that made it easy for developers to design how they wanted haptics in mobile apps and PlayStation 5 games to feel.
- Lofelt updated its website in June to META 7.25% announce that it would be sunsetting its products, including Lofelt Studio, in July.
- Meta and Qualcomm on Friday announced a partnership to create custom chipsets for "future VR headsets and other devices," Mr. Zuckerberg said in a statement.

● Instagram Fined \$402 Million in EU for Allegedly Mishandling Children's Data

https://www.wsj.com/articles/instagram-fined-402-million-in-eu-for-allegations-of-mishandling-childrens-data-11662398050?st=46wfo3ps2kfypzf&reflink=desktopwebshare_permalink

Sept. 5, 2022 at 1:14 pm ET

- Instagram is being hit with the second-largest European Union privacy fine for allegedly mishandling data about children, ramping up the bloc's enforcement of its privacy law against big technology companies.
- Ireland's Data Protection Commission said Monday that it fined Instagram owner Meta Platforms Inc. 405 million euros (\$402 million) in a long-running investigation that had looked at minors who operated business accounts on the service, potentially exposing more of their contact information than if they operated a personal account.
- Users under 18 years old also now have their accounts set automatically to private when they sign up, among other new safety features, the company said.
- Meta has the right to collect certain kinds of information about its users as a condition of using the service, and about whether some of the standard plumbing of digital-ad auctions comply with EU law.
- Another case led by Ireland could order Facebook to stop sending data about its users to servers in the U.S. Meta has said in securities filings that if that decision is enforced before the EU and U.S. work out a new legal pathway for such data transfers, that it could suspend some of its services in Europe.

● Facebook Parent Meta Platforms Cuts Responsible Innovation Team

https://www.wsj.com/articles/facebook-parent-meta-platforms-cuts-responsible-innovation-team-11662658423?st=6sce62vdjh3sqhf&reflink=desktopwebshare_permalink

Sept. 8, 2022 at 1:33 pm ET

- Meta Platforms Inc. has disbanded its Responsible Innovation team, which was once a prominent piece of its effort to address concerns about the potential downsides of its products.
- Meta spokesman Eric Porterfield said the company remains committed to the team's goals, and that most of its former members would continue similar work elsewhere at Meta, though they aren't guaranteed new jobs.
- The team's demise comes at a tumultuous time for Meta, as it contends with a precipitous slowdown in its core digital-advertising business that has prompted it to slow hiring in recent months.
- Zvika Krieger, who led the team before leaving Meta earlier this year, said in an interview that its efforts were broader than other safety and integrity-related work at the company.
- Mr. Krieger, who said the team consulted with more than 100 product teams, cited as an example of its work its involvement with the Facebook dating team's decision to avoid including a filter that would let users target or exclude potential love interests of a particular race.

● Instagram Stumbles in Push to Mimic TikTok, Internal Documents Show

https://www.wsj.com/articles/instagram-reels-tiktok-meta-facebook-documents-11662991777?mod=Searchresults_pos8&page=2

Sept. 12, 2022 at 10:17 am ET

- Meta Platforms Inc. Chief Executive Mark Zuckerberg is betting the social-media giant's near-term future on Instagram Reels, the short-video feature he is touting as the company's answer to TikTok.
- Instagram users cumulatively are spending 17.6 million hours a day watching Reels, less than one-tenth of the 197.8 million hours TikTok users spend each day on that platform, according to a document reviewed by The Wall Street Journal that summarizes internal Meta research.

- It said that Reels engagement had been falling—down 13.6% over the previous four weeks—and that "most Reels users have no engagement whatsoever."
- Roughly 11 million creators are on the platform in the U.S., but only about 2.3 million of them, or 20.7%, post on that platform each month, the document said.
- He said Reels make up more than half of the content that Instagram users share with each other in private messages.
- The internal document showed that nearly one-third of Reels videos are created on another platform, usually TikTok, and include a watermark or border identifying them as such.
- For Reels users, the result is that often they are shown videos recycled from another, more popular platform. "
- Creator Landen Purifoy said his videos have performed better on platforms other than Instagram.
- To encourage users like Mr. Purifoy to post more, Meta announced last year that it was launching a fund to pay creators a total of \$1 billion by the end of this year.
- The internal document said that Instagram Reels thus far has paid out \$120 million. "
- But Meta's advertising operation faces headwinds, notably from the privacy-related changes from Apple rolled out last year.
- The company previously said it anticipated a \$10 billion hit to revenue this year due to the changes.
- Meta also continues to battle negative perceptions among users, documents show.
- Meta has long surveyed users about their perceptions of its business, converting their answers into percentage scores.
- The app, owned by Beijing-based ByteDance Ltd., launched in the U.S. less than five years ago.
- It has drawn scrutiny and criticism related to its Chinese ownership, but that has done little to stem its popularity.
- TikTok posted an average annual gain of 67% in daily hours spent per user in the U.S. from 2018 to 2021, far exceeding that of its rivals, according to Bernstein's August report.
- After TikTok soared in popularity amid Covid-19 lockdowns in early 2020, both Meta and YouTube, which is owned by Google, launched short-form video products of their own.
- Mr. Zuckerberg has touted Reels as the company's fastest-growing content format, but TikTok has maintained its lead. "
- Ms. Jenner reposted a card to her Instagram story that said "Make Instagram Instagram again (stop trying to be tiktok i just want to see cute photos of my friends.)"
- Within days, Instagram said it would reduce the amount of content shown to users from accounts that they don't already follow, at least for now.
- But Mr. Zuckerberg and Instagram head Adam Mosseri have made clear that is the direction the company is moving. "
- We've leaned too far into video over the last couple months," Mr. Mosseri said in a video posted to Instagram in late August. "
- Meta has said that Reels accounts for 20% of the time people spend on Instagram.
- He posted the same video on Instagram Reels, and it got one million views.
- More than 70% of Instagram's audience is 25 or older, compared with 56% for TikTok, according to research firm Insider Intelligence.
- That suggests Instagram users generally have more disposable income, making them more attractive to advertisers.
- TikTok's ads are more akin to YouTube's, which typically merely promote the brand.

Google, Meta Fined a Total of More Than \$70 Million by South Korea Over Privacy

https://www.wsj.com/articles/google-meta-fined-a-total-of-more-than-70-million-by-south-korea-over-privacy-11663153509?st=yfl23r0rcjd8nuj&reflink=desktopwebshare_permalink

Sept. 14, 2022 at 7:05 am ET

- The alleged violations include collecting and using personal information without users' consent for targeted advertising and other purposes.

- to appeal the amount and that the decision related to settings it had updated more than a year ago.
- In the U.S., the Federal Trade Commission last month said it would consider adopting rules that could bar some data collection and handling practices.
- South Korean regulators on Wednesday cited similar French and German rulings from 2019 that fined or imposed restrictions on Google and Facebook for data collection used for targeted advertising.
- Google failed to properly inform South Korean users about how their personal information is collected on its new account sign-up page, the South Korean privacy commission contended.

● Meta Quietly Reduces Staff in Cost-Cutting Push

https://www.wsj.com/articles/meta-and-google-are-cutting-staff-just-dont-mention-layoffs-11663778729?st=69tp7bfj5ii7cj3&reflink=desktopwebshare_permalink

Updated Sept. 21, 2022 at 3:54 pm ET

- Meta Platforms Inc. is planning to cut expenses by at least 10% in the coming months, in part through staff reductions, as the social-media giant confronts stalling growth and increased competition, according to people familiar with the company's plans.
- The Menlo Park, Calif., company has begun quietly nudging out a significant number of staffers by reorganizing departments and giving affected employees a limited window to apply for other roles within the company, according to current and former managers familiar with the matter, in a move that achieves staffing cuts while forestalling the mass issuance of pink slips.
- The reductions are expected to be a prelude to deeper cuts, according to people informed of the company's plans.
- META 7.25% Meta Platforms CEO Mark Zuckerberg in July said the company would need to reallocate resources toward corporate priorities.
- As part of its own cost-cutting measures, Alphabet Inc.'s Google has also required some employees to apply for new jobs if they wish to remain at the company.
- Last week, Google told roughly half of the more than 100 employees at the company's startup incubator Area 120 they would need to find other jobs at the company within 90 days, said people familiar with the decision.
- Google typically gives employees 60 days to apply for other roles in the company if their jobs have been cut, though Area 120 employees usually receive more time if their projects are canceled, said people familiar with the process.
- Alphabet had 174,014 employees at the end of the second quarter, up 20.8% from the previous year.
- Meta's share price is off more than 56.6% so far in 2022, and the company's market value has dropped more than \$685 billion since its peak in September 2021 as of the close on Tuesday.
- Google has been more resilient but the search giant's share price is also down 27.3% over the past year.
- In July, Alphabet Chief Executive Sundar Pichai said Google would slow hiring for the rest of the year and urged employees to be "more entrepreneurial."
- Snap Inc. is among the outliers in publicly announcing layoffs.

Meta Shuts Down Influence Operations Started in China, Russia

https://www.wsj.com/articles/meta-shuts-down-influence-operations-started-in-china-russia-11664303078?st=4mcmfgf2mj6opy4&reflink=desktopwebshare_permalink

Sept. 27, 2022 at 2:24 pm ET

- Meta Platforms Inc. said Tuesday that it has removed separate networks in China and Russia that were running covert influence campaigns related to U.S. politics and the war in Ukraine.
- The network also pushed antigovernment sentiments related to the Czech Republic's foreign policy toward China and Ukraine, Meta said.
- The company said it has removed a large network that originated in Russia and operated across a sprawling network of more than 60 websites that were made to look like legitimate European news organizations.

- Meta has routinely reported taking down these types of networks from its social media services since the discovery that Russian trolls used Facebook to interfere with the 2016 U.S. election.

Mark Zuckerberg Freezes Hiring at Facebook-Parent Meta

https://www.wsj.com/articles/mark-zuckerberg-freezes-hiring-at-facebook-parent-meta-11664482190?st=431i84ny9yxjwg0&reflink=desktopwebshare_permalink

Updated Sept. 29, 2022 at 5:20 pm ET

- Facebook parent Meta Platforms Inc. has told employees that it will be implementing a hiring freeze and will be taking more steps to reduce the company's costs, according to people familiar with the matter.
- CEO Mark Zuckerberg notified employees of the hiring freeze on Thursday during his weekly all-hands meeting.
- The announcement comes after The Wall Street Journal last week reported that Meta was planning to cut expenses by at least 10% in the coming months, including by trimming ranks.
- Meta has been adjusting its staffing plans for months after announcing in May that ad-tracking changes introduced by Apple Inc. last year would cost it some \$10 billion this year.
- Meta is also facing challenges as a result of increased competition for users from rivals, particularly TikTok.
- A spokesman for the Meta referred to comments made by Mr. Zuckerberg during Meta's second-quarter earnings in July in which he said that the social-media company would "steadily reduce headcount growth over the next year."
- Ms. Goler, in her post, said that Meta still plans to hire "thousands of people" in 2023.
- The stock is off more than 59% this year, and the company's market value has dropped more than \$710 billion since its peak in September 2021.

Facebook Parent Meta to Shrink Some Offices as It Adapts to Hybrid Work

https://www.wsj.com/articles/facebook-parent-meta-to-shrink-some-offices-as-it-adapts-to-hybrid-work-11664904841?st=zwja4ddtmnkpe2h&reflink=desktopwebshare_permalink

Updated Oct. 4, 2022 at 1:52 pm ET

- Meta Platforms Inc. plans to shrink some of its offices as many of its employees continue to do their jobs from home, the latest big company to reassess its real estate in the hybrid-work era.
- The social-media giant will rearrange some office layouts, clustering desks and teams together to effectively put employees in closer proximity, the company's top real-estate executive said in an interview.
- The goal, he said, is to make the spaces more dynamic. "
- One of our jobs is to recalibrate our space," said John Tenanes, vice president of global facilities and real estate at Meta. "
- At the same time, Meta plans to close an existing office at 225 Park Avenue South in New York.
- Today, Meta's offices are less than 50% full, he said.
- Before the pandemic, the company's offices were about 75% occupied on any given day, he said.
- Nationally, the average office occupancy in 10 major U.S. cities has recently hit pandemic-era highs but remains below 50%, according to data from security provider Kastle Systems.
- The move to hybrid work has helped to push office vacancy rates higher.
- In the second quarter, roughly 19% of office space was vacant, according to brokerage JLL.
- A number of companies, including Yelp Inc., have said in recent months that they will shed some excess office space as workers stay at home.
- design specialized noise-canceling cubicles that it plans to install throughout its offices in the coming months.

- The cubes should allow people to remain in the open office, but to take video calls while being less disruptive to co-workers, Mr. Tenanes said.
- The cubes include an audio system that could, for example, play sounds of the ocean.
- The company will devote about 10% of its office floor space to the new cubes, he said. "
- Physical space will always have a role at the company, Mr. Tenanes said.

● Facebook to End Bulletin, the Subscription Newsletter Service It Launched Last Year

https://www.wsj.com/articles/facebook-to-end-bulletin-the-subscription-newsletter-service-it-launched-last-year-11664910839?st=kcg0qv9uy48orhx&reflink=desktopwebshare_permalink

Updated Oct. 4, 2022 at 3:14 pm ET

- Facebook is shutting down Bulletin, the newsletter platform it launched last year to let writers create and monetize subscription newsletters.
- Facebook launched the service in June 2021 as a competitor to Substack and other newsletter platforms.
- The company signed deals with high-profile writers, including author Malcolm Gladwell, sports broadcaster Erin Andrews, former CNN correspondent Jessica Yellin and cookbook writer Dorie Greenspan.
- Writers who are on contracts will be paid in full, Facebook said Tuesday.
- Bulletin had more than 1 million free subscribers in the summer, according to Facebook.

● Facebook to Allow Users to Customize What Comes Into Their Timelines

https://www.wsj.com/articles/facebook-to-allow-users-to-customize-what-comes-into-their-timelines-11664979588?st=yo8i5ddmx4i7v42&reflink=desktopwebshare_permalink

Oct. 5, 2022 at 10:19 am ET

- Meta Platforms Inc. announced tweaks to the Facebook news feed Wednesday, in an attempt to give users more control over what they see on the platform.
- The social-media company said users can now choose "show less" or "show more" on posts which will allow them to curate the type of content they want on their feeds.
- Choosing "show less" will lower that post's ranking score on a temporary basis, and choosing "show more" will do the opposite, Facebook said.
- Facebook said soon users can decide to show more or less by selecting the three-dot menu in the upper right-hand corner.

Meta's Virtual Reality Meets Facebook's Harsh Real World

https://www.wsj.com/articles/facebook-meta-virtual-reality-metaverse-11665087982?st=89dcmh4yi0gnpju&reflink=desktopwebshare_permalink

Oct. 7, 2022 at 5:30 am ET

- The company's advertising revenue for the trailing 12-month period ended September 2021 was up 42% year over year—the best growth rate in more than three years.
- Total revenue from VR games last year was \$1.5 billion—less than 3% of the total revenue generated by console games for the year, according to market research firm Newzoo.
- That unit also lost nearly \$5.8 billion in the first half of this year.
- Which means that Facebook's transformation into a metaverse company still relies on ads.
- company is looking to cut expenses by about 10%.

- Mr. Zuckerberg's vision to bring the metaverse to a billion people is an expensive one; the company has maintained its target of spending up to \$34 billion in capital expenditures this year, which is double what it has averaged over the past three years.
- Meta is hardly about to dip into the red; Wall Street's projection of 28% operating margins for the next three years is still about 5 percentage points above the S&P 500's average, according to data from S&P Global Market Intelligence.

Facebook Warns Users About 400 Malicious Apps That Steal Passwords

https://www.wsj.com/articles/facebook-warns-users-about-400-malicious-apps-that-steal-passwords-11665154215?st=wlxlxcoaag206n&reflink=desktopwebshare_permalink

Updated Oct. 7, 2022 at 11:24 am ET

- Meta Platforms Inc. said it has identified about 400 malicious apps that steal the login information of Facebook users.
- The apps were available through the app stores of Apple Inc. and Alphabet Inc.'s Google Play, Meta said Friday.
- The company said it informed Apple and Google about the malicious apps.
- Apple said it removed the 45 malicious apps from its app store that were identified by Meta.
- Meta shares fell 3% Friday in late-morning trading.
- The apps were disguised as photo editors, games and business apps, Meta said.
- After a user downloads the fake app, the app asks users to log in with Facebook using their usernames and passwords.

FTC Pares Back Lawsuit Targeting Meta Platforms' Bid for Virtual-Reality Company

https://www.wsj.com/articles/ftc-pares-back-lawsuit-targeting-meta-platforms-bid-for-virtual-reality-company-11665176891?st=ux776ngf4bnilvg&reflink=desktopwebshare_permalink

Oct. 7, 2022 at 5:08 pm ET

- The move drops some claims the Federal Trade Commission made in July when it sought to stop Meta's acquisition of Within Unlimited Inc., creator of the virtual-reality fitness game Supernatural.
- The FTC said the deal would stifle competition in the market for virtual-reality fitness applications and impede potential future competition as well.
- The FTC's original case argued that Meta's own product, a game called Beat Saber, competed directly against Within's popular Supernatural app.
- Meta said Friday that the FTC's lawsuit is still built "on ideology, not evidence."
- It argues the deal is still illegal because it would remove the benefits of potential competition.
- The FTC is already litigating with Meta's Facebook unit over claims that the company has abused a monopoly position in social media.
- In the latest complaint against Meta, over the Within acquisition, the FTC alleges the company now wants to build, and ultimately control, a virtual-reality metaverse.

Meta Quest Pro: A \$1,500 Virtual-Reality Headset for Working in the Metaverse

https://www.wsj.com/articles/meta-quest-pro-a-1-500-virtual-reality-headset-for-working-in-the-metaverse-11665507778?mod=Searchresults_pos5&page=2

Updated Oct. 11, 2022 at 3:02 pm ET

- The new virtual-reality headset has substantial improvements over the \$400 Quest 2 headset, which will remain on sale.
- It has better display quality and new controllers.

- The Quest Pro has better, more compact optics and a more comfortable design, even though it still is chunky on your head.
- With the Quest Pro, you can see the real world around you in color, and even add virtual stuff to your real space.
- That's because of "pancake optics," which are reduced in size by 40% while enhancing the visuals.
- Inside the headset, five sensors are pointed at your face so your avatar can now mimic your expressions, including smiling, frowning and blinking.
- At the event Tuesday, however, Mr. Zuckerberg said legs are coming soon to Horizon, the company's VR hangout platform.
- The Quest Pro has five sensors pointed at your face so your avatar can mimic your facial expressions, including a jaw drop like this.
- with a headset that monitors your eye and face movements.
- That's why Meta says you'll have to turn this feature on in settings, and then for each app that uses it.
- On the Quest 2, the outward-facing cameras are mostly for safety, and only show black-and-white imagery.
- On the Quest Pro, these cameras are in color, so it seems more realistic when you look around and even place digital objects.
- Included with the headset are two new streamlined controllers with rechargeable batteries.
- The Pro's battery only lasts between one and two hours.
- Yes, an untethered metaverse experience is shorter than the new "Top Gun" movie.
- I was happy to see the headset also comes with a wireless charging dock, so you can just drop the headset and the controllers down to recharge.
- But the dock itself takes two hours to charge the headset to maximum capacity.
- The bigger issue is what to do inside the headset.
- As I said in my "living in the metaverse" piece, some interactive experiences, especially The Quest Pro's battery lasts just one to two hours, so expect the headset to be on its included charging dock quite a bit.
- The Quest Pro makes it more immersive —you really feel like you're sharing space with another person.
- The Quest Pro reminds me a lot of the early days of laptops and smartphones.

Meta's Facebook Takes Aim at Workers' PCs With New VR Headset

https://www.wsj.com/articles/metasp-facebook-says-its-new-vr-headset-could-replace-workers-pcs-11665521118?st=0oxhu2ajiv80r87&reflink=desktopwebshare_permalink

Updated Oct. 11, 2022 at 7:13 pm ET

- Facebook parent Meta Platforms Inc. stated its ambition to go after the professional computing market on Tuesday with the announcement of its most advanced virtual reality headset to date, the Quest Pro, saying it could be a better way to work than a personal computer.
- Along with the new device, which costs around \$1,500, Meta also announced partnerships with Microsoft Corp. and Zoom Video Communications Inc. that are expected to make the company's VR headsets more useful in hybrid-work scenarios. "
- The device features a thinner, more ergonomic design with an improved display and more sensors to track users' motions and facial expressions.
- The headset runs on a new Snapdragon XR2+ processor built by Qualcomm Inc. that is optimized for VR, Mr. Zuckerberg said.
- Preorders for the headset start Tuesday, and it will begin shipping on Oct. 25, Mr. Zuckerberg said.
- The Quest Pro comes a year after the company changed its name from Facebook to Meta to reflect its ambitions in virtual and augmented reality.
- Meta also announced a partnership with Microsoft to bring Windows 365 and Teams to the company's VR headsets next year. "
- This will include the ability for people wearing Meta's face computer to join meetings in Microsoft's Teams business-communications platform as virtual avatars.

● Company Documents Show Meta's Flagship Metaverse Falling Short

https://www.wsj.com/articles/meta-metaverse-horizon-worlds-zuckerberg-facebook-internal-documents-11665778961?mod=Searchresults_pos19&page=1

Oct. 15, 2022 at 5:30 am ET

- Nearly a year after Mark Zuckerberg rebranded Facebook as Meta Platforms Inc. in a bet-the-company move on the metaverse, internal documents show the transition grappling with glitchy technology, uninterested users and a lack of clarity about what it will take to succeed.
- While Mr. Zuckerberg has said the transition to a more immersive online experience will take years, the company's flagship metaverse offering for consumers, Horizon Worlds, is falling short of internal performance expectations.
- Meta initially set a goal of reaching 500,000 monthly active users for Horizon Worlds by the end of this year, but in recent weeks revised that figure to 280,000.
- Most visitors to Horizon generally don't return to the app after the first month, and the user base has steadily declined since the spring, according to the documents, which include internal memos from employees.
- More than half of Quest headsets—the entry model costs about \$400—aren't in use six months after they are purchased, according to people familiar with the data.
- In a survey of Horizon users, Meta researchers said users reported that they couldn't find metaverse worlds they liked and couldn't find other people to hang out with.
- Other complaints included that "people do not look real" and that the avatars don't have legs.
- To deal with persistent bugs and user complaints, Meta last month quietly put Horizon on "lockdown," meaning it is pausing the launch of new features until it improves the current user experience, the documents show.
- Meta has said it plans to expand the experience to more people with a web version of Horizon for mobile devices and computers.
- The new strategy was announced weeks after the leak of thousands of pages of internal records documenting the business struggles and societal downsides of the company's social-media products, documented in a Wall Street Journal series called The Facebook Files.
- While Mr. Obasanjo said that the metaverse—which is accessible not just by virtual reality headsets but PCs, mobile phones and augmented-reality products such as smart glasses—has a better shot at mass adoption than augmented or virtual reality products, Meta hasn't yet pulled together a strategy for investing in it. "
- Meta has canceled or delayed early metaverse-related products, and current and former employees said there is disagreement inside the company about whether Horizon should be focused on games or, as is Mr. Zuckerberg's preference, social connection.
- But stability issues and complaints from creators, he said, are "making it too hard for our community to enjoy the magic of Horizon."
- Part of the problem, he said, is that Meta employees aren't using the product enough themselves. "
- Meta wants users like Mr. Silva to create their own worlds using Horizon's tools, which allow them to take 3-D objects like cubes and spheres and shape them into things like trees and chairs.
- But less than 1% of users are creating their own worlds, the documents show.
- Many of them were frustrated by another issue Meta is grappling with: how users can make money in the metaverse.
- Some creators have a desire to work full time in the metaverse," said the Meta memo. "
- While Meta has supported some worlds with bonus payments to the people responsible for them, efforts to promote other forms of commerce are still nascent.
- The most lucrative of Horizon's worlds has cumulatively brought in \$10,000 in "In-World Payments," the documents show, and a feature to tip creators has yielded total payouts of \$470.

Facebook Parent Meta Ordered to Sell Giphy After Losing Fight in U.K.

https://www.wsj.com/articles/facebook-parent-meta-ordered-to-sell-giphy-after-losing-fight-in-u-k-11666100289?st=5nkp9fpbd2i3mwig&reflink=desktopwebshare_permalink

Updated Oct. 18, 2022 at 12:23 pm ET

- Facebook owner Meta Platforms Inc. said it would sell its social-media animated-images company Giphy after the U.K.'s top competition authority affirmed an earlier order to undo the 2020 acquisition.
- British regulators had ordered Meta to operate Giphy separately while the deal was under review.
- Meta, then known as Facebook, bought Giphy in May 2020 for \$315 million.
- The company, with offices in New York City and Los Angeles, allows users to search for, create and share short animated videos, or GIFs, which have become popular in social-media posts, texts and other communications.
- The U.K.'s Competition and Markets Authority initially ordered Meta to sell Giphy last year.
- The companies say they comply with competition rules and are working with the regulator.
- Meta's acquisition of Giphy "would significantly reduce competition in two markets," said Stuart McIntosh, chairman of the investigative team appointed by the CMA to review the deal.
- The company said at the time of the deal that it would integrate Giphy into its Instagram platform.
- The CMA began probing Meta's Giphy deal soon after it was announced.
- Last fall, it fined Meta 50.5 million pounds, equivalent to \$57.2 million, saying the company had failed to provide required updates outlining its compliance with the initial enforcement order in relation to the merger review.

Facebook Says It Is Prepared to Block News Content in Canada

https://www.wsj.com/articles/facebook-says-it-is-prepared-to-block-news-content-in-canada-11666461421?st=lrpjmjv8ltsbmgc&reflink=desktopwebshare_permalink

Oct. 22, 2022 at 1:57 pm ET

- Facebook owner Meta Platforms Inc. has warned Canada it is prepared to block the sharing of Canadian news content—like it did in Australia last year—unless the Liberal government amends legislation that would compel big digital companies to compensate domestic media outlets.
- The legislation is under review by a parliamentary committee, and lawmakers voted this week to stop hearing further testimony from witnesses.
- META 7.25% Cultural policy minister Pablo Rodriguez says Canada is asking large tech companies to negotiate fair deals with news outlets.
- Facebook's notice to Canada could trigger the type of high-stakes battle that unfolded last year in Australia over the same issue of compensation for media outlets.
- Earlier this year, citing the Australia model, Canada introduced legislation that would require digital platforms to make "fair commercial deals" with news publishers, which incorporates print, digital and broadcasting outlets.
- Canada's parliamentary budget watchdog estimates the legislation could generate revenue of about \$240 million a year for media outlets, with broadcasters in line for three-quarters of the amount.
- Meta said Canadian news publishers choose to share links and other content from their websites on Facebook to reach a wider audience, and it estimates that results in free marketing worth nearly \$170 million a year.
- Meta has told publishers in the U.S. that it won't renew contracts to feature their content in its Facebook News tab.

Meta Investor Urges CEO Mark Zuckerberg to Slash Staff and Cut Costs

https://www.wsj.com/articles/meta-investor-urges-ceo-mark-zuckerberg-to-slash-staff-and-cut-costs-11666634172?st=yijdkup69r1ss9l&reflink=desktopwebshare_permalink

Updated Oct. 24, 2022 at 2:59 pm ET

- Meta shares are down more than 50% in the past 18 months, slicing more than \$600 billion from the company's market value.
- Mr. Gerstner wrote that Meta should cut head count expenses by 20%, echoing the views of others who have recently argued that tech companies have become bloated with too many employees after years of expansion. "
- Meta reported having 83,553 employees at the end of the second quarter, up 32% from a year earlier.
- Mr. Gerstner also recommended that the company dial back its investment in the metaverse, which Mr. Zuckerberg has touted as the company's future and said would require more than \$10 billion in annual investment.
- Mr. Gerstner recommended the company limit that investment to \$5 billion annually, calling Meta's commitment "super-sized and terrifying, even by Silicon Valley standards."

Meta's Reverse Darkens Mark Zuckerberg's Dream

https://www.wsj.com/articles/metaverse-reverse-darkens-mark-zuckerbergs-dream-11666824643?st=uwefrz06h6gp43f&reflink=desktopwebshare_permalink

Updated Oct. 26, 2022 at 6:53 pm ET

- Meta Platforms said Wednesday that its revenue fell 4% year on year in the third quarter—its second consecutive quarter of annual declines—while net income fell 52%.
- For the fourth quarter, the company formerly known as Facebook is forecasting revenue to fall ever further annually with the midpoint of its outlook implying a drop of about 7%.
- Meanwhile, although Meta claims to be making changes across the board to operate more efficiently, its expense projection for the full year remains little changed.
- Beyond that, the company said it expects operating losses for its Reality Labs division, which houses its metaverse ambitions, to grow significantly next year.
- At just 20%, Meta's third-quarter operating margin was its lowest since the second quarter of 2012—a period of losses affected by initial public offering costs.
- Meta can blame its sizable investments in the metaverse, but it is worth noting that margins in its core business have also been contracting steadily, falling 20 percentage points over the past eight quarters to just 34%.
- Meta's family of services each day is the highest it has ever been and that Instagram has more than two billion monthly active users did little to divert attention from those harsh trends.
- The company said Wednesday it is incurring a \$500 million quarterly revenue headwind as it shifts its monetization focus to Reels, its answer to TikTok.
- Meanwhile, internal company documents viewed by The Wall Street Journal show Instagram users are cumulatively spending less than 18 million hours a day watching the short-form video platform to the nearly 200 million hours TikTok users spend each day on that platform.
- Meta needs to nail the present to move into the future even as the world is taking a step back.

Facebook Parent Meta's Earnings Fall Short as Revenue Decline Accelerates

https://www.wsj.com/articles/meta-facebook-q3-earnings-report-2022-11666753938?st=r8ekk1sh4ea3ct4&reflink=desktopwebshare_permalink

Updated Oct. 27, 2022 at 7:59 am ET

- Facebook parent Meta Platforms Inc. posted its second revenue decline in a row, as the social-media giant wrestles with a vortex of challenging business conditions that have combined to shave more than half a trillion dollars from its market value so far this year.
- The company reported quarterly revenue of \$27.7 billion, down more than 4% from a year ago, after posting a 1% decrease last quarter.

- Meta's share price fell more than 5% on Wednesday, amid a broad selloff of tech shares, and is now trading at a price last seen in 2017.
- Meta shares fell 23% to \$100.45 in premarket trading Thursday morning.
- The stock retreat would put Meta's market value below \$300 billion for the first time since early 2016.
- Meta's Reality Labs unit, which is driving the company's virtual-reality and metaverse efforts, posted revenue of \$285 million for the quarter, a decline of nearly 49% from a year ago.
- Meta said its average ad price decreased 18% on-the-year, as it adjusts to Apple's changes that make it harder for Meta to track users and serve them personalized advertising.
- In the same quarter last year, the average price per ad climbed 22%.
- Meta reported a net profit of \$4.4 billion for the third quarter.
- For the quarter, advertising revenue came in at \$27.2 billion, down nearly 4% year-over-year.
- Analysts predicted Meta's advertising revenue would fall to \$26.9 billion.
- The company said it plans to invest in head count growth "only in our highest priorities" and shrink some of its teams.
- Meta is grappling with a digital advertising market in upheaval from surging inflation and other factors, including the war in Ukraine, that are causing a slowdown in ad spending. "
- Before Wednesday, Meta shares had fallen nearly 60% and the company had lost more than \$550 billion in market value in 2022.
- In its efforts to combat TikTok, Meta has given priority to the development and growth of Reels, its short-form video format on Facebook and Instagram.
- Meta is now seeing 140 billion Reels plays across Facebook and Instagram each day, which is a 50% increase from six months ago, Mr. Zuckerberg said. "
- One area where Meta showed promise was in adding to Facebook's massive user base, which came in at 1.98 billion daily active users.

Tech Boom Ends as Companies From Amazon to Meta Adjust to Turbulent Times

https://www.wsj.com/articles/tech-boom-ends-as-companies-from-amazon-to-meta-adjust-to-turbulent-times-11666957789?st=hl98urazxif3pvj&reflink=desktopwebshare_permalink

Updated Oct. 28, 2022 at 4:47 pm ET

- A week of earnings by big technology companies has been a rout for investors, as recession fears and the strong dollar hit businesses that were thought to be more resilient.
- It's just hard to see any points of good news on the horizon," Intel Corp. Chief Executive Pat Gelsinger said.
- Inflation in the U.S., Europe's economy rattled by high energy costs and the war in Ukraine, and disruptions in Asia mean "we're still looking to have the economic headwinds as we go into next year," he said Thursday as the company cut its full-year sales outlook.
- Tech companies that enjoyed strong growth in the early days of the pandemic are feeling the effects of a new reality of high inflation, rising interest rates, currency headwinds and other issues on their income statements.
- Intel CEO Pat Gelsinger As a result, leaders Apple Inc., Amazon .com Inc., Microsoft Corp., Facebook parent Meta Platforms Inc. and Google parent Alphabet Inc. are sharpening their control over costs and monitoring head count—sounding more like old blue chips than highflying tech juggernauts.
- Meanwhile, investors in those five companies have lost more than \$218 billion combined through Friday's market close, after quarterly earnings—often paired with muted forecasts—pummeled their stocks.
- They have lost a total of more than \$3 trillion this year.
- Growth in the cloud-computing sector, an indicator of broader business adoption of tech, has fallen faster than expected from the highs of the past two years.
- Worldwide shipments of personal computers dropped nearly 20% in the third quarter from the year-ago period—the steepest decline in more than two decades, according to Gartner Inc. Intel reported a sharp

decline in quarterly sales, cut its expectation for PC shipments this year, and said next year could be even worse.

- Samsung Electronics Co., South Korea's electronics and chip giant, posted a 23.6% decline in net profit this week and forecast that the smartphone market will likely continue to be pressured into next year.
- Across tech, companies are moving aggressively to slash costs and are preparing employees for lean times ahead.
- Intel said Thursday that it plans to deliver \$3 billion in cost reductions in 2023 and \$8 billion to \$10 billion in annualized savings from 2025.
- The company also has said it is rationalizing office space.
- Microsoft CEO Satya Nadella, on an earnings call, touted the ability of the company's Edge web browser to save consumers money.
- He and Google counterpart Mr. Pichai both said their tech tools could help businesses save money. "
- Alphabet this week reported the first-ever drop in YouTube year-over-year ad sales.
- Texas Instruments said the automotive sector is the only area that held strong in the quarter.

Rate Squeeze Punishes Once-Triumphant Tech Stocks

https://www.wsj.com/articles/rate-squeeze-punishes-once-triumphant-tech-stocks-11667082068?st=mvmhm5p5fsdqy2i&reflink=desktopwebshare_permalink

Oct. 30, 2022 at 5:30 am ET

- Shares of the largest U.S. technology firms have fallen out of favor in the most pronounced way since the 2000 tech bubble, victims of a shift in investors' tastes inspired by rising interest rates.
- The 2022 market bust has turned the popular "FAANG trade"—the practice of buying fast-growing technology titans such as Facebook owner Meta Platforms Inc., Apple Inc., Amazon.com Inc., Netflix Inc. and Google parent Alphabet Inc.—into a pumpkin.
- Of those five companies, only Apple, down 12% this year, has outpaced the Nasdaq Composite Index's 29% decline.
- The Nasdaq index's value has dropped this year by some \$8 trillion.
- That compares with around \$5 trillion over three years in the 2000-2002 rout, a sum that would be worth about \$8.6 trillion today.
- Technology shares have led the 2022 market decline, unlike the 2007-2009 downturn when the worst selling was in financials and housing-related shares.
- Stocks in the sector are on pace for their worst year in more than two decades.
- At the start of the year, Meta was one of the 10 biggest companies in the S&P 500.
- Today, it isn't even in the top 20, with companies such as Chevron Corp. and Bank of America Corp. overtaking it. "
- He is particularly bullish on industrials, utilities and energy stocks, the types of companies that helped push the Dow Jones Industrial Average 5.7% higher over the past week, outpacing the S&P 500.
- Amazon shares are trading with a price/earnings ratio of roughly 65 times projected earnings over the next 12 months, according to FactSet.
- The next day, Meta's stock dropped 25%.
- Apple reported record revenue in its September quarter, and its shares rallied 7.6%.
- David Jeffress, a portfolio manager at Laffer Tengler Investments, said his firm didn't trim its Microsoft stake even after the company reported its weakest revenue growth in over five years.
- He sees underappreciated opportunities in subscription-based revenue segments such as Microsoft Teams, LinkedIn and gaming. "
- Snap Inc. shares fell 28% in a day this month after the company posted its weakest sales performance since coming public, leaving the stock down 79% for 2022.
- Earlier this year, executives decided to discontinue a flying selfie camera known as the Pixy just months after unveiling it.