

★ India's Biggest Mobile Wallet Takes Aim at WhatsApp

https://www.wsj.com/articles/indias-biggest-mobile-wallet-takes-aim-at-whatsapp-1501580148?st=0njg9guerz5btn9&reflink=desktopwebshare_permalink

Aug. 1, 2017 at 5:35 am ET

- Paytm, India's biggest mobile-payments firm, now wants to dethrone Facebook Inc.'s WhatsApp as the most popular messaging service in the South Asian country.
- That could allow Paytm, which in May [raised \\$1.4 billion](#) from Japan's [SoftBank Group Corp.](#), to woo some users from WhatsApp, driving usage on in its [fast-growing platform](#).
- Chat functionality could also provide Indian businesses with an official channel through which to interact with customers, a feature WhatsApp founders said last year [they were working on](#).
- A spokeswoman for WhatsApp, which says 200 million of its 1.2 billion users are in India, declined to comment. The company is exploring adding a payment option for India and has advertised for a digital transactions lead in the country.
- Paytm's messaging feature will allow people to share text, video and images for free. It could be unveiled in as soon as two weeks, according to the person.
- Hike Ltd., India's biggest local messaging app, says it has about 100 million users. It is backed by China's [Tencent Holdings](#) Ltd. and in June introduced a payments feature. A Hike spokeswoman didn't immediately respond to a request for comment.
- "Payments is the cornerstone for a messaging app to become a services platform," and Paytm already has a mobile wallet feature, said Ms. Dharia.
- Millions of Indians have been getting online in recent years via inexpensive smartphones and cheap data plans, prompting technology companies from China and the U.S. to expand their operations here.

● Facebook Drowns Out Fake News With More Information

https://www.wsj.com/articles/facebook-drowns-out-fake-news-with-more-information-1501754403?st=h3tg6xz6qgq9ryk&reflink=desktopwebshare_permalink

Updated Aug. 3, 2017 at 3:21 pm ET

- Starting Thursday, when Facebook's U.S. users come across popular links—including made-up news articles—in their feeds, they may also see a cluster of other articles on the same topic. The "related articles" feature, which will roll out widely in the U.S. after months of testing, is part of the Facebook news feed team's effort to limit the damage of false news without taking down those posts.
- In recent months, Facebook has launched features such as "related articles" that push users to think twice before sharing a story, but don't prevent them from sharing and thus spreading false news. Facebook has also [partnered with outside fact-checkers](#) like Snopes.com, which Facebook recently started paying to label completely false stories as "disputed" from a Facebook-built database of possibly false news articles.
- The moves show Facebook's strategy to reduce the presence of misinformation on its platform, without going so far as censoring it, a role it says it doesn't want. While Facebook has content policies that ban hate speech and other forms of expression, the social-media company is queasy about creating similar policies around accuracy.
- Facebook's approach to fighting misinformation mirrors that of [Alphabet](#) Inc.'s Google, which is also working with fact-checkers and recently retooled its search engine to [prevent sites peddling fake news](#), hoaxes and conspiracy theories from appearing in its top results.
- In coming months, Facebook says it plans to rely more heavily on fact checkers. If two or more label a story as "disputed", the article will automatically show up lower in users' news feeds.
- If the stories are going viral, Facebook software selects other, relevant articles to show underneath those posts. For some articles deemed false, Facebook will link to fact checkers' explanations for why the information presented is wrong.

- Fact checkers will start seeing more articles in their queues. Facebook has also started using fact checkers' rulings to improve its algorithms for predicting whether a story is potentially false, the spokeswoman added. Those articles will be sent to fact checkers who determine their accuracy.
- Facebook has also been adjusting its news feed algorithms to help demote fake stories, as it did in June when it started punishing accounts that routinely post 50 links a day because they tend to share "low quality content" like misinformation.

● The End of Typing: The Next Billion Mobile Users Will Rely on Video and Voice

https://www.wsj.com/articles/the-end-of-typing-the-internets-next-billion-users-will-use-video-and-voice-1502116070?mod=Searchresults_pos17&page=1

Aug. 7, 2017 at 10:27 am ET

- Instead of typing searches and emails, a wave of newcomers—"the next billion," the tech industry calls them—is avoiding text, using voice activation and communicating with images. They are a swath of the world's less-educated, online for the first time thanks to low-end smartphones, cheap data plans and intuitive apps that let them navigate despite poor literacy.
- Incumbent tech companies are finding they must rethink their products for these newcomers and face local competitors that have been quicker to figure them out. "We are seeing a new kind of internet user," said Caesar Sengupta, who heads a group at [Alphabet](#) Inc.'s Google trying to adapt to the new wave. "The new users are very different from the first billion."
- Mr. Singh squatted under the station stairwell, whispering into his phone using speech recognition on the station's free Wi-Fi. It is a simple affair, a [Sony](#) Corp. model with 4GB of storage, versus the 32GB that is typically considered minimal in the developed world.
- On his screen are some of the world's most popular apps—Google's search, Facebook Inc.'s WhatsApp—but also many that are unfamiliar in the developed world, including UC Browser, MX Player and SHAREit, that have been tailored for slow connections and skimpy data storage.
- Those three apps, not among the top 100 downloads in the U.S., were in India's top 10 over the 30 months through June, according to App Annie, which tracks apps; many of America's most popular apps aren't in India's top 100.
- Scenes like Mr. Singh's are playing out on smartphones across Asia, the Middle East and Africa in places with pockets of less-educated people who are just getting online. UC Browser is a top download in countries such as Indonesia and Yemen. SHAREit is popular in Iran and South Africa. MX Player is big in Bangladesh, Oman and Cambodia.
- The sheer size of the Indian market means gaining even a small share can bring huge traffic and expansion. Only around 400 million of India's 1.3 billion people are online, according to the latest numbers from the Telecom Regulatory Authority of India.
- This year, more Indians are getting online en masse thanks to a price war. Aiming to bring new customers to the web, Reliance Jio Infocomm Ltd.—a new phone service backed by an Indian billionaire—offered free unlimited 4G-speed data for six months starting last September. That forced competitors to slash rates as well. Data usage in India shot up from less than half a gigabyte per customer a month to more than 6GBs, said Rajan Mathews, director general of the Cellular Operators Association of India.
- India's largest cellular company, a [Vodafone Group](#) PLC subsidiary, said it figured out new users didn't understand data limits, so it has given them an option of buying unlimited data at less than 25 cents for an hour. "The way the journey seems to start today is with social messaging, YouTube and entertainment apps," not email or social media, said Sandeep Kataria, chief commercial officer at Vodafone India. "Five years ago it was the other way around."
- In the year through June, use of YouTube in India has more than doubled, while Gmail use fell 15%, according to App Annie. In the U.S., YouTube growth was 48% over the same period, while Gmail use was up 13%.

- Facebook has sponsored free Wi-Fi hot spots across India. It has “2G Tuesdays” in its Menlo Park headquarters, when developers can experience a slow connection and how Facebook works on it. It has built a lighter version of Facebook for emerging markets. Facebook says it has just over 200 million active users in India, the largest number outside the U.S.
- The emerging leaders are “building apps and services that respond to local needs, and in doing so, they’re building products for the future of the internet,” said Google’s Mr. Sengupta. “The next generation of global tech companies are just as likely to come out of a local coffee shop in Bangalore or Ho Chi Minh City as they are from Silicon Valley.”
- Google has revamped the way certain searches look in India. Seek a local cricket star, and the top of the search is crowded with photos and videos instead of long lists of links. Google’s YouTube created apps in India to make it easier for users to share videos directly—helping them avoid data costs and circumvent slow internet speeds.
- The team showed passengers a “low-fidelity prototype,” basically phone screens printed on paper with different apps and instructions, asking what they would do if they saw one of the screens. The group later stood at the Lonavla Station and discussed what it learned. “People here don’t read the text,” so the icons need to be easy to understand, Mr. Velicer said.
- Google has also benefited from the dominance of its Android operating system.
- Last year, Indian banks launched a mobile payment system that after a simple sign-up process allows the less-tech-literate to make payments and transfer money from their accounts with their phones. Paytm, the biggest mobile money app in India, now has more than 200 million users in India, vastly more the number of credit-card holders in India.
- Mr. Singh said he gets to the station early every morning to send his friends and family at home recorded messages via WhatsApp. “Is everyone OK in the village? Anyone die?” he asks into his phone. Recorded replies come back throughout the day.
- He scours the internet for shows and clips using YouTube, Google and MX Player all day. On YouTube, he starts with a voice search. “Woman singing Rajasthani folk songs,” he said in Hindi and looked at the screen to see what shows up. He downloads more than 20 clips a day to watch at night when he returns to the flophouse room he shares with five other porters.

★● The New Copycats: How Facebook Squashes Competition From Startups

https://www.wsj.com/articles/the-new-copycats-how-facebook-squashes-competition-from-startups-1502293444?st=jbw7w41nj8f3alk&reflink=desktopwebshare_permalink

Updated Aug. 9, 2017 at 1:47 pm ET

- Tech startups live by the rule that speed is paramount. Houseparty, creator of a hot video app, has an extra reason for urgency.
- This fall, Facebook plans to launch an app similar to Houseparty, internally called Bonfire, say people familiar with the project. Both apps let groups of people hang out over live video on a smartphone.
- “They see we’re having traction,” says Sima Sistani, co-founder of Houseparty, which is based in San Francisco. “That’s why we’re pushing so hard.”
- While it’s as easy as ever to start a company, it is getting harder to grow fast enough and big enough to avoid getting either acquired or squashed by one of the behemoths.
- For months, Houseparty could see Facebook in the rearview mirror. Last year, Facebook executives approached it for meetings the startup interpreted as exploring an acquisition. Then, two months after Houseparty publicly introduced itself as “the internet’s living room” in November, Facebook’s Messenger app said it would become a “virtual living room.”
- The deep pockets of giants such as Facebook, [Alphabet](#) Inc.’s [GOOG 2.01%increase; green up pointing triangle](#) Google, [Apple](#) Inc. and [Amazon.com](#) Inc. make it increasingly difficult for startups to compete and stay independent.

- Facebook acquired photo-sharing app Instagram in 2012 for \$1 billion and messaging service WhatsApp in 2014 for \$22 billion. Google in 2013 bought Waze, a rival to Google Maps. Amazon in 2010 bought Quidsi, the online retailing company behind diapers.com and other sites, after trying to copy it.
- Lately, the titans also appear to be imitating smaller rivals more aggressively. In July, a week after the initial public offering of [Blue Apron Holdings Inc.](#), an Amazon subsidiary [filed to trademark a meal-delivery kit](#) with a tagline that echoed Blue Apron's offering. [Both Google and Facebook have taken aim at](#) features on Snap. Inc.'s Snapchat platform.
- At an all-hands meeting last summer, Facebook Chief Executive [Mark Zuckerberg](#) told employees they shouldn't let pride get in the way of serving users, another way of saying they shouldn't be afraid to copy rivals, according to someone who was at the meeting. The message became an informal internal slogan: "Don't be too proud to copy."
- Regulators, politicians and academics are increasingly questioning how tech giants use their considerable clout. In June, the European Union's [antitrust regulators fined Google](#) \$2.71 billion, saying its search engine favored its own comparison-shopping service over others. Google has said it disagrees with the conclusions and will consider an appeal.
- Houseparty, formally known as Life on Air Inc., was one of the first startups to go all-in on video chat, with an app that lets small groups of friends drop into a video conversation as if hanging out in a dorm room. It has tapped a coveted audience: teens who love Snapchat but not necessarily Facebook.
- The odds are already stacked against it. The average smartphone user has about 89 apps on a device but uses only seven or eight daily, according to Verto Analytics. Facebook, Apple and Google dominate, commanding about 60% of the time and 80% of the ad dollars spent on mobile, the market-research firm says.
- In February 2016, Mr. Rubin and Ms. Sistani launched Houseparty and began to demo it on college campuses. In May 2016, it briefly became the top social-networking app for the iPhone, according to app-research firm Sensor Tower.
- Houseparty downloads went from 10,000 to 100,000 in one day and then crashed, unable to handle the load. The app was down for several hours and then glitchy through July, when the team decided it needed a major overhaul.
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- Mr. Zuckerberg is sensitive to anything that might disrupt Facebook, even the teeniest startup, say current and former executives and employees.
- Facebook used Onavo to build its early-bird tool that tips it off to promising services and that helped Facebook home in on Houseparty.
- Mr. Rubin communicated with Ms. Simo and others over email and phone and then met with Facebook executives at Facebook's offices, says a person familiar with the contacts.
- In December, Facebook began its group-video-chat offensive. Its Messenger app introduced the feature with the ability to see up to six people in a conversation, compared with the eight-person rooms on Houseparty.
- Houseparty rebuilt its app so it could expand reliably without crashing. It added 25 employees, increasing its staff by 30%. Last month, it recruited a vice president of engineering, Kinshuk Mishra, who had helped Spotify AB, the music-streaming service, fend off Apple Music. It introduced a new chat feature called "passing notes" to attract more users.
- The pressure increased later that month when Houseparty learned of Bonfire, Facebook's planned live group-chat app. (Tech news site The [Verge reported on Bonfire in July](#).) "I have no problem with the copying," Mr. Rubin says. "It's just business. It's just a distraction."
- Mr. Elman says he is encouraged that Bonfire is a stand-alone app and that Facebook hasn't been particularly successful with those. But, he says, if Facebook figures out how to integrate the power of Houseparty "into a property that I'm already using 10 times a day, that would scare the crap out of me."

Facebook Hits Play on Watch, Its Video Tab

https://www.wsj.com/articles/facebook-hits-play-on-watch-its-video-tab-1502326217?st=8npksph39wkkwmx&reflink=desktopwebshare_permalink

Aug. 9, 2017 at 8:50 pm ET

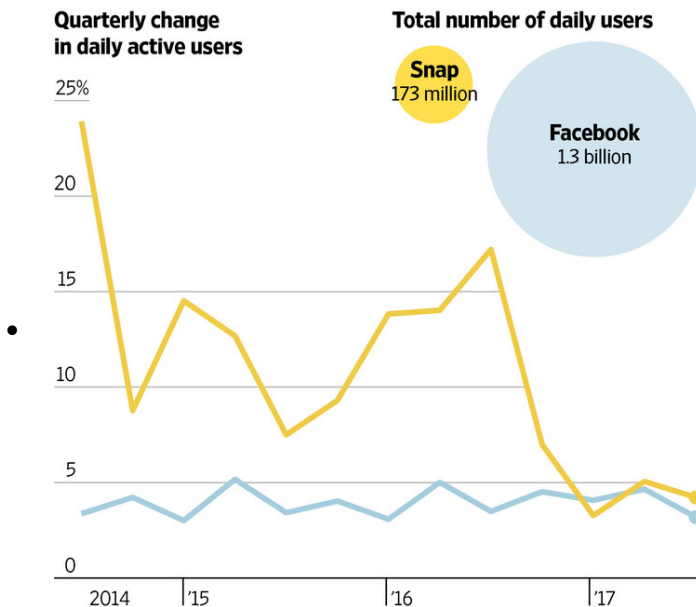
- The tech behemoth, which isn't shy [about replicating rivals' features](#), is redesigning its video tab to bring Facebook's original programming front-and-center. The revamped video tab, now dubbed Watch, includes sections that showcase videos a user's friends are watching or those that spark a lot of debate on the platform,
- Fidji Simo, who leads Facebook's video efforts, said that unlike YouTube, Facebook wants its shows to generate conversation, preferably on Facebook itself. Early on, new shows will have to apply, but eventually Facebook wants to make it possible for any creator to simply upload a show on Facebook, as they do on YouTube.
- "The thing that we're doing that's similar is really creating a platform where everybody can come in, but the thing that's very different is all the content that we want to create is really around bringing communities together," Ms. Simo said. "The angle that we're taking is really finding shows that are about bringing fans together."
- Ms. Simo said a small portion of Facebook's new original shows are paid for by the company, while the rest will receive a portion of ad revenue. Facebook's goal is to create an ecosystem of video creators who are entirely sustained by revenue from ads shown in the middle of their videos, also known as ad breaks or mid-roll ads, she added.
- This strategy echoes that of YouTube, a division of [Alphabet](#) Inc., which in 2011 spent as much as \$100 million buying content as part of the service's attempt [to compete with cable television](#). While YouTube's shows weren't particularly popular, they helped build a broader infrastructure to support creators, many of whom rely mainly on YouTube for revenue. Earlier this year, YouTube [reached a major milestone](#) when it reported that its viewers world-wide were watching more than 1 billion hours of videos a day.
- Each original show will get a page within the video tab that links to a Facebook group where viewers can chat. Unlike [Netflix](#) or [Amazon.com](#) Inc., Facebook plans to roll out an episode every week rather than release all the episodes at once for binge-watching.
- Facebook executives spent the first half of the year [discussing its video tab plans](#) with creators and Hollywood agents. People familiar with the matter previously said Facebook was [soliciting pitches for shows](#) in six main categories: sports, science, pop culture, lifestyle, gaming and teens. Facebook didn't want to pay for a news show, the people said.

Snap's Loss Nearly Quadruples as Revenue and User Growth Slow

https://www.wsj.com/articles/snaps-loss-nearly-quadruples-as-revenue-and-user-growth-slow-1502396109?st=s0z89oi5mmjphv8&reflink=desktopwebshare_permalink

Updated Aug. 10, 2017 at 8:44 pm ET

- Snap Inc. said its quarterly loss nearly quadrupled amid slowing revenue and user growth, sapped by intensifying competition from larger rival Facebook Inc.
- Snap's incremental gain in daily users compares with the galloping growth Facebook saw for Instagram Stories, packages of ephemeral photos and videos that copy Snapchat's "Stories," one of its most popular features. Snap added 15 million new daily users in the first half of the year—of which 7.3 million joined in the second quarter—compared with Instagram Stories' 100 million new daily users between January and June.



- “We made a lot of great progress this quarter,” said Snap Chief Executive Evan Spiegel. He said user growth was “solid” and that the company is “still in the very early stages” of monetizing.
- Before Snap went public, [its fast growth as a startup and high engagement among users](#)—especially those in their teens and 20s—wowed investors and scared competitors. Advertisers saw it as a way to reach users who weren’t tuning into traditional media or other social networks such as Facebook.
- But Facebook noticed Snap’s traction [and set a bull’s eye on it](#). Beginning with “Stories,” Facebook has rolled out a series of features that emulate Snapchat’s most popular elements, including image filters and stickers.
- For advertisers, Instagram’s similarities to Snapchat can make it harder for them to justify spending more on campaigns for Snapchat, because Facebook provides them more ways to target and measure the impacts of their campaigns.
- When the early buzz was around how Snapchat was “taking millennials and Gen Z by storm, the conversation in the boardroom among CMOs was what are we doing about this,” said Mr. Wiener. “Now they are questioning whether Snap is viable.”

Facebook Courts Video Makers for ‘Watch’ Tab With Financial Incentives

https://www.wsj.com/articles/facebook-courts-video-makers-for-watch-tab-with-financial-incentives-1502445601?st=vee4ndnolipwup0&reflink=desktopwebshare_permalink

Aug. 11, 2017 at 6:00 am ET

- For the many digital publishers who have been shifting their focus to video content, Facebook’s new “Watch” video platform is a sight for sore eyes.
- Now Facebook, with its 2 billion users, is open for business, joining rival YouTube. And it is taking the risk out of the content-creation endeavor for many publishers, either by paying to offset their production costs or offering to license or buy their content outright, people familiar with the arrangements say.
- Facebook also is offering some publishers a share of revenue generated from video ads it plans to place in their content. In some cases, publishers are being guaranteed a certain amount of ad revenue. Facebook has said it hopes to move to an advertising revenue share model exclusively down the road.
- “We are funding and creating shows to seed the ecosystem and learn more about how episodic, community-driven, and built-for-mobile shows might work on Facebook,” a company spokeswoman said in an emailed statement. “At launch, the content we’ve funded will be a small percentage of the shows

available in Watch—and over time, this percentage will become even smaller, as more and more publishers share their shows on Facebook.”

- Ad buyers say they are encouraged by Watch’s potential as an ad platform. Part of the attraction, they say, is the opportunity to advertise in a dedicated video tab as opposed to a cluttered Facebook news feed where some marketers feel people aren’t paying close attention to videos as they scroll through.
- Video budgets for Watch will start off small while it ramps up its content offerings and audience. “We foresee increasing spend on the platform provided Facebook can demonstrate consumer interest,” said Bryan Wiener, executive chairman of digital media agency 360i. “There is a lot of money over time that will move from linear TV to digital video and Facebook Watch should benefit from that.”
- YouTube still dominates an online video market that eMarketer estimates at roughly \$13 billion in 2017.
- The company chose to create 24 shows rather than just a handful in order to quickly to learn what resonates with Watch viewers, Mr. Lerer said.
- For many publishers, creating content for Watch isn’t a significant departure from the way they already create video content for Facebook’s news feed or for other video platforms such as YouTube.
- Facebook has also sought content from more “traditional” video-content providers, seeking scripted programming from Hollywood studios and agencies.
- In meetings with major talent agencies including Creative Artists Agency, United Talent Agency, William Morris Endeavor and ICM Partners, Facebook has indicated it is willing to commit to production budgets as high as \$3 million per episode,

★ Facebook’s Onavo Gives Social-Media Firm Inside Peek at Rivals’ Users

https://www.wsj.com/articles/facebook-s-onavo-gives-social-media-firm-inside-peek-at-rivals-users-1502622003?st=cfl5t745d0noxux&reflink=desktopwebshare_permalink

Aug. 13, 2017 at 7:00 am ET

- Months before social-media company [Snap](#) Inc. publicly disclosed slowing user growth, rival Facebook Inc. already knew.
- Facebook’s early insight came thanks to its [2013 acquisition of Israeli mobile-analytics company](#) Onavo, which distributes a data-security app that has been downloaded by millions of users. Data from Onavo’s app has been crucial to helping Facebook track rivals and scope out new product categories, The Wall Street Journal [reported last week](#).
- Interviews with more than a dozen people familiar with Facebook’s use of Onavo data show in detail how the social-media giant employs it to measure what people do on their phones beyond Facebook’s own suite of apps. That information shapes Facebook’s product and acquisition strategy—furthering its already formidable competitive edge, the people said.
- A Facebook spokesman said it is clear when people download Onavo what information it collects and how it is used. “Websites and apps have used market-research services for years,” the spokesman said, noting that the company also uses outside services to help it understand the market and improve services.
- [Alphabet](#) Inc., through its Google Android operating system for smartphones, and [Apple](#) Inc. also have the ability to monitor how rivals’ apps perform on their mobile platforms, but it isn’t clear whether they use that information to shape their product road maps. Apple declined to comment. Alphabet unit Google didn’t immediately respond.
- Onavo’s data comes from Onavo Protect, a free mobile app that bills itself as a way to “keep you and your data safe” by creating a virtual private network, a service used to encrypt internet traffic.
- When an Onavo Protect user opens a mobile app or website, Onavo redirects the traffic to Facebook’s servers and the action is logged in a database, according to Onavo’s website and the people familiar with the system. Facebook’s product teams can analyze the aggregated data to get detailed information on things such as which apps people generally are using, how frequently, for how long, and whether more women than men use an app in a specific country. If data inside an app isn’t encrypted, the information can be as specific as the number of photos the average user likes or posts in a week.

- Onavo Protect has been downloaded an estimated 24 million times, mostly on Android devices, according to app-research firm Sensor Tower. It isn't clear how many people use it regularly.
- The app's privacy policy says it may share information with "affiliates" that include its owner, Facebook. "As part of this process, Onavo receives and analyzes information about your mobile data and app use," according to the app's description on Apple's App Store.
- "Instead of converting data for the purpose of advertising, they're converting it to competitive intelligence," said Ashkan Soltani, an independent researcher and former chief technologist for the Federal Trade Commission. "Essentially this approach takes data generated by consumers and uses it in ways that directly hurts their interests—for example, to impede competitive innovation."
- Facebook's use of Onavo on iPhones could violate its agreement with Apple, said Adam Shevell, an attorney with Wilson Sonsini Goodrich & Rosati who advises startups and large tech companies that publish apps. That is because Facebook is using Onavo to gather information to improve Facebook, he said, whereas Apple's developer agreement allows apps to use data "only to provide a service or function that is directly relevant to the use of the Application, or to serve advertising."
- Within a few months of Facebook's acquisition of the Tel Aviv-based company in 2013, Onavo's data paved the way for the social-media firm's biggest deal, the [February 2014 purchase](#) of WhatsApp for what eventually was \$22 billion, the people familiar said.
- Onavo showed the messaging app was installed on 99% of all Android phones in Spain—showing WhatsApp was changing how an entire country communicated, the people said. That metric in particular put Facebook on notice, the people said.
- Onavo also helped shape Facebook's live-video strategy
- With Snapchat, one of Facebook's biggest rivals, Onavo, at one point, revealed information as detailed as how many Snaps were sent every day.

HTC Joins Facebook in Slashing VR Headset Price

https://www.wsj.com/articles/htc-joins-facebook-in-slashing-vr-headset-price-1503298800?st=934yq6obi5dnygi&reflink=desktopwebshare_permalink

Aug. 21, 2017 at 3:00 am ET

- [HTC Corp.](#) [2498 0.34%increase; green up pointing triangle](#) is dropping the price of its Vive virtual-reality headset by \$200, weeks after Facebook Inc. made a similar price cut for its Oculus Rift goggles.
- [HTC Corp.](#) [2498 0.34%increase; green up pointing triangle](#) is dropping the price of its Vive virtual-reality headset by \$200, weeks after Facebook Inc. made a similar price cut for its Oculus Rift goggles.
- Sales of high-end VR systems have been sluggish, according to estimates from research firms. Despite more games and apps, there is no blockbuster to send hardware flying off the shelves, analysts say.
- With the price cuts, HTC and Facebook are looking to better compete with [Sony Corp.](#)'s \$399 PlayStation VR
- Like Facebook, HTC said it is looking to boost its user base beyond early adopters willing to spend significantly upfront. The timing is right because "we're going into the second holiday season," said Dan O'Brien, general manager of HTC Vive for the Americas, referring to the end-of-year shopping season.
- HTC is working on a wireless successor to the Vive, but it isn't close to being launched, Mr. O'Brien said. The company is still supporting the headset with new accessories coming next month and expects sales to continue well into 2018.

Facebook Lands Lonzo Ball and Basketball Family for Reality Show

https://www.wsj.com/articles/facebook-lands-lonzo-ball-and-basketball-family-for-reality-show-1504108423?st=lj03s8f74ufqp2l&reflink=desktopwebshare_permalink

Aug. 30, 2017 at 11:53 am ET

- LaVar Ball and his family—including his son, Los Angeles Lakers rookie Lonzo Ball—will star in a new reality series called “Ball in the Family,” which was created specifically for the social media site’s recently redesigned [Watch video tab](#).
- The first two episodes will be available Thursday. New episodes, which will average 15 to 20 minutes each, will be released on Sundays beginning Sept. 10.
- The video series is being produced by Bunim/Murray Productions, the company behind “Keeping up with the Kardashians,” “The Real World,” and “The Simple Life.”
- The social media site is hoping the show will attract a significant weekly audience for appointment viewing similar to traditional TV programming and also compete with the likes of Google’s YouTube.
- In the case of “Ball in the Family,” Bunim/Murray said that Facebook is funding production costs, but neither company would disclose specifics.
- Earlier this month, Facebook gave marketers the ability to run video ads specifically as “in-stream” placements, meaning they will appear as ad breaks in the middle of publishers’ videos.

Instagram Says Hack That Targeted Celebrities Was Wider Than Previously Thought

https://www.wsj.com/articles/instagram-says-hack-that-targeted-celebrities-was-wider-than-previously-thought-1504309242?st=51q9e44lf4joj9z&reflink=desktopwebshare_permalink

Sept. 1, 2017 at 7:40 pm ET

- Instagram, owned by Facebook Inc., earlier this week said hackers stole email addresses and phone numbers—but not passwords—tied to some celebrity accounts
- On Friday, the photo- and video-sharing app said the theft affected regular users as well and wasn’t just “targeted at high-profile users.” Instagram reiterated that no passwords were stolen.
- The contact information was stolen after hackers exploited a bug in Instagram’s software that the company says has since been patched up.

Facebook Tees Up WhatsApp to Make Money

https://www.wsj.com/articles/facebook-tees-up-whatsapp-to-make-money-1504609201?st=i403w51fs9rt998&reflink=desktopwebshare_permalink

Sept. 5, 2017 at 7:00 am ET

- WhatsApp will eventually charge companies to use some future features in the two free business tools it started testing this summer
- The new tools, which help businesses from local bakeries to global airlines talk to customers over the app, reflect a different approach to monetization than other Facebook products, which rely on advertising.
- The free WhatsApp Business app allows small businesses to field customer questions or send them updates. Larger companies can do the same with another free tool that lets them plug directly into the WhatsApp platform. WhatsApp is also rolling out verified profiles for businesses so its one billion daily users can distinguish between a person and a business.
- Mr. Idema declined to describe the paid features or say when they would make their debut. “We don’t have the details of monetization figured out,” he said.
- The business tools being tested, detailed in a blog post Tuesday, are another sign of Facebook’s intention to cash in on messaging as [it grapples with a slowdown in revenue growth](#) from its core service, news feed.
- Mr. Idema didn’t rule out that WhatsApp could show ads to users at some point but said the focus was now on connecting businesses and users. Last year, [WhatsApp started sharing its user data with Facebook](#), a step to improve Facebook’s ad targeting and friend suggestions.
- Regions where WhatsApp is popular haven’t been as lucrative for Facebook’s advertising business. In the second quarter, Facebook generated \$19.38 per user in the U.S. and Canada but only \$2.13 per user in Asia. India is WhatsApp’s largest market, with 200 million monthly active users out of 1.3 billion globally.

★ Facebook's Claimed Reach in the U.S. Is Larger Than Census Figures, Analyst Finds

https://www.wsj.com/articles/facebook-s-claimed-reach-in-the-u-s-is-larger-than-census-figures-analyst-finds-1504711935?st=0u42vkjiv7gnx71&reflink=desktopwebshare_permalink

Updated Sept. 6, 2017 at 12:15 pm ET

- Facebook's measurement metrics face scrutiny again after a research analyst found the social network's advertising platform claims to reach millions more users among specific age groups in the U.S. than the official census data show reside in the country.
- In a statement, a Facebook spokeswoman said the company's audience reach estimates "are based on a number of factors, including Facebook user behaviors, user demographics, location data from devices, and other factors." She added, "They are not designed to match population or census estimates. We are always working to improve our estimates."
- Facebook's age data is based on what users report when they register, which may be inaccurate. Users also might open multiple accounts, which could also contribute to the mismatch between the social network's numbers and official government statistics. And the Facebook reach data, which is based on a sample of users and extrapolated out, includes nonresidents or visitors that aren't tallied in the census.
- The impact of the discrepancy isn't clear. The Facebook reach estimate—which is designed as a planning tool for marketers to use before they buy their ad campaigns—doesn't affect how advertisers are billed by Facebook. Generally, most advertisers are more focused on metrics that reflect how well their campaigns on the platform performed.
- Still, the findings could raise more questions about the accuracy of the data the platform provides to marketers and underscore calls for Facebook to offer more independent measurement options.
- Facebook already has more than 20 third-party measurement partners and has committed to an independent audit by the Media Rating Council, a U.S.-based industry body that oversees measurement standards.

● Facebook Identifies \$100,000 In Ad Spending by Fake Accounts With Suspected Ties to Russia

https://www.wsj.com/articles/facebook-identifies-100-000-in-ad-spending-by-fake-accounts-with-suspected-ties-to-russia-1504730852?st=pk6o3h8ujq6zcvr&reflink=desktopwebshare_permalink

Updated Sept. 6, 2017 at 7:08 pm ET

- Facebook Inc. said it has identified about 500 "inauthentic" accounts responsible for \$100,000 in advertising spending that it believes have ties to Russia, following a review of ad buying on the site in response to intelligence community concerns about Russian activity during the 2016 election.
- The findings mark the first time that Facebook has acknowledged that Russian actors may have used its platform during the presidential campaign. The conclusion is a shift from July, when a Facebook spokesman said the company had no evidence that Russian entities bought ads targeted at Americans on the platform during the election season.
- Facebook has been under fire since the 2016 campaign for what critics described as its lax attitude toward fabricated news reports that claimed, for example, that Pope Francis endorsed Mr. Trump. After the election, Facebook has invested more in [uprooting misinformation](#) from its site, including partnering with outside fact-checkers to determine the accuracy of certain stories flagged by users.
- Facebook said Wednesday that the ads linked to Russia ran over a two-year period, from June 2015 to May 2017.
- About one-quarter of those ads were "geographically targeted," Facebook said, without specifying where in the U.S. they ran. And of those ads, more ran in 2015 than in 2016, the company said, suggesting that the Russian efforts on Facebook were aimed broadly at fomenting discord and not engineered solely to elect a particular candidate.

- Beyond the 470 fake accounts responsible for the spending, the company found another \$50,000 in political ad spending by accounts associated with U.S. internet addresses but with the language set to Russian. It is a violation of Facebook policy to create an “inauthentic accounts” on the platform.

Facebook Is Willing to Spend Big in Video Push

https://www.wsj.com/articles/facebook-is-willing-to-spend-big-in-video-push-1504863181?st=whpciv90vurwlrr&reflink=desktopwebshare_permalink

Sept. 8, 2017 at 5:33 am ET

- The social-media giant is willing to spend as much as \$1 billion to cultivate original shows for its platform, according to people familiar with matter. The figure, which could fluctuate based on the success of Facebook’s programming, covers potential spending through 2018, one of the people said.
- Facebook’s thirst for video content pits it against traditional broadcasters such as Time Warner Inc.’s HBO and deep-pocketed tech companies such as Amazon.com Inc. and Netflix Inc., which all are banking on video to capture the fleeting attention of users and seize billions of dollars in advertising that is expected to migrate from television to digital video. [Apple](#) Inc. is preparing its own [billion-dollar war chest](#) for content.
- The moves come as Facebook seeks new avenues of revenue growth to offset an expected slowdown in its core business.
- They also reflect Mr. Zuckerberg’s evolving views on paying for content, something he previously resisted, according to people familiar with the matter. Mr. Zuckerberg has said Facebook is willing to pay for some content now, but ultimately expects creators will be financed through an ad revenue-sharing model.
- Facebook is trying to set itself apart from a crowded market with programming that its two billion monthly users will want to discuss—preferably on the social network. It also is interested in deepening engagement around sports, which already spark conversation on Facebook.
- Facebook is also looking to clinch deals that make it easier for users to consume and share video on the platform, including talking with record labels to secure rights to music playing in the background of videos users upload, people familiar with the discussions said. Facebook is prepared to pay hundreds of millions of dollars for the rights, one of the people said.
- In July 2016, Mr. Zuckerberg said Facebook’s goal [was to become](#) a video-first service. A few months later, Mr. Zuckerberg asked video executives to study how Facebook would fare if it spent Netflix-level money on original programming, according to a person briefed on the matter.
- The request was more of a thought exercise, the person said, and executives concluded the strategy wouldn’t play to Facebook’s strengths. Still, the message was clear: Mr. Zuckerberg was willing to spend much more on content than before, the person said.

Facebook’s Disclosure About Russian Political Ads Sparks Debate on Transparency

https://www.wsj.com/articles/facebook-disclosure-about-russian-political-ads-sparks-debate-on-transparency-1504878093?st=y6ktbiztqxjcx3n&reflink=desktopwebshare_permalink

Sept. 8, 2017 at 9:41 am ET

- But the company’s roughly 720-word post—published after Facebook repeatedly said it had no evidence of such activity—left unanswered a host of questions about the ads, including what they looked like, how many people they reached, and the [identity of the fake accounts](#) that bought them.
- The report sparked criticism from researchers, some lawmakers and others who said Facebook and other social media firms need to be more forthcoming about how their platforms are used to spread propaganda. Facebook’s analysis may not account for the full scope of Russian activity on the site, according to some critics, who also questioned why Facebook was only disclosing the ad activity now.
- “Why are we learning this 10 months after the election?” said Daniel Kreiss, a media and communications professor at the University of North Carolina at Chapel Hill and author of a book about

how technological changes shape politics. “They seemingly don’t know what’s going on,” Mr. Kreiss added, of Facebook.

- Unlike broadcasters, Facebook, Twitter and other social media firms aren’t obligated by law to disclose information about political advertising on their site. This makes it difficult to track how campaigns are using social media, a major source of news and information for American voters.
- On Thursday, Sen. Mark Warner, a Virginia Democrat and vice chairman of the Senate Intelligence Committee, said the U.S. law may need to be updated to reflect social media’s prominence.
- On Thursday, the watchdog group Common Cause filed a federal election complaint over the Facebook ads and called on the Justice Department to investigate the matter in connection with Former FBI Director Robert Mueller III’s probe into Russian election interference.
- While there has been much debate over Facebook other social network’s algorithms and how they choose to promote posts, “there hasn’t been as much outcry about the fact that these companies hold a tremendous amount of data on things that are exceptionally important, like the U.S. election, and don’t share it with the American public,” Mr. Woolley said.

Facebook Taps Former Chinese Official to Woo Beijing on Access

https://www.wsj.com/articles/facebook-taps-former-chinese-official-to-woo-beijing-on-access-1504867218?st=6zwuitag3f68lwk&reflink=desktopwebshare_permalink

Updated Sept. 8, 2017 at 12:49 pm ET

- William Shuai comes to Facebook from LinkedIn Corp.’s China operation, where he also managed government relations. Unlike most other U.S. social-networking companies, LinkedIn agreed to [submit to government censorship](#) to gain access to the market.
- Facebook has been [blocked in China since 2009](#), reflecting the government’s concern over the ability of large social networks to stir unrest. But Facebook founder [Mark Zuckerberg](#) believes China is key to the company’s growth, and has been [working for several years to stage a return](#).
- At LinkedIn China, where he worked for more than three years, Mr. Shuai was responsible for managing local government relations. A person familiar with his work said Mr. Shuai can share credit for the operation’s sevenfold growth since 2014 to a member base of more than 30 million.
- Before LinkedIn, Mr. Shuai managed government relations at Chinese internet search giant [Baidu](#) Inc. The company is now leading an artificial intelligence laboratory set up by the Chinese government.
- Before joining Baidu, Mr. Shuai worked as an officer with China’s National Development and Reform Commission, a Chinese government agency with broad economic powers. In that role, Mr. Shuai was “in charge of the approval procedures of many national e-government projects and information security projects,” according to his LinkedIn profile.
- Facebook opened an office in Shanghai in 2015 for its Oculus virtual reality unit that makes the Rift headsets. Facebook’s job site currently has openings for four positions in the city, including a manager and engineer for Oculus.
- Oculus has been thought of as one way Facebook may try to get into China, because it is a noncontroversial product focusing on a technology that is increasingly becoming more popular in China, tech consultants say.
- In May, Facebook [launched a photo-sharing app](#) called Colorful Balloons in China under the name of a different company. The app was developed by Young LLC but doesn’t advertise its affiliation with Facebook.

● WhatsApp Co-Founder Brian Acton Steps Down

https://www.wsj.com/articles/whatsapp-co-founder-brian-acton-steps-down-1505270086?st=l5i9e4vyx7r2tnq&reflink=desktopwebshare_permalink

Sept. 12, 2017 at 10:34 pm ET

- Mr. Acton's exit comes as WhatsApp lays the groundwork to make money. The company is testing tools for businesses and plans to [introduce additional features for a fee](#), The Wall Street Journal reported last week. Mr. Acton helped shape this strategy.
- Mr. Acton's co-founder, WhatsApp Chief Executive Jan Koum, will remain at the company. A Facebook spokeswoman said Mr. Acton wouldn't be replaced.

Facebook Pitches Brand Safety Ahead of Video Ad Push

https://www.wsj.com/articles/facebook-pitches-brand-safety-ahead-of-video-ad-push-1505309401?st=jg88lspa1wxyhyo&reflink=desktopwebshare_permalink

Sept. 13, 2017 at 9:30 am ET

- As Facebook ramps up its new "in-stream" video advertising, the social media company is attempting to avoid the brand safety headaches that have plagued rivals such as YouTube in recent months.
- Facebook on Wednesday introduced new "monetization eligibility standards" it said are designed to provide more clear guidance on the types of content that will be allowed to have advertising run alongside it on the platform. It will also specify the types of publishers and video creators who can earn money from ads on Facebook.
- The company said it would not place ads alongside content that focuses on tragedy, conflict or debated social issues, or that depicts acts or threats of violence, for example. It will remove ads from content that fails to comply with its guidelines.
- To date, Facebook hasn't had to deal with advertising adjacency challenges to the extent many online media companies and ad platforms have, owing to the nature of its in-feed ad formats that appear as stand-alone entries as users scroll through their news feeds.
- But as the company [rolls out its new in-stream video ad product](#) and hosts more publisher content via its Instant Articles platform, advertisers are beginning to ask more questions about what types of content their ads might appear within across the social network. The new in-stream ads will appear as ad breaks in the middle of publishers' videos, but won't be inserted in user-uploaded videos.
- In an attempt to alleviate brand safety concerns, Facebook said that in the coming months it will begin providing advertisers with post-campaign reports specifying which publishers' content their ads appeared in, across in-stream videos, Instant Articles and its Audience Network ad network product.
- Advertisers won't be given the ability to specify which content they want their ads appear alongside using "whitelists" of preapproved publishers. Rather, they will be required to "blacklist" specific publishers from their ad buys, or to remove categories of publishers Facebook deems to publish "sensitive" material.
- Facebook said it would also provide marketers with a new tool that will offer a preview of which publishers' content their ads may appear alongside before their ad campaign begins.
- Facebook appears eager to settle advertisers' brand safety nerves before it begins ramping up its in-stream video ads more aggressively, even though those ads won't run during user-generated videos as on YouTube.
- Marketers have also been calling for online ad platforms such as Facebook and YouTube to allow third parties to audit their brand safety claims.
- Facebook's Ms. Everson promised similar functionality in her blog post. "Our teams are partnering closely with third parties, such as DoubleVerify and Integral Ad Science, to ensure the brand safety controls we create serve our advertisers' needs," she wrote.

● Made You Click: How Facebook Fed You Political Ads for Less Than a Penny

https://www.wsj.com/articles/made-you-click-how-facebook-fed-you-political-ads-for-less-than-a-penny-1505476808?st=6ph5hjbk4j9tf06&reflink=desktopwebshare_permalink

Updated Sept. 15, 2017 at 8:53 am ET

- On Facebook, a little ad spending goes a long way—and the more contentious the ads are, the farther they may go.

- Compared with the \$1.4 billion spent on digital ads in races during the 2016 election season, \$150,000 is a drop in the bucket. But the Russian-backed messages may have had outsize reach, ad buyers say, because Facebook favors ads that grab users' attention and make them click, whether the content is political or otherwise, sensational or not.
- Depending on how they are presented, ads on such provocative topics can have wide reach at a low cost if the messages go viral or gain traction among their target audience, say ad buyers who work with companies and political candidates to create Facebook campaigns. Experts cautioned that it isn't clear how well the Russian-backed ads performed or whether they swayed the election.
- In Facebook's internal ad-auction system, ads compete in billions of auctions a day for slots in users' news feeds. The system tends to reward ads that spark engagement—by getting users to click, share or otherwise spend time viewing—and sometimes it picks such ads over less-engaging ads that have a higher bid, advertisers say.
- “When you put out an ad and Facebook sees that relative to other ads this is one is getting a lot of shares, that really seems to drive the cost down,” said Anthony Astolfi, creative director at IVC Media, who led digital advertising for Gary Johnson's presidential campaign.

★ Facebook Says It Will Hand Over Russia-Backed Ads to Congress

https://www.wsj.com/articles/facebook-to-release-russian-linked-ads-to-capitol-hill-investigators-1506022583?st=776vrcn51fgaspe&reflink=desktopwebshare_permalink

Updated Sept. 21, 2017 at 8:10 pm ET

- Facebook Inc., under fire for its response to Russian activity on its site before the U.S. presidential election, agreed to hand over detailed information on thousands of Russian-backed ads to congressional investigators and said it would take steps to increase political transparency.
- The measures include disclosure requirements for political ads on Facebook's platform, boosting its ad-review process and adding more than 250 employees to its team working on election integrity, more than doubling the size of that group.
- At the same time, Mr. Zuckerberg sought to limit how far Facebook would go in monitoring content on its platform, reflecting the hands-off approach it had taken toward the prevalence of misinformation on its site during the campaign. Mr. Zuckerberg said Facebook won't review posts or ads prior to their publication on the platform.
- Facebook has been under political pressure to be more forthcoming with Congress. The House and Senate intelligence committees are both conducting probes of Russian activity during the 2016 election with the aim of uncovering what happened during the campaign for president. Facebook briefed the committees on its findings in recent weeks.
- “It will be important for the Committee to scrutinize how rigorous Facebook's internal investigation has been, to test its conclusions and to understand why it took as long as it did to discover the Russian sponsored advertisements and what else may yet be uncovered,” said Rep. Adam Schiff, the top Democrat on the House Intelligence Committee.
- Facebook is in a difficult position as it tries to balance its privacy obligations toward users, while at the same time informing the American public about Russian influence during the election, said Thomas Rid, professor of Strategic Studies at Johns Hopkins University. Facebook, in negotiating the agreement with Congress, was concerned that the personal information of its users, such as their names or images, might have appeared in the ads, according to people familiar with the discussions.
- The fuller disclosure sets a risky precedent for Facebook, [which has been reluctant to reveal user and advertiser data](#).
- One of Facebook's proposals announced Thursday would name the buyer of any political ad, a measure that could keep Facebook one step ahead of pressure from some lawmakers, who want to apply tighter rules to political advertising on social media. Tech companies such as Facebook and Twitter Inc. are exempt from many of the campaign-finance rules [for television and radio content](#), which were written long ago.

- Holding social media to the same standard as broadcasters wouldn't necessarily have stopped Russian ads from appearing on Facebook, experts say, because most of the ads paid for by Russian entities didn't mention the election, voting or either candidate. The ads focused on hot-button social and political issues.
- Facebook said it is still working out how its software would determine which ads were political in nature. The vast majority of its advertisers use its self-service ad platform and never interact with a Facebook employee.
- "It is a new challenge for internet communities to deal with nation-states attempting to subvert elections," Mr. Zuckerberg said. "But if that's what we must do, we are committed to rising to the occasion."

Facebook, NFL Strike Video Deal

https://www.wsj.com/articles/facebook-nfl-strike-video-deal-1506431644?st=qpief8nw1thrwjt&reflink=desktopwebshare_permalink

Sept. 26, 2017 at 9:14 am ET

- The National Football League plans to put game highlights and recaps on Facebook, as the social network works to increase premium video content for its "Watch" platform.
- Financial terms of the multiyear deal announced Tuesday weren't disclosed. NFL highlights of all regular-season games, the playoffs and the Super Bowl will be available to people globally on Facebook.
- The NFL's media division will also distribute uniquely packaged content for Watch, including NFL Turning Point, which documents the drama and strategy on specific games, and Sound FX, which provides highlights from in-game, player audio.
- The agreement doesn't include live-streaming games. In April, the league and Amazon.com Inc. reached a deal to stream 10 Thursday night games.

Trump Calls Facebook 'Anti-Trump' as Tech Companies Called to Testify

https://www.wsj.com/articles/donald-trump-accuses-facebook-of-being-anti-trump-1506537212?st=12vlrc637eio600&reflink=desktopwebshare_permalink

Updated Sept. 27, 2017 at 7:38 pm ET

- President [Donald Trump](#) on Wednesday said Facebook Inc. was biased against him during the election, marking the second time he has sought to rebut the notion that possible manipulation of the social network could have played a role in his election win.
- The heated rhetoric comes as public scrutiny of the role of technology companies played in the election is set to heat up. On Wednesday, the Senate Intelligence Committee invited Facebook Inc., [Alphabet](#) Inc.'s [GOOG 0.50%increase; green up pointing triangle](#) Google and Twitter Inc. to testify on Nov. 1 about Russian interference on their platforms
- The public hearings follow closed-door sessions between Facebook and congressional investigators that took place earlier this month about the \$150,000 in Russian-backed ads that appeared on Facebook during the campaign. Facebook and Google confirmed they received the Nov. 1 invitation.
- Amid Facebook's disclosures to Congress, President Trump has intensified his attacks on the social network. "Facebook was always anti-Trump," [Mr. Trump said in a post](#) on his Twitter account Wednesday, suggesting that Facebook was taking part in a media campaign against him. "The Networks were always anti-Trump hence, Fake News, @nytimes (apologized) & @WaPo were anti-Trump. Collusion?"

Facebook Is Still In Denial About Its Biggest Problem

https://www.wsj.com/articles/facebook-is-still-in-denial-about-its-biggest-problem-1506855607?st=ll7tt0lbqhs5ntu&reflink=desktopwebshare_permalink

Oct. 1, 2017 at 7:00 am ET

- What the company's leaders seem unable to reckon with is that its troubles are inherent in the design of its flagship social network, which prioritizes thrilling posts and ads over dull ones, and rewards cunning provocateurs over hapless users. No tweak to algorithms or processes can hope to fix a problem that seems enmeshed in the very fabric of Facebook.
- On a network where article and video posts can be sponsored and distributed like ads, and ads themselves can go as viral as a wedding-fail video, there is hardly a difference between the two. And we now know that if an ad from one of Facebook's [more than five million advertisers](#) goes viral—by making us feel something, not just joy but also fear or outrage—it will cost less per impression to spread across Facebook.
- Keeping people sharing and clicking is essential to Facebook's all-important metric, engagement, which is closely linked to how many ads the network can show us and how many of them we will interact with. Left unchecked, algorithms like Facebook's News Feed tend toward content that is intended to arouse our passions, regardless of source—or [even veracity](#).
- An old newspaper catchphrase was, "If it bleeds, it leads"—that is, if someone got hurt or killed, that's the top story. In the age when Facebook supplies us with a disproportionate amount of our daily news, a more-appropriate catchphrase would be, "If it's outrageous, it's contagious."
- Will Facebook solve this problem on its own? The company has no immediate economic incentive to do so, says Yochai Benkler, a professor at Harvard Law School and co-director of the Berkman Klein Center for Internet and Society.
- "Facebook has become so central to how people communicate, and it has so much market power, that it's essentially immune to market signals," Dr. Benkler says. The only thing that will force the company to change, he adds, is the brewing [threat to its reputation](#).
- Mr. Zuckerberg acknowledged in a recent Facebook post that the majority of advertising purchased on Facebook will continue to be bought "without the advertiser ever speaking to anyone at Facebook." His argument for this policy: "We don't check what people say before they say it, and frankly, I don't think our society should want us to."
- "Facebook has embraced the healthy gross margins and influence of a media firm but is allergic to the responsibilities of a media firm," Mr. Galloway says.
- For Facebook, a company with more than \$14 billion in free cash flow in the past year, to say it is adding 250 people to its safety and security efforts is "pissing in the ocean," Mr. Galloway says. "They could add 25,000 people, spend \$1 billion on AI technologies to help those 25,000 employees sort, filter and ID questionable content and advertisers, and their cash flow would decline 10% to 20%."
- Of course, mobilizing a massive team of ad monitors could subject Facebook to exponentially more accusations of bias from all sides. For every blatant instance of abuse, there are hundreds of cases that fall into gray areas.
- The whole situation has Facebook between a rock and a hard place. But it needs to do more, or else risk further damaging its brand and reputation, two things of paramount importance to a service that depends on the trust of its users.

Facebook, Under Scrutiny for Russia-Backed Ads, Plans to Add 1,000 Reviewers

https://www.wsj.com/articles/facebook-under-scrutiny-for-russia-backed-ads-plans-to-add-1-000-reviewers-1506956403?st=cs33fti3cz7krb7&reflink=desktopwebshare_permalink

Oct. 2, 2017 at 11:00 am ET

- Facebook Inc., on the defensive as it hands over data on Russian-backed ads on its platform, said it plans to add 1,000 new workers to review ads, even though it will count mostly on users to flag questionable ads.
- On Monday, Facebook, elaborating on [broad new guidelines revealed](#) by Chief Executive [Mark Zuckerberg](#) last month, said the new ad reviewers will be tasked with helping to make sure advertising on the platform complies with its policies. Facebook declined to say how many ad reviewers it currently employs. The 1,000 new reviewers will be added in the next year.

- However, Facebook said it would continue to rely largely on users to flag inappropriate ads, deploying a new tool that will let users see all the ads an organization or company paid for. That puts the burden for sifting through and judging an enormous quantity of information on users, who have been targeted by manipulation efforts in the past. For instance, the Russian-backed ads were about sensitive social and political issues, Facebook said, and attempted to sow discord.
- The measures show how Facebook is [struggling to understand](#) how its platform of more than two billion monthly users is being manipulated.
- Last month, the company disclosed that Russian-backed entities spent \$150,000 on the platform during the U.S. presidential election, two months after saying it found no evidence of such activity.
- Facebook's playbook of responding to a crisis by adding more human reviewers is a now-familiar one. For instance, Facebook in May said it [would add 3,000 more content reviewers](#) after a rash of violent videos on its site. Last month, Facebook said it would add 250 employees to its team working on election integrity.
 - This shows that so far adding more people to review content is not necessarily giving FB the desired results. It also still represents a low percentage of its FCF as stated in another article which shows that even though they seem open, their actions haven't changed even though the results have not been effective so far. As long as this remains this way, it will be difficult for FB to take control over its platform and fade out of general scrutiny.

AOL Instant Messenger to Sign Off

https://www.wsj.com/articles/aol-instant-messenger-to-sign-off-1507301951?st=px96pz8uunsw4g&reflink=desktopwebshare_permalink

Updated Oct. 6, 2017 at 3:23 pm ET

- The messaging service, also called AIM, is shutting down Dec. 15.
- AOL Instant Messenger, which is now owned by [Verizon Communications](#) Inc., brought instant messaging into the mainstream by becoming one of the first chat platforms to gain widespread adoption on desktop computers, allowing users to instantly communicate with one another over the internet.
- AIM's fate follows the path of other older messaging platforms that have shut down in recent years, including MSN Messenger in 2014 and Yahoo Messenger last year.
- The move also offers reminders on how AOL, formerly called America Online, has struggled to turn its early internet dominance into leading the next generation of internet services. The chat platform grew from 13 million users in 1997 to 65.5 million users in 2000. It isn't immediately clear how many users the platform has currently.
- Users eventually flocked to social-media platforms, like Facebook, and then onto messaging apps, like WhatsApp and Facebook Messenger.
- In 2015, Verizon Communications Inc. agreed to buy AOL Inc. for \$4.4 billion, a deal aimed at advancing the telecom giant's growth ambitions in mobile video and advertising.

★ Facebook Sets Goal of a Billion Virtual-Reality Users, Unveils New Headset

https://www.wsj.com/articles/facebook-sets-goal-of-a-billion-virtual-reality-users-unveils-new-headset-1507764852?st=qe7zkhvcil86k9d&reflink=desktopwebshare_permalink

Oct. 11, 2017 at 7:34 pm ET

- Facebook Inc. Chief Executive [Mark Zuckerberg](#) announced an ambitious goal of getting a billion people into virtual reality and said he wants to ensure the technology is "a force for good."
- In the opening keynote to the conference, Mr. Zuckerberg unveiled Oculus Go, a stand-alone, lower-priced headset Facebook said it was working on a year ago. He also showed other planned changes, including 3-D posts, aimed at making VR more visible to users.

- The headset, with a \$199 price tag and scheduled to be shipped early next year, is part of a new era under Hugo Barra, former global vice president at Xiaomi Corp., who Facebook [earlier this year hired](#) to take charge of its VR business.
- The steep price tag of Facebook's Oculus Rift headset, which needs to be powered by a separately bought higher-end personal computer, contributed to the company's rocky start in VR. The most popular VR devices by far have been less-costly headsets powered by smartphones, such as the Samsung Gear. Rift sales were so sluggish Facebook cut the price twice since introducing it a little more than a year ago. At the conference, Mr. Zuckerberg said the company would make permanent the current, temporary \$399 price for the Rift.
- He also announced a new offering—an Oculus bundle for business—that includes not just hardware but also licenses, warranties and customer support.

Facebook to Disclose What Groups Were Targets of Russia-Backed Election Ads

https://www.wsj.com/articles/facebook-to-disclose-what-groups-were-targets-of-russia-backed-election-ads-1507819693?st=vzok5qy06hjmz7y&reflink=desktopwebshare_permalink

Updated Oct. 12, 2017 at 3:13 pm ET

- Facebook Inc. will publicly disclose the types of people targeted by Russian-backed ads during and after the 2016 presidential election, operating chief Sheryl Sandberg said.
- Those who have seen the Facebook ads describe them as being intended to sow chaos. But Ms. Sandberg stressed that had the ads been purchased by legitimate accounts, Facebook would have allowed them to run.
- Facebook is sharing information about its findings with other tech companies, she said. The company also is investing in machine learning to detect the kind of fake accounts that bought divisive ads and spread fake news during the election.
- On Wednesday, House lawmakers leading an investigation into Russian involvement in the presidential race said they would release the Facebook ads publicly. Facebook will help to scrub user information from the ads before their release.
- Ms. Sandberg promised lawmakers that Facebook would do more to combat foreign influence on the platform, including committing additional staff and improving automated software to address fake content and foreign propaganda
- "The meeting was a positive step in the right direction but these concerns around foreign interference in our election and fanning the flames of racial hatred are existential threats to our democracy," said Rep. Hakeem Jeffries, a New York Democrat who was in the meeting. "It will take more than a singular meeting to resolve these challenges but Facebook does appear to be authentically committed to continuing to work with the Congress."

Sheryl Sandberg's Washington Pilgrimage Clouded by Tensions

https://www.wsj.com/articles/sheryl-sandbergs-washington-pilgrimage-clouded-by-tensions-1507939195?st=q8ks5dns8kdhl82&reflink=desktopwebshare_permalink

Updated Oct. 14, 2017 at 6:46 am ET

- Facebook's COO on Wednesday met with leaders of the House Intelligence Committee, which is conducting an investigation into Russian activity on Facebook. The following day, she [huddled with the Congressional Black Caucus](#), a group of 49 black lawmakers. Facebook CEO [Mark Zuckerberg](#) has also called lawmakers in recent weeks to explain his efforts to prevent misinformation and propaganda from spreading on its platform.
- There are already growing calls for regulatory intervention. Two Senate Democrats are drafting legislation that would require social-media companies to disclose the same kind of information about

political ads that broadcasters must—something that appears to have growing support at least among Democrats. That would include providing the name of the entity that created and paid for the ad.

- A Facebook spokesman said the company is open to working with legislators.
- The Federal Election Commission, the regulator that oversees political ads, this week reopened a comment period for proposals around new guidelines for online ad disclosures. Facebook, which six years ago resisted the regulator's attempt to rein in digital ads, said it plans to submit a recommendation to the FEC before the Nov. 9 deadline for comments.
- Adam Schiff (D, Calif.), the top Democrat on the House Intelligence Committee, called on Facebook to do more to identify buyers of ads on its site and said that Facebook, in turn, asked for more help from government intelligence groups to help it identify threats in the future.
- Facebook's new cooperation with lawmakers contrasts with its initial reluctance to give information to congressional investigators. Congressional investigators were frustrated by how little detail Facebook provided in its briefing to them last month about the Russian ad buying, people familiar with the meetings said. Earlier this month, Facebook [agreed to provide investigators](#) with information on 3,000 of the [Russia-backed ads](#).
- Facebook, which hired its first in-house lobbyist a decade ago, now has a Washington office staffed with dozens of people just two blocks east of the White House. The group is led by Joel Kaplan, a former deputy chief of staff for George W. Bush. Ms. Sandberg worked at the Treasury Department in the 1990s.
- The company spent \$6.4 million on outside lobbyists in the first half of this year, 17% more than it did during the same period in 2016.

● Facebook Buys TBH, a Teen-Targeted Anonymous Poll App

https://www.wsj.com/articles/facebook-buys-tbh-a-teen-targeted-anonymous-poll-app-1508198391?st=23bh9tz1ppihqv1&reflink=desktopwebshare_permalink

Oct. 16, 2017 at 7:59 pm ET

- Facebook Inc., which is trying to make inroads with younger users, said Monday that it bought TBH, an anonymous polling app that has become an overnight sensation among teens.
- Launched less than three months ago, TBH has rapidly gained traction among U.S. teens, a group that analysts say is abandoning Facebook's core social network for services like [Snap Inc.'s SNAP 1.49% increase; green up pointing triangle](#) Snapchat and Facebook-owned Instagram.
- A Facebook spokeswoman said TBH, which stands for "To Be Honest," will continue as a standalone app under Facebook. The app's creators will become Facebook employees and continue to oversee the app's expansion. The spokeswoman declined to disclose the price.
- The TBH deal is another example of Facebook's willingness to acquire or mimic rival services that pose a threat to its dominance. The social-media company [keeps a close eye on potential threats](#) through an internal "early bird" warning system, The Wall Street Journal previously reported.

Facebook Messenger CEO Vows More Scrutiny of Platform's Use

https://www.wsj.com/articles/facebook-messenger-ceo-vows-more-scrutiny-of-platforms-use-1508349334?st=epqe2kiydjgneer&reflink=desktopwebshare_permalink

Oct. 18, 2017 at 1:55 pm ET

- "In the future we need to increase our level of scrutiny and challenge ourselves to understand the ways people might use a platform in the ways it wasn't designed for," David Marcus said at The Wall Street Journal's WSJD.Live technology conference.

- Some of the 470 accounts Facebook identified as Russian-backed lured followers in part by communicating using the Messenger app. Mr. Marcus said his understanding is that “a very small number” of the total operated in this way, noting that only individual users, not Facebook pages, can directly reach other users on Messenger.
- Mr. Marcus’s team now is trying to turn the popularity of Messenger into revenue. That effort has some urgency: Facebook this year said it had reached the upper limit of the number of ads it wants to stuff into the news feed of its primary app. Now Facebook needs other ways of making money to avoid a broader slowdown in revenue growth.
- Already, Messenger has been bringing in some revenue. In July, Facebook [started showing advertisements inside Messenger](#); advertisers can use such ads to drive traffic to their websites or open messaging threads between users and companies.
- Facebook’s other messaging app, WhatsApp, said in September that it will eventually [charge companies to use some future features](#). The tools help businesses communicate with customers on the app.
- Messenger is more popular in affluent markets like the U.S. and Europe, while WhatsApp is more popular in developing countries.

● Facebook to Test News-Subscription Sign-Up

https://www.wsj.com/articles/facebook-to-test-news-subscription-sign-up-1508435365?st=shhd5gr53ujw8e2&reflink=desktopwebshare_permalink

Oct. 19, 2017 at 1:49 pm ET

- In the coming weeks, Facebook Inc. will begin testing a feature that will allow news publishers to sign up subscribers through the social-media giant’s Instant Articles program.
- The subscriptions program will begin with a group of select publishers on Android devices only, as a disagreement between [Apple Inc.](#) [AAPL -0.09%decrease; red down pointing triangle](#) and Facebook over whether Apple will get a cut of the subscription revenue continues to be negotiated.
- Facebook wants to let publishers keep 100% of all subscription revenue brought in through the program. But Apple is insisting that it collect 30% of all subscription sales, in keeping with its requirement that it get a cut of revenue generated from apps in its App Store, the person said.
- [Alphabet Inc.’s](#) [GOOG 1.34%increase; green up pointing triangle](#) Google and Facebook are expected to receive 63% of U.S. digital ad spending this year, according to eMarketer—which has made digital subscription growth a priority for many newspapers.
- Encouraging users to pay for news is a significant step for Facebook, and the feature has [long been requested by publishers](#).
- The arrangement will start by testing metered paywalls that will initially allow 10 free articles from a publisher per month, as well as “freemium” models in which publishers can select which articles are paywall protected. Different metered models will be tested as the program progresses.
- In the future, Facebook said it would possibly test the use of “subscribe” buttons and other similar “call-to-action” features within its news feed.

How Facebook’s Master Algorithm Powers the Social Network

https://www.wsj.com/articles/how-facebooks-master-algorithm-powers-the-social-network-1508673600?st=0k6io9fe9n4p3pn&reflink=desktopwebshare_permalink

Oct. 22, 2017 at 8:00 am ET

- Fearing that people would miss the most important posts, Instagram’s leadership asked the engineers to transform the chronological photo feed into a curated list of posts based on users’ individual preferences.
- The team was able to clone the existing News Feed algorithm, then tweak it to suit Instagram.

- However much Instagram's engineers tweaked it, the fact that most of what powers Instagram came straight from Facebook's News Feed shows the dominance and success of this basic engine of social media. Think of it—and the endless, modular chunks of AI that go into it—as Facebook's master algorithm (my words, not Facebook's).
- If telling us what to look at next is Facebook's *raison d'être*, then the AI that enables that endless spoon-feeding of content is the company's most important, and sometimes most controversial, intellectual property. A sorted, curated feed tuned for engagement is the product of a device that may someday be viewed by historians as a milestone on par with the steam engine.
- Only this engine, built to capture human attention, has shown itself to be exploitable by bad actors and possibly detrimental to our democracy, even when it is functioning as advertised. This has prompted [congressional hearings for Facebook](#) and other tech companies, scheduled for November. Facebook has been a [vessel for Russian influence](#) and the [spread of fake news](#), and a potential cause for [envy and unhappiness](#). The personalization of content that Facebook's master algorithm allows, and the hyperpartisan news sites that have risen to feed it, have created, for many users, personalized “filter bubbles” of what is essentially [nonoverlapping reality](#).
- At the same time, the company's announcement that it is hiring more humans to screen ads and filter content shows there is so much essential to Facebook's functionality that AI alone can't accomplish.
- How so many Facebook engineers can use its AI algorithms without necessarily knowing how to build them, Mr. Candela says, is that the system is “a very modular layered cake where you can plug in at any level you want.” He adds, “The power of this is just hard to describe.” Pieces of that platform are performing [all kinds of “domain-specific” tasks across Facebook's properties](#), from translation to speech recognition.
- Every time one of Facebook's two billion monthly users opens the Facebook app, a personalization algorithm sorts through all the posts that a person could theoretically see, and dishes up the fraction it thinks she or he would like to see first. The system weighs hundreds of frequently updated signals, says Mr. Candela. Without AI, many of these signals would be impossible to analyze.
- Mr. Candela says teams add new features to Facebook's master algorithm to “add value to social interactions.” Chief Executive [Mark Zuckerberg](#) recently said the company's goal was to “[bring the world closer together](#).”
- Time spent on Facebook's various properties correlates with the company's revenue, and that number was going up at last report: In April 2016, Facebook said it was [capturing on average 50 minutes of every American's day](#), up from 40 minutes in July 2014.

Facebook's New Ad Strategy for Messenger

https://www.wsj.com/articles/facebook-s-new-ad-strategy-for-messenger-1508810701?st=ozvg0himrebnwkr&reflink=desktopwebshare_permalink

Oct. 23, 2017 at 10:05 pm ET

- introduction of ads in Messenger that offer the advertisers a channel for direct communication with consumers.
- If you turn to Asia and you look at different messaging platforms that are thriving, they tend to use a completely different approach to monetization. They use sticker-package sales, game monetization. All kinds of different things.
- We decided that we wanted to take a completely different stance, because the setup, notably in places where Messenger is the preferred messaging app, is really different. You have apps for almost everything you do daily, and we needed to find what problem we could actually fix for businesses and people alike to actually generate a decent revenue stream for Facebook.
- Messaging [in Messenger] has those two abilities. It's instant and preserves the context of all past interactions. We talked about customer care, but if you expand into customer acquisition, lead generation, businesses that build a really great experience inside of Messenger are seeing massive uplift if they redirect people from an ad on News Feed, on Instagram, and now more and more on Messenger, into a conversation, versus a mobile website.

- And the reason for that is basically that the conversation remains forever, and you have the context of all your past interactions, and you can retarget and re-engage because we have ad products that enable you to do that if you're an advertiser.
- First, you cannot get contacted by a business. You have to start conversations. We have plug-ins that enable businesses to get you in a conversation. We have m.me/your-business-brand URLs that you can deploy in emails and everywhere. We have click-to-Messenger ads. If you're buying advertising on Facebook now you can buy, basically, conversations as an objective, messages. And now we're testing ads inside of Messenger. But we're doing it in a way that's the least possible disruptive path for people, because we never want to get in the way of people getting to their messages and doing what they want to do. Messaging is very transactional.
- We both have 1.3 billion monthly active users: 1.3 billion people using Messenger, 1.3 billion people using WhatsApp. But it's generally very different people. If you look at North America, it's mainly Messenger. Western Europe is kind of split. All of Latin America and India is mostly WhatsApp. The markets and when the markets got to free unlimited texting has determined whether you're using WhatsApp or Messenger as the preferred platform.
- WhatsApp is testing different things as well, enabling smaller businesses to start experimenting with messaging on WhatsApp. We'll see whether the paths converge over time or not.
- Clearly when you design a platform that reaches two billion people every month, sometimes bad things happen. And we shouldn't tolerate those things, and they shouldn't happen. [Mark Zuckerberg](#) and Sheryl Sandberg outlined a clear plan about how we're going to ensure that this isn't going to happen again, and we're going to hire thousands of people, we are, actually, hiring thousands of people to review ads and review all activities around, notably, elections around the world.

Why Personal Tech Is Depressing

https://www.wsj.com/articles/why-personal-tech-is-depressing-1509026300?reflink=desktopwebshare_permalink

Oct. 26, 2017 at 9:58 am ET

- At first blush, it seems as if our smartphones should keep us better connected than ever through an endless stream of texts, instant messages, voice calls and social-media interactions. But as smartphones have become ubiquitous over the past decade, the proportion of Americans who report feelings of chronic loneliness has surged to 40%, from 15% 30 years ago. The psychological burden is particularly pronounced for those who don't balance screen time with in-person interactions. Face-to-face conversations immerse us in a continuous multichannel sensory experience—only a fraction of which can be transferred via text or video message. Communicating solely through technology robs us of the richer neurological effects of in-person interactions and their potential to alleviate feelings of loneliness and depression.

Facebook Steps Up Efforts to Sway Lawmakers

https://www.wsj.com/articles/facebook-steps-up-efforts-to-sway-lawmakers-1509044190?st=6wh0w3815dca37z&reflink=desktopwebshare_permalink

Oct. 26, 2017 at 2:56 pm ET

- The Menlo Park, Calif., company has invested more than \$8.4 million this year on its 36-member federal lobbying team—putting it on track to spend more on federal lobbying than in any previous year. The company recently added Republican-led Hamilton Place Strategies and other communications strategists to its team and posted an ad seeking a crisis communications specialist.
- The tech giant also held several focus-group sessions last week hosted by Quadrant Strategies, a Democratic-led research firm. People familiar with the sessions said public relations professionals and other Washington insiders were among the attendees. Facebook was soliciting advice as to how best to respond to the Russia ad controversy—and how to communicate with Republicans in particular, the people said.

- Proposed messaging strategies appeared to highlight the company's desire to fix any problems on its own rather than through regulation, the people said. Among the test messages were "we're not a news organization" and "we can combat the problems with automated buys with other automated tools."
- Facebook says it is cooperating with both the Russia probes and with separate efforts by lawmakers and federal regulators who are considering whether to require more regulation of online political advertising. "We stand with lawmakers to achieve transparency in political advertising," said Erin Egan, Facebook's vice president for U.S. public policy.
- Silicon Valley companies can appear to predominantly favor Democrats, based on the campaign contributions of their employees and the favored politicians of their leaders, but they have adapted in the past few years to a Republican-led Washington.
- Although Facebook employees—including Chief Executive Officer [Mark Zuckerberg](#) and Chief Operating Officer Sheryl Sandberg—still donate mostly to Democrats, the company tries to balance that by giving more heavily to Republicans through its corporate political committee, according to the Federal Election Commission reports.
- Over the years, Facebook also has developed relationships with Republicans and Democrats alike by working closely with politicians to help them communicate with voters and constituents on Facebook, showing them how to use tools such as advertising to maximize their reach.
- Mr. Trump's campaign took advantage of the offer, strategizing with a Facebook representative at about how to reach and persuade the most voters possible.
- "As a tech company, they're one of the few that goes out of their way to be neutral," said Barry Bennett, a former Trump campaign adviser who attended Mr. Zuckerberg's gathering.
- Danielle Citron, a University of Maryland law professor who assists Facebook, Twitter and other companies in developing their privacy policies, said that like automobiles and railroads in earlier generations, the tech industry has matured to the point of needing stronger regulation.

Who Will Rein In Facebook? Challengers Are Lining Up

https://www.wsj.com/articles/who-will-rein-in-facebook-challengers-are-lining-up-1509278405?st=ufw40pc39fbml7r&reflink=desktopwebshare_permalink

Oct. 29, 2017 at 8:00 am ET

- We're treated to fresh reports nearly every day about how Facebook Inc.'s efforts to keep bad actors from abusing its platform fall short.
- Yet many outside Facebook refuse to wait for the company to solve these problems—and others yet to be uncovered—on its own. Pressure is mounting, at home and abroad, from legislators, regulators and activists, all looking for various ways to nudge and, in some cases, shove Facebook to acknowledge and act on its responsibility as the most powerful distributor of news and information on Earth.
- While Twitter, Google's YouTube unit and many other social-media platforms face similar problems, they don't all command the same audience as Facebook. But what happens to Facebook will likely apply to them all.
- Compared with mature industries, the internet giants—Facebook, Google, Twitter—are relatively unregulated by federal and state law. "That's what I think Facebook is most nervous about," says Ryan Goodman, a professor at the New York University School of Law who researches [Facebook's legal and moral responsibilities](#)—that "the sleeping giant wakes up and realizes just how unregulated they are."
- That "sleeping giant" includes legislators of every kind in the U.S., Europe and elsewhere. While the current Congress is loath to mint new regulations, that hasn't stopped Sens. John McCain (R., Ariz.), Amy Klobuchar (D., Minn.) and Mark Warner (D., Va.) from [proposing the Honest Ads Act](#), which would force internet companies to tell users who funded political ads. Most forms of mass media are required to do this, but the Federal Election Commission exempted Facebook and other internet sites in 2006, when online political discourse was still nascent.
- The new bill is an obvious way to bring the tech giants in line with other media, with whom they clearly now compete

- What it won't solve is the even larger problem of Russia creating content on Facebook that's compelling, aka enraging, enough to go viral without paid promotion.
- At the state level, Facebook is already fighting [a battle with regulators](#) who would like to prevent the company from identifying our faces without our express permission. State regulators could succeed at holding Facebook accountable in ways Congress is unwilling to. Another possibility is that America's increasingly active state attorneys general could go after the company.
- Last but not least, there's the impending threat of the European Union's General Data Protection Regulation. Going into force in May 2018, it opens a Pandora's box of potential liabilities for all tech companies around how they handle and exploit individuals' data, [guard against breaches](#) and transfer information across national borders.
- For Facebook, it will mean new rules about disclosing what it knows about its users. It will also mean sharp limits on what Facebook can do with that data. For everything Facebook wants to do with a user's data, it will have to [ask explicit permission](#), and it can't re-use the data for new purposes in the future.