

● There Has to Be a Better Way to Lose \$800 Billion

https://www.wsj.com/articles/meta-facebook-metaverse-mark-zuckerberg-11667424987?st=dya914f54gkhs60&reflink=desktopwebshare_permalink

Nov. 3, 2022 at 5:30 am ET

- A trillion dollars. That was the market capitalization of Facebook just over a year ago, right before the company decided to rename itself Meta.
- It has since declined by roughly \$800 billion.
- That's more than the market cap of almost every company in the S&P 500.
- It's more than Tesla and a parking lot of Tesla cars.
- The good news for Meta is that many of the biggest losers in recent market history learned how to win again.
- The bad news for Meta is that it doesn't have much else in common with them.
- Many companies change strategies because they lost money.
- Meta is losing money because it changed strategies.
- It has been almost exactly one year since chief executive and co-founder Mark Zuckerberg made the bold maneuver of rebranding Facebook as Meta Platforms because he believed the future of the company was not in social media but the immersive, amorphous online realm known as the metaverse.
- Major success is the product of minor failures, but only if the experiments meet specific criteria.
- The rewards are incremental because the risks are not existential.
- Last year, Mr. Zuckerberg declared that he wanted Facebook to be a metaverse company.
- My colleagues at The Wall Street Journal recently reported that Meta's flagship metaverse had fewer than 200,000 monthly active users.
- His control of Meta's voting shares gives him an unusual form of power. "
- But it's a good thing legs are coming to the metaverse because Mr. Zuckerberg is digging in his heels.
- But what really interests Dr. Sitkin is that companies avoid risk when they're doing well and inhale risk when they can least afford mistakes.
- This is the paradox of stretch goals. "
- Meta is an exception to that rule.
- It should pursue stretch goals. It did. The problem was that it stretched too far and its goal was too vague. "
- You definitely want to have a parachute if you're going to jump off a high cliff," said Dr. Sitkin. "
- It's entirely possible that Mr. Zuckerberg is right about the metaverse and the company's stock price will be a bargain in the long run.
- Mr. Zuckerberg himself warned that it would take patience, trust and more than a few quarters of lousy financial results to figure out whether the metaverse bet pays off. "
- The operating losses of its metaverse division amounted to \$3.7 billion last quarter alone, and Meta's chief financial officer said that he anticipates "operating losses in 2023 will grow significantly."
- Meta is now trading at its lowest price since 2016, when TikTok was a sound Since 2020, 23 S&P 500 companies have had their stock prices drop more than 70% in less than one year and then climb back to a new high.
- The pandemic crushed department stores, but Macy's and The Gap are back above their prepandemic stock prices.

Meta Executive Nick Clegg's Message to New Twitter Owner Elon Musk: 'Welcome to the Club'

https://www.wsj.com/articles/meta-executive-nick-cleggs-message-to-new-twitter-owner-elon-musk-welcome-to-the-club-11667499836?st=ayw1gmoib9flu3z&reflink=desktopwebshare_permalink

Updated Nov. 3, 2022 at 2:53 pm ET

- Meta Platforms Inc. senior executive Nick Clegg welcomed Elon Musk to the thorny world of social media on Thursday, while arguing that investors have overreacted to the Facebook parent's business struggles in recent months. "

- Mr. Clegg, Meta's president of global affairs, said he was pleased to see that Mr. Musk said he plans to create a moderation council with diverse viewpoints to help Twitter make content decisions. "
- Mr. Clegg was speaking at the Fortune CEO Initiative.
- During the conversation, he also took shots at rivals TikTok and Apple Inc., and defended his company's pivot to the metaverse.
- Meta shares are down more than 70% this year, in part because of investor concerns about the company continuing to spend tens of billions of dollars on the metaverse, a strategic pivot that won't pay dividends for years at best. "
- Mr. Clegg said that every company that does well and grows fast should be subject to regulatory scrutiny. "
- In a statement, an Apple spokesperson said: "A user's data belongs to them and they should get to decide whether to share their data and with whom."
- Asked about upstart social-media rival TikTok Inc., Mr. Clegg said Chinese tech companies are able to operate in the U.S. while still being able to tap into China's vast consumer market, whereas U.S. companies such as Meta can't do both. "
- Mr. Clegg also addressed concerns that Washington lawmakers and regulators have expressed regarding where TikTok stores its American user data, saying that the location of the data shouldn't be the biggest issue. "
- TikTok executives have said they are working with the U.S. government on an agreement that would satisfy all national-security concerns.

Meta Stock Rises Premarket on Job Cuts News

https://www.wsj.com/articles/meta-stock-rises-premarket-on-job-cuts-news-11667996931?st=ecxzyuk3xwtv5x&reflink=desktopwebshare_permalink

Nov. 9, 2022 at 7:28 am ET

● Layoffs Aren't a Good Look for Big Tech's Growth Story

https://www.wsj.com/articles/layoffs-arent-a-good-look-for-big-techs-growth-story-11668045118?st=zlnfbdqh2ya19tk&reflink=desktopwebshare_permalink

Nov. 10, 2022 at 7:00 am ET

- In its first broad reductions in the company's 18-year history, Facebook parent Meta Platforms on Wednesday said it would cut more than 11,000 workers, or 13% of its staff.
- Business software company Salesforce also started dismissing some employees this week.
- Marking one of his first moves since taking the company over, Elon Musk axed about half of Twitter's workforce last week, while ride-hailing company Lyft, payments company Stripe and iBuyer Opendoor Technologies also just announced major reductions.
- Meanwhile, Amazon.com has said it would freeze corporate hiring for months, and Alphabet's Google has asked some employees to apply for new jobs to remain at the company.
- What is striking about these moves in aggregate is that, even though the overall pace of hiring is less torrid than earlier this year, the U.S. labor market remains in very good shape.
- When companies begin to succumb to economic cycles instead, they start to look more like the legacy businesses they were supposed to disrupt.
- Meta has been so desperate to rebrand itself in investors' eyes that it changed its name from Facebook to reflect its "metaverse" product before it even existed.
- But the urgency now is to slash costs and bring in revenue. "
- Chief Twit" Mr. Musk is now looking at ways to bolster his newest business through subscriptions, video and paywalls.
- If past is prologue, the fast-growing, gravity-defying tech companies for which investors will go wild next probably aren't today's household names.

Facebook Parent Meta Is Preparing to Notify Employees of Large-Scale Layoffs This Week

https://www.wsj.com/articles/meta-is-preparing-to-notify-employees-of-large-scale-layoffs-this-week-11667767794?st=mgntrc3wknf0sia&reflink=desktopwebshare_permalink

Updated Nov. 7, 2022 at 9:48 am ET

- Meta Platforms Inc. is planning to begin large-scale layoffs this week, according to people familiar with the matter, in what could be the largest round in a recent spate of tech job cuts after the industry's rapid growth during the pandemic.
- The layoffs are expected to affect many thousands of employees and an announcement is planned to come as soon as Wednesday, according to the people.
- Meta reported more than 87,000 employees at the end of September.
- Company officials already told employees to cancel nonessential travel beginning this week, the people said.
- The planned layoffs would be the first broad head-count reductions to occur in the company's 18-year history.
- CEO Mark Zuckerberg has said recently that 'some teams will grow meaningfully, but most other teams will stay flat or shrink over the next year.'
- The Wall Street Journal reported in September that Meta was planning to cut expenses by at least 10% in the coming months, in part through staff reductions.
- Meta's stock has fallen more than 70% this year.
- The company has highlighted deteriorating macroeconomic trends, but investors have also been spooked by its spending and threats to the company's core social-media business.
- Meta's expenses have also risen sharply, causing its free cash flow to decline 98% in the most recent quarter.

● Meta's Mark Zuckerberg Says He Is Accountable as Company Preps for Mass Layoffs

https://www.wsj.com/articles/metas-mark-zuckerberg-says-he-is-accountable-as-company-preps-for-mass-layoffs-11667941107?st=xf3a8wlf06clqc1&reflink=desktopwebshare_permalink

Updated Nov. 8, 2022 at 6:52 pm ET

- Meta Platforms Inc. will begin laying off employees on Wednesday morning, Chief Executive Mark Zuckerberg told hundreds of executives on Tuesday.
- The coming cuts are expected to total many thousands of employees and will likely be the largest of the year to date in the tech sector, The Wall Street Journal previously reported.
- Mr. Zuckerberg appeared downcast in Tuesday's meeting and said he was accountable for the company's missteps, and that his over-optimism about growth had led to overstaffing, according to people familiar with the meeting.
- The planned layoffs would be the first broad head-count reductions to occur in the company's 18-year history.
- Meta's stock has fallen more than 70% this year.
- Twitter Inc. is laying off thousands of employees under new owner Elon Musk, as he tries to restructure the company to match his vision while facing widespread concern from advertisers about its new direction.
- Snap Inc. said in August it would cut roughly 20% of staff, or more than 1,000 employees, to prepare for what it said would be an expected period of low sales growth lasting into 2023.
- Business software company Salesforce Inc. also started laying off employees this week. "

Zuckerberg Didn't Move Fast, Still Broke Things

https://www.wsj.com/articles/zuck-didnt-move-fast-still-broke-things-11668014304?st=1ejbv71wc6ziqtd&reflink=desktopwebshare_permalink

Updated Nov. 9, 2022 at 12:31 pm ET

- The company once known as Facebook announced broad layoffs Wednesday morning, in a letter to employees from Chief Executive Officer Mark Zuckerberg.
- The action will cut the size of Meta Platforms' workforce by 13%—about 11,000 employees.
- Facebook has never done a major retrenchment in its 18-year history, since the bulk of that history has involved double-digit growth and sky-high operating margins.
- Six months later, META 0.19% Meta's share price already was down by 34%—more than double the 15% drop averaged by big tech peers Microsoft, Amazon and Google-parent Alphabet over the same span.
- Meta's stock jumped nearly 8% Wednesday morning on the layoff news, but investors cheering the belated attention to cost control should still be wary.
- Meta was generating about \$1.35 million in annual revenue per employee as of the end of the third quarter, putting it in the upper fifth of the S&P 500 and in fifth place among tech companies on the index, according to data from S&P Global Market Intelligence.
- In his letter Wednesday, Mr. Zuckerberg took responsibility for his failure to curb the company's costs earlier.
- For better or worse, Mr. Zuckerberg's job is fully secure.

Facebook Parent Meta Announces Layoffs of 11,000 Staff

https://www.wsj.com/articles/facebook-parent-meta-to-cut-11-000-jobs-11667992427?st=t4u8dcq1awie2vh&reflink=desktopwebshare_permalink

Updated Nov. 10, 2022 at 3:15 pm ET

- Meta Platforms Inc. said it would cut more than 11,000 workers, or 13% of staff, embarking on the company's first broad restructuring as it copes with a slumping digital-ad market and plunging stock price.
- Meta also faces threats to its core social-media business from other apps such as ByteDance Ltd.'s TikTok.
- On Wednesday, he took a softer approach, saying repeatedly in the blog post that he takes personal responsibility for the company's missteps and expressing gratitude for the contributions of the departing employees.
- Mr. Zuckerberg reiterated those points in two live streams on Wednesday, one for laid-off employees and another for current staffers, according to people who attended the streams.
- People familiar with the matter said the cuts would in part affect staff with overlapping job responsibilities.
- 'This is a sad moment, and there's no way around that,' Meta CEO Mark Zuckerberg wrote in a message to staff.
- U.S. staffers who are losing their jobs will receive 16 weeks of severance, plus an additional two weeks for each year of employment at the company, and their stock options set to vest in mid-November will still vest.
- Meta will cover healthcare costs for those affected and their families for six months, he said.
- Meta reported more than 87,000 employees at the end of September.
- Company officials already told employees to cancel nonessential travel beginning this week, the Journal previously reported.
- After hiring aggressively through the pandemic, the tech industry is facing its biggest retrenchment in years.
- Twitter cut roughly half of its staff last week.

Facebook Parent Meta Sees Executive Exodus in India

https://www.wsj.com/articles/facebook-parent-meta-sees-executive-exodus-in-india-11668596877?st=4uwq9pvdo13rxuq&reflink=desktopwebshare_permalink

Updated Nov. 16, 2022 at 6:08 am ET

- The India head of Meta's WhatsApp messaging service, Abhijit Bose, and Meta's India public policy director, Rajiv Aggarwal, have resigned, a Meta spokeswoman said Wednesday.
- Their exits follow the departure announced earlier this month of Meta's India head, Ajit Mohan.
- The departures of Messrs. Bose and Aggarwal are unrelated to layoffs of more than 11,000 workers that Chief Executive Mark Zuckerberg announced last week, the spokeswoman said.
- Meta's services in India, its biggest market by users, have grown rapidly in recent years.
- Mr. Bose on LinkedIn said he planned to take a break before beginning a new entrepreneurial venture.
- Meta has faced criticism from rights groups and been questioned by authorities over the presence of hate speech on its platforms in the South Asian nation, where it has more than 300 million people on Facebook and more than 400 million on WhatsApp.
- Meta has said it invests significantly in technology to find hate speech across languages in India.

Google's Heads Need to Make It Count

https://www.wsj.com/articles/googles-heads-need-to-make-it-count-11668572428?st=7umei19h9s5w8c6&reflink=desktopwebshare_permalink

Updated Nov. 16, 2022 at 7:03 am ET

- The internet giant's parent company, Alphabet Inc., generated operating income of \$78.6 billion for the trailing 12-month period ended September—the third-highest among S&P 500 companies over that span, according to S&P Global Market Intelligence.
- But margins have taken a hit as a big jump in costs has run headlong into a broad-based slowdown in online advertising.
- The operating margin for the third quarter came in at 24.8%—a drop of nearly 8 percentage points from a year earlier, as the company added 12,765 workers to its rolls in the most recent period.
- The number of new hires was a record for a company that hardly pays peanuts.
- Alphabet's median employee pay for 2021 totaled \$295,884—the highest in the S&P 500, according to a tabulation by The Wall Street Journal.
- TCI Fund Management released a letter Tuesday calling on Google to join fellow tech companies Amazon and Facebook parent Meta Platforms in cutting both its head count and employee-compensation levels.
- A reduction on the scale of Meta's 13% cut announced last week would cost about 24,000 Googlers their jobs.
- Even after a jump following last week's layoff news, Meta's stock is down 65% this year, compared with a 32% drop for Alphabet.

● Meta Employees, Security Guards Fired for Hijacking User Accounts

https://www.wsj.com/articles/meta-employees-security-guards-fired-for-hijacking-user-accounts-11668697213?st=znczpu9qttzu3gv&reflink=desktopwebshare_permalink

Updated Nov. 17, 2022 at 12:45 pm ET

- Meta Platforms Inc. has fired or disciplined more than two dozen employees and contractors over the last year whom it accused of improperly taking over user accounts, in some cases allegedly for bribes, according to people familiar with the matter and documents viewed by The Wall Street Journal.
- Some of those fired were contractors who worked as security guards stationed at Meta facilities and were given access to the Facebook parent's internal mechanism for employees to help users having trouble with their accounts, according to the documents and people familiar with the matter.
- The mechanism, known internally as "Oops," has existed since Facebook's early years as a means for employees to help users they know who have forgotten their passwords or emails, or had their accounts taken over by hackers.

- As part of the alleged abuse of the system, Meta says that in some cases workers accepted thousands of dollars in bribes from outside hackers to access user accounts, the people and documents say.
- The disciplinary actions are part of a lengthy internal probe led by Meta executives, according to the documents and one of the people. "
- To file an Oops report, the employee or contractor lists an email address that they would like to associate with the Facebook or Instagram account being reset.
- But in part because the Oops system is off limits to the vast majority of Facebook users, a cottage industry of intermediaries has developed who charge users money to regain control of their accounts.
- In interviews with the Journal, some of those third parties claim to have access to Meta employees to help reset accounts. "
- In the July letter, Meta accused Mr. Melbourne of violating the federal Computer Fraud and Abuse Act and said he has been banned from Facebook and Instagram.
- In an interview, Mr. Melbourne described Oops as a perk of the job. "
- In an email response to the Meta attorney, Mr. Melbourne denied committing fraud and said he reset about 20 accounts on behalf of friends, family and people he trusted. "
- Another Allied Universal contractor, Reva Mandelowitz, was fired in February after an internal investigation found that she allegedly reset multiple user accounts on behalf of hackers, receiving thousands of dollars in bitcoin for her services, according to people familiar with the matter and documents viewed by the Journal.

● Facebook Parent Meta Fined \$276 Million in Europe for Data-Scraping Leak

https://www.wsj.com/articles/facebook-parent-meta-fined-276-million-in-europe-for-data-scraping-leak-11669640402?st=ev8trnel0dt1t8o&reflink=desktopwebshare_permalink

Nov. 28, 2022 at 8:00 am ET

- A top European regulator fined Facebook owner Meta Platforms Inc. 265 million euros, equivalent to about \$276 million, for not better safeguarding more than half a billion users' phone numbers and other information from so-called data scrapers.
- The fine issued Monday by Ireland's Data Protection Commission, Meta's main privacy regulator in the European Union, is the latest indication of how authorities in the region are becoming more aggressive in applying the bloc's privacy law to large technology companies.
- Monday's decision is the third time Ireland has fined Meta and its subsidiaries, including WhatsApp and Instagram, in a privacy case over the past 15 months, bringing the combined financial penalties to the equivalent of more than \$900 million.
- Meta is appealing those decisions.
- Unauthorized data scraping is unacceptable and against our rules," he said.
- Monday's fine stems from disclosures in the spring of 2021 that a hacker had published personal phone numbers and other profile information of more than 530 million Facebook users.
- In its action Monday, Ireland's Data Protection Commission—which leads enforcement of the EU's privacy law for Meta because the company has its regional headquarters in Dublin—said the company hadn't taken sufficient technical and organizational steps to prevent such a leak.
- Meta to change its systems to make such a leak less likely.
- Meta says it has since made multiple changes to better safeguard users' data.
- The EU is tightening regulation of big tech companies.
- Elements of the new laws are due to start being enforced in the middle of next year.
- Ireland's privacy regulator says it has several dozen more ongoing cases involving multiple big tech companies.

● Mark Zuckerberg Says Apple Holds Too Much Control Over App Ecosystem

https://www.wsj.com/articles/mark-zuckerberg-says-apple-holds-too-much-control-over-app-ecosystem-11669845866?st=rj07nfb3njwaq7s&reflink=desktopwebshare_permalink

Updated Nov. 30, 2022 at 5:36 pm ET

- Meta Platforms Inc. CEO Mark Zuckerberg said Apple Inc. holds too much sway over the mobile-app ecosystem and that he is still optimistic about his company's metaverse ambitions, even if they might not come to fruition for many years. "
- Earlier this week, Elon Musk, who completed his \$44 billion takeover of Twitter Inc. in October, accused Apple of stanching free speech and claimed the tech giant had threatened to kick the social-media platform off the iPhone, amplifying critics who say the company holds too much power through its App Store.
- Mr. Zuckerberg said Meta is still investing in its Reality Labs unit focused on the metaverse and that he isn't deterred by naysayers. "
- Mr. Zuckerberg reiterated that Meta's metaverse-related products and services are long-term initiatives and said they account for less than 20% of the company's costs.
- In November, Meta said it would cut more than 11,000 workers, or 13% of its staff, in the company's first broad restructuring as it copes with a slumping digital-ad market and plunging stock price.

● **New Zealand Plans to Make Facebook, Google Pay for News**

https://www.wsj.com/articles/new-zealand-plans-to-make-facebook-google-pay-for-news-11670225540?st=vx8deyf15jnhdc&reflink=desktopwebshare_permalink

Dec. 5, 2022 at 2:32 am ET

- New Zealand said it would seek to require online platforms like Alphabet Inc.'s Google and Facebook owner Meta Platforms Inc. to pay news publishers for content, becoming the latest country to wade into a worldwide debate about whether tech giants unfairly benefit from news shared on their platforms.
- New Zealand's proposal will be based on a similar law in Australia and introduced legislation in Canada and will be designed to act as an incentive for digital platforms to reach voluntary deals with local news outlets, according to a statement from New Zealand Broadcasting Minister Willie Jackson. "
- Like legislation elsewhere, New Zealand's proposal would allow Google and Facebook to negotiate with publishers without government intervention.
- New Zealand's proposal is likely to set up a fight with the online platforms, which have campaigned against laws and proposals in other countries.
- NZME Ltd., which owns New Zealand newspapers, said it reached its own independent agreements with both Google and Facebook earlier in the year, but that it still supports the government's proposal. "
- In a report last week, Australian officials said their law, passed early last year, was a success, pointing out that more than 30 commercial agreements between digital platforms and a cross-section of Australian news businesses have been struck.
- News Corp, owner of Wall Street Journal publisher Dow Jones, is among the news organizations in Australia to have made commercial agreements with Google and Facebook.
- Whether New Zealand's parliament ultimately passes a law isn't certain.

● **Facebook Parent's Oversight Board Criticizes 'Cross Check' Program That Protects VIP Users**

https://www.wsj.com/articles/facebook-parents-oversight-board-criticizes-cross-check-program-that-protects-vip-users-11670324402?st=7er6t6pfpe73ct0&reflink=desktopwebshare_permalink

Dec. 6, 2022 at 6:00 am ET

- Meta Platforms Inc. has long given unfair deference to VIP users of its Facebook and Instagram services under a program called "cross check" and has misled the public about the program, the company's oversight board concluded in a report issued Tuesday.

- The report offers the most detailed review to date of cross check, which Meta has billed as a quality-control effort to prevent moderation errors on content of heightened public interest.
- The oversight board took up the issue more than a year ago in the wake of a Wall Street Journal article based on internal documents that showed that cross check was plagued by favoritism, mismanagement and understaffing.
- Still, Meta asked the oversight board to review cross check last October and committed to addressing the group's questions.
- Meta says the board's content decisions are binding, but it isn't obligated to follow its recommendations more generally.
- "We were sort of operating in the dark without having a clear idea of who was in the program and who wasn't," he said, noting that Meta acknowledged there were 5 million accounts. "
- The oversight board credited Meta with making improvements to the program since its details were revealed last year.
- But the board's opinion faulted the company for the program's continued understaffing, opacity and unfairness.
- "Meta has repeatedly told the board and the public that the same set of policies apply to all users.
- Because the company takes on average five days to review content from cross check protected accounts, the board noted, the program fails to stop harmful content from going viral in a relevant time frame.
- The oversight board urged Meta to make 32 changes to the program.
- Mr. Rusbridger said he doesn't expect Meta to accept all of the board's recommendations and considers the current program's emphasis on heading off reputation-damaging moderation errors to be understandable.

● **Meta's Targeted Ad Model Faces Restrictions in Europe**

https://www.wsj.com/articles/metass-targeted-ad-model-faces-restrictions-in-europe-11670335772?st=zjsimrhjehoy1g&reflink=desktopwebshare_permalink

Updated Dec. 6, 2022 at 10:13 am ET

- European Union privacy regulators have ruled that Meta Platforms Inc. shouldn't require users to agree to personalized ads based on their online activity, according to people familiar with the decision, a ruling that could limit the data that Meta can access to sell such ads.
- A board representing all EU privacy regulators on Monday approved a series of decisions ruling that EU privacy law doesn't allow Meta platforms, such as Instagram and Facebook, to use their terms of service as a justification for allowing such advertising, the people said.
- The new EU decisions can be appealed, which could lead to their being suspended pending potentially lengthy litigation.
- Meta has for years allowed users to opt out of personalizing ads based on data from other websites and apps.
- A spokesman for Ireland's Data Protection Commission said it would be inappropriate to comment on the content of the decisions.
- An eventual decision from the Irish Data Protection Commission likely wouldn't specify how Meta has to comply.
- But if the ruling is upheld, it could lead Meta to seek consent from users for targeted ads, or to offer them an opt-out.
- Any impact of the decision would come on top of the revenue hit Meta took when Apple Inc. last year required iPhone app developers to ask users whether they want their usage to be tracked.
- 3 billion euros, or about \$3.15 billion, for privacy fines in the EU, up by €1.97 billion from a year earlier, according to recent Irish corporate filing.
- The GDPR mostly prohibits companies from forcing users to turn over personal information to use their services.
- Meta decided to rely on that contractual provision of the GDPR when it went into effect in 2018, leading to complaints from Austrian privacy activist Max Schrems.

- But at least 10 EU privacy regulators had objections to its decisions.

Judge Hears FTC's Bid to Block Meta From Acquiring Virtual-Reality App Maker

https://www.wsj.com/articles/judge-to-hear-ftcs-bid-to-block-meta-from-acquiring-virtual-reality-app-maker-11670503140?st=4qe3e905d31c3s&reflink=desktopwebshare_permalink

Updated Dec. 8, 2022 at 3:15 pm ET

- The Federal Trade Commission on Thursday asked a judge to halt Meta Platforms Inc.'s planned acquisition of a virtual-reality startup, a case that represents a shift in U.S. antitrust enforcement and poses a challenge to the Facebook parent's metaverse strategy.
- The FTC is seeking an injunction blocking Meta's planned acquisition of Within Unlimited Inc., the company behind the popular virtual-reality fitness game "Supernatural."
- The lawsuit is being closely watched because it is based on an unusual theory of competitive harm focusing on potential future competition in a nascent industry.
- The case is also widely seen as emblematic of FTC Chair Lina Khan's frequent criticisms of powerful technology companies.
- In a statement issued last month, a Meta spokesman said the FTC's case is based on ideology and speculation— not evidence of anticompetitive conduct.
- Meta Chief Executive Mark Zuckerberg is listed as a potential witness.
- Meta announced its intention to buy Within Unlimited in 2021.
- The transaction is part of Meta's big bet on immersive virtual worlds, or metaverses.
- If it became the law, it would doom just about every single vertical acquisition," Mr Hansen said.
- The FTC originally framed Meta and Within as direct competitors in the market for virtual-reality fitness products.
- The FTC's case now hinges on a theory that the Meta-Within deal is a threat to "potential competition" in the future.
- The agency says blocking Meta from buying Within would enhance competition because Meta would be forced to develop an app that competes with Within's "Supernatural."

● Meta Just Issued a Status Update. Wall Street Should Read Into It.

https://www.wsj.com/articles/meta-just-issued-a-status-update-wall-street-should-read-into-it-11671239013?st=hi3sfpqjkqhn5te&reflink=desktopwebshare_permalink

Dec. 17, 2022 at 10:00 am ET

- Meta 's push of its short-form video platform Reels, a TikTok copycat, angered some high-profile users, causing Kim Kardashian and Kylie Jenner to advocate for making "Instagram Instagram again."
- Instagram's homage to BeReal, meanwhile, is sending its own message.
- Roughly three years after its launch, BeReal has racked up just 53 million worldwide downloads, according to an October Sensor Tower report, and only 9% of Android users with the app actively installed were opening it daily.
- Meta's move seems to say more about the company's reluctance to spend on truly unique content to reignite ad growth as it is deploying billions of dollars toward its metaverse ambitions and having to lay off 13% of its staff.
- The good news is that, amid a broader advertising slowdown, Wall Street's bar for Meta this quarter looks low.
- Analysts are forecasting the company's revenue will fall 6.5% in the period from a year earlier—its sharpest quarterly decline as a public company.

● EU Charges Meta With Antitrust Violations Linked to Marketplace

https://www.wsj.com/articles/eu-charges-meta-with-antitrust-violations-linked-to-marketplace-11671447845?st=hghag2sxaebn3js&reflink=desktopwebshare_permalink

Updated Dec. 19, 2022 at 9:14 am ET

- The European Union charged Facebook parent Meta Platforms Inc. with antitrust violations for allegedly distorting competition by tying its online classified-ad service to its social network.
- The company's terms and conditions authorize Meta to use advertising data from third parties to benefit its Marketplace service, the commission said.
- Meta said it disputes the commission's charges.
- filed antitrust charges against Apple Inc. for allegedly abusing its control over the distribution of music-streaming apps, including Spotify.
- In the EU, the European Commission has been investigating Meta for years on multiple fronts.
- The EU separately on Monday said that it was closing its investigation into whether Meta and Google sought to illegally cooperate in digital advertising, a second time those claims have been dropped, after a U.S. court tossed them out in September.

Meta CEO Mark Zuckerberg Testifies in FTC Case to Block Virtual-Reality Deal

https://www.wsj.com/articles/meta-ceo-mark-zuckerberg-testifies-in-ftc-case-to-block-virtual-reality-deal-11671556323?st=id06dm051sqseq9&reflink=desktopwebshare_permalink

Updated Dec. 20, 2022 at 3:22 pm ET

- Facebook parent Meta Platforms Inc. CEO Mark Zuckerberg took the witness stand Tuesday in a case in which the Federal Trade Commission is seeking to prevent the social-media company from acquiring a virtual-reality startup.
- The FTC is seeking an injunction blocking Meta's planned acquisition of Within Unlimited Inc., the company behind the popular virtual-reality fitness game "Supernatural."
- However, Mr. Zuckerberg said Meta is focused on more than fitness applications. "
- Mr. Zuckerberg said that the timing of the acquisition was meaningful, in that Meta's business was thriving and producing "excess profits" that he was looking to invest.
- During questioning, Mr. Zuckerberg expressed uncertainty or unfamiliarity with some of the company's past VR-related acquisitions, such as that of Armature Studio, which the company announced buying in October.
- In its July complaint, the FTC accused Meta of trying to buy its way to the top of the virtual-reality market, rather than competing or building its own products.
- "Instead of building its own VR-dedicated fitness app, Meta just decided to acquire the market leader, 'Supernatural,' " Abby Dennis, senior trial counsel at the FTC, said in her opening remarks.
- A key reason for Meta's decision to acquire Within was a rumor the social-media company heard that rival Apple Inc. was also interested in the VR startup, Meta Chief Technology Officer Andrew Bosworth said in court Monday. "
- Since Facebook's name change to Meta in October 2021, Mr. Zuckerberg has talked about positioning his company to become the leader in the metaverse.
- In its quarterly earnings report released in October, 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 to Pay \$725 Million to Settle Cambridge Analytica Lawsuit

https://www.wsj.com/articles/meta-to-pay-725-million-to-settle-cambridge-analytica-lawsuit-11671797385?st=0v1ih6jffatcx2p&reflink=desktopwebshare_permalink

Dec. 23, 2022 at 7:09 am ET

- Facebook parent Meta Platforms Inc. has agreed to pay \$725 million to settle a lawsuit that accused the company of allowing Cambridge Analytica and other third parties to access private information about millions of users.
- The proposed settlement would fund payouts to U.S.-based users of Facebook, in what plaintiffs say could be the largest U.S. class-action privacy settlement ever, according to a court filing late Thursday.
- A Meta spokesman said Friday that the settlement is "in the best interest of our community and shareholders."
- Meta later disclosed that data from around 87 million Facebook users may have been affected, including more than 70 million in the U.S. Following the incident, Meta, then known as Facebook, agreed to pay fines in the U.S. and U.K. It also made changes to its privacy practices under a \$5 billion settlement in 2019 with the U.S. Federal Trade Commission.

● Key Tests Loom in 2023 for U.S. Antitrust Enforcers

https://www.wsj.com/articles/key-tests-loom-in-2023-for-u-s-antitrust-enforcers-11672234668?st=ead5w5w1qp7fygc&reflink=desktopwebshare_permalink

Updated Dec. 28, 2022 at 10:56 am ET

- The Justice Department and the Federal Trade Commission have in recent years adopted a "high-risk legal strategy" of bringing difficult cases that push the boundaries of antitrust law, said Rebecca Allensworth, a professor at Vanderbilt Law School. "
- The FTC faces an August trial date in a challenge to Microsoft's proposed acquisition of videogame maker Activision Blizzard Inc.—a \$75 billion deal, now valued at \$68.7 billion by Microsoft, that could upend the software industry.
- The Justice Department, in Washington, is challenging what it says is Google's monopoly on internet search.
- A ruling is also expected next month in the FTC's July 2022 lawsuit seeking to block Facebook parent Meta Platforms Inc. from absorbing virtual-reality firm Within Unlimited Inc. That case is distinct from the larger antitrust case the FTC first brought against Meta in December 2020 during the final days of the Trump administration and then refiled in amended form in August 2021.
- The Justice Department, meanwhile, has a trial scheduled for September in a lawsuit challenging what it says is Google's monopoly on internet search.
- That case, filed in October 2020, is considered to be one of the most important antitrust cases since the landmark Microsoft litigation in 1998.
- Experts see those cases as difficult ones for the FTC and Justice Department to win.
- FTC Chair Lina Khan says she is willing to push novel legal theories at the boundaries of antitrust law even if that means sometimes losing.
- Such cases, once unusual, make up an increasingly large part of the Justice Department's antitrust cases.
- More such cases are in the offing in the coming year.
- Here are some of the key tests the Justice Department and FTC face in 2023: The Justice Department has a trial scheduled next year challenging what it says is Google's monopoly on internet search.
- Google has said it is easy for consumers to use other search engines, but they choose Google because it is the best.
- The Justice Department has said it could seek structural changes to Google if it wins the case, which could include a spinoff of the company's Chrome browser.
- The bestselling 'Call of Duty' is at the heart of the antitrust fight over whether Microsoft will be able to acquire Activision Blizzard.
- The FTC faces an August trial date in its recent challenge to Microsoft's planned acquisition of videogame maker Activision Blizzard, which makes the popular "Call of Duty" franchise.
- The FTC's complaint alleges that if the Activision deal were allowed to close, Microsoft could disadvantage Sony and Nintendo by limiting their access to Activision's blockbuster games.

- Microsoft and Activision have said they expect the deal to close in June, but that timeline is in doubt because the transaction is being reviewed by European Union antitrust officials.
- A decision on the FTC's lawsuit against Meta Platforms is expected by the end of January.
- The agency accused Meta of trying to buy its way to the top of the virtual- reality market, rather than competing or building its own products.
- The lawsuit is based on the theory that the deal is set to cause competitive harm because it may limit potential future competition in a nascent industry, an unusual approach.
- In a statement issued in November, a Meta spokesman said the FTC's case is based on ideology and speculation —not evidence of anticompetitive conduct.

● Google and Meta's Advertising Dominance Fades as TikTok, Streamers Emerge

https://www.wsj.com/articles/google-and-metas-advertising-dominance-fades-as-tiktok-netflix-emerge-11672711107?st=ofdoiwincfvg74x&reflink=desktopwebshare_permalink

Updated Jan. 4, 2023 at 7:12 am ET

- Alphabet Inc.'s Google and Facebook parent Meta Platforms Inc. accounted for a combined 48.4% of U.S. digital-ad spending in 2022, according to estimates from research firm Insider Intelligence Inc. Their combined U.S. market share hadn't been under 50% since 2014, said Insider Intelligence, which expects that number to drop to 44.9% this year.
- Meta and other social-media companies including Snap Inc. also suffered from Apple Inc.'s 2021 decision to require apps on its devices to ask users if they wanted to be tracked.
- Its U.S. digital-advertising market share slightly rose to 28.8% in 2022, Insider Intelligence said, but is expected to fall to 26.5% this year.
- Supergut Chief Executive Marc Washington said the maker of gut-health products used to spend about 80% of its ad budget on Meta's Facebook and Instagram platforms, with the rest going to Google.
- In early 2022, he noticed that the cost of bringing in new customers through advertising on Meta's platforms was twice as high as it was before Apple's privacy changes.
- Supergut shifted about half of what it spent on Meta to TikTok, a short-form video platform popular with younger audiences.
- TikTok's command of the U.S. digital-ad market more than doubled in 2022, Insider Intelligence said, thanks to its nearly 100 million U.S. monthly active users, the virality of the platform and its hold over Gen Z, millennials and influencers.
- Combined, Walmart Inc., eBay Inc., Etsy Inc. and Instacart took in about 1.4% of digital-ad dollars spent in the U.S. last year, according to Insider.
- Google's U.S. digital-advertising market share rose to 28.8% in 2022, according to Insider Intelligence Inc., but it is expected to fall to 26.5% this year.
- Streaming services also are commanding a larger slice of the digital- advertising pie.
- The trend is expected to accelerate now that the streaming industry's two-largest players, Netflix Inc. and Disney+, have launched ad- supported versions.
- Mediabrands, called Netflix and Disney's entry into the market "a game-changing moment" for ad-supported streaming. "

Meta Fined Over \$400 Million in EU for Serving Ads Based on Online Activity

https://www.wsj.com/articles/meta-fined-more-than-400-million-for-sending-ads-based-on-online-activity-11672844441?st=nnchyybhvkn01k&reflink=desktopwebshare_permalink

Updated Jan. 4, 2023 at 12:32 pm ET

- A top European Union privacy regulator ruled that Meta Platforms Inc. can't use its contracts with Facebook and Instagram users to justify sending them ads based on their online activity, delivering one of the bloc's biggest blows yet to the digital-advertising industry.

- The ruling, announced Wednesday by Ireland's Data Protection Commission, also imposed fines of 390 million euros, or \$414 million, on Meta, saying that the company violated EU privacy laws by saying such ads are necessary to execute contracts with users.
- Meta, the parent of Instagram and Facebook, said it disagrees with the ruling and plans to appeal both it and the fines.
- Ireland's two decisions—one for Facebook and one for Instagram—give the company three months to stop relying on their contracts with users to justify its use of so-called behavioral ads, which are targeted based on a user's online activity.
- Meta has long allowed users to opt out of personalizing ads based on data it gleans from users' activity on other websites and apps.
- Meta brought in \$83 billion in advertising revenue for the nine months ended Sept. 30, nearly a quarter of which came from Europe.
- In Ireland, the privacy regulator has now fined Meta nearly \$1.4 billion in five separate decisions over the past year and a half.
- Ireland initially recommended a much lower fine for more minor infringements, finding that nothing in the GDPR stopped Meta from making behavioral ads a necessary part of its contract with users, as part of the bargain struck for a given service.
- But a number of other EU privacy regulators disagreed, arguing that behavioral ads aren't necessary to provide a social network.
- A board of all EU privacy regulators, the European Data Protection Board, last month overruled Ireland as part of a dispute-resolution system built into the GDPR.
- On Wednesday, Ireland's Data Protection Commission said it has changed its decision to incorporate the European data board's decision last month about behavioral advertising.
- But the Irish regulator also said it plans in coming weeks to seek an annulment of a separate part of the EU privacy board's decisions last month, in which Ireland says it was ordered to open new investigations into all of Facebook's and Instagram's data- processing operations.

Facebook, Instagram Ban Ads Targeted at Teens Based on Gender

https://www.wsj.com/articles/facebook-instagram-ban-ads-targeted-at-teens-based-on-gender-11673366526?st=ekf1ftytp0unrn&reflink=desktopwebshare_permalink

Updated Jan. 10, 2023 at 3:24 pm ET

- Meta Platforms Inc. is removing gender as an option for advertisers to target teens on Facebook and Instagram, part of a broader overhaul aimed at tightening the company's advertising policy for young users.
- User activity on Facebook and Instagram will also no longer be used to tailor ads for teens, the company said in a blog post Tuesday.
- The changes are set to go into effect in February, Meta said.
- Age and location will be the only information about a teen that Facebook or Instagram will use to show them ads, Meta said.
- The changes to teen-targeted advertising are part of Meta's efforts to keep Instagram and Facebook age-appropriate for young people, a spokeswoman for the company said.
- Meta's changes are a good step, but the company should do more to minimize the amount of data it collects from teens, said Irene Ly, policy counsel at Common Sense Media, a child-advocacy organization. "
- Meta faces increasing pressure from European regulators over its advertising policies.
- Ireland's Data Protection Commission ruled last week that Meta can't use its contracts with Facebook and Instagram users to justify sending them ads based on their online activity.

● **GOP-Led House to Probe Alleged White House Collusion With Tech Giants**

https://www.wsj.com/articles/gop-led-house-to-probe-alleged-white-house-collusion-with-tech-giants-11673359215?st=qxdr1kzv0v7e4jb&reflink=desktopwebshare_permalink

Updated Jan. 10, 2023 at 5:14 pm ET

- Republicans in the House plan to scrutinize communications between the Biden administration and big technology and social-media companies to probe whether they amounted to the censorship of legitimate viewpoints on issues such as Covid-19 that ran counter to White House policy.
- On a party-line vote, the GOP-led House voted Tuesday to launch the Select Subcommittee on the Weaponization of the Federal Government.
- The panel is expected to seek to illuminate what some Republicans say have been efforts by the Biden administration to influence content hosted by companies such as Facebook parent Meta Platforms Inc. and Alphabet Inc., owner of YouTube and Google.
- Lawyers involved in the case say they have uncovered evidence that more than 80 federal officials have been seeking to influence social-media companies to take down posts and remove accounts that conflicted with the government's preferred point of view.
- Much of the contact has come through the White House, which was concerned that Covid-19 misinformation on social media was discouraging people from getting vaccinated, according to emails obtained in the case.
- Other emails reflect that White House officials were closely monitoring what they viewed as misinformation on the platforms.
- There is also evidence that the White House has put pressure on the companies over how the administration's own commentary has been ranked or treated on social-media platforms, says Jenin Younes, a lawyer with the New Civil Liberties Alliance, a right-leaning group that seeks to protect constitutional rights from government infringement.
- For example, in July of 2021 an unidentified employee of Meta's Instagram platform told White House officials that growth in followers for the White House's @potus account had been slowed by a technical problem.
- The White House declined to comment on specifics of the continuing case.
- The House voted Tuesday to create the new special committee.
- The House also voted to establish a bipartisan committee to scrutinize China's economic-competition strategy.
- So far the lawsuit by state attorneys general is proceeding separately from the nascent congressional inquiry, but House investigators are likely to tap into the documents that the attorneys general have obtained.

How Apple Has So Far Avoided Layoffs: Lean Hiring, No Free Lunches

https://www.wsj.com/articles/how-apple-has-so-far-avoided-layoffs-lean-hiring-no-free-lunches-11674274185?st=qyxf5balnlm5y3z&reflink=desktopwebshare_permalink

Jan. 21, 2023 at 5:30 am ET

- It is expected next month to report its first quarterly sales decline in more than three years.
- Apple has also slowed hiring in some areas.
- On Friday, Alphabet became the latest tech company to announce widespread layoffs, with a plan to eliminate roughly 12,000 jobs, the company's largest-ever round of job cuts.
- Alphabet's cut follows a wave of large layoffs at Amazon, Microsoft and Meta.
- Many analysts expect that demand hasn't subsided for its iPhones and as the company continues to ramp back up manufacturing, demand is anticipated to move to the March quarter.
- The company's business model hasn't been totally immune to broader slowdowns.

- Revenue from its services business continued to slow, growing 5% annually to \$19.2 billion in the September quarter, shy of the gains posted in recent quarters.
- Tom Forte, senior research analyst at investment bank D.A. Davidson & Co., said he expects Apple to reduce head count, but it might do that quietly through employee attrition—by not replacing workers who leave.
- Apple doesn't offer free lunches to employees on its corporate campus, unlike other big tech companies such as Google and Meta.
- Apple also is working on risky future bets, such as an augmented-reality headset due out later this year and a car project whose release date is uncertain, but at a more measured pace.

Meta to Reinstate Donald Trump's Facebook, Instagram Accounts

https://www.wsj.com/articles/facebook-to-reinstate-donald-trumps-account-suspended-after-capitol-riot-11674684626?st=jd3sdpg848anxus&reflink=desktopwebshare_permalink

Updated Jan. 25, 2023 at 5:58 pm ET

- Facebook parent Meta Platforms Inc. said it would reinstate former President Donald Trump's Facebook and Instagram accounts, more than two years after they were suspended in the wake of the Jan. 6 Capitol riot.
- Meta said Wednesday that the accounts would be reinstated "in the coming weeks."
- Meta's head of global affairs, Nick Clegg, said that the company had concluded the risk to public safety that warranted Mr. Trump's original suspension from the platforms had receded adequately, so a continued ban on his accounts wasn't justifiable.
- But, he said, Meta would closely watch the former president's accounts.
- Meta suspended Mr. Trump's Facebook account indefinitely in January 2021 after determining that he had praised violence committed by his supporters at the U.S. Capitol in response to false claims of a stolen election.
- Twitter Inc. also suspended Mr. Trump's personal account around the same time.
- Elon Musk last year reinstated Mr. Trump's account; Mr. Musk had said in May that he planned to do so once he took over the platform.
- Mr. Trump hasn't resumed posting on Twitter since the account restoration on that platform.
- Snapchat parent Snap Inc. also locked Mr. Trump's account indefinitely.

● Meta Pays BuzzFeed Millions to Generate Creator Content for Facebook and Instagram

https://www.wsj.com/articles/meta-pays-buzzfeed-millions-to-generate-creator-content-for-facebook-and-instagram-11674693687?st=gyc6unz344bhgkx&reflink=desktopwebshare_permalink

Jan. 25, 2023 at 7:41 pm ET

- Facebook parent Meta Platforms Inc. is paying BuzzFeed Inc. millions of dollars as part of an effort to bring more creators to the social-media giant's platforms, according to people familiar with the situation.
- As part of a deal reached last year that is valued at close to \$10 million, BuzzFeed agreed to help generate creator content for Meta's platforms and train creators to grow their presence online, the people familiar with the situation said.
- Last year Meta announced it would stop paying news publishers to feature their content in its News tab and would reallocate resources to growing a creator business.
- The company launched Instagram Reels in 2020, in a push to compete with TikTok.
- In 2016, Meta agreed to pay \$50 million to a number of publishers, including BuzzFeed, to create live video content for the platform.

● Meta Embraces AI as Facebook, Instagram Help Drive a Rebound

https://www.wsj.com/articles/meta-ai-facebook-instagram-reels-ad-targeting-11674829286?st=lfuyv81fldmpr4r&reflink=desktopwebshare_permalink

Updated Jan. 27, 2023 at 9:27 am ET

- Days before Meta Platforms Inc.'s first ever mass layoffs in November, a senior executive shared some good news.
- The company's short-form video product, Reels, was getting traction with users, and the threat posed by rival TikTok appeared to be easing. "
- Facebook engagement is stronger than people expected," Tom Alison, head of Facebook, wrote in a memo to his staff. "
- After the roughest year in Meta's history, the parent company of Facebook and Instagram is starting to see a path to recovery, internal documents reviewed by The Wall Street Journal and interviews with people familiar with the matter show.
- Heavy investment in artificial intelligence tools has enabled the company to improve ad-targeting systems to make better predictions based on less data, according to the interviews and documents.
- AI tools also have helped boost Reels, the full-screen, short-form videos shown to both Facebook and Instagram users based on their interests.
- While Apple's privacy changes continue to be a source of pain, Mr. Schultz said, the success of the company's adaptation efforts meant that they will no longer be a drag on earnings going forward.
- A Meta spokeswoman declined to comment.
- Meta has consistently said that it would weather Apple's data restrictions and successfully incorporate Reels into its products.
- Revenue edged down in the second and third quarters—the first two such declines in Meta's history as a listed company—and profit fell sharply.
- Shares have gained about 22% so far this year.
- Analysts are expecting it to report another drop in profit and an accelerated fall in revenue.
- Meta accelerated artificial-intelligence spending in the wake of Apple's privacy change, to wean itself off third-party data for ad targeting and improve its recommendations of content from accounts that users don't follow.
- The Apple move in 2021 made it easier than ever for iPhone users to opt out of letting apps like Facebook track activity on their devices.
- Apple described these changes as improving privacy by giving users more control over which apps can track them.
- That prevented Meta from matching users' Facebook and Instagram accounts with their browsing, shopping and app usage outside its apps, constraining Meta's ability to target ads and to track when those ads produced sales—vital information for marketers.
- Meta estimated last February that the Apple change would cost it more than \$10 billion in lost sales for 2022, equivalent to about 8% of its total revenue for 2021.
- One approach Meta has experimented with has been bargaining with users to get them to agree to tracking in Meta's own in-app privacy settings.
- Under the approach being tested, the company promises to show users fewer ads if they agree to provide their data.
- Meta has said it also is trying to sell more ads in which users click straight into a messaging conversation with a business, and the documents show it is experimenting with other types of marketing.
- Reality Labs, the company's division that is tasked with building the hardware and software that constitute the metaverse, reported an operating loss of nearly \$3.7 billion in Meta's third-quarter earnings report, 40% steeper than a year prior.
- The company also warned that it anticipates Reality Labs' operating losses will grow significantly in 2023.
- Time spent on the company's products overall was up more than 5% to more than 230 million hours a day in the U.S., which accounts for 40% of Meta's worldwide revenue.

- To improve the relevance of Reels content and better compete with the highly successful recommendation engine of TikTok, Meta prioritized improving its AI algorithms to better learn what kind of content users are interested in when they look at Reels, according to people familiar with the matter, as well as running its recommendation systems on more efficient microprocessors.
- The video feature's rapid takeoff created a near-term problem: Because ads in Reels videos don't currently sell for as much as those sold against regular posts and stories, Reels' growing share of content consumption was denting ad revenue.
- To protect the company's earnings, the company cut back on promoting Reels, which lowered watch time by 12%.
- Even as Meta has made progress on getting users to watch short-form videos, there is little question internally that its platforms lack the cultural power they once did.

Meta Turnaround Could Trap Bears

https://www.wsj.com/articles/meta-turnaround-could-trap-bears-11675143301?st=ukgrwtoukgr9c3q&reflink=desktopwebshare_permalink

Jan. 31, 2023 at 6:30 am ET

- Meta will report fourth-quarter earnings Wednesday afternoon, following Snap's report after the bell Tuesday.
- The social-media-giant-turned-metaverse architect had an abysmal 2022 in the stock market, logging a 64% decline in its share price to shed some \$600 billion in market value.
- For starters, the bar is low: Wall Street is forecasting Meta's revenue will fall more than 6% from a year earlier in the fourth quarter—its steepest decline on record.
- Baird analyst Colin Sebastian estimates such ads linking to WhatsApp and Messenger will generate nearly \$12 billion in revenue this year— "equivalent to ~2.5 Twitters."
- But, as the Journal reported, most of the company's AI targeting efforts involve optimizing its traditional social-media platforms, especially Facebook.
- This fits with Meta's December blog post that the company is, in fact, still devoting 80% of its total investment dollars to improving its legacy business.
- Per the Journal's report, Facebook and Instagram are starting to see a path to recovery in terms of engagement, with a 20% gain in time spent in Reels consumption, in part driven by AI improvements.
- TikTok's threat, meanwhile, could be starting to fade: The platform saw its revenue growth slow significantly last year, according to a Reuters report.
- And a new bill introduced in the Senate this month is now seeking to ban the app from all devices nationwide.
- All of this could help explain why Meta's shares are up about 18% so far this year, including a 3% rise on Friday following the Journal's report.