

Facebook Offers Life Raft, But Publishers Are Wary

FOR publishers, Facebook is a bit like that big dog galloping toward you in the park. More often than not, it's hard to tell whether he wants to play with you or eat you.

The social network now has over 1.3 billion users — a fifth of the planet's population and has become a force in publishing because of its News Feed, which has been increasingly fine-tuned to feature high-quality content, the kind media companies produce.

To its credit and economic benefit, Facebook has done a better job of cleaning some junk from its feed, featuring news that leads to stronger levels of engagement, which is a win for the platform, the publisher and the readers.

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That role has become increasingly important when you factor in the big tilt to mobile, as my colleague Ravi Somaiya points out. For traditional publishers, the home page may soon become akin to the print edition — nice to have, but not the primary attraction. In the last few months, more than half the visitors to The New York Times have come via mobile — the figure increases with each passing month — and that percentage is higher for many other publishers.

Enter Facebook's popular mobile app, which has captured greater amounts of time and, more remarkably, managed to fit a business model onto the small screen by providing extremely relevant advertising. By contrast, publishers like newspapers and magazines and even some digital sites have tried to shoehorn old business models and web templates onto tiny screens. That hasn't worked so well.

Loading publishers' web pages on a mobile device can be maddening, slowed by advertising that goes out for auction when readers click. So while Facebook loves the content, it hates the clunky technology many publish-

ers use for mobile. When it comes to the impatient hordes on phones, speed matters above all else.

I was in San Francisco a few weeks ago and bumped into an executive who works in mobile at Facebook. He wasn't speaking for attribution, but he derided the approach that traditional publishers take to mobile devices, saying it made for an unpleasant user experience, hurt user engagement and crippled their efforts to make money in a smartphone world.

Facebook hopes it has a fix for all that. The company has been on something of a listening tour with publishers, discussing better ways to collaborate. The social network has been eager to help publishers do a better job of servicing readers in the News Feed, including improving their approach to mobile in a variety of ways. One possibility it mentioned was for publishers to simply send pages to Facebook that would live inside the social network's mobile app and be hosted by its servers; that way, they would load quickly with ads that Facebook sells. The revenue would be shared.

That kind of wholesale transfer of content sends a cold, dark chill down the collective spine of publishers, both traditional and digital insurgents alike. If Facebook's mobile app hosted publishers' pages, the relationship with customers, most of the data about what they did and the reading experience would all belong to the platform. Media companies would essentially be serfs in a kingdom that Facebook owns.

It is a measure of Facebook's growing power in digital realms that when I called around about those rumors, no one wanted to talk. Well, let me revise that: Many wanted to talk, almost endlessly, about how terrible some of the possible changes would be for producers of original content, but not if I was going to indicate their place

of employment. (Many had signed confidentiality agreements, so there's that as well.)

It's not that Facebook has a reputation for extracting vengeance, so far as I know; it's just that the company has become the No. 1 source of traffic for many digital publishers. Yes, search from Google still creates inbound interest, and Twitter can spark attention, especially among media types, but when it comes to sheer tonnage of eyeballs, nothing rivals Facebook.

"The traffic they send is astounding and it's been great that they have made an effort to reach out and boost quality content," said one digital publishing executive, who declined to be identified so as not to ruffle the feathers of the golden goose. "But all any of us are talking about is when the other shoe might drop."

Chris Cox, chief product officer for Facebook, knows that the frightened chatter is out there, but says those worries are unfounded because the interests of Facebook and digital publishers are pretty much aligned.

"We are at the very beginning of a conversation and it's very important that we get this right," he said in a video call. "Because we play an increasingly important role in how people discover the news that they read every day, we feel a responsibility to work with publishers to come up with as good an experience as we can for consumers. And we want and need that to be a good experience for publishers as well."

Facebook's concerns seem sincere, but the relationship can be fraught. Several years ago, The Guardian and The Washington Post achieved eye-popping traffic from a Facebook news app called Social Reader. But eventually consumers rebelled against excessive notices about what their friends were reading, Facebook tweaked the algorithm, traffic fell and the plug was pulled in 2012.

Given the amount of leverage Facebook has, many publishers are worried that what has been a listening tour could become a telling tour, in which Facebook dictates terms because it drives so much traffic. (Amazon's dominance in the book business comes to mind.)

"We've talked about the importance of a united front so that Facebook gets the message that this isn't going to work, but that could change if somebody cuts a big revenue-sharing deal," another publishing executive said.



CHANDAN KHANNA/AGENCE FRANCE-PRESSE — GETTY IMAGES

Mark Zuckerberg, the Facebook chief, speaking in early October in New Delhi.

It reminds me very much of those times when other digital behemoths tried to persuade content providers into letting them host the publishers' content. In the early days, when AOL was dominant, the service preyed on the publishers' fear that if they didn't put their content inside the walled garden of AOL, their content would be invisible. That strategy benefited AOL in the short run, but no one prospered in the long run.

And I remember a visit to Google when Sergey Brin, a founder of the company, and some of his colleagues talked about how clunky most news web pages were — sound familiar? — and offered to host content with quicker load times and a revenue share. That went nowhere fast.

Once companies reach a certain scale online, they have a tendency to decide that while they love the Internet, they would like a better version. And, oh, by the way, they should run it. (All considered, Apple has already pulled off that trick, creating a private enclave of apps that it controls.)

David Bradley, who owns and leads the Atlantic Media Company, says it has an excellent relationship with Facebook and profits nicely from the traffic the site generates. But he says the next battle for control over content is a significant one, not so much mandated by Facebook as by consumer preference.

"Increasingly, people would rather have their news curated by friends rather than editors," he said. "Facebook technology may create a better reader experience than publishers can match — pages that load better and better page design."

He has been thinking a lot about what that means.

“My job is to navigate The Atlantic to continuing good relations with the platforms,” he said. “In my last trip to the Valley, the best minds were talking about the same issue: Is the coming contest between platforms and publishing companies an

existential threat to journalism? At least in the Valley, largely the answer I heard was ‘Yes.’”

His candor is admirable, but his conclusion is scary. The Facebook dog is loose, and he’s acting more friendly than hungry. But everyone knows that if the dog is big enough, he can lick you to death as well. ■