Facebook's Defense: Protecting Reputation Despite a Controversial Business Model

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Brandie Young

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Sociotechnical advisor: Peter Norton, Department of Engineering and Society

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Since its emergence in February 2004, Facebook has connected more than 2 billion users worldwide while earning record profits through advertising. Throughout Facebook's existence, it has been scrutinized because it uses information it collects to serve targeted ads based on audience. The technology giant's business model entails maximizing user time and "engagement" to maximize data collection and monetization. Facebook has also had its fair share of data privacy scandals and has been blamed for many societal deteriorations due to widespread misinformation on the platform (TechRepublic, 2020). "The gap between Facebook's public reputation and its financial success has never been greater," said Kurt Wagner of Bloomberg at the start of 2021. How has the company's directives and public relations functioned to protect its reputation and satisfy users' demands despite operating in such a way that sparks controversy and criticism in the news?

Although Facebook's company "mission" is to "give people the power to build community and bring the world closer together," as a publicly traded, for-profit corporation this is a slogan that its public relations department created (Zuckerberg, 2018). Advertisers, the primary source of Facebook's income, want precise targeting, for which they want unlimited access to user data. The World Federation of Advertisers (WFA), is a not-for-profit global organization that represents the common interests of marketers and whose membership represents about 90% of global marketing communications spend (World Federation of Advertisers, n.d.). During its lifetime, Facebook has hired public relations firms like Definers Public Affairs to guide it through the waves of criticism it's faced, primarily because of Russian election interference on its social network (Nicas & Rosenberg, 2018). Other participants include users of the Facebook and Instagram platforms who seek social connection through the

application (Chang, 2018). These users have varying levels of demand for control over their information on the Internet, and the nonprofit advocacies, the American Civil Liberties Union (ACLU) and the Electronic Privacy Information Center (EPIC), are participants that seek to restore this control and advocate for the privacy of users (ACLU, 2018). The Federal Trade Commission is a federal agency that enforces policy to protect consumers' privacy and data security (FTC, 2020).

Members of the #StopHateForProfit campaign to boycott Facebook advertising seek to hold Facebook accountable for hate speech and misinformation on the platform. They urge Facebook to "prioritize people over profit" (Anti-Defamation League, 2020). Additionally, many Facebook employees also seek to hold their own company accountable from the inside. Employees have staged walkouts to protest the company's decisions, like for not taking enough action against controversial posts by then President Donald Trump (Yurieff & O'Sullivan, 2020). Whistleblowers like data scientist Sophie Zhang and software engineer Ashok Chandwaney have played significant roles in influencing the #StopHateForProfit campaign and increasing public scrutiny and government supervision of the platforms (Silverman, 2021).

In the heat of criticism over its controversial business model, Facebook's public relations response includes a number of initiatives to combat misinformation and tight levels of accountability when it comes to data collection. At the core of Facebook's response to widespread criticism is greater transparency with its users and CEO Mark Zuckerberg's personal commitment to spearheading company-wide efforts to "fix Facebook". However, Facebook walks a tightrope in that it is trying to optimize a tradeoff: maximizing monetization of user data without provoking public regulation or widespread users' outrage to the point of boycotting the platform. Facebook's fundamental source of income is selling targeted advertising on its

platform, for which the greater the access to user data, the more accurate the targeted advertising, and the more lucrative the business is. However, due to the controversy surrounding this practice, Facebook's solution includes empowering its users with the ability to make choices about their own data. This rhetorical maneuver seems altruistic without impeding data collection significantly, because it requires increased effort from the user and for them to overcome a cognitive bias, namely the default effect. Therefore, Facebook's response to please the widely divergent interests of its users and advertisers includes public relations initiatives and rhetorical maneuvers to please users enough for them to allow the amassing of huge amounts of user data behind the scenes, in return for being able to use the application.

Review of Research

Maréchal, MacKinnon, and Dheere (2020) found that Facebook's algorithms distinguish audiences they call "racist" or "vulnerable to pseudoscience," and target ads to such populations. After the Cambridge Analytica data mining scandal, in which the personal data of millions of Facebook users was obtained by British consulting firm Cambridge Analytica and used for political advertising, voter manipulation, and supposed election interference, Hinds (2020) found that users did not delete their accounts or even update their privacy settings following the breach. Users believed they were immune to psychologically tailored advertisements. In a similar research study with college students, *Should I Stay or Should I Leave?*, Brown (2020) found that none of the participants deleted Facebook because of the mining of psychological data, and only a small portion even reduced use, despite all participants of the study being aware of it.

Dahlberg (2020) notes that the use of these alarming categories of targeted advertising (like 'racist' and 'vulnerable to pseudoscience' as mentioned above) in combination with

widespread user complacency have led critics to blame Facebook for numerous social dysfunctions, among them: hate speech, incitement to violence, viral misinformation and conspiracy theories, "echo chambers," political polarization, and foreign interference in elections. Furthermore, there's a growing, pervasive apprehension that misinformation on the platform is damaging democratic institutions and societies (Allcott, Gentzkow, & Yu, 2019). Allcott, Gentzkow, and Yu (2019) measured trends in the diffusion of false news content on Facebook and Twitter between 2015 and 2018, finding that interaction with false content on Facebook peaked at the end of 2016 and has fallen sharply since, while continuing to rise on Twitter; this suggests that perhaps the magnitude of the misinformation problem on Facebook has declined since its peak.

One of the most relevant misinformation topics in recent times, anti-vax, was studied by Elkin, Pullon, and Stubbe (2020); the study showed that "overall, content retrieved in a comprehensive, least biased way from Google, Facebook, and YouTube searches is positively disposed towards vaccination. More content that is negative towards vaccines is published on Facebook compared with YouTube or generated by a Google search," which is likely due to the strength of algorithmic biases on the platform. So while it seems that misinformation on Facebook peaked in 2016, existing research suggests that as a platform, Facebook is still more vulnerable to it, because of the way algorithmic biases determine the content a user views.

As for privacy, researchers for IEEE evaluated the world's most famous social networking sites on a series of important privacy criteria like profile visibility, tagging control, personal connections control, and facial recognition in December of 2020. They determined that Facebook has the highest number of flexible privacy features; this suggests that Facebook has made significant strides since the massive data breach of 2018 (Rashid & Zaaba, 2021).

A 2020 Netflix "documentary-drama hybrid," *The Social Dilemma*, has taken the world by storm. It includes the testimonies of engineers and senior architects from Google, Twitter, and Facebook sounding the alarm on their creations, emphasizing issues of mental health, democracy, and discrimination. Rhodes' and Orlowski's (2020) chilling "burn book" movie has the catchphrase: "the technology that connects us also controls us." Facebook promptly published its rebuttal report to the documentary, *What 'The Social Dilemma' Gets Wrong*, a seven-part breakdown of each of the movie's arguments. Facebook (2020) calls the documentary a "conspiracy documentary" that "buries the substance in sensationalism" and relies on commentary of "those who haven't been on the inside for many years."

My research attempts to complement existing scholarship, namely by analyzing recent privacy features Facebook has added to its platform. I apply concepts learned through my STS engineering coursework, namely the cognitive bias called the default effect, and analyze how this would affect users of the new privacy features. My research also lays out side-by-side the competing perspectives of participants like the ACLU, Anti-Defamation League, and Facebook, as influenced by current events like the #StopHateForProfit campaign and the 2020 U.S. presidential election, to garner a thesis about Facebook's strategy.

Facebook's Focus on Quality Initiatives

One of Facebook's strategies to simultaneously please its users and advertisers is public relations centered around quality initiatives. In July 2020 over 1,200 businesses, including some of the world's biggest brands like Coca-Cola, REI, North Face, Patagonia, LEGO, Dunkin Donuts, and Ben and Jerry's, many of which are a part of the World Federation of Advertisers, joined the #StopHateForProfit campaign led by the Anti-Defamation League to boycott

Facebook advertising (Anti-Defamation League, 2020). This was meant to force Facebook to "prioritize people over profit," and to hold Facebook accountable for hate speech and misinformation on the platform, some of which is even supported by paid advertising (Anti-Defamation League, 2020). The result was an agreement between Facebook, YouTube, and Twitter and the World Federation of Advertisers that will have these social media networks use common definitions for things like hate speech, aggression, and bullying (BBC News, 2020). "These social media platforms have finally committed to doing a better job tracking and auditing hateful content," Jonathan Greenblatt, CEO of the Anti-Defamation League said (BBC News, 2020). Facebook responded with a steady drumbeat of reform and promises to clean the platform, banning pages that deny the Holocaust, spread the far-right conspiracy theory QAnon, and perpetuate the anti-vaccination rhetoric (Boigon, 2020).

As the 2020 U.S. presidential election approached, given critics' blame of the Facebook and Instagram platforms for the spread of election misinformation and voter suppression content during the 2016 election, Facebook worked to redeem its reputation. To combat this, Facebook explicitly banned misrepresentation of dates, times, locations, methods of voting, voting registration, who is allowed to vote, and whether a vote will be "counted" as well as threats of violence related to voting registration, voting, or the outcome of the election, regardless of who posted it. Facebook also introduced a flagging feature that allowed users to flag suspected voting misinformation.

Facebook's Elections Operations Center recruited third-party fact-checking organizations like the Associated Press and PolitiFact to help review flagged content. If debunked, Facebook downranked the content in the platform news feeds and also applied a warning label to the debunked content. Accounts that repeatedly posted misleading content were then downranked on

Facebook entirely and blocked from appearing on the Instagram Explore page, the page of posts tailored to a specific users' likes (Singh & Blase, 2020). Lastly, Facebook launched the Voting Information Center in August 2020, determined to be "the largest voting information effort in US history," that helped users register to vote and offered guidance on how they could vote.

Facebook's Increased Transparency with the User

Facebook's tactics also include increased transparency with users and the user's ability to make newfound choices with their own data. In the aftermath of the 2018 Cambridge Analytica data mining scandal, the FTC imposed a $5 billion fine on Facebook, the largest penalty on a company anywhere for violating consumers' privacy (Fowler, 2020). As part of the settlement, Facebook must "submit to new restrictions and a modified corporate structure that will hold the company accountable for the decisions it makes about its users' privacy, to settle FTC charges that the company violated a 2012 FTC order by deceiving users about their ability to control the privacy of their personal information," (FTC, 2020).

Six months after the order, Facebook's chief privacy officers Michel Protti and Erin Egan insisted in an interview with Wired that the company has turned a corner. Egan and Protti referenced new employee privacy training, overhauled privacy review processes for products, and annual privacy risk assessments (Newman, 2020). "We're in the early phases of a multi-year and ongoing effort to evolve our culture, our operations, and our technical systems to honor people's privacy," Protti told Wired (Newman, 2020). However, many critics and policy analysts were unsatisfied, pointing out that without public visibility of the quarterly reports Facebook submits to the FTC, the public has no choice but to just trust the regulator is actually holding Facebook accountable (Newman, 2020). In 2019, EPIC mounted a challenge for this reason,

which was ultimately dismissed, and in March of 2021, the FTC has been slammed for blacking

out a majority of the most recent report, citing FOIA's trade-secret exception as the reason for

most of the redactions (Global Data Review, 2021).

As part of Facebook's efforts to turn the corner, Facebook introduced the "Off-Facebook

Activity" tracker to its 2 billion members in the beginning of 2020 because "the best person to be

in control of data is you," (Facebook, 2020). The tool gives the user an unprecedented view into

what information Facebook receives about their activity on other apps and websites. Even with

Facebook and Instagram closed, the social network still get notified every time a user jams to

Queen's 'Another One Bites the Dust' on Spotify, orders a spicy McChicken on Door Dash,

opens the Ring app to answer their video doorbell, views the symptoms for Hepatitis on a

WebMD website, creates a Tinder dating profile, or peruses the platform of a political party. The

tool shows a user 180 days' worth of data collected about them. Facebook receives this data from

the organizations and advertisers partnered with it. You have the option to "disconnect this

information from your account, and it will not be associated with you personally," meaning that

advertisements will no longer be tailored to the user (Facebook, 2020).

Facebook's Putting Power in the User's Hands

Facebook has come out with other ways that you "can manage your Facebook

experience," putting more power in the users' hands to see what they want to see and share what

they want to share (Facebook, 2021). The user can update News Feed preferences to hand-pick

content they want to see and customize their ad preferences to see ads that are more relevant (or

potentially less targeted, if the user disallows ads based on info gathered from apps and websites

off Facebook). A user can click a button on any advertisement to hide that type of ad or review

why they are seeing the ad (Facebook, 2021). Facebook has also released a "Privacy Checkup" tool that allows you to review "who can see what you share, how to keep your account secure, how people can find you on Facebook" (Facebook, 2021). Lastly, Facebook has added a feature that allows a user to view, manage, and download the information Facebook stores about you (Facebook, 2021). In this way, Facebook has effectively "come clean" about the amount of data that it has about users and gives users the final say about how it is used. Again, all of these features are part of Facebook's overhauling of the platform following the 2018 Cambridge Analytica scandal and the constant pressure from the FTC, EPIC, and ACLU to follow consumer data privacy standards.

Although these sweeping changes present the company in a benevolent light, it is important to note the other side of the coin, that Facebook has only done exactly what it needed to do to satisfy the FTC, EPIC, ACLU, and its users. The ACLU's longstanding statement on Facebook's harboring of user's data is this: "Facebook has a mixed record when it comes to privacy controls and making sure that users understand how their privacy is affected when changes are made to its policies. The ACLU has pushed Facebook – and other social networking companies – to implement privacy controls that are easy to understand and give users real control over what content is shared with whom" (ACLU, 2021).

Although these new tools give users unprecedented levels of information about the amount of data it collects about them and how it is used, they likely have not held up to the ACLU's benchmarks completely. The tools are buried behind a series of settings menus, and it's very likely that most users are oblivious to their existence. For the users that actually are aware that these tools exist, many will not bother to change the default setting, either because of laziness or a cognitive bias called the default effect. Facebook is likely well aware that defaults

are often determinative, especially in software. According to researchers in behavioral economics and human computer interaction, "defaults are 'sticky'" and "psychological studies have shown that the tiny bit of extra effort needed to alter a default is enough to dissuade most people from bothering, so they stick to the default despite their untapped freedom." (Kelly, 2009) Therefore, even though Facebook has released a good deal of granular control to its users, by pre-selecting the default settings, hiding them behind a maze of settings menus, and requiring users to affirmatively opt-out, Facebook has effectively decided exactly how much (or little) privacy is afforded to a user. This sharing rather than restricting sharing information ultimately aligns with Facebook's profit motive of maximizing monetization of user data.

Conclusion

In the heat of criticism over its controversial business model, Facebook's public relations response includes a number of initiatives to combat misinformation and tightening their levels of accountability when it comes to data collection. Facebook's main strategies to please the widely divergent interests of its users, advertisers, government, and privacy advocates are a focus on quality initiatives, increased transparency with the user, and the deliverance of a newfound power into its users' hands. However in recent news, it seems that privacy advocacies like EPIC and ACLU will not be satisfied that Facebook is following consumer data privacy standards until Facebook's quarterly reports to the FTC are made public, and it remains to be seen whether this will happen. Furthermore, a large criticism of Facebook's seemingly altruistic strategy to put power in the hands of the user is that by pre-selecting the default settings and concealing them from users in a maze of settings, Facebook has utilized the default effect and actually supported its ulterior motive of maximizing user data collection. Ultimately, it's important to note that as a

for-profit company, Facebook does just enough to satisfy its userbase and keep them using the

application, while behind the scenes ultimately working to profit by maximizing both user

time/engagement and data collection/monetization.

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