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Facebook Turns 10: The Mark Zuckerberg Interview

By [Brad Stone](#) and [Sarah Frier](#) January 30, 2014



Photograph by Graeme Mitchell for Bloomberg Businessweek

Mark Zuckerberg doesn't usually observe sentimental anniversaries. This year he's confronted by three of them. On Feb. 4, Facebook ([FB](#)), the company he co-founded in a Harvard University dorm, turns 10 years old. The prodigy himself turns 30 in May. It's also been a decade since his first date with Priscilla Chan, now his wife, whom he first met in line for the bathroom at a Harvard fraternity party.

So last fall, Zuckerberg began typing up dozens of pages of musings, often pecking out the words on his phone. He shaped his thoughts into 3-, 5-, and 10-year plans. He also gave himself a specific goal for 2014. He's fond of annual

challenges, and in previous years he's vowed to learn Mandarin (2010), to eat only animals he slaughtered himself (2011), and to meet someone new each day (2013). For this year he intends to write at least one well-considered thank-you note every day, via e-mail or handwritten letter.

"It's important for me, because I'm a really critical person," he says at Facebook's sprawling corporate campus in Menlo Park, Calif. "I always kind of see how I want things to be better, and I'm generally not happy with how things are, or the level of service that we're providing for people, or the quality of the teams that we built. But if you look at this objectively, we're doing so well on so many of these things. I think it's important to have gratitude for that." He's still unnaturally boyish and is wearing his customary uniform: hoodie, gray T-shirt, and jeans. No Adidas shower sandals, though; in what could be construed as a sign of creeping maturity, he's wearing black Nike sneakers.

Zuckerberg, Facebook's chairman and chief executive officer, has many reasons to be grateful. His social network is used by 1.23 billion people around the world. The company is worth around \$135 billion and will probably become the fastest in history to reach \$150 billion. Its recent financial results have impressed Wall Street, in part with the success of its shift to mobile phones. In the fourth-quarter earnings report it filed on Jan. 29, Facebook disclosed that for the first time sales from ads on mobile phones and tablets exceeded revenue from traditional PCs. The shift to mobile was "not as quick as it should have been," Zuckerberg says, but "one of the things that characterizes our company is that we are pretty strong-willed."



Photograph by Ryan Bradley

Zuckerberg and co-founder Dustin Moskovitz in Palo Alto, 2004

Facebook's challenge is to keep growing. With almost half the world's Internet-connected population using the service, the company is facing the immutable law of large numbers and simply can't keep adding users at its previously torrid rate. At the same time, Facebook must defend its highly profitable business against several threatening trends. Internet users—particularly young ones—crave different kinds of online experiences and new ways of connecting with one another. Many lead online lives that begin and end without Facebook. Rivals such as Twitter ([TWTR](#)) and Snapchat, with their embrace of pseudonyms and different ways of sharing publicly and privately, have grown up outside the once-inexorable Facebook ecosystem. Silicon Valley's smartest product developers, who used to make games and other diversions that lived on Facebook, are instead applying their talents to creating apps that compete with it. "No one individually has quite yet displaced Facebook," says Keith Rabois, a partner at Silicon Valley venture capital firm Khosla Ventures. "But as more and more people choose another social platform as their primary hub, it's a real problem. They could be losing one segment at a time."

Zuckerberg says companies often lose their way during major transitions. His company hasn't, he says, so "we're really at this point where we can take a step back and think about the next big things that we want to do."

Early in 2012, Zuckerberg called an all-hands meeting and dramatically declared that the company would be "mobile first." He then reinforced that focus by unceremoniously ending any meeting where employees began their presentations talking about computers rather than smartphones. And his three-year plan remains all about strengthening Facebook's presence in mobile. "Mark had to learn how to run a mobile-first company in the last two years, which meant thinking differently about how he ran teams, how products were built, and which engineering skills we needed," says Sheryl Sandberg, Facebook's chief operating officer. "He made that shift so quickly."

The process hasn't been entirely smooth. Facebook contemplated building its own smartphones and decided against it. Last year it introduced software called Facebook Home to customize devices running Google's ([GOOG](#)) Android

software, which flopped. Now it's concentrating on a third approach: standalone apps, lots of them. On Jan. 30, Facebook plans to release the first in a series of mobile apps as part of an initiative it's calling Facebook Creative Labs.

Many of these apps will have their own brands and distinct styles of sharing. The first, called Paper, looks nothing at all like a Facebook product. If Facebook is the Internet's social newspaper, Paper strives to be its magazine: photos, friend updates, and shared articles show up in an image-heavy, uncluttered way. The stories are picked and ordered based largely on how much they are shared and "liked" on Facebook, with a team of human editors ensuring that the content comes from the right sources. The app includes a few neat interface tricks such as a panoramic mode, which lets users navigate to different sections of a photograph by tilting their device in different directions. "We just think that there are all these different ways that people want to share, and that compressing them all into a single blue app is not the right format of the future," Zuckerberg says. In other words, the future of Facebook may not rest entirely on Facebook itself.

The company's first significant move toward becoming a diversified app power was buying Instagram. Facebook snapped up the photo-sharing app for \$1 billion in April 2012, and the marriage appears to be a happy one. According to a recent study by Pew Research Center, 57 percent of Instagram users visit the service on a daily basis. It's the second-highest engagement rate of any social network, after Facebook.

Last year, Facebook bid \$3 billion to buy Snapchat, the trendy social networking app where photographs vanish after a few seconds. But Snapchat co-founder Evan Spiegel, a 23-year-old Stanford University dropout, seems to view Facebook as Zuckerberg himself once regarded Google, and as Google's founders once saw Microsoft ([MSFT](#)): as an establishment power to be combatted and occasionally mocked. Spiegel rejected the entreaty and posted screen shots of e-mail conversations with Zuckerberg on Twitter.

Asked about having his private messages made public, Zuckerberg seems pensive, not upset. "Oh, I don't know, that's probably not what I would have done," he says, and then suggests that Spiegel's move was a forgivable error in judgment. "Whenever I speak to entrepreneurs, they always ask me what mistakes [they] should try not to make. I actually think that the thing is, you're just going to mess up all this stuff, and we have [as well]."

Although Snapchat doesn't reveal how many users it has, some reports suggest that it, not Facebook, is the social network to beat among teenagers; Snapchat already handles more photos every day than Facebook. IStrategy Labs, a social media consulting firm, recently reported that Facebook's teenage user base has fallen 25 percent since 2011. Facebook executives, including Zuckerberg, question the accuracy of such reports and note that a majority of teens still use Facebook every day, at a rate unmatched by any rival. That's not to say Zuckerberg and his team are dismissive. "Generally, when a product is very successful, we spent a lot of time talking about why," says Bret Taylor, Facebook's former chief technology officer, who left the company in 2012 to form his own startup creating word processing tools for mobile phones. "Mark is very willing to recognize the strengths in other products and the flaws in Facebook."

Working out those flaws and improving Facebook got harder the more successful the social network became. When a fifth or so of the human species uses your product, changing it is no small matter. Last spring the company unveiled a revamped News Feed, the stream of status updates, news articles, and photos that make up the social network's central artery of information. Although the changes made their way into the mobile app first, Facebook never fully rolled them out onto desktop computers, because users who tested it disliked it. Over the years the company has also introduced such features as a question-and-answer service, a "check-in" tool that allowed users to broadcast physical locations to their friends, and a digital currency called Facebook Credits. They've all been stuffed into the primary social network and then largely ignored by Facebook's members.

Facebook has had success recently with one homegrown standalone app: Facebook Messenger, which was updated last year and vastly increased the use of the social network's chat service. It's now the 12th-most-downloaded free app on Apple's App Store, ahead of the main Facebook app itself. Facebook has had messaging capability for a while, but it was just another feature buried in a great big social network. It used to be "behind two taps, every single time you want to use it," says Chris Cox, Facebook's vice president for product and one of Zuckerberg's longtime confidants. "[That] was a huge, huge amount of friction to add."

In December the company gathered its engineers for a brainstorming and coding session to kick off Facebook Creative Labs. Most such “hackathons” last a day; this one went on for three, and participants were told to prepare for it a month and a half in advance. Mike Vernal, a vice president for engineering, calls it the most energetic hackathon he’s seen at the company. Zuckerberg says about 40 ideas emerged from the event. While he won’t share them, he says as many as half a dozen could be introduced this year under the Creative Labs umbrella and suggests one could be tailored for Facebook Groups, an often overlooked feature of the social network that allows clusters of members to communicate privately.

One thing about some of the new apps that will come as a shock to anyone familiar with Facebook: Users will be able to log in anonymously. That’s a big change for Zuckerberg, who once told David Kirkpatrick, author of *The Facebook Effect*, that “having two identities for yourself is an example of a lack of integrity.” At the time of Facebook’s founding, there was no such thing as real identity online. Facebook became the first place where people met one another as themselves, and the company was stubborn about asking users to sign in and share material with their own names. A Facebook account became a sort of passport to the rest of the Web, and with its success came new problems. No teenager wants to share insane party pics with a group of friends that may include his or her parents and teachers. And dissidents in parts of the world where speaking freely can be incriminating avoided the service in favor of alternatives such as Twitter, where real names are optional.

Former Facebook employees say identity and anonymity have always been topics of heated debate in the company. Now Zuckerberg seems eager to relax his old orthodoxies. “I don’t know if the balance has swung too far, but I definitely think we’re at the point where we don’t need to keep on only doing real identity things,” he says. “If you’re always under the pressure of real identity, I think that is somewhat of a burden.” Paper will still require a Facebook login, but Zuckerberg says the new apps might be like Instagram, which doesn’t require users to log in with Facebook credentials or share pictures with friends on the social network. “It’s definitely, I think, a little bit more balanced now 10 years later,” he says. “I think that’s good.”

Facebook executives seem eager to manage expectations around these apps, including Paper, saying they're tailored for smaller audiences and won't achieve blockbuster, billion-user success anytime soon. This caution may stem from flops such as Facebook Home and the revamped News Feed, which were both heavily promoted, as well as Poke, a Snapchat-like app that Facebook introduced a few years ago and went nowhere. Zuckerberg says Poke was "more of a joke. A few people built it as a hackathon thing, and we made one release and then just kind of abandoned it and haven't touched it since." Facebook also doesn't need to replicate its massive success with these new apps. It's one of the most profitable companies in the world: In the most recent quarter, its net income was \$780 million and operating margins were 56 percent, excluding certain accounting items. The company is sitting on \$11.45 billion in cash. You can afford to do a lot of experimentation and make a lot of mistakes with that kind of money.

Over five years, Zuckerberg wants Facebook to become more intuitive and to solve problems that in some cases users don't even know they have. Between 5 percent and 10 percent of posts on Facebook involve users posing questions to their friends, such as requests for the names for a good local dentist, or the best Indian restaurant. The company, he says, should do better at harvesting all that data to provide answers. It's going to be an enormous challenge. Zuckerberg is steering his company right into the domain of Google, which reliably answers most questions online and is one of the few companies with the pockets and will to outspend anyone trying to push the technological boundaries of search. For example, Google recently outmaneuvered Facebook in acquiring DeepMind Technologies, a British artificial intelligence company working on ways to understand and answer complex queries.

Last year, Facebook introduced a Google-esque tool called Graph Search. It's been a disappointment. When it's suggested that Graph Search works about half the time, Zuckerberg says that's being generous. Vernal, the engineering vice president, says Graph Search was the last major product designed primarily for desktop computers. It's now being redesigned for phones. He cites the opportunity to use a user's location to deliver results relevant to where they are. If a user is traveling in New Zealand, for example, Facebook should serve up previous updates and insights from Facebook members who have visited

Auckland. Vernal says harvesting all this data, amid some trillion status updates posted throughout Facebook's history, is "a multiyear journey."

Zuckerberg also has some aggressive personal goals. He's accelerating his philanthropy and is far beyond where tech titans such as Steve Jobs and Bill Gates were at a similar age. His net worth exceeds \$24 billion, ranking him the 26th-wealthiest person in the world, according to the [Bloomberg Billionaires Index](#). He is also the youngest of the top 150. Zuckerberg and Chan recently donated \$1 billion to the Silicon Valley Community Foundation, a local organization that gives grants to nonprofits in education, health, and the environment. In January they separately pledged \$5 million to a family health center in the disadvantaged Silicon Valley community of East Palo Alto. As for a family of his own, Zuckerberg says his wife is ready and he is not. "I just want to make sure when I have kids, I can spend time with them," he says. "That's the whole point."

When he's asked to share an overarching conclusion from his period of contemplation over the holidays, Zuckerberg gets serious. "I'm just really lucky," he says. "I really feel this deep responsibility, and I try to help folks here feel how unique of a position we're in, and that we need to do the best that we can."

Zuckerberg grows passionate talking about his 10-year plan. He doesn't see Facebook building infrastructure computing services, as Amazon.com ([AMZN](#)) has with its cloud initiative, or operating systems and wearable computers, as Google or Apple ([AAPL](#)) have. His mission is to expand access to the Internet for the billions of people who have yet to visit the Web. Facebook formed a group called Internet.org last summer with six other technology companies, including Samsung Electronics, Qualcomm([QCOM](#)), and Ericsson ([ERIC](#)), to simplify their services so they can be delivered more economically over primitive wireless networks and tapped into using cheaper phones. Early tests are promising, Zuckerberg says. More users in undeveloped countries will subscribe to mobile services for the opportunity to use Facebook, which in turn makes it more economical for mobile operators to improve their wireless networks to support higher-bandwidth services such as online education and banking.

The vision is admirable but risky. Facebook could help to bring entire countries online, only to watch their populations flock to a local social network, as users have in China and South Korea. Facebook's board members have asked Zuckerberg whether there's money to be made in this initiative, and he admits the answer is largely hypothetical. "If we can help develop some of these economies, then they will turn into markets that our current business can work in," he says. Sandberg adds that this won't happen soon. "We're never going to charge for the product, and there's really no ad market" in these low-income countries, she says. "Mark is unapologetic about his idealism. He always said Facebook was started not just to be a company, but to fulfill a vision of connecting the world."



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