

Wall Street finally taught Zuckerberg the lesson he deserved

By [Matthew Hennessey](#)

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Facebook stock finally tumbled last week after a long stretch of unresolved privacy issues.

NY Post photo composite/Mike Guillen

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This week Facebook CEO Mark Zuckerberg finally got the whack across the nose that many had hoped Congress would give him back in April.

The social-media giant's stock price took a spectacular nose dive Thursday after the company forecast a slowdown in the rate

Facebook market value plunges by nearly \$150B

of new user sign-ups. Analysts reckon Facebook's limp response to the European Union's recently enacted digital privacy laws also soured investors on its near-term financial future.

While Zuckerberg spent the first half of 2018 listening to but not really hearing complaints about how Facebook mishandles user data, it's a good bet he's listening now. All told, Thursday's trading vaporized \$119 billion of the Menlo Park, Calif., company's market value. That's roughly the equivalent of the gross domestic product of Kuwait.

Public patience with Zuckerberg's often unconvincing — and at times duplicitous — statements about the heroic lengths Facebook goes to protect user data appears to have come to an end. A rolling tide of revelations this year about persistent privacy breaches has eviscerated Facebook's credibility on the issue. People have been logging off in droves.

Facebook has long claimed that its mission is to develop social infrastructure and — *gag* — build community. That no longer passes the giggle test. What they really want to do is follow people around the Internet, collect and organize what they learn and sell that information to the highest bidder.

To the three people who don't realize it already: Facebook doesn't think of you as

China withdraws approval for Facebook innovation hub

the customer; they think of you as the product.

Congress raked Zuckerberg across the coals this spring. It made for satisfying viewing but ultimately came to nothing. No one in Washington appears up to the task of regulating America's favorite time-waster.

Now the market has done what government failed to do — discipline Facebook for its bad behavior. It was the largest one-day stock drop ever and the most epic price correction in the history of Silicon Valley, an industry that knows a thing or two about making investors' money disappear.

Zuckerberg himself took a \$15.4 billion hit to his net worth. The general attitude seems to be that he had it coming. Somebody, somewhere, had to cut the hoodie-clad 34-year-old down to size.

Like all the digital economy's most respected entrepreneurs, Zuckerberg never had much time for questions about his motivations or intentions. From the beginning he cultivated a rules-don't-apply-to-us culture. Whether it was the sudden, unannounced changes to the site's layout or the frequent sneaky tweaks to your privacy settings, Facebook seemed to have a policy of ignoring all criticism and ploughing ahead. Their motto said it all: Move fast and break things.

Mark Zuckerberg's sister defends his comments on Holocaust deniers

The Facebook crew was smarter than the crowd. They were more productive and could see further. They could imagine a future that most people weren't creative enough to conjure or sharp enough to engineer. Speed was an invaluable asset and destruction the price of progress. Whether the public bought into their particular vision of the future was of no concern.

Facebook is far from the only tech company with delusions of grandeur. "We don't believe in limits," Apple CEO Tim Cook is fond of saying. "Apple has made products for years that people didn't know they wanted and now they can't live without." That's certainly true, and impressive, but you don't need an MBA to see how an industry with that attitude could end up a little too convinced of its own invulnerability.

The Silicon Valley success narrative is as familiar to us now as a Greek myth. The hero, also known as the founder, goes off into the wilderness to meet his destiny. Everyone tells him the task he has set for himself is unachievable — it can't be done. He does it anyway and is rewarded with glory and wealth beyond imagining.

Proving the cynics wrong is an integral part of the tech visionary's hero journey. But the Greeks knew what the Silicon Valley founder cult apparently hasn't considered — pride goeth before the fall. The road runs out for everyone.

Zuckerberg's wacky defense of Holocaust deniers and other comments

Move fast and break things worked for a long time. It stopped working Thursday.

Facebook's comeuppance is often what befalls companies that perceive their mission to be more grandiose than simply delivering a great product at a fair price.

As the economist Milton Friedman said, "A corporation's social responsibility is to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom."

Maybe Mark Zuckerberg should make that Facebook's new motto.

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Matthew Hennessey is an associate editorial features editor at The Wall Street Journal. His book ["Zero Hour for Gen X: How the Last Adult Generation Can Save America from Millennials"](#) (Encounter Books) is out Aug. 14.

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