

# Mary Meeker 2016 report

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## Five growth drivers in the last 20 years have slowed down:

1. **Connectivity slowing down:** internet user rose from 35mm to 3b
2. **Emerging Country growth slowing:** Global GDP 69% from 43%
3. **Government debt rising:** debt-to-GDP rose to 66% from 51% (2000) for 50 major economies, China is at **90%**
4. **Interest rates declined:** fuel borrowing - US 10y yield @ 1.9% vs 6.6% (1995)
5. **Population growth / aging:** population growth fell from 1.6% in 1995 to 1.2%

## Industries:

### Online Ads:

1. US online growth @ **20%** vs **16%** Y/Y
  - Due to mostly mobile (**+66%**)
  - mobile time spent (**25%**) vs ads spent (**12%**) has room for penetration
    - **36%** time vs **39%** budget for TV
    - **4%** time vs **16%** time for print
      - Meaning **US\$22b** opportunity for mobile ads
2. Millenials @ 27% population, significant spending upsides in the next 10-20 years
  - Products become brands, brands become retailers, retailers become product / brands
  - Physical retailers become digital, digital retailers become data-optimised physical retailers
3. Data-driven optimisation: Stitch Fix
  - 50 to 150 attributes on each item
  - Let user import their pinterest to provide better data points
  - Algorithm-driven recommendation to offer unique 时尚搭配
  - 39% of Stitch Fix clients get majority of clothing from Stitch Fix, up from ~30% of clients a year ago

### Social:

### 1. Images = new monetisation

- 55% Pinterest users are browsing for purchase
- Facebook average-time = 42 mins
- Houzz personalized image planning = 3-4x higher engagement
- Offerup increase daily usage from 13 mins to 25 mins

### 2. Messaging = Evolving Rapidly

- Wechat = 650m MAU
- FB messenger = 800m MAU
- Whatsapp = 1,000m MAU
- New trend of conversational customer service (Bots)
- Messaging Apps = Increasingly Becoming Second Home Screen

### 3. Voice is the new keyboard

- Per Andrew Ng: 99% NLP accuracy is a game changer that few people recognize
- Latency is another major metrix to watch in NLP
- Interface shifting from Keyboards to Microphones & Keyboards
- Google Voice Search Queries = Up >35x Since 2008 & >7x Since 2010, per Google Trends
- Voice = Gaining Search Share... USA Android @ 20%...Baidu @ 10%...Bing Taskbar @ 25%
- Amazon echo penetration: 5% (really?!)
- Estimated echo shipments: 1mm by 1Q2016

## **China:**

1. Per capita salary is on steady growth
2. E-commerce is already the largest retail channel (taobao / jd) contrary to US (walmart 3x to amazon)
3. Outbound travel @ infection point

## **Incumbants:**

### **Cash as 1Q2016**

1. Apple: US\$233b
2. Alphabet: US\$79b
3. Facebook: US\$21b
4. Ali: US\$18b
5. Amazon: US\$16b
6. Tencent: US\$14b
7. Priceline: US\$11b
8. Baidu: US\$11b

## **Data:**

Companies to watch:

- Mapbox
- Looker
- Datadog