

MARK ZUCKERBERG

- 2.5 B DAU overall
- +200M Businesses & 10M active advertisers.
- The company continues to focus on security & transparency
- In the face of the coming election we focused on removing misinformation & helping voters to register.
- Blocked new political & social issues ad running this week ahead of election day.
- Using information labels to lead people to correct information
- Content moderation decisions:
 - ↳ Banned QAnon & Holocaust denial content
 - ↳ Rejected ads that discourage vaccines.
 - * Not a shift from support of free speech → Reflection of increased risk of violence & unrest & harm associated with vaccine misinformation.
 - ⇒ Balance free speech & safety.
- Significant investments and hiring to develop a range of new products.
 - ↳ Move messaging to Reels.
 - ↳ Commerce Efforts
 - ↳ Longer-term VR & AR through Facebook Reality Labs. (First mention of Reality Labs)
- Private messaging continues to be one of the fastest-growing forms of communication.
 - ↳ Often fragmented across different apps
 - ⇒ Ppl want to be able to use the apps they like the best to reach everyone who they want to message.
 - Have been working on a long-term infrastructure project to let ppl message across apps.
 - Started rolling out an update to Instagram that brings the best features from Messenger & creates a better messaging experience across both apps.
- Expanded Reels (first mention of Reels)
 - ↳ New way to create & discover short entertainment videos.
- AR Effects that have been built by more than 400K creators on FB's AR platform.
- Launched Quest 2
 - ↳ Lighter, faster, sharper screen & new price point of \$500.
 - ↳ Pre-orders have outpaced the original Quest pre-orders by more than 5x
- Laying foundation for AR glasses → Holy Grail of delivering a sense of presence while not taking you away from the physical world.
 - ↳ Working on building blocks for true AR glasses.
 - ↳ In the meantime, partnering with Luxottica, makers of Ray-Ban & Oakley, to build first smart glasses
 - ⇒ Launch sometime next year.
- Supporting Small Businesses
 - ↳ Facebook Shop Tab
 - ↳ Facebook Small Business Suite → manage presence across apps.
 - ↳ Paid Online Events: allow ppl to make money by live-streaming classes, talks & other events.
 - ↳ Integrating WhatsApp Business features with FB shops.
 - ⇒ Easier for ppl to buy product directly within a chat
 - ⇒ When a business sets up a shop will be able to establish commercial presence across FB, IG & WA at the same time.

SHERYL SANDBERG

- Largest verticals: e-commerce, retail & CPG.
- According to the US Census Bureau, before the pandemic, e-commerce share in US retail sales was steadily increasing by an avg of 1 percentage point a year for the past 4 years.
 - ↳ This share leapt by 4 percentage points in Q2 alone.
- On WhatsApp, there are now more than 40M ppl viewing business catalog every month.
 - ↳ Created a new shopping button to make it even easier for ppl to discover a catalog.
 - ↳ Soon you'll be able to click a WhatsApp icon on a Facebook Shop to chat directly with the business.
- Launched new partnership with Coursera to train job seekers in skills like social mktg that are becoming ever more critical in a digital economy.
- Agreed along with YouTube & Twitter to a common set of definitions of hate speech & other harmful content in partnership with the World Federation of Advertisers & the Global Alliance for Responsible Media.
- There is an important debate taking place about the way companies use data, including for online advertising.
 - ↳ Personalized ads play an important role for small businesses.

DAVID WEHNER

- Impression growth (+55%) driven by both FB & IG.
- Avg Price (-9%): ongoing mix shift towards geographies & starter ads, which monetize at lower rate.
 - ↳ YoY pricing trends improved from Q2 due to broad improvements in advertiser demand coupled with slower impression growth.
- Other Revenue (-1.7%): timing of new product launch of Quest 2, began selling in Q4.
- New goal to reach net-zero carbon emission for value chain in 2030.
 - ↳ On top of current plans for global operations to achieve net-zero carbon emissions & be 100% supported by renewable energy by the end of 2020.
- Outlook:
 - ↳ Saw FB DAU & MAUs decline in Q3 vs Q2 in US & Canada.
 - ⇒ Expect this to continue
- Pandemic accelerated shift from commerce from offline to online.
 - ↳ Biggest vertical → if this dries down, could be a headwind.
- Expect more significant targeting & measurement headwinds in 2021.
 - ↳ Also continued uncertainty around viability of transatlantic data transfer in light of recent European regulatory developments.
 - * Look this up *

QUESTIONS

- ① What trends have changed the most due to COVID? Which ones do you expect to last / change priority of FB?
- Voice & Video calling
 - More need for connectivity
 - ↳ will invest more in this area
 - Video & gaming as form of entertainment
 - Haven't seen decline / return to baseline of online commerce.

③ Milestones to unlock next computing platform? (VR/AR)

- VR is most advanced.
 - ↳ Big milestone is get 10M active units in VR systems.
 - Ecosystem will be self-perpetuating → independent developers will prioritize Oculus.
 - Installed base will be sufficiently large that they will get good returns
 - Right now FB is funding a lot of the content developers.
- To have viable AR consumer glasses, you need to clear a number of tech hurdles to make it so that all of that tech fits in what would be kind of normal, maybe thick-rimmed consumer glasses
 - ↳ still a number of tech advances that still need to be made

④ Progress with messaging. Deal with Didi in Brazil.

- Goal: build out a commerce platform around messaging with a lot of tools.
 - ↳ Starting with FB Shops which they already announced will be coming to WhatsApp & Messenger.
- FB is building out tools around business messaging
 - ↳ ppl can follow-up & complete transactions & get support through messaging & then payments, so that ppl can complete transactions too.

⑤ Interoperability. Rollout efforts thus far & key benefits milestones.

- Started rolling out interoperability between Messenger & Instagram messaging
 - ↳ Most countries have a primary messaging app.
 - ↳ US is more fragmented due to iMessage.
- Goal: ppl can choose one of our apps that they prefer using the most for messaging & can reach all the people who they want across all of our different apps from whichever is their favorite.
 - ↳ They can continue using multiple if they want.

⑥ Online gaming as an opportunity.

- Facebook Gaming → people stream games using live tools.
- Better at recruiting game streamers who want to build a community.
 - ↳ Going well & growing quickly.
- Launched cloud initiative → plugs into Facebook Gaming & ads work around helping gaming companies get new customers.
 - Gaming combined with video & communities.
- Over the long term, VR piece will come in to that as well.