Mark Zuckerberg

- Time spent per person increased double-digit percentages YoY across FB, Insta & Messenger.
- Biggest opportunities to grow is in developing countries:
  - ↳ Have been making steady improvements to their apps to make them work regardless of the device or connection that people are using.
- See a world that is video-first, and video at the heart of all their apps & services.
  - ↳ Focused on Live videos.
- Making good progress on core services within Facebook app like search.
  - ↳ More than 2B searches a day.
- Improving the experience by building business with more engaging ads.
- Instagram has now more than 500M monthly actives & +300M Daily.
  - ↳ Began ranking its feed → better experience.
    - ⇒ Have seen positive impact in terms for time spent & the amount of content that people are sharing.
  - ↳ Introduced our advertising tools + seeing marketers engage with people in creative & innovative ways.
- Messenger +1B MAU
- WhatsApp also +1B MAU
  - ↳ Launched desktop apps + end-to-end encryption.
  - ↳ Millions using voice calling features.
- First successful Aquila flight (solar powered aircraft that will beam internet).
- Progress with AI & VR:
  - ↳ DeepText: deep learning-based engine that can understand the context of several thousand posts per second across 20 different languages.
    - → Helping show people more of what they want to see & filter out less of what they don't want to see.
  - ↳ More than 1M people a month are now using Oculus on mobile phones through Gear VR partnership with Samsung.
    - → More than 300 apps available in Oculus store.
  - ↳ Filled all pre-orders for Oculus Rift & seeing increasing demand.
  - ↳ Doing AR research + seeing lightweight version in mobile apps like MSQRD.

Sheryl Sandberg

- Expanded Audience Network to include video.
  - ↳ Advertisers can place video ads not just on FB & Instagram, but across a network of apps & sites.
- Over ⅓ of small & medium businesses in the US don't have websites
  - ↳ FB pages are the novel solution for many of the 60M businesses.
    - → Easy to manage on mobile.
- Worked hard on making becoming an advertiser as easy as possible.
  - ↳ Simplifying ad products is key to advertiser acquisition.
- Introduced lead ads in Q1 → make it easy for ppl to fill out forms on mobile right from News Feed.
  - ↳ In Q2 made it possible for advertisers to retarget ppl who opened or completed a lead ad form.
- Dynamic Ads → upload product catalog & target ppl with specific products in real time.

David Wehner

- Mobile continues to drive growth.
- Anticipate ad load to continue to grow modestly over the next 12 months & then will be less significant factor driving revenue growth after mid-2017.

Questions

① Investments that need to be made on video?
- More taxing on the network, so investing on that side.

② Ad loads variations by region?
- Does not vary dramatically by region.
  ⇒ Variation in ARPU per region is more affected by overall demand across regions.
    ◦ Also associated to size of mobile ad markets per population.
- Instagram currently has lowered ad load

③ Specific growth source?
- As ad products get more sophisticated, targeting & measurements get better, advertisers have an increased opportunity to grow.
  ↳ This is why growth continues to be broad based.

- High growth also seen on messaging as a trend for private communication through Messenger & WhatsApp.

④ Decreasing ad load in order to increase price.
- Factors that go into ad load:
  ↳ Advertiser demand
  ↳ Match demand to supply
    ⇒ Drivers of supply: user & time spent.
- Have to get balance of factors & right mix in order to determine correct ad load.
- Pricing plays out via the auction.
- See opportunity of growth more with user growth & time spent.
- ROI for advertisers is key so would not lower ad load to increase price.

⑤ Commercial Search on FB being viable?
- 3 Phases in New Product Development:
  ↳ Building consumer use case
  ↳ Making it possible so people can organically interact with businesses.
  ↳ Once there's large volume of people interacting with businesses, give businesses tools to reach more people & pay.
- With search they are currently in Phase 2.

- Audience Network is factored at a net basis, so it minimizes the effect.

⑥ Monetization in Messaging apps.
- With Messenger → Phase 2
- No mention of WhatsApp.

⑦ Pre-Roll: against them/ why not using?
- FB doesn't need to do pre-rolls bc their model is not one where you come to FB to watch one piece of content. You come to look at a feed & putting the ads in between the stories is much more effective way to do it & better for the user experience.
- Pre-Roll: playing an ad before the video starts.

- Currently more than 10,000 bots in the system.
- FB is working on becoming video-first
  ↳ Zuckerberg believes that in the future most of what people will consume online will be video.
  ↳ New production tools & consumption experience has to be built to enable that.