

2021 Q1

- Future demand will be determined by price as demand increases - effects of COVID subside
- ★ Ad targeting & measurement tools limited by changes in the regulatory environment + 3rd Party mobile operating systems & browsers.
- ★ Will continue to heavily invest in next computing platform.
 - ↳ Are seeing ecosystem broaden beyond games into other categories in VR.
 - ↳ Introduced App Lab so developers can ship early versions of their apps directly to consumers w/o having to go through Oculus Store.
- Commerce & messaging becoming more important.
 - ↳ Increase in use of Marketplace & WhatsApp catalog.
 - ↳ WhatsApp Payment live in India + approved in Brazil
- Building tools to support creator economy.
- Strong growth in ads through FB Watch
- Working with customers to implement Apple's API to mitigate impact of iOS14.
 - FB plans to reduce political content on its platform as it has been seen to be incubating toxic hate speech, conspiracy theories and calls for violence.
 - FB removed News from Australia due to a disagree with the government over whether they should pay media companies for the distribution of news on their platforms. Law makers in other countries criticize this and might spark further regulation.
 - FB launches ad campaign promoting targeted ads.
 - Introduced new penalties to groups
 - Explore the development of an Instagram-like ad for Kids -13 that is controlled by their parents.
 - Engagement has declined with fewer DAU's and shorter visit duration in the midst of Apple's update.

2021 Q2

- ★ Video is the primary way people use FB products & express themselves.
 - ↳ Represents half the time they spend on FB.
- ★ Reels is largest contributor to engagement growth in IG.
 - ⇒ Only just began making ads available in Reels - increase ad inventory.
- Focused on developing tools for creators so they can monetize.
- Developing more monetization tools for videos including live.
- Click-to-Messenger ads also continue to do.
- Working on building out shops, Marketplace + Payments.
- ★ Wants to help build the Metaverse. → Successor to Mobile.
 - Building on discovery by testing new experiences.
 - Want to offer seamless customer journey → Discover | Buy | Pay | Have it delivered without exiting the app.
 - Want to build tools that help businesses beyond Marketing
 - ↳ Customer Service / CRM / Business Messaging / Hiring.
 - Starting to see growth in verticals that were challenged during the pandemic (travel, entertainment / media).
 - FB's reliance on automation for content moderation has led to frustration for many users.
 - FB has promised advertisers more tools & transparency after last year's boycott.
 - US gov't urged FB to abandon plans to launch a children's version of Instagram.
 - Lost bid to block EU privacy decision that could interrupt ability to send info about European users to US computer servers.
 - European Commission expected to open formal antitrust proceedings against FB → company favors its own Marketplace service over competitors.
 - FB's head of global advertising sales is leaving → some worry impact on FB advertiser relationship as recent iOS changes could threaten its loyalty among small businesses.
 - Oversight board has gained credibility over its independence
 - ↳ Long-term impact will depend on how FB implements recommendations.
 - Misinformation around COVID creates tensions with the White House.
 - Investors anticipate deceleration due to Apple's privacy changes + FB's focus on developing secondary business → e-commerce & VR.

2021 Q3

- ★ Apple's changes fully implemented + negatively impacting results.
 - ↳ Accuracy of targeting decreases - increases costs for advertisers.
 - ↳ Measure outcomes becomes more difficult. - underreporting conversions in iOS devices.
- In earning call: company is being painted in a false picture.
- Reels continue to be biggest source of engagement.
 - ↳ Will make changes to FB & IG apps to make Reels more relevant.
- Want to drive focus towards young adults.
 - ↳ Competition has become more intense. Apple iMessage + TikTok.
- Continue building solutions for commerce + focusing on next computing platform + Metaverse.
 - ↳ Expect investments to affect operating margins.
- Global supply chain issues + slowing down of e-commerce affect ad spending.
- Continue to be in the spotlight for the wrong reasons:
 - ↳ FTC filed amended antitrust lawsuit → abusing monopoly position - buying rivals + suppressing competition.
 - ↳ The Facebook Files: investigation done by WSJ with documents provided by a FB former employee which showed that:
 - FB gave special treatment to some high-profile users.
 - It's products are harmful for its users, especially teenage girls, & the company knew.
 - Algorithm promotes inflammatory content due to that being more attractive.
 - FB was used for human trafficking & Drug Cartels.
 - FB can't control misinformation with COVID vaccine.
 - The company has ongoing projects where it look to attract/ create products for kids -13.
 - FB's AI isn't consistently identifying hate speech, excessive violence & underage users, contrary to what executives have said in the past.
 - ↳ The company is nowhere near being able to reliably screen offensive or dangerous content & is unlikely to improve beyond 10-20% in the short- medium term.
 - FB is struggling to detect & handle users creating multiple accounts
 - ↳ Advertisers need user information to correctly invest.
 - FB has rejected more systematic approach to restrict features that amplify incendiary & divisive posts in favor of reactive, ad hoc approach.
 - Accused of favoring right-wing publishers by its employees.
- FB delays product roll-out amid internal review & reputational damage concerns + tightening the reins on internal information sharing.
- ★ Prominent democrats declining FB high-paying jobs for lobbying as P. Biden & Congress threaten with tougher regulations.
- ★ Company changed name to Meta - reflects efforts to grow beyond social media & its vision of the metaverse being the successor to mobile internet.
 - ↳ The company also wants to be less reliant on Apple & Google.

2021 Q4

- Ads continue being main revenue stream.
- ★ • Changed reporting to FoA & RL → RL will negatively impact margins as cost exceed revenues (-448.2% gross margin).
- FB isn't seeing much increment in users of FoA.
- 7 Major focuses: Reels, Community Messaging, Commerce, Ads, Privacy, AI & Metaverse.
- Reels → biggest contributor to engagement. Shifting to Reels as competition intensifies, especially with apps like TikTok & trying to gain YA attention.
- Developing potential monetization in messaging & Commerce.
- Privacy: changing to encode at a deeper level of technical foundation to make them durable & make product development faster.
- Adapting ad platform to regulatory & iOS changes.
- Building world's fastest supercomputer to work with AI.
- Headwinds: slow down of online commerce, first holiday season w/ iOS changes, global supply chain disruptions, labor shortages, inflationary pressures. + Increase competition & shift to Reels.
- iOS overall headwind on business 2022 → \$10B USD.
- Declining usage among teens & slower growth than TikTok.
- European officials using disclosure from FB whistleblower to push for stricter regulation on big tech
- Will eliminate microtargeting for political ads.
- FB accused of suppressing independent report commissioned to investigate hate speech in India.
- UK regulator indicated FB must sell Giphy.
- Shareholders urge FB to address harm on its platforms & improve overall governance.
- Former FB employee - public policy director for global elections, has left the company & is now advising lawmakers in Washington & Europe on legislation.

GENERAL NARRATIVE

- Effects of COVID subsidies.
 - ↳ Effect of COVID subsidies - demand increases but surge of online commerce decreases. Also verticals affected by COVID starting to come back.
- Video as primary way people use FB products & to express themselves.
 - ↳ Reels is largest contributor to engagement growth.
- Tough year for FB with many headwinds.
 - ↳ Targeting & measurement tools limited by regulatory environment & 3rd party operating systems.
 - ↳ Continued public scrutiny & release of the FB files
 - ↳ Intense competition, especially TikTok.
 - ↳ Global macroeconomic environment → supply chain disruptions, labor shortage, inflationary pressures.
- Change of company name to Meta to cement its commitment to the metaverse vision. changed reporting to FoA & RL. Increased investments in next computing platform.