Mark Zuckerberg

① Creators

- Video → primary way that ppl use FB products & express themselves.
  - ↳ Half of all the time spent on FB
  - ↳ Reels is largest contributor to engagement growth in IG.
    - ⇒ All of all forms of video, short-form is growing especially quickly.
  - ↳ Ppl like to watch videos recommended by personalized algorithms
    - Gives creators reach to new ppl who don't follow them.
    - Good compliment to social feed
      - ⇒ Progress in AI will make experience even better.
  - ↳ On-demand video on Facebook Watch is also growing quickly → faster than other type of video or content in News Feed.
    - Building new monetization tools for creators.
    - Last year people spent more than $50M stars (stars? Research this) to game stream creators going live on Facebook alone.
  - ↳ Focused on developing monetization tools for Lives:
    - Live Breaks: midroll ads
    - Live shopping: engage their communities more deeply in commerce with their content.
- Launched Live Audio Rooms & podcasts.
- Launched Bulletin: publishing & subscription service for writers
  - ↳ Includes features for them to grow their audiences like integration with Groups, FB Live & Live Audio Room.
- To help grow creator economy, will keep creator tools free to use through 2023.
- Announced that are investing $1B in creators across FB & IG.

② Commerce

- Focus: building out shops, Marketplace, business messaging in WhatsApp & Messenger to create more native commerce experience across all apps.
- Long-term strategy.
- WhatsApp Payment available to everyone in Brazil as well as India.
- Adding new payment feature in Messenger in the US like QR codes.
- Making FB Pay available outside of the app
  - ↳ will start seeing it as a checkout option on the web & especially in web views that you see within app after clicking on ads / other business content.

③ Building next computing platform

- Quest 2: continues to do well & keeps getting better as they release regular software updates.
  - ↳ Pass-through APIs: developers can start building mixed-reality experiences on Quest.
- Most popular apps on Quest are social.
  - ↳ Also seeing compelling use cases in other forms of entertainment as well as work, creativity & fitness.
- Next product release → 1st smart glasses from Ray-Ban Partnership.

- Together, these efforts are also part of a much larger goal: help build the metaverse.
  - ↳ First direct mention of the Metaverse in an FB call.
  - ↳ Believe Metaverse will be the successor to the mobile internet.

Sheryl Sandberg

- To build the next era of personalized experiences, they're focused on product innovation in 4 areas.
  - ↳ Discovery:
    - Testing a new experience in the News Feed where you can tap to browse content from businesses on topics like beauty, fitness or clothing.
    - Using context to make smarter recommendations about which ads to show. (Ex. Watching travel video → hotel & flights ads).
  - ↳ Commerce
    - About creating a personalized, seamless customer journey where it's easier to discover products, buy it, pay for it & have it delivered to your doorstep.
  - ↳ Privacy-enhancing technologies
  - ↳ Building tools that help businesses beyond marketing
    - Customer relationship management, business messaging tools or hiring through Facebook jobs.

David Wehner

- Growth in ad revenue largely driven by verticals that have performed well during the pandemic (online commerce & consumer packaged goods).
- Saw improved growth trends in verticals that were particularly challenged during the pandemic (travel, entertaiment, media).
- Ad revenue accelerated in all regions.
  - ↳ Lapping Q2 → hardest hit by the pandemic.
- Ad impression (+6%): developing markets, especially APAC.
- Ad Price (+47%): Broad-based strength in advertiser demand.
  - ↳ Q2 2020 → elevated impressions + depressed prices due to the pandemic.
- Other revenue (+36%): Quest 2 sales
  - ↳ Slower rate of growth → seasonally lower sales period.
  - ↳ Recorded revenue adjustment for returns related to Quest 2 foam facial interface recall (→ investigate)
- Outlook:
  - ↳ Ad revenue to be driven by price increase.
  - ↳ YoY growth to decelerate → lap periods of increasingly strong growth.
  - ↳ Expect increasing ad targeting headwinds in 2021 from regulatory & platform changes.

Questions

① Key execution areas you need to overcome to make shopping opportunity larger.

- Keep in mind that ad business is so large that it's going to take a long time before anything they do with commerce is meaningful.
- There's this long tail of functionality that businesses have come to expect on the web from other online tools.
  - ↳ Need to make sure they are available for shops & business messaging.
    - ⇒ Could be through partnerships with other e-commerce companies or building it up themselves.

② Creator economy. How you intend to compete for creators to bring more exclusive content to your platform?

- If you're a creator trying to get your content out there & make a living, you want to be on all of these platforms.
- Just want to make it so that creators have their best content here & that they can help them make a living better than other platforms.
  - ↳ Assumption: better monetization tools = better content in the long term.

③ Metaverse. Business model? Disclosure around expenses for VR/AR?
- Focused on having hundreds of millions of people use the metaverse & the new platforms before they turn it into what they expect to be a very important & big part of their business.
- Ads continue to be an important part of their strategy & will probably be a meaningful part of the metaverse too.
- Commerce is going to be increasingly important.
- Digital goods & creators will be huge.
- Focus for now is helping develop the community.
- Business model isn't going to be primarily around trying to sell devices at a large premium.

④ Expanding ad surfaces to create more inventory.
- Reels is a significant future opportunity.
  ↳ Only just began to make ads available globally on Reels.

⑤ Metaverse → how much of the building blocks is within your control vs what other areas need to build?
- Going to be a macro wave overall that a lot of companies will be able to ride & benefit from.

⑥ Integration of messaging across family of apps. Is this contributing incrementally to more business activity through messaging?
- Click-to-messaging ads are growing quickly
  ↳ Even though FB doesn't charge through messaging apps, if interactions between ppl & businesses end up helping businesses → businesses will pay to have their ads point towards that.

⑦ Is AI still a competitive advantage for FB as it become more table stakes?
- FB has a large investment in AI & they build a platform that all their products use.
  ↳ When they make foundational improvements, it makes ranking better for all ads on all platforms, makes spam detection better
  ↳ Has been one of the big tailwinds / waves that they have been riding.
- Progress that is being made at the fundamental levels with AI is driving a lot of progress & is one of the most important macro effects that we're seeing.
- PyTorch (Look specifics of Framework + when it started)

- Aggregated Events Management API
  ↳ Investigate.