

MARK ZUCKERBERG

- +2.7 B DAUs overall
- +200M Businesses
- Business has been performing better than expected → given FB the confidence to increase investment meaningfully in a few key areas that have the potential to change the company over the long term.

① BUILDING NEXT COMPUTING PLATFORM

- Going to keep investing heavily in building out the best experience this year.
 - ↳ Accounts for a major part of overall R&D budget growth.
- Quest 2 doing better than expected - even after holiday season.
 - ↳ Good engagement
 - ↳ Continue shipping updates that make Quest better
 - Air Link: enables wireless streaming of games & content from PCs & support for 120 hertz refresh rates.
- Neural interfaces for interacting with AR as future investment.
- Started testing new avatar system.
- Seeing trend in app ecosystem broaden out beyond games into other categories in VR, including social, productivity & fitness.
- Introduced App Lab so developers can ship early versions of their apps directly to consumers without having to go through the Oculus Store.
 - ↳ Between this & streaming from PCs, we're pioneering a much more open model of app store than what's currently available on phones today.

② COMMERCE + MESSAGING

- Become a lot more important as the pandemic has accelerated a shift towards online.
- Commerce ads continue to do very well & drive a meaningful amount of overall business.
- +1B ppl visit Marketplace each month.
- +1M monthly active shops & over 250M monthly shops & visitors.
- Updated WhatsApp catalog
 - ↳ Businesses can keep them updated from their computers & to include what's in stock.
- WhatsApp cart used to send orders + SM times.
- WhatsApp Payments live in India & gotten approval in Brazil to launch shortly.
- For a lot of ppl, online commerce is less about websites & shops & more about messaging.
- Over the last year, during the height of COVID, total daily conversations between people & businesses on Messenger & Instagram grew by more than 40%.
- Next step → make it possible to create click-to-WhatsApp ads directly within the WhatsApp Business app
- Also investing in building out better customer support for clients.
 - ↳ Next pillar of trust & safety work.

③ CREATORS

- Build out creative & monetization tools to support creator economy.
- Part is going to be delivering a suite of tools & products that span all of the ways that people want to create & consume content.
- Building out live audio rooms → useful for groups & communities.
- Building sound bites for sharing & consuming short-form audio clips broadly.
- Supporting podcasts for sharing & listening to long-form audio.
- Partnering with Spotify to launch a music player in the FB app.
- Need to connect these experiences with easy options for monetization
 - ↳ Subscriptions, tipping or enabling creators to give product recommendations & enable commerce.

SHERYL SANDBERG

- Performance driven in large part by the continued digital transformation as more & more businesses shift online.
- Introduced new formats like live shopping
- Rolled out Shop tab in more countries & are exploring new immersive formats like product tags & drop stickers that enable more ppl to shop with creators & brands they love.
- Continue to see strong growth in stories ads & video ads.
- Strong growth across ads in Facebook Watch → +1.25B ppl visiting every month.
- Expanding paid online events to more countries.
- Enabling more ppl to run in-stream ads, including live videos.
- Developing ads in short-form videos → testing ability for content creators to monetize their FB stories with ads that look like stickers.
- Working with customers to implement Apple's API & own aggregated events measurements API to mitigate impact of iOS 14 changes.
- Rebuilding meaningful elements of their tech so that their system continues to perform when they have access to less data in the future.
- Part of long-term collaborations with industry bodies like W3C on initiatives like privacy enhancing tech that provides personalized experiences while limiting access to people's information.

DAVID WEHNER

- Growth in advertising revenue was driven by:
 - ↳ Continued strength in product verticals such as online commerce.
 - Broad-based across advertiser sizes, with particular strength in small & medium-sized advertisers.
 - ↳ Benefited from lapping pandemic-related demand headwinds experienced during March 2020.
- Revenue growth accelerated in all regions.
- Ad impression (+12%): both IG & FB
- Avg Price per Ad (+30%): Lapping depressed pricing levels from 1 year ago as well as strong advertiser demand.
- Other revenue (+14%): Continued strong Quest 2 sales.
- FB's global operations have now reached net-zero emissions & are 100% supported by renewable energy.
 - ↳ Remain committed to next goal of decarbonizing entire value chain in 2030.
- Outlook:
 - ↳ Expect revenue growth to be mainly driven by price.
 - ↳ Expect increased ad targeting headwinds & platform changes, notably recently launched iOS 14.5
 - Also continued uncertainty around viability of transatlantic data transfer → European regulatory development.

QUESTIONS

- ① Congressional hearing on the concept of algorithmic amplification / algorithms on FB IG's surface content to maximize engagement.
Sometimes that means some of the more controversial content is what gets surfaced.
If you guys were forced to change up the way all these algorithms work, what kind of impact will that actually have on engagement?
- We do not optimize systems to increase the amount of time spent on News Feed.
 - ↳ Teams do not have goals around time spent.
- Belief is that if we build a product that is more valuable, than people will engage more.
- Contrary to what a lot of these other folks say, it is actually in our business interest to reduce it b/c ppl don't like.
 - ↳ Consumers don't like it, advertisers don't want to be near it.