

## 2020 Q1

- ★ • Decrease in ad demand due to COVID-19 over last 3 weeks.
  - ↳ FB 3 focus points: helping ppl stay connected, assisting public health response & working on economic recovery, especially for SMBs.
- Created COVID-19 information center with authoritative information from health officials & governments in order to limit misinformation.
- Experienced increase of use of all services, particularly messaging & video/voice calls.
  - ↳ Making sure services are stable and reliable.
- ★ • Partnership with Jio Platforms in India. Jio Mart → small business initiative to connect millions of shops with WhatsApp.
  - ↳ Largest FB & WA communities are in India.
- Planning big headcount increase (10K) in product & engineering roles.
- Expect to moderate some expenses as advertisers spend less.
- Ppl using FB & IG online are looking for businesses.
  - ↳ WhatsApp & Messenger are also being used more by businesses.
- Are seeing some ad recovery in first week of April.
- European Union intensified antitrust investigation on FB.
- FB postpones roll out of dating service due to compliance issue with European Union data protection rules.
- FB removes fake accounts from several countries to combat misinformation.
- Amended complaint in a lawsuit alleges that employees were aware that the company was overestimating how many people advertisers could reach.
- FB plans to rescue small businesses with \$100M fund & fundraising tools.
- FB allows posts promoting false COVID cures & conspiracies despite its efforts to remove such misinformation.
- FB launches Messenger Rooms, group video chat feature for up to 50 ppl.

## 2020 Q2

- AI advances helping police network - detecting 90% of hate speech.
- FB is being audited by Media Rating Council - will revise content monetization policies and brand safety controls.
- Going to work with Global Alliance for Responsible Media to provide greater transparency into measurements of hate speech numbers.
- Continue focusing on removing interference for the next US election.
- Increase sales of Portal and Oculus Quest.
- Launched Business Nearby tool in order to give users the information of businesses in their neighborhood.
- Growth primarily driven by SMB who leveraged on ad-platform to connect with customers.
  - Increased diversification in advertiser base. TOP 100 advertisers represent 16% of revenue.
- Deceleration of employee expenses due to WFH but offset by extensive hiring spree.
- Closed investment with Jio Platforms in July.
- FB may be denied accreditation by the media industry's measurement watchdog due to deficiencies in how it reports advertising effectiveness.
- Messenger Kids app experienced surge in DAU's due to the pandemic.
- FB acquiring Giphy to integrate GIF library with IG.
- FB's algorithms accused of exacerbating polarization & tribal behavior on the platform, with internal presentations stating that divisive content is attractive to the human brain.
- FB was boycotted by many brands due to concerns over handling of hate speech & misinformation. These companies included Coca-Cola, Unilever, Disney, Ford, Clorox & Denny's + additional. → spending in competitors.
- FB executives vow to tackle hate speech + invest in AI to detect it.
- FB leaders met with civil rights group to discuss requests but they left the meeting feeling no progress had been made, prompting them to call for more advertisers to pause their spending on FB.
- Advertisers who previously boycotted in July were starting to return, some brands are still extending their boycott to August.
  - ↳ FB's financial outlook remains unaffected.
- ★ More of a reputational damage than real financial impact.  
FB's advertiser base is very large & SMBs depend more on FB platforms than big brands.



## 2020 Q3

- Continued focus on security & transparency.
- Focused on removing misinformation in face of the coming election.
  - ↳ helping voters to register.
- Significant investments in developing new products.
  - ↳ focus on Reels, Messaging & Commerce efforts. + long-term VR & AR.
- Private messaging continue to be one of the biggest means of growth in communication. ⇒ want to focus on interoperability with messaging between their apps.
- Launched Quest 2 VR headset. + working on building blocks of AR.
- Continue to create tools to support small businesses - help them communicate & sell to their customers.
  - ↳ Integrating WhatsApp business to FB shops.
  - ↳ Want that when a business sets up a FB shop it can establish commercial presence across FB, IG & WhatsApp at the same time.
- E-commerce accelerated due to the pandemic.
- Agreed along with YouTube & Twitter to common set definition of hate speech & other harmful content in partnership with the World Federation of Advertisers & the Global Alliance of Responsible Media.
- Scandal in India (FB's largest market outside US): employees flagged BJP lawmaker for violating the company's hate speech rules but company's top public-policy executive in India opposed applying the rules to him & other Hindu nationalists - favoritism.
- NZ has been raising concerns about TikTok's Chinese ownership & its threat to American values & technological supremacy.
  - ↳ Popular app has gained +100M US users & become FB's biggest threat in social media dominance.
- Gun sellers still finding ways to use FB Marketplace.
- ★ • FB warns that Apple's privacy changes in its latest operating system will affect its ability to place personalized ads.
- Threatens to stop allowing Australians to share news on its platform if lawmakers force tech companies to pay media companies for content.
- FTC preparing to file a potential antitrust lawsuit challenging the company's dominance in social media.
- FB will charge for some of WhatsApp features to profit from the embrace of tools.
- FB is preparing emergency measures to slow the spread of viral content & potentially suppress inflammatory posts to reduce the chances of violence or civil unrest in the wake of US election.

## 2020 Q4

- 4 themes for the year ahead: Communities, Private Messaging, Commerce tools for small businesses & Building the next computing platform.
  - ↳ Communities = Groups - creating new tools + removing those that break rules.
  - ↳ Messaging: interoperable between apps. All should be end-to-end encrypted but FB should keep some metadata to prevent bad actors.
  - ↳ Commerce: make it easier for businesses to set shop. Will set once it will be available in both FB & IG, eventually also WhatsApp & Messenger.
    - ⇒ Introducing new tools to transact through WhatsApp.
  - ↳ Next Computing platform: Launched Quest 2 + excited to deliver first glimpse of AR glasses when they launch first pair with Ray-Ban.
    - ⇒ Portal used to keep people connected + will expand VR presence in the workplace.
- ★ • See Apple as one of their biggest competitors.
  - ↳ Apple released "Nutrition Label" focused on metadata that apps collect rather than focus on privacy & security of messages.
    - ⇒ iMessage stores non-end-to-end encrypted backups for your messages.
  - ↳ Apple has incentive to interfere with how FB & other apps work in preference of their own.
- Robust performance across all regions. Usage from COVID peak starting to normalize.
- Launched Reels in +50 countries - focused on making sure it's a market fit before monetizing it.
- FB continues to be a hot topic due to its privacy, security & transparency:
  - ↳ Political groups are circumventing FB's system for blocking false political advertising by reposting ads.
  - ↳ FB offers to credit some advertisers after discovering glitch in measurements.
  - ↳ Facing antitrust lawsuit from FTC - FB acquired companies that posed possible threat to its monopoly.
  - ↳ FB & Google accused of illegal price-fixing deal. Both companies agreed to assist each other in the event of an antitrust investigation.
  - ↳ Experienced surge of reports of violent content & false news following the Capitol Hill riot. Banned P. Trump from app.
  - ↳ Content oversight board overturned 4 instances where the company unfairly infringed on users' speech.
  - ↳ Shift to Groups found to have fueled partisanship & calls to violence.
    - ⇒ FB will need to implement new rules / remove some tools.
- FB & IG ad oversaturation could lead to user flight
- Acquiring Customer - help customers do business.
- Fight against Apple:
  - ↳ Supporting EPIC Games' challenge of app store monopoly.
  - ↳ Core business is expected to suffer due to software changes.
- Facebook was one of the top spenders in lobbying in 2020.

## GENERAL NARRATIVE

- COVID & its impact - initially reduced spending on ads but pushed e-commerce
  - ↳ Also drove misinformation that FB had to control.
  - ↳ Increase of use of the platform.
  - ↳ FB said it would reduce some expense but would hire 10,000 employees in product & engineering - see as opportunity to continue investing in the future when many companies will probably reduce spending.
- Scandal continues to surround FB
  - ↳ Continued investigation from public
  - ↳ Mixed into Capitol Hill riot
  - ↳ Caused boycott from advertisers
  - ↳ Had to spend more in lobbying.
  - ↳ Sparked actions from Apple to place more privacy controls.
  - ↳ Looming competition with TIKTOK, can't afford to lose marketers & users.
  - ↳ Issue with measurements.