

MARK ZUCKERBERG

- 2.2B MAUs in FB
- 2.5B MAU in at least one of the apps (FB, WA, IG, or Messenger)
 - ↳ Refers to individuals, not active accounts → excludes when ppl have more than one account in an app.
 - ↳ Reflect how many people use more than one service.
- Investments to improve safety:
 - ↳ Launched 2 important transparency tools.
 - 1- Let anyone see ads any page is running even if the ads are not targeted to you.
 - 2- Archive of ads with political or issues content
 - ⇒ Labeled so you can clearly see who's paying for them, budget associated with each ad, how many ppl saw it & reach all ads with political or issue content that an advertiser has run for up to 7 years.
 - ↳ Fight against misinformation:
 - ⇒ Creating vid of financial incentives for spammers to create fake news.
 - ⇒ Stop pages that repeatedly spread false information from buying ads.
 - ⇒ Used AI to prevent fake accounts that generate a lot of problematic content from ever being created in the first place.
 - ↳ Investments in AI → can now remove more bad content quickly b/c we won't have to wait until after it's reported.
 - ↳ Almost 90% of graphic violence content was removed or added a warning label to was identified using AI.
 - ⇒ More proactive detection vs. reactive.
- Privacy (GDPR)
 - ↳ Decline in MAU in Europe.
- Will continue to invest in security → will impact profitability.
 - ↳ Will not decrease investment in new products.
- Added the ability for Pages to create & donate to fundraisers for causes that they care about.
- +1B MAU on IG
- Launched IGTV
 - ↳ Designed specifically for mobile & makes watching long-form vertical videos from creators easy.
 - ↳ Standalone IGTV app but can also watch within the IG app.
- Seeing Watch starting to grow on FB.
 - ↳ Rolled out Watch Party to all groups → watch & chat with friends at the same time.
 - ↳ Seeing traction from original talk show Red Table Talk.
- Stories growing across all apps.
 - ↳ Have included new features like polls, questions & collaborative stories in groups & events.
 - ↳ Making progress developing stories into a great ad format.
 - ⇒ Most progress on IG, but also started testing on FB.
- More private messaging
 - ↳ Testing payments on WhatsApp in India.
- Datacenters: have 4, are working on building 8 more.
 - ↳ Using AI in global community operations team to fight spam, harassment, hate speech & terrorism across all apps.
- Devils go off to a good start, at \$199 going to be how a lot of people experience VR for the first time.

SHERYL SANDBERG

- Advertisers placing ads with political content are now required to verify their identity & location.
- Are being intentionally broad in interpretation of political & issue ads.
- Winning on mobile now means winning on video.
 - ↳ See video trend on all apps.
 - ↳ Seeing healthy growth in video ads amongst all advertiser segments.
- Developing new ad products
 - ↳ Launched new tools on FB to help anyone make videos that work well on mobile.
 - ⇒ Released ad animator: simple way to create eye-catching video ads using photos & other content that's already on a company's FB page.
 - ⇒ Testing Video Creation Kit: gives advertisers easy-to-use video templates for different marketing objectives.
- Making it easier to run ads on IG & Stories.
 - ↳ When advertiser uploads video in a square or horizontal format for feed, FB automatically transforms it into the full-screen vertical format of stories.
- Automatic placements help advertisers get better results by showing ads across FB platform wherever they'll perform best & at the lowest cost.
- Introduced Test & Learn, a way for advertisers to run variations of their ads & measure results in just a few steps.

DAVID WEHNER

- MAU & DAU in Europe were both down slightly quarter-over-quarter due to GDPR rollout.
- Outlook:
 - ↳ Total revenue growth rate will continue to decelerate.
 - ⇒ Expect currency to be a headwind instead of tailwind.
 - ⇒ Plan to grow & promote certain engaging experiences like stories that currently have lower monetization.
 - ⇒ Giving ppl more choices around data privacy.
 - ↳ Expenses will increase 50-60%.
 - ↳ Beyond 2018 → expense growth will exceed revenue growth in 2019.
 - ↳ Operating Margin ~ 30%-35%.
 - ↳ Ds tax rate will be 25-30% due to one-time change related to a recent court ruling in the IRS vs. Altera case.

Questions

- ① IGTV vs Watch.
 - IGTV → helping ppl connect with creators in a mobile-native vertical video format.
 - ↳ Build a community around those creators.
 - Watch → video content on Facebook + acquired content through original programming.
 - ↳ Ppl can come together with their friends to watch that content through things like Watch Party & engage & build a community that way.
- ② Of the assets that you aren't currently monetizing in material ways, which ones do you expect to see start to contribute in a more meaningful way over the next couple of years?
 - Started with FB ads which expanded nicely to IG.
 - Next would be messaging apps.
 - ↳ Further ahead in Messenger but still in early days.
 - ⇒ Are being very slow & deliberate with monetization.
 - ⇒ Ex. → click-to-Messenger ads.
 - ↳ Focused on growing business ecosystem with WhatsApp.
 - ⇒ WhatsApp Business → 3M+ actives.
- ③ Advances with ads in Messenger.
 - Click-to-Messenger ads which can be placed in News Feed in Instagram or FB.
 - Inbox ads: enabling advertisers to extend their reach to ppl in Messenger.
 - Sponsored messages: enables businesses to reengage people once a conversation has started.
 - Use targeting capabilities from Facebook but still early → learning & evolving.
- ④ Story monetization not as strong as News Feed.
 - Not clear if will be able to monetize at same rate as News Feed.
 - Opportunity:
 - ↳ Not all advertisers are creating story ads → takes time to adopt new format.
 - ↳ Long-run: volume → stories are available in Instagram, WhatsApp & Facebook.
 - ↳ First mention of possible monetization with WhatsApp.
- ⑤ Ways to improve return on investments in data centers? Service 3rd Party?
 - Are not planning on going into cloud service.
 - Optimistic about AI & being able to use more computing resources to crunch more data.
 - Infrastructure is intended to provide better results.