

## 2019 Q1

- Fast adoption of stories continues. - largest contributor to impression YoY.
  - ↳ Supply growth still keeping prices low.
- Big opportunity in increasing privacy & security. Will include this upon inception of new products. These changes might negatively impact business results, especially end-to-end encryption.
- TOP 100 advertisers represent 20% of total ad revenue - more diverse advertiser base.
- ★ • Are introducing tools to be more transparent with users to why they are seeing certain ads.
- ★ • Focused on making it easier for people to shop directly on FB.
  - ↳ Commerce as new monetization stream.
- One-time expense of \$3B (might be \$5B) in connection with FTC lawsuit.
- FB faces challenges to increase revenue from other platform such as WhatsApp that is popular due to its privacy feature.
- Government worldwide keep questioning & demanding further transparency from FB.
- Smartphone app (especially health apps) were sharing information with FB without specific disclosure.
- FB's ad transparency features are seen as vague & insufficient.
- FB stored user passwords in a format that employees could access.
- CEO ML is redirecting public outrage towards regulators, stating that the company shouldn't be making decisions about harmful speech, political advertising, & cybersecurity alone.
- FB's new roll out has risen concerns with advertisers as FB's push towards more private interaction may harm developers & advertisers as it would limit access to user data & remove visibility for advertising.

## 2019 Q2

- Effect of FTC fine will be \$5B USD.
  - ↳ Has consequences in relation to FB's accountability + FB expects its products to take longer to ship.
  - ↳ Expect to form an independent oversight board for decisions on content by year end.
- ★ • Currently rewriting Messenger app from scratch to make it the fastest & most secure major messaging platform in the world.
- ★ • Millions of businesses are using WhatsApp Business - are working on new tools.
- ★ • Announced new Libra project - new currency powered by blockchain.
- Shipped Oculus Quest - first all-in-one headset with no wires.
- ★ • Introduces automated ads to take the guess work out of creating effective ads.
- ★ • Launched new video editing tool to help SMBs to quickly create eye-catching video with images they already have.
- ★ • Started rolling out Instagram explore - ppl discover photos & videos.
- ★ • As part of the FTC settlement, FB will have to add a committee of board members to oversee its privacy practices & requiring the company to undergo independent assessments of its privacy practices.
- Chris Hughes, a co-founder of FB is calling for its separation.
- ★ • FB stopped paying commissions to employees who sell political ads & is considering not running political ads altogether.
- FB found email linking CEO MZ to potential privacy violations
  - ↳ Emails suggest that MZ & other executives did not prioritize compliance w/ FTC consent decree, which FB agreed to in 2012
- ★ • FB to double marketing expenses to rebuild reputation & work with new creative agencies on campaigns for brands like WA & IG.
- FB's attempt to create independent content oversight board has been met with little consensus.

### 2019 Q3

- ★ Launched new exciting products: Facebook Dating, Threads for IG, Facebook News, Horizon & hand tracking for Oculus & Oculus Link.
- Continued discussions on Libra
- Controversy over looming 2020 election - FB only wants to make money.
- ★ Launched bootcamp for SMBs to help them learn use FB tools.
- ★ Added click-to-Messenger ad to Stories
- ★ New way of interactive advertising - launching AR Beta for trying on lipsticks with makeup brand.
- Strong growth for APAC & Rest of the World.
- Investments in datacenters & servers will continue + aggressive headcount growth.
- FB rebranding WA & IG adding "From Facebook" despite opposition within the company.
- FB plans to pay News outlets + charge subscription on Watch.
- ★ Marketplace faces issues - scams + sale of guns.
  - ↳ Gives false sense of security.
- ★ Competitors, including Snapchat, are speaking to investigators from the FTC about FB's hardball tactics & antitrust investigation.
  - ↳ Snap's legal team keeping a dossier called "Project Voldemort".
- Libra lost high-profile backers due to regulatory concerns.
- FB was settled with UK privacy regulator, agreeing to pay £500,000 over Cambridge Analytica w/o taking blame.
- Twitter is banning political ads worldwide in contrast with FB.
- FB employees urge company to change its policy exempting political ads from fact-checking.

## 2019 Q4

- 2020 is critical for facing social issues due to 2020 election.
- Greater focus on privacy & security.
- Greatest growth comes from private messaging, small group & disappearing stories where data doesn't stick around.
- Commerce & payments seen as another important area for the private social platform.
  - ↳ Expected to roll-out WhatsApp Payments to 6 other countries in 2020.

- ★ Sales of Quest higher than expected. → shipped hand tracking
- Focus R&D on core products + innovations including AR+VR.
- Growth in stories & in geographies where FB monetizes less led to avg price/ad reduction.
- ★ FB continues to be publicly scrutinized.
  - ↳ Documents revealing FB saw WhatsApp as a threat before purchase.
  - ↳ Not fact-checking political ads.
  - ↳ Accused of being a monopoly.
  - ↳ Banning deep fakes but not altered videos.
- FB will pay \$130 M to fund an independent board to review how it moderates content.
- FB tells advertisers it doesn't have to make changes to web-tracking services to comply with new California consumer privacy law.
- FTC might block FB's efforts to integrate apps, potentially leading to breakup.

## GENERAL NARRATIVE

- Stories, messaging & small groups driving engagement.
  - ↳ Generate less data / vanish - limits FB's data collection on users.
- FB remains in public's top of mind as 2020 US elections approach. Further issues concerning privacy rise & add to the company's bad reputation leading to the need of investing more in marketing.