

INTERNET TRENDS

D10 CONFERENCE
5/30/2012

Mary Meeker



Outline

- 1) Basic Stats – Internet Growth Remains Robust, Rapid Mobile Adoption Still in Early Stages**
- 2) Re-Imagination – of Nearly Everything**
- 3) Economy – Mixed Trends, With Negative Bias**
- 4) ‘USA, Inc.’ – A Lot to be Excited About in Tech, A Lot to be Worried about in Other Areas**
- 5) Bubble – or Not?**

**BASIC STATS – INTERNET GROWTH
REMAINS ROBUST, RAPID MOBILE
ADOPTION STILL IN EARLY STAGES**

INTERNET USERS

2.3B Global Internet Users in 2011* – 8% Growth*, Driven by Emerging Markets

Rank	Country	2008-2011 Internet User Adds (MMs)	2011 Internet Users (MMs)	Y/Y Growth	Population Penetration
1	China	215	513	12%	38%
2	India	69	121	38	10
3	Indonesia	37	55	22	23
4	Philippines	28	34	44	35
5	Nigeria	21	45	--*	28
6	Mexico	19	42	19	37
7	Russia	16	61	3	43
8	USA	15	245	1	79
9	Iran	14	37	--*	48
10	Turkey	11	36	26	49
Top 10		444	1,189	12%	32%
World		663	2,250	8%	32%

Note: *Nigeria / Iran data as of 12/10; Other 8 countries' data as of 12/11, 2.3B global Internet users and 8% Y/Y growth rate based on the latest available data (most as of 12/11, some as of 12/10). Source: United Nations / International Telecommunications Union, internetworkstats.com.

MOBILE USERS

1.1B Global Mobile 3G Subscribers, 37% Growth, Q4 – @ Only 18% of Mobile Subscribers

Rank	Country	CQ4:11			3G Sub			CQ4:11		
		3G Subs (MM)	Penetrat	Y/Y Growth	Rank	Country	3G Subs (MM)	Penetrat	Y/Y Growth	
1	USA	208	64%	31%	16	Canada	16	62%	34%	
2	Japan	122	95	9	17	Taiwan	14	48	17	
3	China	57	6	115	18	South Africa	13	21	49	
4	Korea	45	85	10	19	Turkey	13	20	62	
5	Italy	44	51	25	20	Portugal	13	78	19	
6	UK	42	53	25	21	Vietnam	12	11	358	
7	Brazil	41	17	99	22	Mexico	11	11	55	
8	India	39	4	841	23	Malaysia	10	27	7	
9	Germany	38	36	23	24	Sweden	10	73	25	
10	Spain	33	57	21	25	Philippines	10	11	45	
11	France	30	45	35	26	Saudi Arabia	10	19	17	
12	Indonesia	29	11	27	27	Netherlands	9	44	34	
13	Poland	28	57	17	28	Egypt	8	10	60	
14	Australia	22	76	21	29	Austria	7	58	24	
15	Russia	17	8	45	30	Nigeria	6	6	51	

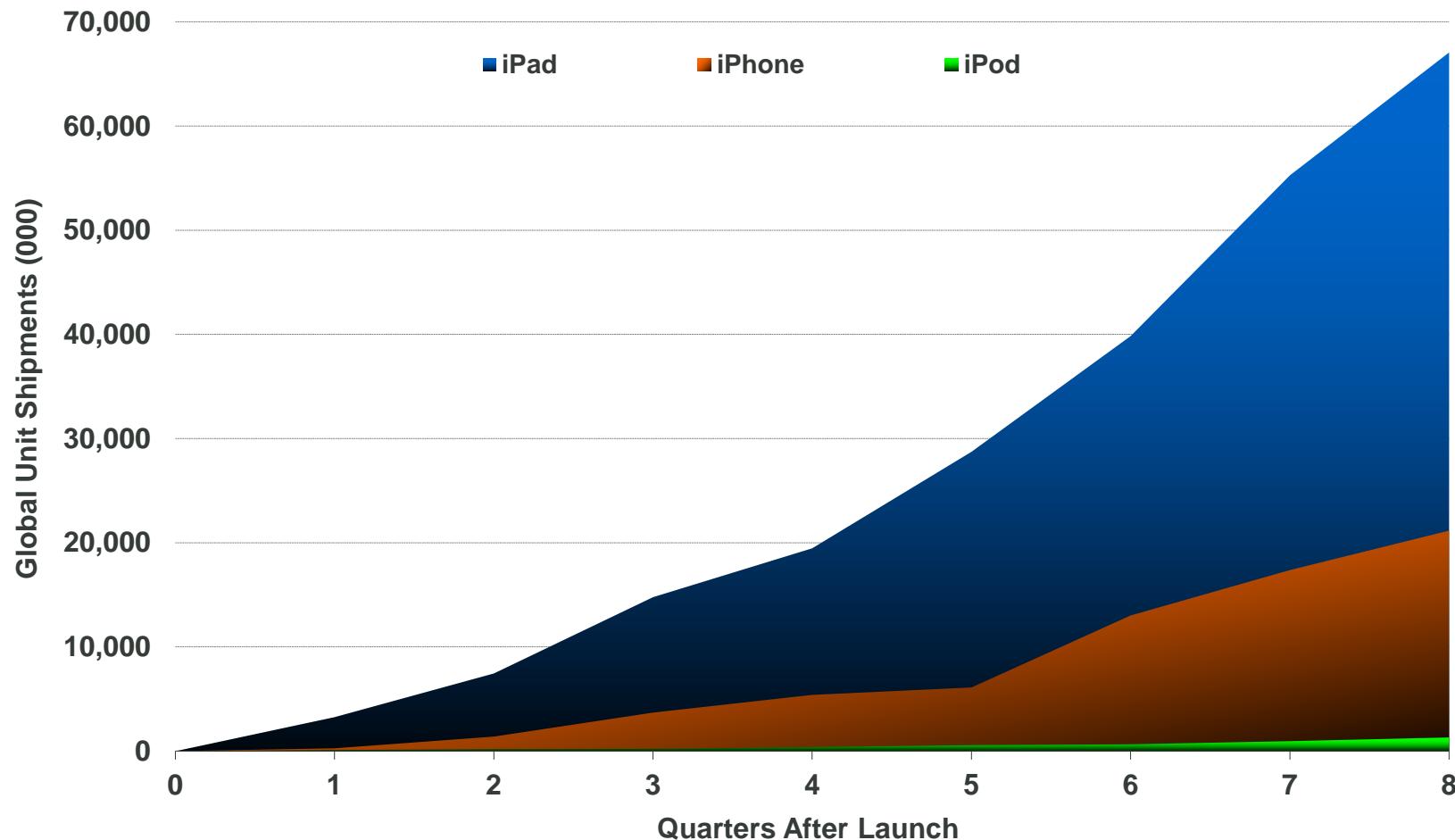
Global 3G Stats: Subscribers = 1,098MM Penetration = 18% Growth = 37%

Note: *3G includes CDMA 1x EV-DO and Rev. A/B, WCDMA, HSPA; One user may have multiple mobile subscriptions and may be counted as multiple subscriber. Source: Informa WCIS+.

MODERN MOBILE DEVICE EVOLUTION

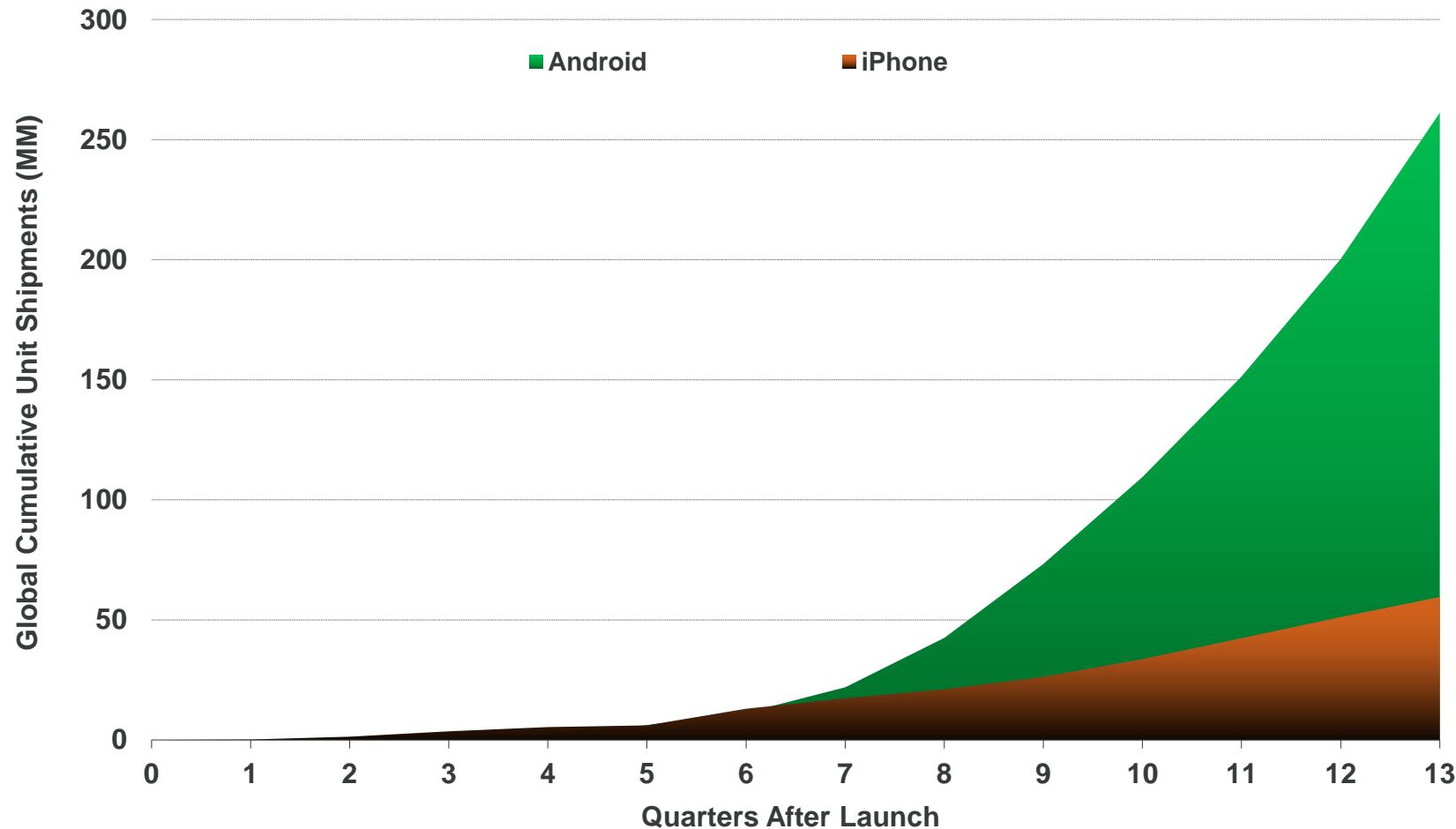
iPods Changed Media Industry...iPhones Ramped Even Faster...iPad Growth (3x iPhone) Leaves “Siblings” in Dust

First 8 Quarters Cumulative Unit Shipments, iPod vs. iPhone vs. iPad

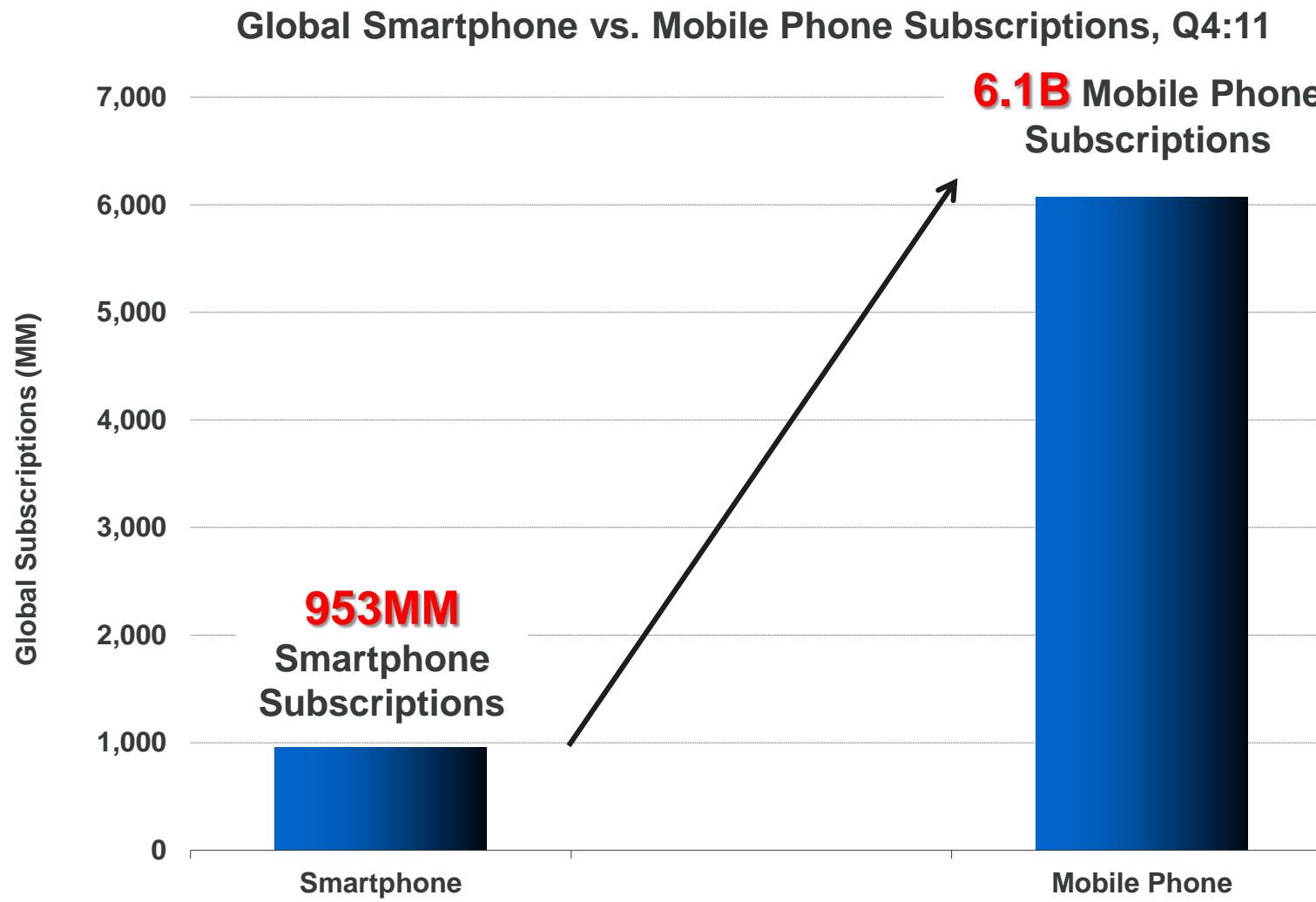


Android 'Phone' Adoption Has Ramped Even Faster – 4x iPhone

First 13 Quarters Cumulative Global Android & iPhone Unit Shipments



Despite Tremendous Ramp So Far, Smartphone User Adoption Has Huge Upside

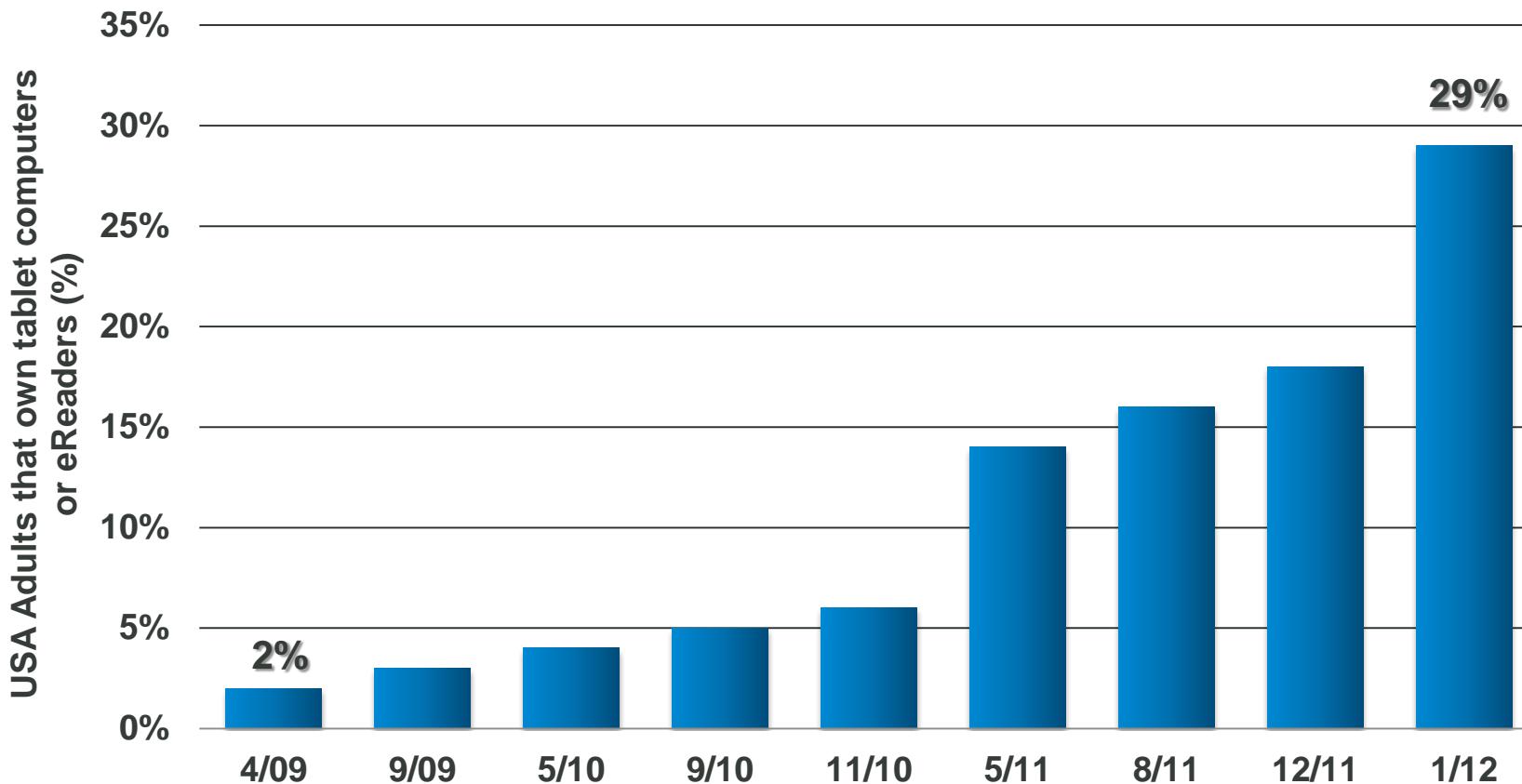


Source: Mobile phone subscriptions per Informa (as of Q4:11), Smartphone subscriptions estimate based on Morgan Stanley Research's estimated smartphone user as % of total mobile user at the end of 2011 (16%).

Note: While there are 1B global 3G subscribers as of Q4:11, not all of them were smartphone users. One user may have multiple mobile subscriptions, therefore actual user #s may be lower than subscriber #s.

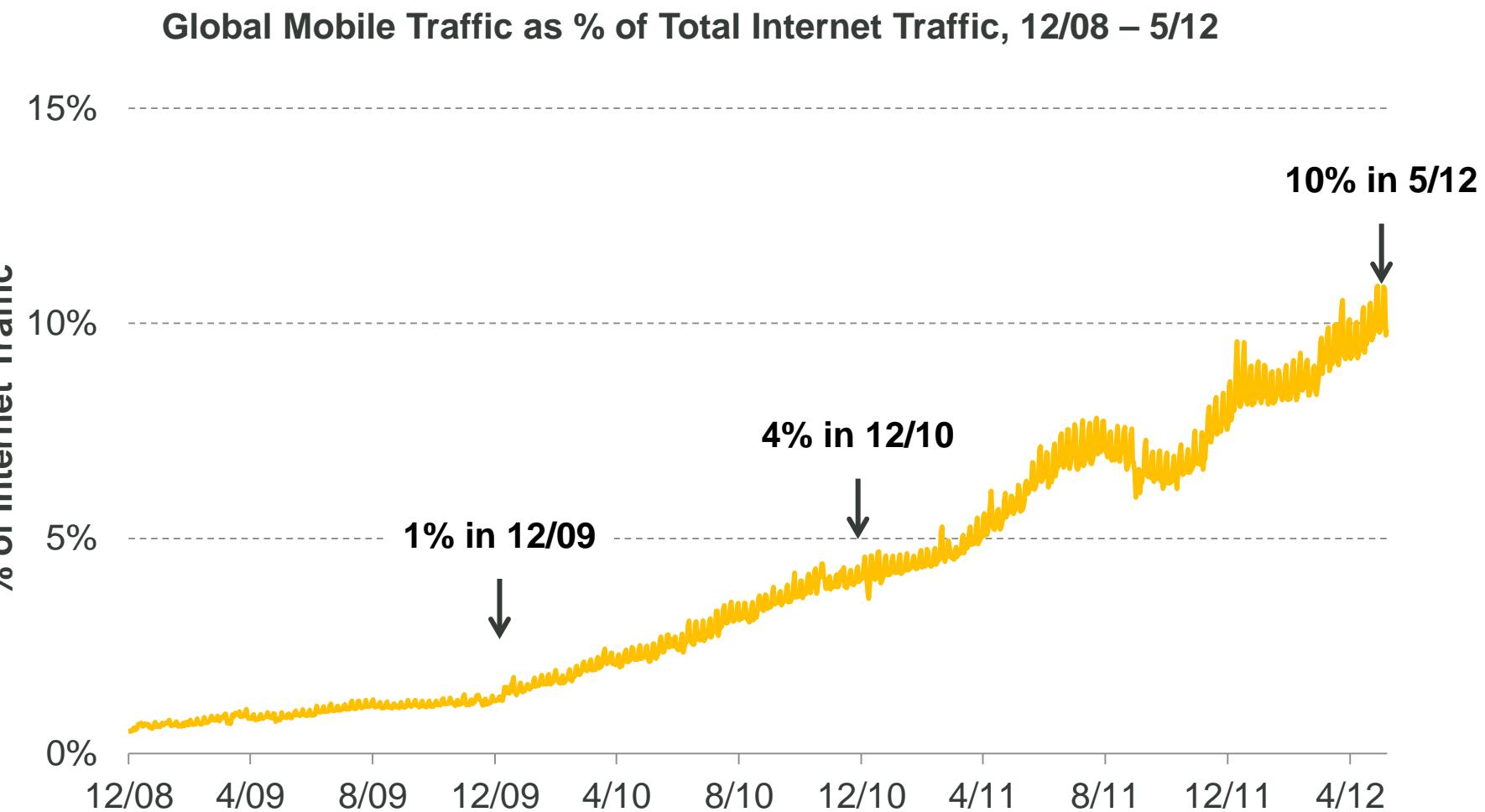
Impressive 29% of USA Adults Own Tablet / eReader, Up from 2% Less Than Three Years Ago

% of USA Adults Who Own Tablet Computers or eReaders, 4/09 – 1/12

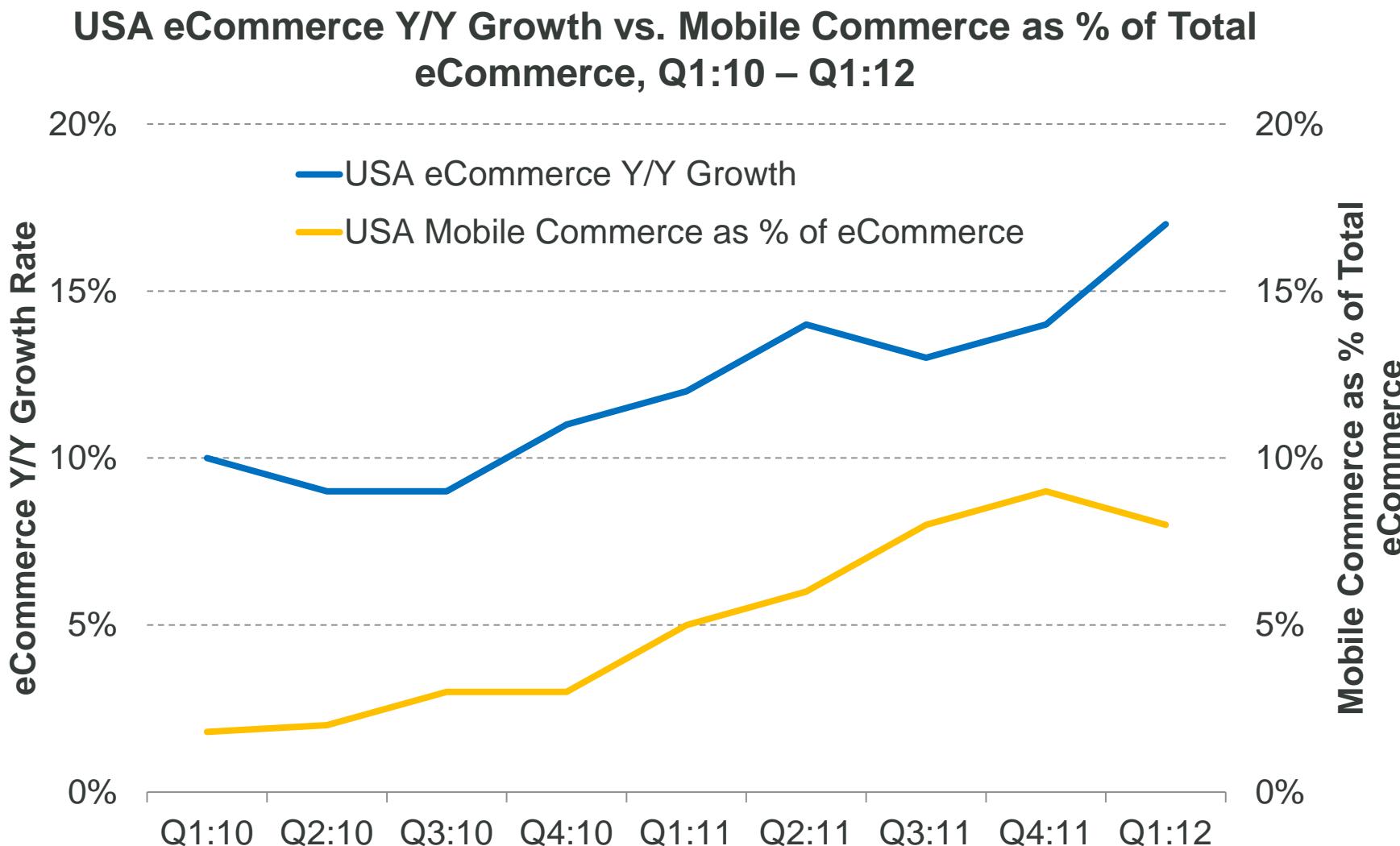


MOBILE MONETIZATION TRANSITION

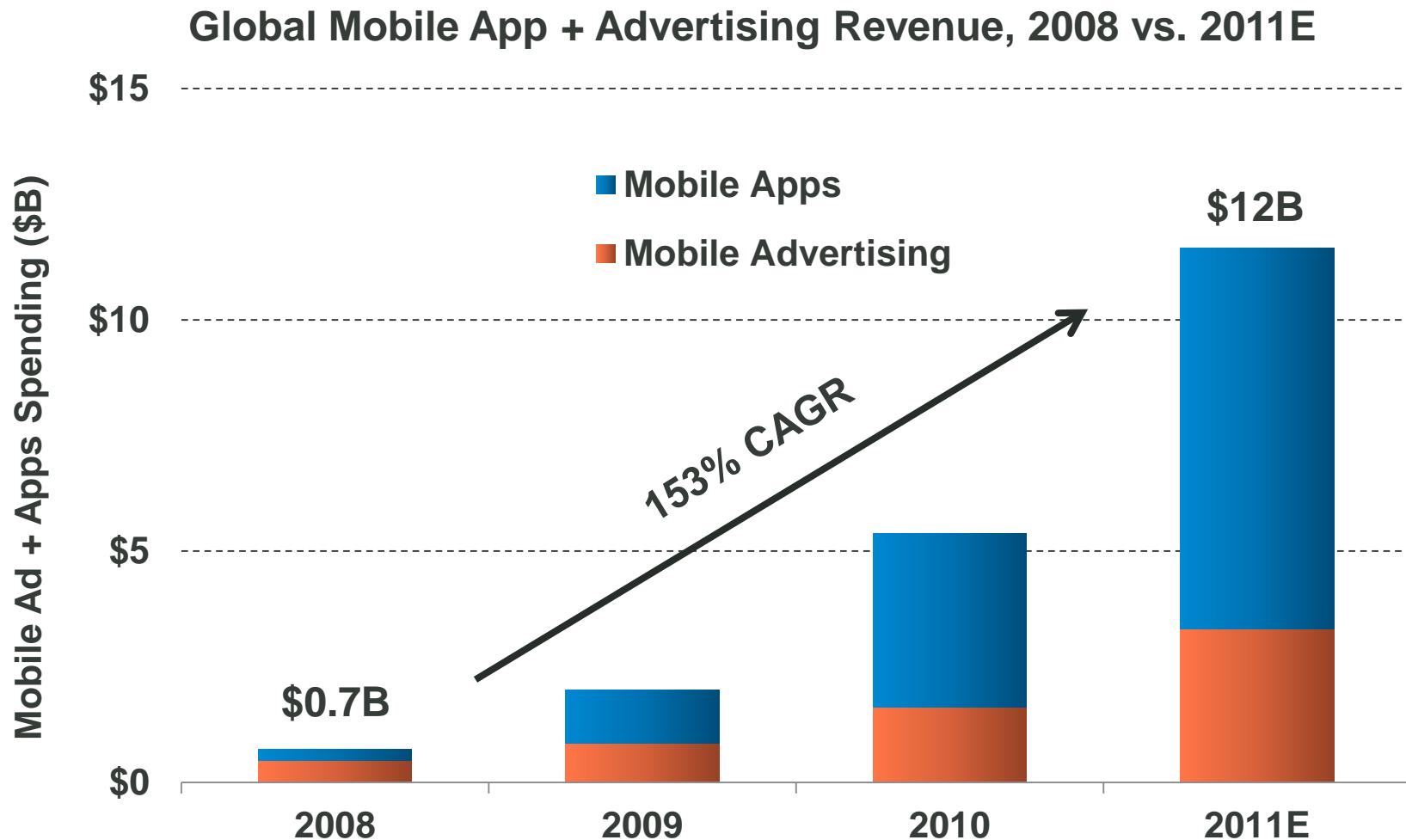
Good News = Global Mobile Traffic Growing Rapidly to 10% of Internet Traffic



Good News =
Mobile @ 8% of USA eCommerce & Helping Accelerate Growth

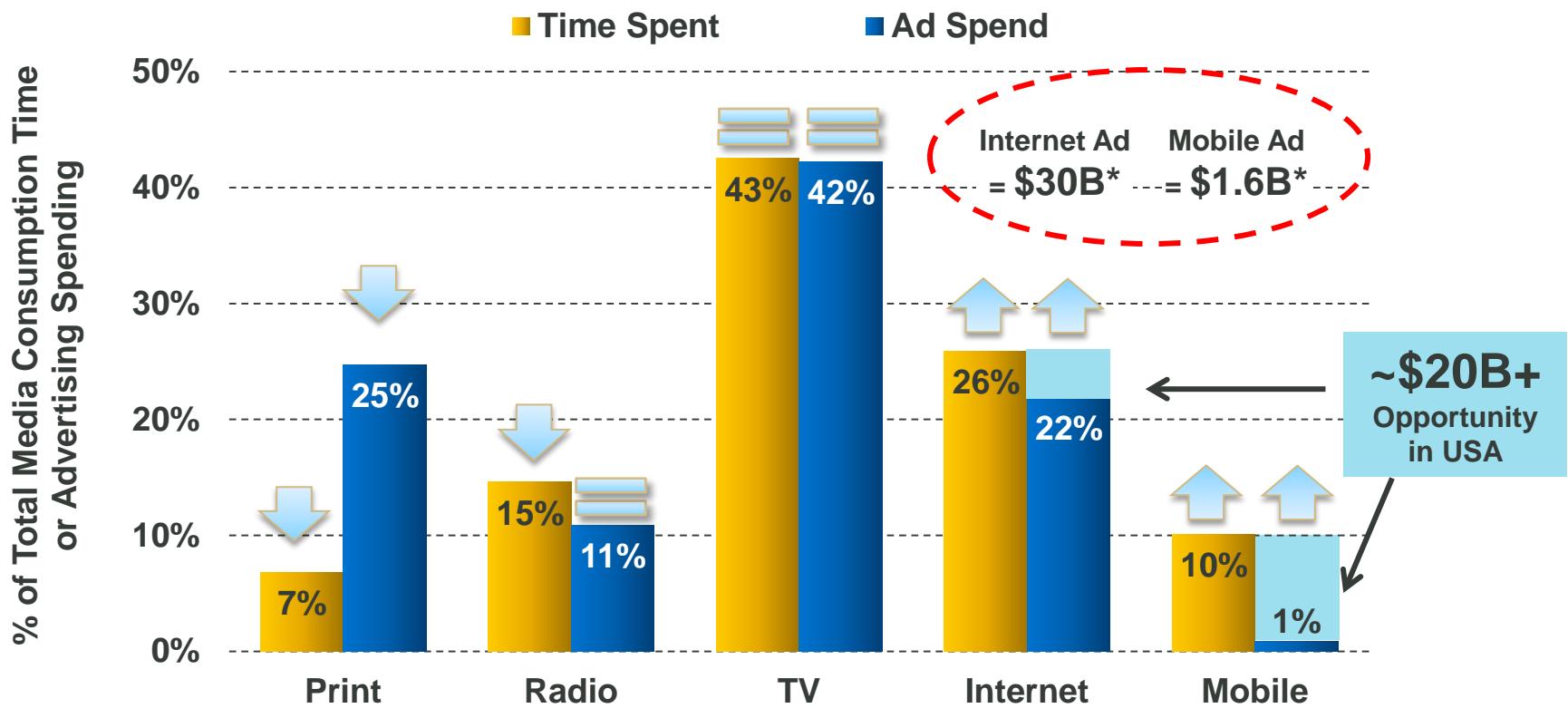


Good News = Mobile Monetization Growing Rapidly (71% Apps, 29% Ads)



Good News = Material Upside for Mobile Ad Spend vs. Mobile Usage

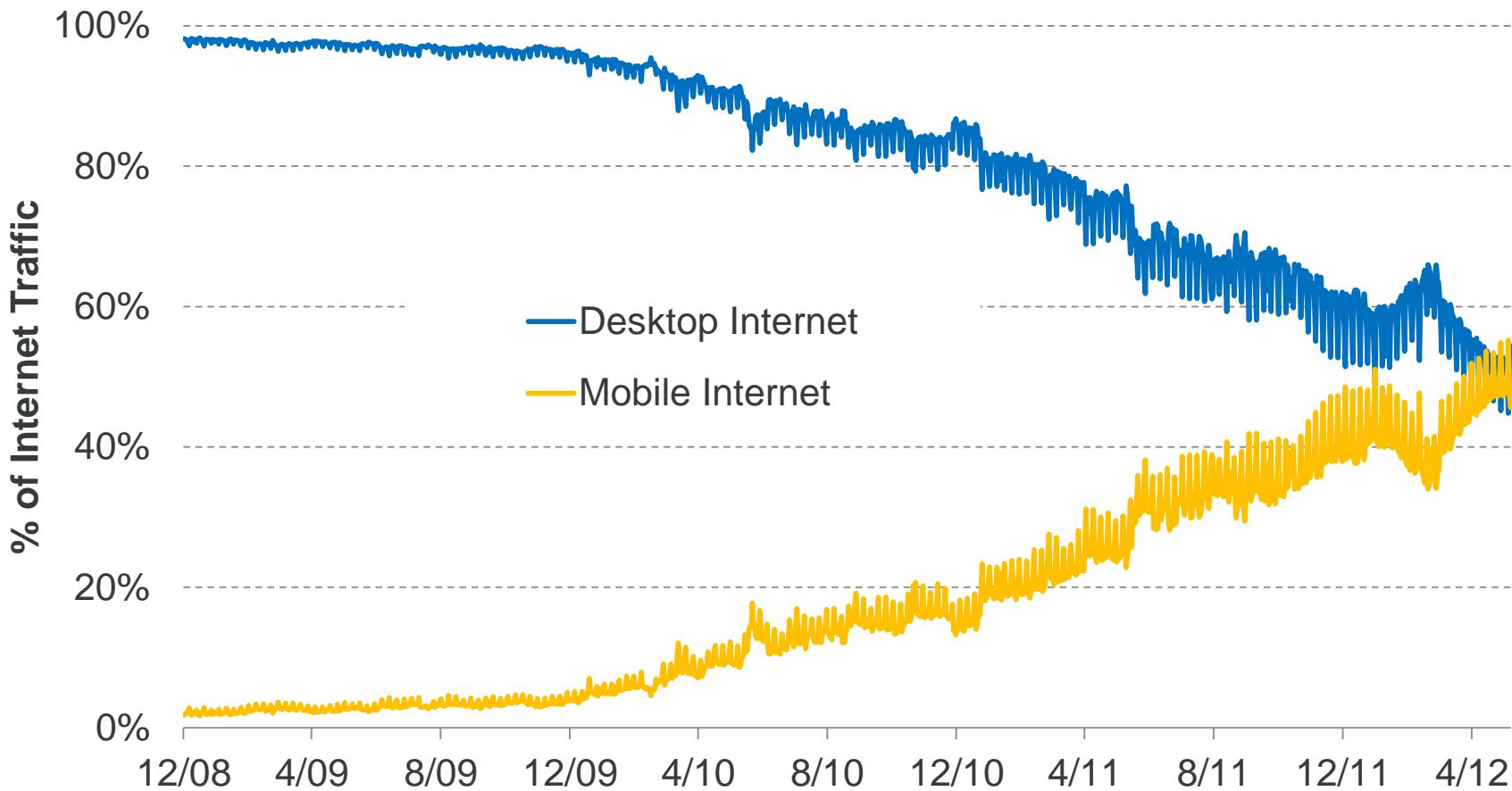
% of Time Spent in Media vs. % of Advertising Spending, USA 2011



Note: *Internet (excl. mobile) advertising reached \$30B in USA in 2011 per IAB, Mobile advertising reached \$1.6B per IAB. Print includes newspaper and magazine. \$20B opportunity calculated assuming Internet and Mobile ad spend share equal their respective time spent share. Source: Time spent and ad spend share data eMarketer, 12/11, Internet and mobile ad dollar spent amount per IAB.

Good / Bad News – Rapidly Growing Mobile Internet Usage Surpassed More Highly Monetized Desktop Internet Usage in May, 2012, in India

India Internet Traffic by Type, Desktop vs. Mobile, 12/08 – 5/12

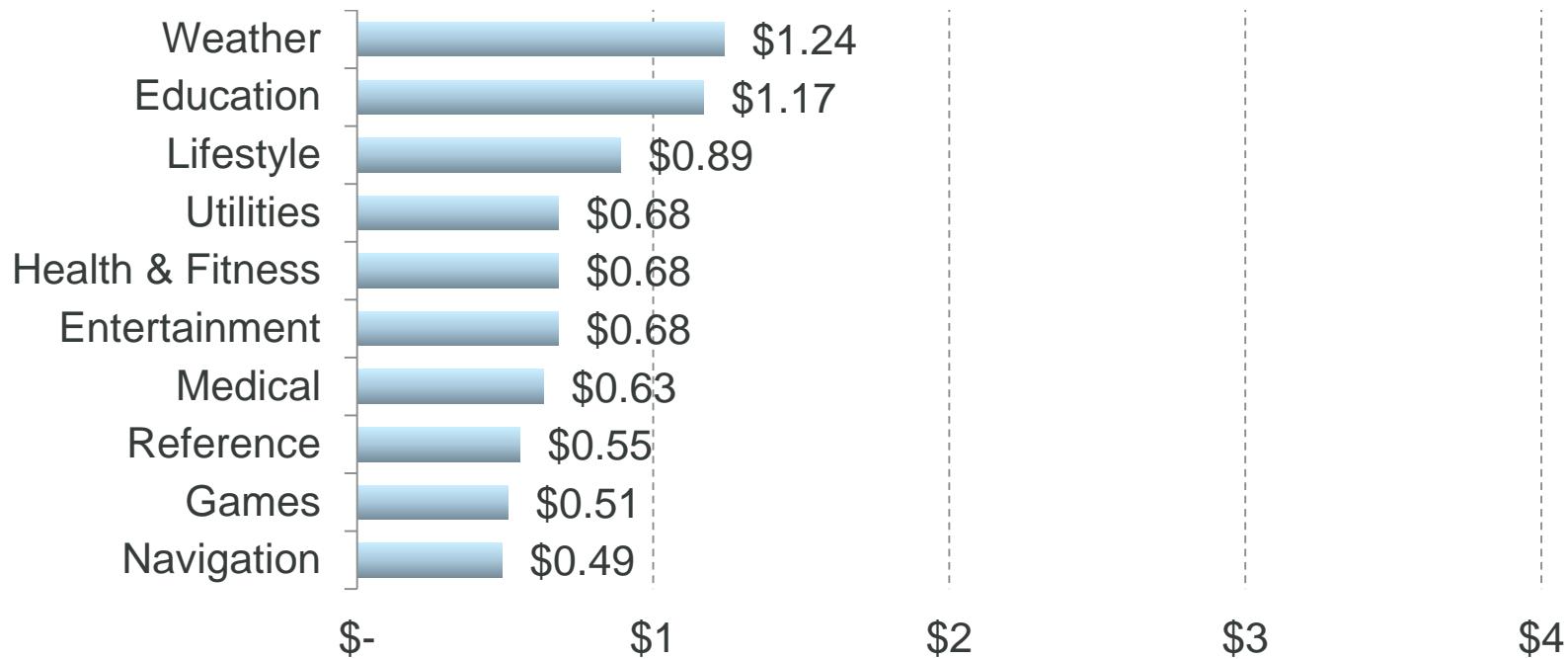


Bad News = eCPMs 5x Lower on Mobile than Desktop

Effective CPM, Desktop Internet* vs. Mobile Internet**



Mobile eCPM by Category



Note: * Desktop Internet is a weighted average CPM calculation based on comScore Display ad share data and Vivaki CPM by category data as of Q3:11. **Mobile Internet is a simple average eCPM calculation based on Mobclix Exchange USA data as of 3/12.

Bad News =

ARPU (Average Revenue per User) 1.7-5x Lower on Mobile than Desktop

<u>Company</u>	<u>ARPU Definition</u>	<u>Desktop ARPU</u>	<u>Mobile ARPU</u>	<u>Desktop ARPU / Mobile ARPU</u>
Pandora	Ad Revenue per User (Trailing 12-Month)	\$6.62	\$3.87	1.7x
Tencent	Revenue per Paying User (Annualized)	\$58.95	\$17.61	3.3x
Zynga	Bookings per Daily Active User (Annualized)	\$25.00	\$5.00*	5.0x

Note: *Zynga data are estimates. All data as of 5/12. Source: Pandora, Tencent, Zynga. 20

Google – Mobile Growth Helping Boost Clicks but Reducing Cost per Click thus Constraining Revenue Growth

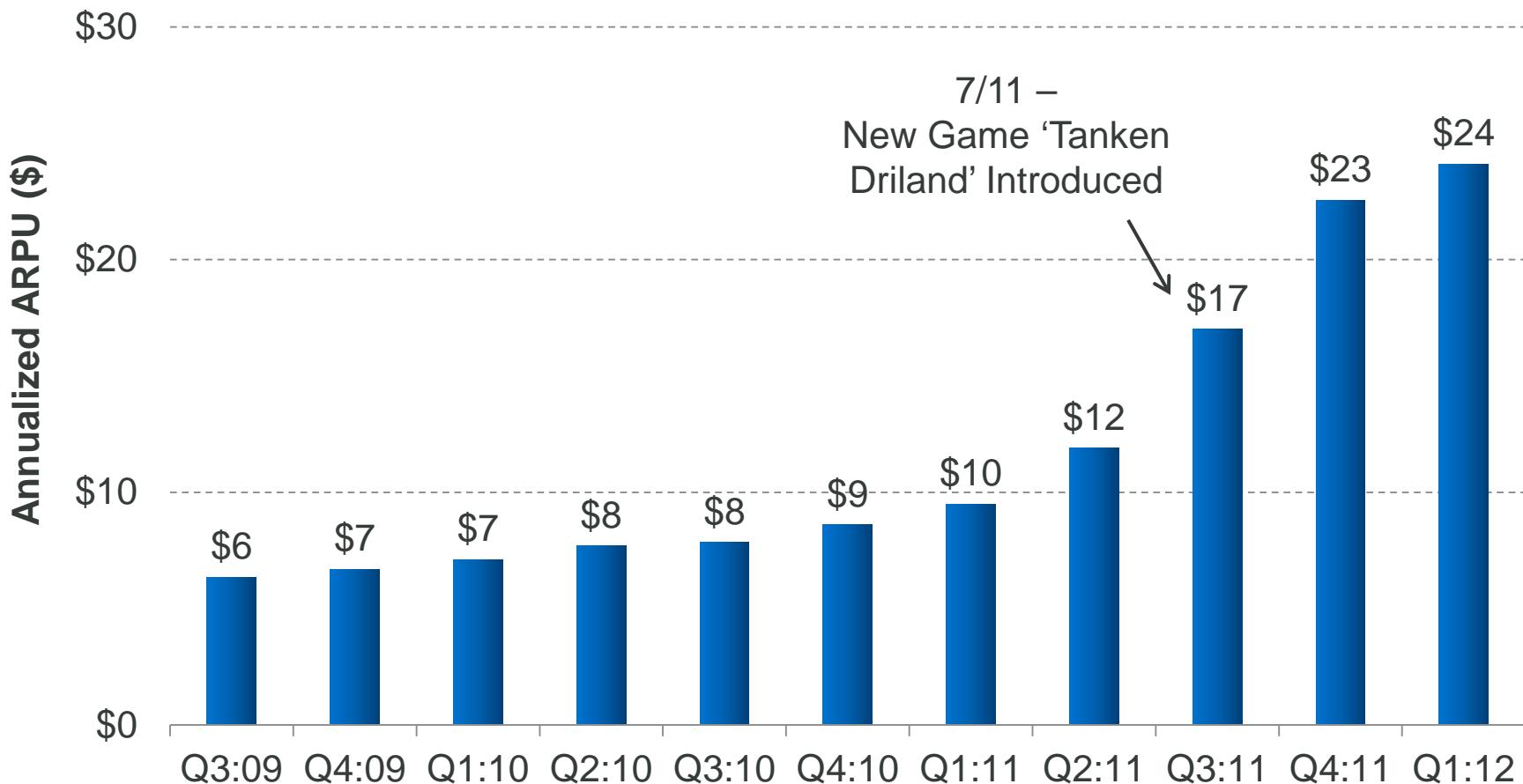
	Q1:11	Q2:11	Q3:11	Q4:11	Q1:12
Gross Advertising Revenue (\$MM)	\$8,306	\$8,716	\$9,335	\$10,174	\$10,225
<i>Y/Y Growth</i>	28%	33%	33%	25%	23%
Aggregate Paid Clicks (MM)	15,245	15,004	16,876	19,661	21,116
<i>Y/Y Growth</i>	17%	18%	28%	35%	39%
Cost per Click (CPC - \$)	\$0.54	\$0.58	\$0.55	\$0.52	\$0.48
<i>Y/Y Growth</i>	10%	12%	4%	(8%)	(12%)
<i>Q/Q Growth</i>	(3%)	7%	(5%)	(8%)	(6%)

Facebook – Mobile Growth Helping Drive Users but Containing ARPU thus Constraining Revenue Growth

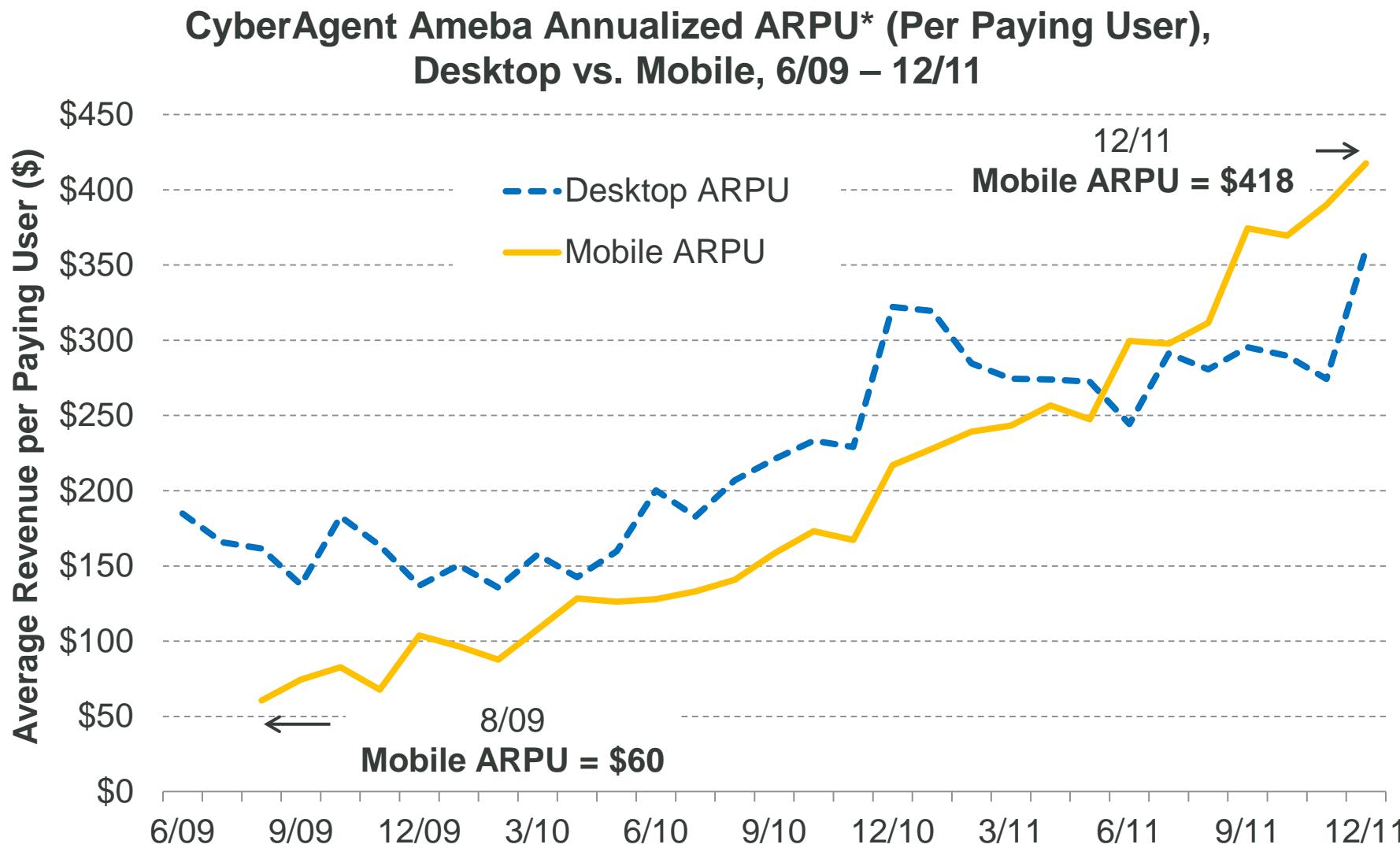
	Q1:11	Q2:11	Q3:11	Q4:11	Q1:12
Ad Revenue (\$MM)	\$637	\$776	\$798	\$943	\$872
<i>Y/Y Growth</i>	87%	83%	77%	44%	37%
Mobile Active Users (MAUs) (MM)	288	325	376	432	488
<i>Y/Y Growth</i>	123%	110%	92%	76%	69%
<i>% of Total MAUs</i>	42%	44%	47%	51%	54%
Annualized Ad ARPU (\$)	\$3.96	\$4.37	\$4.15	\$4.59	\$4.00
<i>Y/Y Growth</i>	15%	18%	19%	1%	1%
<i>Q/Q Growth</i>	(13%)	11%	(5%)	11%	(13%)

Good News = Mobile ARPU Can Rise Rapidly, as Evinced by Japan Mobile Game Maker GREE

GREE Annualized Mobile ARPU (per Registered Member), Q3:09 – Q1:12



Good News = Mobile ARPU Should Surpass Desktop ARPU, as Evidenced by Japan Mobile Game Maker CyberAgent



Mobile Monetization Good News = Desktop Internet Proved Ad \$ Follow Eyeballs, it Just Takes Time

	1995E	2011E
Global Internet Ad Revenue	\$55MM	\$73B
Ad Revenue per User	\$9	\$49
Global Internet Users	6MM	1.5B

Mobile Monetization has More Going for It than Early Desktop Monetization Had:

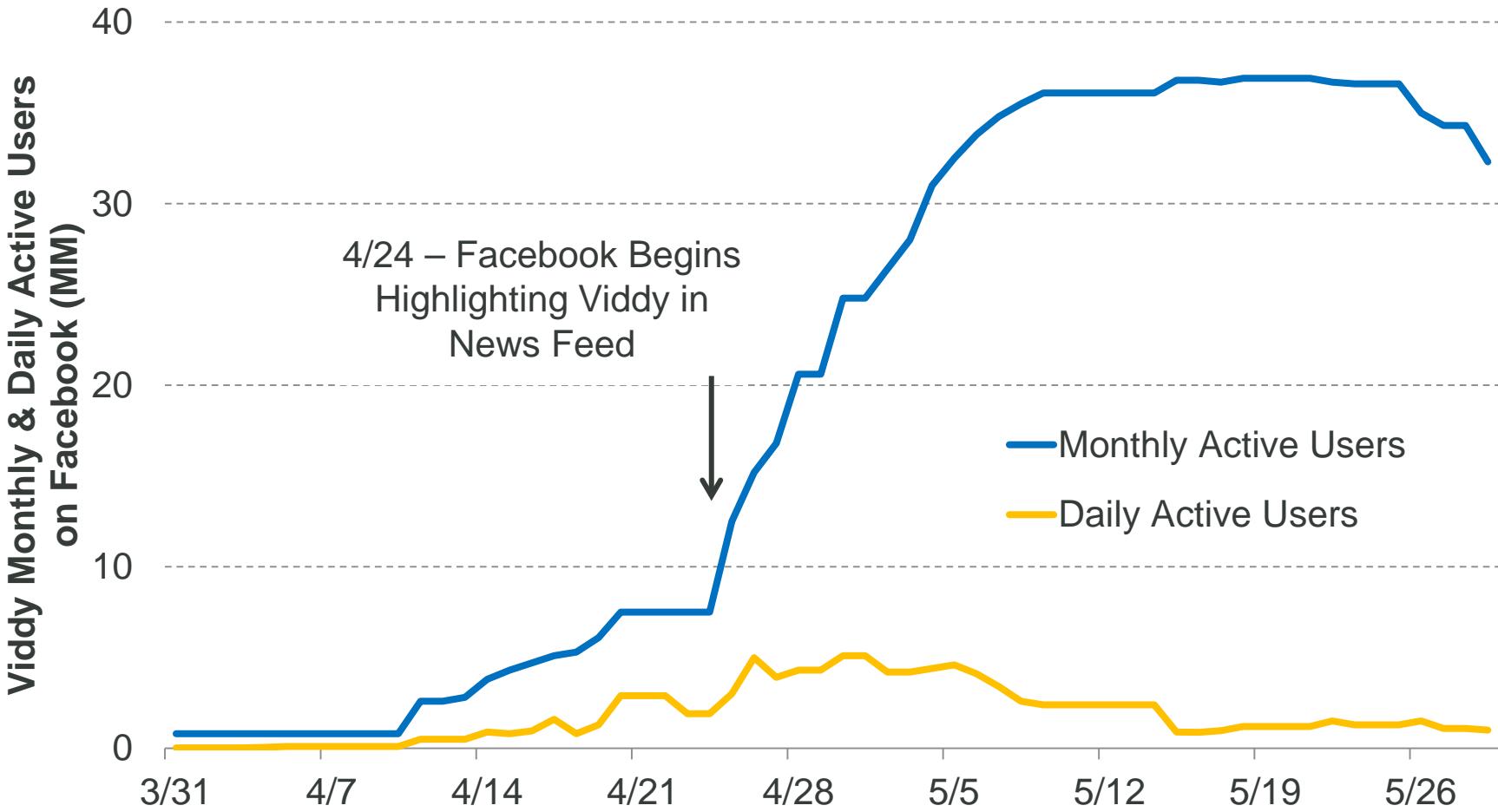
- Very Rapid User Growth
- **App + In-App Monetization (44% of apps are free, 56% of apps priced at \$3.77 average)**
- Rapid Growth of Mobile Commerce + Payment Systems
- **Large Number of Innovative Developers**
- **Broad Base of Sophisticated Advertisers + Marketers**
- **Highly Engaged Consumers Assisted by Social + Curation Tools**
- Rapid Acceptance of Two Device Platforms – Smartphones + Tablets
- 'Essential Utility' / Ultra Useful Apps Being Created
- **Lessons from Developed Mobile Markets like Japan – Using Japanese Market Pattern Recognition, Mobile Monetization Levels in USA Could Surpass Desktop Within 1-3 Years**

Source: Global online ad revenue per Jupiter Communications (1995), ZenithOptimedia (2011). Internet users per Morgan Stanley estimate (1995) and comScore (2011). We note that comScore reports a lower global Internet user # than International Telecommunications Union. App price data per 148apps / AppBrain.

PLATFORM FIRE HOSES

Facebook Open Graph Distribution – Example of Onboarding 17MM New Users in 7 Days*!

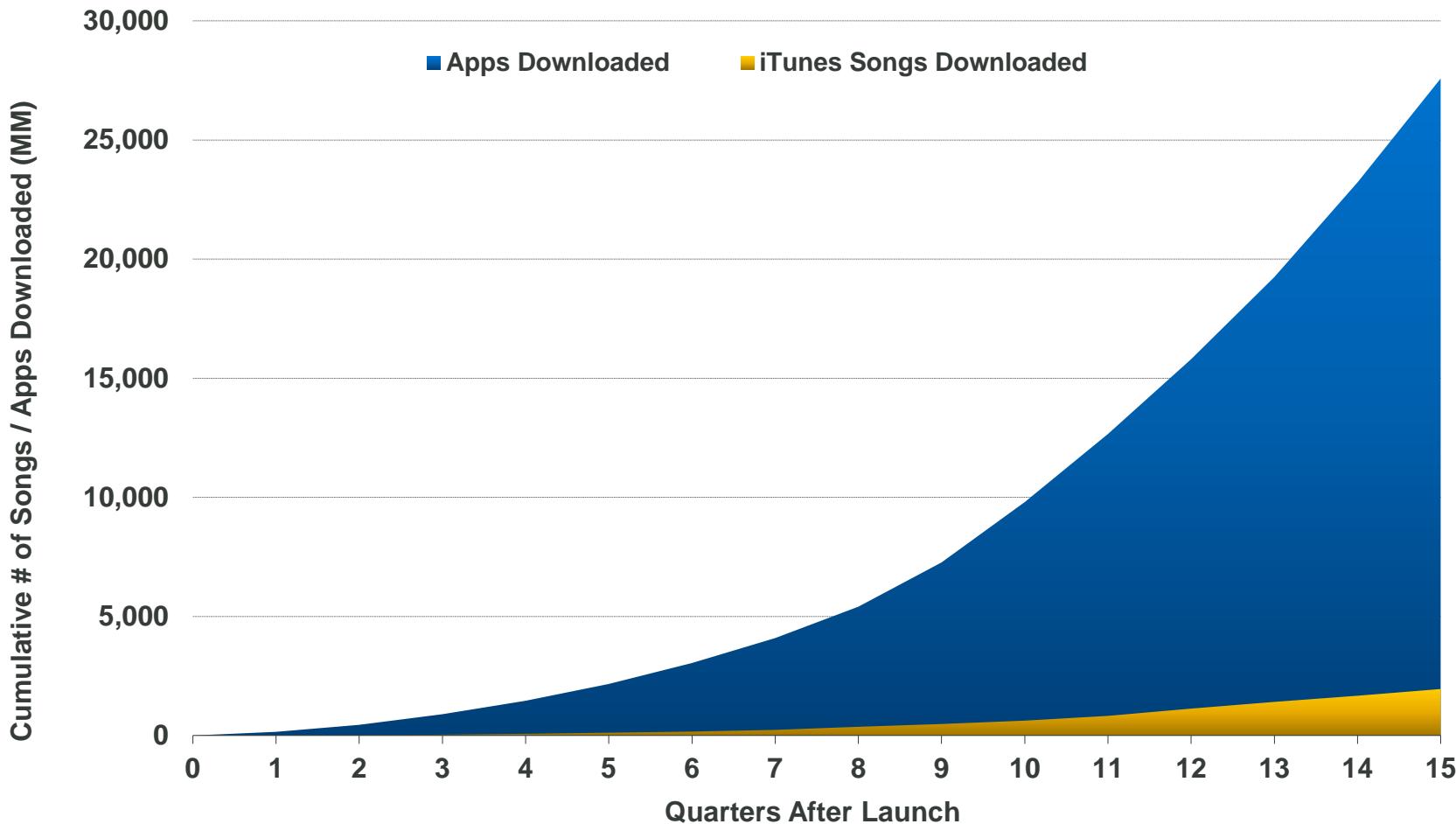
Viddy Monthly Active Users (MAU) and Daily Active Users (DAU) on Facebook Platform, 3/31/12 – 5/29/12



Note: * Viddy added 17MM new monthly active users between 4/24 (when Facebook began highlighting Viddy in the newsfeed) and 5/1. Source: AppData.

Apple App Store Distribution – iTunes App Store Driving 46MM+* Downloads per Day

First 15 Quarters Cumulative # of Downloads, iTunes Music vs. Apps

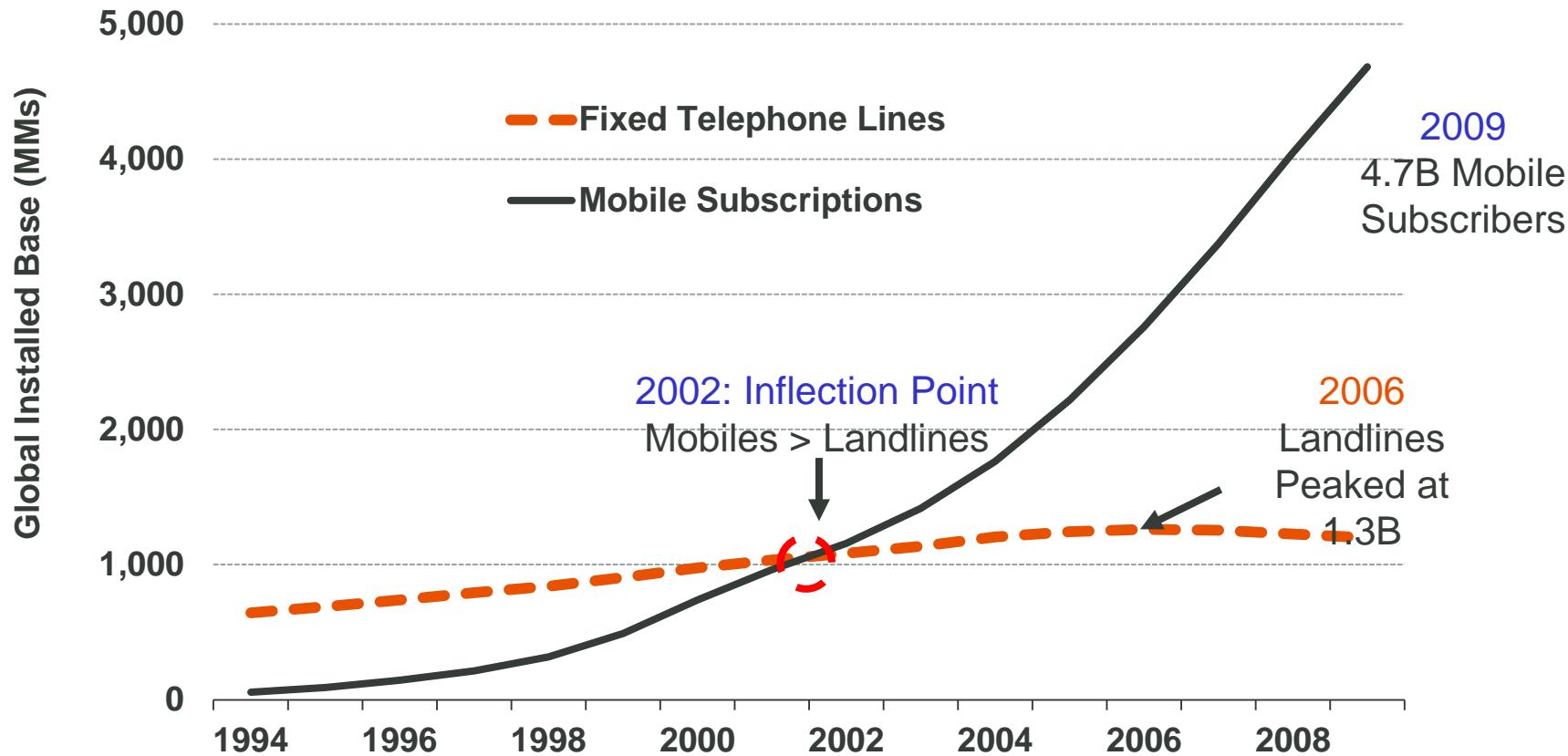


Note: * 46MM daily app downloads calculation based on days between Apple announced milestones (18B downloads as of 10/4/11 and 25B downloads as of 3/5/12). iTunes Music store launched in CQ2:03, App Store launched in CQ3:08. Source: KPCB estimates based on Apple data, as of CQ1:12.

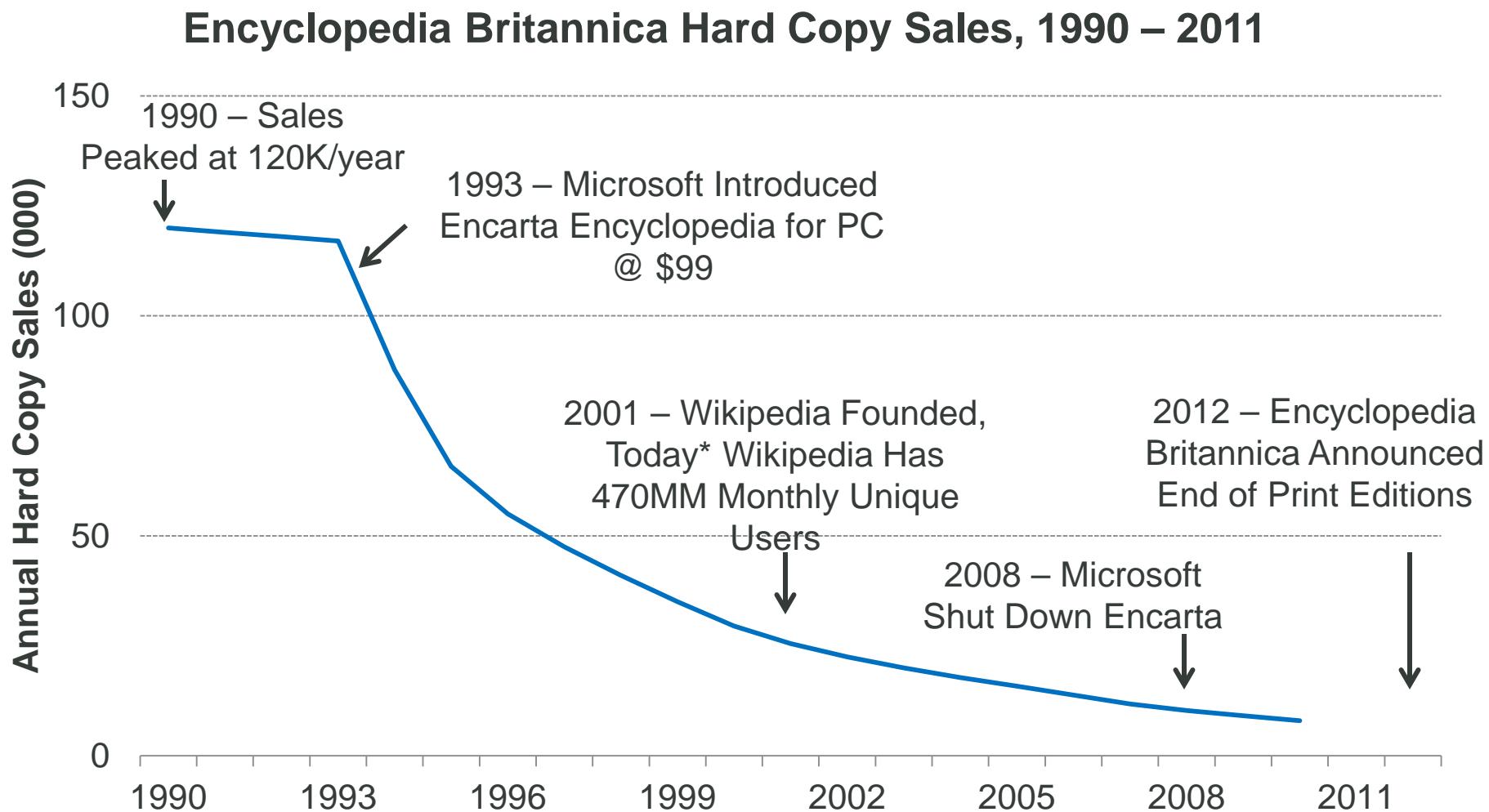
**RE-IMAGINATION OF NEARLY
EVERYTHING* –
POWERED BY NEW DEVICES +
CONNECTIVITY + UI + BEAUTY –
WHERE WE ARE NOW...**

First Generation of Re-Imagination - After 125 Years, Landlines Were Surpassed by Mobiles in 2002

Global Fixed Telephone Lines vs. Mobile Subscriptions, 1994 - 2009

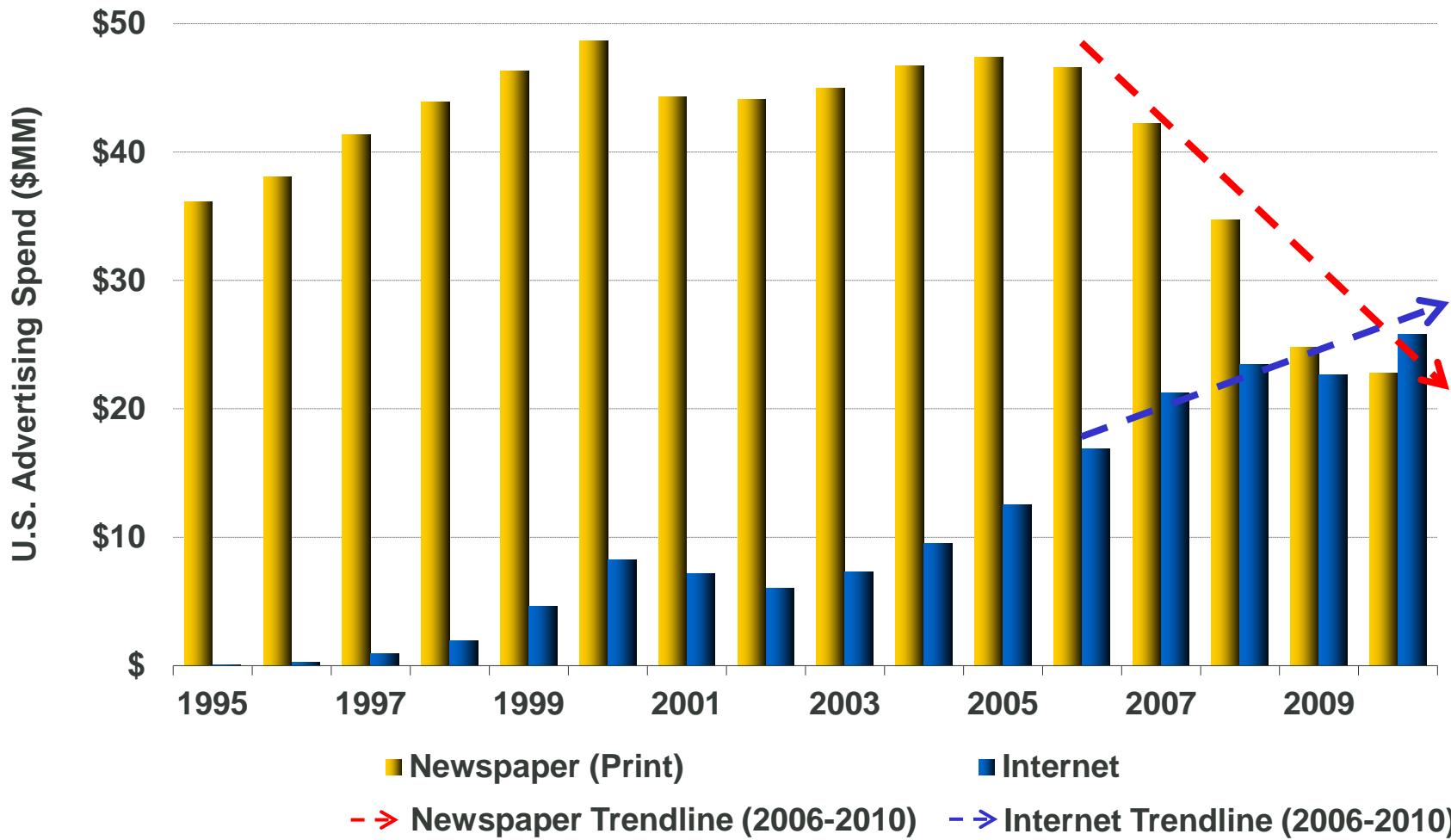


First Generation of Re-Imagination – After 244 Years, Encyclopedia Britannica is Going Out of Print in 2012



First Generation of Re-Imagination – After 305 Years,* Newspaper Ad Revenue Was Surpassed by Internet in 2010

U.S. Newspaper (Print) Advertising vs. Internet Advertising Spending, 1995 - 2010



Note: *America's first newspaper ad appeared in 1704 in a Boston local newspaper, per AdAge. Internet advertising includes online newspaper advertising. Source: Print newspaper ad spending per Newspaper Association of America (NAA); Internet ad spending per Interactive Advertising Bureau (IAB).

Re-Imagination of Computing Devices...

THEN...

(Desktops / Notebooks)



NOW...

(Tablets / Smartphones)



Re-Imagination of Connectivity...

THEN...



NOW...



...Re-Imagination of Connectivity

We hope to rewire the way people spread and consume information... We think a more open and connected world will help create a stronger economy with more authentic businesses that build better products and services.

- Mark Zuckerberg, Founder / CEO, Facebook
Letter to Potential Shareholders, May 2012

Re-Imagination of Life Stories...

THEN...

Biographies / Item Exhibitions For Famous People or Loved Ones



NOW...

(Facebook Timeline)

Broad Personalized Media Discovery Feed / Automatically Created / Widely Accessible

A screenshot of a Facebook Timeline profile for a user named Matt Brown. The profile picture is a close-up of a dog's face. The timeline shows Matt's basic information (Communication Designer at Facebook, English at Indiana University, San Francisco, married to Tiffani Jones Brown), his activity (Status, Photo, Place, etc.), and his recent posts. One post shows a view of the San Francisco skyline from a park, and another shows a couple camping with the text '2nd Anniversary Backpacking — Point Reyes (3 photos)'. The profile also shows friends (439), photos (173), a map (89), and likes (53). The bottom of the profile shows a recent activity feed with posts from Matt and Nicholas Felton.

Re-Imagination of News + Information Flow...

THEN...

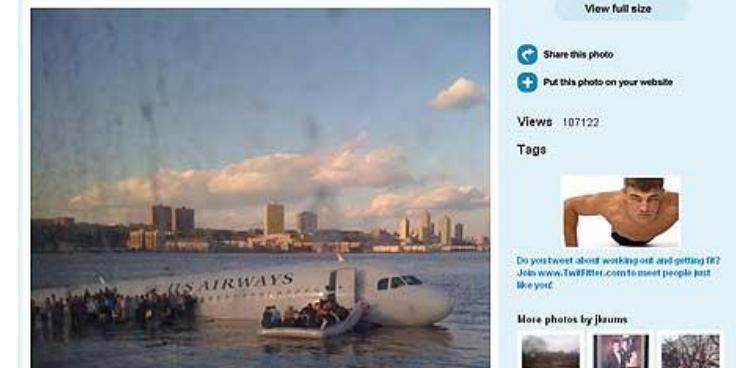
Delayed / Dedicated Reporters + Cameramen /
Regional or National Reach



NOW...

(Twitter)

Real-Time / Citizen Reporting via
Mobile Devices / Global Reach



Re-Imagination of Note Taking...

THEN...

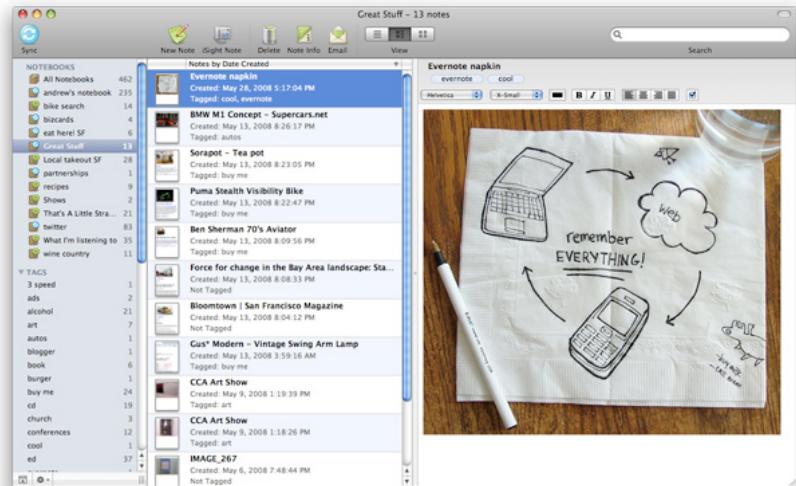
Pencil + Notepad



NOW...

(Evernote)

Always Synced / Multi-Device /
Picture + Audio Enabled / Searchable



Re-Imagination of Drawing...

THEN...

Dedicated Canvas / Paint Supplies / Studios
/ Limited Distribution



NOW...

(Paper by Fiftythree...)
Reusable Canvas (Screen) / Creating Art
Anywhere Anytime / Digitally Enhanced
Creation Tools / Instant Sharing



Re-Imagination of Photography...

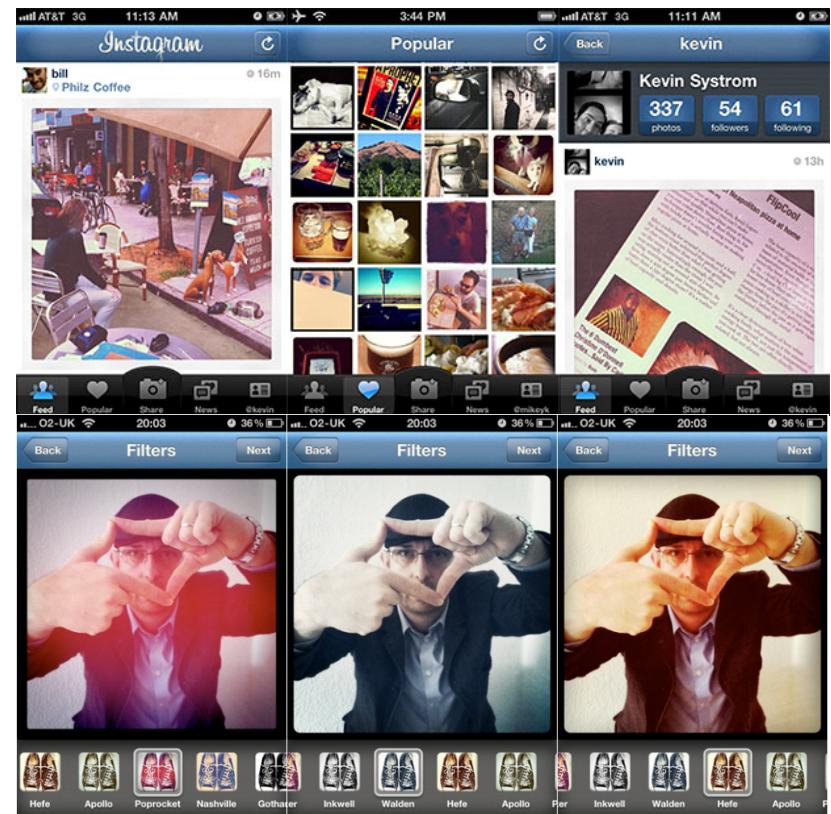
THEN...

Dedicated Camera / Manually
Transfer Digital Files / Develop Films



NOW...

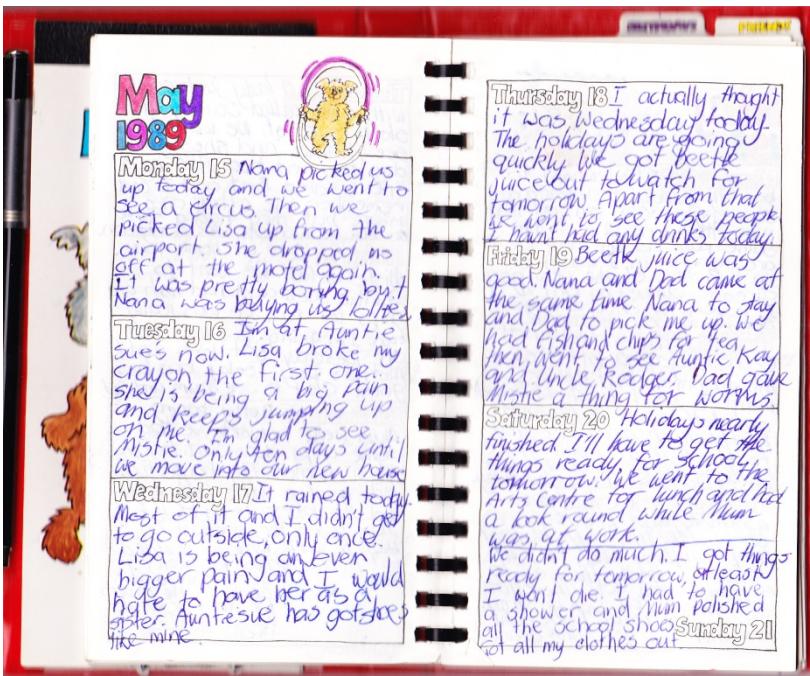
(Instagr.am / Camera+ / Hipstamatic...)
Always With You Camera (Smartphone) /
Instant Digital Effects / Share / Sync / Discover



Re-Imagination of Diaries...

THEN...

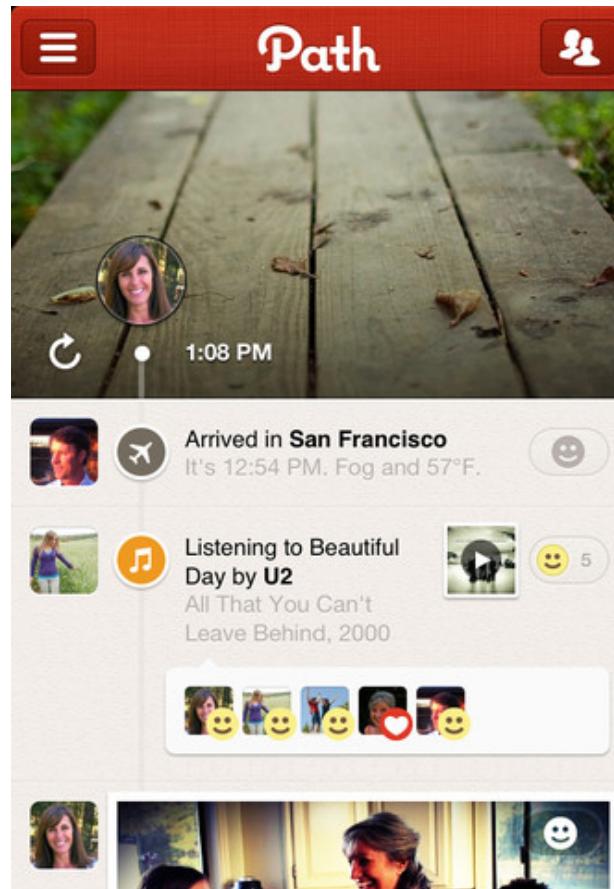
Hand-Written / Drawn



NOW...

(Path)

One-Tap to Add Entry / Multimedia / Location-Aware / Share / Search



Re-Imagination of Scrapbooking / Aspiration...

THEN...

Paper / Scissors / Glue



NOW...

(Pinterest)

One-Click to Pin / Share /
Follow / Always Accessible

Pinterest

Search

Pinners you follow Everything: Food & Drink Videos Popular Gifts

Invite Friends

myrecipes

Stuffed Figs with Honey-Balsamic Syrup

Georanna Bass Coulter onto Recipes

eighttk onto What I'm making for dinner

Carnival Cruise's "Warm Chocolate Melting Cake" recipe... oh how I miss this!

Jennifer Klima onto Recipes to Try

Thanks to Six Sisters Stuff for this awesome honey sesame chicken slow cooker recipe! It's SOOOOO delicious!

Jamie (Sweet Tea & Taters) onto Food and Dishes

Uptown Mac and Cheese from Grannie... Aged Cheddar and Gruyere Cheeses with grilled all-natural chicken, crisp asparagus and sweet peas, topped with buttered herb crumbs.

Bernie Lopez onto YumiCravings/Recipes/To Make

Re-Imagination of Magazines...

THEN...

Piles of Print Copies



NOW...
(Flipboard)

More Content / Always Up-To-Date / Personalized / Access Everywhere / Interactive (Video + Audio) / Share

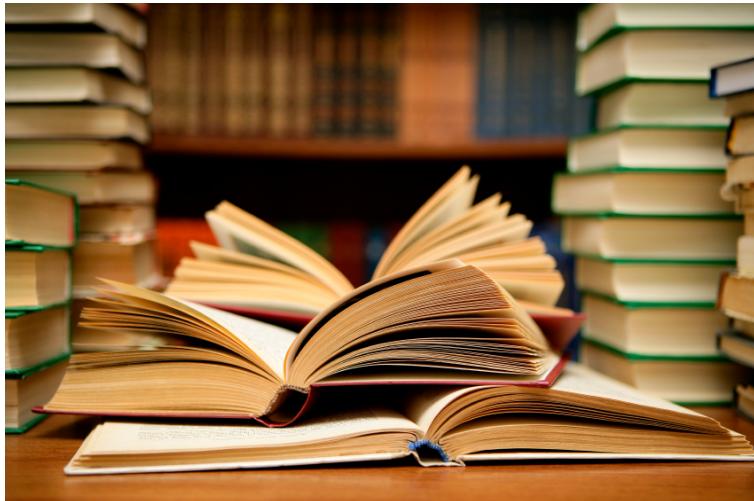


Your new **Flipboard**

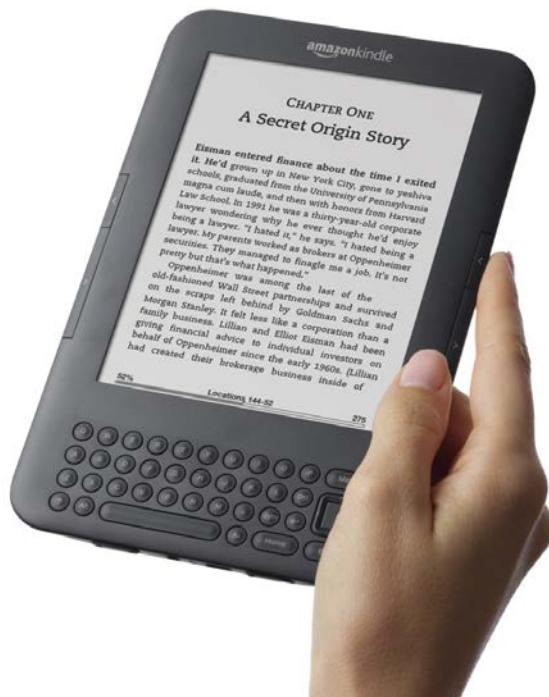
Instagram. Social search. Speed.

Re-Imagination of Books...

THEN...



NOW...
(Amazon Kindle / Apple iBooks)



Re-Imagination of Music...

THEN...

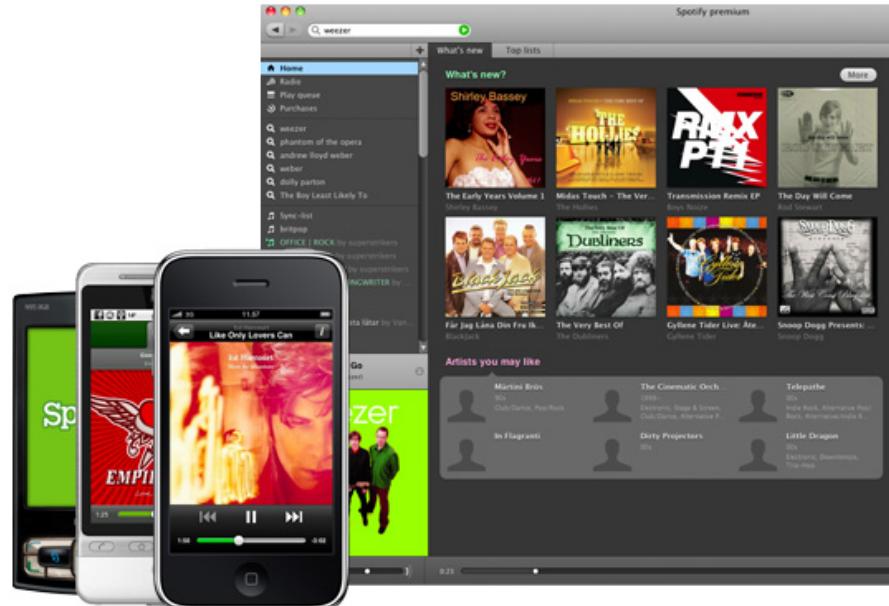
Buy Albums + CDs in Stores /
Playback via Dedicated Players



NOW...

(Spotify...)

Discovery of Music Through Friends + Experts /
Instant On-Demand Streaming on Internet-
Enabled Devices



Re-Imagination of Sound...

THEN...

Tape Recorder / Hard to Edit / Share



NOW...

(SoundCloud)

Record / Edit / Upload / Playback Anywhere / Anytime / On Any Device / Playlist sharing / Discovery



Re-Imagination of Artists / Concerts...

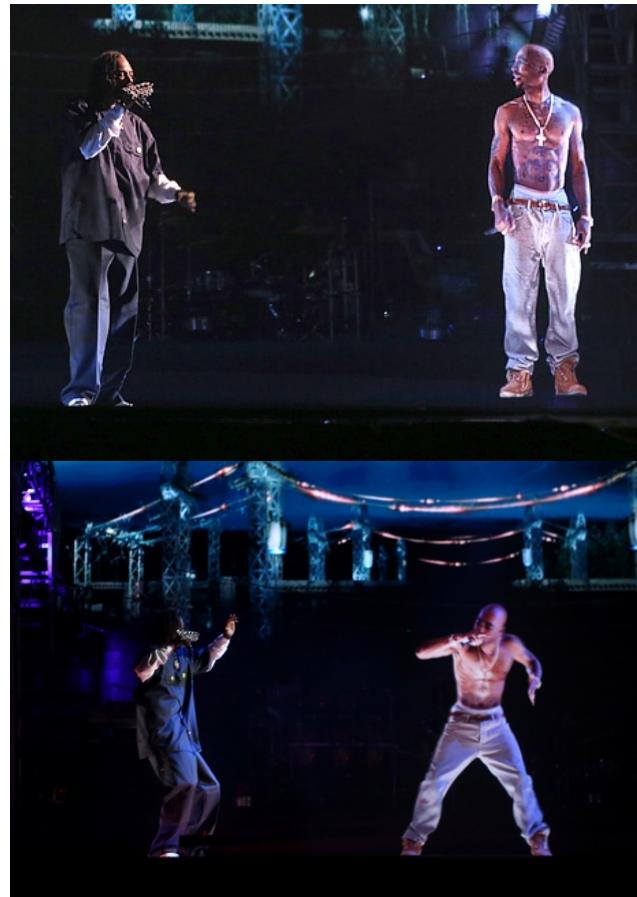
THEN...

Big Screen Tributes



NOW...

(Tupac @ Coachella...)
3D / Life-Like / Programmable Hologram /
Bringing Past Icons Back to Life



Re-Imagination of Video...

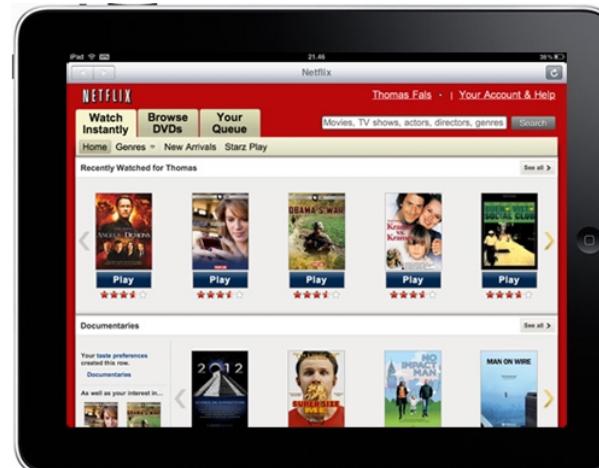
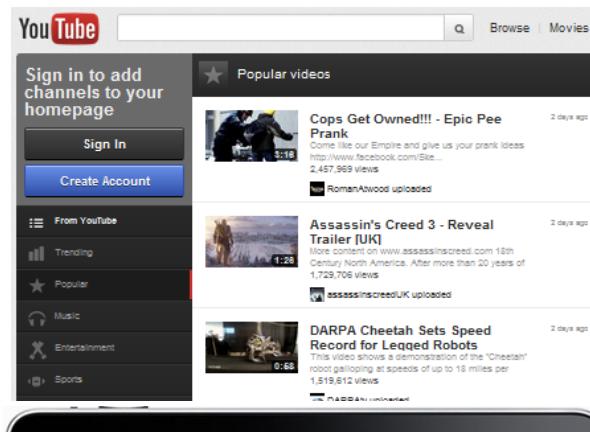
THEN...

Physical Retail / Rental Stores



NOW...

(YouTube / Netflix...)
On-Demand / Instant Streaming /
Accessible Everywhere



Re-Imagination of Video Creation / Production...

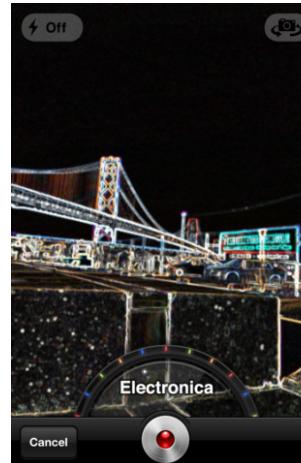
THEN...

Dedicated Set / Camera /
Lighting / Editing Equipment



NOW...

(SocialCam / Viddy / GoPro...)
Live Digital Effects / Wearable Recording
Device / Real-Time Upload / Discovery



Re-Imagination of Distribution + Monetization for 'Talent'...

THEN...

(Glenn Beck on Fox News)



NOW...

(GBTV - Digital)

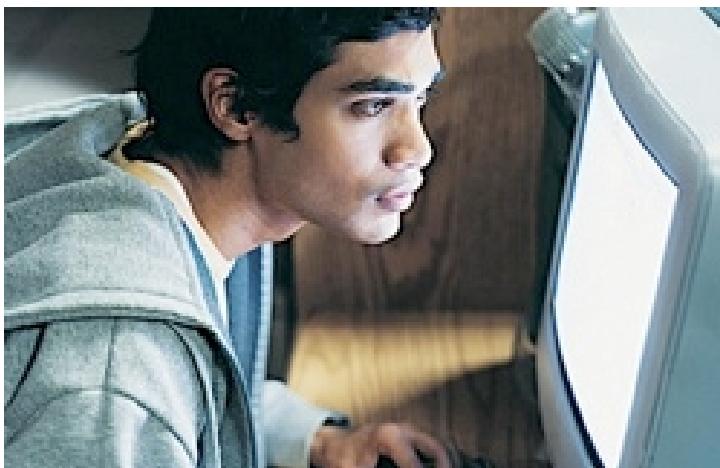
With 300K Subscribers + Lower Production Costs,
GB Making Materially More Money

The homepage of the GBTV website. The header features the GBTV logo with the tagline 'The truth lives here.' and a search bar. Below the header are navigation links for SHOWS, SCHEDULE, VIDEO, BLOG, ABOUT, and HOW TO. The main content area has a large 'WELCOME TO GBTV' heading. It includes a portrait of Glenn Beck and a video thumbnail of him. Text on the page encourages users to start a 14-day free trial for GBTV Plus, with options for monthly or annual subscriptions. A red button at the bottom links to 'GBTV Plus Features'.

Re-Imagination of Home Entertainment...

THEN...

Lean Back / Lean Forward



NOW...

(Chill...)

Curl Up – Visual Layout / Social Discovery / Distribution / Interaction



Re-Imagination of TV...

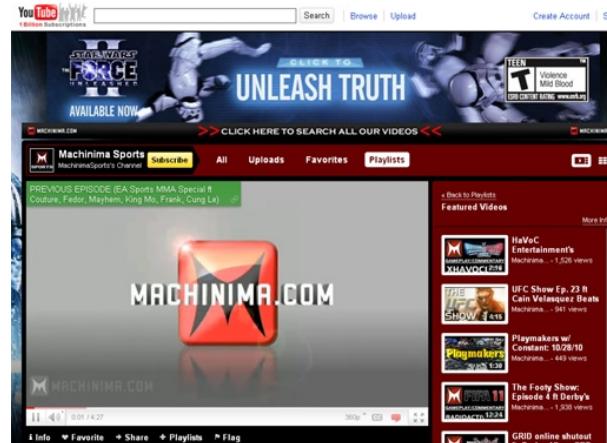
THEN...

Linear Programming / Pre-Set Channels /
Little Control Over Content



NOW...

(YouTube Channels / Bleacher Team Stream...)
On Demand Personalized Content on Big Screen



Re-Imagination of Communication...

THEN...

Dedicated Devices / Limited Function & Range / Intrusive



NOW...

(Voxer...) Push-To-Talk / Voice Message / Picture / Text / Location / Group Chat



Re-Imagination of Navigation + Live Traffic Info...

THEN...

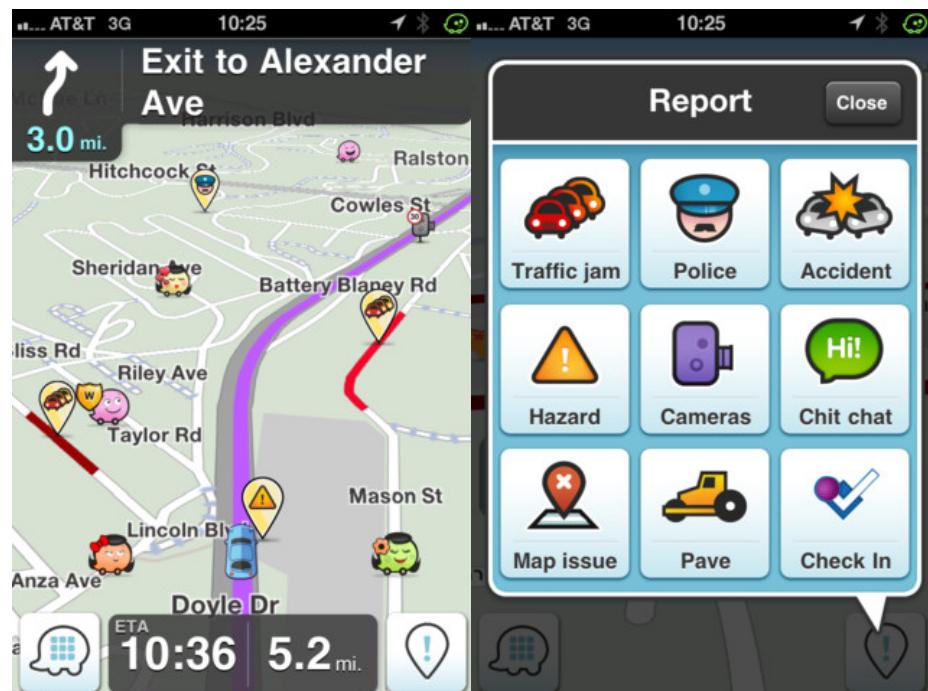
Physical Copies of Map in Car /
TV, Radio Reporting of Traffic Info



NOW...

(Waze)

User-Generated Digital Map /
Live Crowd-Sourced Traffic Data



Re-Imagination of Sports Info...

THEN...

Professional Commentators / Reporters / Limited Coverage & Reach

NOW...

(Bleacher Report)

Anyone Can Be a Contributor / Opinion-Oriented Analysis / Multimedia / Social & Mobile Enabled

b bleacher report

NFL CFB MLB NBA NHL CBB Soccer UFC WWE NASCAR More

Swagger Video Blogs My Teams

Home Trending NCAA Tournament Tiger Woods Jaja Chamberlain NFL Free Agency

Jeep
THE 2012 JEEP COMPASS

CLICK TO EXPAND

ARE YOU READY TO CHART YOUR OWN PATH

b r on Facebook

79K



Latest Title Odds for Each Elite 8 Team
By Donald Wood



Melo, Amar'e Honor Fallen Teen Tiger on His Game at Bay Hill: Follow Live Austin Rivers Has Tough Road Ahead Adding Fuel to the Luck vs. RGIII Debate

TEAM Stream™ [Edit](#)



AHHHHH Wrong Team?

Report: Giants Shipping Middle INFs via [MLBTradeRumors.com](#)

March Madness



Power Ranking the Elite 8 Teams



Janikowski Bares (Almost) All for ESPN via [5Fields.com](#)

Ohio State Will Exploit Syracuse's Interior

THE LINEUP

1 Dunk of the Tournament



2 Report: Tebow Thinks He Can Take Sanchez's Job

Re-Imagination of Home Improvement...

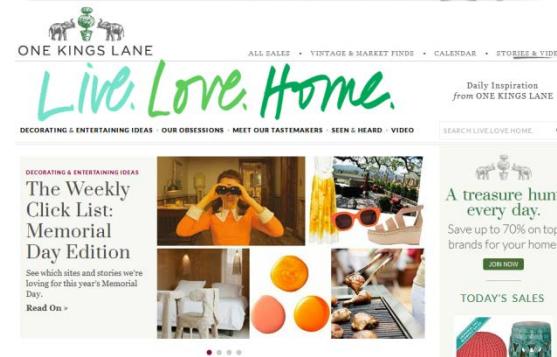
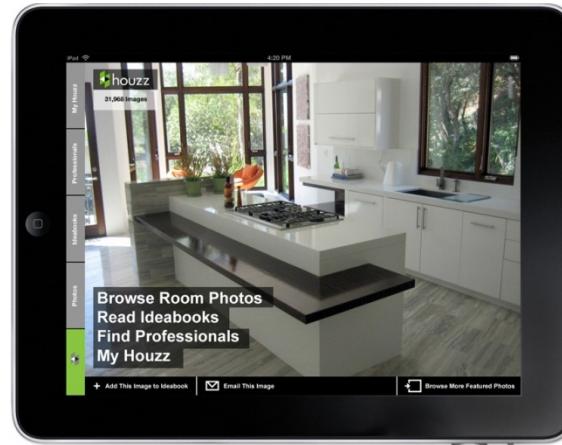
THEN...

Magazines / Cable TV Channels / Limited Interaction With Consumers



NOW...

(Houzz / One Kings Lane...) Communication Platform for Designers & Consumers / Share / Discover & Click-And-Buy



Re-Imagination of Calling a Cab...

THEN...

Long Lines During Rush Hours /
Rain / Some Areas May Not
Have Taxis Roaming on Streets



NOW...

(Uber)
One-Tap Taxi Call /
Location-Aware / Electronic Payment



Re-Imagination of Cars...

THEN...

Gasoline / Diesel Powered Internal Combustion Engine With Exhaust



NOW...

(Hybrid / Electric Cars)

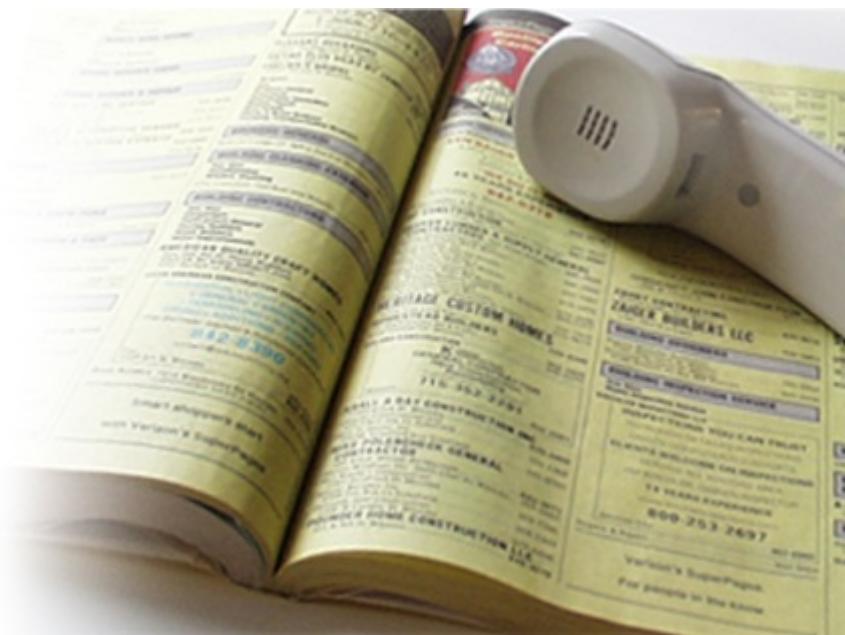
Plug-in Electrical Powertrain / Regenerative Brake /
Solar Panel Roof / Little-to-Zero Emission



Re-Imagination of Yellow Pages...

THEN...

Big Heavy Printed Business Listings / No Reviews / No Easy Search Feature



NOW...
(Yelp...)

User Reviews / Pictures / Recommendations / Location-Aware / Easily Searchable

6:53 PM

Katana-Ya

1. Izakaya Sozai
1500 Irving St, Inner Sunset
\$ 289 Reviews Japanese

2. Halu
312 8th Ave, Inner Richmond
\$ 316 Reviews Japanese

3. Katana-Ya
430 Geary St, Civic Center/Tenderloin
\$ 1687 Reviews Japanese

4. Oyaji Restaurant
3123 Clement St, Outer Richmond
\$ 454 Reviews Japanese

5. Sapoten
3420 Balboa St, Outer Richmond
\$ 29 Reviews Japanese

6. Suzu Noodle House
1825 Post St, Pacific Heights
\$ 531 Reviews Japanese

7. Tanpopo
1740 Buchanan St, Pacific Heights
\$ 469 Reviews Japanese

8. Saimai Ramen
2240 Irving, Outer Sunset
\$ 46 Reviews Japanese

9. Ken Ken Ramen @ The Cor...
2199 Mission St, Mission
\$ 14 Reviews Japanese

10. Genki Ramen

Meals Served Dinner
Parking Street
Good for Kids Yes
Attire Casual
Takes Reservations No
Outdoor Seating No
Accepts Credit Cards Yes
Delivery No
Take-out Yes
Good for Groups No

Search Bookmarks Records

Re-Imagination of Coupons + Local Services...

THEN...

Non-Personalized / Smaller Discounts /
Easily Lost or Forgotten



NOW...

(Groupon...)
Personalized / Location-Aware /
Instant Deals / Group-buying Discount



Re-Imagination of Getting Food Quickly...

THEN...

Permanent Store Locations



NOW...

(Kogi Food Truck...)
~100K Twitter Followers /
Real-Time Location Updates

kogibbq 
@kogibbq
Korean BBQ Taco Truck
UT: 34.044817,-118.311893 - <http://www.kogibbq.com>

Tweets

kogibbq @kogibbq 19 May
SUNDAY SUNDAY SUNDAY KOGI STOPS: 12-5PM@Patchwork Indie Art Fest, LBC(Bayshore & Appian);11-3PM@Chino Great Food Truck Fest(5410 Edison Ave)
Expand

kogibbq @kogibbq 19 May
NARANJA DINNER: *930PM-11PM@H.Johnson/2J's, Fullerton(222 W. Houston Ave..)
Expand

kogibbq @kogibbq 19 May
VERDE DINNER: *930PM-11PM@Yogurtland, La Brea(3rd / La Brea, Los Angeles)
Expand



Re-Imagination of Cash Registers...

THEN...

Big + Odd Looking Machines /
Receipt Printers Cash Drawers



NOW...

(Square)
Simple + Elegant Tablet + Square Reader /
Email Receipts / Touch Signing



Re-Imagination of Window Shopping...

THEN...



Layla Morgan Wilde

NOW...

(One Kings Lane / Fab)
Click & Buy

A screenshot of the One Kings Lane / Fab Click & Buy website. The top navigation bar includes links for 'Welcome Jason! (Log Out)', 'Invite friends, Get \$25', 'My Account', and 'Shopping Cart (0)'. Below the navigation is a logo with three elephants and the text 'ONE KINGS LANE'. The main content area features a section for 'The Foyer' with a 'SALE STARTS IN 2 Days, 12 Hours' message and a 'remind me' button. A 'Shop' button is overlaid on an image of a room. To the right, there's a 'FIVE ROOMS IN FIVE DAYS' section for 'The Foyer' with a description and an image of a foyer. Below this is a 'SHOP NOW!' button with a 'MOVE YOUR CURSOR OVER ANY DOT TO PURCHASE THE ITEMS YOU LOVE IMMEDIATELY.' message. The bottom of the page shows a navigation bar with links for 'Fab.', 'Feed', 'Calendar', 'Inspiration', 'Invite', 'Smile', and a search bar. It also features a 'Sale Ends in 6 days and 14 hours' message and a 'Shop With Your Facebook Friends' button. A 'Roberto and Stefano Truzzolillo' section is also visible.

Re-Imagination of Marketplaces...

THEN...

Tent + Pickup Truck @
Street Fairs



NOW...

(Etsy)
Integrated Platform For Listings / Advertising /
Payment / Inventory Management

A screenshot of the Etsy website homepage. The top navigation bar includes links for Buy, Sell, Community, Blogs, and Mobile. The main search bar is empty. The page features a grid of "Handpicked Items" with a "See more" link. Each item is shown with a thumbnail image, the title, and the seller's name. The items are categorized as "Picked by dualchocolate". The sidebar on the left lists various product categories such as Fashion, Home & Garden, Kids, Spring Celebrations, and many others. The overall layout is clean and modern, representing the digital transformation of marketplaces.

Re-Imagination of Manufacturing...

THEN...

Mass Production of High-Volume
Standardized Items



NOW...

(Zazzle / Shapeways)
Customized / Personalized Design / 3D Printing
Process



Departments

All Departments
Clothing
Accessories
Bags
Messenger Bags
Impulse Tote
Jumbo Tote
Budget Tote
Tiny Tote
Grocery Tote
Organic Grocery
Tote
Embroidered Tote
CTC Bags
Embroidered Bags
Buttons
Hats
Embroidered Hats



Create your own Custom Bags

Starting at \$9.95

- 9 style options
- No minimum orders
- Makes a great gift
- Ships in as little as 24 hours*
- No set up fees
- 100% satisfaction guaranteed



Re-Imagination of Instant Gratification / Personal Services...

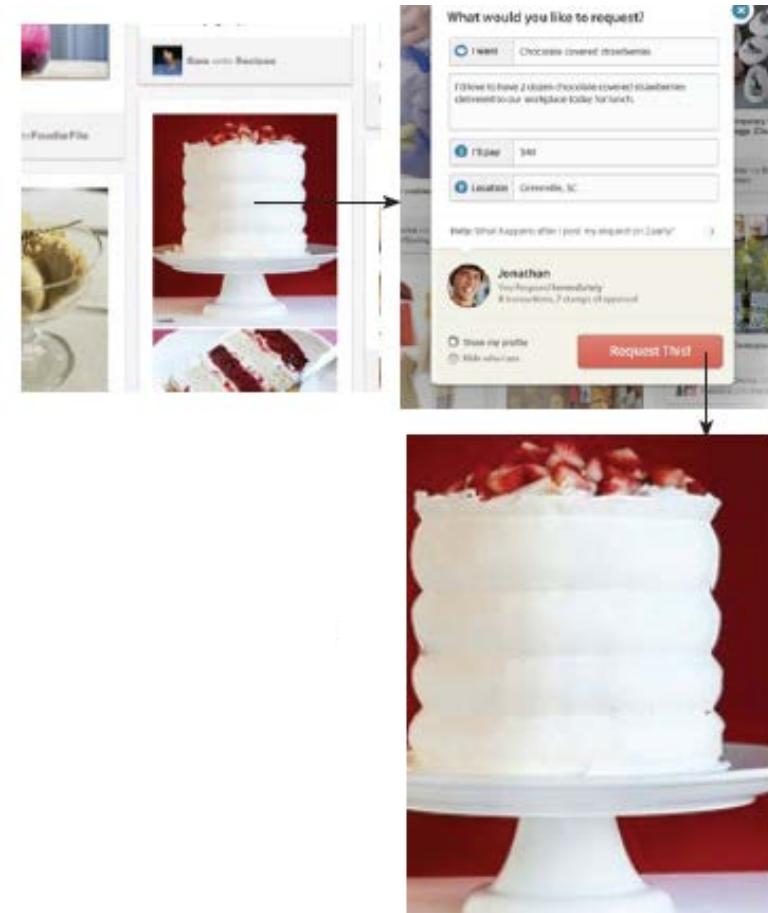
THEN...

Mass Production of High-Volume Standardized Items



NOW...

(Zaarly / TaskRabbit / Fiverr)
One Click & Delivered to You



Re-Imagination of Idea Building / Funding...

THEN...

Flyers / Loudspeakers / Dinners / Checks



NOW...

(KickStarter)
Online / Social Distribution /
Real-Time Progress

KICKSTARTER Discover Start [PROJECTS](#) [YOUR PROJECT](#) [SEARCH](#) BLOG HELP SIGN UP LOG IN

The HuMn Wallet - the best minimal RFID blocking wallet
A Design project in Portland, OR by Scott Hussa · [send message](#)

PROJECT HOME UPDATES 3 BACKERS 1973 COMMENTS 445 REMIND ME

1,973 BACKERS
\$155,597 PLEDGED OF \$66,000 GOAL
26 DAYS TO GO

THIS PROJECT WILL BE FUNDED ON MONDAY APR 2, 11:59PM EDT.

BACK THIS PROJECT \$1 MINIMUM PLEDGE

PLEDGE \$25 OR MORE 6 BACKERS

Newly Added Additional Single Aluminum Plate: If you want to add more color and personality to your HuMn wallet, you can now add this to your existing order

Re-Imagination of Personal Borrowing / Lending...

THEN...

Borrowers – Paper Application / Lengthy Approval Process / High Interest Rates
Investors – Little Access For Retail Investors / No Customization Based on Risk Tolerance



NOW...

(Lending Club...)

Borrowers – Online Application / Funded in Days / Lower Interest Rates
Investors – Easy Customization / Diversification / Better Returns



Apply
online in minutes



Get Funded
in a few days



Make
fixed monthly
payments

LendingClub

[Investing](#) | [Personal Loans](#) | [How It Works](#) | [About Us](#)

Browse Notes

Showing Notes 1 - 15 of 870								
Investment	Rate	Term	FICO®	Amount	Title / Purpose	% Funded	Amount / Time Left	Actions
\$0	A 1	36	750-779	\$10,000	credit card payoff	99%	\$25	6 days
\$0	A 2	36	780+	\$8,000	Moving Loan	96%	\$250	6 days
\$0	A 2	36	750-779	\$6,600	Assisted Living Business	96%	\$200	6 days
\$0	A 3	36	714-749	\$5,000	Major Purchase	86%	\$700	6 days
\$0	B 1	36	679-713	\$12,800	My New Loan	93%	\$875	6 days
\$0	B 4	36	679-713	\$3,600	CENTRAL AC	62%	\$625	7 days
\$0	B 4	36	679-713	\$10,000	Home Improvement	93%	\$650	7 days

Re-Imagination of Business Collaboration...

THEN...

Meetings / Whiteboards /
Teleconferences



NOW...

(Salesforce.com / Yammer / Jive...)
Online Working Groups / Data Sharing /
Instant Messages

Three screenshots of business collaboration platforms side-by-side. The top screenshot is from Jive, showing a dashboard with a 'Post a quick something!' input field, a 'Now' feed, and sections for 'Globetrotter' (a map of global locations) and 'Acquisition Target Tracking' (a line graph showing trends from February to June). The middle screenshot is from Salesforce, showing the 'Groups' tab of the Sales Cloud interface. It displays a 'NetSmart Competitive Group' page with a photo of group members, a 'What are you working on?' input field, and a feed of posts. The bottom screenshot is from Yammer, showing a 'NetSmart Competitive Group' page with a photo, a 'What are you working on?' input field, and a feed of posts including a file upload and a comment from Jake Bolland.

Re-Imagination of Recruiting / Hiring...

THEN...

Job Fairs / Campus Recruiting Events /
Paper Resumes



NOW...
(LinkedIn)

Online Resumes / Social Relevancy For
Recruiters / Searchable Skill Sets /
Endorsements / Recommendations

LinkedIn People Jobs Answers Companies

Explore People Search: Engineer at IBM - Internet - Senior Consultant

Search People Search Advanced

People

Mark Presnell 
Director, Career Center at Johns Hopkins University
Washington D.C. Metro Area | Education Management

Current
• Director at Johns Hopkins University
Career Center

Past
• Senior Associate Director, Career Center at University of Rochester
• Director of Architecture Career Services at University of Virginia

Education
• University of Kansas
• Purdue University

Connections 149 connections

Websites
• My Company

Public Profile <http://www.linkedin.com/in/markpresnell>

Summary
Career professional with a track record of developing comprehensive career services for both undergraduates and graduate students. Ability to create programs and services that link alumni, students, and recruiters to identify both entry-level and advanced talent. Experience counseling and advising students and alumni in a wide range of fields including consulting, finance, government, non-profit, biotechnology, engineering, and research.

Specialties
SI and MBTI interpretation, student development, career counseling, employer relations, alumni relations, networking

Ads by LinkedIn Members
The Document of Your Life
A Resume Can Change Your Career
Award-Winning, Shimmering Resumes
www.ShimmeringResumes.com
From: Paul Freiberger

8KMiles
SMB Survivability-8KMiles
Pay-as-you-go infrastructure and professionals on demand for SMBs
www.8KMiles.com
From: 8KMiles What's this?

How you're connected to Mark

You
↓
Lindsey Pollak
↓
Mark Presnell

Re-Imagination of Focus Groups...

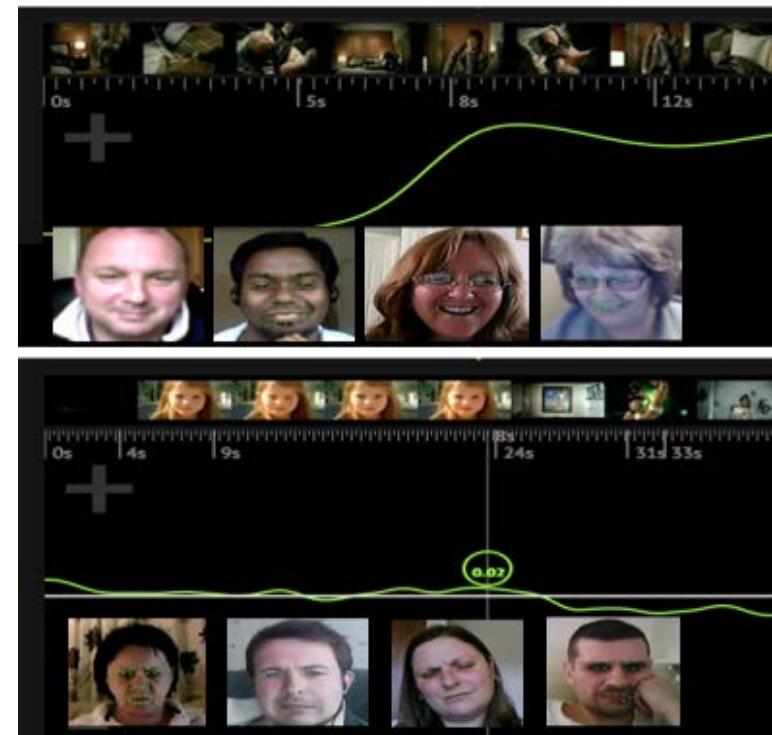
THEN...

Fixed Time / Location / Small Group /
No Real-Time Feedback



NOW...

(Affectiva)
Real-Time Video Emotion Detection +
Analysis / Effortless Participation / Data Capture /
'Moodometer'



Re-Imagination of Data...

THEN...

Store Everything Because We Can Do It
Inexpensively



SOON...

Data Obesity / Data Quality Issues
How To Find a Needle in a Haystack?



Re-Imagination of Signatures...

THEN...

Scan / Fax / Mail to Return
Signature Page

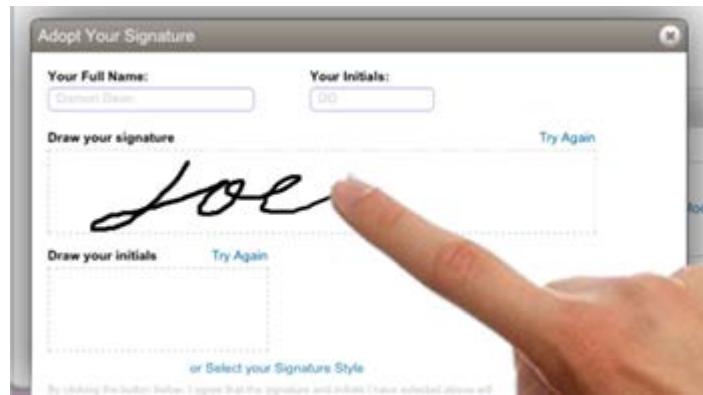
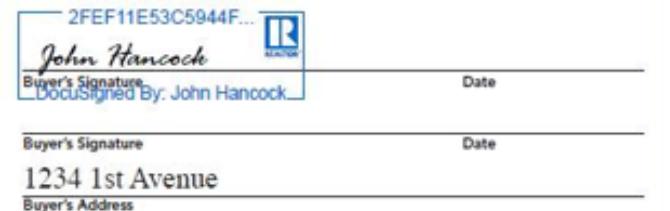


NOW...

(DocuSign)

Electronic Documents / Secure Audit
Trail / Instant E-Signature

18. Addenda: 22D(Opt. Clauses); 22J(Lead Disci); 22K
35(Inspection); 41C(SB Commission);



Re-Imagination of Healthcare Access...

THEN...

Call to Make Appointments / Days or Weeks to See Doctors



NOW...

(ZocDoc / Teladoc)

On-Demand Access to Doctors in Minutes or Same Day / In Person or Via Phone Video Call

The ZocDoc website interface shows a search for a doctor in San Francisco. It includes a map of the city with several red location markers. Below the map are sections for "Primary Care Doctors" and "Primary Care Doctors in East Bay". A weekly appointment calendar is displayed with time slots for each day.



The Teladoc website interface features the Teladoc logo at the top. Below it are links for "Overview", "My Medical History", "My Family", and "My Account Information". A large video call window shows a woman with curly hair smiling and holding a smartphone.

Re-Imagination of Learning...

THEN...



NOW...



*From learning by listening to learning by doing...
Education and learning will become as much fun as
videogames. And we call it 'full body learning.'*

- Bing Gordon
Partner, KPCB

Re-Imagination of Engagement...

THEN...

Buttons / Joysticks / D-pads / Wires



NOW...

(Xbox Kinect)
Camera-Based Gestures / Voice Control



Re-Imagination of Education...

THEN...

Classrooms / Lectures / Reading Materials



NOW...

(Codecademy / Coursera / Khan Academy...)
Interactive / Online / Accessible by
Anyone Anywhere Anytime

The screenshot shows the Codecademy website interface. At the top, there is a navigation bar with links for Courses, Creators, Jobs, Sign In, and Create Account. The main content area features a large heading 'Learn to code' and a sub-headline: 'Codecademy is the easiest way to learn how to code. It's interactive, fun, and you can do it with your friends.' Below this, a 'Get Started (it's free)' button is visible. The central part of the page displays a coding exercise with the following code snippet:

```
1 var codeMaster = false;
2
3 if ( codeMaster === false ) {
4   print( "Use Codecademy to start on \
5       the path to becoming a better \
6       programmer." );
7 }
8 else {
9   print( "Hone your skills or help teach \
10      the craft" );
11 }
12
13
14 }
```

Below the code, there are three sections: 'Program Websites and More', 'Learn with Friends', and 'Track and Share Your Progress'. Each section contains a brief description and associated icons. The 'Learn with Friends' section includes a progress bar showing '37% complete' and '3 of 8 lessons finished'. The 'Track and Share Your Progress' section includes a progress bar showing 'In progress' and 'Not started'.

Re-Imagination of Rewards / Satisfaction...

THEN...



NOW...

(Klout / FourSquare / Zynga...)



Klout Perks

@KloutPerks San Francisco, CA

Welcome to the Klout meritocracy! We use this account to notify people of Perks, if that bugs you please feel free to just follow @Klout instead. Thanks!

<http://www.klout.com>

Back

foursquare



Newbie

Adventure

Explorer

Superstar



Bender



Crunked



Local



Super User



1 Play Zynga Games

2 Earn zCoins

3 Get Sweet Game Items

Re-Imagination of Government Subsidies...

THEN...

Gather in Town / Wait in Line
to Receive Subsidies



NOW...

200MM+ Farmers in India Receive
Government Subsidies Via Mobile Devices*



Re-Imagination of Communication...

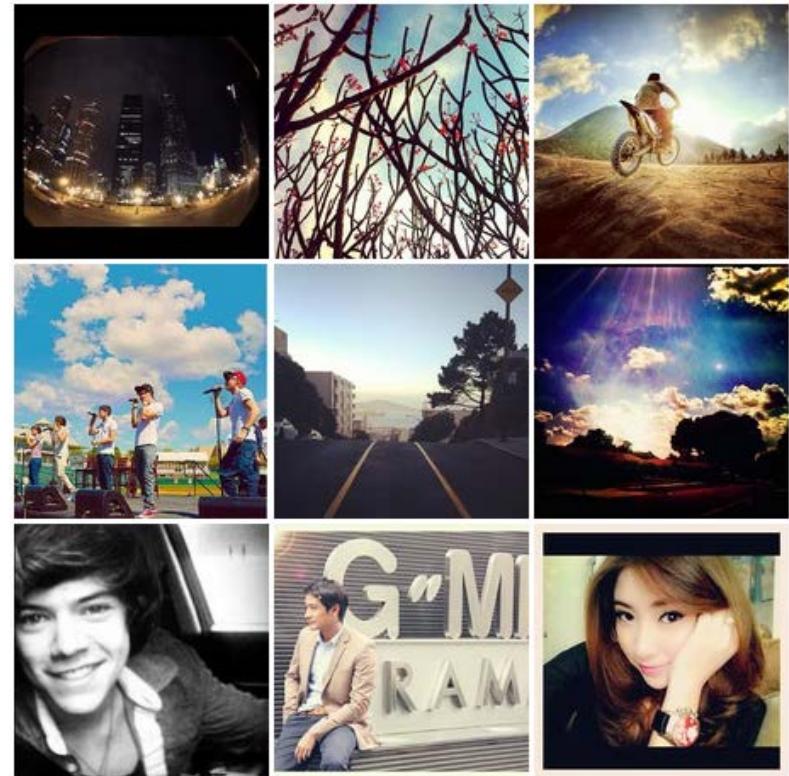
THEN...

Caveman Drawings...



NOW...

Instagr.am...



Re-imagination of Crime Awareness...

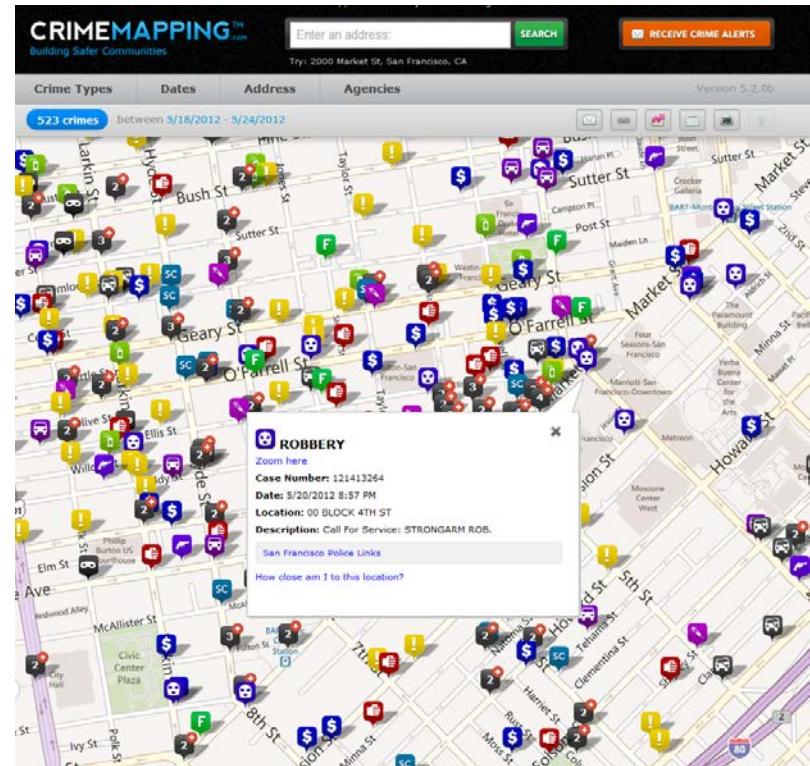
THEN...

Warning Signs / Community Reports



NOW...

(SFPD / CrimeMapping)
Centralized Database / Customized
Crime Alerts / Mobile Viewing



Re-Imagination of Thermostats...

THEN...

On/Off Switch +
Temperature Setting



NOW...

(Nest)

Wi-Fi Enabled / Auto-Learning / Auto-Sensing /
Remote Control / Energy Efficient



Re-Imagination of Pet Care....

THEN...

Flyers on Lamp Posts for Missing Pets



NOW...

Internet-Enabled / GPS Tracking Pet Collars



Re-Imagination of Feeds... ;)

THEN...



NOW...

(Facebook News Feed / Ticker / Twitter Feed)

A composite image showing three different types of digital feeds. On the left is a screenshot of a Facebook News Feed for 'Sharon Vaknin', showing a profile picture, a 'News Feed' tab, and a list of posts including one from 'Brendon Nen' and another from 'Connor Grant'. In the center is a screenshot of a Twitter feed with several tweets from users like 'aaronwatkins', 'Connor Grant', and 'Sam Henke'. On the right is a vertical news ticker with updates from various users, including 'Emily Litwin', 'Noah Hahn', 'Adam Weiner', 'Sam 'Sharky' Bayoff', and 'Alex 'Crzy' Nest'. The overall theme is the evolution of social media and news consumption.

Magnitude of Upcoming Change Will be Stunning - We are Still in Spring Training

- **Nearly Ubiquitous High-Speed Wireless Access in Developed Countries**
- **Unprecedented Global Technology Innovation**
- Ultra Competitive Markets for Mobile Operating Systems + Devices
- Broadly Accepted 'Social Graphs' / Information Transparency
- **Fearless (& Connected) Entrepreneurs**
- Difficult 'What Do I Have to Lose' Economic Environment for Many
- **Available (& Experienced) Capital**
- **Fearless (& Connected) Consumers**
- **Inexpensive Devices / Access / Services (Apps)**
- **Ability to Reach Millions of New Users in Record (& Accelerating) Time**
- 'Social Emerging as Starting Distribution Point for Content,' (Brian Norgard, Chill)
- Aggressive (and Informed) 'On My Watch' Executives at 'Traditional' Companies
- Unprecedented Combo of Focus on Technology AND Design
- Nearly 'Plug & Play' Environment For Entrepreneurs – Marketplaces / Web Services / Distributed Work / Innovative Productivity Tools / Low 'Start Up' Cost
- Beautiful / Relevant / Personalized / Curated Content for Consumers

Addressable Market For Re-Imagination – Aggregate Market Cap of Global Public Companies = \$36+ Trillion*

	2012 Market Cap (\$B)	2011 Revenue (\$B)	2011 EBITDA (\$B)	Top Companies by Mkt Cap
Financials	\$6,855	\$4,647	\$1,035	ICBC, China Construction Bank, Wells Fargo
Consumer Staples	4,386	3,972	543	Wal-Mart, Nestle, P&G, Coca-Cola
Information Technology	3,966	2,298	422	Apple, Microsoft, IBM, Google, Samsung
Energy	3,926	6,652	1,068	Exxon Mobil, PetroChina, Shell, Chevron
Consumer Discretionary	3,734	4,734	624	Toyota, Amazon.com, McDonald's, Walt Disney
Health Care	3,380	2,204	455	Johnson & Johnson, Pfizer, Roche, Novartis
Industrials	3,198	4,407	608	General Electric, Siemens, UPS
Materials	3,129	2,607	712	BHP Billiton, Rio Tinto, Vale
Telecommunication Services	2,572	2,045	699	China Mobile, AT&T, Telefonica, Vodafone
Utilities	1,188	1,501	315	GDF Suez, National Grid, E.ON, EDF
Total	\$36,335	\$35,066	\$6,483	

*NET, LOTS OF STUFF BEING RE-
IMAGINED AND THERE'S A LOT MORE...*

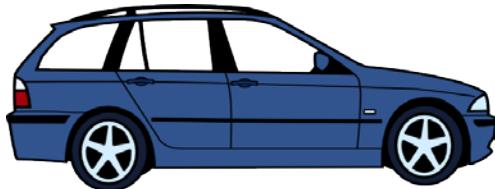
Consumer Internet 'White Space'



- 1) **Ear (+ Body)** - owing to better devices (wireless Bluetooth) / services (Siri / Spotify / Soundcloud...) / products (Up...)

- 2) **Car** – 52 minutes per day by 144MM Americans (76% alone)* spent in cars – largely untapped

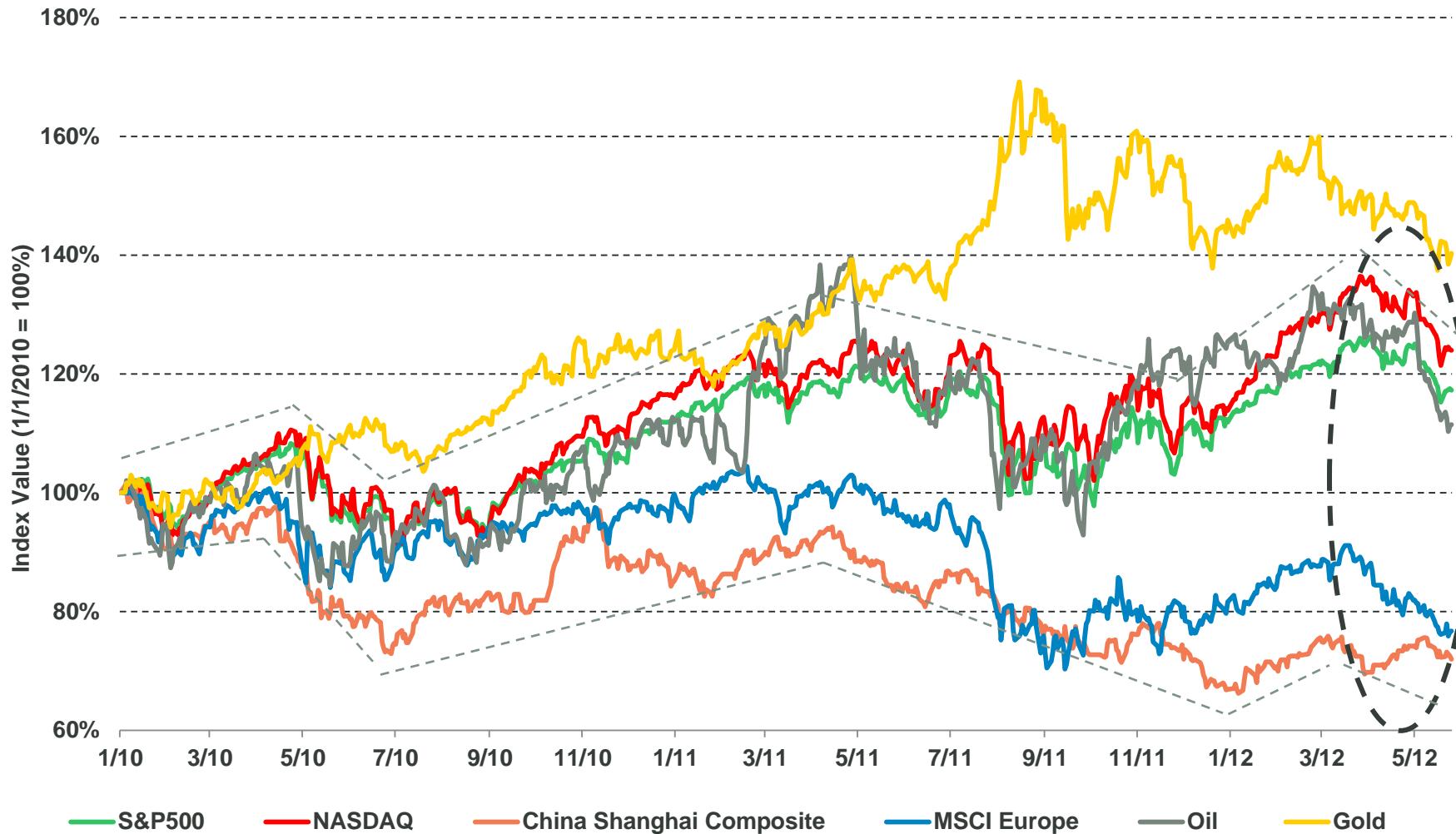
- 3) **TV** – 3+ hours per day spent in front of TVs** – way better devices / interfaces / interfaces coming rapidly...Apple & Google footsteps raising bar...50MM+ Americans have Internet-enabled TVs



ECONOMY – MIXED TRENDS, WITH NEGATIVE BIAS

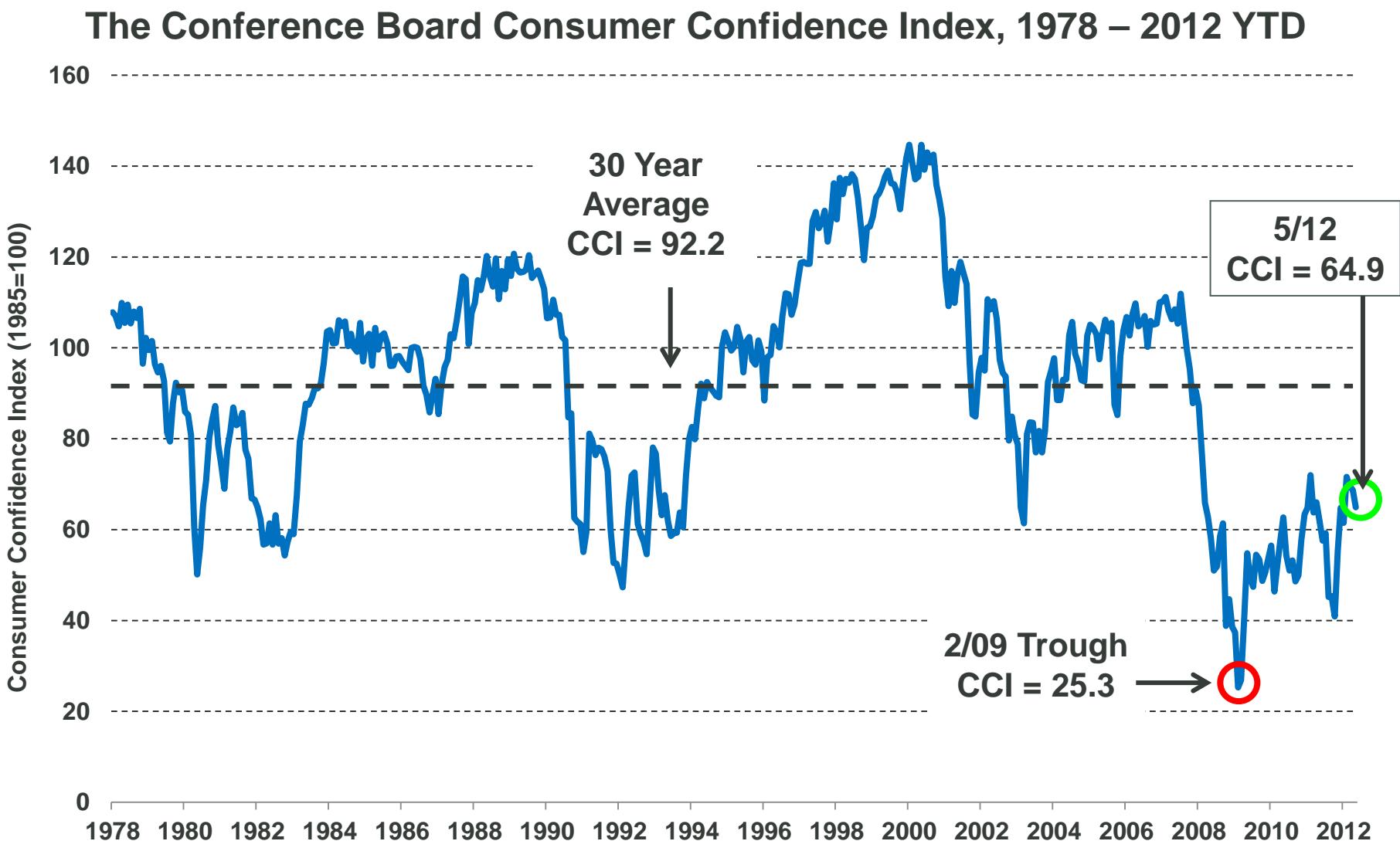
Stock Markets = Often Leading Indicators of Economic Activity, Recent 10-Week Trendline Not Encouraging...

Stock / Commodity Markets Performance (% Change From 1/10), 1/10 – 5/12



Note: All values are indexed to 1 (100%) on Jan 1, 2010. Data as of 5/25/12.
Source: Bloomberg, Yahoo! Finance, FactSet.

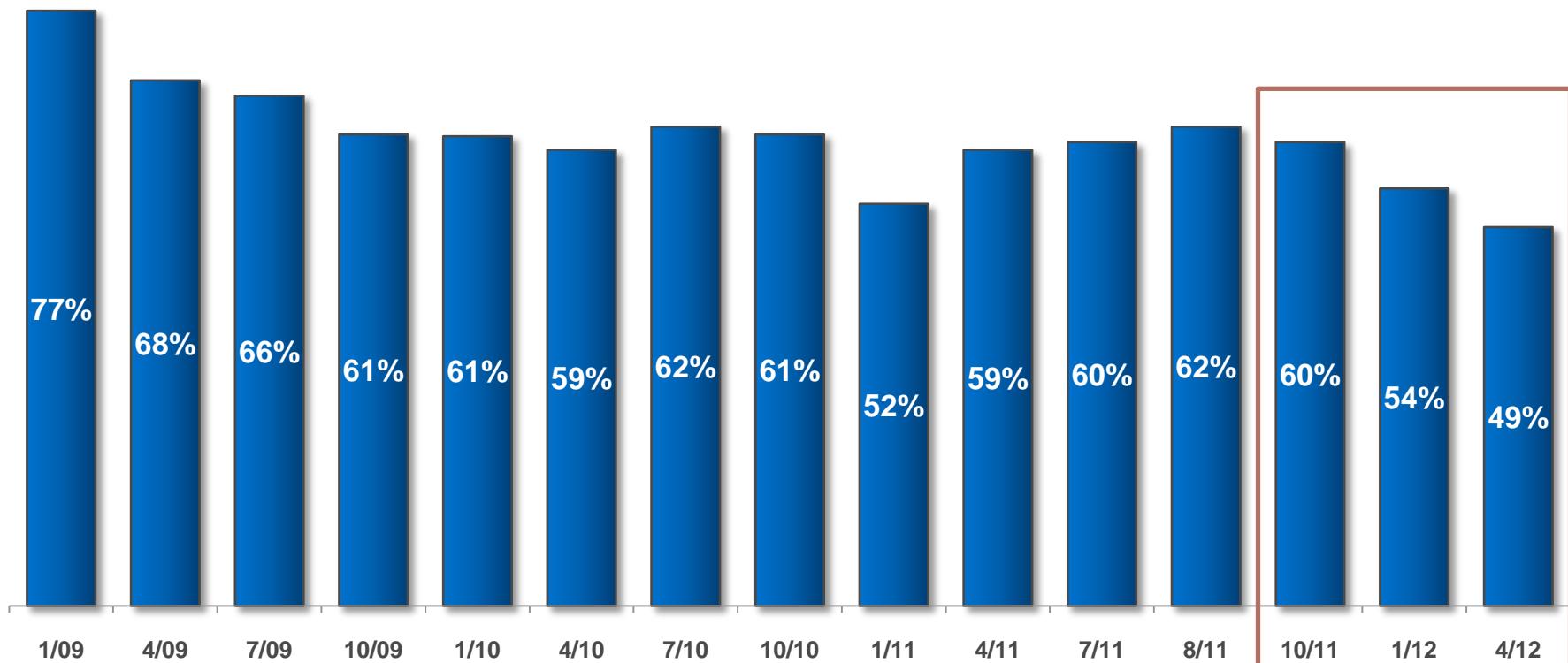
Consumer Confidence = Near Four-Year Highs, Though Still Below 30-Year Average



Consumer Sentiment – Improving but 49% of Americans View Economy as ‘Poor’

Q. How would you rate economic conditions today?

Percent of USA Consumers Who View The Economy as Poor, 1/09 – 4/12



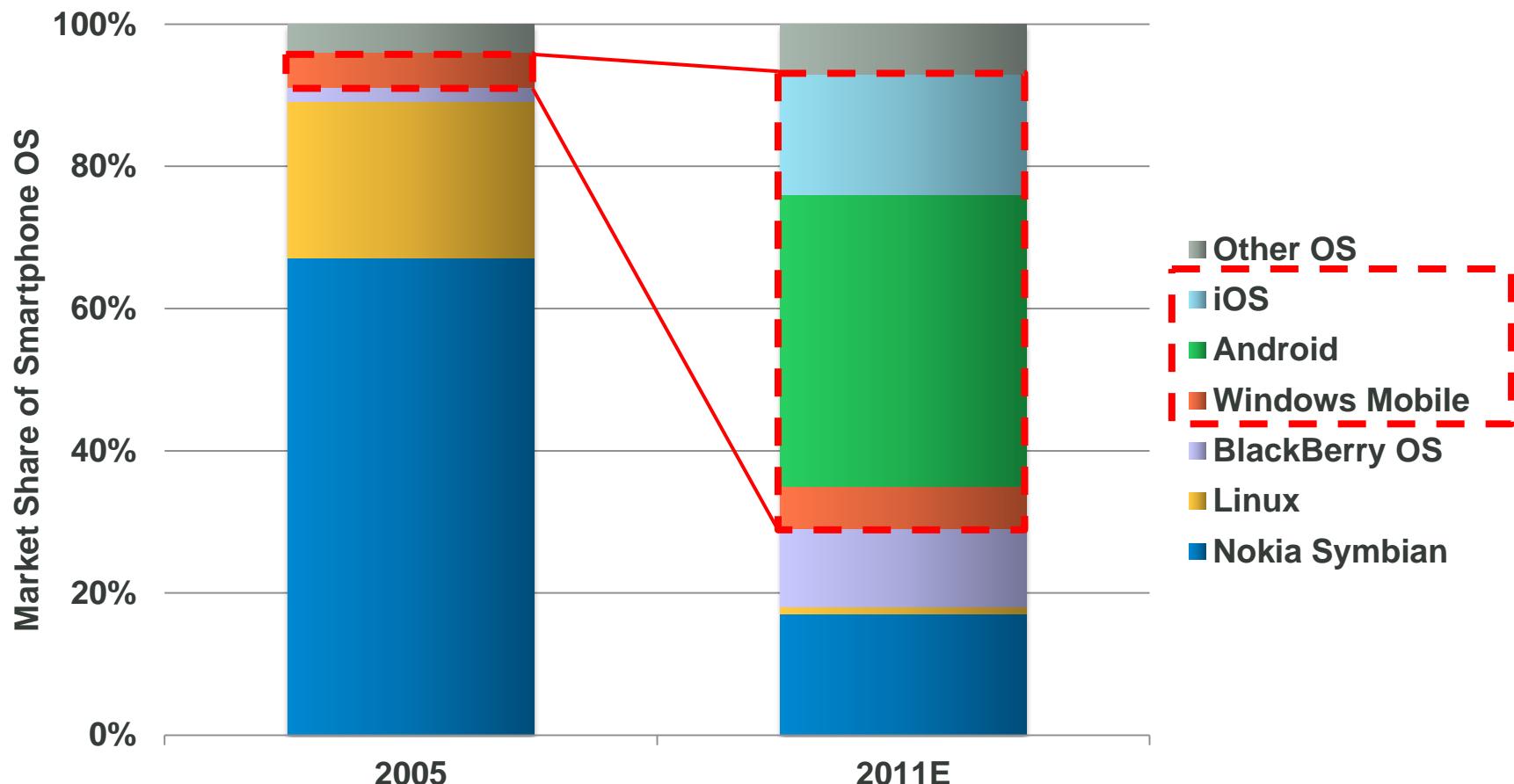
Global GDP Growth Expected to Decelerate in 2012 with Europe Slipping Into Recession

Country / Region	GDP Y/Y % Change, 2009-2012E				% of World Total, 2011
	2009	2010	2011	2012E	
USA	-3.5%	3.0%	1.7%	2.1%	22%
Euro Area	-4.3	1.9	1.4	-0.3	19
Germany	-5.0	3.6	3.1	0.6	5
France	-2.6	1.4	1.7	0.5	4
Italy	-5.5	1.8	0.4	-1.9	3
Spain	-3.7	-0.1	0.7	-1.8	2
UK	-4.9	2.1	0.7	0.8	4
Japan	-6.3	4.4	-0.7	2.0	8
China	9.2	10.4	9.2	8.2	11
India	6.8	10.6	7.2	6.9	2
Russia	-7.8	4.3	4.3	4.0	3
Brazil	-0.6	7.5	2.7	3.0	4
Developed Markets	-3.7	3.2	1.6	1.4	64
Emerging Markets	2.8	7.5	6.2	5.7	36
World	-0.7	5.3	3.9	3.5	100

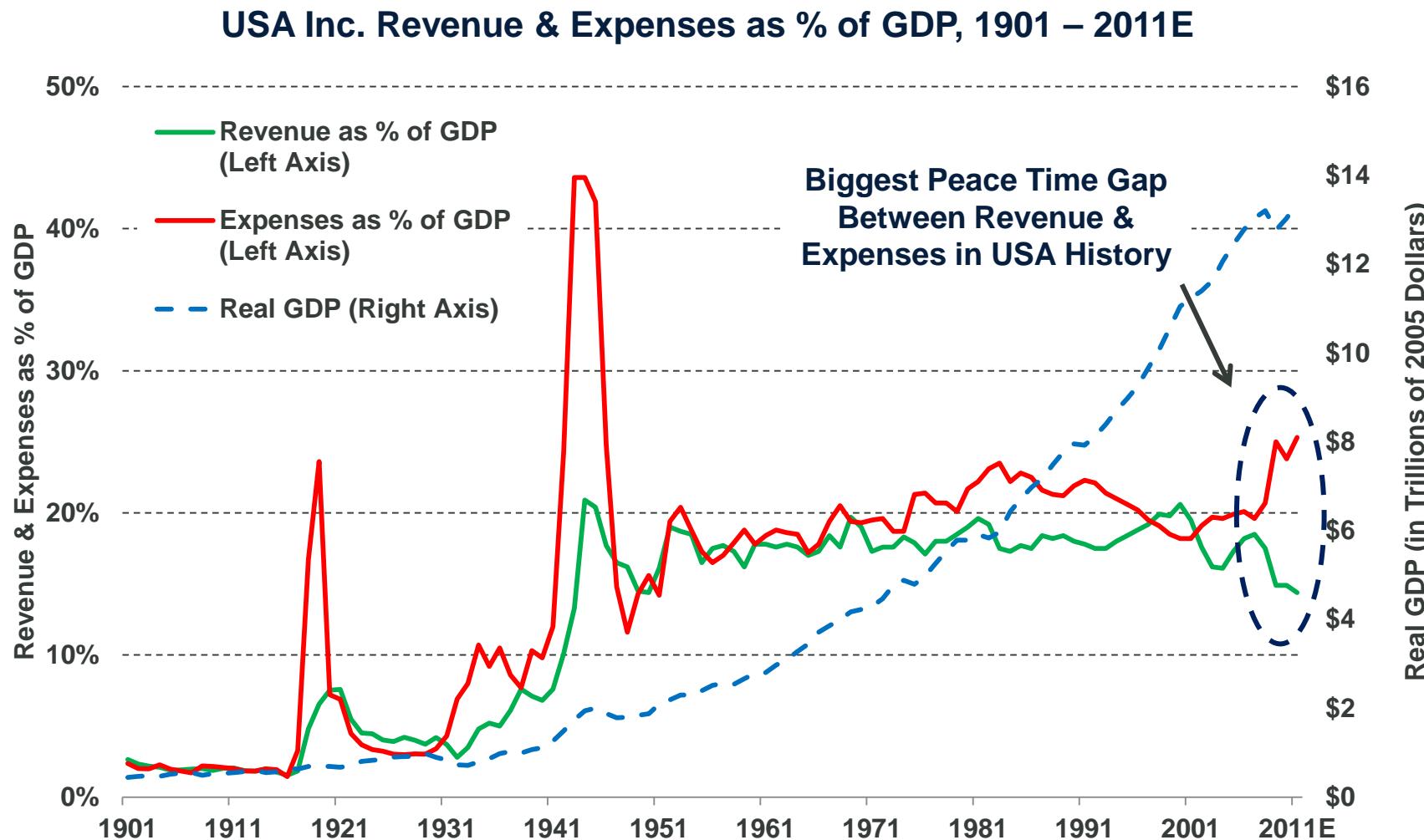
**USA, INC. – A LOT TO BE EXCITED
ABOUT IN TECH, A LOT TO BE
WORRIED ABOUT IN OTHER AREAS**

'Made in USA' Smartphone Operating Systems = 64% Share from 5% Five Years Ago

Smartphone Operating System Market Share, 2005 vs. 2011E



USA, Inc. – Biggest Peace Time Gap Between Revenue & Expenses in USA History



ARE YOU HAPPY WITH WHERE YOUR TAX DOLLARS GO?

57%

20%

16%

6%

ENTITLEMENTS

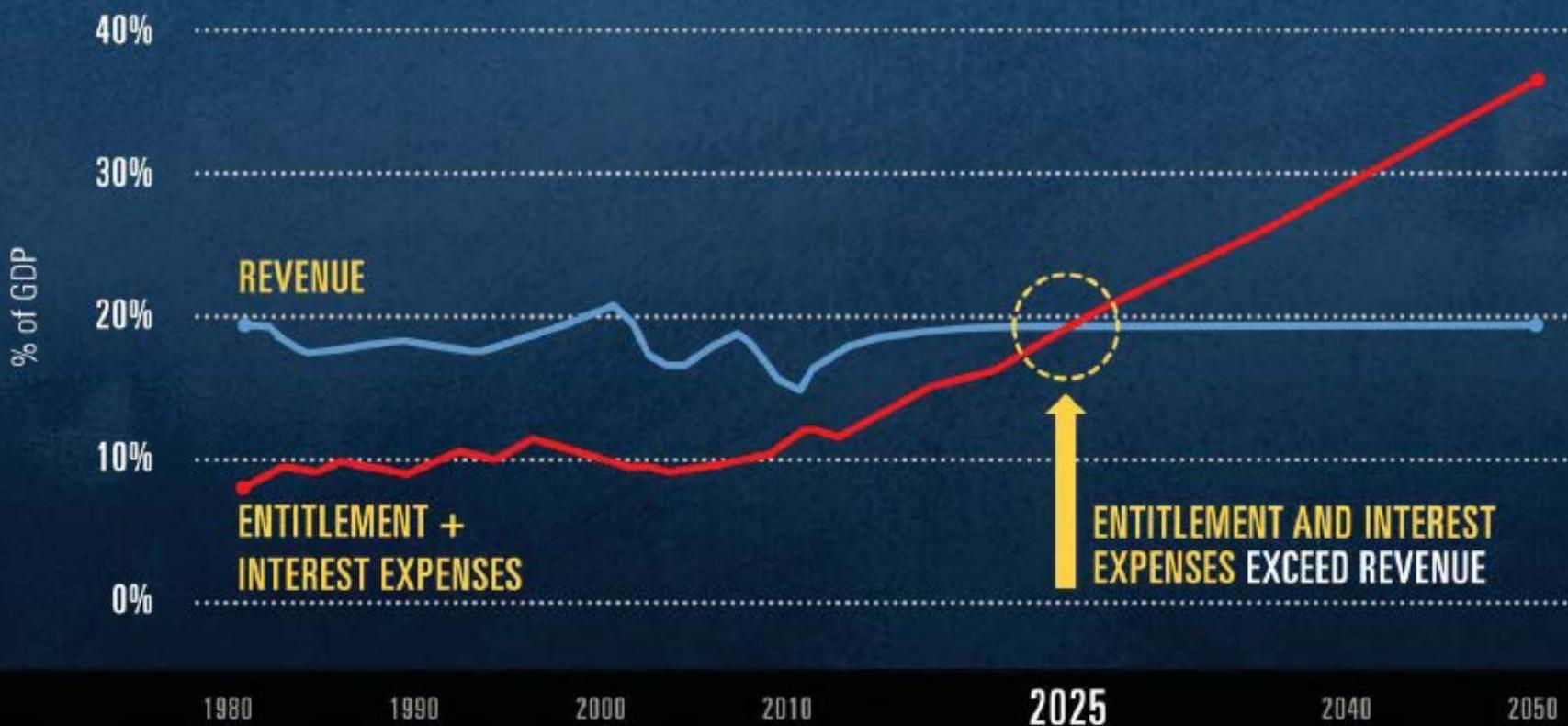
DEFENSE

OTHER*

INTEREST

*OTHER INCLUDES NON-DEFENSE DISCRETIONARY SPENDING IN ENERGY, EDUCATION, INFRASTRUCTURE AND MORE. 97

ENTITLEMENT AND INTEREST EXPENSES WILL EXCEED USA INC.'S REVENUE **WITHIN 15 YEARS**



SOURCE: CONGRESSIONAL BUDGET OFFICE, 2010: USA INC. REPORT PAGE 174. 98

America's Debt Level Relative to Other Countries – You Do the Math...

2010 Gross Government Debt				2010 Gross Government Debt			
Rank	Country	(\$B)	% of GDP	Rank	Country	(\$B)	% of GDP
1	Japan	\$12,009	220%	16	Hungary	\$105	80%
2	Jamaica	19	143	17	Israel	168	77
3	Greece	436	143	18	UK	1,699	76
4	Lebanon	53	134	19	Egypt	161	74
5	Iraq	97	120	20	Austria	272	72
6	Italy	2,445	119	21	Sudan	47	72
7	Belgium	452	97	22	Brazil	1,397	67
8	Singapore	214	96	23	Jordan	18	67
9	Ireland	196	95	24	Côte d'Ivoire	15	67
10	USA	13,707	94	25	India	1,046	64
11	Portugal	213	93	26	Netherlands	497	64
12	Iceland	12	92	27	Cyprus	14	61
13	Germany	2,759	84	28	Spain	848	60
14	Canada	1,324	84	29	Uruguay	23	57
15	France	2,110	82	30	Pakistan	100	57

Note: Ranking excludes countries with gross government debt less than \$10B in 2010. Gross government debt includes intragovernment obligations (such as Treasuries held by the Social Security Trust Fund in US' case). Source: The International Monetary Fund (IMF).

110K+ Total Views
23K+ YouTube Views
7K+ Facebook Likes
4K+ Retweets



What Can You Do?

- Engage in Politics
- Help Others Understand Key Issues
- Do What You Can To Innovate, Create Jobs & Improve Education

BUBBLE - OR NOT?

*RECENT INTERNET IPOS –
WHILE COMPELLING IN MARKET VALUE,
NOT COMPELLING IN PERFORMANCE...*

Public Market Investors = More Skeptical than Private Market Investors

Company	IPO Date	Initial IPO Filing Range (\$)	IPO Price (\$)	1 st Day Closing Price (\$)	Current Price (\$)	% Change From IPO	IPO Market Cap (\$B)	Current Market Cap (\$B)
Facebook	5/12	\$28-35	\$38	\$38	\$29	(24%)	\$104	\$79
Zynga	12/11	\$8.50-10	10	10	6	(40)	7	5
Groupon	11/11	\$16-18	20	26	12	(40)	13	8
Pandora	6/11	\$10-12	16	17	11	(30)	3	2
LinkedIn	5/11	\$32-35	45	94	100	137	4	10

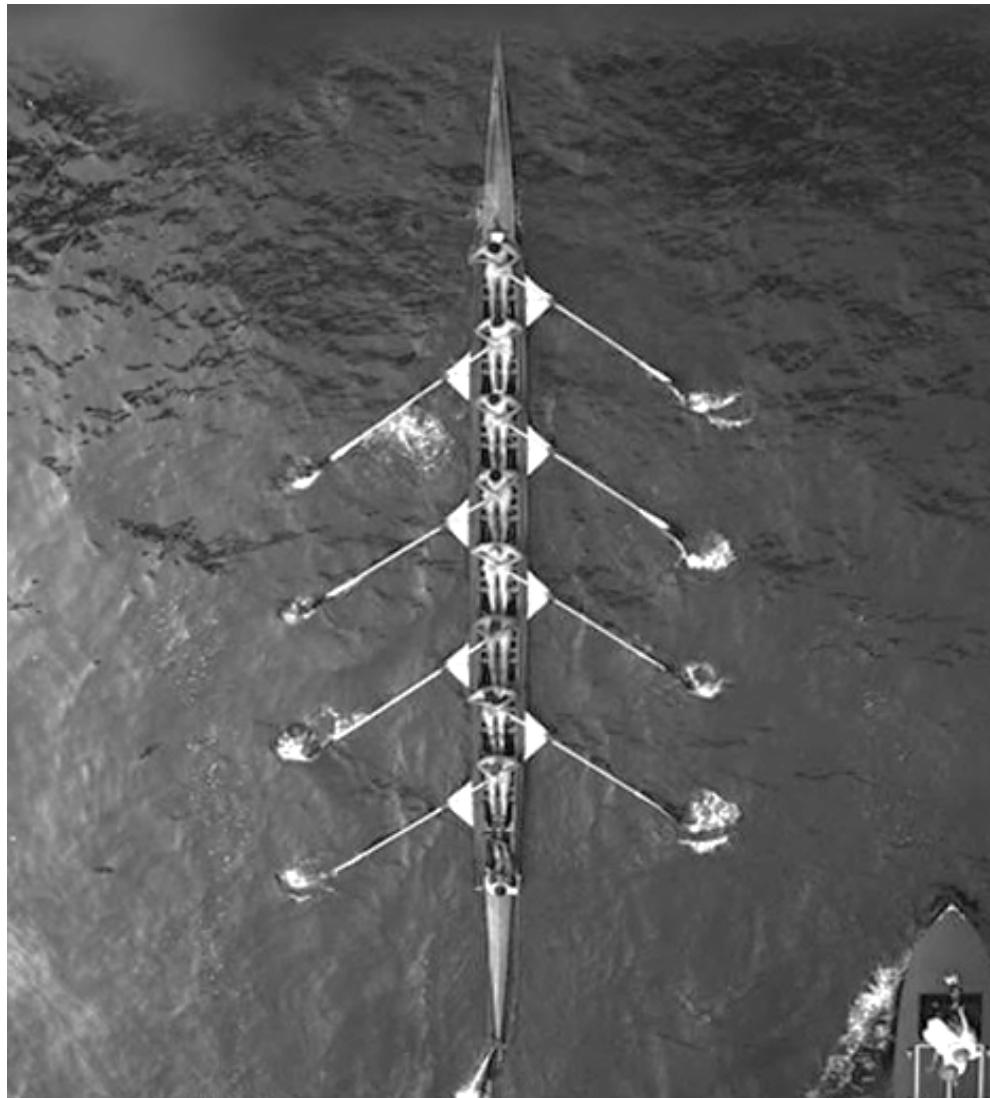
Recent Internet IPO Standout – LinkedIn

Averaging 10% Revenue / 2x EBITDA Upside Since IPO, Shares +137%

LinkedIn Share Daily Closing Price, 5/11-5/12



A Key to Successful Financings / Wealth Creation – All Stakeholders in Same Boat, Rowing in Same Direction



Cornell Crew team, 1930. ©Mystic Seaport, Rosenfeld Collection. 106

The Value of a Business is the Present Value of Future Cash Flows

The Riddles:

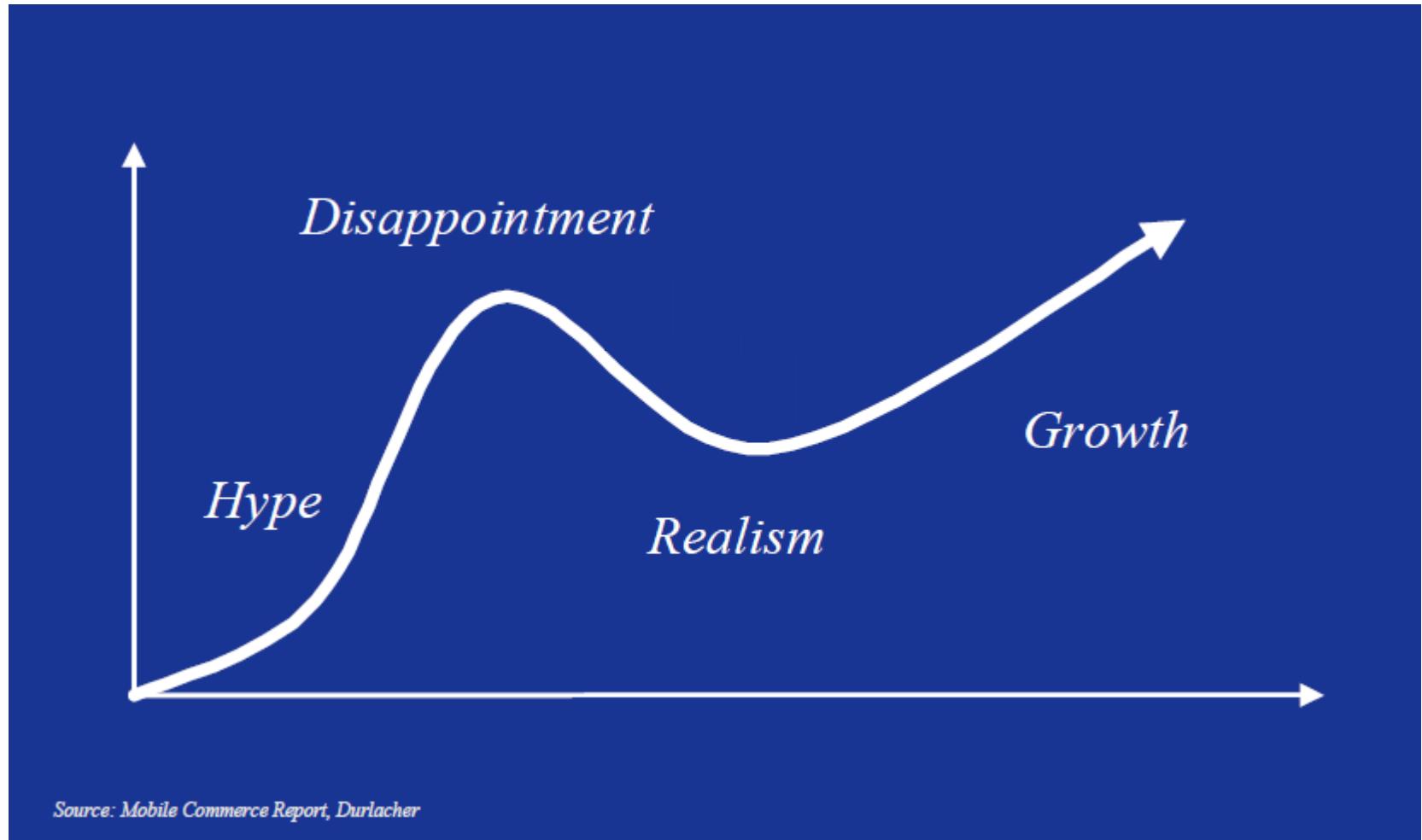
- 1) Getting the numbers (financials) right for the Discounted Cash Flow (DCF) model;
- 2) Getting the macro + micro confidence levels + time horizons right for 'the market.'

Historical Wealth Creation in Tech Companies = Concentrated

*~2% of companies accounted for ~100% of net wealth creation of 1,720 Tech IPOs in USA (1980-2002).**

** The Technology IPO Yearbook: 9th Edition – 23 Years of Tech Investing, Morgan Stanley*

Tech Cycle of Change / Growth – Where are We Now?



THIS CYCLE OF TECH DISRUPTION IS
MATERIALLY FASTER & BROADER THAN
PRIOR CYCLES...

Outline

- 1) Basic Stats – Internet Growth Remains Robust, Rapid Mobile Adoption Still in Early Stages**
- 2) Re-Imagination – of Nearly Everything**
- 3) Economy – Mixed Trends, With Negative Bias**
- 4) ‘USA, Inc.’ – A Lot to be Excited About in Tech, A Lot to be Worried about in Other Areas**
- 5) Bubble – or Not?**

Disclosure

The information offered in this presentation speaks to industry trends in general, and should not be construed as providing any particular recommendations or analysis for any specific company that is mentioned in this presentation. KPCB is a venture capital firm that owns significant equity positions in certain of the companies referenced in this presentation.