

INTERNET TRENDS

@ STANFORD - BASES KICK OFF

12/3/2012

Mary Meeker



Outline

- 1) **Basic Stats** – Internet Growth Remains Robust, Rapid Mobile Adoption Still in Early Stages
- 2) **Re-Imagination** – of Nearly Everything
- 3) **Asset-Light Generation** – From Hand to Cloud & Back...Rise of the Sharing Economy
- 4) **‘USA, Inc.’** – A Lot to be Excited About in Tech, a Lot to be Worried about in Other Areas

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

INTERNET USERS

2.4B Global Internet Users in 2012* – 8% Y/Y Growth*, Driven by Emerging Markets

Rank	Country	2008-2012 Internet User Adds (MMs)	2012 Internet Users (MMs)	Y/Y Growth	Population Penetration
1	China	282	538	10%	40%
2	India	88	137	26	11
3	Indonesia	39	55	58	23
4	Iran	35	42	205	55
5	Russia	33	70	6	49
6	Nigeria	31	48	15	30
7	Philippines	28	34	32	35
8	Brazil	27	88	6	45
9	Mexico	19	42	9	37
10	USA	18	244	3	78
11	Argentina	17	28	57	68
12	Egypt	17	30	11	38
13	Colombia	14	25	39	54
14	Turkey	13	35	17	47
15	Vietnam	12	31	7	35
Top 15		673	1,447	15%	34%
World		902	2,406	8%	34%

Note: *Data as of 6/12, 2.4B global Internet users and 8% Y/Y growth rate based on the latest available data.
Source: United Nations / International Telecommunications Union, internetworldstats.com.

MOBILE USERS

1.1B Global Smartphone Subscribers, 42% Growth, Q4:12 – @ Only 17% of Mobile Subscribers

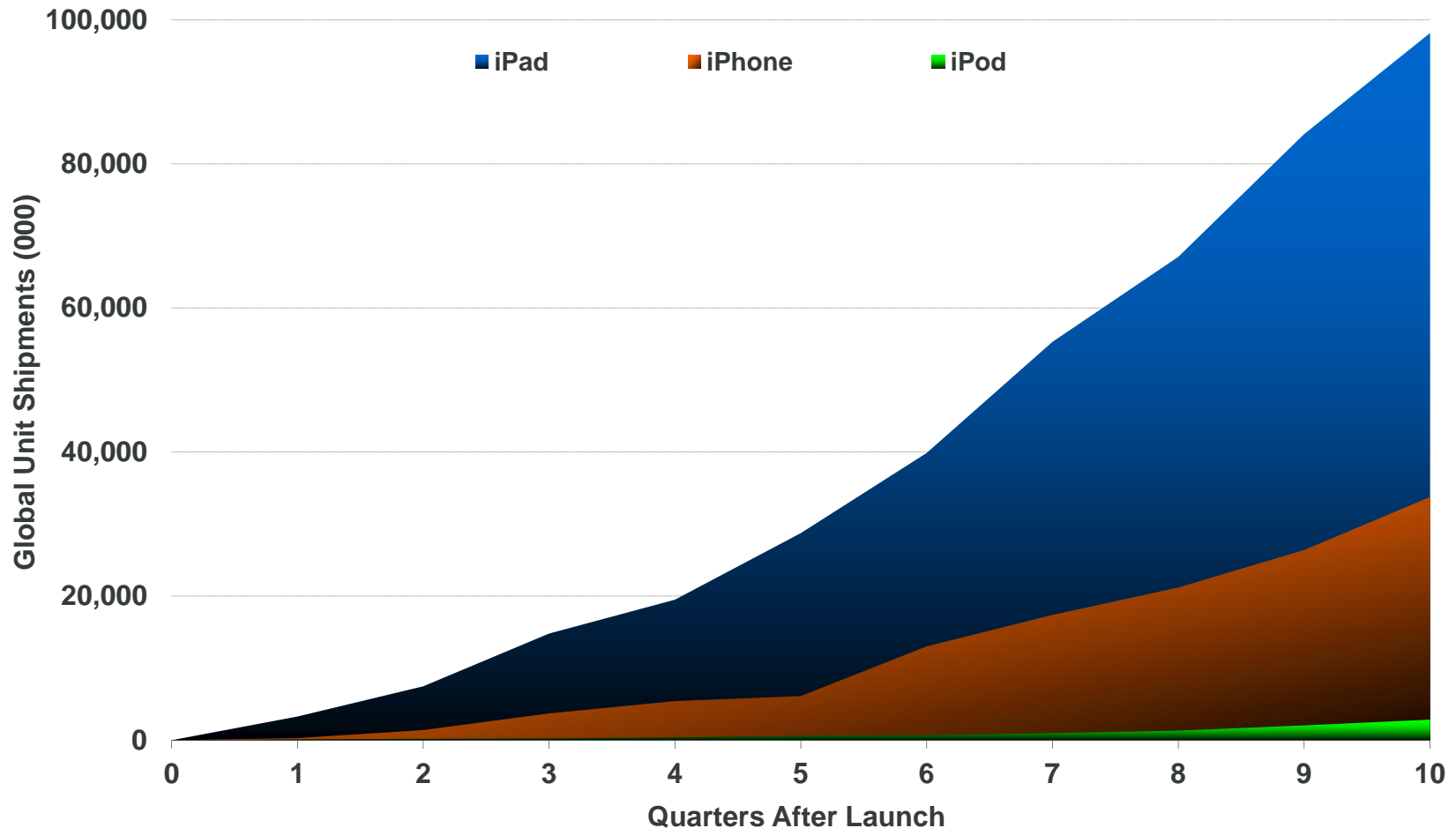
Rank	Country	Q4:12 Smartphone Subs (MM)	Smartphone as % of Total Subs	Smartphone Sub Y/Y Growth	Rank	Country	Q4:12 Smartphone Subs (MM)	Smartphone as % of Total Subs	Smartphone Sub Y/Y Growth
1	China	270	24%	50%	16	Saudi Arabia	15	31%	38%
2	USA	172	48	50	17	Philippines	15	14	38
3	Japan*	78	65	11	18	Mexico	15	14	55
4	Brazil	55	20	35	19	Thailand	14	17	43
5	India	44	4	52	20	Turkey	13	19	52
6	UK	35	45	31	21	Malaysia	12	32	23
7	Korea	32	59	35	22	South Africa	11	18	26
8	Indonesia	27	9	36	23	Argentina	11	19	55
9	France	26	38	33	24	Netherlands	9	47	37
10	Germany	25	23	19	25	Poland	9	16	30
11	Russia	22	9	44	26	Sweden	8	54	24
12	Spain	18	30	14	27	Egypt	7	8	40
13	Italy	16	19	28	28	Iran	7	8	53
14	Australia	16	50	44	29	Taiwan	7	24	80
15	Canada	15	55	38	30	Hong Kong	6	48	48

Global Smartphone Stats: Subscribers = 1,142MM Penetration = 17% Growth = 42%

MODERN MOBILE DEVICE EVOLUTION

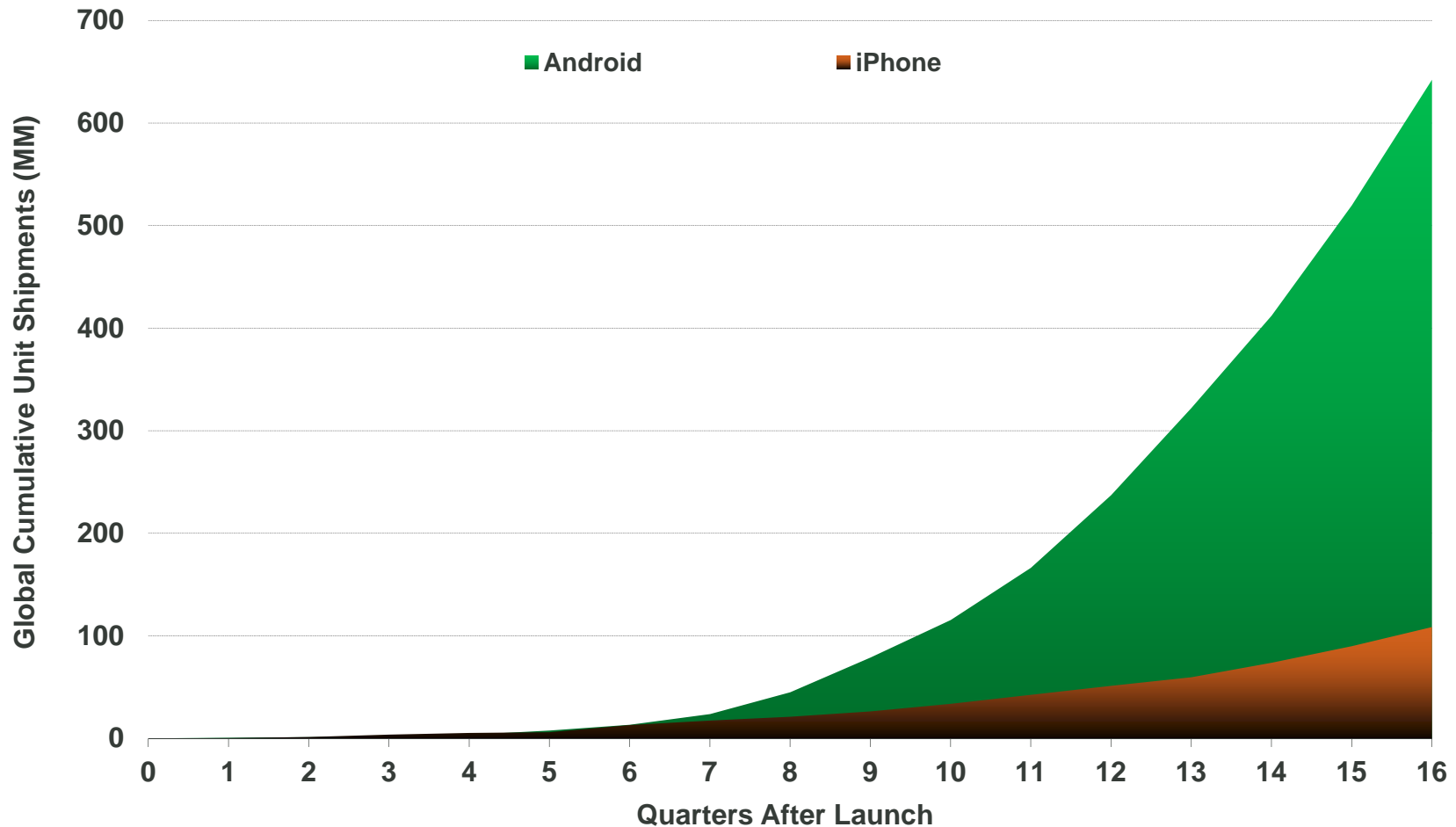
iPods Changed Media Industry...iPhones Ramped Even Faster...iPad Growth (3x iPhone) Leaves “Siblings” in Dust

First 10 Quarters Cumulative Unit Shipments, iPod vs. iPhone vs. iPad



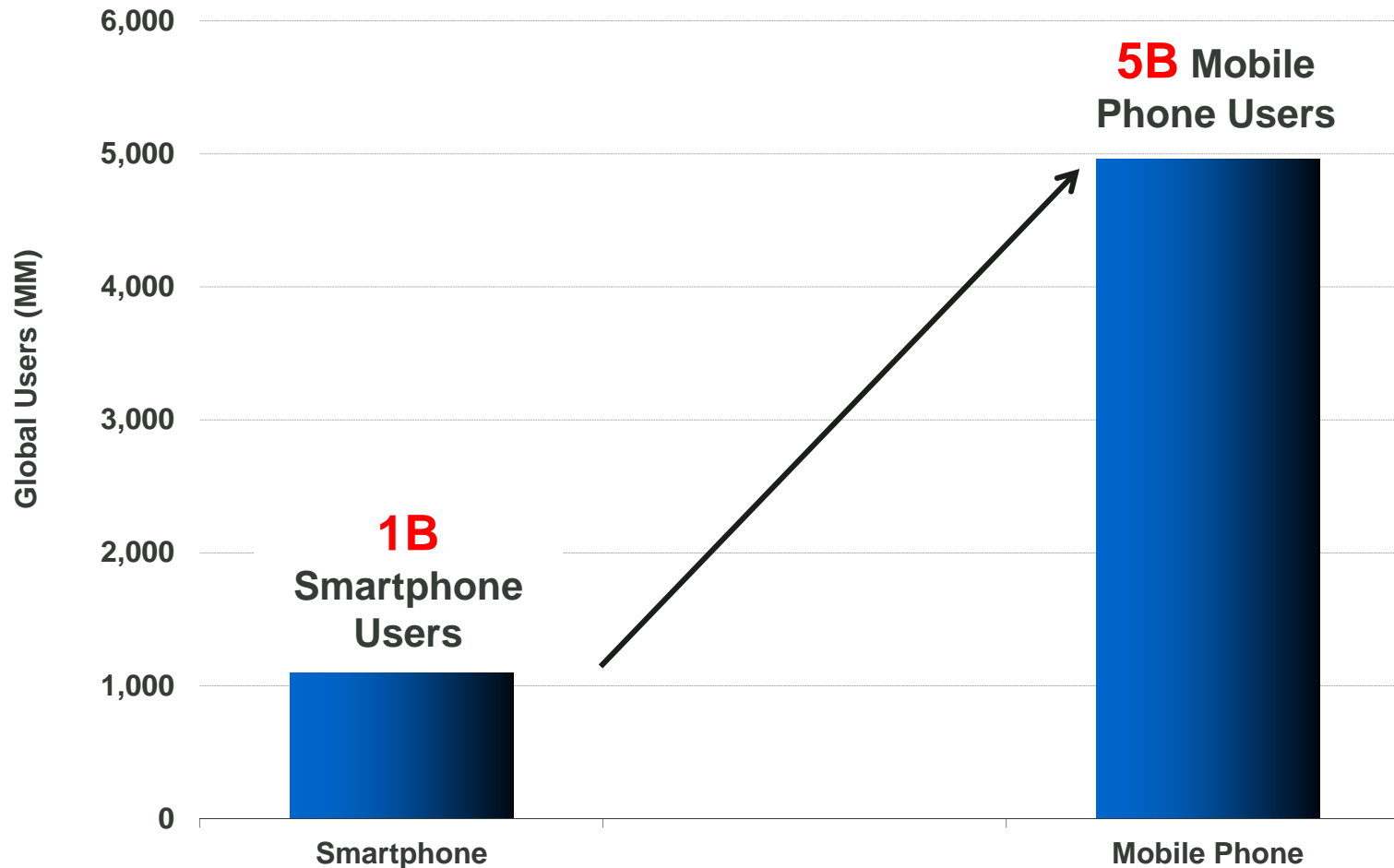
Android 'Phone' Adoption Has Ramped Even Faster – Nearly 6x iPhone

First 16 Quarters Cumulative Global Android & iPhone Unit Shipments



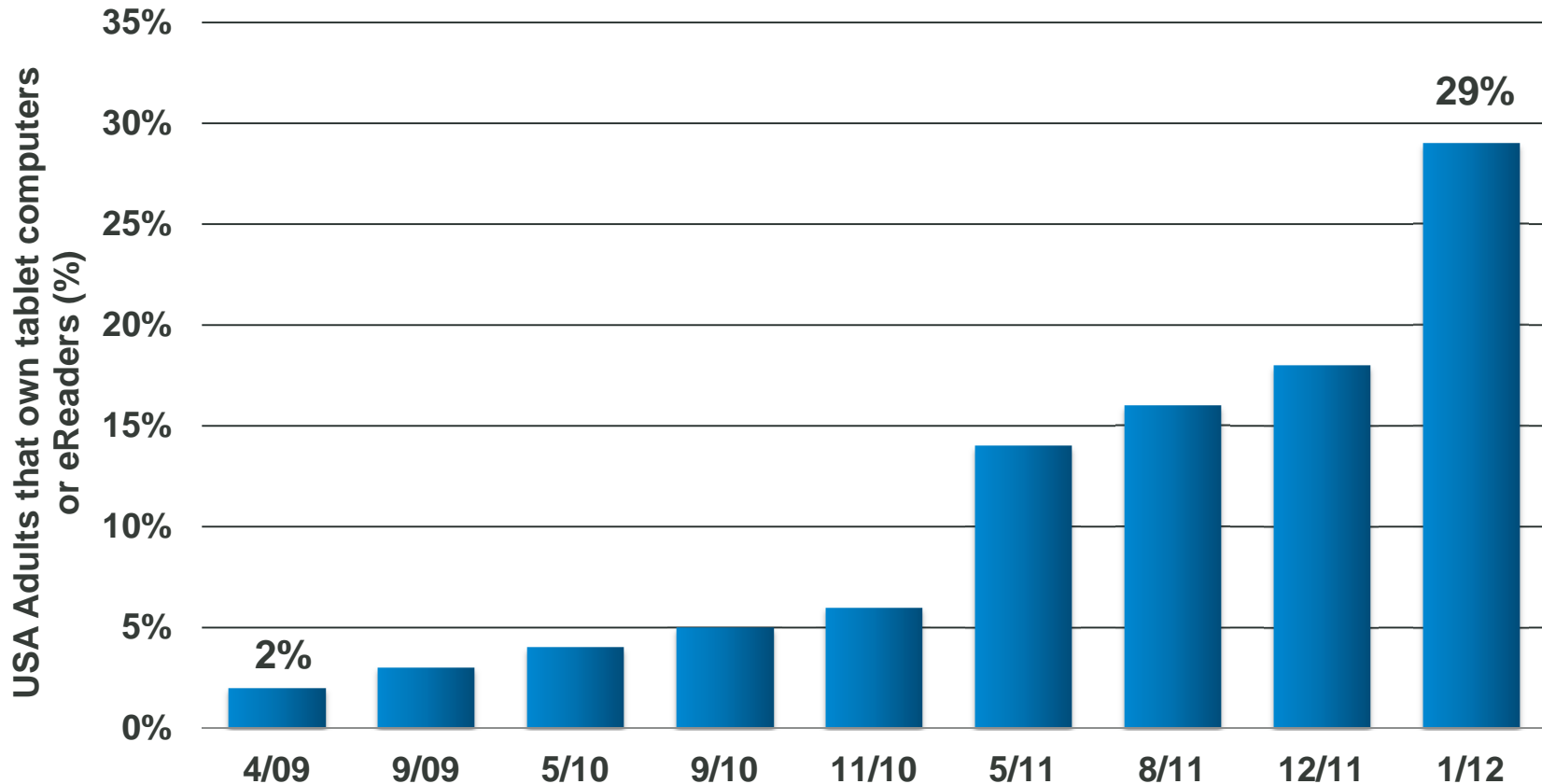
Despite Tremendous Ramp So Far, Smartphone User Adoption Has Huge Upside

Global Smartphone vs. Mobile Phone Users, 2012E



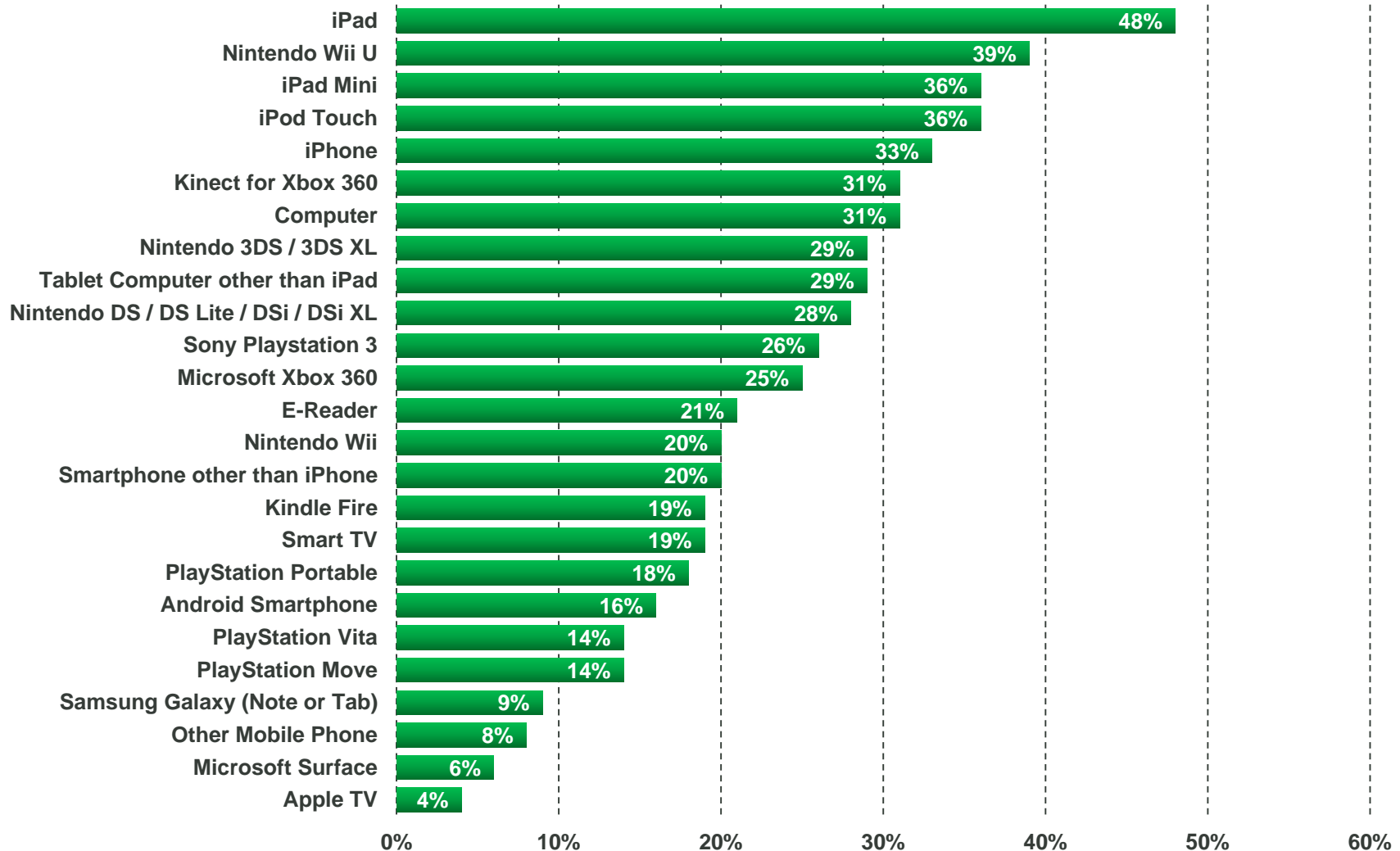
Impressive 29%+ of USA Adults Own Tablet / eReader, Up from 2% Less Than Three Years Ago

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



iPad = 48% of American Kids Want One for Christmas While 36% Want a Mini...

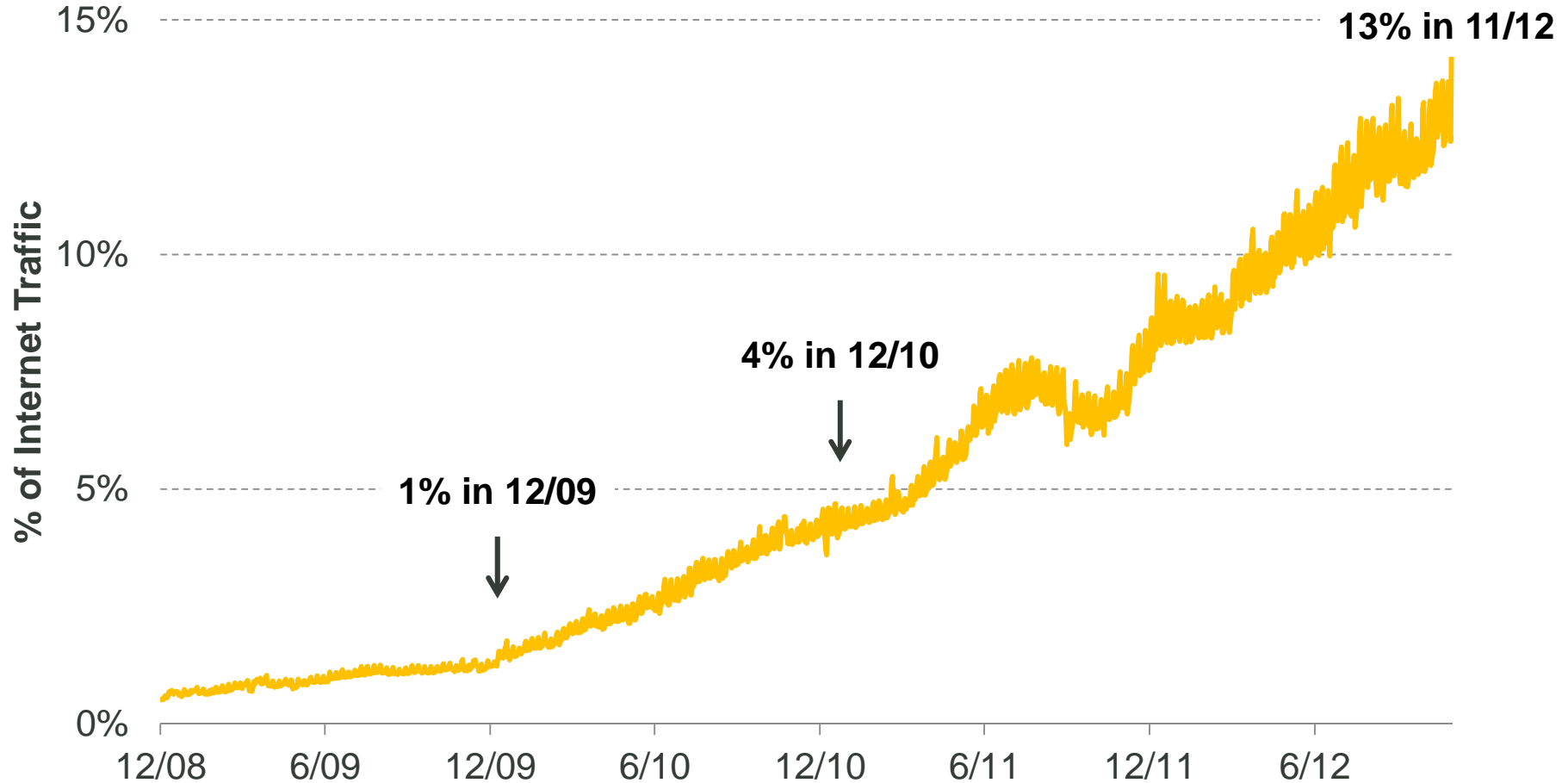
Interest in Buying in Next 6 Months Among USA Kids Ages 6-12



MOBILE MOJO

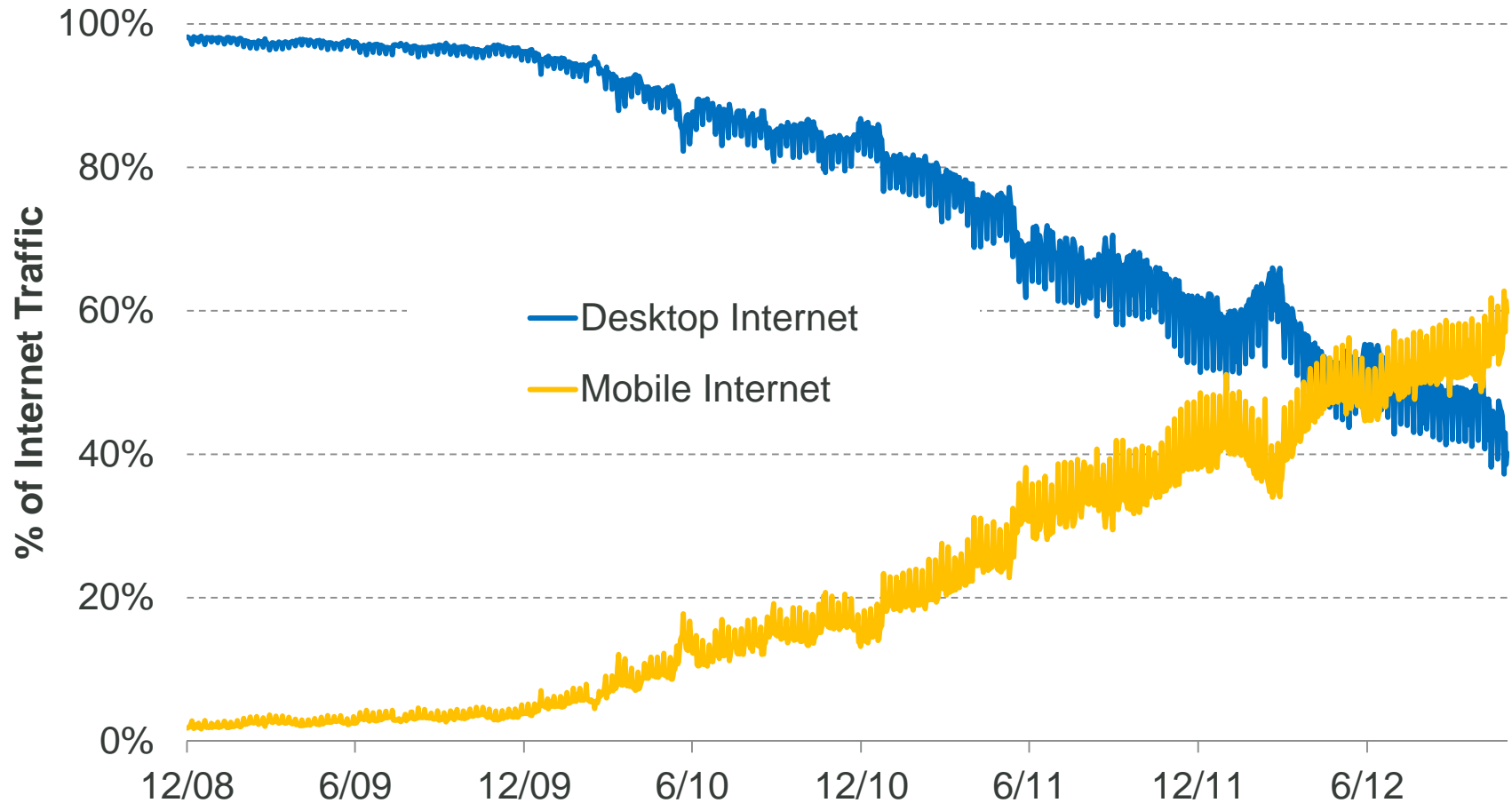
Global Mobile Traffic Growing Rapidly to 13% of Internet Traffic

Global Mobile Traffic as % of Total Internet Traffic, 12/08 – 11/12

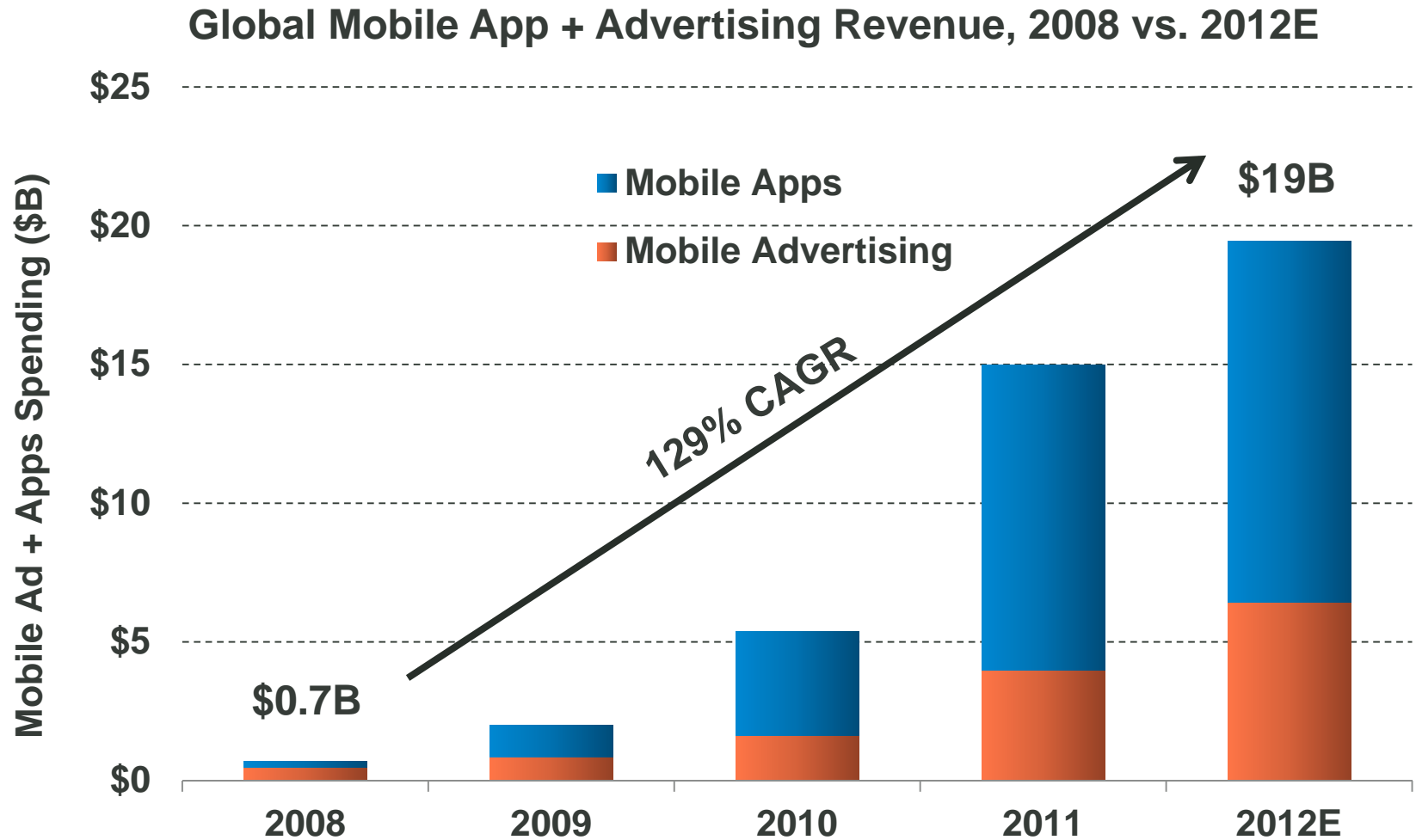


In India, Mobile Internet Traffic Surpassed Desktop Internet Usage in May, 2012 - Other Countries to Follow...

India Internet Traffic by Type, Desktop vs. Mobile, 12/08 – 11/12

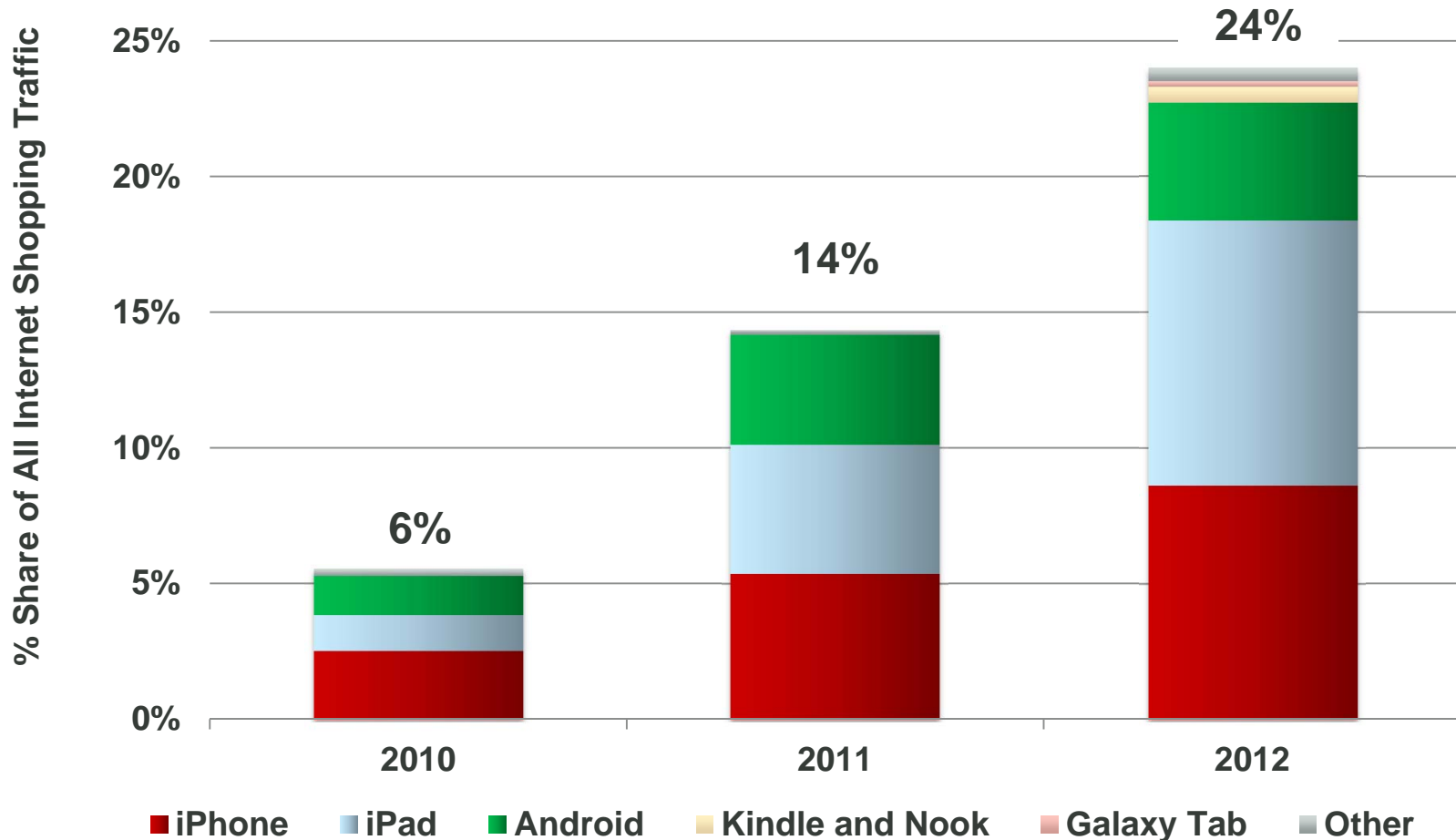


Mobile Monetization Growing Rapidly (67% Apps, 33% Ads)



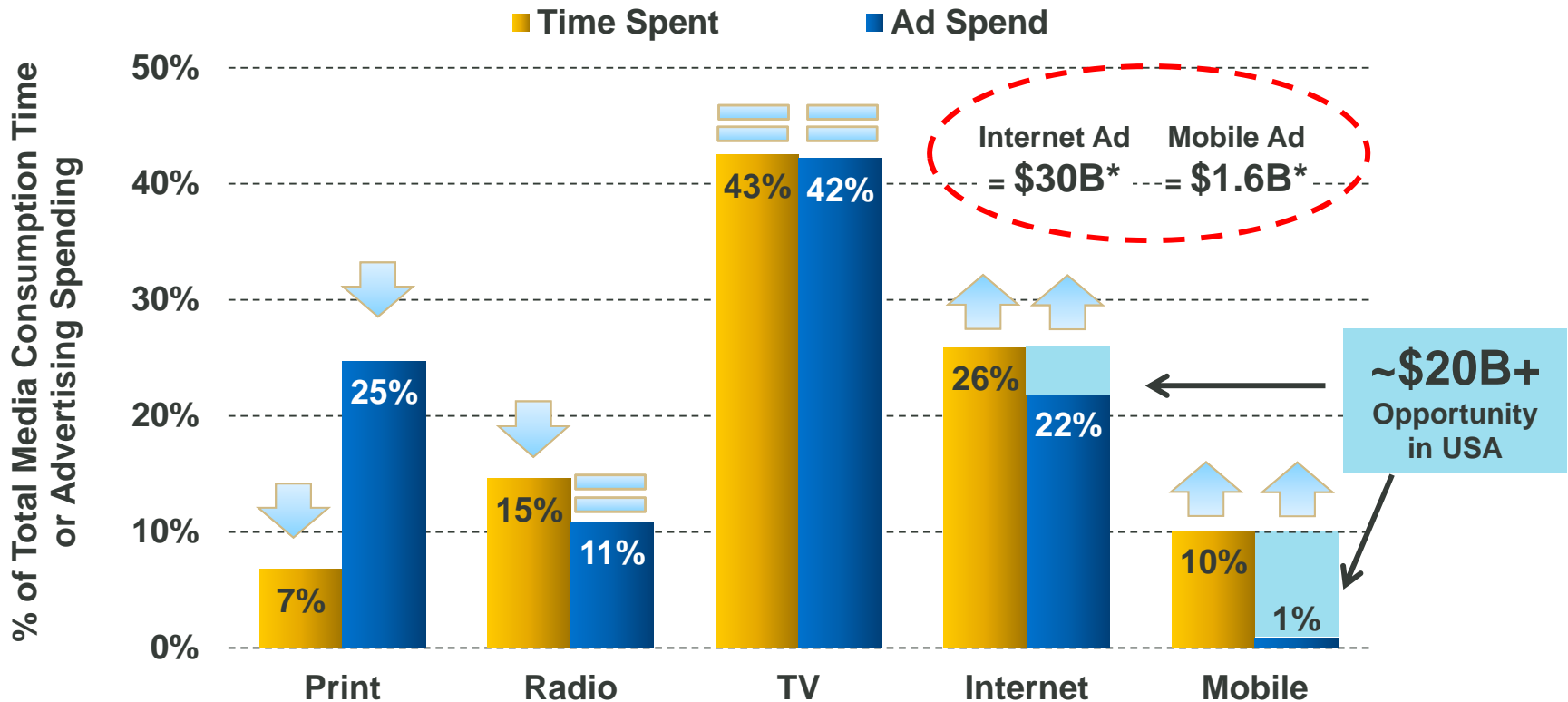
Mobiles + Tablets = 24% of Online Shopping on Black Friday in 2012 (vs. 6% Two Years Ago), iOS 4x > than Android

% of USA Black Friday Internet Shopping Traffic From Mobile + Tablet Devices, 2010 – 2012



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.

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

Re-Imagination of a Big Idea...

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 Computing Devices...

THEN...
(Desktops / Notebooks)



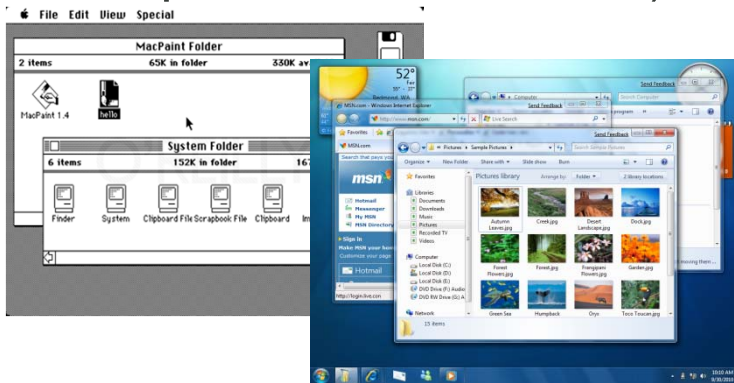
NOW...
(Tablets / Smartphones)



Re-Imagination of User Interfaces...

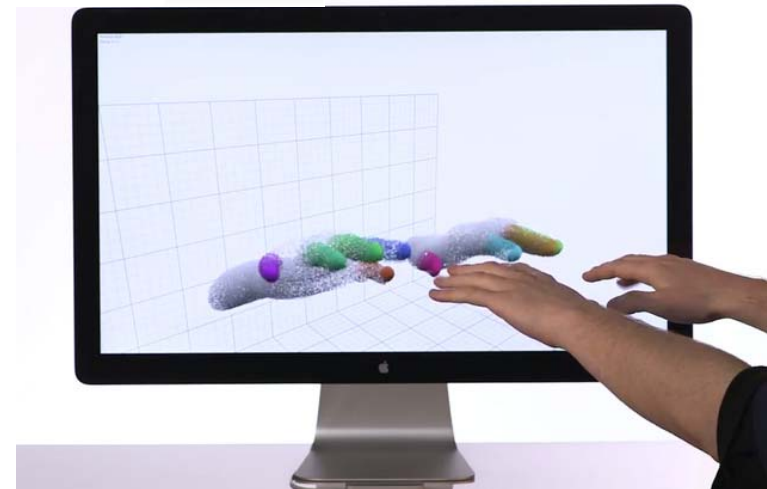
THEN...

(Keyboard + Mice =
Graphical User Interface)



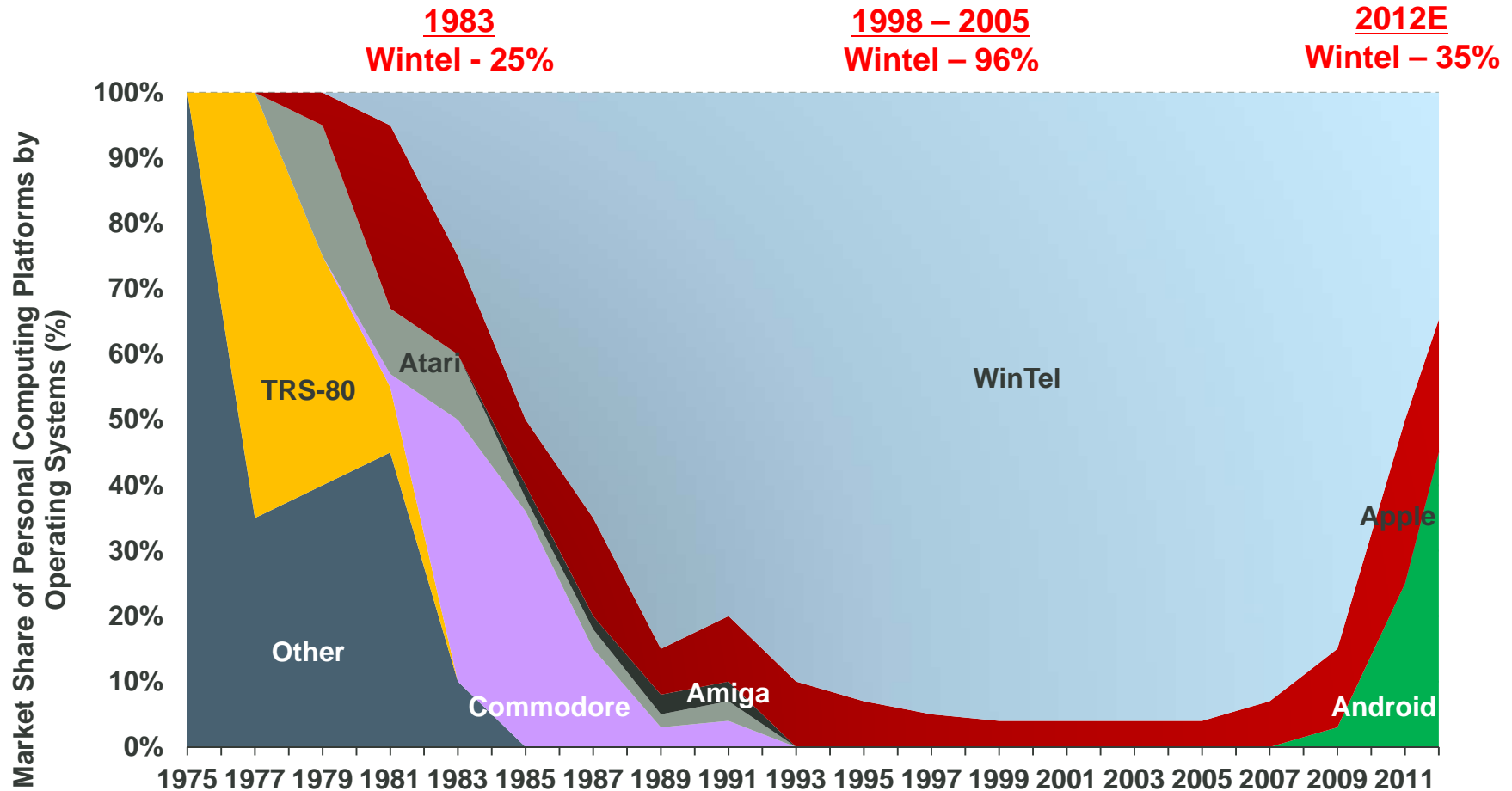
NOW...

(Touch + Voice + Gesture =
Natural User Interface)



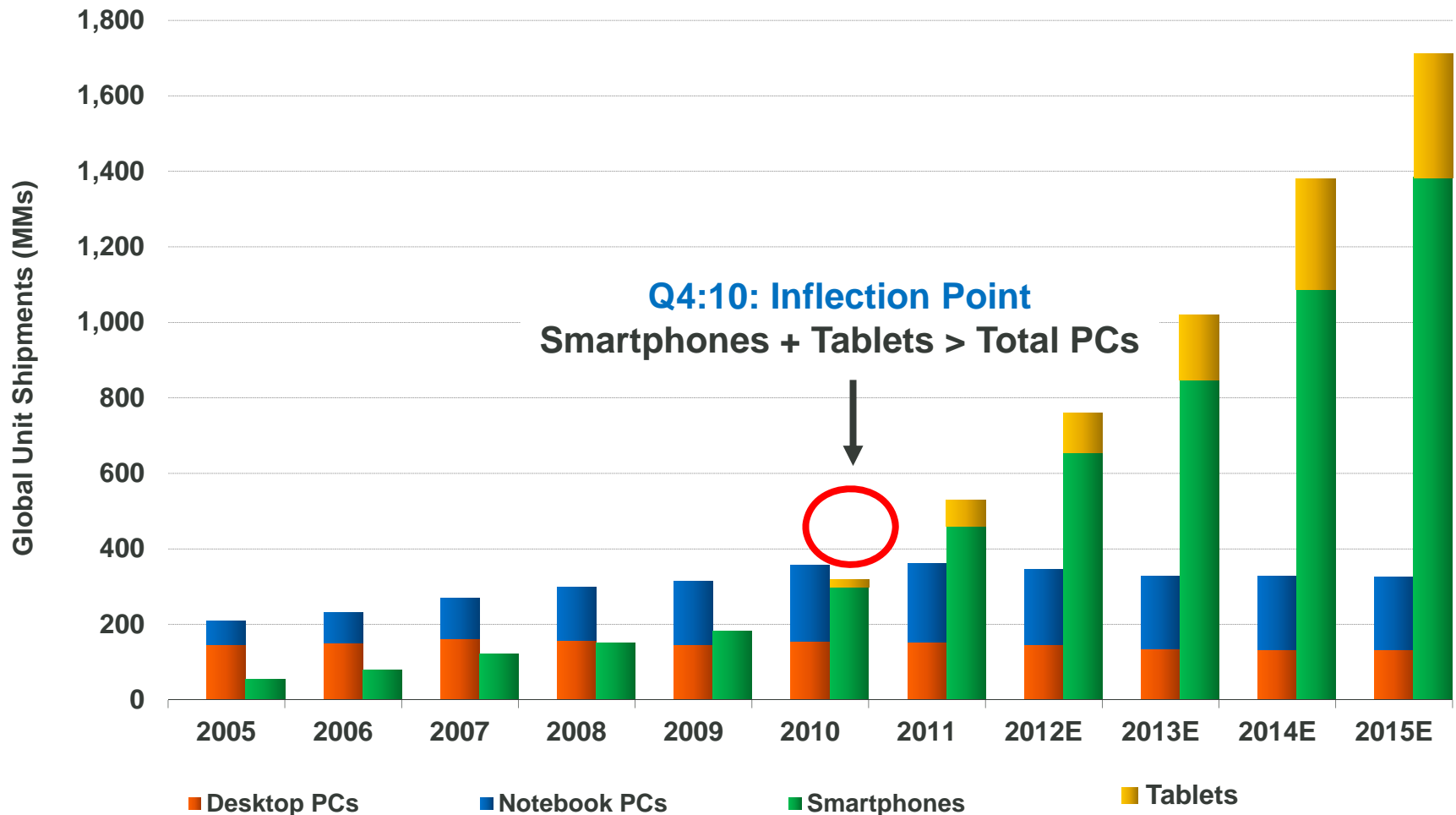
Re-Imagination of Computing Operating Systems - iOS + Android = 45% Share vs. 35% for Windows

Global Market Share of Personal Computing Platforms by Operating System Shipments, 1975 – 2012E

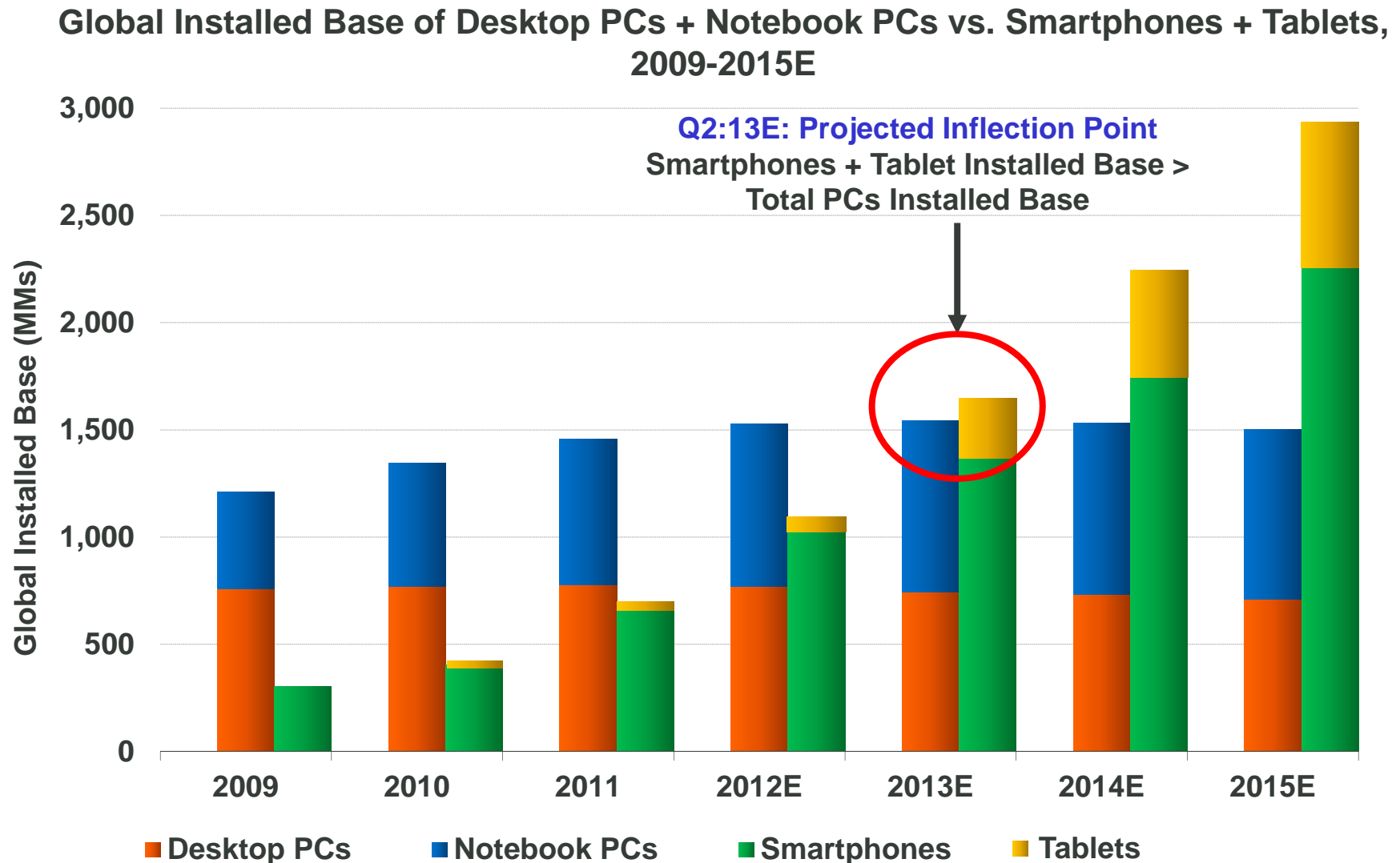


Global Smartphone + Tablet *Shipments* Exceeded PCs in Q4:10

Global Unit Shipments of Desktop PCs + Notebook PCs vs. Smartphones + Tablets, 2005-2015E



Global Smartphone + Tablet *Installed Base* Should Exceed PC Installed Base in Q2:13E



Re-Imagination of Connectivity...

THEN...

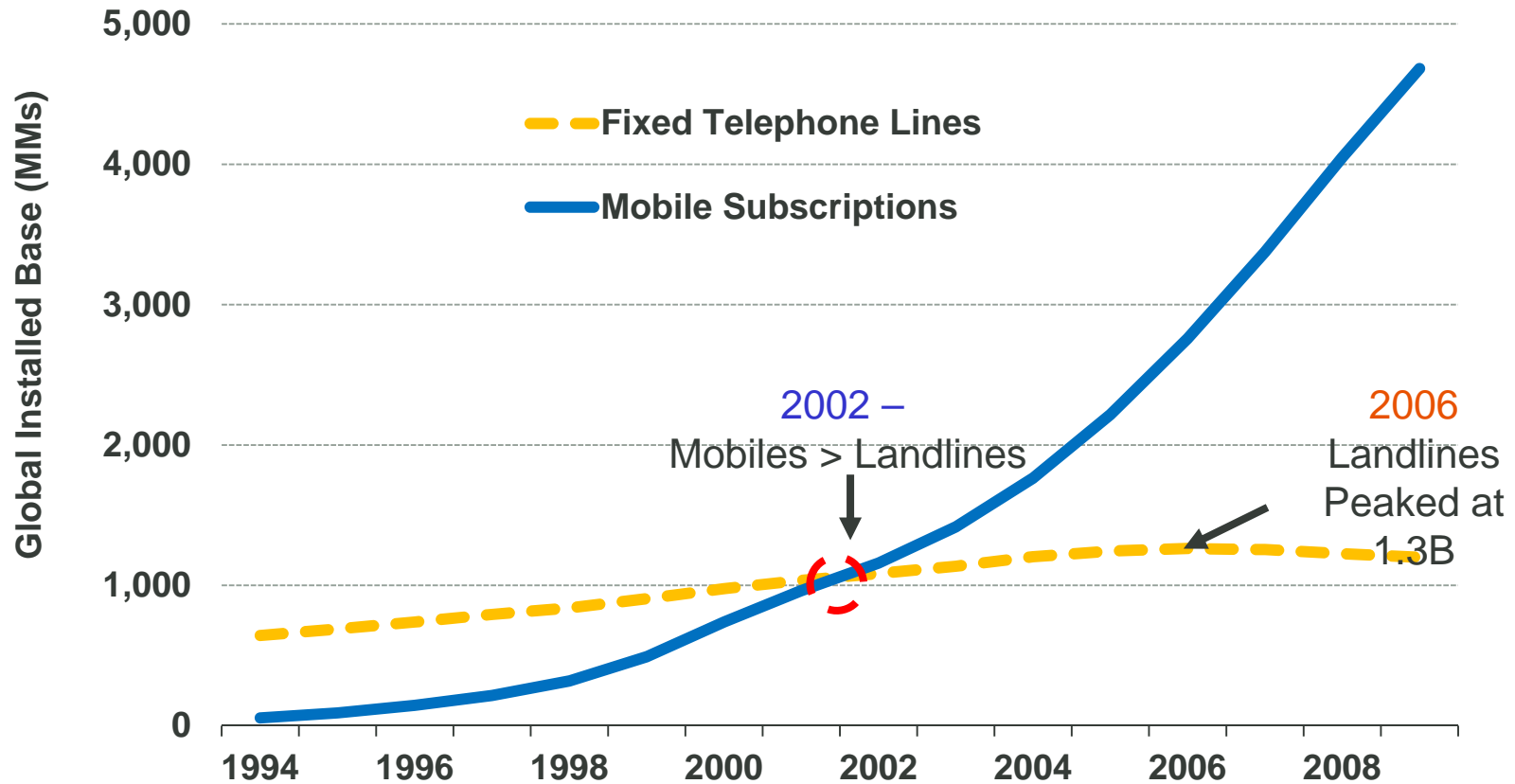


NOW...



125 Years In, Landlines Were Surpassed by Mobiles in 2002

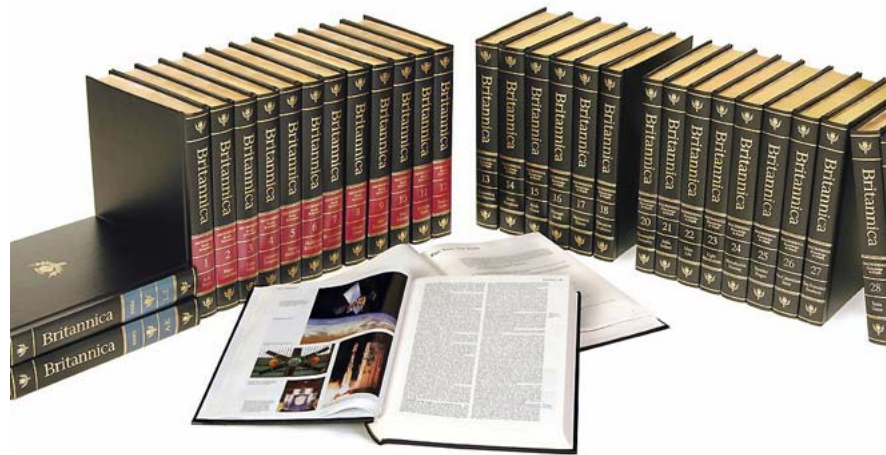
Global Fixed Telephone Lines vs. Mobile Subscriptions, 1994 - 2009



Re-Imagination of Knowledge...

THEN...

(Print Copies / Updated Annually)



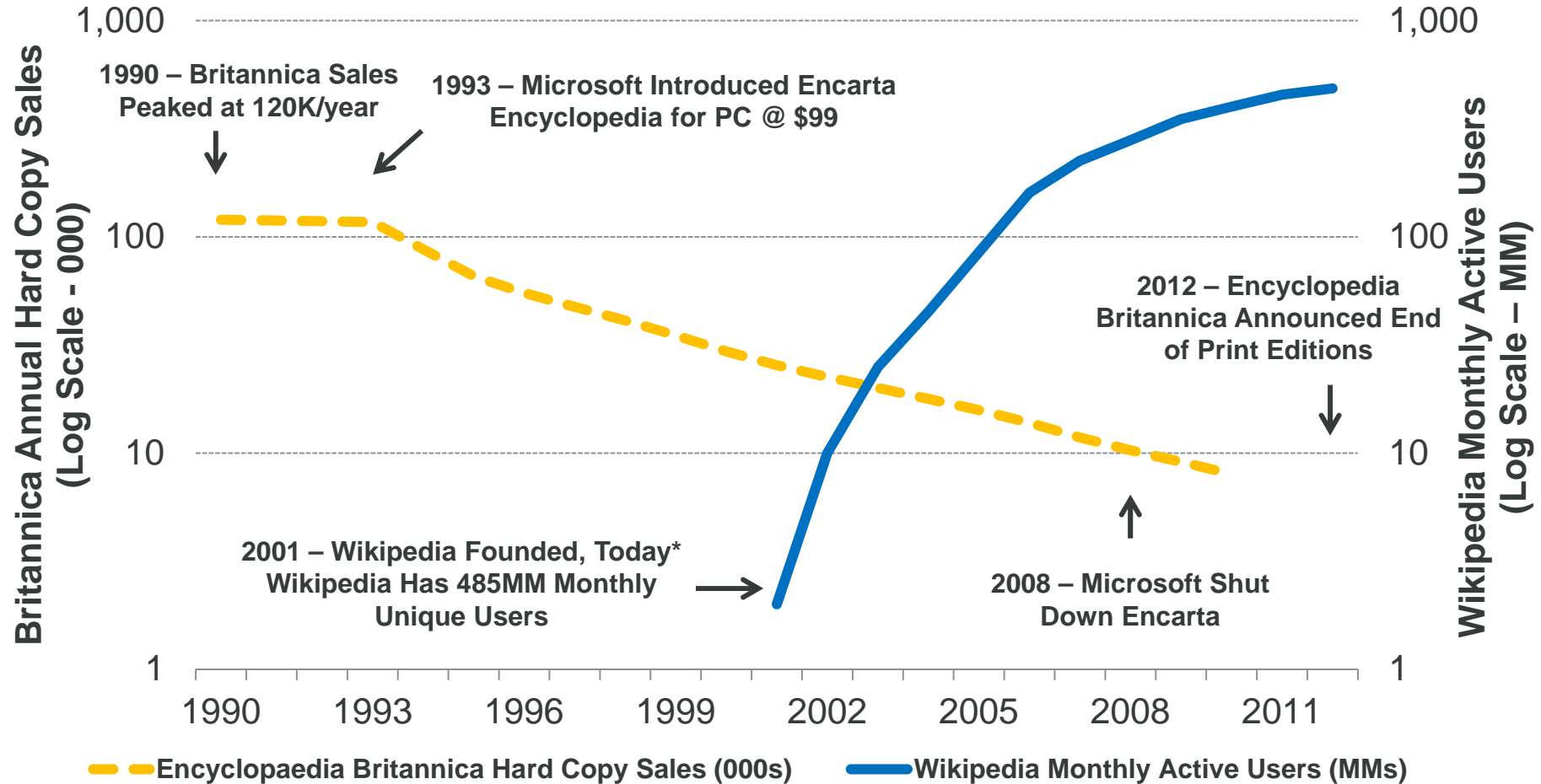
NOW...

(Accessible Everywhere / Updated Real-Time / Everyone Can Contribute)



244 Years In, Encyclopedia Britannica Went Out of Print in 2012

Encyclopedia Britannica Hard Copy Sales vs. Wikipedia Monthly Active Users (Different Scale), 1990 – 2012



Re-Imagination of Photography...

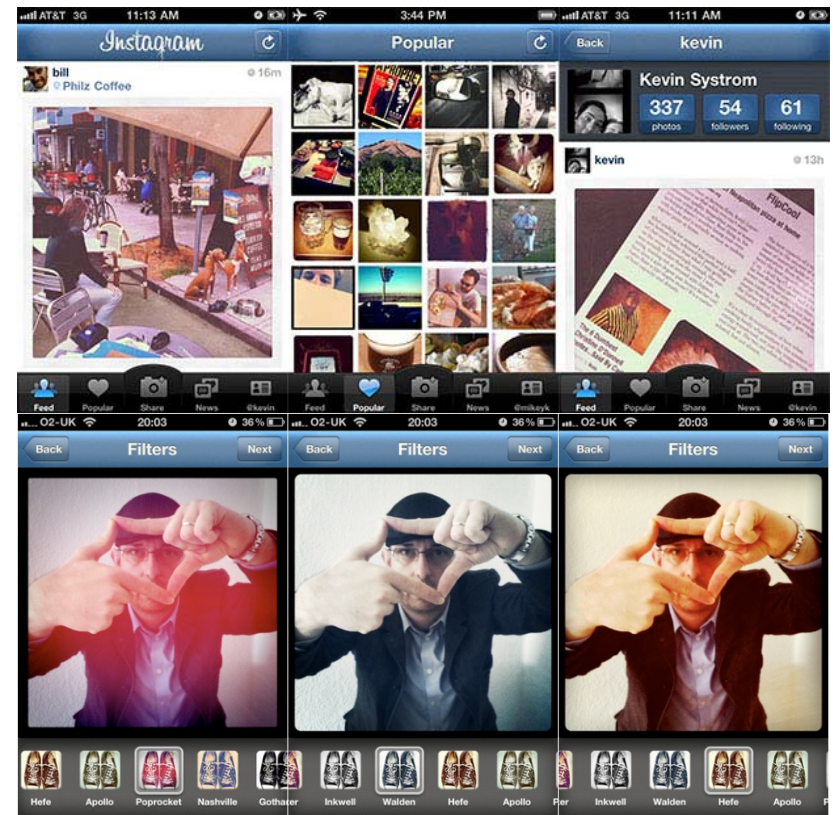
THEN...

Dedicated Camera / Manually
Transfer Digital Files / Develop Films



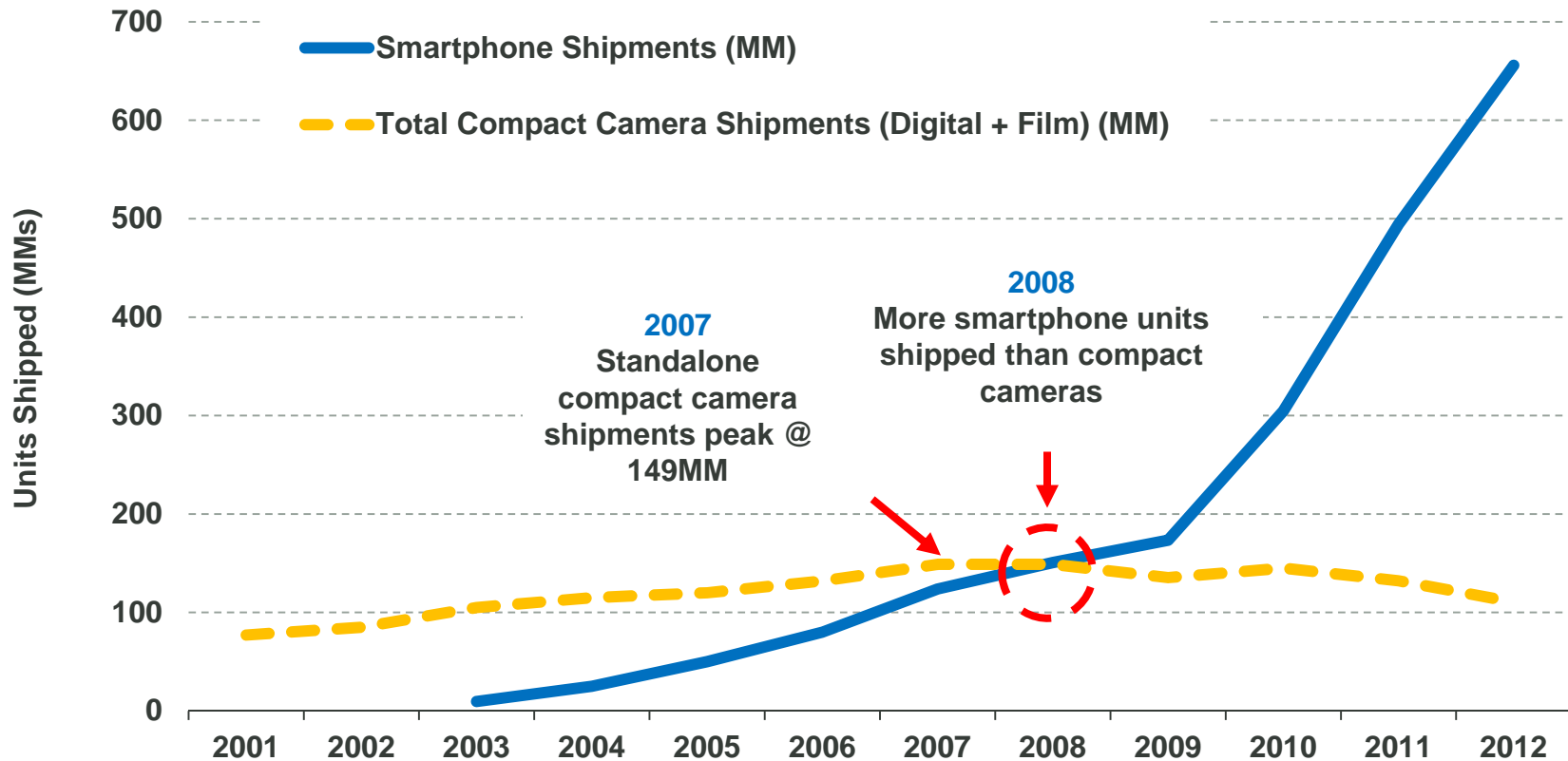
NOW...

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



169 Years In, Standalone Compact Camera Shipments Were Surpassed By Smartphone (with Camera) Shipments in 2008

Worldwide Smartphone vs. Standalone Compact Camera Shipments 2001 – 2012E



Source: Digital Camera: 2001-2002 data per Photo Marketing Association; 2003-2012E data per IDC. Film Cameras: 2001-2005 data per Photo Marketing Association; 2006-2012E data per KPCB estimates. Smartphone units data per Morgan Stanley Research

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

THEN...

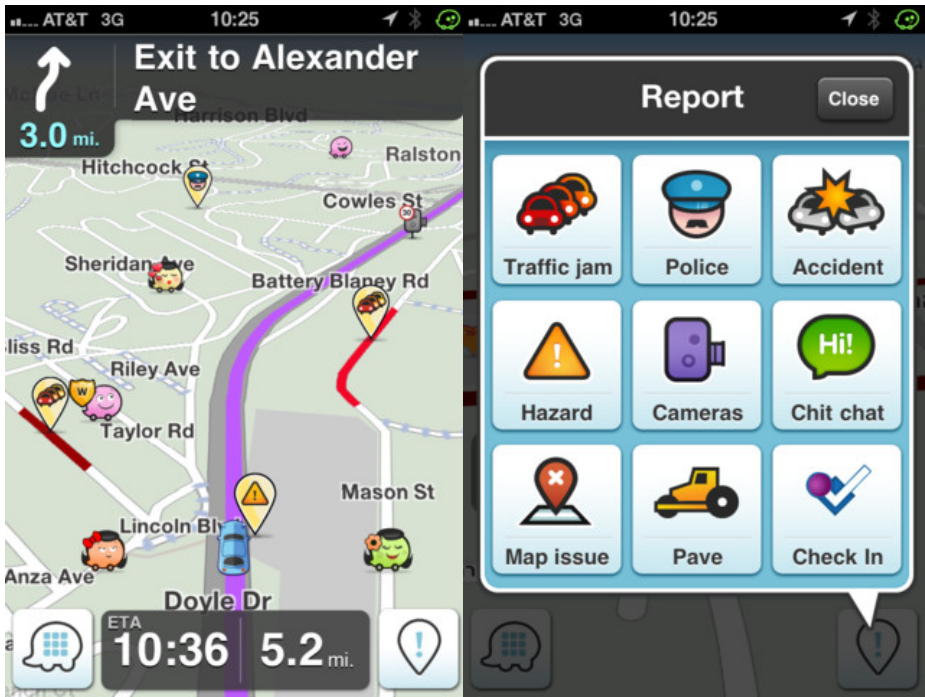
Physical Copies of Map in Car /
TV, Radio Reporting of Traffic Info



NOW...

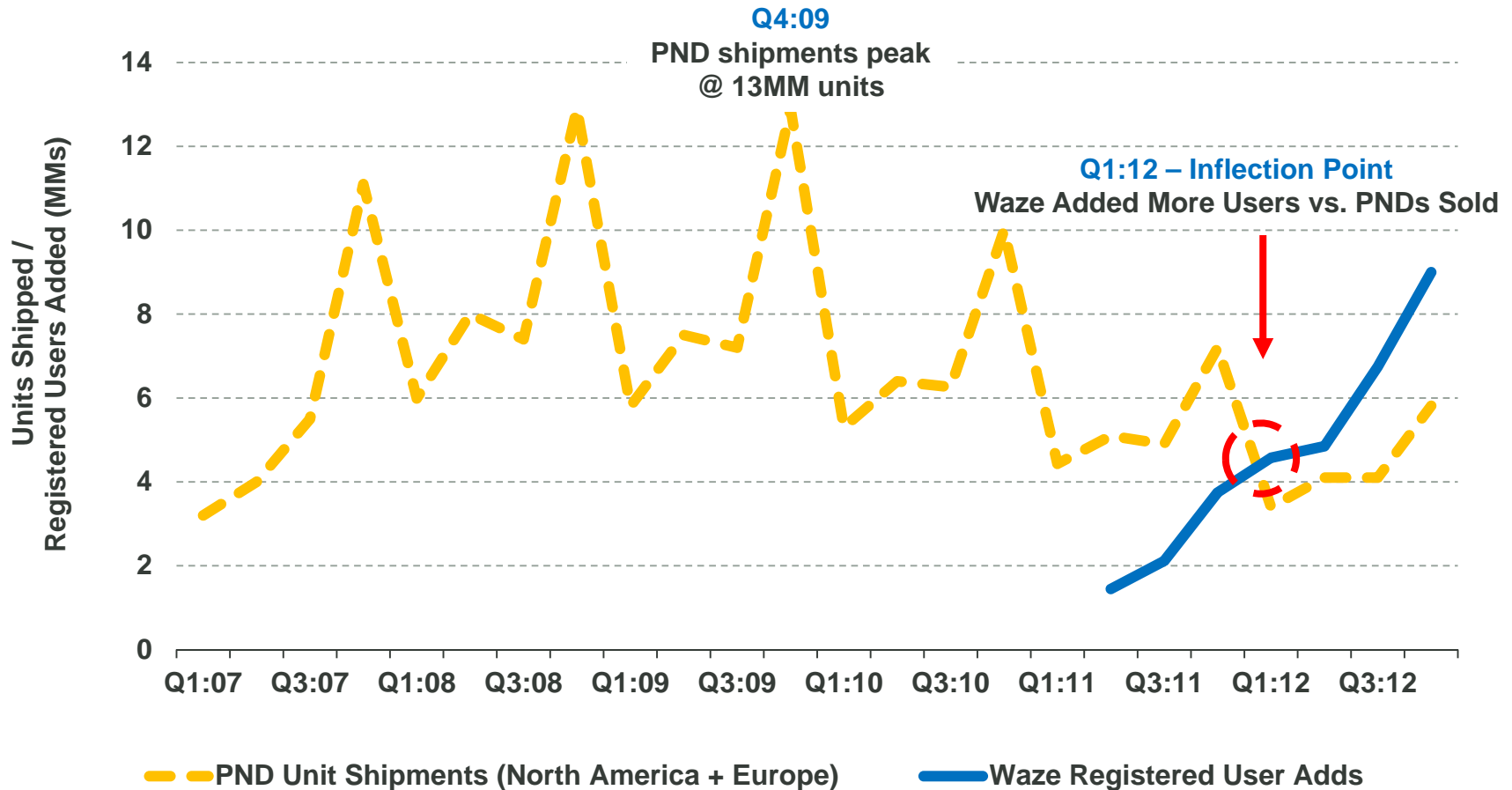
(Waze)

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



20+ Years In, Portable Navigation Device Unit Shipments Were Surpassed by Waze User Additions in Q1:12

Quarterly N. America + Europe Unit Shipments of Portable Navigation Devices (PND) vs. Waze Registered User Adds, Q1:07 – Q4:12E



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...

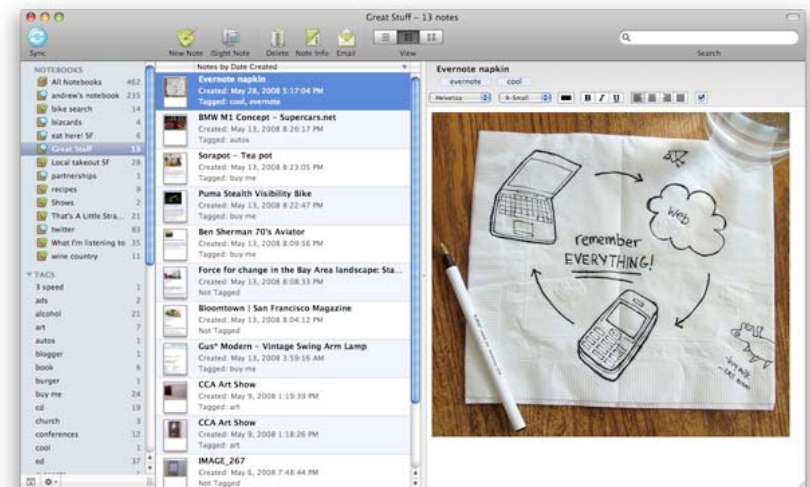
Pencil + Notepad



NOW...

(Evernote)

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



Re-Imagination of Files & Folders...

THEN...

Print Copies / Storage Cabinets / Color Tabs



NOW...

(Dropbox / Box.net / Google Drive / Apple iCloud / Microsoft SkyDrive / Amazon Cloud Drive)
Always Synced / Always Accessible / Multi-Device
Searchable Digital Files



Meet your Drive

My Drive is home to your Google Docs, files, and folders. With Google Drive for your PC, sync files from your computer to My Drive.

[Download Google Drive for PC](#)

<input type="checkbox"/>	TITLE	OWNER	LAST MODIFIED
<input type="checkbox"/>	☆ Conference documents	me	Mar 26 <small>me</small>
<input type="checkbox"/>	☆ About Solarmora.pdf	me	Mar 26 <small>me</small>
<input type="checkbox"/>	☆ Attendance List	me	8/8/09 <small>me</small>
<input type="checkbox"/>	☆ Book1	me	2/17/11 <small>me</small>
<input type="checkbox"/>	☆ Conference Presentation	me	Mar 26 <small>me</small>
<input type="checkbox"/>	☆ Contact Us Template	me	8/24/11 <small>me</small>

Re-Imagination of Content Organization / Aspiration...

THEN...

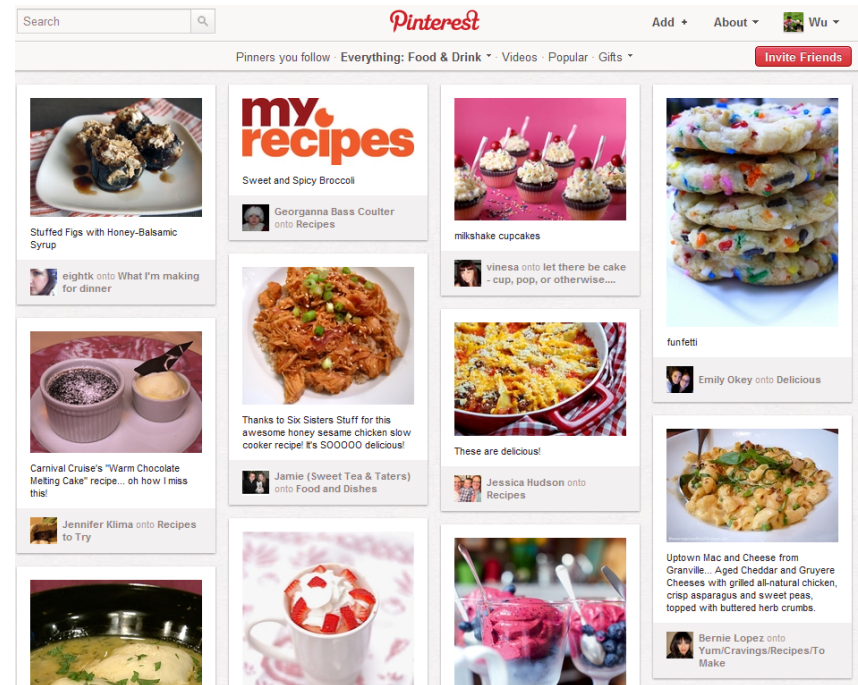
Paper / Scissors / Glue



NOW...

(Pinterest)

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



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 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 Borrowing / Lending Money...

THEN...

Brick 'n Mortar Bank Branch / Paper Applications / Lengthy Approval Process



NOW...

(Lending Club...)

Online Interface / Apply & Get Funded in Days / Lower Interest Rates For Borrowers / Better Diversification / Returns For Investors



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 [?]

Please sign in to set the investment amount per Note.

Showing Notes 1 - 15 of 670

Investment	Rate	Term	FICO®	Amount	Title / Purpose	% Funded	Amount / Time Left
\$0	A 1	36	750-779	\$10,000	credit card payoff	99%	\$25 / 6 days
\$0	A 2	36	780+	\$8,000	Credit Card Refinancing	99%	\$250 / 5 days
\$0	A 2	36	750-779	\$6,600	Moving Loan	99%	\$200 / 6 days
\$0	A 3	36	714-749	\$5,000	Credit Card Refinancing	99%	\$700 / 5 days
\$0	A 3	36	679-713	\$12,000	Assisted Living Business	99%	\$875 / 6 days
\$0	A 3	36	679-713	\$3,600	Major Purchase	99%	\$625 / 7 days
\$0	A 3	36	679-713	\$10,000	My New Loan	99%	\$650 / 7 days
\$0	A 3	36	679-713	\$10,000	Debt Consolidation	99%	\$650 / 7 days
\$0	A 3	36	679-713	\$10,000	CENTRAL AC	99%	\$650 / 7 days
\$0	A 3	36	679-713	\$10,000	Home Improvement	99%	\$650 / 7 days

Re-Imagination of Idea Building / Funding...

THEN...

Flyers / Loudspeakers / Dinners / Checks



NOW...

(KickStarter)

Online / Social Distribution /
Real-Time Progress

A screenshot of the KickStarter website for the project 'The HuMn Wallet'. The page features a navigation bar with 'KICKSTARTER' logo, 'Discover great projects', 'Start your project', a search bar, and links for 'BLOG', 'HELP', 'SIGN UP', and 'LOG IN'. The project title 'The HuMn Wallet - the best minimal RFID blocking wallet' is prominently displayed, along with the creator's name 'A Design project in Portland, OR by Scott Hussa' and a 'send message' link. Below the title, there are buttons for 'PROJECT HOME', 'UPDATES 3', 'BACKERS 1973', and 'COMMENTS 445', along with a 'REMIND ME' button. A large image of the black wallet is shown with a play button overlay. To the right of the image, the funding progress is displayed: '1,973 BACKERS', '\$155,597 PLEDGED OF \$66,000 GOAL', and '26 DAYS TO GO'. A dark banner below this states 'THIS PROJECT WILL BE FUNDED ON MONDAY APR 2, 11:59PM EDT.'. A green button says 'BACK THIS PROJECT \$1 MINIMUM PLEDGE'. At the bottom, there is a section 'PLEDGE \$25 OR MORE' with '6 BACKERS' and a note: '**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.' Social media links for Like, Facebook (716 people like this), Tweet, and Embed are also visible.

KICKSTARTER Discover great projects Start your project

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

ABOUT THIS PROJECT

We're two righteous dudes who need your help in making the world's best RFID wallet!

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 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 Account & Settings | Help | Sign Out | Language

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

People Go back to Search Results | Next

Mark Presnell 2+
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 undergraduate 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

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

Send a message

Add Mark to your network

Forward this profile to a connection

Search for references

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

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

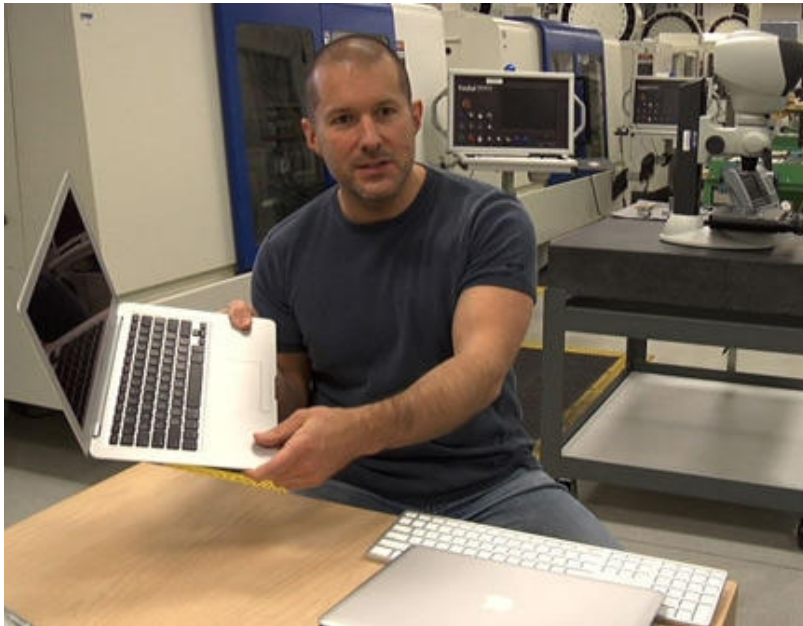
How you're connected to Mark

You
↓
Lindsey Pollak
↓
Mark Presnell

Re-Imagination of Product Design...

THEN...

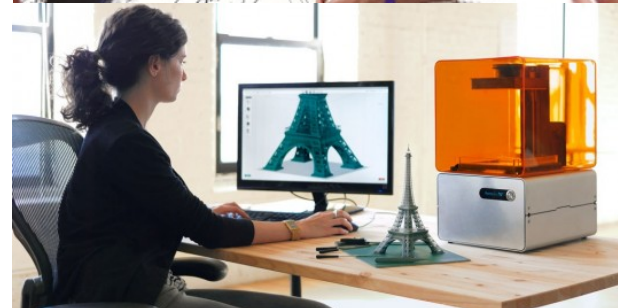
Secretive / In-House R&D



NOW...

(Quirky)

Open / Crowd-Sourced / Collaborative Design / Live
Online Broadcast of Product Evaluation / 3D Printed
Prototypes



Re-Imagination of Selling Digital Goods...

THEN...

Dedicated Shopping Site / Fulfillment Infrastructure

The screenshot shows the DMBLive website interface. At the top, there's a navigation bar with links like 'Home', 'New Downloads', 'Studio Recordings', 'Live Recordings', 'Live Trax Series', 'DMBLive Series', 'Side Projects', and 'Box Sets'. Below this, the main content area features the album 'DMB 'Away From The World' DELUXE Album'. It includes a 'SELECT Format' section with options for MP3 (320kbps) at \$13.99 and FLAC (Lossless) at \$15.99, and a 'Buy CD' option for \$15.99. There's also a 'People Who Bought This Also Bought' section with three album covers. At the bottom, there's a table of tracks from the album.

Play	Song Title	Time	Artist	Album	Price	Buy
▶ 1:1	Broken Things	3:48	Dave Matthews Band	Away From The World (Deluxe Version)		ALBUM ONLY
▶ 1:2	Belly Belly Nice	3:53	Dave Matthews Band	Away From The World (Deluxe Version)		ALBUM ONLY
▶ 1:3	Mercy	4:28	Dave Matthews Band	Away From The World (Deluxe Version)		ALBUM ONLY
▶ 1:4	Gaucho	4:25	Dave Matthews Band	Away From The World (Deluxe Version)		ALBUM ONLY
▶ 1:5	Sweet	4:12	Dave Matthews Band	Away From The World (Deluxe Version)		ALBUM ONLY
▶ 1:6	The Riff	5:35	Dave Matthews Band	Away From The World (Deluxe Version)		ALBUM ONLY
▶ 1:7	Belly Full	1:43	Dave Matthews Band	Away From The World (Deluxe Version)		ALBUM ONLY

NOW...

(Gumroad)

Democratization of Commerce / Leverage Distribution Platforms such as Twitter / Facebook

Your creation and a price →  → a short link you can share to sell.



The screenshot shows a Gumroad product page for 'Oh! Helicopter' by Oliver Blank. It features a play button icon, the title 'Oh! Helicopter', and a price tag of '\$1+'. Below the title, there's a waveform visualization. The product description reads: 'Let's try something... here's an unreleased unheard demo from 2008. Totally different to the music I write now, this is all glitches and guitar. It's a taste of what could have been. If you dig it, click the buy link, it's limited to the first 50 downloads.' There's a 'I want this!' button and a section showing the product details: 'You'll get an MP3', 'SIZE: 9.8 MB', 'DURATION: 5:20', and 'BITRATE: 256 Kbps'.

Powered by



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); 22F
35(Inspection); 41C(SB Commission);

2FEF11E53C5944F...
John Hancock
Buyer's Signature
DocuSigned By: John Hancock

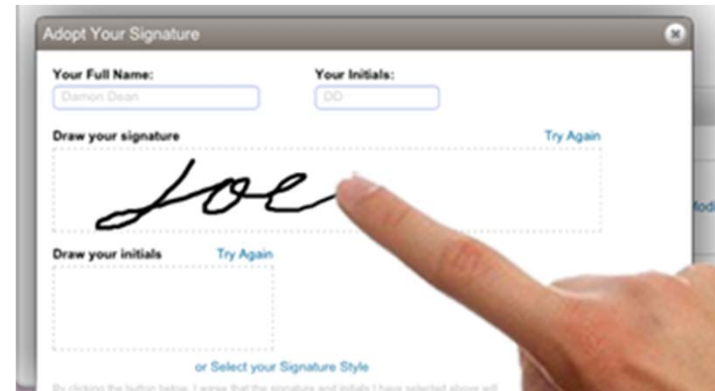
Date

Buyer's Signature

Date

1234 1st Avenue

Buyer's Address



Re-Imagination of Health Awareness...

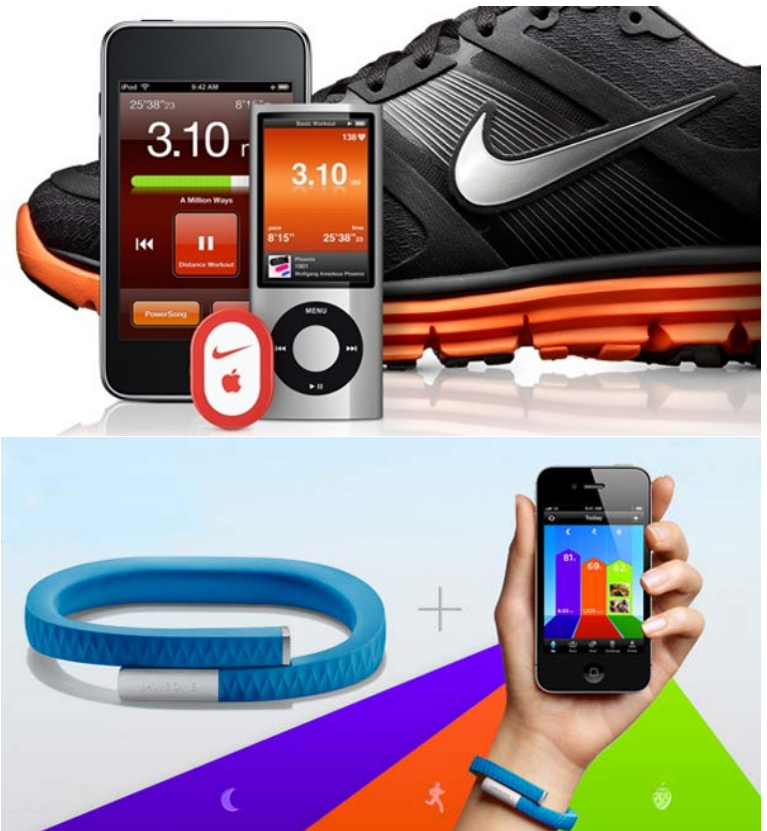
THEN...

Awareness Campaigns /
Physician Visits



NOW...

(Nike+ / Jawbone UP)
Always-On Tracking + Syncing + Analytics /
Quantified Self



Re-Imagination of Door Locks...

THEN...

Keys & Latches



NOW...

(Lockitron)

Lock / Unlock From Your Smartphone Anywhere in the World / Keyless Entry with Bluetooth Auto-Sensing / Wi-Fi Enabled



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 Education...

THEN...

Classrooms / Lectures / Reading Materials



NOW...

(Codecademy / Coursera / Khan Academy...)

Interactive / Online / Accessible by
Anyone Anywhere Anytime

Codecademy

CoursesCreatorsJobsSign InCreate Account

Hey! Let's get to know each other. What's your name? Type it with quotes around it like this "Ryan" and then press enter on your keyboard.

>

Learn to code

Codecademy is the easiest way to learn how to code. It's interactive, fun, and you can do it with your friends.

Get Started
(it's free)

```
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
```

Program Websites and More

Learning with Codecademy will put you on the path to building great websites, games, and apps.

Learn with Friends

Keep tabs on your friends' progress and make sure you're learning more - faster!

Beginner

Getting Started

Time to become a coding ninja.

Getting to Know You, Part I

See what you can do with programming!

Confirm or Deny

Alerting users and more.

Letters of Strings

Learning what separates text from numbers and more

Editor and Design

The console's not the only game in town.

37% complete
6 of 16 lessons finished

Completed

In progress

Not started

Track and Share Your Progress

Start learning - and don't stop. See how fast you're learning and stay motivated.

Re-Imagination of Learning...

THEN...



NOW...



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

- Bing Gordon, Interactive Arts Hall-of-Famer, KPCB Partner

Re-Imagination of The Rose Bowl...



Games are even more engaging for fans with the sports screen trifecta - mobile / tablet / TV.

Megan Quinn, Stanford Fan, KPCB Partner

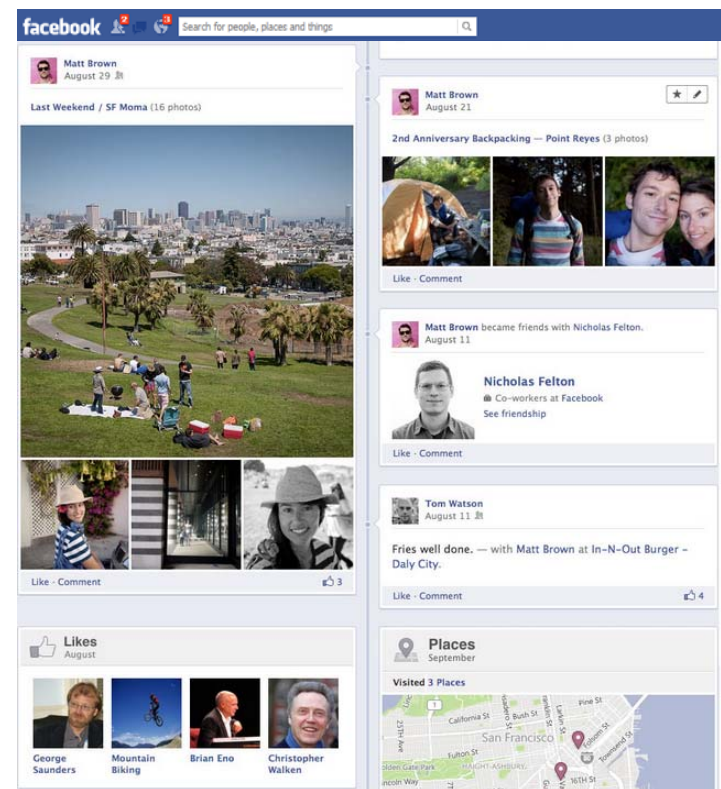
Re-Imagination of Data – Big to Bigger to Bigger & It's Still “The Wild West”...

In less than ten years, Facebook garnered massive volunteered (and shared) big data from its 1B+ users – to tune of 300MM+ images uploaded everyday / 125B+ friend connections / \$3B+ in capex.

THEN...

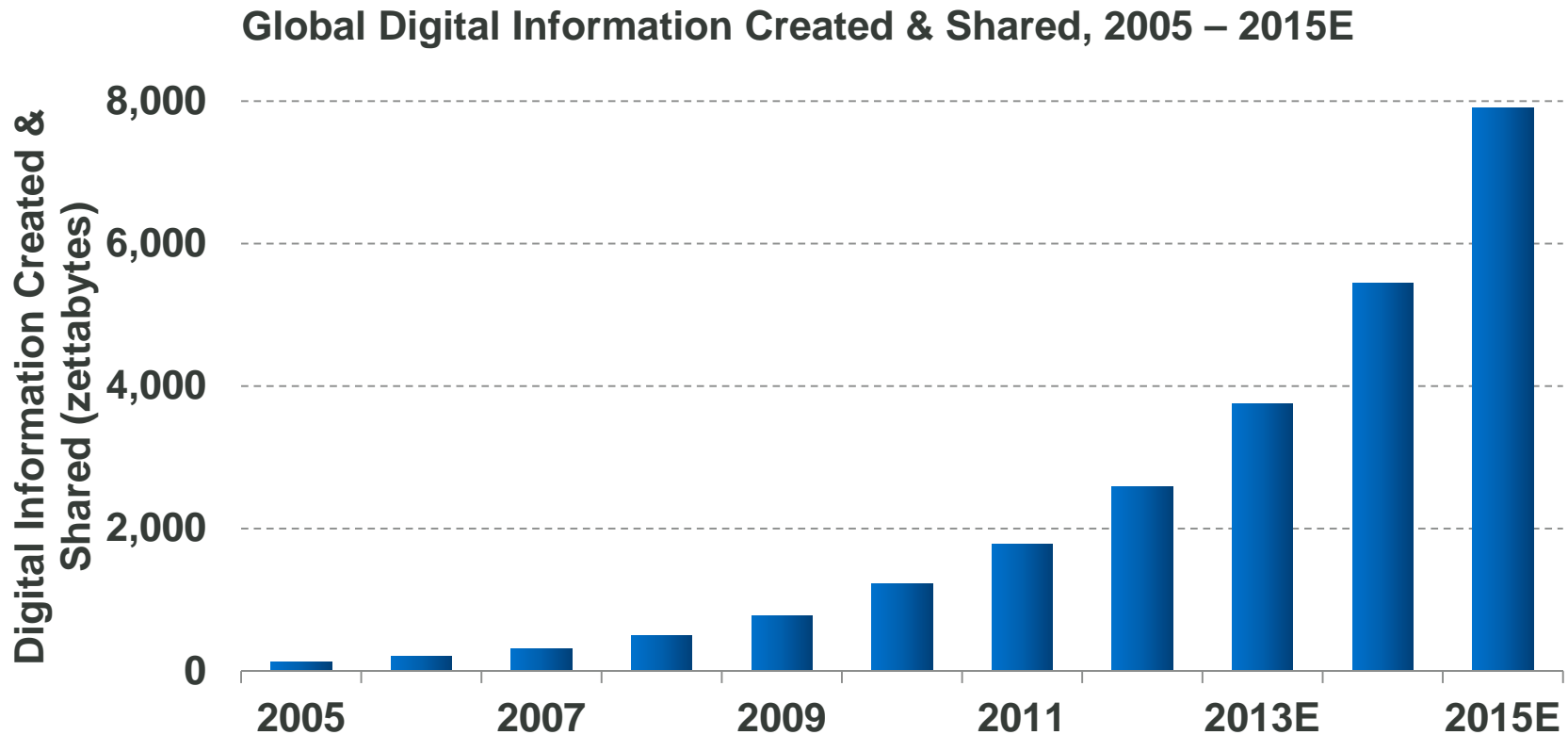


NOW...



...Re-Imagination of Data – Big to Bigger to Bigger and It's Still “The Wild West”...

Amount of global digital information created & shared – from documents to pictures to tweets - grew 9x in five years to nearly 2 zettabytes* in 2011, per IDC.



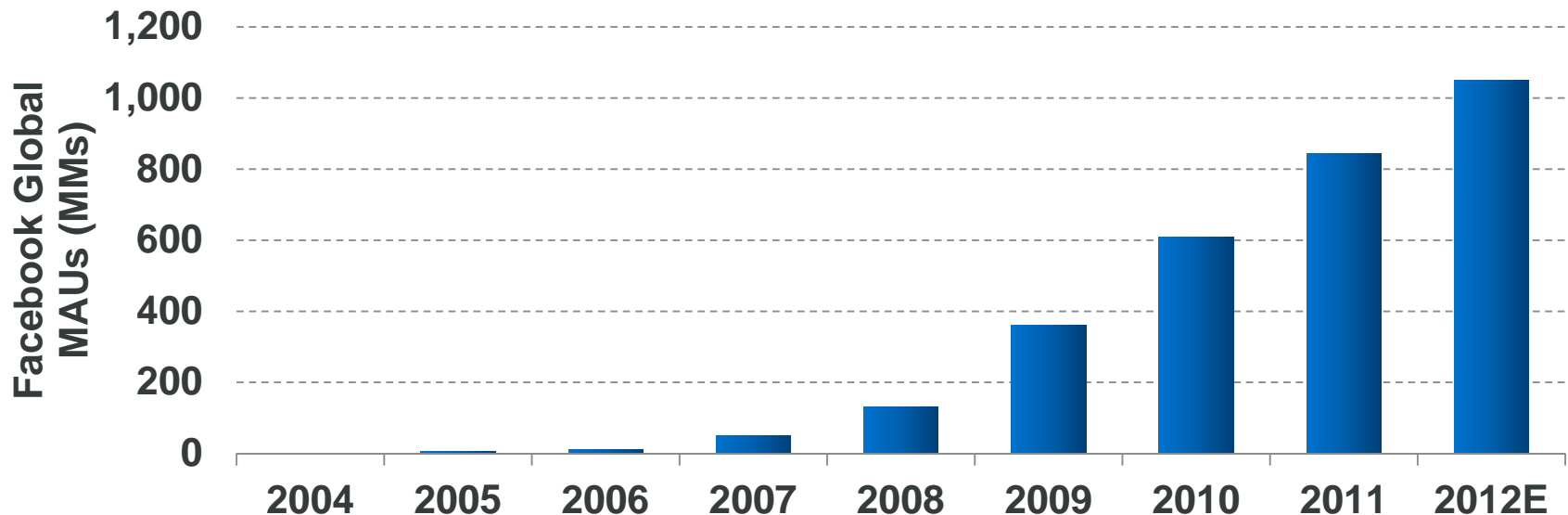
...Re-Imagination of Data – Big to Bigger to Bigger and It's Still “The Wild West”

If Facebook can create a ‘front-end’ to massive amounts of largely new & personal “big data,” in spite of huge initial resistance to “sharing” – think what can come to pass with “front-ends” + connections to *most* types of data over the next ten years.

Headlines From *The New York Times*

- “Facebook Retreats on Online Tracking” – 11/2007 @ 50MM Users
- “Facebook's Users Ask Who Owns Information” – 2/2009 @ 200MM Users
- “Facebook Privacy: A Bewildering Tangle of Options” – 5/2010 @ 500MM Users

Facebook Global Monthly Active Users, 2004 – 2012E



Re-Imagination of Data – Help Me, Help You, Help Others...

Waze

- 30MM Users, +3x Y/Y
- 600MM+ Miles Driven per Month with Waze Open



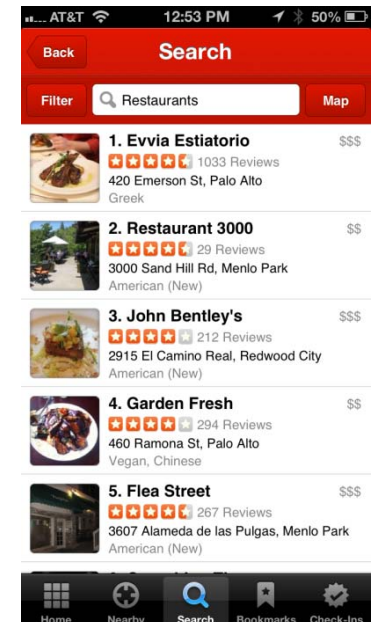
Jawbone UP

- Initial Launch of ~70K Users (11/11) =
 - 7B+ Steps
 - 800 Years of Sleep
- Re-launched 11/12



Yelp

- 84MM Users, +37% Y/Y
- 33MM User-Generated Reviews, +49% Y/Y



Re-Imagination of Always On...

Bluetooth

~2B Bluetooth-Enabled Devices Shipped Globally in 2012E, Up 87x in 10 Years



Wi-Fi

~1.5B Wi-Fi Enabled Devices Shipped Globally in 2012E, Up 5x in 4 Years



Personal Server in Your Pocket + Sensors / Signals Uber Alles

How Many of You are Wearing a “Wearable” Now?

How Many of You will be Wearing a “Wearable” in 5 Years?

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 + Interest 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

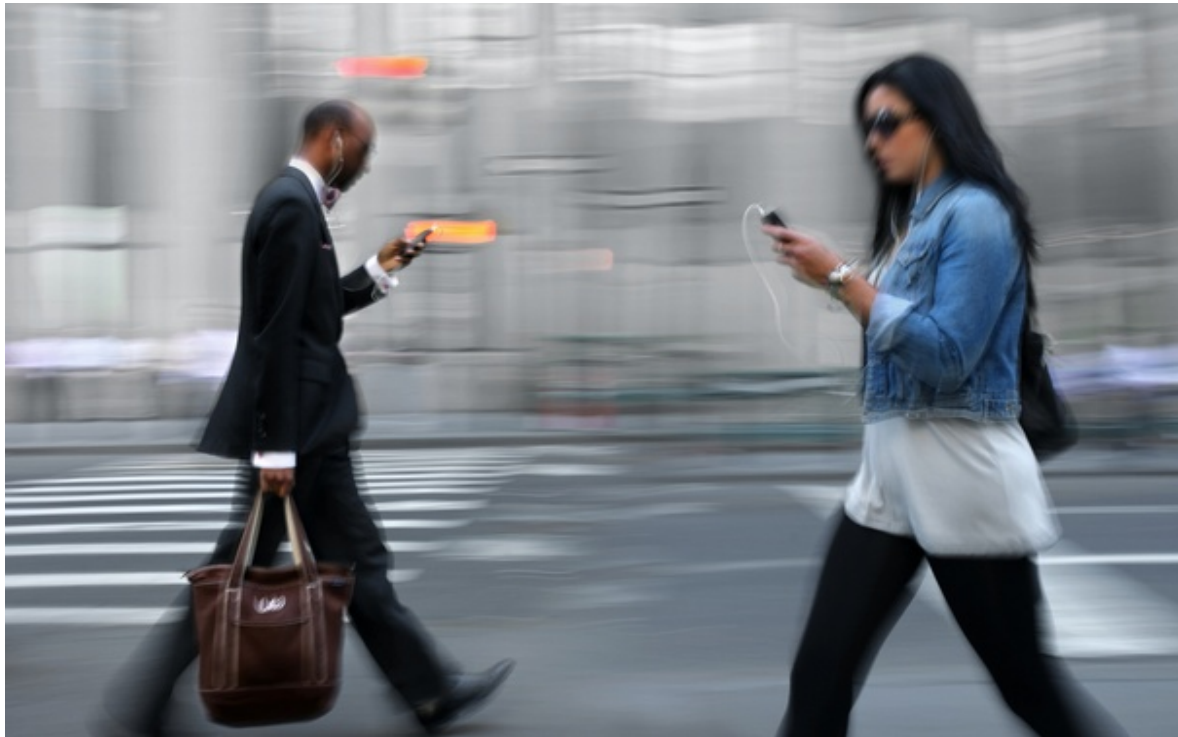
ASSET-LIGHT GENERATION – FROM HAND TO CLOUD & BACK... RISE OF THE SHARING ECONOMY

Who Ya Gonna Text? *to tune of 'Ghostbusters'*

You Can Walk Out Your Door...

With the Clothes on Your Back, a Charged Mobile Device...

Cash in the 'Bank' & Happily Go a Very Long Way...



Mobile Internet Re-Imagining Asset-Heavy Lifestyle

Asset-Heavy Lifestyle Consumes:

Space

Time

Money



Asset-Light Lifestyle Frees: Space...

Asset-Heavy...



Asset-Light...



...Frees: Time...

Asset-Heavy...



Asset-Light...



...And Frees: Money

Asset-Heavy...



Asset-Light...



Be a 25 Year Old...

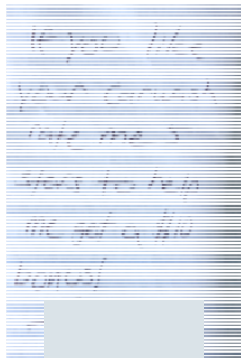
From Hand to Cloud & Back...

Cherry Car Wash...

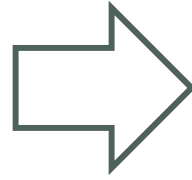
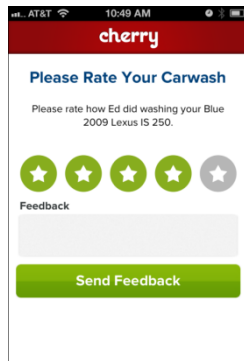
Pull Out Your Smartphone



Rinse & Repeat...



Review / Feedback

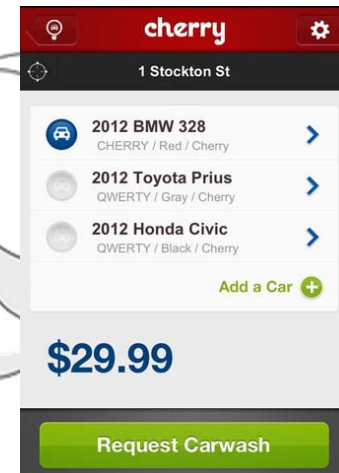


1

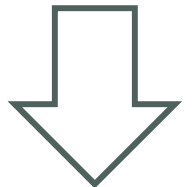
Set Location



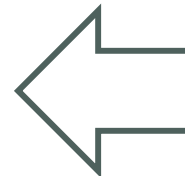
Choose Service



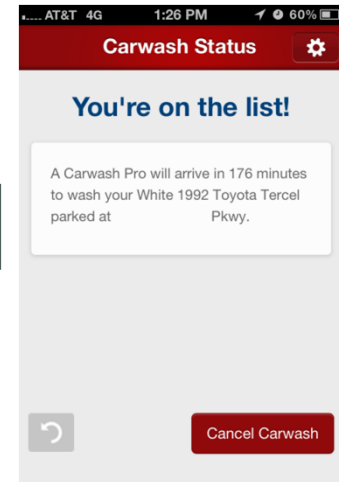
2



Receive Service



3



Confirm / Pay

Asset-Light Generation – Music...

Asset-Heavy...

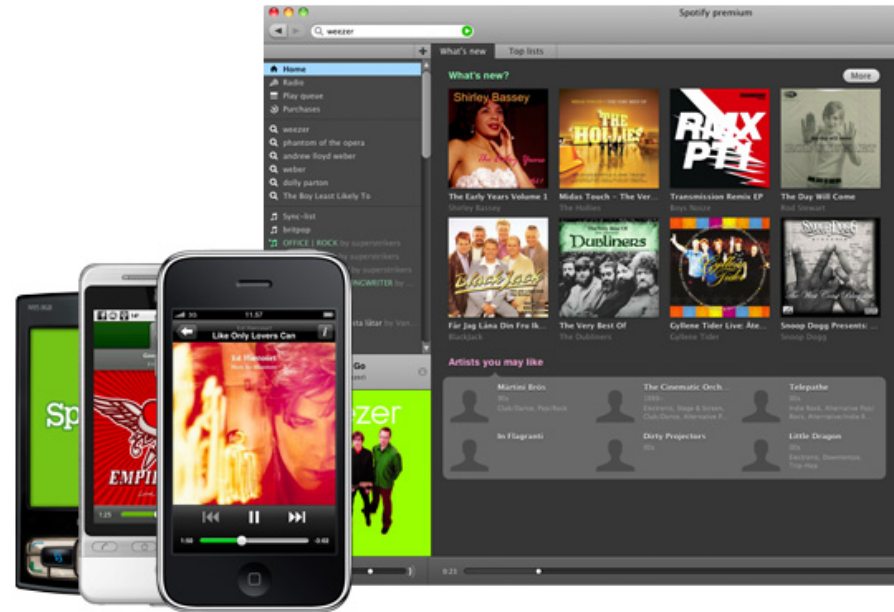
Pay for Ownership / Buy Albums + CDs in Stores / Playback via Dedicated Players



Asset-Light...

(Spotify, Pandora, iTunes...)

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



Asset-Light Generation – Video...

Asset-Heavy...

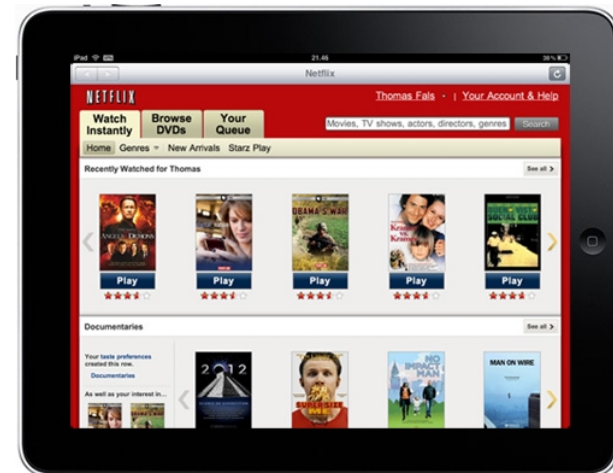
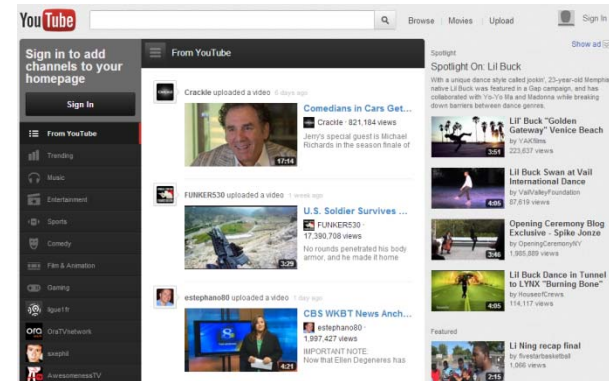
Pay for Ownership / Space Consuming



Asset-Light...

(YouTube / Netflix...)

On-Demand / Instant Access Anywhere / Paid for by Advertising or Subscription



Asset-Light Generation – Housing...

Asset-Heavy...

Dedicated Hotel Buildings / Uniform-Looking Rooms / 60-80% Utilization

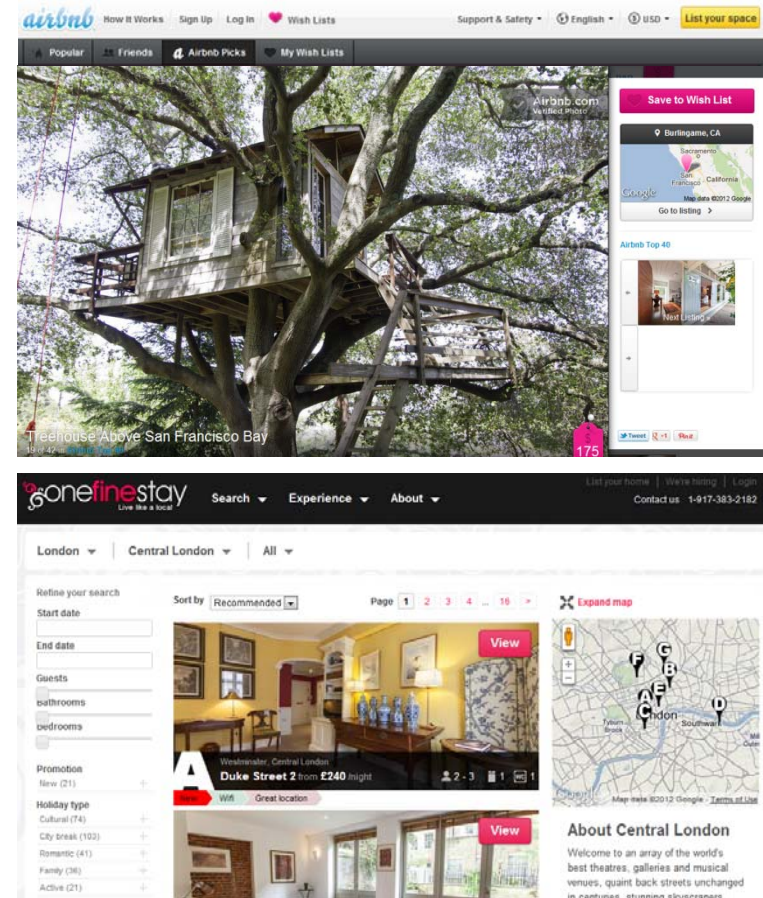


KPCB

Asset-Light...

(Airbnb / Onefinestay / CouchSurfing...)

Turns Any Privately-Owned House / Apartment / Room Into a Unique / Local / Adventurous Hotel Experience



Asset-Light Generation – Getting Around / Riding...

Asset-Heavy...

One Car per Person / Inefficient Use of Resources Leading to Traffic Congestion / Pollution



Asset-Light...

(Zipcar / Uber / Hailo...)

On-Demand Car / Ride-Sharing via Mobile Apps / With Reviews / Location-Aware



Asset-Light Generation – Services...

Asset-Heavy...

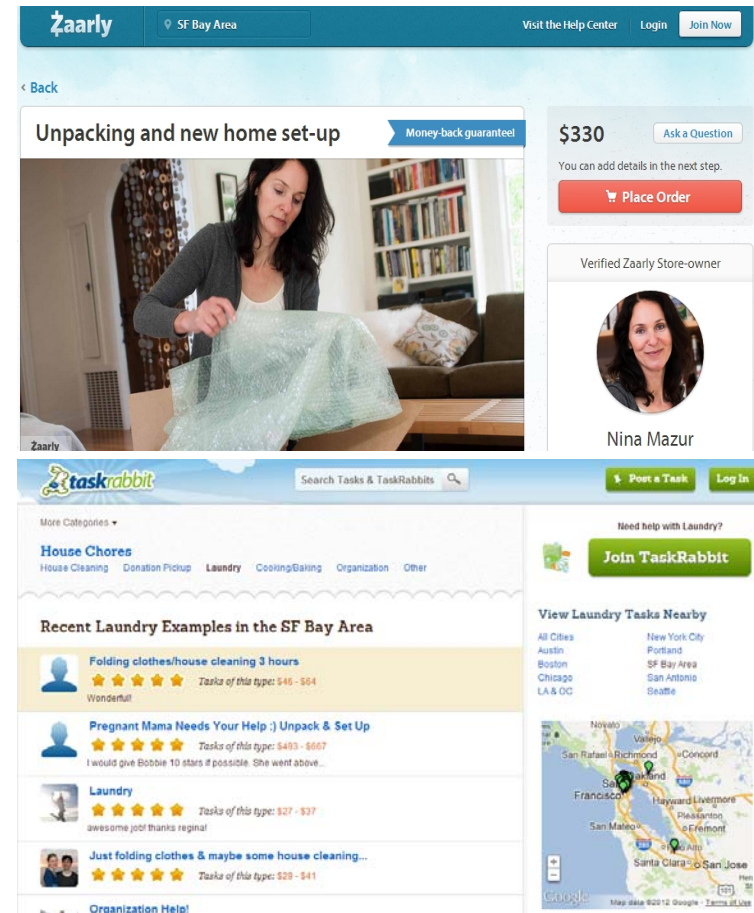
Do-It-Yourself / Time (Virtual Asset) Consuming



Asset-Light...

(Zaarly / TaskRabbit...)

Getting Grocery Shopping / Laundry / Other Things Done, all via Smartphone



Asset-Light Generation – Textbooks...

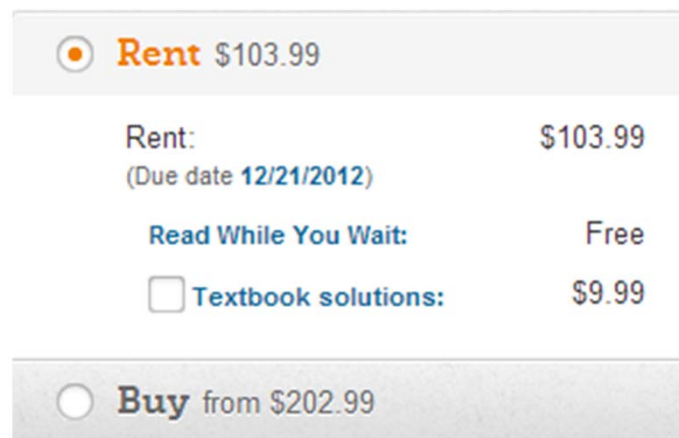
Asset-Heavy...

Pay for Ownership / Expensive / Inefficient Utilization (Rarely Used After Course Completion)



Asset-Light...

(Chegg / Amazon Textbook Rental...)
Pay For Usage Rights During the Semester / Up to 3x Cheaper vs. Buying



Asset-Light Generation – Wallet...

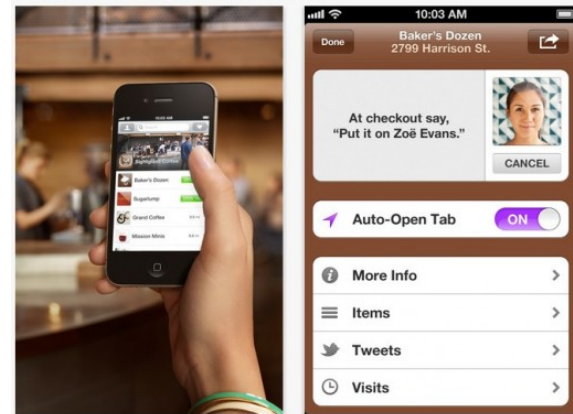
Asset-Heavy...

Wallet with Cash / Coins / Credit Cards /
Reward Cards



Asset-Light...

(Square / PayPal / Google / Apple ...)
Smartphone is the New Wallet w/ Payment Capability /
Reward Cards / Boarding Passes / eTickets



Asset-Light Generation – Employment...

Asset-Heavy...

Full Time / Fixed Cost



Asset-Light...

(oDesk, Freelancer, OnForce...)
Workforce as a Service (WaaS) / On-Demand /
Global / 24x7 / Variable Cost



Hire online for a fraction of the cost!

Freelancer.com is the world's largest outsourcing marketplace, empowering entrepreneurs & small businesses worldwide.

- ✓ Outsource anything you can think of!
- ✓ Projects start at \$30 and the average job is under \$200
- ✓ Programmers, designers, content writers are ready now!
- ✓ Only pay freelancers once you are happy with their work

Re-Imagination of Flexibility...

Easier for Consumers to Get What
They Want When They Want it...

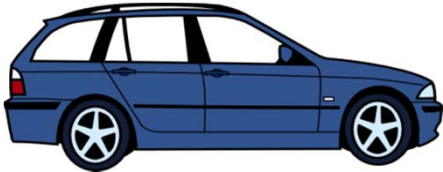
Easier for Crafty & Flexible People to
Make Money...

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

Consumer Internet 'White Space' To Be Re-Imagined...



- 1) **Ear (+ Body)** - owing to better devices (wireless Bluetooth) / services (Siri / Spotify / Soundcloud...) / products (Jambox / 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+ American households have Internet-enabled TVs

...Consumer Internet 'White Space' To Be Re-Imagined



- 4) **Back Pocket** – 600MM+ credit cards in use in USA, average American carries 3-4 credit cards in addition to check cards / loyalty cards / coupons / cash in wallet. 17% average credit card borrowing rate vs. 1.7% 10-Year US Treasury bond yield*.



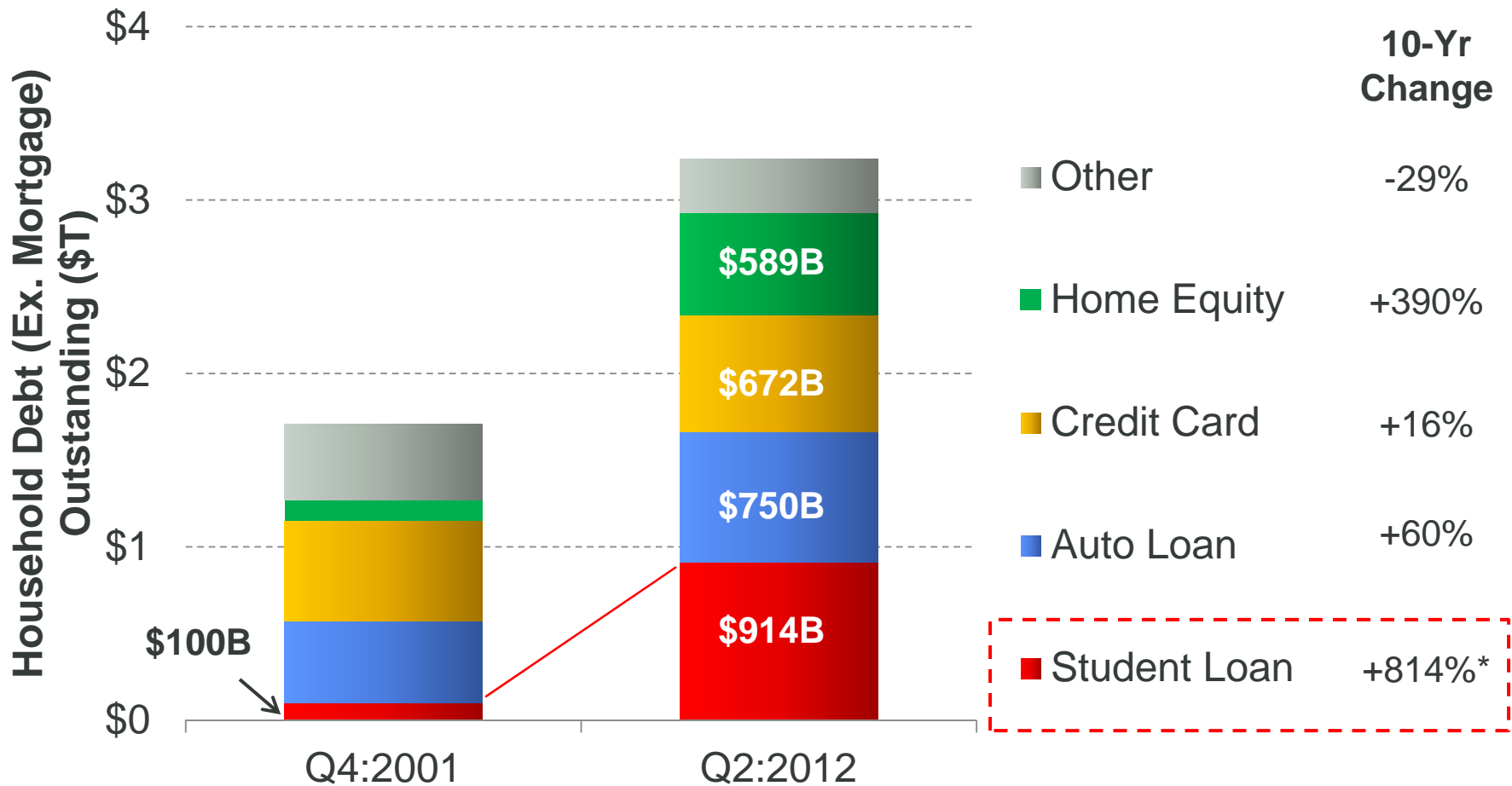
- 5) **Education** – \$1.1T+ annual spending on education in USA, \$460B+ = post-secondary, cost of going to college up +2x (inflation adjusted) over 30 years, \$914B** student loans outstanding (\$25K per graduating student), bigger than credit card (\$672B) & auto loans (\$750B). Student loans up 8x over ten years.



- 6) **Healthcare** – \$2.6T+ annual spend on healthcare in USA, 18% of GDP in 2010, up from 5% 50 years ago, and 2x OECD average, 32% of Americans considered obese in 2008, up from 15% in 1990.***

USA Student Loans Outstanding = \$914B, Up 8x vs. 10 Years Ago, Higher Than Auto Loan & Credit Card Debt

USA Household Debt (Ex. Mortgage) Outstanding by Type, Q4:2001 vs. Q2:2012

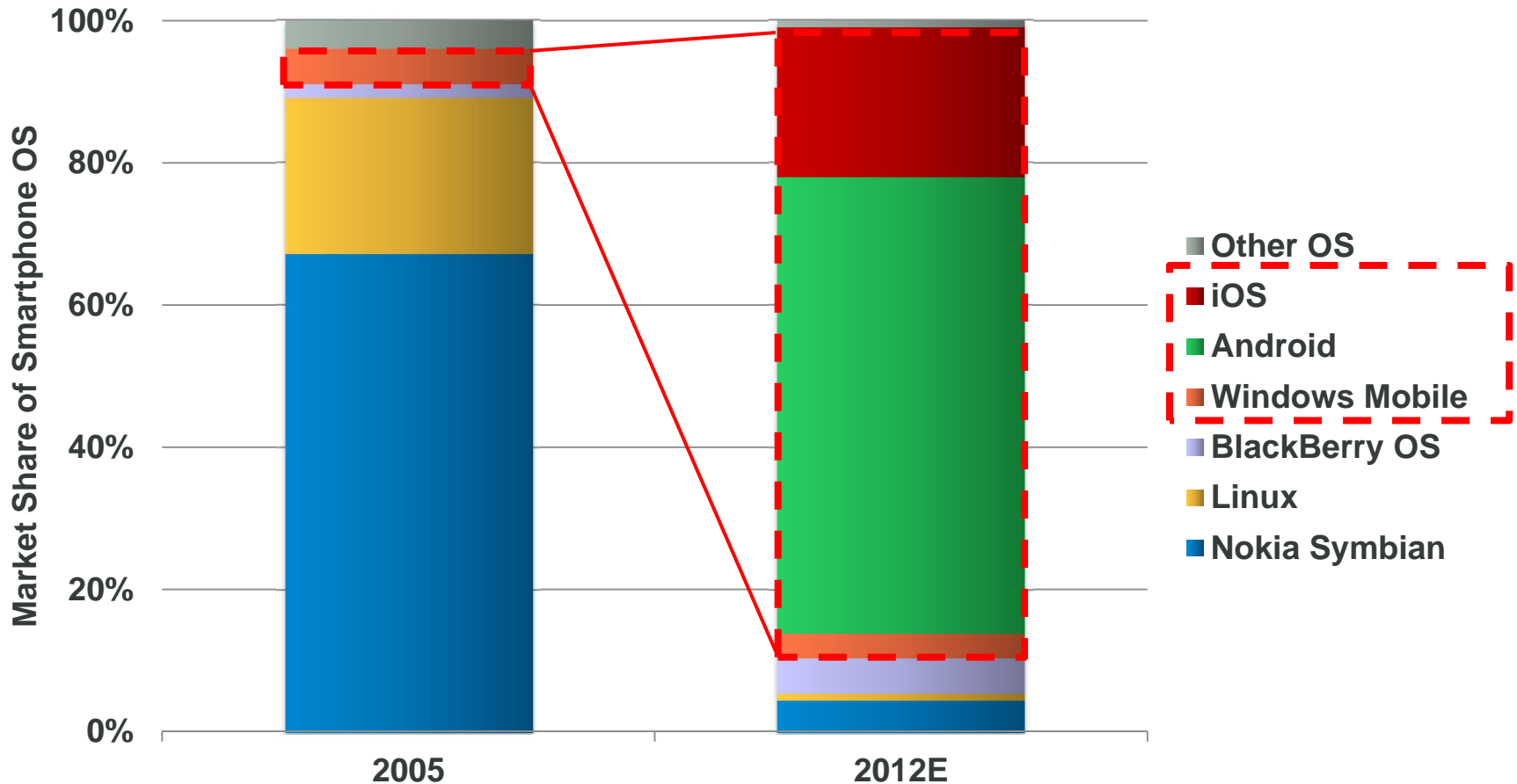


Note: *Federal Reserve Bank of New York improved measurement for student loans in 2011 and believes that student loan data prior to 2011 may be under reported. 'Other' category includes personal loans, retail (clothing, grocery, department stores, home furnishing, gas, etc) loans. There're 36MM+ people with outstanding student loans in USA, average outstanding student loan amount was \$23,300, per FRB NY analysis of 241MM people with Equifax credit reports in 2/12. Source: Federal Reserve Bank of New York.

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

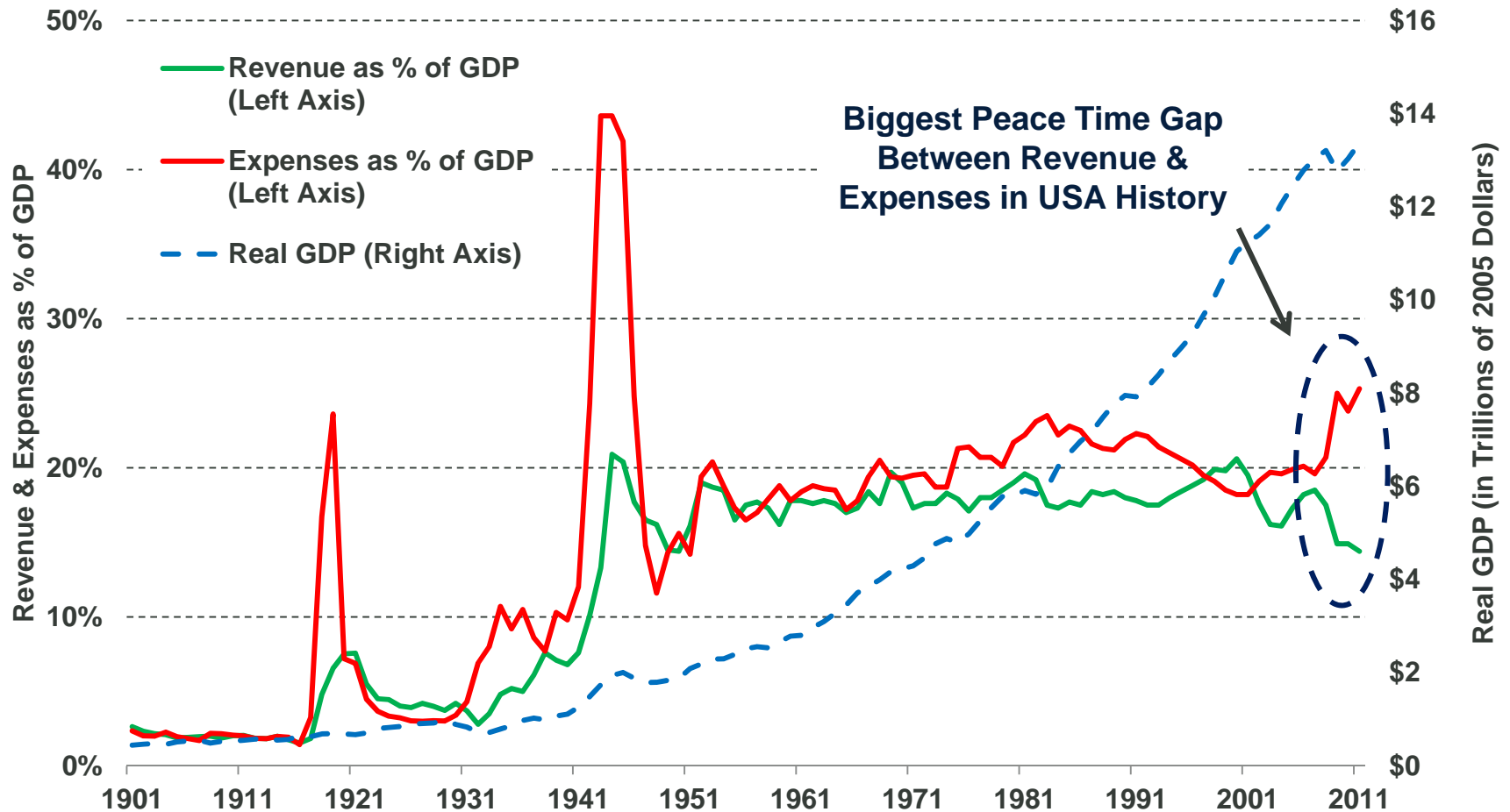
'Made in USA' Smartphone Operating Systems = 88% Share from 5% Six Years Ago

**Global Smartphone Operating System Market Share
(by Units Shipped), 2005 vs. 2012E**



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

USA Inc. Revenue & Expenses as % of GDP, 1901 – 2011



ARE YOU HAPPY WITH WHERE YOUR TAX DOLLARS GO?

57%

20%

16%

6%

ENTITLEMENTS

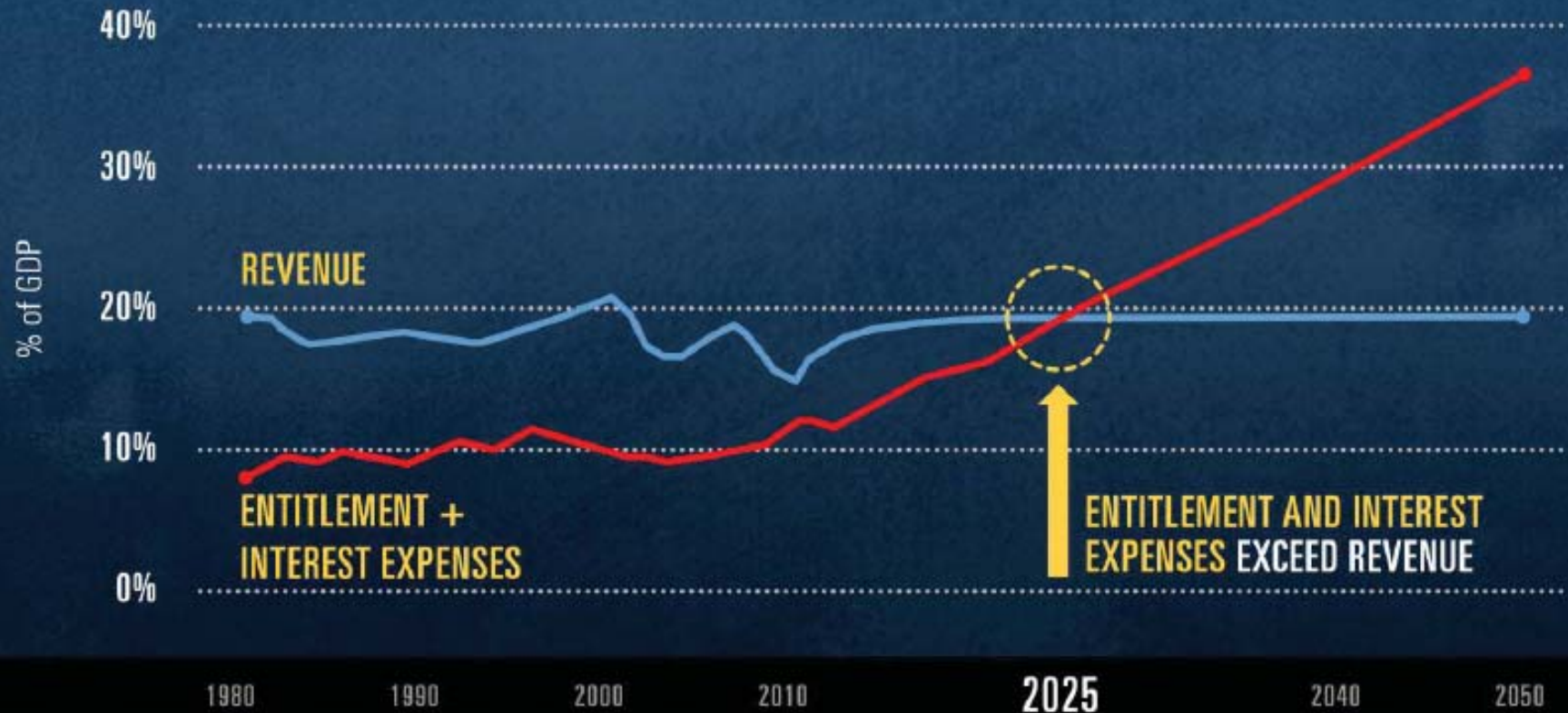
DEFENSE

OTHER*

INTEREST

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

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



SOURCE: CONGRESSIONAL BUDGET OFFICE, 2010: USA INC. REPORT PAGE 174. 84

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

Rank	Country	2010 Gross Government Debt (\$B)	% of GDP
1	Japan	\$12,009	220%
2	Jamaica	19	143
3	Greece	436	143
4	Lebanon	53	134
5	Iraq	97	120
6	Italy	2,445	119
7	Belgium	452	97
8	Singapore	214	96
9	Ireland	196	95
10	USA	13,707	94
11	Portugal	213	93
12	Iceland	12	92
13	Germany	2,759	84
14	Canada	1,324	84
15	France	2,110	82

Rank	Country	2010 Gross Government Debt (\$B)	% of GDP
16	Hungary	\$105	80%
17	Israel	168	77
18	UK	1,699	76
19	Egypt	161	74
20	Austria	272	72
21	Sudan	47	72
22	Brazil	1,397	67
23	Jordan	18	67
24	Côte d'Ivoire	15	67
25	India	1,046	64
26	Netherlands	497	64
27	Cyprus	14	61
28	Spain	848	60
29	Uruguay	23	57
30	Pakistan	100	57

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

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