

INTERNET TRENDS

D10 CONFERENCE
5/30/2012

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CAUFIELD
BYERS

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%

MOBILE USERS

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

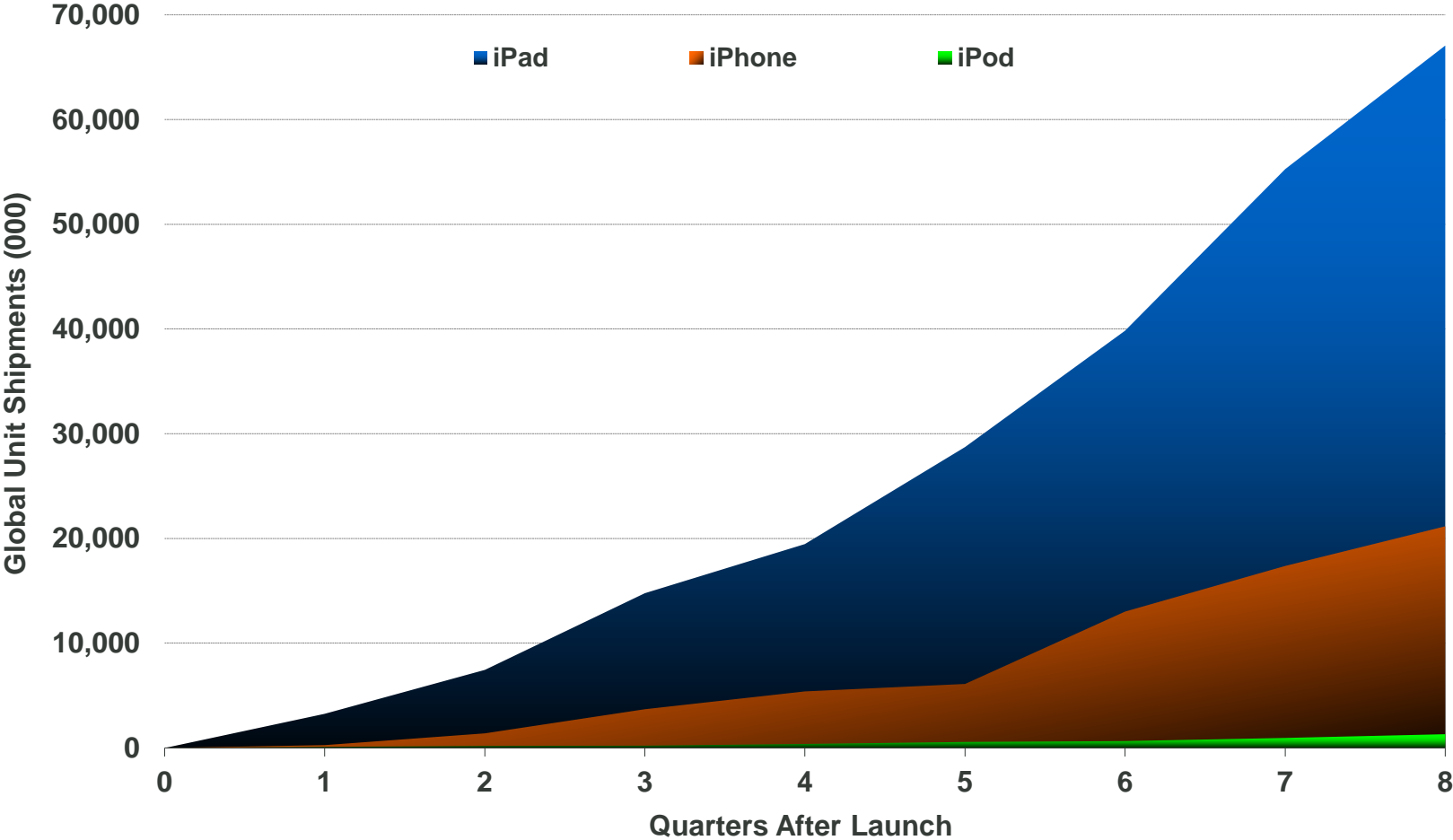
Rank	Country	CQ4:11 3G Subs (MM)	3G Penetr ation	3G Sub Y/Y Growth	Rank	Country	CQ4:11 3G Subs (MM)	3G Penetr ation	3G Sub Y/Y Growth
1	USA	208	64%	31%	16	Canada	16	62%	34%
2	Japan	122	95	9	17	Taiwan	14	48	17
3	China	57	6	115	18	South Africa	13	21	49
4	Korea	45	85	10	19	Turkey	13	20	62
5	Italy	44	51	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%

MODERN MOBILE DEVICE EVOLUTION

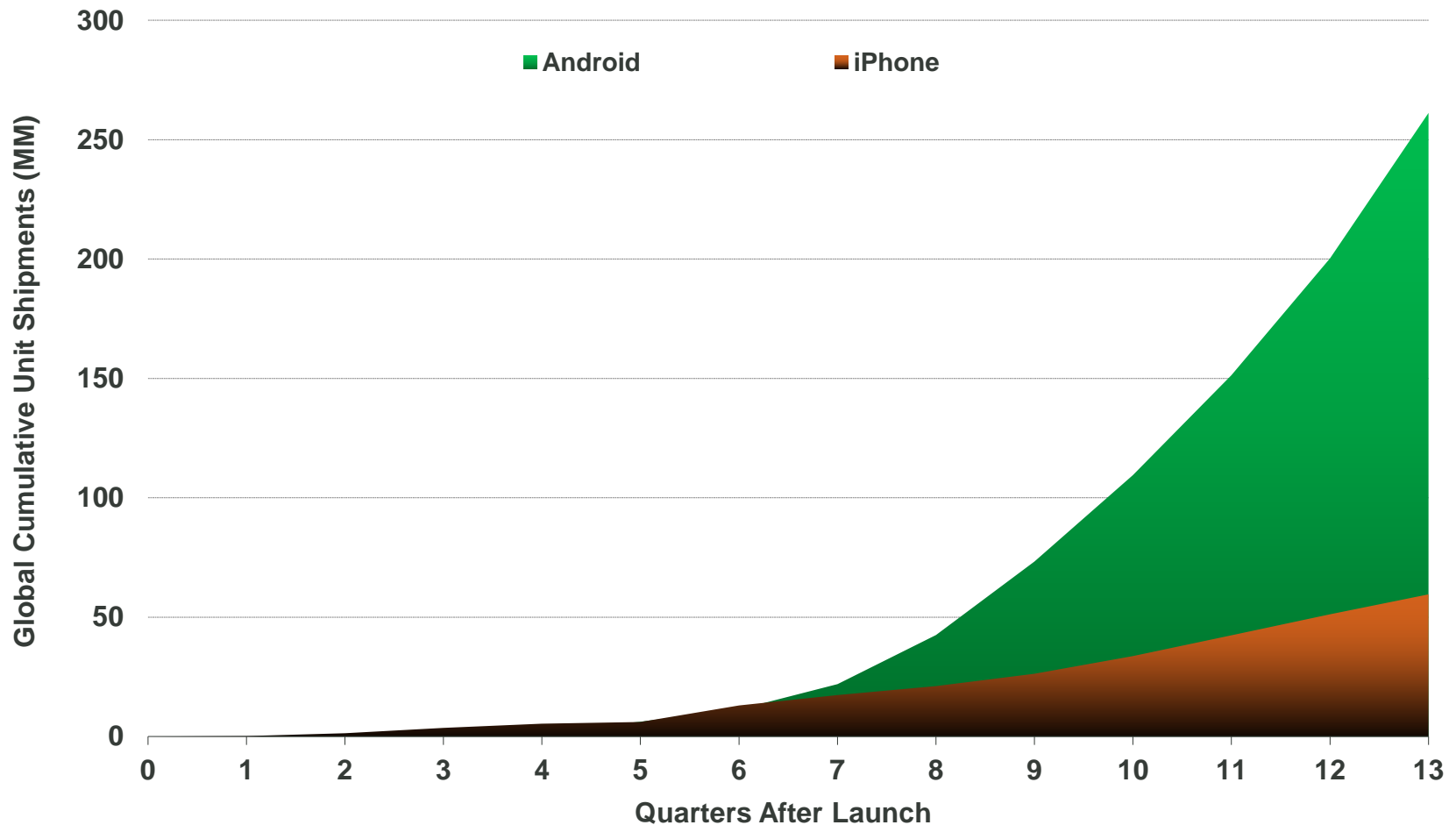
iPods Changed Media Industry...iPhones Ramped Even Faster...iPad Growth (3x iPhone) Leaves “Siblings” in Dust

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



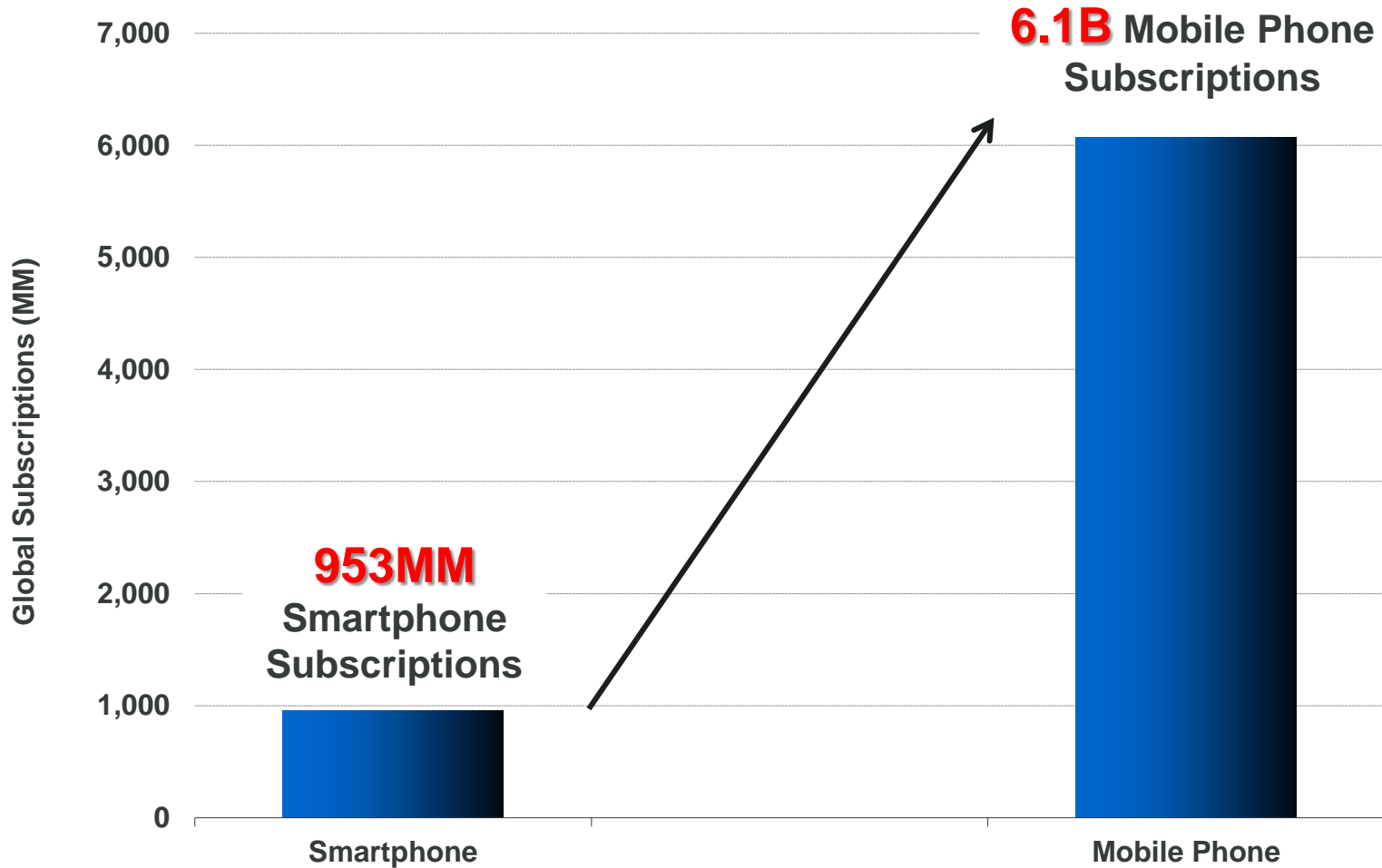
Android 'Phone' Adoption Has Ramped Even Faster – 4x iPhone

First 13 Quarters Cumulative Global Android & iPhone Unit Shipments



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

Global Smartphone vs. Mobile Phone Subscriptions, Q4:11

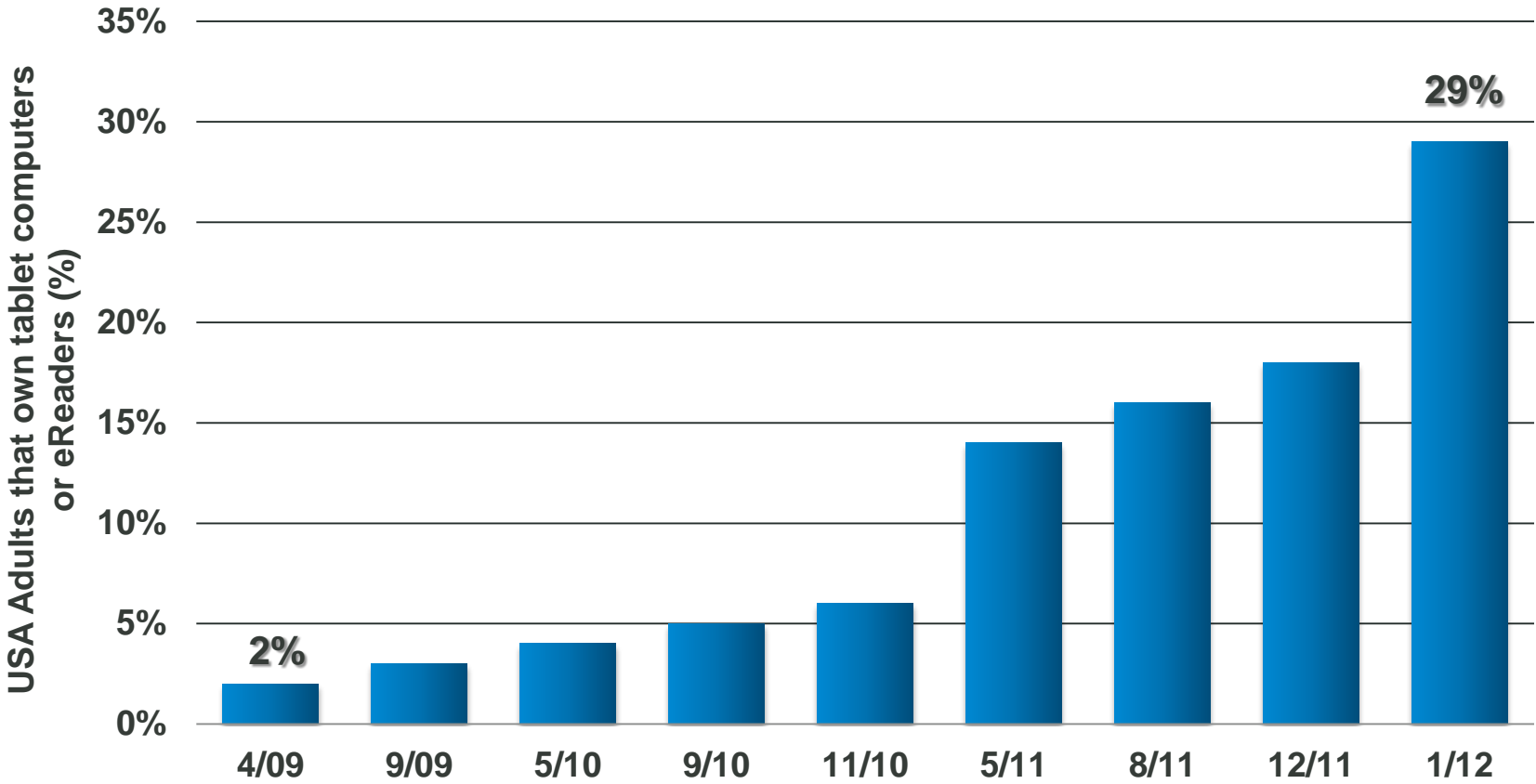


Source: Mobile phone subscriptions per Informa (as of Q4:11), Smartphone subscriptions estimate based on Morgan Stanley Research's estimated smartphone user as % of total mobile user at the end of 2011 (16%).

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

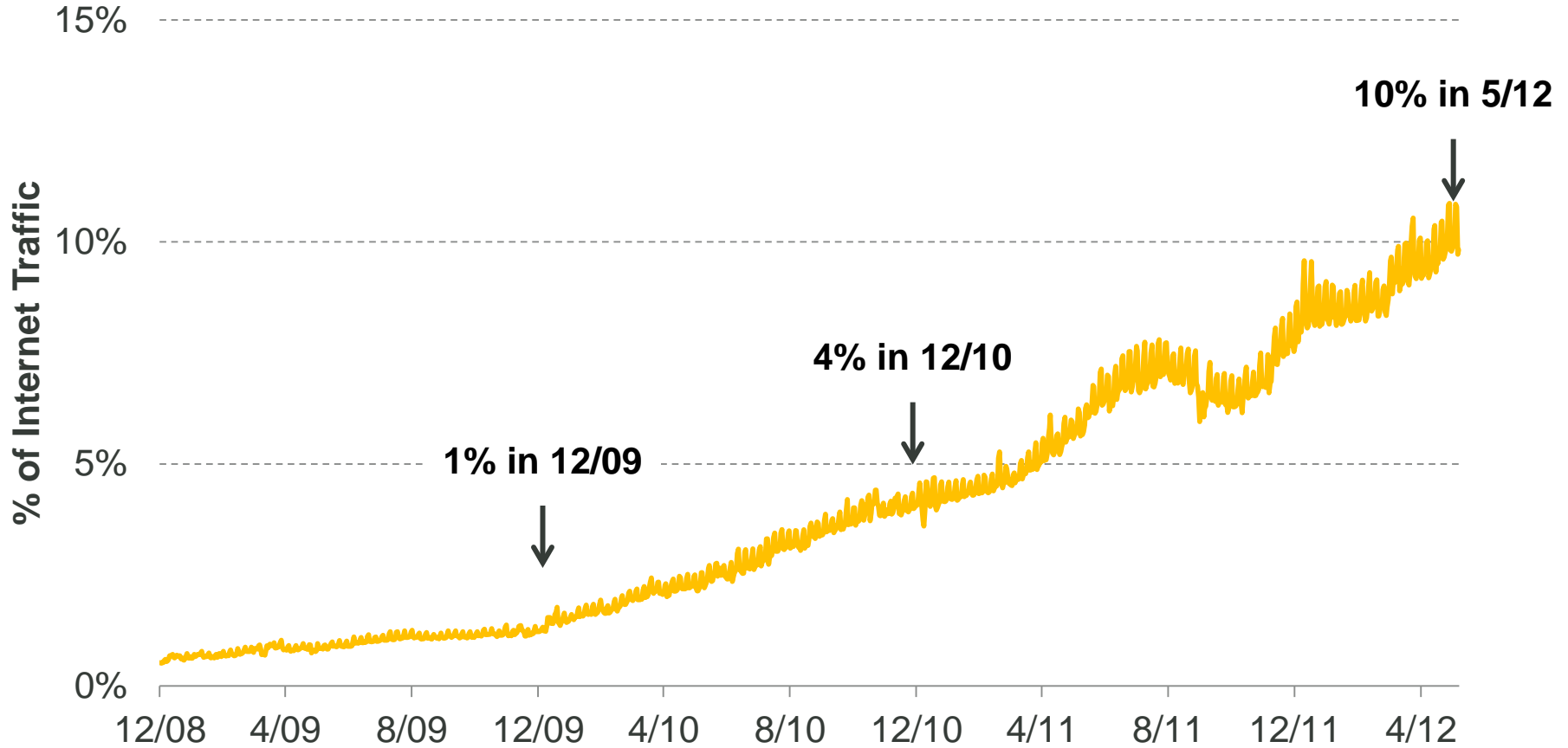
% of USA Adults Who Own Tablet Computers or eReaders, 4/09 – 1/12



MOBILE MONETIZATION TRANSITION

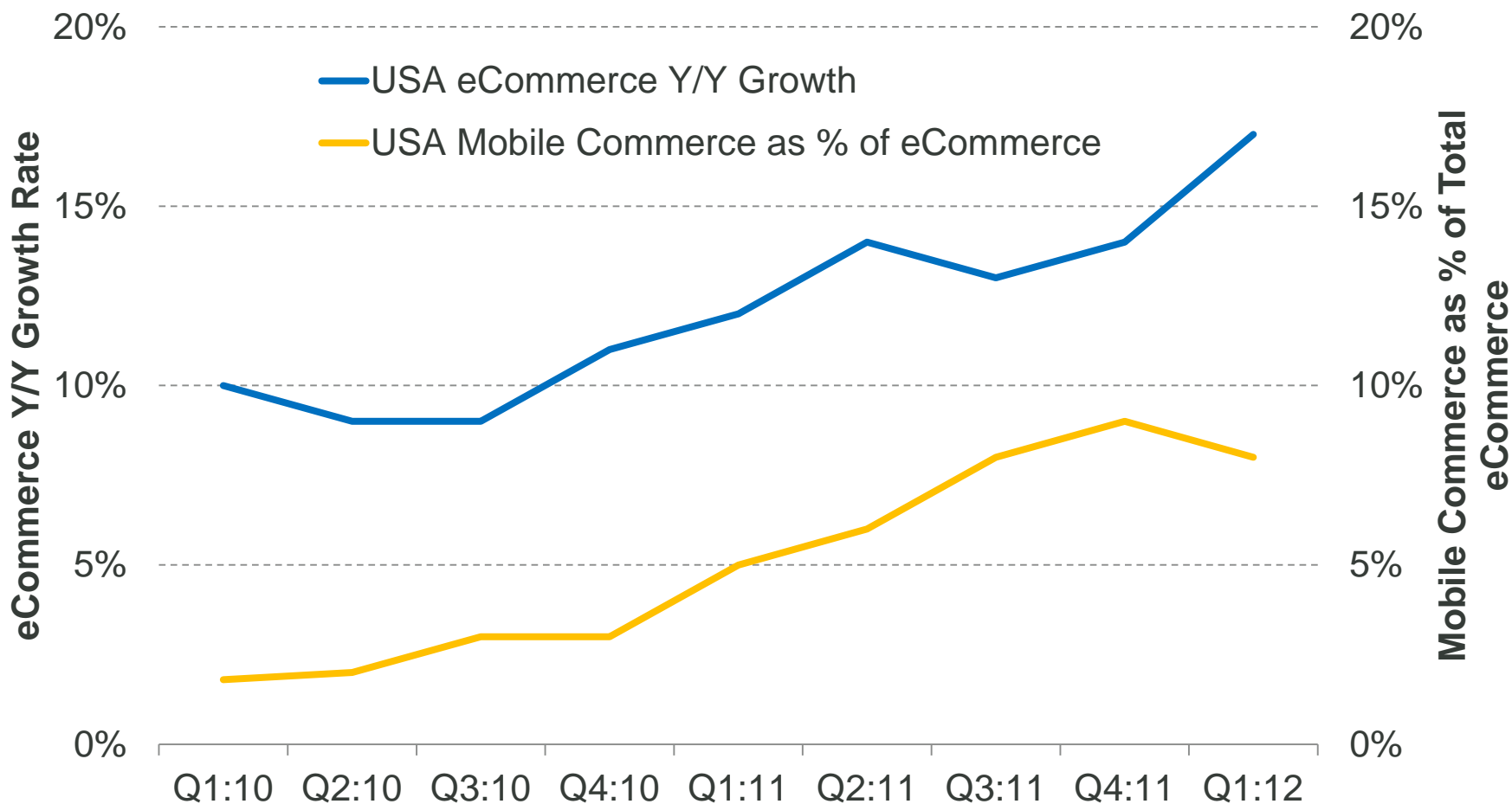
Good News = Global Mobile Traffic Growing Rapidly to 10% of Internet Traffic

Global Mobile Traffic as % of Total Internet Traffic, 12/08 – 5/12

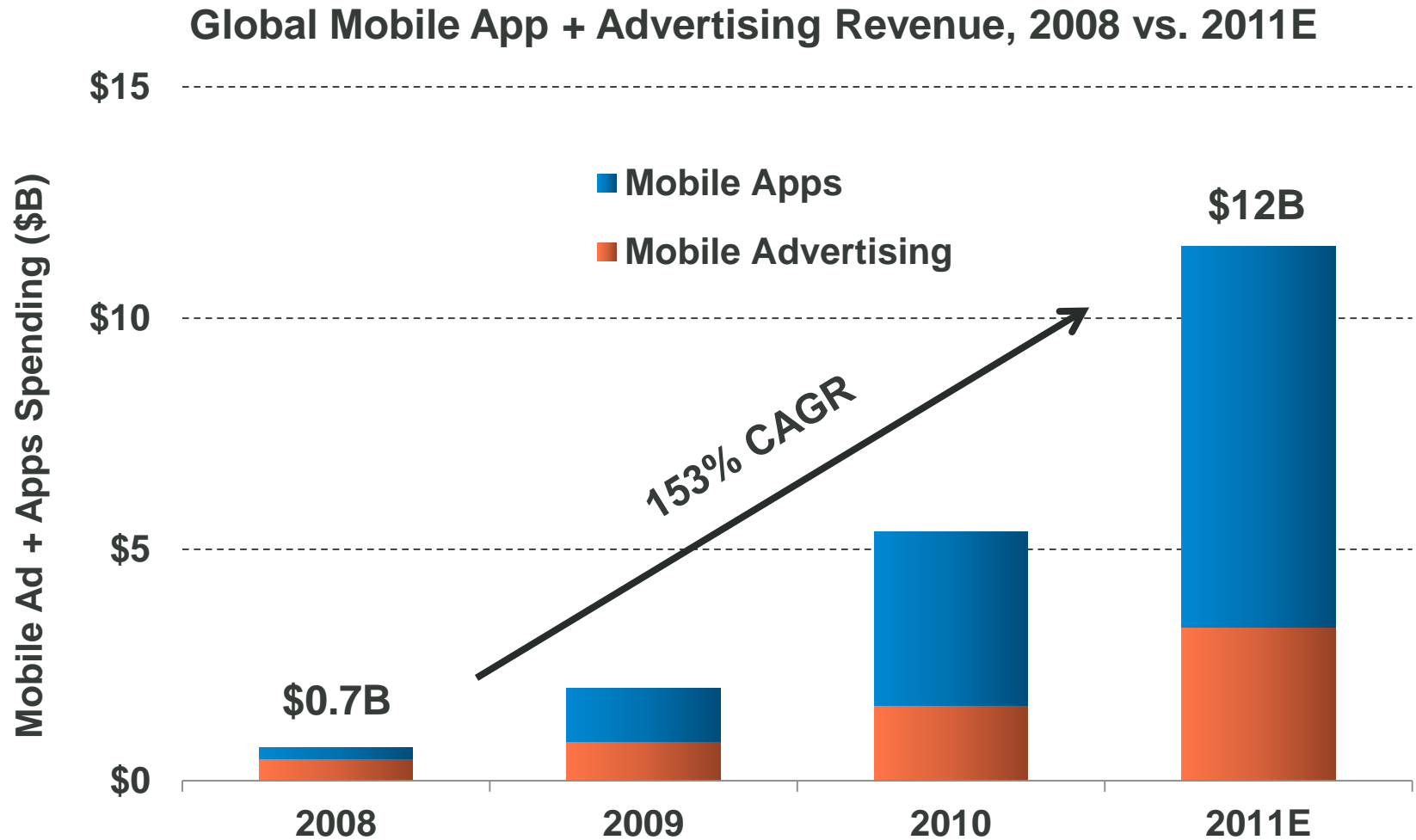


Good News = Mobile @ 8% of USA eCommerce & Helping Accelerate Growth

USA eCommerce Y/Y Growth vs. Mobile Commerce as % of Total eCommerce, Q1:10 – Q1:12

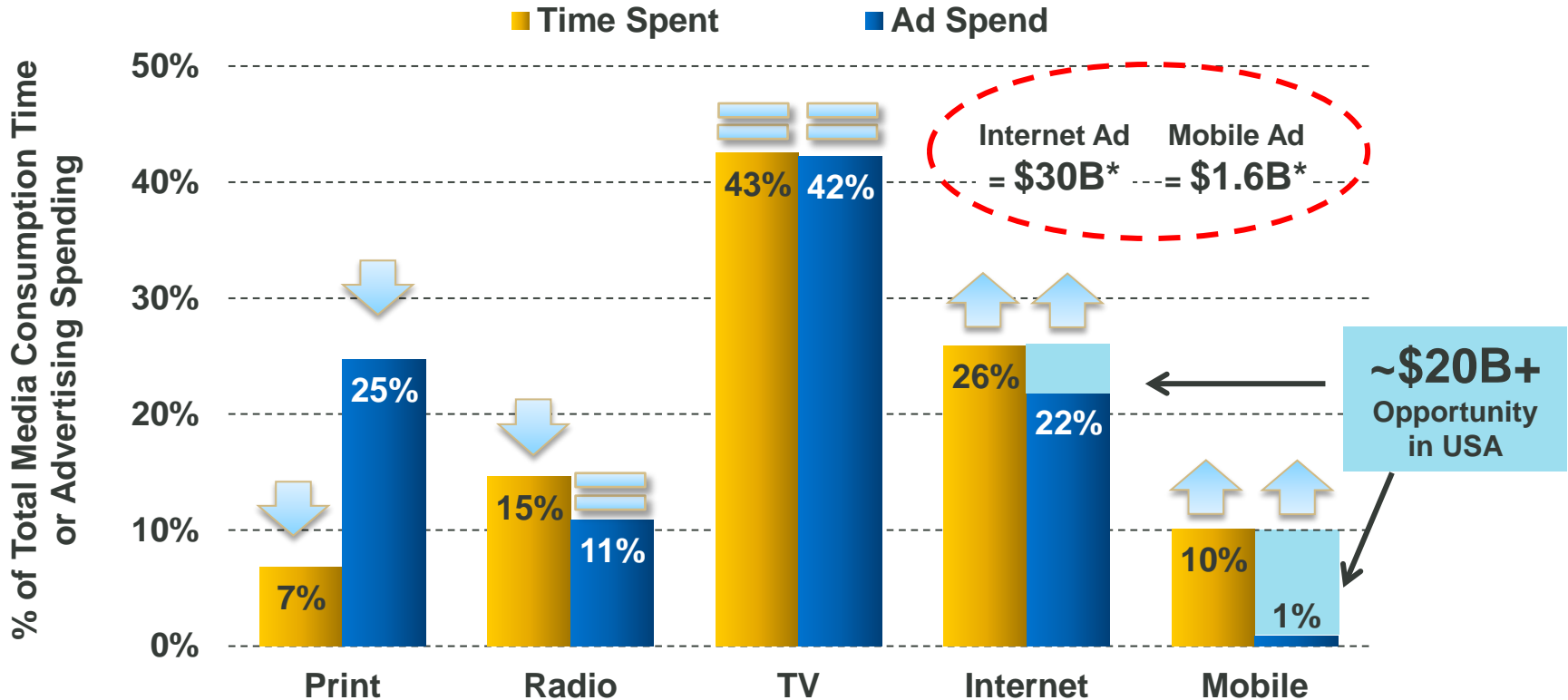


Good News = Mobile Monetization Growing Rapidly (71% Apps, 29% Ads)



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

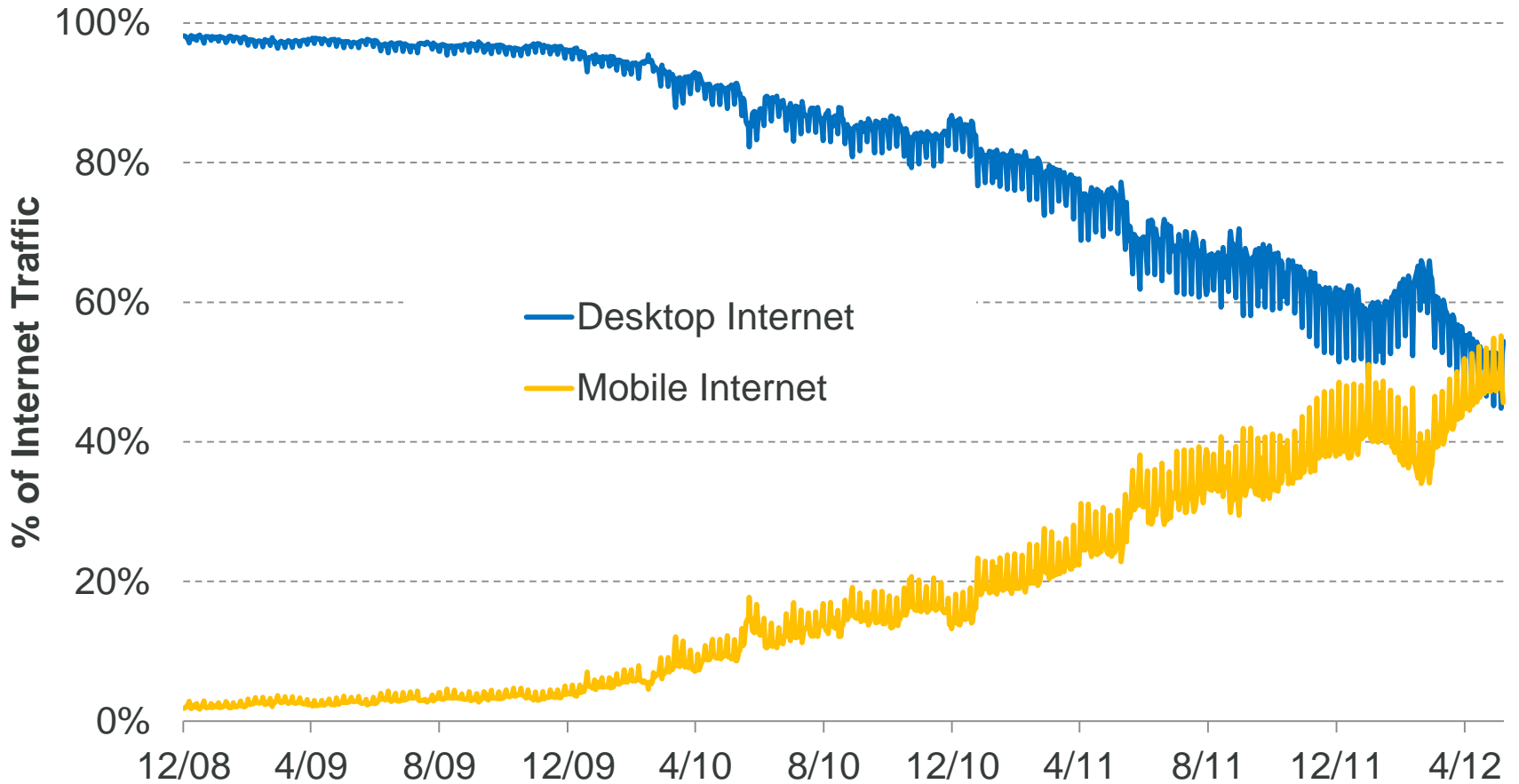
% of Time Spent in Media vs. % of Advertising Spending, USA 2011



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.

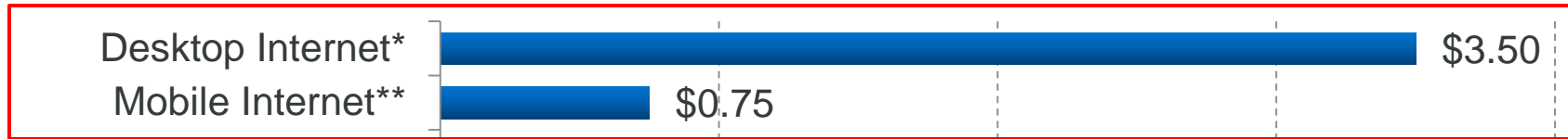
Good / Bad News – Rapidly Growing Mobile Internet Usage Surpassed More Highly Monetized Desktop Internet Usage in May, 2012, in India

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

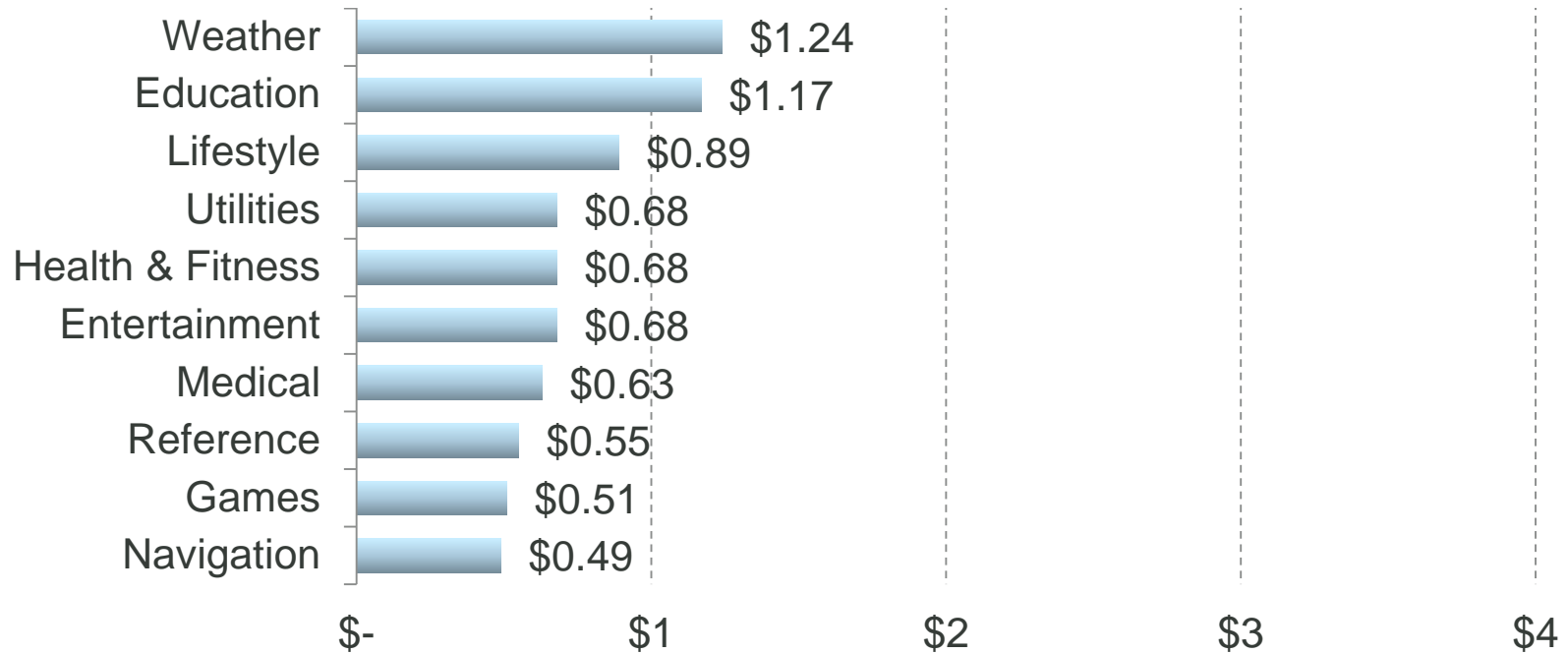


Bad News = eCPMs 5x Lower on Mobile than Desktop

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



Mobile eCPM by Category



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

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

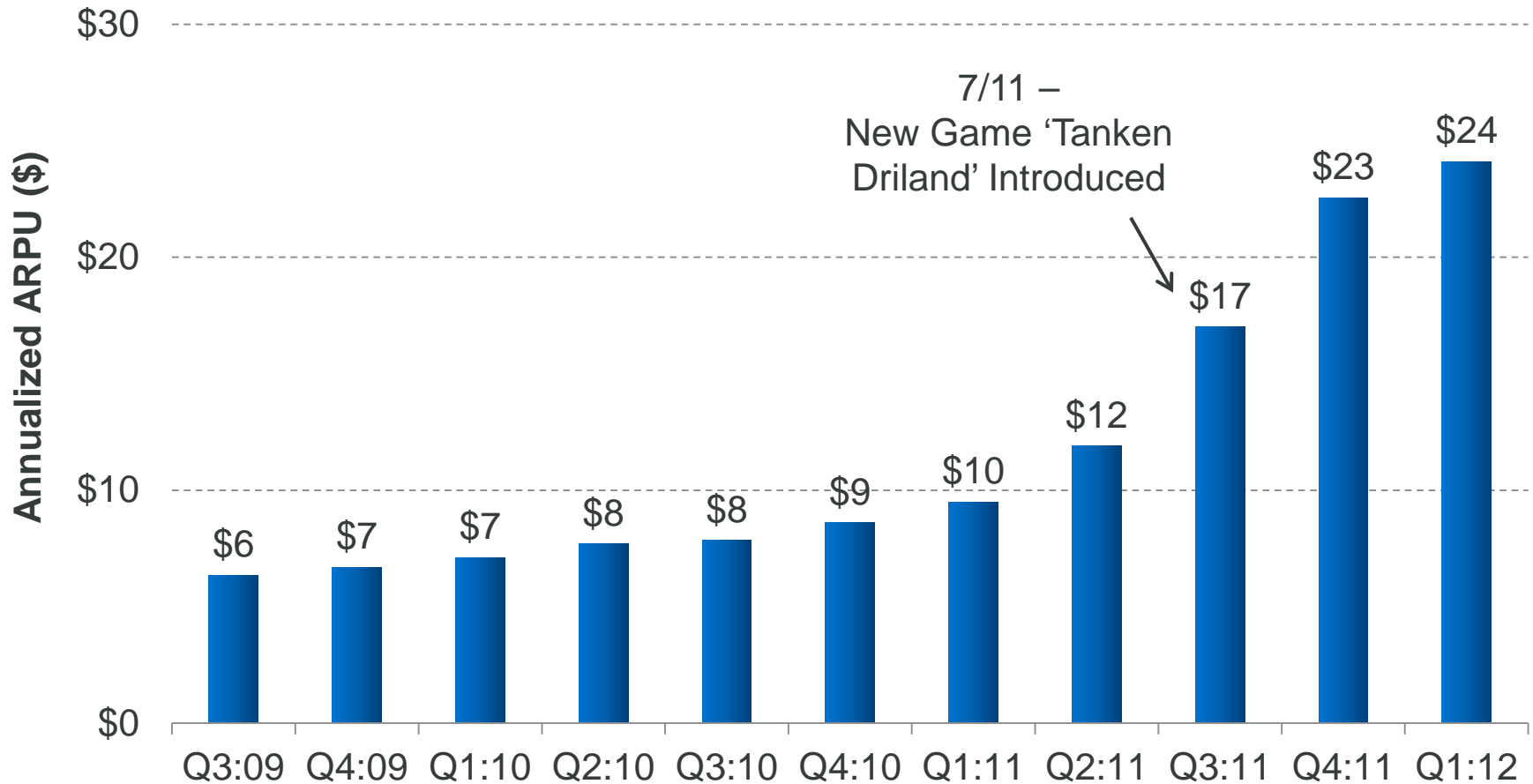
	Q1:11	Q2:11	Q3:11	Q4:11	Q1:12
Gross Advertising Revenue (\$MM)	\$8,306	\$8,716	\$9,335	\$10,174	\$10,225
<i>Y/Y Growth</i>	28%	33%	33%	25%	23%
Aggregate Paid Clicks (MM)	15,245	15,004	16,876	19,661	21,116
<i>Y/Y Growth</i>	17%	18%	28%	35%	39%
Cost per Click (CPC - \$)	\$0.54	\$0.58	\$0.55	\$0.52	\$0.48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

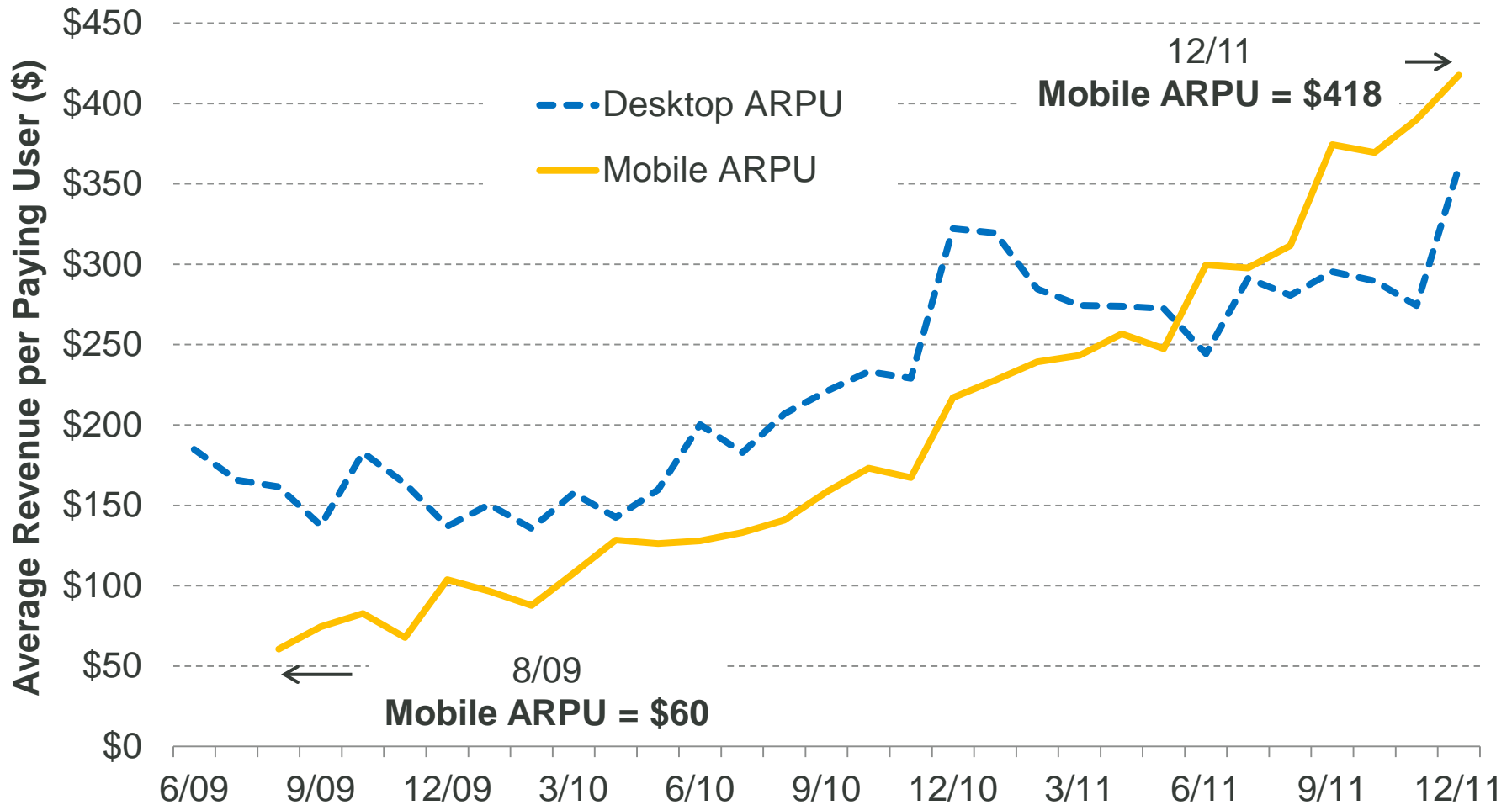
Good News = Mobile ARPU Can Rise Rapidly, as Evinced by Japan Mobile Game Maker GREE

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



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

CyberAgent Ameba Annualized ARPU* (Per Paying User), Desktop vs. Mobile, 6/09 – 12/11



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

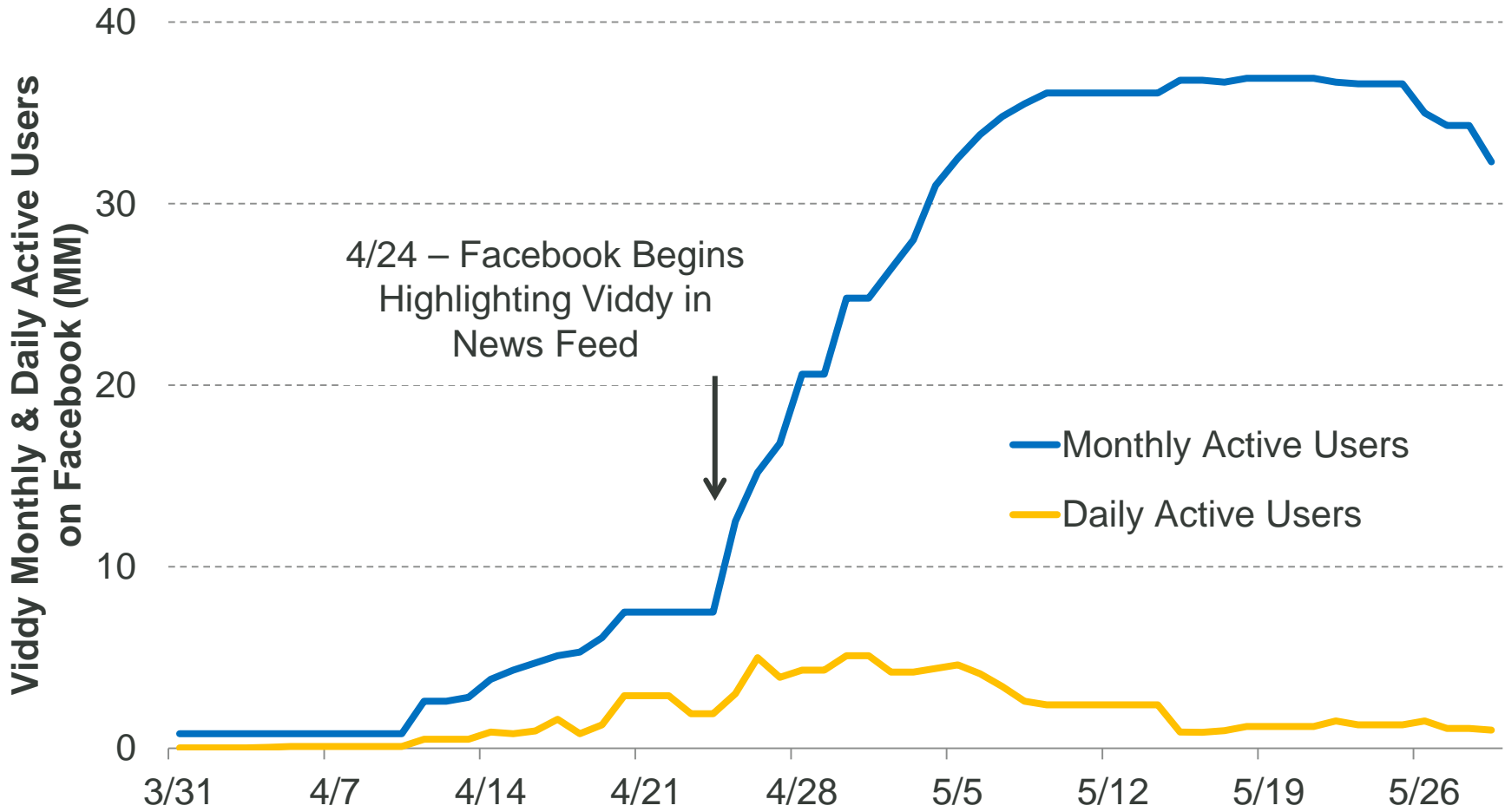
Mobile Monetization has More Going for It than Early Desktop Monetization Had:

- 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**

PLATFORM FIRE HOSES

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

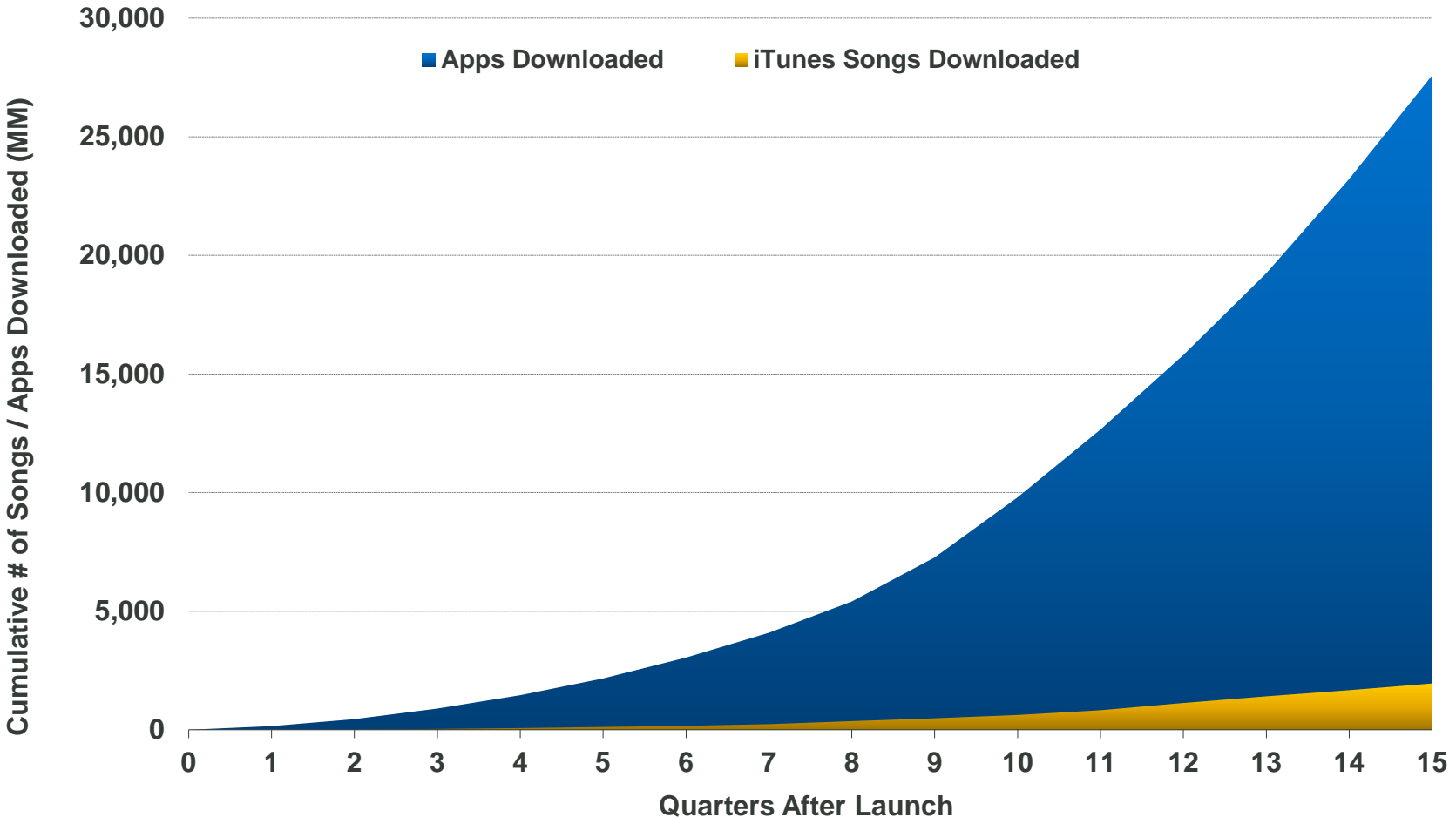
Viddy Monthly Active Users (MAU) and Daily Active Users (DAU) on Facebook Platform, 3/31/12 – 5/29/12



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

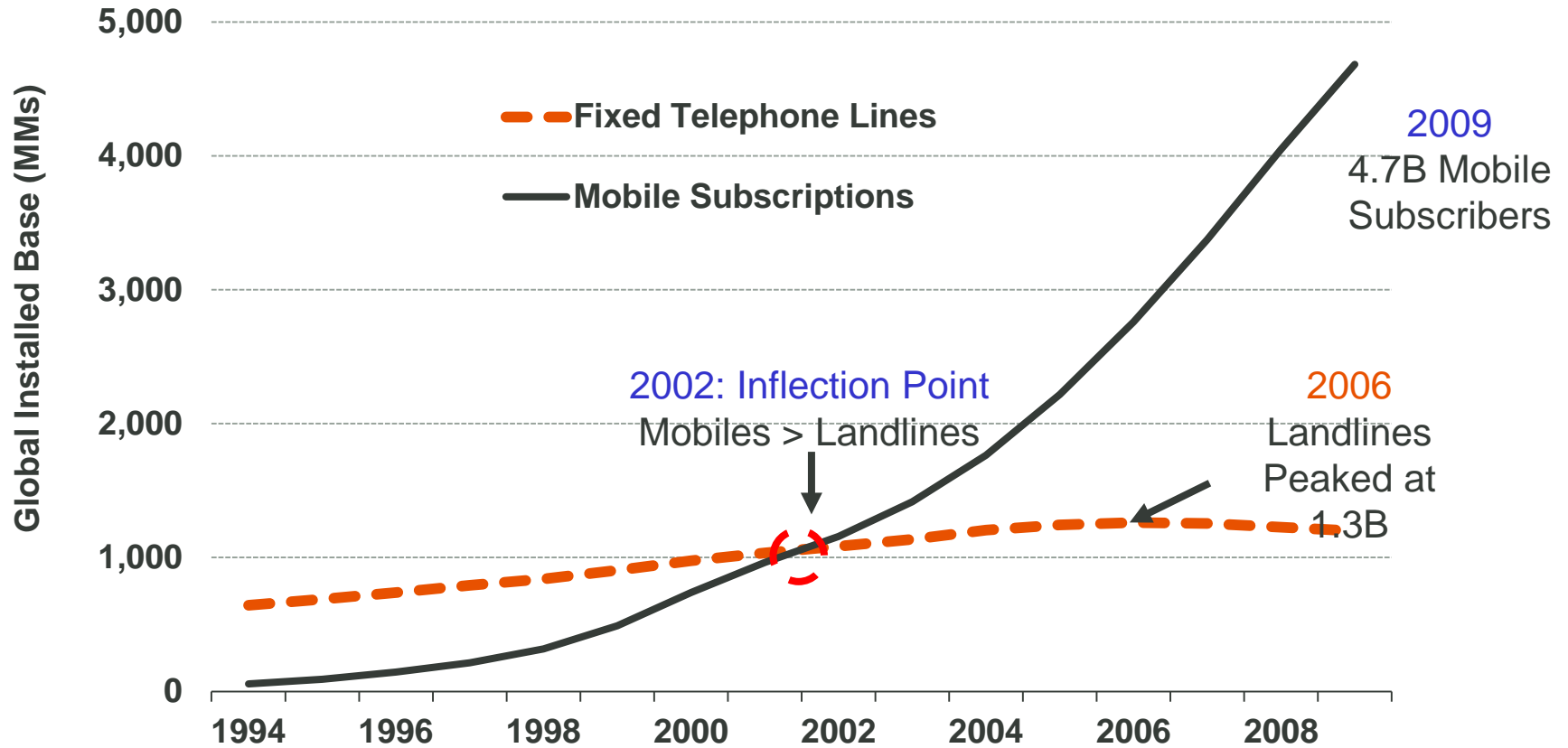


Note: * 46MM daily app downloads calculation based on days between Apple announced milestones (18B downloads as of 10/4/11 and 25B downloads as of 3/5/12). iTunes Music store launched in CQ2:03, App Store launched in CQ3:08. Source: KPCB estimates based on Apple data, as of CQ1:12.

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

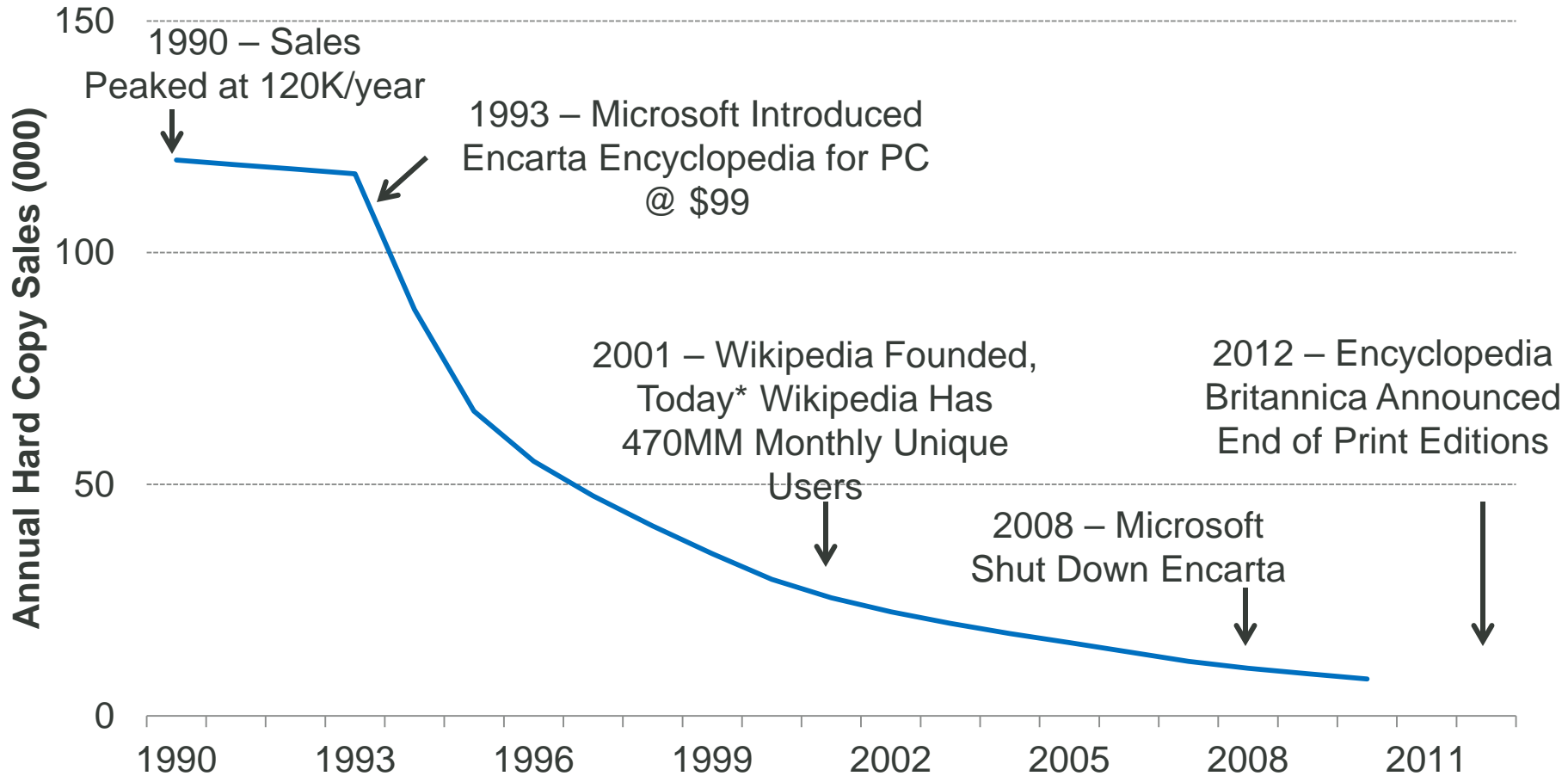
First Generation of Re-Imagination - After 125 Years, Landlines Were Surpassed by Mobiles in 2002

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



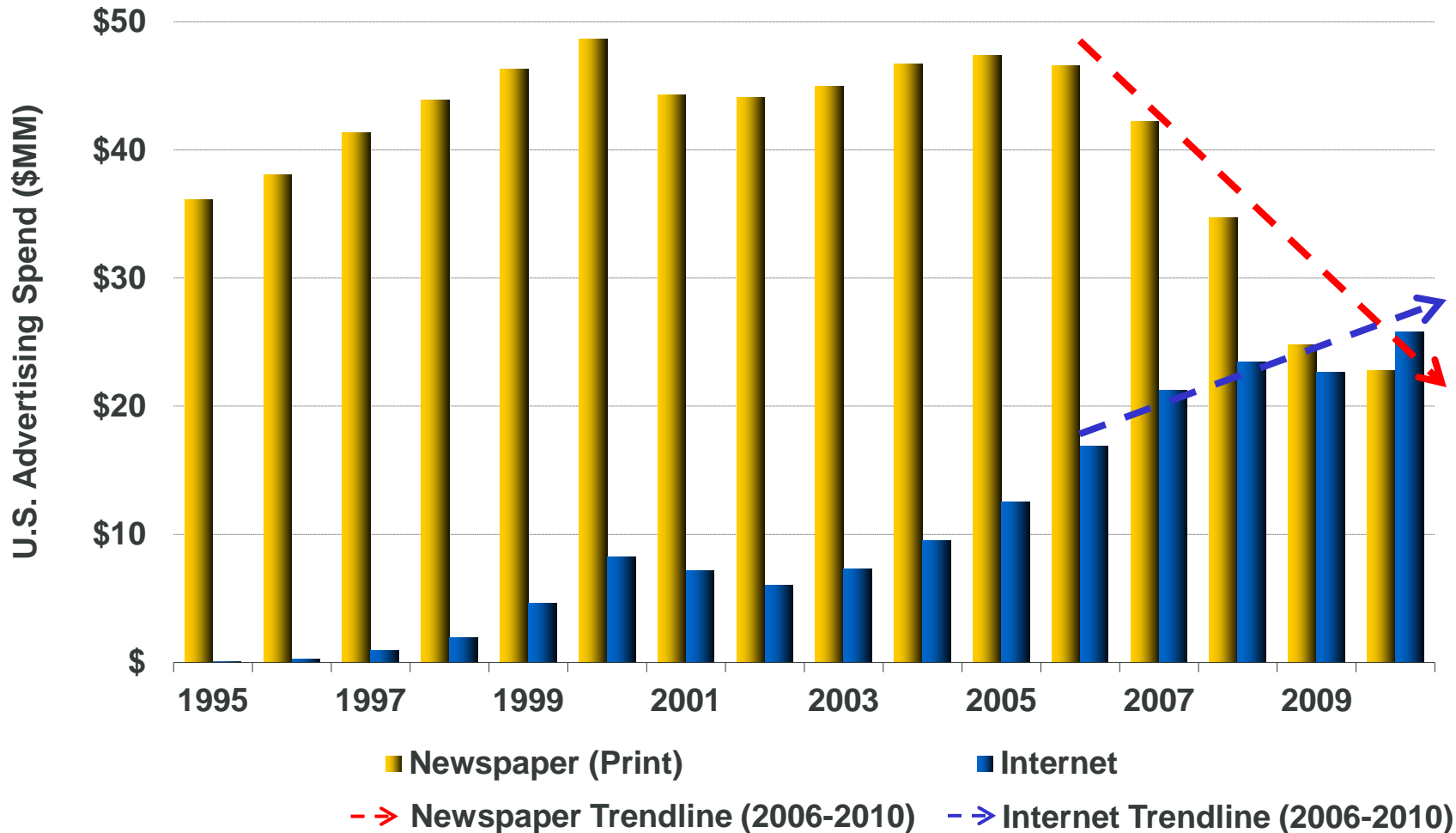
First Generation of Re-Imagination – After 244 Years, Encyclopedia Britannica is Going Out of Print in 2012

Encyclopedia Britannica Hard Copy Sales, 1990 – 2011



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...

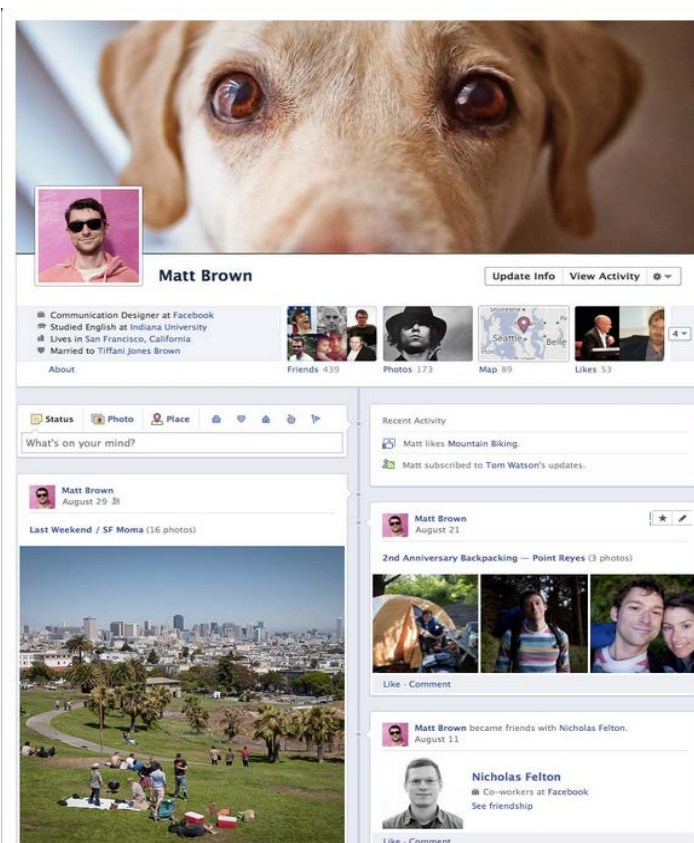
THEN...

Biographies / Item Exhibitions For Famous People or Loved Ones



NOW...

(Facebook Timeline)
Broad Personalized Media Discovery Feed /
Automatically Created / Widely Accessible



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



The screenshot shows a Twitter interface. At the top, the Twitter logo is on the left, and navigation links (Home, Profile, Find People, Settings, Help, Sign out) are on the right. The main content is a tweet from user 'jkrums' (Janis Krums) posted at 8:36 PM on Jan 15th, 2009. The tweet text reads: 'http://twitpic.com/135xa - There's a plane in the Hudson. I'm on the ferry going to pick up the people. Crazy.' Below the text are options to 'Reply' and 'Retweet'. The user's profile picture and name are visible. At the bottom of the tweet area, there is a copyright notice: '© 2010 Twitter About Us Contact Blog Status Goodies API Business Help Jobs Terms Privacy'. Below the tweet is a photo of the plane in the water, with a 'View full size' link. To the right of the photo are sharing options: 'Share this photo' and 'Put this photo on your website'. Below these are statistics: 'Views 107122' and 'Tags'. A small profile picture of the user is also visible.

Re-Imagination of Note Taking...

THEN...

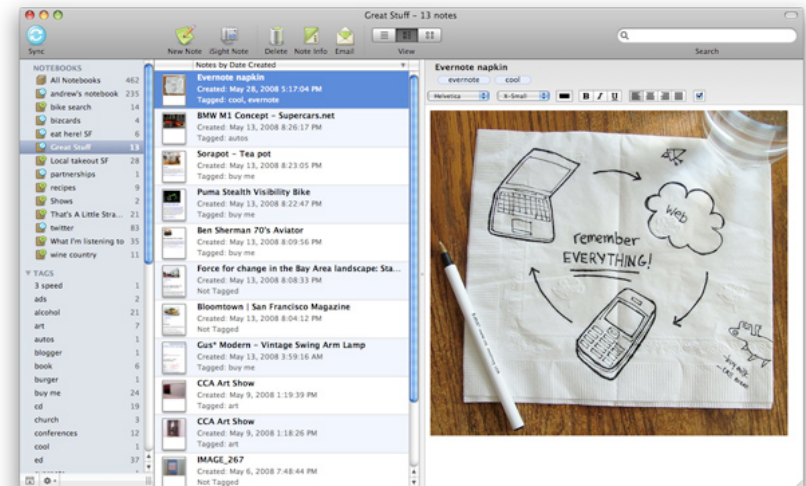
Pencil + Notepad



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...

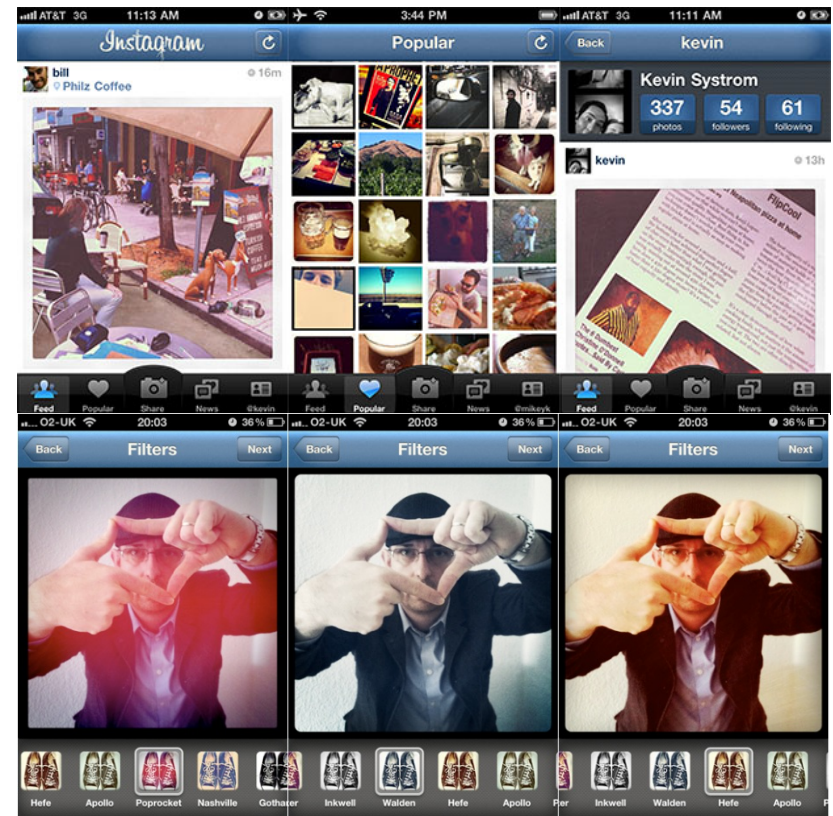
THEN...

Dedicated Camera / Manually
Transfer Digital Files / Develop Films



NOW...

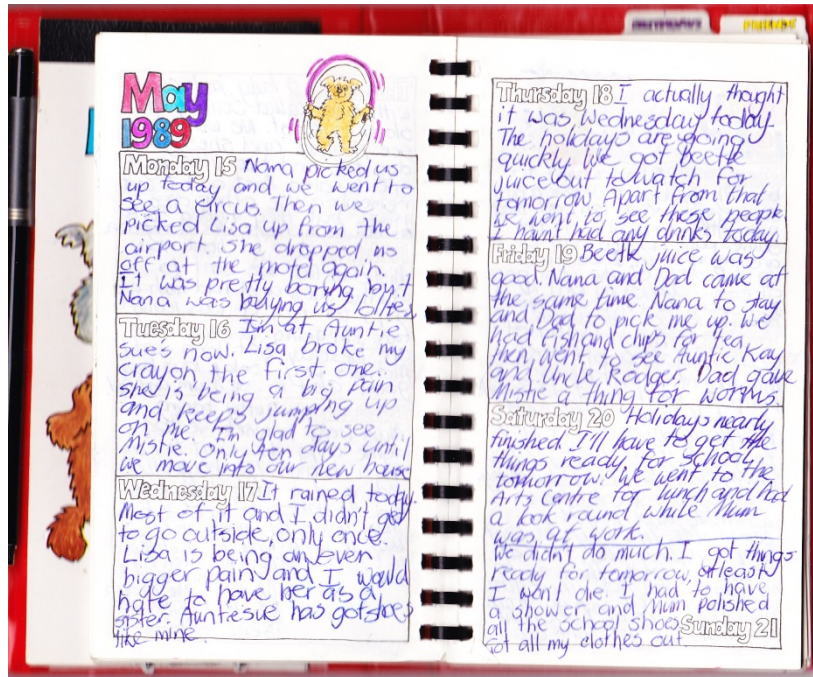
(Instagr.am / Camera+ / Hipstamatic...)
Always With You Camera (Smartphone) /
Instant Digital Effects / Share / Sync / Discover



Re-Imagination of Diaries...

THEN...

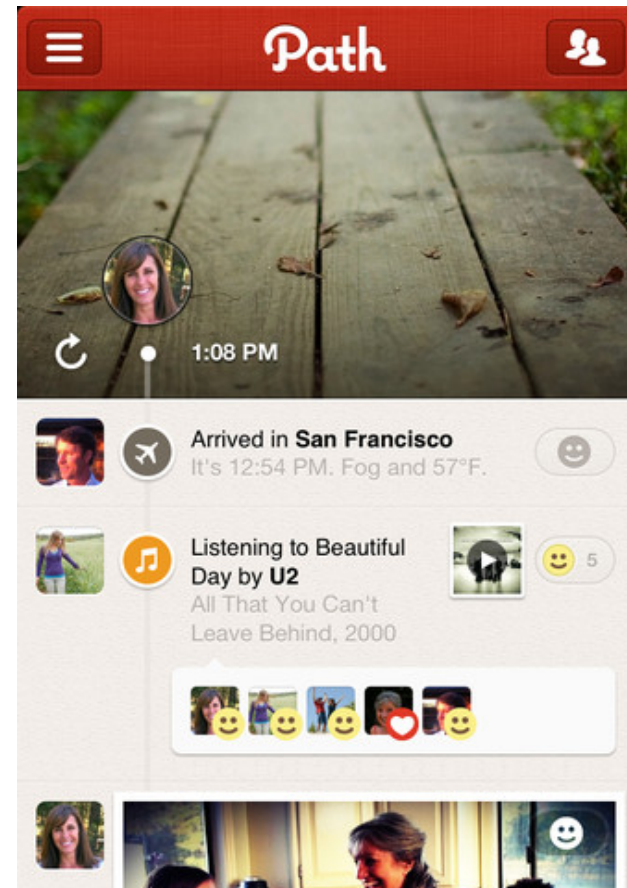
Hand-Written / Drawn



NOW...

(Path)

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



Re-Imagination of Scrapbooking / Aspiration...

THEN...

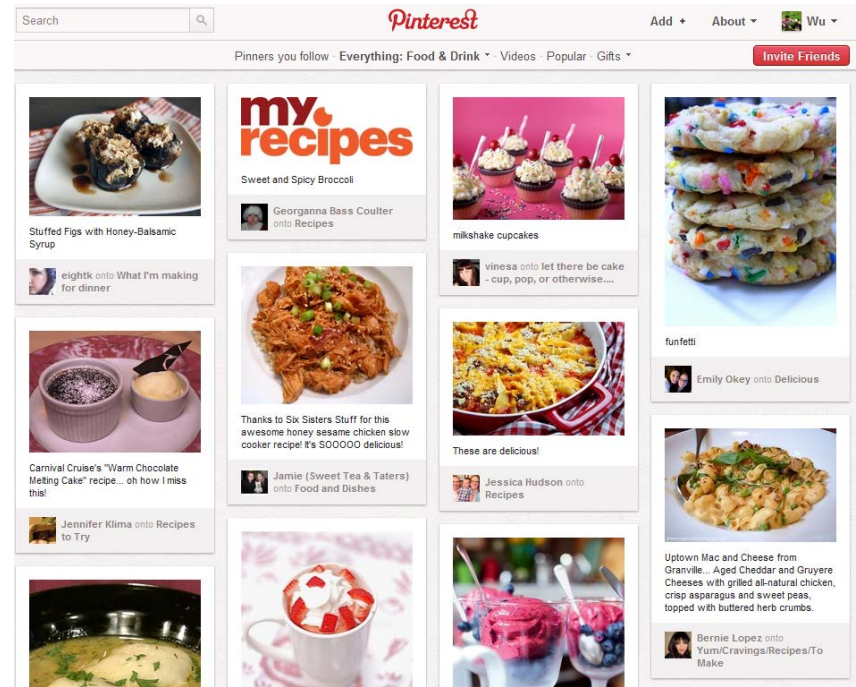
Paper / Scissors / Glue



NOW...

(Pinterest)

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



Re-Imagination of Magazines...

THEN...

Piles of Print Copies



NOW...

(Flipboard)

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

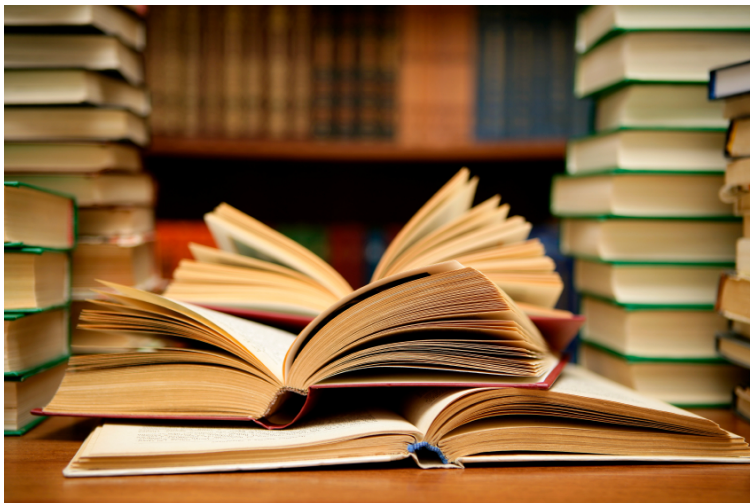


Your new  Flipboard

Instagram. Social search. Speed.

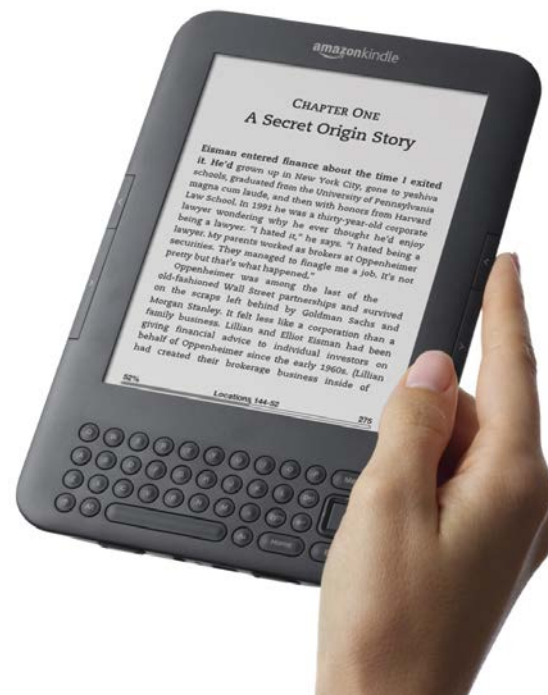
Re-Imagination of Books...

THEN...



NOW...

(Amazon Kindle / Apple iBooks)



Re-Imagination of Music...

THEN...

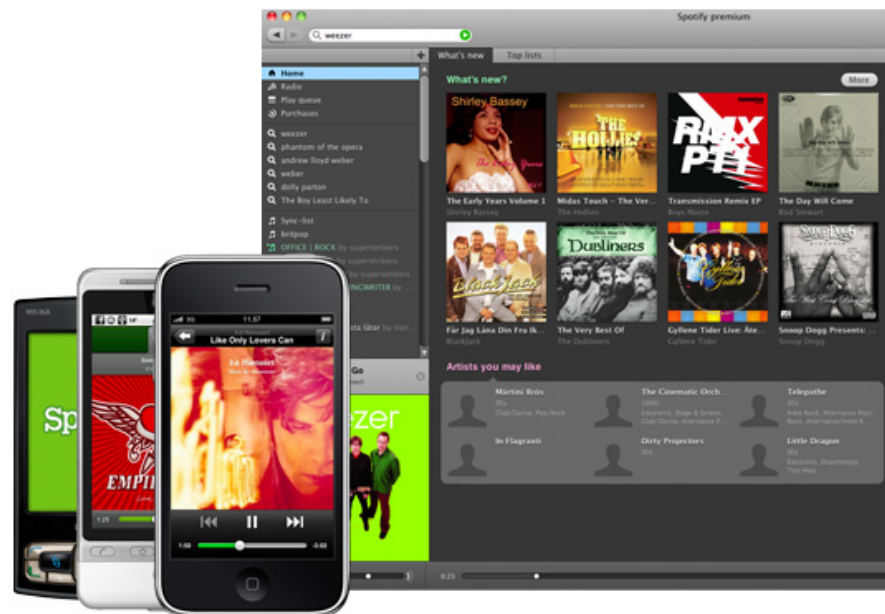
Buy Albums + CDs in Stores /
Playback via Dedicated Players



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...

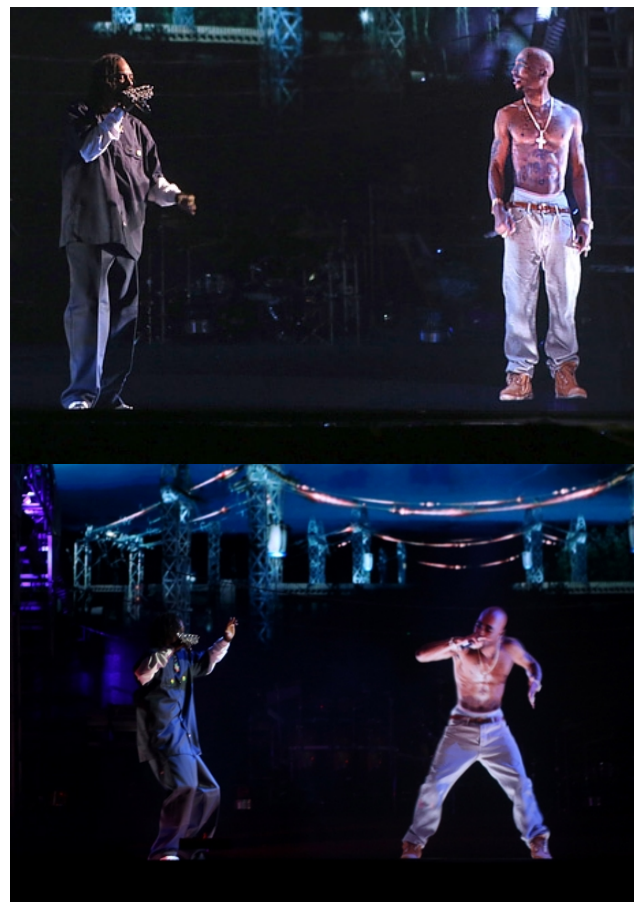
THEN...

Big Screen Tributes



NOW...

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



Re-Imagination of Video...

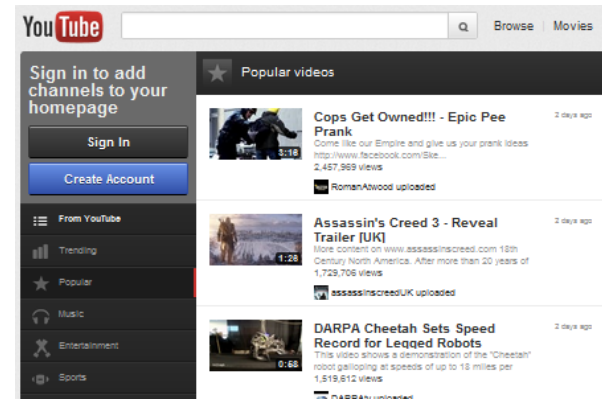
THEN...

Physical Retail / Rental Stores



NOW...

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



Re-Imagination of Video Creation / Production...

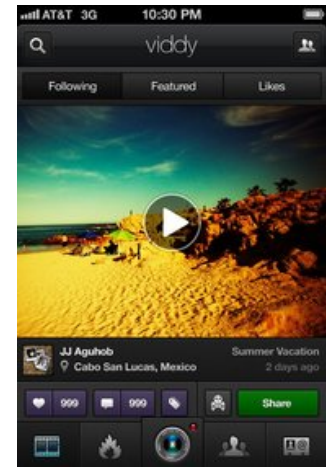
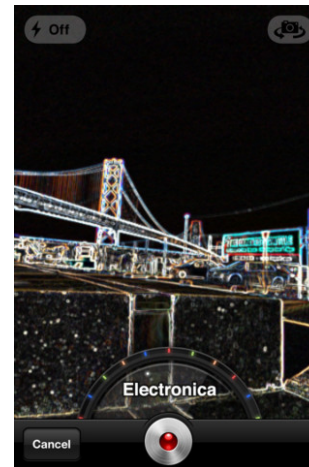
THEN...

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)

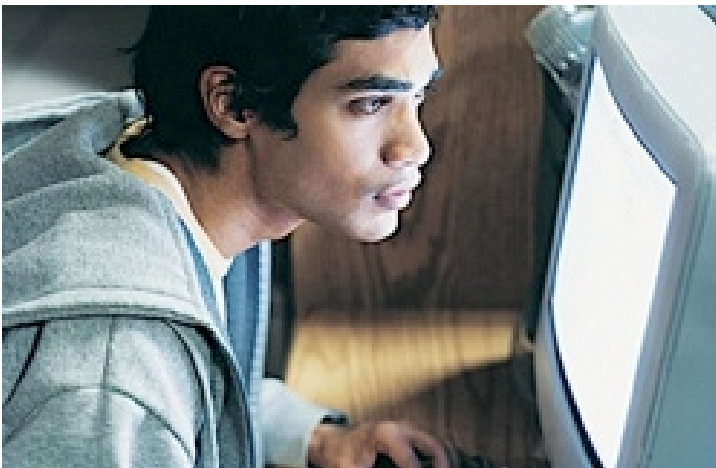
With 300K Subscribers + Lower Production Costs,
GB Making Materially More Money

A screenshot of the GBTV website homepage. The top navigation bar includes 'SHOWS', 'SCHEDULE', 'VIDEO', 'BLOG', 'ABOUT', and 'HOW TO'. A search bar is present with the text 'Search GBTV video'. The main content area features a 'WELCOME TO GBTV' banner with a video player showing Glenn Beck. Below the banner are two red buttons for subscription offers: 'GBTV PLUS MONTHLY \$9.95/MONTH' and 'GBTV PLUS ANNUAL \$99.95/YEAR', both with a 'Start your 14 day free trial now!' subtext. The text 'or' is centered between the buttons. At the bottom, it says '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...

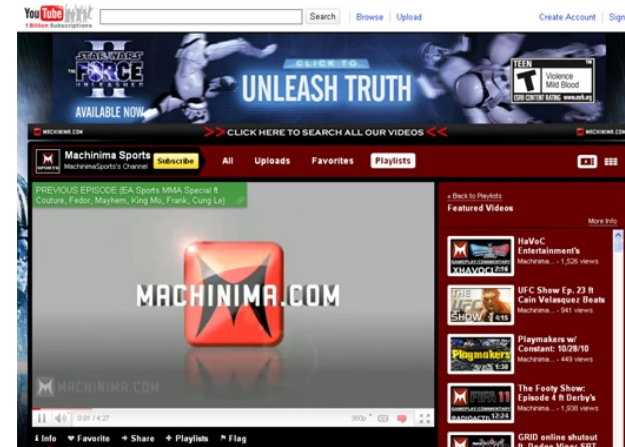
THEN...

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...

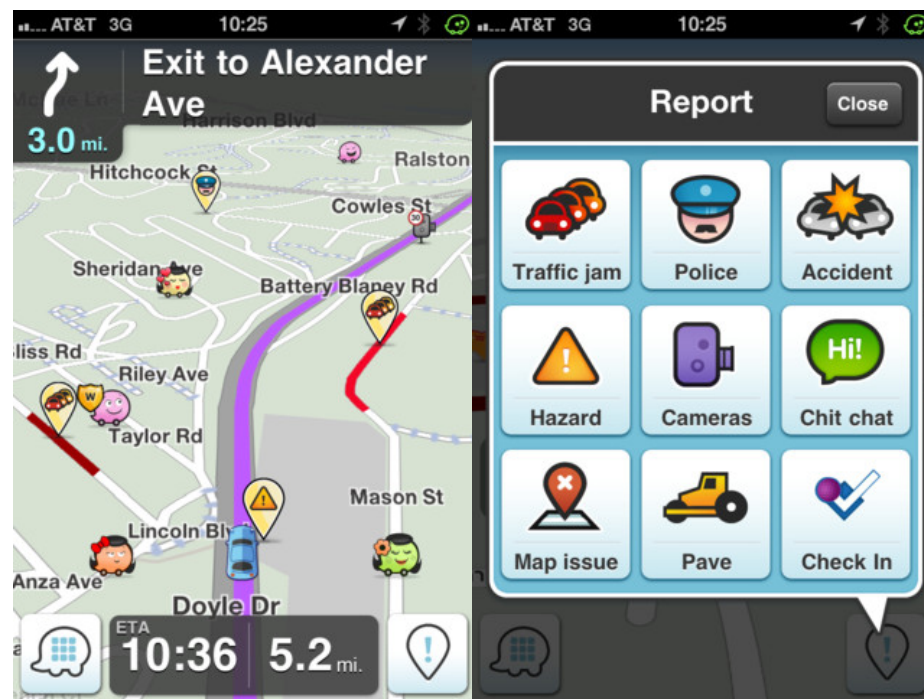
Physical Copies of Map in Car /
TV, Radio Reporting of Traffic Info



NOW...

(Waze)

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



Re-Imagination of Sports Info...

THEN...

Professional Commentators / Reporters / Limited Coverage & Reach

THE MINNESOTA DAILY **SPORTS** MONDAY Mar 1, 2014

BASEBALL
U wins 3 of 4 from Boilermakers

BASEBALL
Gophers take 5th at Big Ten meet

BASEBALL
Split decision: U sees both sides

NOW...

(Bleacher Report)

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

bleacher report

Home Trending NCAA Tournament Tiger Woods Joba Chamberlain NFL Free Agency

Jeep
THE 2012 JEEP COMPASS
ARE YOU READY TO CHART YOUR OWN PATH

Latest Title Odds for Each Elite 8 Team
By Donald Wood

Tebow Starts Early

March Madness

Power Ranking the Elite 8 Teams

THE LINEUP

1 Dunk of the Tournament

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

Re-Imagination of Home Improvement...

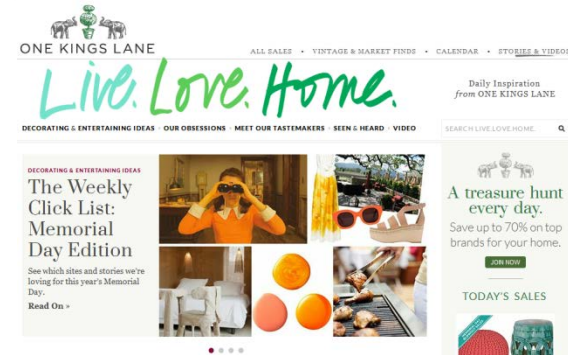
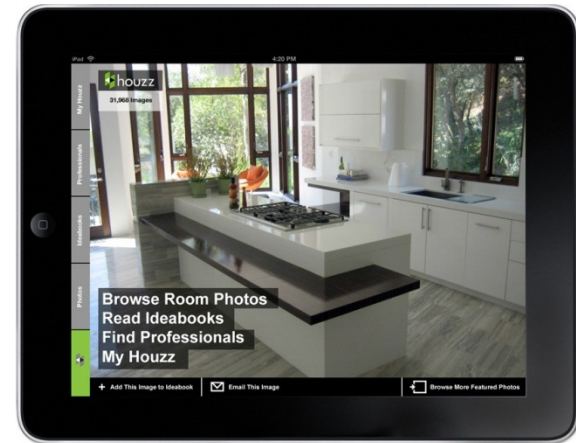
THEN...

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 Break /
Solar Panel Roof / Little-to-Zero Emission



Re-Imagination of Yellow Pages...

THEN...

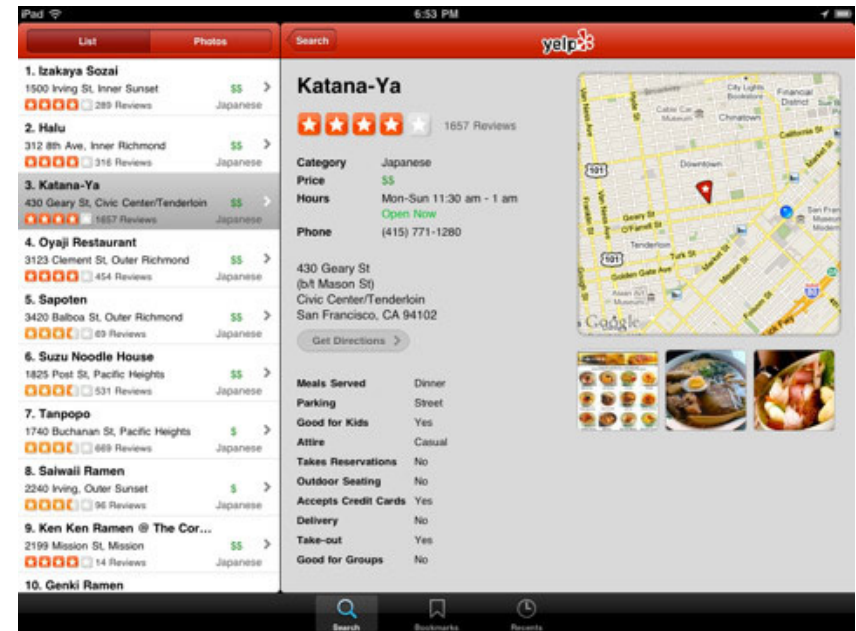
Big Heavy Printed Business Listings / No Reviews / No Easy Search Feature



NOW...

(Yelp...)

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



Re-Imagination of Coupons + Local Services...

THEN...

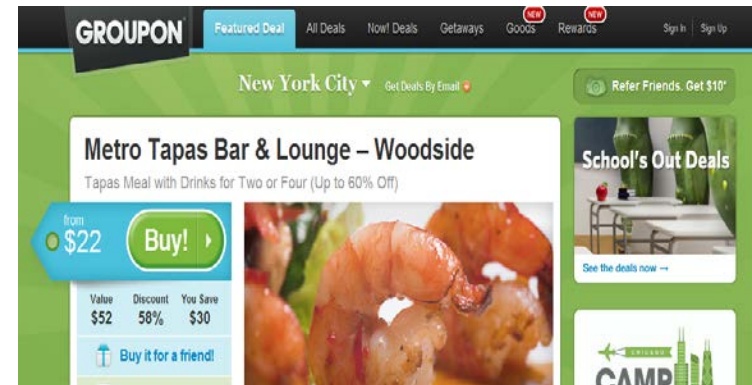
Non-Personalized / Smaller Discounts /
Easily Lost or Forgotten



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>

Follow

11,277 TWEETS
1,895 FOLLOWING
98,674 FOLLOWERS

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/21'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...



NOW...

(One Kings Lane / Fab)
Click & Buy

ONE KINGS LANE

Welcome Jason! (Log Out) | [Invite Friends, Get \\$25](#) | [My Account](#) | [Shopping Cart \(0\)](#)

ALL SALES | UPCOMING SALES | *Get Inspired*

The Foyer
SALE STARTS in 2 Days, 12 Hours | [remind me](#) | Share this sale, Earn \$25 when friends buy

FIVE ROOMS IN FIVE DAYS
The Foyer
Your foyer is the first impression of your home. You need it to set the stage. Read on to learn how the right pieces and some simple style tweaks can create a welcome update to your entryway.
Want an elegant greeting? A classic demilune table flanked by romantic sconces and paired with a stately gilded mirror conveys a sophisticated, traditional elegance, yet extends a warm welcome to all who enter.

SHOP NOW! MOVE YOUR CURSOR OVER ANY DOT TO PURCHASE THE ITEMS YOU LOVE IMMEDIATELY.

Fab. | [Feed](#) | [Calendar](#) | [Inspiration](#) | [Invite](#) | [Smile](#) | [Search](#) | [wuliang](#)

Art | Furniture & Lighting | Gifts & Gadgets | Home | Kids | Kitchen & Pantry | Men's | Pets | Women's | [9 people favorited Moon Rocks V-neck Black](#)

Sale Ends in 6 days and 14 hours | Share this sale and earn cash

New! Shop With Your Facebook Friends | [Learn more](#) | [Try it Out!](#)

Amitrani
Contemporary Home Furnishings
Amitrani's stylish and practical chairs, storage units and home accents are crafted in new and unusual shapes that satisfy both rational and emotional needs. Sourced from sustainably managed forests, each piece **balances visual impact and function** with environmental responsibility.

Roberto and Stefano Truzzolillo

"Amitrani products combine great Italian handcraft quality and new manufacturing technologies. We try to shape wood in new and unusual ways that almost gives it a sculptural character."

— Roberto and Stefano Truzzolillo, Co-Founders and Designers

Re-Imagination of Marketplaces...

THEN...

Tent + Pickup Truck @
Street Fairs



NOW...

(Etsy)

Integrated Platform For Listings / Advertising /
Payment / Inventory Management

Buy Sell Community Blogs Mobile Help

Etsy Register Sign In Handmade Search Cart

Discover

- Fashion
- Home & Garden
- Kids
- Spring Celebrations

Categories

- Accessories
- Art
- Bags and Purses
- Bath and Beauty
- Books and Zines
- Candles
- Ceramics and Pottery
- Children
- Clothing
- Crochet
- Dolls and Miniatures
- Everything Else
- Furniture
- Geekery
- Glass
- Holidays
- Housewares
- Jewelry
- Knitting
- Music
- Needlecraft
- Paper Goods
- Patterns

Handpicked Items See more

Picked by dualchocolate

hand knit cardigan CROPPE... ovejanegra \$145.00 USD	Tangerine Cube Ring dikua \$30.00 USD	Corrugated Cover Booklet (4... Ciaffi \$7.00 USD	Neon Orange Tribal Chevron... DrCraze \$56.00 USD
NEON COLLECTION Vegan... INIZIALE \$106.40 USD	Little prism Earrings-sterling... mujoyas \$18.00 USD	Ray of light - short beaded n... LAccentNou \$75.00 USD	Customized wedding gift for ... CestSuperbe \$49.95 USD
Orange Resin Earrings - in ... QuercusSilver \$49.00 USD	Hand Dyed Fabric Journal C... RubyMounta... \$24.95 USD	Orange Hearts - Hand Embr... deepindigo \$6.73 USD	Coloring Book Worms, Orig... EndlessDra... \$184.00 USD

Re-Imagination of Manufacturing...

THEN...

Mass Production of High-Volume
Standardized Items



NOW...

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



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

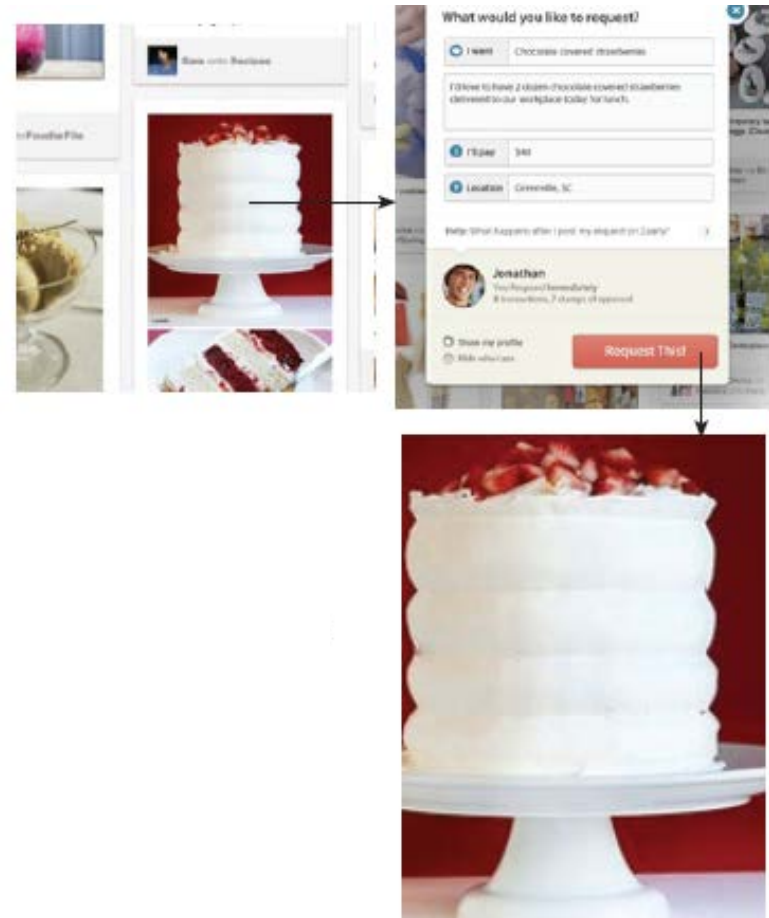
THEN...

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 great projects Start your project

The HuMn Wallet - the best minimal RFID blocking wallet
A Design project in Portland, OR by Scott Husa · send message

PROJECT HOME | UPDATES 3 | BACKERS 1973 | COMMENTS 445

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 existino 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

Investment	Rate	Term	FICO	Amount	Title / Purpose	% Funded	Amount / Time Left
\$0	A 1 6.03%	36	750-779	\$10,000	credit card payoff Credit Card Refinancing	99%	\$25 6 days
\$0	A 2 6.62%	36	780+	\$8,000	Moving Loan Credit Card Refinancing	96%	\$250 5 days
\$0	A 2 6.62%	36	750-779	\$6,600	Assisted Living Business Small Business	96%	\$200 6 days
\$0	A 1 7.62%	36	714-749	\$5,000	Major Purchase Major Purchase	86%	\$700 5 days
\$0	B 3 12.12%	36	679-713	\$12,800	My New Loan Debt Consolidation	93%	\$875 6 days
\$0	A 4 7.9%	36	679-713	\$3,600	CENTRAL AC Home Improvement	82%	\$625 7 days
\$0	B 3 13.11%	36	679-713	\$10,000	Home Improvement Home Improvement	92%	\$650 7 days

Re-Imagination of Business Collaboration...

THEN...

Meetings / Whiteboards /
Teleconferences



NOW...

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

Two screenshots of online collaboration tools. The top screenshot shows the Jive interface with a search bar, a post input field, and a feed of updates. The bottom screenshot shows the Salesforce.com interface for a 'NetSmart Competitive Group', featuring a group photo, a feed of updates, and a list of members.

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

Home Company Groups LinkedIn User Groups '09 Grads Kellogg San Francisco Bay Area See all Profile Edit My Profile View My Profile Recommendations Contacts Connections Imported Contacts Network Statistics Inbox (61) Compose Message Received (61) Sent Archived Applications Reading List by Amazon Events Company Buzz Box.net Files Add Connections

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

SIJ 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 Flag profile photo as...

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 SurvivabilIT-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
↓
2 Mark Presnell

Re-Imagination of Focus Groups...

THEN...

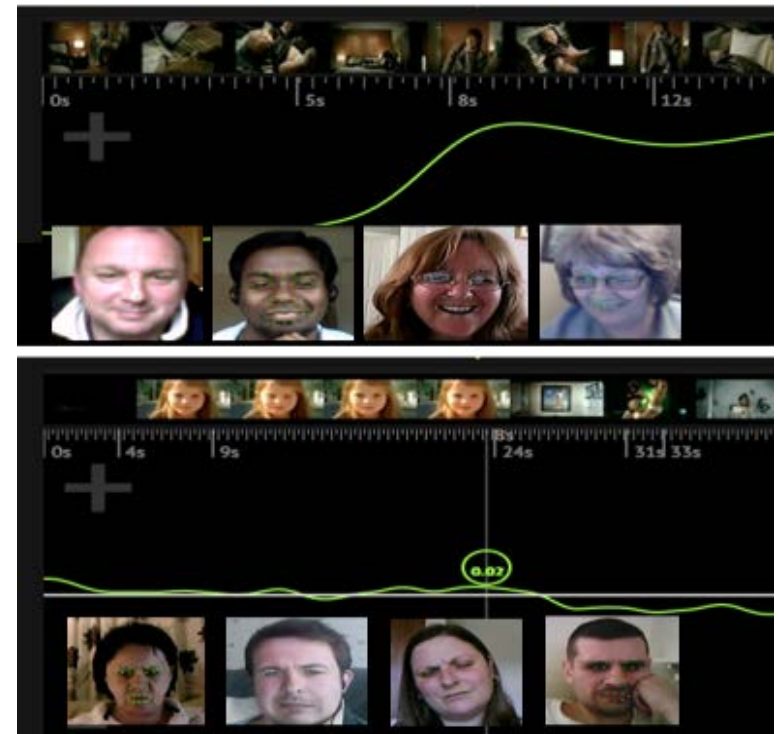
Fixed Time / Location / Small Group /
No Real-Time Feedback



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

2FEF11E53C5944F... 

John Hancock
Buyer's Signature _____ Date _____
DocuSigned By: John Hancock

Buyer's Signature _____ Date _____
1234 1st Avenue
Buyer's Address _____

Adopt Your Signature

Your Full Name: Your Initials:

Draw your signature Try Again

Joe

Draw your initials Try Again

or Select your Signature Style

By clicking the button below, I agree that the signature and initials I have selected above will

Re-Imagination of Healthcare Access...

THEN...

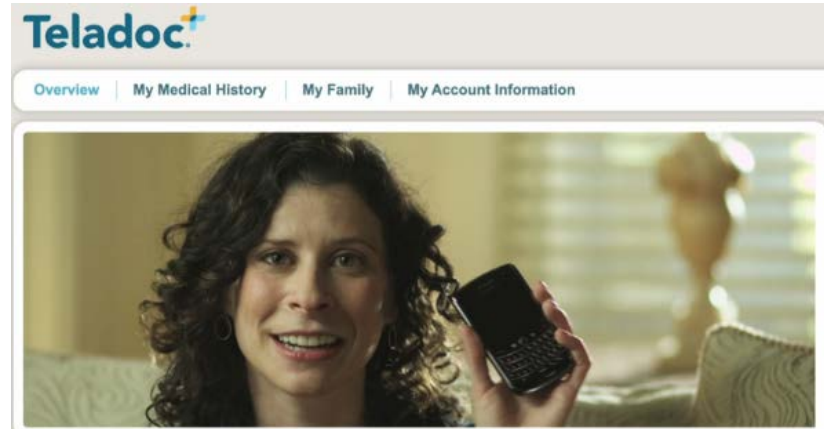
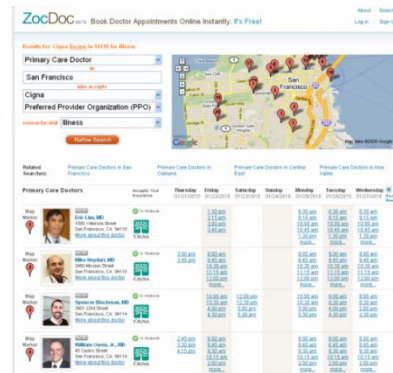
Call to Make Appointments / Days or Weeks to See Doctors



NOW...

(ZocDoc / Teladoc)

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



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

Codecademy

Courses Creators Jobs Sign In Create 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!

Track and Share Your Progress

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

Beginner **Getting Started** 37% complete 3 of 8 lessons finished

Time to become a coding ninja.

Getting to Know You, Part 1 **Completed**

See what you can do with programming!

Confirm on Demo **Completed**

Alerting users and more.

Letters of Strings **In progress**

Learning what separates text from numbers and more

Editor and Avenir **Not started**

The console is not the only game in town.

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>

A screenshot of the Klout Perks interface for the Zynga game RewardVille. The interface features a 'Back' button and the Foursquare logo. Below these are eight achievement icons: Newbie (blue trophy), Adventurer (gold trophy with '10'), Explorer (blue trophy with '25'), Superstar (gold trophy with '50'), Bender (gold calendar), Crunked (blue smiley face), Local (red flag), and Super User (green calendar with '30'). The main content area shows three steps: 1. Play Zynga Games (with a cartoon character), 2. Earn zCoins (with a pile of gold coins), and 3. Get Sweet Game Items (with a treasure chest and a car). The Zynga RewardVille logo is at the top of the game interface.

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...

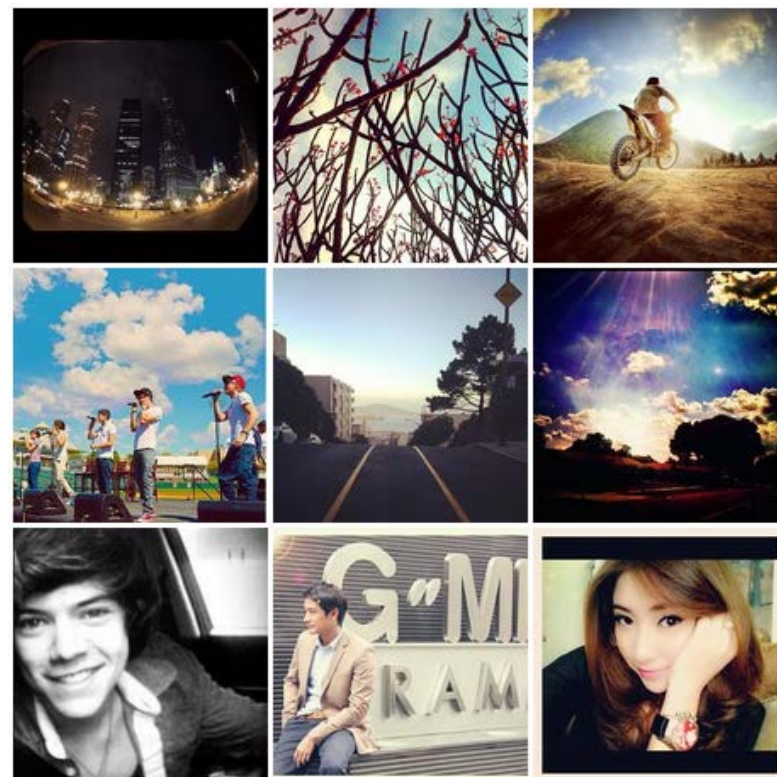
THEN...

Caveman Drawings...



NOW...

Instagr.am...



Re-imagination of Crime Awareness...

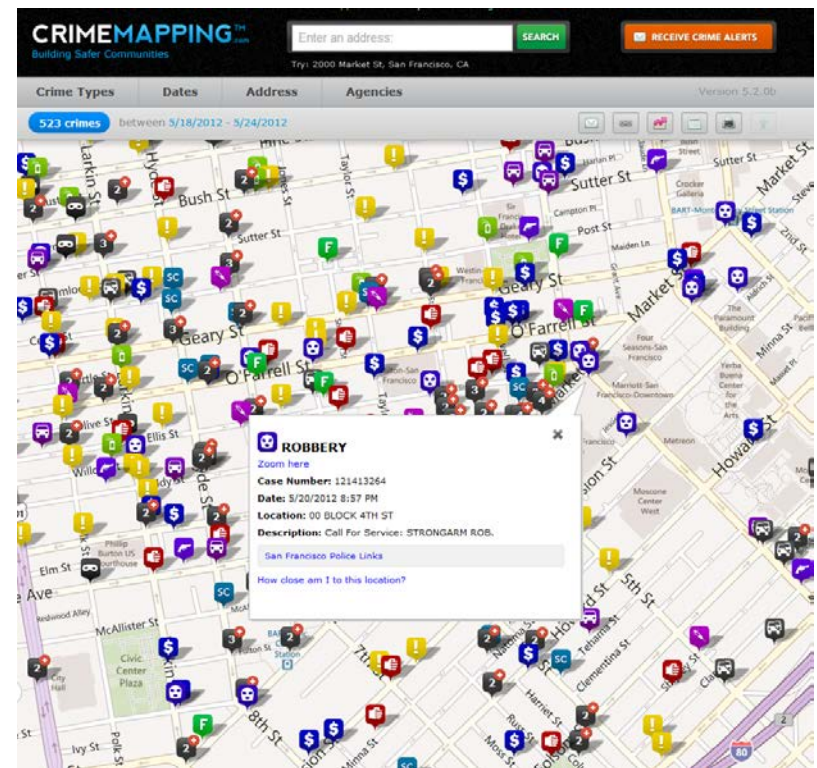
THEN...

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



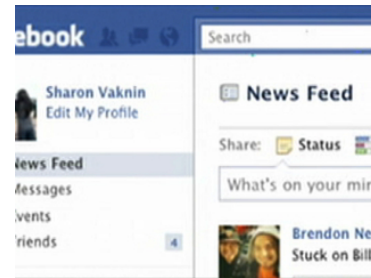
Re-Imagination of Feeds... ;)

THEN...



NOW...

(Facebook News Feed / Ticker /
Twitter Feed)



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*

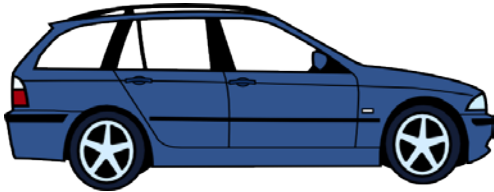
	2012 Market Cap (\$B)	2011 Revenue (\$B)	2011 EBITDA (\$B)	Top Companies by Mkt Cap
Financials	\$6,855	\$4,647	\$1,035	ICBC, China Construction Bank, Wells Fargo
Consumer Staples	4,386	3,972	543	Wal-Mart, Nestle, P&G, Coca-Cola
Information Technology	3,966	2,298	422	Apple, Microsoft, IBM, Google, Samsung
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

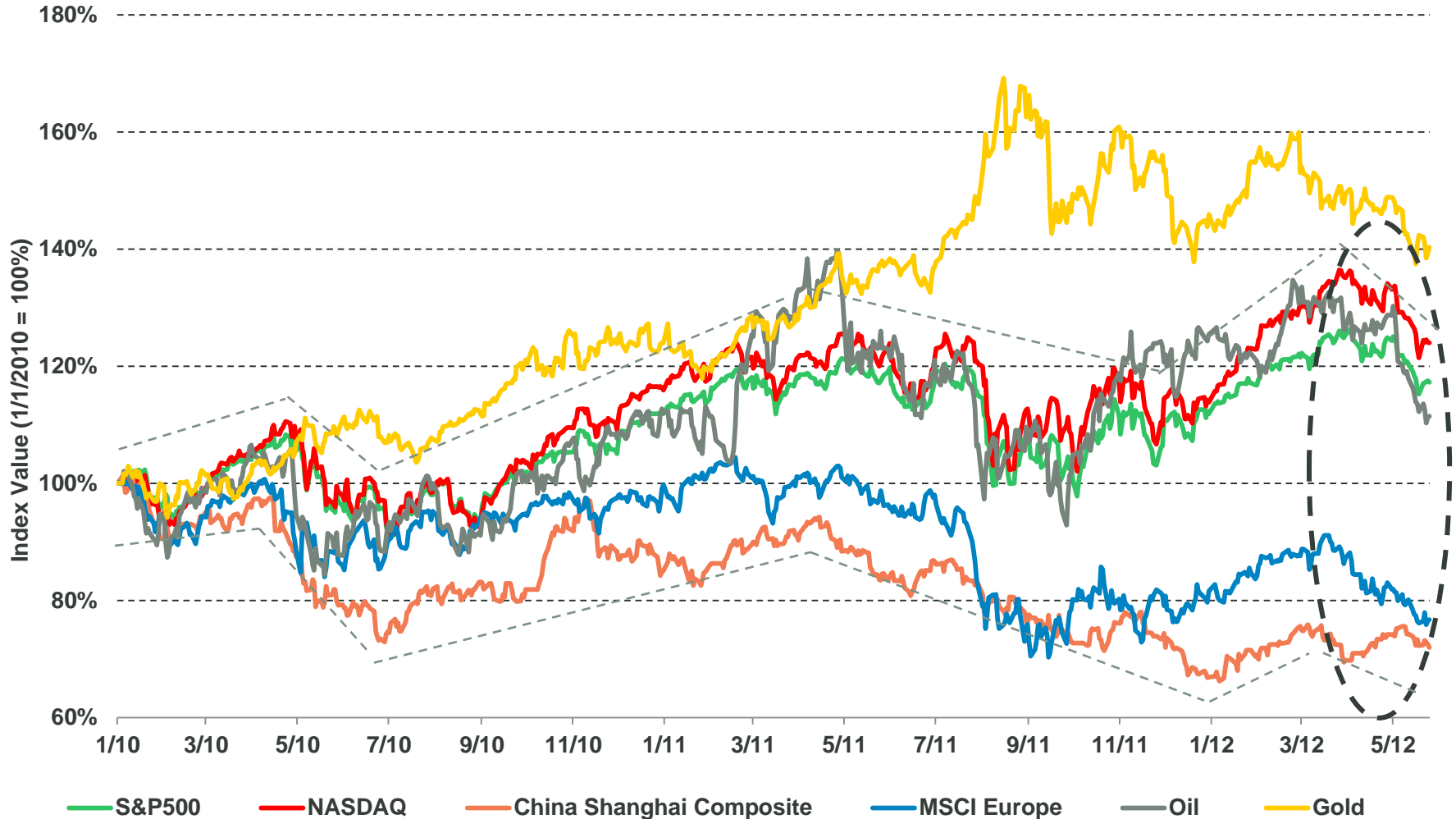


- 3) **TV** – 3+ hours per day spent in front of TVs** – way better devices / interfaces / interfaces coming rapidly...Apple & Google footsteps raising bar...50MM+ Americans have Internet-enabled TVs

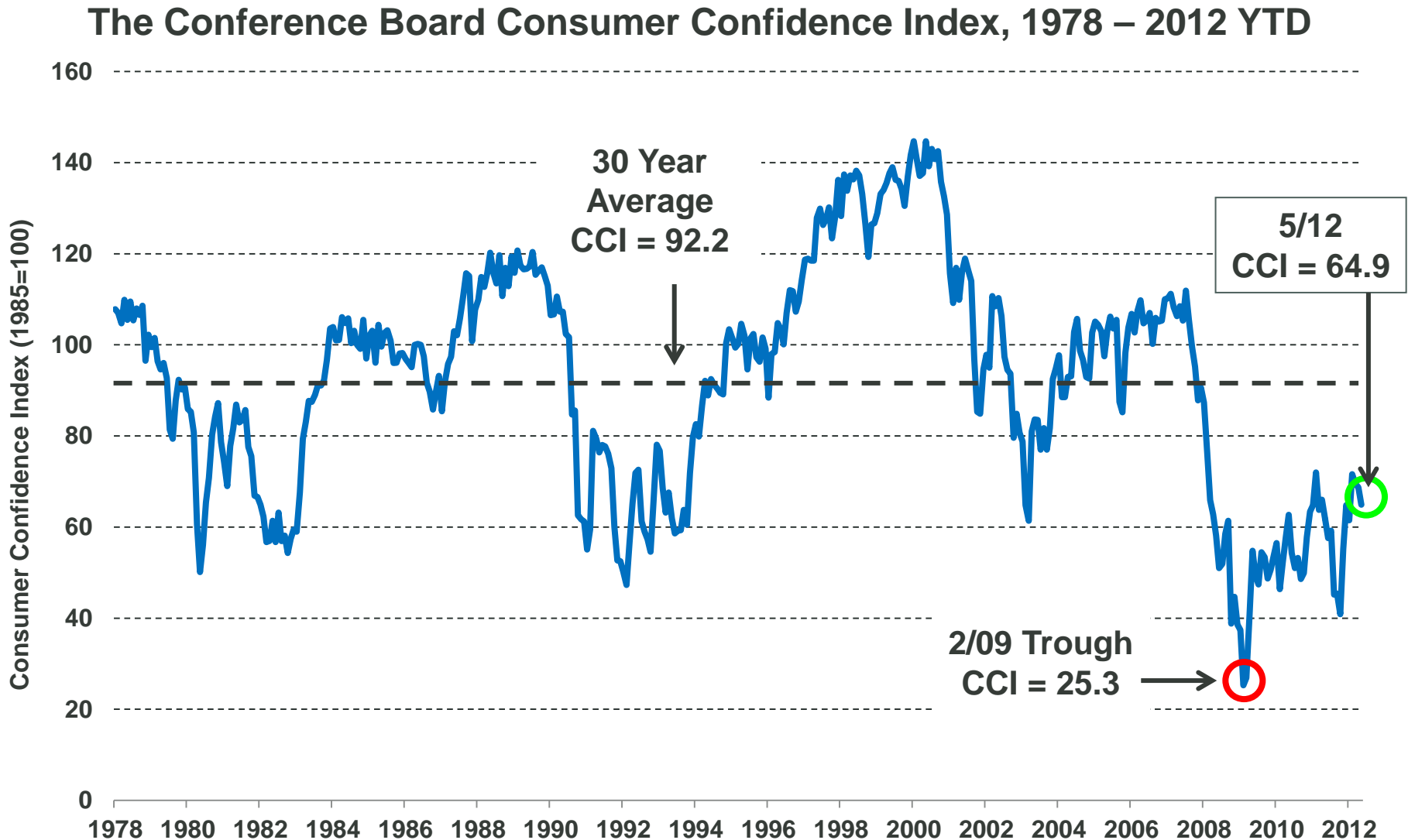
ECONOMY – MIXED TRENDS, WITH NEGATIVE BIAS

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



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

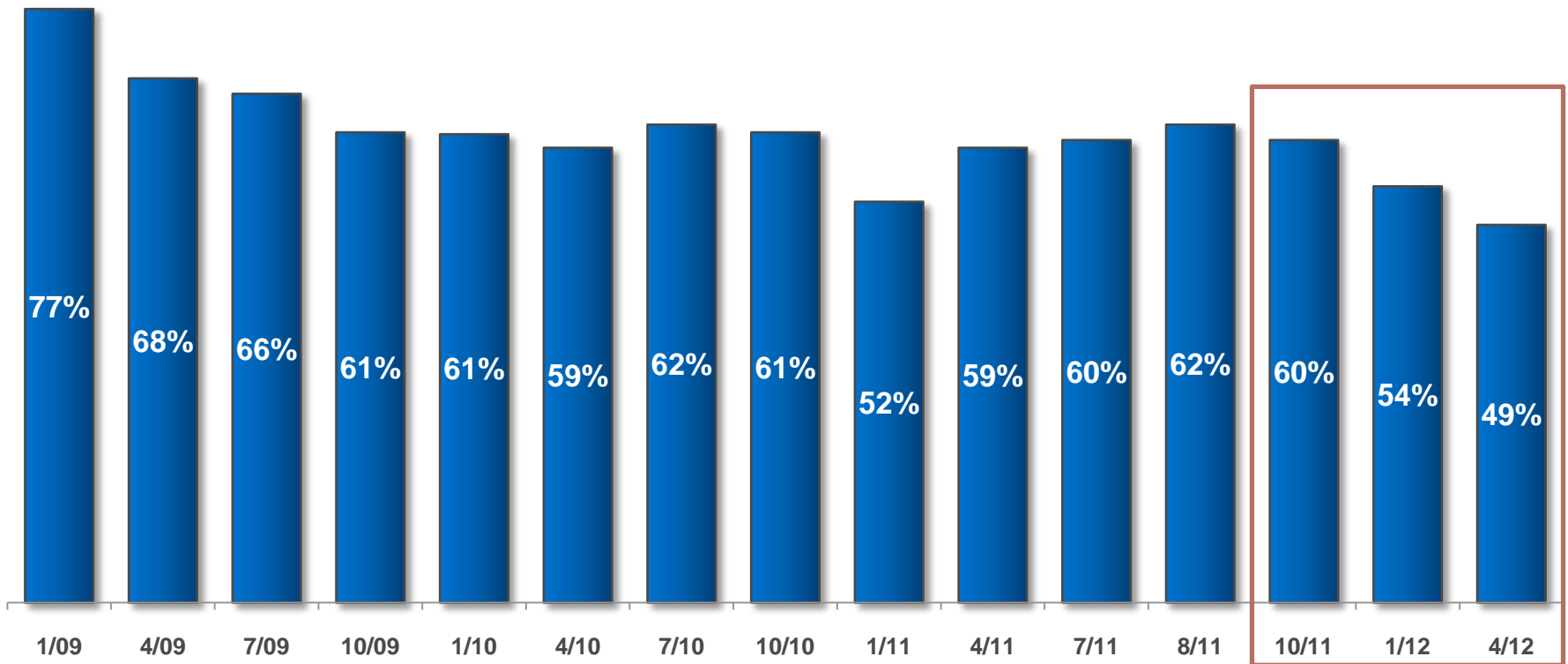


Note: Index started in 1967 / benchmarked to 1985=100. The Index is calculated each month on the basis of a household survey of consumers' opinions on current conditions and future expectations of the economy. Source: The Conference Board, 5/12.

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



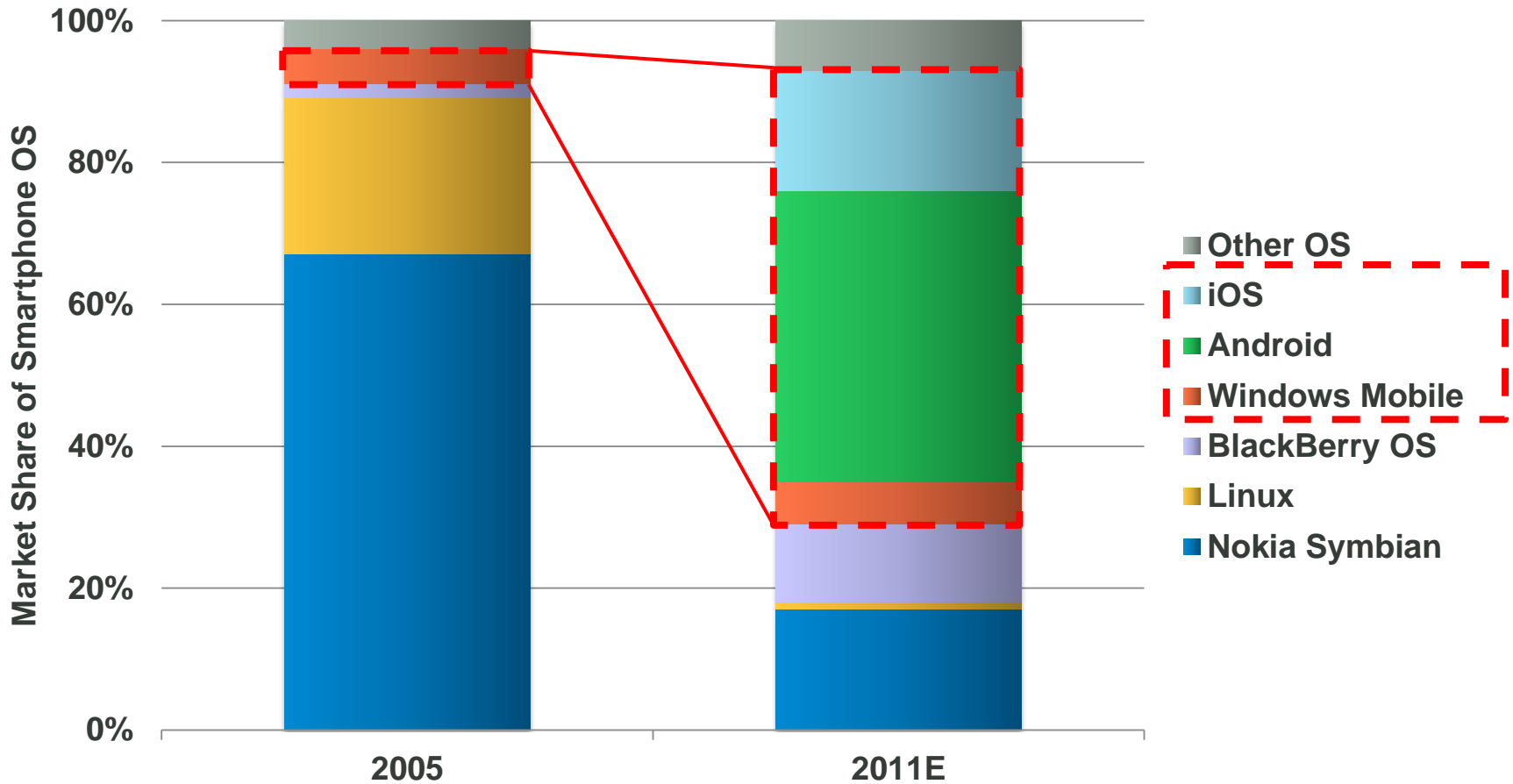
Global GDP Growth Expected to Decelerate in 2012 with Europe Slipping Into Recession

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**

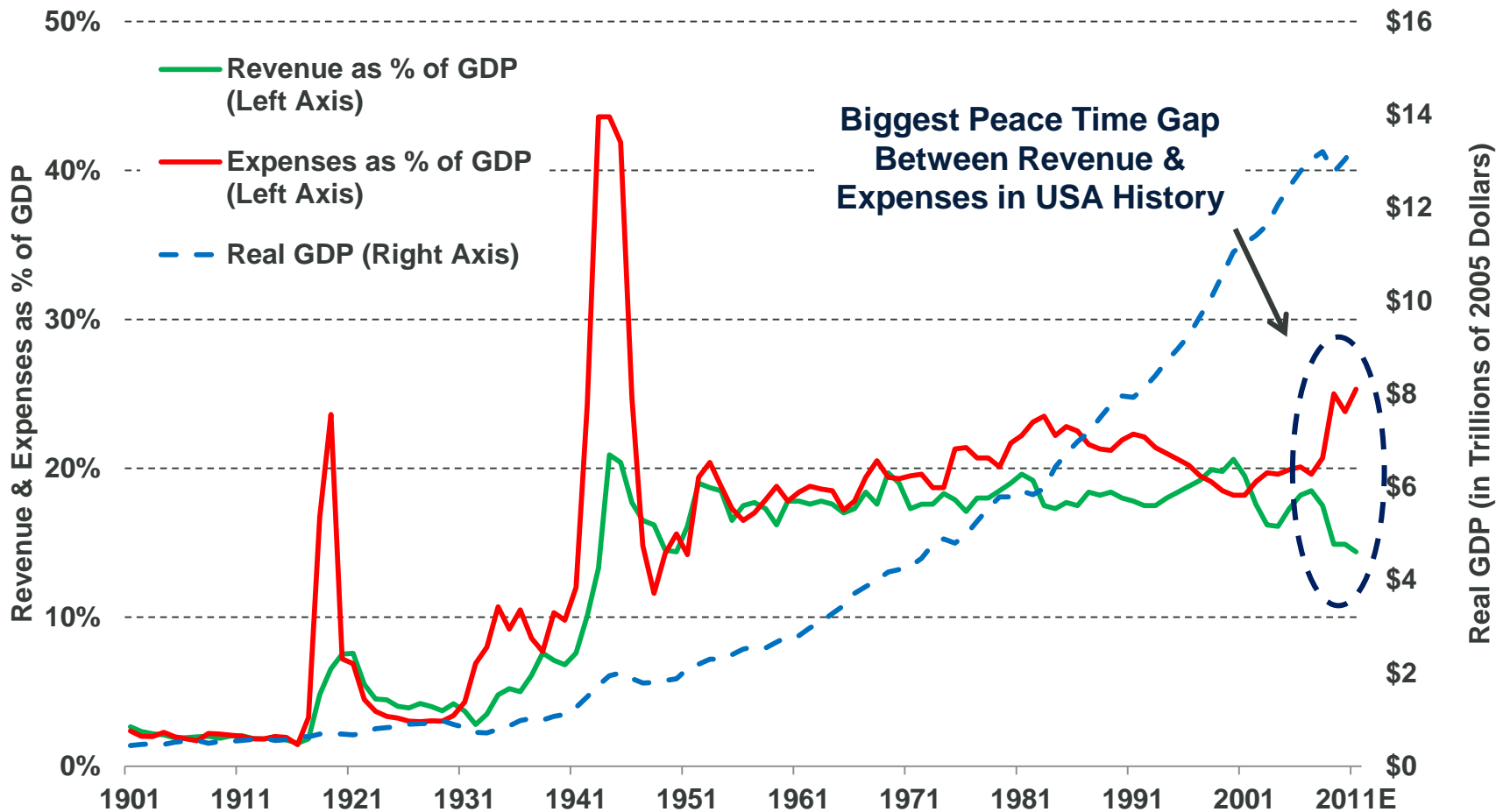
'Made in USA' Smartphone Operating Systems = 64% Share from 5% Five Years Ago

Smartphone Operating System Market Share, 2005 vs. 2011E



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

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



ARE YOU HAPPY WITH WHERE YOUR TAX DOLLARS GO?

57%

20%

16%

6%

ENTITLEMENTS

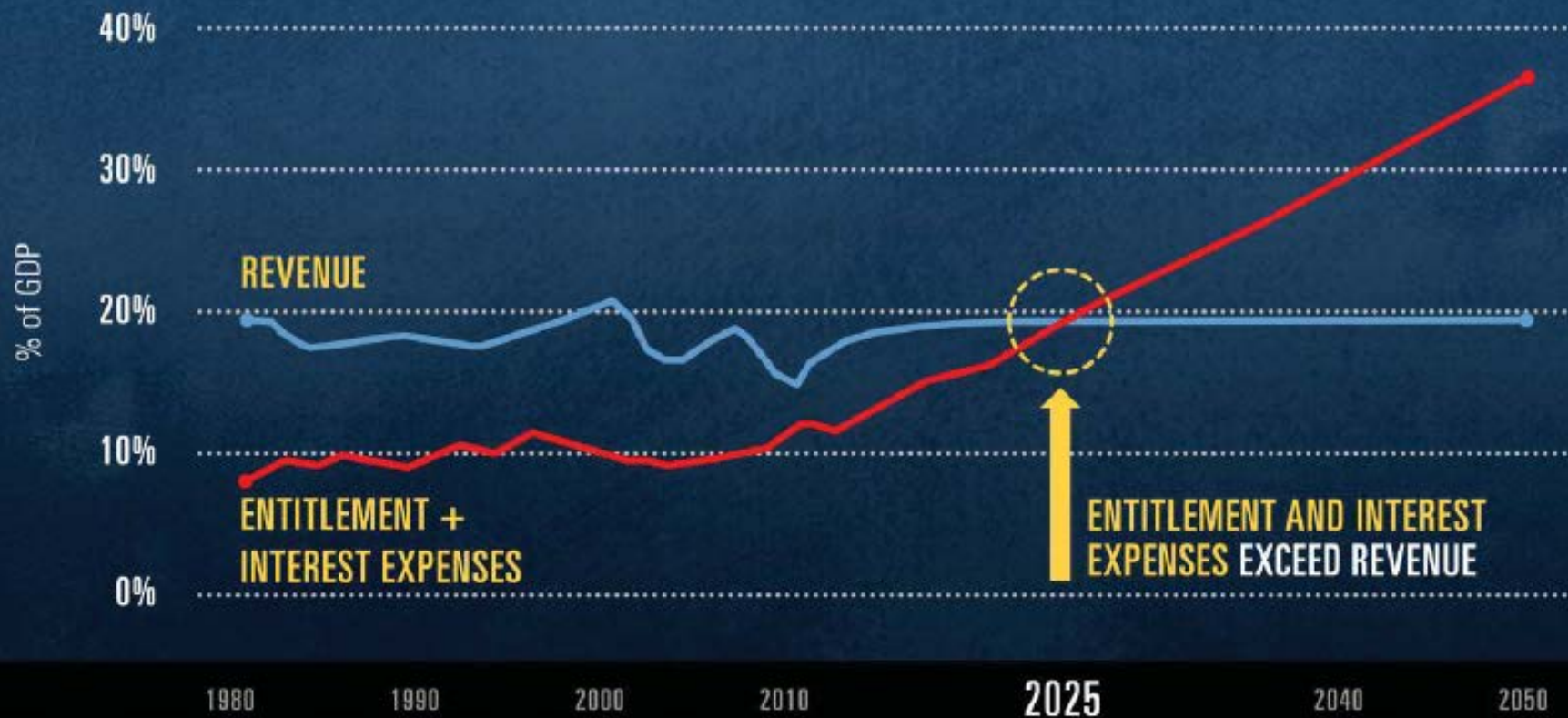
DEFENSE

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

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...***

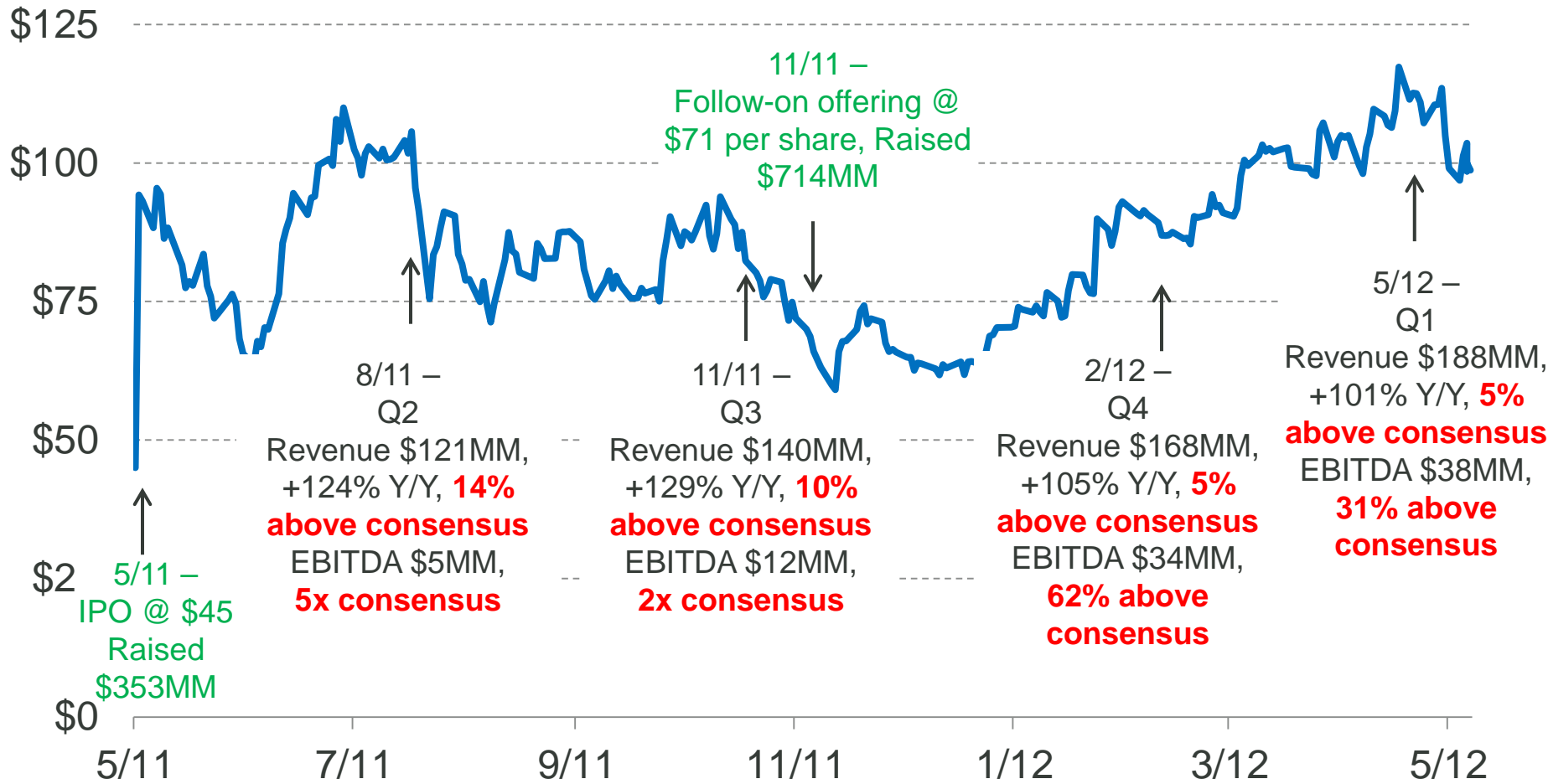
Public Market Investors = More Skeptical than Private Market Investors

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

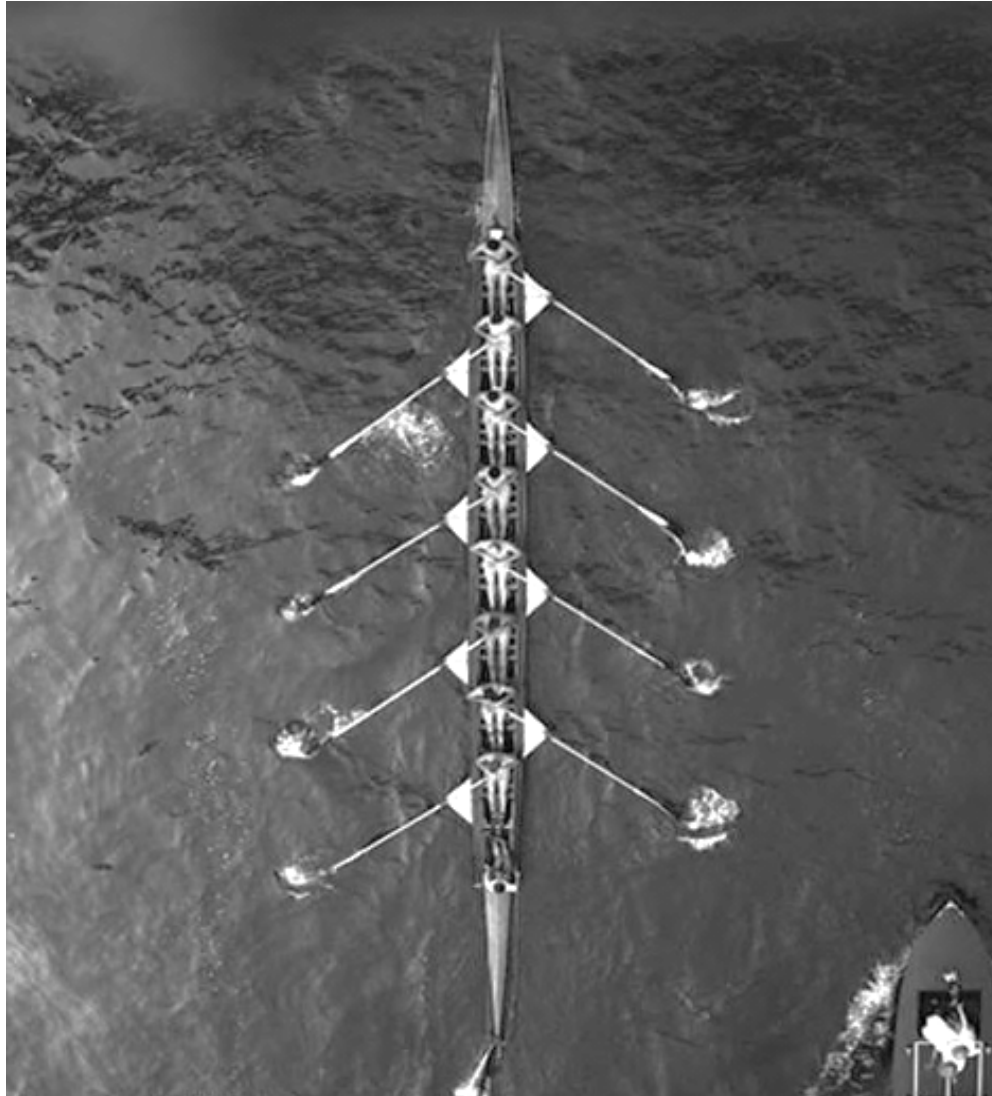
Recent Internet IPO Standout – LinkedIn

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



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

The Riddles:

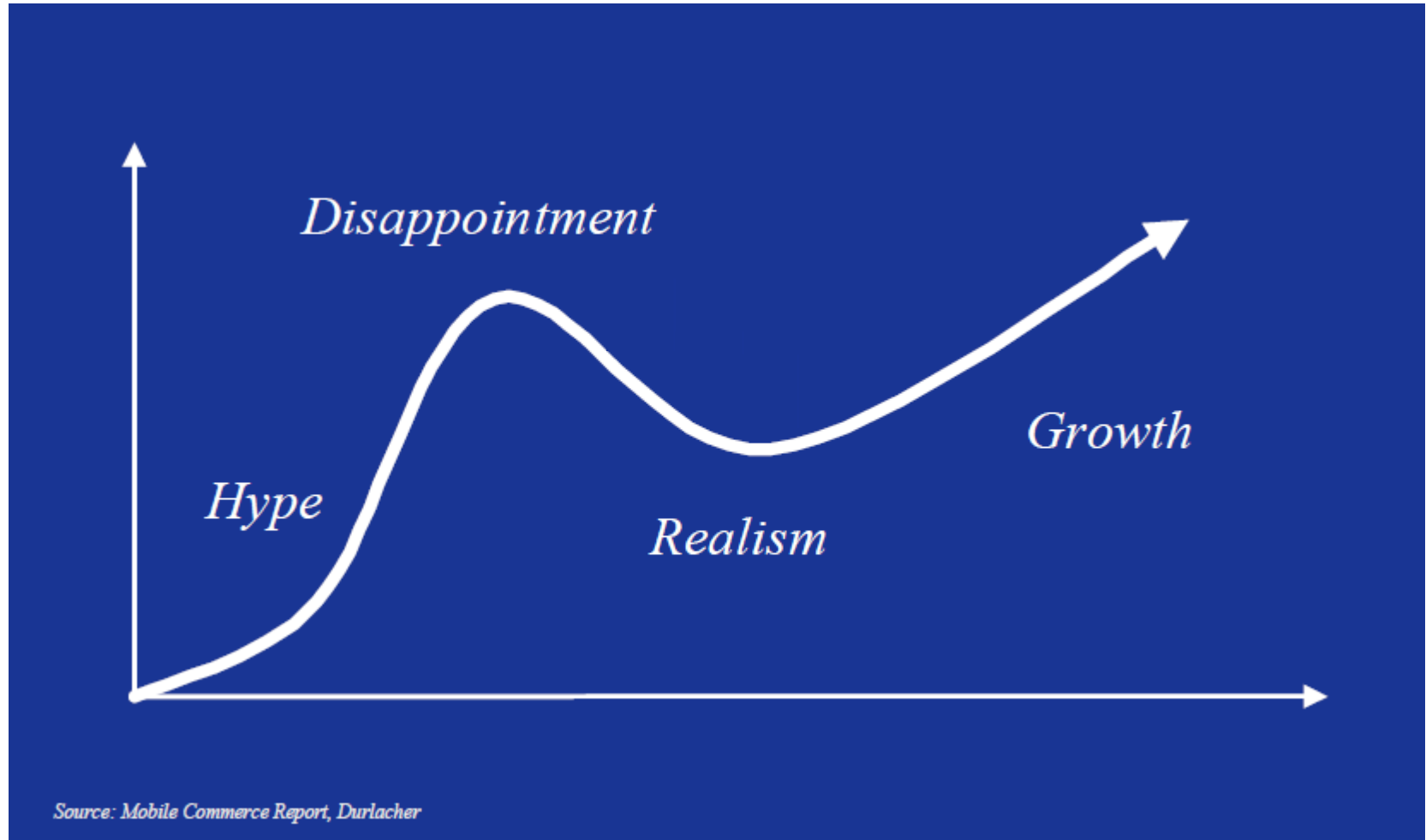
- 1) Getting the numbers (financials) right for the Discounted Cash Flow (DCF) model;
- 2) Getting the macro + micro confidence levels + time horizons right for 'the market.'

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.