Brian Warner, Founder, Celebrity Net Worth

“\textbf{If someone came to me with an idea for a website or a web service today, I would tell them to run. Run as far away from the web as possible. Launch a lawn care business or a dog grooming business - something Google can’t take away as soon as he or she is thriving.}”
Eliminating the ‘Threat’ of Verticals

“How do we deal with the problem of ‘proliferating verticals’?”

“Driv[ing] too much traffic to competitors monster and hotjobs.”
“Instagram was our threat.”

Posted 2012-01-26 23:52:32 UTC
Status Instagram is eating our lunch. We should've owned this space but we're already losing quite badly. Lots of new friends are joining and following me every week, and I find myself checking it far more often than FB Mobile. It's a far more focused, compelling way to keep up with what my friends are doing. Google+ is a red herring — we are getting distracted by a shitty clone while guys like Instagram and Pinterest ramp up and create new markets that we should've seen coming.

Mobile

- from: Mark Zuckerberg
- to: Mark Zuckerberg
- time: Mon Apr 09 10:51:24 PDT 2012 (1333993884473)
- subject:
- body

Yeah, I remember your internal post about how Instagram was our threat and not Google+. You were basically right. One thing about startups though is you can often acquire them. I think this is a good outcome for everyone.
"[T]hey could be very disruptive to us."

"The businesses are nascent but the networks are established, the brands are already meaningful and if they grow to a large scale they could be very disruptive to us."
I tend to have a high bar for M&A considerations. All the research I have seen is that most deals fail to create the value expected by the acquirer. My instinct is that many deals are done because the CEO is frustrated that the business is not where they want it to be, they would rather do something than nothing, and M&A seems like the biggest lever they have. This is a bad reason to do a deal. So for these two ideas specifically, I would ask you to find a compelling explanation of what you are trying to accomplish. 1) Neutralize a potential competitor? Bad reason in my book since someone else will spring up immediately in their place. There will always be consumers who are innately negative about the industry leaders and want to work with the upstarts. We will always have upstarts eating at our heels. We have to win against competitors by having better products. 2) Acquire talent? Seems expensive for this. 3) Integrate their products with ours in order to improve our service? This can be a very compelling reason, if you have a clear vision for how the implementation would be great for users and that we cannot do the product improvements ourselves in a reasonable timeframe. 4) Other? Happy to discuss further.
“[W]hat we’re really buying is time.”

There are . . . a finite number of different social mechanics to invent.

“[W]hat we’re really buying is time.”
Apple Offers Preferential Treatment to Baidu

“APP Review Fast Track”

“I'm assigning two key contacts for Baidu and both of them can help manage through Apple.”
“It’s difficult to express how strange this is: for over a decade, Apple has stuck to the rule that *all* digital goods sold in iOS apps *must* use Apple’s payment methods, including Apple’s 30 percent cut.”

“Suddenly, that rule appears to apply to all developers except those who have the leverage to cut a special deal with Apple.”
Apple Cuts Off Developers

“I’d suggest we just cut Joe off from now on.”

“Earlier today Joe spoke to the press and was critical of our new PLA and Objective C.”
Amazon Viewed Diapers.com as Top Competitor

“The benchmarking team recently completed a study of Diapers.com. They are our largest and fastest growing competitor in the on-line diaper and baby care space.”

“They keep the pressure on pricing on us. They apparently have lower fulfillment costs than we have.”
Amazon’s Plan to Weaken Diapers.com

“We have already initiated a more aggressive ‘plan to win’ against diapers.com. . . . To the extent this plan **undercuts** the core diapers business for diapers.com, it will slow the adoption of soap.com.”

“[T]hese guys are our #1 short term competitor. . . . [W]e need to match pricing on these guys no matter what the cost.”
The Plan Worked

“Decelerating Growth in Core Diapers Category. As noted, Quidsi had a challenging Q3-10...”

“[T]hey expect to lose lots of money over the nxt few yrs-this will make it worse.”
“95% of [A]ll [S]ocial [M]edia in the US.”

“Facebook is now 95% of all social media in the US.”
Mr. Mark Zuckerberg
March 13, 2014

I hate the word 'land grab' but I think that is the best convincing argument and we should own that . . .

"[W]e are going to spend 5-10% of our market cap every couple years to shore up our position . . ."
“[W]e can likely always just buy any competitive startups.”
WhatsApp: “[W]e have close to 100% overlap.”

“[D]o we have any sense of overlap between their and our user base?”

“[T]heir reach amongst smartphone users is actually bigger than ours – so my guess is that we have close to 100% overlap, our user-base being a subset of theirs.”
We were a top bookseller on Amazon.com, and we worked day-and-night very hard towards growing our business and maintaining a 5-star feedback rating with, um, 99 positive reviews. And, uh, most importantly, this business feeds a total of 14 people, which includes three children and one 90-year-old granny.
Amazon’s Dominance

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Sales Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Amazon</td>
<td>47.0%</td>
</tr>
<tr>
<td>2.</td>
<td>eBay</td>
<td>6.1%</td>
</tr>
<tr>
<td>3.</td>
<td>Walmart</td>
<td>4.6%</td>
</tr>
<tr>
<td>4.</td>
<td>Apple</td>
<td>3.8%</td>
</tr>
<tr>
<td>5.</td>
<td>The Home Depot</td>
<td>1.7%</td>
</tr>
<tr>
<td>6.</td>
<td>Costco</td>
<td>1.3%</td>
</tr>
<tr>
<td>7.</td>
<td>Wayfair</td>
<td>1.3%</td>
</tr>
<tr>
<td>8.</td>
<td>Qurate Retail Group</td>
<td>1.3%</td>
</tr>
<tr>
<td>9.</td>
<td>Best Buy</td>
<td>1.3%</td>
</tr>
<tr>
<td>10.</td>
<td>Macy's</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

*Top 10 US Companies, Ranked by Retail Ecommerce Sales Share, 2019*  
% of total US retail ecommerce sales

*eMarketer, May 2020*
Mr. Bezos, we increased our sales on Amazon by five times in the past three years. And we have contributed that much proportional seller fees to Amazon. We have contributed that much to your business—five times. We followed all the rules that were set by you. We, we—please you know just help us in earning our livelihood.
"Leaving [M]oney on the [T]able"

“For recurring subscriptions, we should ask for 40% of the first year only but we need work a few deals to see what is right.”

“I think we may be leaving money on the table if we just asked for about 30% of the first year of sub.”
“Death to a [S]mall [C]ompany”

“[F]rom the very beginning we complied to these new standards that Apple set, before these rules were even set.”
“[H]igh concentration of the mobile operating system market . . . poses a significant strategic threat to the Company’s business.”

“A]dding an additional, popular, complementary mobile application . . . would make it more difficult for operating system providers to exclude the Company’s mobile applications from mobile platforms.”
"When children's health is at stake, Apple should do the right thing."

<table>
<thead>
<tr>
<th>Subject: A Mom’s Plea Re: Apple Crackdown on Parental Control Apps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date: June 5, 2019 at 11:36:40 AM PDT</td>
</tr>
<tr>
<td>To: Confidential</td>
</tr>
</tbody>
</table>

Dear Mr. Cook,

As the mom of two teenager daughters, I am deeply disturbed by the practices of technology companies that profit at keeping people, including kids, hooked on apps and devices. As I’m sure you’re aware, multiple credible research studies have shown the detrimental effects of too much screen time on children and teenagers.

Several months ago, I attended a private panel in Los Angeles hosted by Common Sense Media featuring Tristan Harvey from the Center for Humane Technology and tech journalist Kara Swisher. Much detailed some of these disturbing practices. It was encouraging to see high-level executives from YouTube, among other media and technology companies in attendance and participating in conversations around how to ensure responsible, consumer-friendly practices in these industries.

I, therefore, was shocked to read the recent NY Times piece: https://www.nytimes.com/2019/04/27/technology/apple-screen-time-tracking.html#comments. In response, Apple removed their privacy controls apps from its App Store. I understand this is a luke-warm response.

I am deeply disappointed that you have decided to remove this app and others like it, thereby reducing consumer access to much-needed services to keep children safe and protect their mental health and well-being.

As I listened to this morning’s NPR story: https://www.npr.org/2019/06/05/720925803/feeh-loch, I was further disturbed by its implications.

I am writing to urge you to reconsider.

Sincerely,

[Name]
"We will continue to provide features, like ScreenTime, designed to help parents manage their children’s access to technology . . ."
“[W]hen Random House submitted some e-book apps to Apple’s App Store . . . , Cue attributed Random House’s capitulation in part to “the fact that I prevented an app from Random House from going live in the app store this week.”

Apple decided to pressure Random House to join the iBookstore. As Cue wrote to Apple CFO Tim Cook, “when we get Random House, it will be over for everyone.” Apple had the opportunity in the Fall of 2010. When Random House submitted some e-book apps to Apple’s App Store, Cue advised Random House that Apple was only interested in doing “an overall deal” with Random House. By December, they had begun negotiations, and Random House executed an agency agreement with Apple in mid-January 2011. In an email to John, Cue attributed Random House’s capitulation in part to “the fact that I prevented an app from Random House from going live in the app store this week.”

Q. The Publisher Defendants require Google to adopt an Agency Model

The decision by the Publisher Defendants and later by Random House to adopt the agency model of distribution and raise e-book prices affected a change across the entire industry. Once the Publisher Defendants agreed with Apple to move to an agency relationship for the sale of their e-books, they not only demanded that Amazon change their relationship to an agency model, they negotiated agency agreements with their other e-book distributors to eliminate all retail price competition.

One of the companies that was planning to become an e-book distributor was Google, and the Publisher Defendants demanded
### Instagram’s Growth Rate

<table>
<thead>
<tr>
<th>Application</th>
<th>Average Publishing DAU</th>
<th>Δ W/W %</th>
<th>Δ M/M %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instagram</td>
<td>183,625</td>
<td>1765%</td>
<td>9181150%</td>
</tr>
<tr>
<td>The Guardian</td>
<td>180,564</td>
<td>4%</td>
<td>9181150%</td>
</tr>
<tr>
<td>Foursquare</td>
<td>525,253</td>
<td>-4%</td>
<td>6</td>
</tr>
<tr>
<td>Instagram</td>
<td>183,625</td>
<td>1765%</td>
<td>9181150%</td>
</tr>
<tr>
<td>The Guardian</td>
<td>180,564</td>
<td>4%</td>
<td>9181150%</td>
</tr>
<tr>
<td>Foursquare</td>
<td>525,253</td>
<td>-4%</td>
<td>6</td>
</tr>
</tbody>
</table>

- “1,765%” week over week
- “9,181,150%” month over month
“[F]riends or [F]oes”

“I think having the exact data about their users engagement . . . would help us make more bold decisions on whether they are friends or foes.”

“Yeah, let’s do it.”
Google Dominates the Online Ad Market

**Publisher**
- Example: Washingtonpost.com

**Middleman:** Routes Ad Space to Exchanges

**Google share**
- 90-100%

**Sell-side Software**
- Google share 50-60%

**Ad Exchange**
- Middleman: Google has compared to a “stock exchange”

**Buy-side Software (DSP & self-service tools)**
- Middleman: Google has compared to “brokerage houses”
- Google share* 50-90%

**Advertiser**
- Example: local drycleaner

Google has compared to a “stock exchange”

Middleman:
- Routes Ad Space to Exchanges

Google share* 50-90%

**Online Platforms and Digital Advertising CMA Market Study July 1, 2020**

"11. Apple Independent Development. Nothing in this Agreement will impair Apple’s right to develop, acquire, license, market, promote or distribute products, software or technologies that perform the same or similar functions as, or otherwise compete with, any other products, software or technologies that you may develop, produce, market, or distribute. In the absence of a separate written agreement to the contrary, Apple will be free to use any information, suggestions or recommendations you provide to Apple pursuant to this Agreement for any purpose, subject to any applicable patents or copyrights."

4. Design

Apple customers place a high value on products that are simple, refined, innovative, and easy to use, and that's what we want to see on the App Store. Coming up with a great design is up to you, but the following are minimum standards for approval on the App Store. And remember that even after your app has been approved, you should update your app to ensure it remains functional and engaging to new and existing customers. Apps that stop working or offer a degraded experience may be removed from the App Store at any time.

4.1 Copycats

Come up with your own ideas. We know you have them, so make yours come to life. Don't simply copy the latest popular app on the App Store, or make some minor changes to another app's name or UI and pass it off as your own. In addition to risking an intellectual property infringement claim, it makes the App Store harder to navigate and just isn't fair to your fellow developers.