

AMENDED

Exhibit 772

**PLAINTIFFS' OMNIBUS OPPOSITION TO
DEFENDANTS' MOTIONS FOR SUMMARY
JUDGMENT**

Case No.: 4:22-md-03047-YGR
MDL No. 3047

In Re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation

2019 Strategy Offsite Two Pagers

****CONFIDENTIAL****

go/ytstrategybook-2019

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SEARCH & DISCOVERY

S&D Engagement, Satisfaction, Responsibility

S&D's three-legged stool: Engagement v. Satisfaction v. Responsibility

Summary of S&D's top-level priorities. S&D cares about more than just Engagement.

Background

S&D does not care only about Engagement (YTT and DAU). For many years, the S&D team has prioritized additional objectives alongside Engagement: our ranking algorithms incorporate valued watch time; we demote Clickbait+ and Racy content; and we have been investing heavily in fighting misinformation/harmful content in the past year.

This 1-pager provides a summary of S&D's philosophy. What immediately follows this 1-pager are two 2-pagers diving into the areas of Satisfaction and Responsibility, respectively.

S&D's three objectives: Engagement, Satisfaction, and Responsibility

| | Description | Example projects |
|-----------------------|--|-------------------------|
| Engagement | <i>Quantity</i> of consumption. Engagement focuses on driving greater consumption of videos. | |
| Satisfaction | <i>Quality</i> of consumption. Not all WT is equally valuable to our viewers, and not all users like the same videos. Satisfaction aims to measure an individual user's satisfaction with a video and tries to increase satisfaction by recommending videos that are likely to yield high satisfaction from that user. | |
| Responsibility | | |

The Satisfaction 2-pager deep dives into the evolution of and refinements to S&D's philosophy in driving personalized user satisfaction. The Responsibility 2-pager deep dives into specifically Responsibility to Users/Society. While not covered in 2-pager deep dives, we intend to further invest into Responsibility to Brand projects as well -- Racy (especially i18n) and egregious forms of Clickbait.

Supporting & Accelerating Strategic Initiatives

As YouTube grows, we have the opportunity to grow revenue while making sure that our user experience remains high quality. How should we think about increasing the amount of ad inventory on the platform without sacrificing user experience? This includes support for new formats (eg, not just video but display). For example, could shorter form video (eg, stories) allow for more ads? What about longer feeds?

Problem Statement and Background

YouTube has delivered strong revenue growth without sacrificing the user experience through thoughtful integration of display ads to complement our core in-stream ads business. However, Facebook and Instagram have been able to scale up monetization faster than YouTube. There's evidence that much of this difference is due to the feed-based consumption model of those platforms. Feed-based consumption scales well for ads because it's low friction (users can simply scroll past), fits well with DR ads (which are less budget constrained than brand ads), and allows for more ad slots which, when done right, can feel native to the experience. Facebook and Instagram also have a simpler ads model, with less brand safety considerations, fewer revenue share constraints, and easier conversion attribution. Within that context, we should consider which aspects of the feed model can help accelerate YouTube's revenue growth.

When thinking about this problem, there are a few things to keep in mind:

- Home and Watch Next are by far the biggest feeds on the platform, generating more than 75% (46% Watch Next, 30% Home) of feed content impressions on mobile. The next largest "feed" is Search, with 11% of impressions.
- Direct Response ads are our fastest growing, least budget constrained business. DR ads should be a focus and the DR Ads paper highlights how we will grow demand and evolve our formats and quality. We recently launched video ads throughout the home feed and will launch more demand into these slots over the next 2 quarters.
- Watch Next and comments compete directly for user attention in their current, adjacent configuration on mobile. This produces a zero-sum trade-off for user attention. We've historically viewed watch time & Community as similarly important priorities, which has constrained Watch Next to only 16 videos.
- Inline Playback in the Home feed experiments were metrics negative when they focused on shifting watch time to the feed (in 2015). Our current approach, which is metrics positive, provides a preview experience designed to bring users to the watch page, with an emerging secondary use case of watching videos with captions "on the go".

Proposed Solutions

We approached this problem from two angles, focusing on mobile platforms: 1) consider the opportunity presented by the existing feeds in Main App and second 2) consider ideas for new feeds. We arrived at the following strategy:

- **Existing feeds:** Focus on a large, untapped opportunity to improve the user experience and monetization of Watch Next. For Home, we plan to stay the course: continue to optimize for getting people to initiate long video watching sessions, while also continuing to optimize the emerging Inline Muted use case and introducing more non-video content with Posts. We will invest significantly in monetizing both of these feeds with display and inline muted video ads.
- **New feeds:** We recommend focusing on Swipey Watch which creates a new long-form "feed" that fits naturally within the YouTube experience, along with focusing on Stories for short-form video. The Swipey feed will not create new inventory, but it enables us to increase fill rates by including display interstitials which fit naturally into this experience. We evaluated the possibility of developing a new "snacky" (in-feed consumption, more scrolling) feed in 2019. We believe the investment to build a compelling new feed would be high with low odds of success; plus, this would distract focus from our core use case (infrequent, long sessions). That said, we see an option to set up a separate, exploratory project team to build this new type of feed, which we'll explain below.

could be integrated into Home, Watch Next, or Explore; or it could be surfaced selectively based on user signals. The feed could optimize for revenue potential at the expense of some dip in overall watch time or DAVs.

There is a strong argument not to pursue building such a feed at this time:

1. Investment would be high
2. It's likely a relatively small opportunity [REDACTED]
3. Multiple experiments have shown that shorter videos lead to shorter sessions rather than more views, limiting the opportunity to create more ad inventory. In the current experience, the end of each short video creates an opportunity for a user to abandon their session
4. Compounding #3 is that we know from measurement that longer sessions generate increased DAU. This is because longer sessions represent more engaged and satisfied users, who then come back more often. We also know that an increase in DAU is highly leveraged for revenue (more so than watch time). A short form feed would first have to overcome this deficit before it could generate a net gain in revenue
5. Visit frequency on FB and IG are driven by friends graphs, where there's a strong incentive not to miss out on a post. It's harder for our creator/interest graph to drive this kind of behavior. Instead, usage data shows that YouTube benefits from a "primetime" effect, similar to TV
6. Driving more frequent daily usage is not well aligned with our efforts to improve digital wellbeing

This would be a difficult problem to solve, with low odds of success. However, the revenue opportunity could be large [REDACTED] justifying a calculated bet. If we were to make this bet, we recommend trying a fresh approach: create a new, full-stack, XFN, joint Ads/organic team with a mission to invent a feed-based consumption experience that is compelling for users, with increased revenue (due to time spent in the feed, scroll depth, and ads engagement).

If we choose not to build a new feed, we should instead focus on leaning into Stories, in which we're making a strong, strategic investment. Stories could create a new revenue stream in 2020 and beyond.

Measuring Success

Our goal is to increase revenue by increasing ad inventory with minimal adverse impact to organic metrics and no significant adverse user reaction. We are also open to trading off small decreases in organic metrics (e.g., [REDACTED] for substantial revenue. We will measure:

- **Increased DR ad inventory**
 - Watch Next: targeting [REDACTED] increase³ in Watch Next daily ad queries, beyond organic growth rates
- **Increased revenue**
 - Watch Next: targeting incremental [REDACTED] by end of 2019 beyond momentum forecast, given a [REDACTED] inventory increase, lower CTRs at lower feed positions, and improved performance with richer formats and more engagement
 - Swipey Display ads: targeting up to [REDACTED] incremental revenue by end of 2019
- **Organic impact**
 - Reduction in watch time and DAVs attributable to incremental ad slots/load

Digital Well-Being

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Problem Statement and Background

In 2017, excessive screen time and "tech addiction" became a major topic of concern. France recently banned cell phones from school for children < age 15 and China's rising cases of childhood myopia have led to plans to restrict gaming. These concerns have led to growing expectations for major tech companies to take more responsibility. Google prioritized wellbeing as a top OKR and looks to YouTube (one of the world's most popular apps) for leadership in supporting wellbeing. Being a leader enhances our brand, reduces business risk, and creates a more sustainable path for growth.

The American Heart Association recently published a position paper based on 185 peer-reviewed studies asserting that screen time > 2 hours / day dramatically increases rates of obesity and cardiometabolic effects among adolescents. There are also growing concerns that excessive screen time is stunting physical, emotional, and social development of teens. A recent Pew Research study reported: the average U.S. teen spends > 6 hours / day on a screen; 54% report spending too much time on their phones; the % of teens who said they are online "almost constantly" has doubled to 45% since 2015; YouTube is the most widely used internet platform by US teens (who watch⁶ an average of 1 hour 22 min / day). We developed a Vision & roadmap for wellbeing, focused on 3 concern areas, impacting users 13-24 disproportionately:

- *Habitual heavy use:* ~10% (32MM) of 13-24 year olds on YouTube habitually⁷ watch > 2 hours / day (excluding music).⁸ ~13% (36MM) of 18-24 year olds reported "I regret how long I stayed on YouTube" in the past week.
- *Late night use:* ~7% of teens on YT watch past midnight on school nights. Teen "night owls" were 88% more likely to have emotional & behavioral problems (article, study). 30% of users 18-24 say YouTube has cut into sleep.
- *Unintentional use:* Among users 18-24 years old, 23% report "losing track of time on YouTube,"⁹ 20% report "procrastinating on YouTube," and 20% report YouTube "interfered with work, school, or homework."

Strategy & Principles

1. Empower control, never assume control

We want to empower users to achieve their goals. We won't ever assume control (e.g., proactively turn off YouTube) and users should be able to opt in & out of features. We aim to give insight & support, not nag or judge.

2. Youth first

We believe we should focus our efforts on Teens & Young adults, who are in a crucial stage of mental, emotional and social development and are more vulnerable to wellbeing challenges. In addition to focusing our research and product development on this group, we want to target this group with proactive messaging and intros to opt-in tools. Finally, we want to give parents much stronger controls for their teens (via YouTube and / or Family Link).

3. Disincentivize growth that doesn't support wellbeing

We propose developing a methodology to avoid incentivizing growth that detracts from users' wellbeing, e.g., we could adjust top-level watch time goals to exclude Heavy Use, Late night use, and/or Unintentional use.

Proposed Solutions

YouTube launched some successful and needed quick wins¹⁰ at I/O. While these efforts garnered positive press, they are mobile-phone-only MVPs, they haven't been iterated on, and they're only a first step in addressing Habitual Heavy Use, Late Night Use, and Unintentional Use. We propose 4 major efforts in 2019.

⁶ For the purposes of this 2 pager, "Watch" excludes music watch time

⁷ Habitual watching defined as >4 days per week / 38M derived from logged in user count 13-24: 318M

⁸ We suspect gaming may be a big driver. ~29.6 Million users (of all ages) watch gaming related content > 182 hours per month (on average 6 hrs / day)

⁹ Currently we only have survey data for users > 18 years old. [go/wellbeingdash](#) Future surveys will assess amount of regret

¹⁰ Take a Break reminder, Time Watched Profile & notification controls. As of September 37MM users viewed Time Watched Profile across Android & iOS, 6.7MM users enabled Take a break reminders

