

AMENDED Exhibit 741

PLAINTIFFS' OMNIBUS OPPOSITION TO DEFENDANTS' MOTIONS FOR SUMMARY JUDGMENT

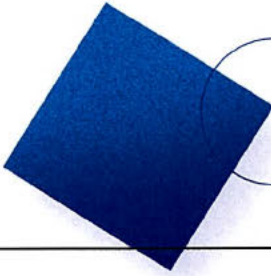
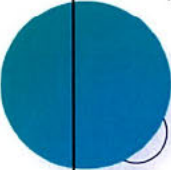
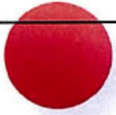
Case No.: 4:22-md-03047-YGR

MDL No. 3047

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

Produced in Native





Business Case for Kids and Families at Google

November 2020

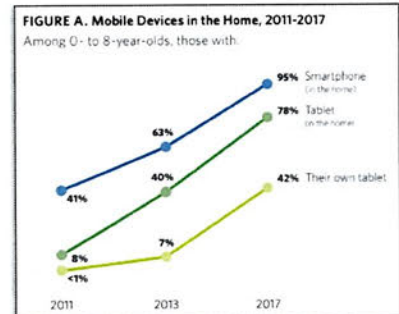
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"...historically the Internet has been designed to be used by adults, over 40 per cent of new users going online are kids. He described this transition as being as significant as the shift from desktop to mobile." - SuperAwesome

Solving Kids is a Massive Opportunity

- Kids under 13 are the fastest-growing Internet audience in the world
 - **40% of new internet users** going online are **kids**
 - **170k kids** around the world **go online for the first time every day**
- Kids are using devices at younger ages and getting devices of their own at younger ages
- Parents invest heavily in getting devices for their kids and top purchase drivers¹ are: 1) Familiarity of an OS; 2) Current ecosystem; 3) Past experiences when choosing an OS
- Marketers understand the importance of this fast growing market
 - Digital Marketing aimed at kids is **growing 25% YoY**
- Within Google, we have the Family Group construct and Supervised Users
 - Google Family Groups eclipsed **100M** in 2020 and will **double in 2021**
 - Supervised Users have a **30M 28DA** user base and is **growing 130% YoY**
- And our own data shows,
 - Family and Kid Users have **higher engagement** and are **more likely to be buyers**
 - Families lead to **better retention** and **more overall value**



Source: T. Confidential

¹Android users consider price, openness/choice and anti-Apple sentiment when choosing/switching an OS.

iOS users consider brand identity, quality of device, good customer service and starting with iOS when choosing/switching an OS.

- 1) if parents are already familiar with a certain OS, they are more likely to buy a device with the same OS for their kid,
- 2) parents choose devices that are compatible with their families existing ecosystem,
- 3) parents give their kids hand-me-down devices (more common with iOS)

Family and Kid Users

Family and Kid Users have higher engagement and are more likely to be buyers**Purchasing**

Users in family account have **2x higher share of buyers** while showing similar buying value to regular users

**User Engagement**

Users in family account have **~25% higher browse visit, ~50% higher installs and search**



Users in family group have **58% more days active on Google Assistant** than regular users (over L28)



- "Kids are some of Netflix's biggest users"
- **60% of Netflix's members** watch kids' programming
- **50M unique Netflix profiles** streamed kids' titles

"To solve for the home, we need to solve for Family with Kids" - Google Assistant Strategy

"Children are relatively churn-proof. You wouldn't fire your favorite babysitter, so when your child finds a platform or a show that they love, the last thing you are going to do is cancel that service." -Jon Klein, president of Vilynx, a company (recently acquired by Apple) that provides streaming services with AI tools to power recommendations, search , and other functions

Family Subscription Products

Families lead to better retention and more overall value



Retention



1.7X increase in retention when shared with family



Family plans retain **~25pp better** than individual plans



"Family Plan continues to be a primary driver of gross adds and lower churn due to strong retention"
"Premium churn **declined by 2.2%**"



Family users **churn at 1/4 the rate** of non-family users



Increased Value



1.6X increase free-to-paid conversion when shared with at least 1 other person

2.0X increase free-to-paid conversion when that 1 other person is kid

Free-to-paid conversion increase with each additional family member added



LTV for Family User is **2X** that of a Non-Family Users

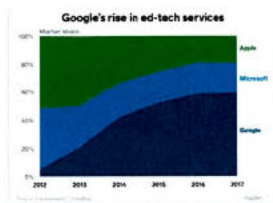
"It's funny, it's such a known thing now that family plans have much higher retention. I'm having trouble finding you recent docs" - YouTube Premium/Music PM

Internal | Confidential



Onboarding kids into Google's Ecosystem leads to brand trust and loyalty over their lifetime

- Investing in schools helps onboard kids into Google's ecosystem
- School laptop brand influences future purchase patterns
- If you get someone on your operating system early, then you get that loyalty early, and potentially for life
- Brand Trust → Loyalty - 80% of consumers will continue to buy brand they trust; 76% will advocate on behalf of the brand¹
- It cuts both ways though - iPhones are tremendously sticky - "iPhone users are 24x more likely to stick with their brand than Android"



Google Classroom



chromebook

	Chromebook	Windows	MacBook
Students who plan to buy a Chromebook	47%	31%	18%
Students who plan to buy a Windows	57%	70%	30%
Students who plan to buy a MacBook	29%	32%	66%

"If you get someone on your operating system early, then you get that loyalty early, and potentially for life," said Mike Fisher, an education technology analyst at Futuresource Consulting, a research company.

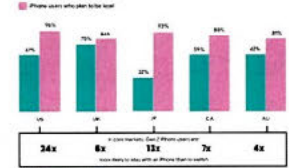
And if it ain't broke, then why switch?

Loyalty to iPhone is significantly higher than for Android

Across all markets iPhone users are more likely to stick with their brand vs. Android users—in the US, 24x more likely

What brand smartphone do you plan to get in the next year?

Android users who plan to get Android
iPhone users who plan to get iPhone



Source:
<https://www.google.com>

¹Brand Trust Case Study

Slide 1

3

same title note

more broadly, I'm wondering if there is other ecosystem data we can pull in here? Even use case study of Apple?

So essentially making the case that it's not just schools, but it's also a compelling "cool" product that keeps a kid/teen for life.

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Goals

- Build out a business case for investing in kids at Google
 - Example: Case Study: Netflix launches Kid Profile -> leads to 2-5X increase in Retention if user creates kids profile
- Gather internal and external evidence of why families and kids are important to software products
 - Retention/Churn Rate
 - Increase Revenue/Profit
 - Etc.

Findings

- Family sharing/subscription plans perform better than individual plans
 - Retention of plans increases (churn decreases) with family group adoption and adding additional members [Play Pass case study, YouTube TV case study, Google Fi case study, YouTube Music and Premium case study, Spotify case study]
 - Free-to-paid conversion increases with more members sharing; even greater when shared with >=1 Unicorn [Play Pass case study]
 - Family sharing is a sought after feature [Stadia case study, Spotify case study]
 - Leads to net gross adds of the subscription [Spotify case study]
- Streaming Services
 - Households with kids more likely to subscribe to over-the-top (OTT) video services and to have more services than households without kids [Streaming Services case study]
 - “Children are relatively churn-proof” [Streaming Services case study]
 - Kids are huge driver for any streaming service [Netflix case study]
 - 60% of netflix's member watch kids' programming (50M unique Netflix profiles streamed kids' titles)
- Family Accounts are more likely to be buyers [Play case study, Streaming Services Case Study]
- Family Accounts are more engaged than average users [Play case study, Play Family Library case study]
- “To solve for the home, we need to solve for the Families with Kids” [Assistant case study]
- Families are stickier [Assistant case study]
- Ecosystem Play
 - School laptop brand has influence on future purchase patterns [Chromebook case study]
 - Investing in schools helps onboard kids into Google's ecosystem (long-term play) [Big Tech - Schools case study]
- Children under 13 are the fastest-growing Internet audience in the world (170k kids around the world go online for the first time every day) [SuperAwesome Case Study]
 - 40% of new users going online are kids
- Digital marketing aimed at kids is growing at about 25 percent per year [SuperAwesome Case Study]
- Google has won K-12 education technology market in US; however, teenagers still prefer to buy iPhones and MacBooks [Google Android Chromebooks Case Study]
 - Note: even without Google hardware, kids are still using Google services
- If you get someone on your operating system early, then you get that loyalty early, and potentially for life [Google Took Over Classroom Case Study]
- Brand Trust -> Loyalty - 80% of consumers will continue to buy brand they trust; 76% will advocate on behalf of the brand [Brand Trust Case Study]

Findings | Confidential

This is an attempt at categorizing the findings from the last slide

Findings (categorized)

- Short-term: Current \$/Retention
 - Paid User Churn/Retention is significantly better with family plans and kids
 - Family Accounts are more likely to be buyers
 - Family Accounts are more engaged than regular users
- Medium-term: Users
 - Children under 13 are the fastest-growing Internet audience in the world
 - Kids are a large % (40%) of new users coming online
 - Digital marketing aimed at kids is growing at about 25 percent per year
 - Kids are key to solving the Home experience (Nest/Assistant)
- Long-term: Ecosystem Play
 - School laptop brand influences future purchase patterns
 - If you get someone on your operating system early, then you get that loyalty early, and potentially for life
 - Brand Trust -> Loyalty - 80% of consumers will continue to buy brand they trust; 76% will advocate on behalf of the brand [Brand Trust Case Study]
 - Investing in schools helps onboard kids into Google's ecosystem

Slide 1

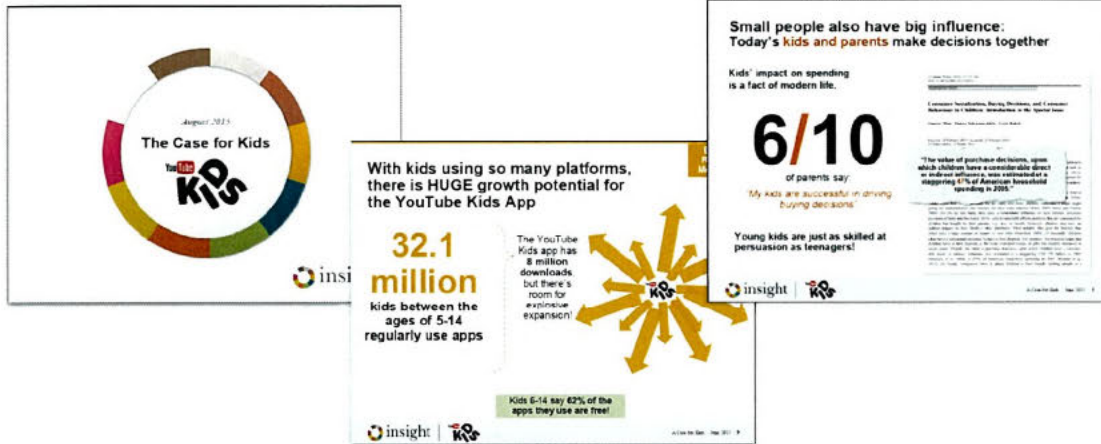
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Include how quickly unicorn is growing and family group is growing to show these are huge growth opportunities for Google.

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Internal Case Studies

YouTube Kids



Source:

[REDACTED]

Laptop brand in school has an influence on purchase patterns

Using a Windows or MacBook at school predicts a consumer preference for those brands upon graduation; this does not happen with Chromebooks.

	Child was provided a Chromebook: (n=11)	Child was provided a Windows: (n=55)	Child was provided a MacBook: (n=15)
Consideration for buying a Chromebook:	47%	31%	18%
Consideration for buying a Windows:	57%	70%	30%
Consideration for buying a MacBook:	29%	32%	66%

Source: Kids and Families Knowledge Audit
https://docs.google.com/presentation/d/1_e8fkI7LCtnh2Atjgs3aWrl_J7JiFpwQSt_u2hTctk/edit?usp=sharing

[Chromebook Brand Tracker - Parent Deep Dive, July 2018](#)

Data from May 2018. Q39 "How many children live in your household?" Base: All respondents n=3000. Margin of error: $\pm 1\%$
 Q38 "What ages are the children in your household?" Base Respondents with children n=1062. Margin of error: $\pm 2\%$

Families Vision (from 2018)

"For YT Premium, compared to individual sign-up, family retention is 6x and lifetime revenue is 3x"

"For YouTubeTV: #1 retention driver, 2x next best retention driver"



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Source:
<https://docs.google.com/>

Data from Andy Russell email

ChromeOS

I'm writing to share a fun milestone for the ChromeOS, Unicorn, and EDU teams. Over the holiday, we crossed the mark for 1M users with Family Link accounts on Chromebooks and are quickly approaching 1.2M MAUs (YTD Y. growth).

Along the way, we've added all sorts of new metrics to learn about how kids are using Chromebooks at home - here are some of our faves:

- 28 Day Engagement shows how often a Chromebook is used - it's a key metric for ChromeOS. In Q1 to date, kids used their Chromebooks 10 days out of every 28 (37% more than our consumer baseline) for an average of 3.2 hours active-day.
- The average Family Link user has 12 apps installed from Google Play (41% higher than our C/O/S baseline). Schoolwork seems to be driving a lot of our growth at home. RAM-OPM is the most popular quartile of the day, barely edging out the coveted 2PM-4PM time slot. Given this, we just launched a new feature for Family Link over the summer that enables kids to [open and supervise their Google Classroom](#) from their school account while being supervised by a parent at home. Adoption has grown every month and 80% of MAUs today use School Accounts for Family Link. Considering the positive feedback, we're bringing the School Accounts feature into the C/O/S flow in M8 and expect adoption to increase further (and Chromebook usage with it).
- A year ago (Holiday 2019) we saw a nice spike in Family Link usage on ChromeOS - about 200K new MAUs. We're still waiting for the charts to catch up for 2020/21, but so far Daily Active Usage is up 10% post-holiday.

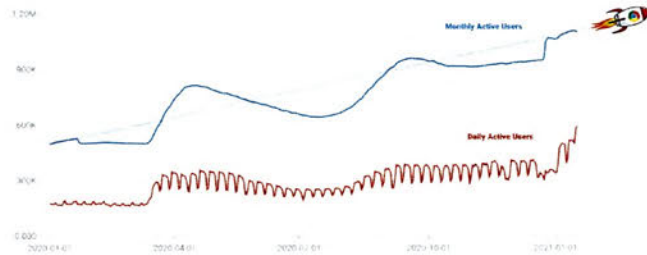
*Dashboard coming soon. [Numbers here as of 10/1/2020](#)

This is one of those Valtron moments where a bunch of teams come together at Google to build a sum greater than its parts. Thank you all for your contributions to this work and for making computing and school and, well, the internet - a whole lot better for kids and parents around the world.

In 2021, we're building new ML-powered tools for learning-at-home and we're making it easier for kids and parents to use their Family Link accounts on the many many school-owned Chromebooks going home in backpacks. We'll be sure to keep you posted.

- Your Friends on the ChromeOS Family Team

2020 Family Link Growth on ChromeOS



chrome Confidential

Google is filling high school classrooms with Androids and Chromebooks — but the kids just want iPhones

"Google has won the K-12 education technology market."

"Part of their motivation to move into that market is to get kids acclimated to Google products, like the Chromebook."

"However, teenagers prefer to buy iPhones and MacBooks when they graduate high school."

"There are 80 million educators and students globally using G Suite for Education, which allows users to access Gmail, Google Cloud, Google Docs, and other productivity tools. In 2017, Chromebooks and other Google devices made up 58% of all devices purchased for US classrooms, according to Futuresource data."

"Analysts say Google's interest in schooling stems from a desire to get children and teenagers accustomed to the Google ecosystem."

"It's pretty clear what motive Google has," Gartner Research vice president Kelly Calhoun Williams, who focuses on K-12 education and was in public education for 25 years, told Business Insider. "This is not a product they're selling; this is not a commercial product. It's getting lots of people very used to working in a Google environment."

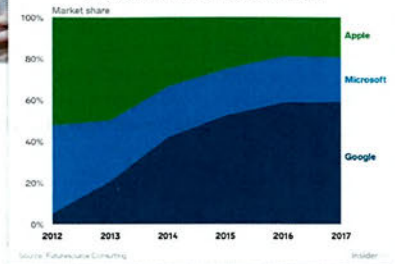
"I would argue that that shows Google's strategy for education has worked quite well even if you're not using (Google hardware) anymore," Greengart said. "There are long-term benefits for Google there."

Johnson 2019 Strategy I Confidential

Google is filling high school classrooms with Androids and Chromebooks — but the kids just want iPhones



Google's rise in ed-tech services



Source: <https://www.businessinsider.com/google-classroom-dominating-schools-kids-want-apple-products-iphone-2018-12>

How Google Took Over the Classroom

"In the space of just five years, Google has helped upend the sales methods companies use to place their products in classrooms. It has enlisted teachers and administrators to promote Google's products to other schools. It has directly reached out to educators to test its products — effectively bypassing senior district officials. And it has outmaneuvered Apple and Microsoft with a powerful combination of low-cost laptops, called Chromebooks, and free classroom apps."

"Today, more than half the nation's primary- and secondary-school students — more than 30 million children — use Google education apps like Gmail and Docs, the company said. And Chromebooks, Google-powered laptops that initially struggled to find a purpose, are now a powerhouse in America's schools. Today they account for more than half the mobile devices shipped to schools."

Google, a unit of the \$652 billion Alphabet, is the latest big contender in a decades-old battle among tech companies to hook students as future customers. "If you get someone on your operating system early, then you get that loyalty early, and potentially for life," said Mike Fisher, an education technology analyst at Futuresource Consulting, a research company.

Johnson's Strategy - Confidential



Source:

<https://www.nytimes.com/2017/05/13/technology/google-education-chromebooks-schools.html>