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**DATA ANALYST**

**META**

**Descriptive Explanation on Meta**

Meta Platforms, Inc. is the parent company of several major social media platforms, including Facebook, Instagram, WhatsApp, Thread, Messenger and Oculus. Founded by Mark Zuckerberg and his co-founders in 2004, Facebook originally started as a social networking site for college students but quickly expanded globally.

In 2021, the company rebranded itself as Meta to reflect its focus on building the metaverse—a virtual reality space where users can interact with a computer-generated environment and other users. Meta has been investing heavily in augmented reality (AR) and virtual reality (VR) technologies to create immersive experiences.

With billions of users worldwide, Meta plays a significant role in shaping online communication, advertising, and community engagement. However, it also faces challenges related to privacy, data security, and the regulation of content on its platforms.

**Meta Platforms, Inc. evolved from its beginnings as a social networking site to a global tech giant through several key phases:**

1. Founding (2004): Facebook was launched by Mark Zuckerberg and his college roommates at Harvard University as a social networking site for students. It quickly gained popularity, expanding to other universities.

2. Growth and Expansion: After opening up to the general public in 2006, Facebook's user base skyrocketed. The platform introduced features like the News Feed and Pages, enhancing user engagement.

3. Monetization (2007): Facebook began to monetize through advertising. The introduction of targeted ads based on user data attracted businesses and established a significant revenue stream.

4. Acquisitions: To expand its offerings and user base, Facebook acquired several companies, including Instagram in 2012 and WhatsApp in 2014. These acquisitions helped diversify the platform's services and strengthen its position in the market.

5. Rebranding to Meta (2021): In October 2021, Facebook Inc. rebranded as Meta Platforms, Inc. to reflect its focus on building the metaverse—a virtual space for social interaction, work, and play. This shift emphasized a commitment to AR and VR technologies.

6. Continued Innovation: Meta continues to invest in new technologies, such as AI and virtual reality, while addressing challenges like privacy concerns, misinformation, and content moderation.

Through these phases, Meta has transformed from a college project into a leader in social media and technology, shaping how people connect and interact online.

**Meta Platforms, Inc. operates on several key factors that keep the company running effectively:**

1. User Engagement: With billions of active users across its platforms (Facebook, Instagram, WhatsApp, and Messenger), user engagement is crucial. High user activity generates more data and content, which enhances the overall experience.

2. Advertising Revenue: A significant portion of Meta's revenue comes from targeted advertising. The company utilizes sophisticated algorithms and user data to deliver personalized ads, making it an attractive platform for advertisers.

3. Innovation and Technology: Continuous investment in research and development allows Meta to innovate, offering new features and improving existing services. This includes advancements in AR and VR through initiatives like Oculus.

4. Ecosystem of Service: Meta's interconnected platforms create a robust ecosystem, allowing users to seamlessly interact across different services, which keeps users engaged and encourages them to spend more time within the ecosystem.

5. Global Reach: Meta operates in numerous countries, allowing it to tap into diverse markets and demographics, expanding its user base and revenue opportunities.

6. Data Utilization: Meta leverages vast amounts of user data to refine its algorithms, improve user experiences, and enhance advertising effectiveness, ensuring ongoing relevance in a competitive landscape.

7. Community and Content Creation: The emphasis on user-generated content fosters community building and keeps users returning to create and share their own experiences.

These factors collectively contribute to Meta's ongoing success and adaptability in the dynamic tech landscape.

**Here is a summary of Meta Platforms' annual revenue and net income from 2009 (when data became available) through 2024:**

|  |  |  |
| --- | --- | --- |
| YEAR | REVENUE (IN BILLIONS | NET INCOME (IN BILLIONS) |
| 2009 | $0.77 | $0.23 |
| 2010 | $1.97 | $0.61 |
| 2011 | $3.71 | $1.00 |
| 2012 | $5.08 | $0.53 |
| 2013 | $7.87 | $1.50 |
| 2014 | $12.47 | $2.94 |
| 2015 | $17.93 | $3.69 |
| 2016 | $27.64 | $10.22 |
| 2017 | $40.65 | $15.93 |
| 2018 | $55.83 | $22.11 |
| 2019 | $70.69 | $18.49 |
| 2020 | $85.97 | $29.15 |
| 2021 | $117.93 | $39.37 |
| 2022 | $116.61 | $23.20 |
| 2023 | $134.90 | $39.10 |
| 2024 | $149.78(estimate) | $51.43(estimate) |

The data highlights Meta's significant growth in both revenue and profit since 2009【stock analysis} [stock analysis].

**DIAGNOSTIC ANALYSIS**: The fall in net income for META Platforms in 2012 was primarily due to:

Facebook was facing challenges in monetizing its rapidly growing mobile user base.

Also due to increased costs and expenses associated with its transition to being a publicly traded company.

Stock based compensation expenses, as Facebook granted stock options to employees These factors led to a notable decline in net income for the year.

In 2022, there was also a fall which was caused by

Increased competition: Meta faced growing competition, particularly from platforms like TikTok, which attracted younger users and advertisers.

Strong U.S Dollar: A strong dollar in 2022 also impacted Meta’s international revenue, as the company earns a significant portion of its income overseas. Currency fluctuations meant that revenue from foreign markets, when converted to U.S dollars was lower.

Increased Costs and Expenses: The company increased spending on its virtual reality (VR) and augmented reality (AR) technologies, with a particular focus on developing the metaverse, which was expensive but did not yield immediate returns.

In 2023, there was an increase in the net income which was attributed to various factors such as:

Ad revenue growth: Meta develop AI tools to enhance ad delivery which played an important role in the increase.

Many companies increase their spending on online ads, which benefited Meta.

Strong Engagement: User engagement remained strong on Meta’s key platforms, such as Instagram ad Facebook, with features like reels continue to attract users and advertisers.

**PREDICTIVE ANALYSIS:**

The Metaverse initiative may still be in its investment

- Revenue and Profit Forecasting: Using the historical financial performance data of the revenue of Meta platforms, 2024 profit margin will be increased due to billions of active users across its platforms. This will thereby generate more profits

User Adoption Models: Based on historical feature launch data, new features like reels, is predicted to still catch the fancy of the users, since is commonly used as ads for many companies. For example, after Instagram Reels was introduced, users quickly adopted the feature compared to similar rollouts like Instagram Stories. Also, the Meta’s VR offerings and Facebook Marketplace is been accepted by the users.

- Content-Type Popularity: Short-form video and live streaming content will grow in popularity based on past user behavior and engagement trends. Most of its users, celebrities and businesses go on live video. Meta should invest in these features.

-Predict how different user segments (e.g., by age, region, interests): In 2022 there was a decrease in profit due to younger ones diverting to TikTok because of its short form video format, filters, viral challenges and trends, escape from traditional social networks.

There might also be a fall in Meta if the younger users are not enticed with the platform

**PRESCRIPTIVE ANALYSIS:**

1. Designed features should be created that will allow for challenge and trends, filters which will draw the younger users and make it appealing to younger generations.

**META PLATFORM, INC. COMPETITOR**

Snapchat is one of Meta Platforms, inc.’s competitors, among others.

Here's a table summarizing Snapchat's annual revenue and net income since its monetization in 2015:

|  |  |  |
| --- | --- | --- |
| YEAR | REVENUE | NET INCOME(LOSS) |
| 2015 | $59 million | -$372 million |
| 2016 | $404 million | -$514 million |
| 2017 | $825 million | -$3.45 billion |
| 2018 | $1.18 billion | -$1.26 billion |
| 2019 | $1.72 billion | -$1.03 billion |
| 2020 | $2.51 billion | -$945 million |
| 2021 | $4.12 billion | -$488 million |
| 2022 | $4.6 billion | -$1.43 billion |

Total from 2015-2022:

- Total Revenue: Approximately $15.36 billion

- Cumulative Net Loss: Around $9.46 billion

Snapchat (Snap Inc.) has seen growing revenues since 2015, but it has yet to achieve positive net income. Its significant losses, especially after the 2017 IPO, have been primarily due to high expenses, including stock-based compensation and operational costs.

Here’s the revenue and net income for Snap Inc. (Snapchat) for 2023 and the estimated 2024 figures:

|  |  |  |
| --- | --- | --- |
| YEAR | REVENUE | NET INCOME(LOSS) |
| 2023 | $4.61 billion | -$1.32 billion |
| 2024 | $4.98 billion (estimate) | -$1.17 billion (estimate) |

Revenue remained flat in 2023 compared to 2022, and while losses decreased slightly in 2024, Snap is still operating at a net loss{Snap Investor Relations】【Snap Investor Relations】.

**Meta Platforms (formerly Facebook) holds several competitive advantages over Snapchat:**

Descriptive Analysis: Using this method of data analytics, it has helped Meta Platforms through the use of past data (data on how users interact with its platform, including likes, shares, comments, videos watched and post engaged with) to identify what their user wants and need. Thereby improving user satisfaction by offering a wide range of services (social media, messaging, and VR), providing greater engagement opportunities.

-Data on how users engage with advertisements, including clicks, conversions, and time spent on ads, helps Meta optimize ad delivery by learning which ads perform best for which user segments. By doing this, they make decisions on how to increase their Advertising power thereby targeting users more effectively.

Prediction Analysis: Meta platform formerly Facebook identify the trends that users want an ecosystem of apps that could offer different functionalities (photo sharing, messaging, etc.) Facebook combined user behavior data, mobile usage patterns, market research, competitor analysis, and insights to predict that photo sharing and messaging would become dominant activities. Instagram and WhatsApp was seen as a potential competitor that could undermine Facebook dominance in social media and messaging. Acquiring them helped Meta neutralize this competition and kept users within its ecosystem and increases revenue potential.