

# Analysis of meta company's growth in the context of metaverse

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**Abstract.** In the context of the booming metaverse concept, Internet giant companies are sailing in a thousand directions, among which Facebook Inc. has changed its name to meta, reflecting behind its determination to expand its business landscape into the metaverse field. This paper analyses the different scenarios of meta's entry into the metaverse and uses a swot model to analyse meta's metaverse business, and concludes with some discussion of the possibilities for the company's successful future development. Meta's monopoly strategy and strong comprehensive strength can strongly help to realize the meta-universe and disruptively change users' lives, however, the potential meta-universe regulation may become a more worrying long-term threat to Meta. To make a better development, internally, seeking a second growth curve, continuously making technological breakthroughs, dealing with privacy and security issues, and building a new user ecosystem; externally, in order to better embrace the arrival of the meta-universe, appropriately adjusting the monopoly strategy and proactively helping the government find a more appropriate perspective to regulate the Internet industry may be the best way.

**Keywords:** Metaverse, Meta company, Business analyze.

## 1. Introduction

### 1.1 Meta/Facebook Background

With internal Facebook's advertising business gradually struggling, external regulators' continuous investigation, monopoly privacy and other issues, Facebook changed its name to Meta.[1]

Meta, as one of the tech giants, who owns Facebook and Instagram, vast users, huge advertising revenue, rich database and advanced technology, plays a dominant role in the current meta-universe track.

### 1.2 Current Strategy

Meta is built as a technology brand separating from Facebook. The company's priorities have shifted from Facebook First to First in the Metaverse. Facebook Reality Labs is a brand-new division of Metaverse that has been founded by Meta.

Meta eliminates account restrictions by launching a unified account system that will eventually work with all of the company's social apps, the Oculus Quest device, Portal, and other devices.

### 1.3 Metaverse

Science fiction author Neal Stephenson created "the Metaverse" in 1992, a virtual world that users could access through the Internet and where they could carry out crucial aspects of their daily lives. [2][3]By using Metaverse to create augmented reality learning media, SMKN 1 Labang Bangkalan educators' proficiency is increased. Make an abstract argument against considering VR as a miracle tool for flawless illusion creation.[4][5]

## 2. Analysis of different application scenarios

With a focus on all facets of people's daily lives, Meta will cover social, gaming, work, and educational topics.

### **2.1 Social: personalized environments and avatars, VR video calls using Messenger**

Users can create their own space in virtual reality by using the new Horizon Home function. They may meet up with friends everywhere by creating a special home of their own, including space, the deep sea, and even the grasslands. Everyone's virtual appearance can also be freely defined and selected, and users can create their own images anyway they like, such as a cartoon animal picture or a half-human, half-mechanical image.[6] Through Horizon Venues' features, friends may get together, watch movies and play games, and go to immersive concerts or virtual performances.

To strengthen the social ties between the actual world and the virtual world, Facebook has also made other enhancements to Messenger in Quest. On Horizon, users may now make direct Messenger calls to their pals and converse with both their digital and physical identities.

### **2.2 Game: Grand Theft Auto's release on Oculus VR pushes the limits of gaming even further.**

Gaming is probably one of the easiest entrance points for the typical consumer to comprehend and accept at the present, but Zuckerberg claims that it is still early in the realization of the various roles in the metaverse.

Beat Saber and Population in Quest are two VR games that have already become quite popular. Now, Meta will add more VR games to its platform. The well-known blockbuster IP Grand Theft Auto: San Andreas will be made available in VR for the first time in Oculus Quest 2 following the release of Resident Evil 4. Then, in a more thrilling and immersive open world inspired by locations like Las Vegas and Los Angeles, players will explore.

Additionally, Zuckerberg believes that gaming in a metaverse is ingrained in daily life and is not just restricted to a specific type of gaming. For instance, playing basketball with a friend in augmented worlds, fencing with a friend, and playing chess together in augmented reality. Soon, Oculus will have these gaming-based fitness capabilities that allow users to exercise in a virtual environment while competing with pals or AI.

### **2.3 Work: Slack, Dropbox, and other internet tools for work, Release of the Workrooms enterprise model by Horizons**

Despite garnering a lot of attention, many people now consider Facebook's Horizon Workrooms feature to be a simple gimmick without any real-world applications. But this time, Meta has taken the notion of expanding the metaverse workplace a step further. More 2D multitasking apps, such as Slack, Dropbox, Mural, and Pluto TV, will be integrated on Horizon Workrooms, according to Zacberg, in an effort to make using the Virtual reality technology for consumers easier and more effective. And in the future, some Oculus apps will blur the boundaries between VR and 2D apps, such as Horizon Workrooms, which will soon support Zoom calls.[6]

In addition, the new business offering will provide Quest for Business work functionality for Quest devices (including access to Quest 2 with a work account), as well as account management, IDP and SSO integration and mobile device management for businesses. [6] The functionality will be available for trial during the year, in public beta during 2022 and in the market during 2023.

### **2.4 Education: Developing immersive educational experiences and establishing a \$150 million content creation fund**

According to Zuckerberg, the metaverse's introduction will have an impact on how education is provided in the future. VR and AR will be effective educational tools. Facebook has established a \$150 million fund specifically for the creation of an effective learning ecosystem in the metaverse. It will first produce an interactive instructional experience. If you want to learn about the planets, for instance, you may put on AR glasses and see enormous planets in front of you. You can move them about and zoom in on them to clearly understand their textures and features.[6] If you're interested in learning about ancient architecture, you can instantly "travel" to that time period to see how the great structures were constructed. Additionally, Meta will concentrate on fostering AR/VR content

producers in the educational sector. To this end, they have partnered with a number of universities, non-profits, and educational institutions and are currently working with Unity to teach people the skills, tools, and other requirements for creating educational VR content.

### **3. Business model: SWOT analysis of Meta**

#### **3.1 Strengths: an appropriate strategy**

In order to better lay out the meta-universe, meta in addition to the well-known large acquisition of Oculus, Surreal Vision, Pebbles, Big Box VR and other companies in the virtual hardware layout, I think what makes meta stand out is not only the VR, AR that other companies are also competing to invest in, to create a dominant position in the meta-universe, need more moat, and the global currency Libra gives meta a chance to create a meta-universe currency.

In 2019, meta's Switzerland-based subsidiary Libra Network joined 26 companies around the world to release a white paper on the cryptocurrency project, formally known as Libra. The mission of Libra is to create a straightforward, borderless currency and financial infrastructure that serves billions of people, according to the first sentence of the white paper.[7] Meta's objective is to create a "borderless currency," which Libra is tasked with creating. A "stablecoin" in the blockchain community, Libra serves as the anchor for a "basket of currencies" made up of several national fiat currencies. World Coin, which means "global currency," was the initial name for Libra.

It means that 2.7 billion users will be connected to the crypto payment system; 3/4 of the Internet population will enter the blockchain world; Hayek's "Denationalization of Money" will be verified in reality; and it will be a great challenge to the US minting power.

In terms of future layout, this can be meta's entry into the metaverse to settle down: a stable and universal economic currency system will make more users dare to conduct economic activities in the metaverse: spending, earning, and investing.

#### **3.2 Weaknesses: Corporate Strategy Deficiencies.**

##### **3.2.1 The Impact of Monopolistic Strategy on Market Health**

Facebook has spent nearly 20 years consolidating its position as the world's largest social media company. Critics have long questioned Zuckerberg and Facebook's "copy-acquisition-kill" strategy, saying it forces its potential competitors to sell their companies or risk being destroyed by Facebook. It could be destroyed by Facebook. While monopolies can put a company in a dominant position in the short term, they are really bad for the industry from a market ecology perspective." That means consumers could be missing out on some really great stuff," says the founder of the metaverse market research company VoxPop.

##### **3.2.2 Monopolistic Strategy Causes Regulatory Drag on Development**

According to a report from January 2021, the FTC and many state attorneys general were looking into allegations that Meta was engaging in anticompetitive behavior in the AR/VR sector. History demonstrates that the government can have an influence without necessarily winning antitrust cases against significant, disruptive technological businesses. While both cases were ultimately dismissed or settled, the U.S. Department of Justice sued IBM and Microsoft for having monopolies in the mainframe and operating system markets, respectively. These lawsuits left the companies in disarray during a time of technological change that resulted in the emergence of rival companies during years of litigation.

##### **3.2.3 financial plunge analyze**

The financial results show that Meta 2021's fourth quarter revenue was \$33,671 million, up 20% from \$28,072 million a year earlier, and net income was \$10,285 million, down 8% from net income of \$11,219 million a year earlier[8]. Although revenue is still growing, the focus is on Meta's daily and monthly active users are not meeting expectations.

Meta Platforms reached 1.93 billion daily active users (1.95 billion expected) and 2.91 billion monthly active users (2.95 billion expected) in the fourth quarter of last year. This is the first quarterly decline in the number of daily active users on the platform since records began. This, coupled with Meta's "Metaverse" division's loss of over \$10 billion in the past year. This led to a significant market sell-off, and on Thursday, Meta's share price fell 26.44 percent, reducing its market value by US\$234 billion and setting a record for the worst one-day decline in a stock in American stock history.

Behind Meta's plunge, the surface is that its metaverse story is too distant and too expensive to be bought by the capital market, but analyzing the essence, the two cores that support Meta's development, the number of social network users and advertising revenue are in serious crisis, and the cracks in Meta's "Skyscrapers" foundation cannot be hidden.

### 3.3 Opportunities: Broad trends

The epidemic was a massive blow and disruption to the real physical world, leaving the world in many unprecedented states, including the closure of multimillion-dollar cosmopolitan cities. Regardless of how the epidemic eventually develops, even in the post-epidemic era, the epidemic has profoundly altered the basic patterns of contemporary human life, production, economy and society. Because of the advent of the epidemic era and the repeated effects of the epidemic on the human environment and way of life, the human race began to have a great need for a new mode of living and working, and this point became a highly specific historical impetus in the creation of the metaverse. It is not that there would have been no metaverse without the epidemic, but what can be seen is that the epidemic called for and stimulated the arrival of the metaverse.

And the vision aimed at the emergence of the metaverse was the creation of a parallel world that had never been seen before and that could physically integrate with reality. At this point it can be said that both are making history.

During the last twenty or thirty years, or even pushing it to about fifty years, starting with the IT revolution, all the way into the communications revolution of recent years with big data, cloud storage, 1G to 5G, and now 6G on the way, as well as AI, blockchain, digital twin, quantum science revolution, all these technological revolutionary achievements have finally come together and need to occur and establish a comprehensive and fundamental technological revolution framework that concentrates the effects of all the technological achievements in a cluster. Now we see that only the metaverse has the potential and tension to support the holistic convergence of the entire technological revolution.

And since 2008, the traditional economy, meaning mainly the traditional real economy and the traditional financial economy, has always lingered in a cyclical crisis, with a large number of traditional economic problems, such as the decline in labor productivity, the persistence of inflation, the fluctuation of interest costs, the rise in the difficulty of employment, the conflict of traditional international trade, to name but a few. All of these point to the fact that solving the problems faced by the traditional economy within the framework of the traditional economy cannot be said to have come to an end, or at least to be difficult. People need new ideas to support a new economic model to solve the structural and institutional dilemmas of the traditional economy. It is for this reason that the metaverse offers an extremely creative alternative.

On the one hand the epidemic is exacerbating the crisis and dilemma of the traditional economy, while the metaverse is constantly releasing space and value for technology. One is destroying and the other is building, which seems to imply that the metaverse is the megatrend of the future.

### 3.4 Threats: Competitors

Apple, as the company with the best user ecology, will be expected to launch thousands of people to develop AR headset in 2022 and take the lead in virtual reality hardware technology.

Bytespring has acquired the top VR equipment vendor Pico, which means that Bytespring, which holds a large number of users, also starts to pay attention to the production of equipment in the metaverse.

NVIDIA, as the world's largest GPU designer and developer, built the entire virtualization platform and chip, which is the infrastructure driving the entire industry. 2021, NVIDIA released Huang Renxun's 15-second virtual image at its own launch event[9].

Google set up Project Iris, hired a large number of strong technical experts to study the helmet research and development, 2021 Google conference dazzling project - ultra-high resolution holographic video chat technology Project Starline is also labeled as the first step chess of Google metaverse.

Microsoft's two metaverse main direction is overlapping with the meta: meeting office and games. Games as Microsoft spent a large investment in the field, 2022 to \$ 68.7 billion acquisition of Activision Blizzard, becoming second only to Tencent and Sony's game company.

From the perspective of advertising revenue, while competing with Google's homogeneous advertising, the online world has transformed from the era of graphics to the era of video. tik tok under the banner of Byte Jump has crushingly squeezed users' screen usage time with the advantage of its algorithm. In terms of hardware technology related to the meta universe, Nvidia, Google and Apple have invested heavily in VR hardware and are not lagging behind in terms of technology, especially Apple has a better user ecology than meta, which needs to keep focusing on strengthening the R&D and production of devices to protect its current dominant position. It should be noted that Microsoft has an extremely clear advantage in the gaming sector, with popular ip games greatly attracting the attention of users. At the same time Meta and Microsoft have announced that they are bridging the Workplace and Microsoft Team barriers, allowing mutual access to enterprise software content. Meta has always been a company in the 2C field and has a lack of accumulation in the 2B enterprise field, with neither email nor office systems. Even if Meta were willing to start from scratch in the enterprise field, it would be difficult to build the organisational DNA to provide 2B enterprise services from scratch.

## **4. Discussion**

### **4.1 Business Strategy: Adjusting Monopoly Strategies**

With regards to user data, government antitrust rules, and moral bankruptcy, Facebook is subject to regulatory dangers. Facebook's business model depends on user data information, therefore new regulations need adjusting the old one.

Meta has also demonstrated monopolistic tendencies in the development of its metaverse business: predatory pricing of headset devices, buying out technology that a large number of developers are trying to develop, blocking competitors' apps from running on its Quest AR/VR app store, or outright copying competitors. While the "Horizon Worlds" virtual work meeting program resembles Spatial's collaboration app, Meta's Horizon Worlds social environment is comparable to the popular game Rec Room.

On the one hand, Meta's AR/VR initiatives might help the market because it will put a lot of money into creating complementary products that will appeal to more people. On the other hand, this line of work could potentially lead to limitations on the development of the metaverse business, affecting the vitality of the industry and creating unnecessary public perceptions and government regulation for the company.

### **4.2 Operating Model: Seeking Second Growth Curve, Redefining Business Model**

The main problem Facebook is facing now is how to seek the second growth curve. The company is trying to seek the second growth curve with very low trial and error cost in short video, long video, e-commerce, payment, meta-universe and other tracks. But at this stage, except for the active users of some businesses which maintain a high growth trend, the overall user growth is weak. At the same time, there are many competitors, and its existing business model is facing homogeneous advertising competition with Google on the one hand, and the transition pressure is huge; on the other hand, Amazon and Apple are already far ahead. Whether it is the richness of the content ecology or user

habits, Facebook has a large gap with its competitors in their respective fields, and is still in the stage of catching up in the short and medium term.

The key to the metaverse model, which focuses on the platform and meta-universe technology and is not the same as the original advertising charge model, is having a lot of custom hardware and software content. This approach is also relatively complex. Alternatively put, if the metaverse business model is established, it is the negation of the existing model, which is the source of revenue for Facebook. meta whether the company has the courage to subvert its own business model remains to be considered.

#### **4.3 Corporate culture: Promote the cultural values of 'technology for good'**

Technology for good is not just about corporate social responsibility, commitment and public welfare, it should not be a public relations slogan and propaganda. It should not be a pan-moralistic argument or identification, but a valuable practice. Technology for good can be understood in multiple dimensions. Technology for good is a product power, a competitiveness of enterprises, and can also be understood as a driving force for the future development of human digital society. [10] The power to build a virtuous digital society, focusing only on the development of technology itself, is not enough to drive the development of digital society.

Human beings are the measure of technology, and the core of science and technology development, no matter what time it is, is human beings. Human beings long for a digital society that is inclusive and benefits human beings in every aspect, therefore, I believe that the digital society is characterized by inclusion, which should be a common goal in the pursuit of digital society. Between the current technological reality and that hopeful, inclusive goal, a human-centered goodness should serve as a benchmark and guide. Beyond inclusiveness, the digital society should also be a universal society, which should be able to carry some universal concerns for the future development of humanity, and the digital connection should be carried by common values. Ecumenical itself also has very many differences, different religions, different theories, different ideologies also have many differences, in which goodness can be one of the common points, which is not only beneficial to export the new image of meta in the world outside the meta-universe, but also beneficial to create a common space of meaning and develop a new culture in the metaverse.

#### **4.4 Economic system: Establish a metaverse economic system using global coins**

Like the real world, the economic system of the metaverse will be a complex giant system. Economic activities in the real world include four aspects: production, distribution, exchange and consumption. Specifically, companies produce products, exchange them with consumers to obtain revenue, and distribute the revenue among producers. The purpose of distribution is for the next round of production, and exchange is a prerequisite for distribution. A good economic system requires a dynamic equilibrium among these links. In other words, the more consumers are willing to exchange, the more value can be created, which can be distributed among producers to further promote and expand reproduction.

It can be seen that exchange and distribution play an important role as regulators in the dynamic equilibrium of the economic system. [11] In the mapping of virtual worlds, the principle is the same. From the production of digital content to its final consumption, the two links of exchange and distribution are central. To this end, a range of tools and systems are needed to facilitate the smooth conclusion of exchanges and a fairer distribution of the value gained from them.

Digital currencies, financial/payment instruments, trading platforms, service organizations and blockchain technology constitute the "tool layer" of the metaverse economic system, helping digital products in the metaverse to realize value discovery and exchange, and reducing transaction costs in the process, while safeguarding digital assets and digital identity.

With the empowerment of the "tool layer", the metaverse also needs to establish a reasonable value incentive mechanism or rules to guide the effective production and reasonable distribution on the supply side to create rich, high-quality digital content that meets consumer demand; at the same time,

a broader and more active digital content consumption and application market is formed on the demand side to promote value exchange from production to consumption. At the same time, a broader and more active digital content consumption and application market is formed on the demand side to promote the exchange of value from production to consumption, thus forming the "flywheel effect" of digital content ecology with the synergy of supply and demand and driving the rapid growth of the metaverse economy.

The future metaverse needs to combine tools and systems to establish a stable economic system that creates a dynamic balance between the production, exchange, distribution, and consumption of digital content, ensuring that all stakeholders can create and realize value in the system, thus driving the healthy growth of the content ecology.

The concept of Libra in realistic conditions, in which the state still exists and the independence of sovereignty is difficult to eliminate, the lack of national sovereignty and legal protection of wealth corresponding to the attempt to replace the national sovereign currency and promote the "denationalization of money", is difficult to achieve on the ground. Moreover, not only does this idea face very complex challenges in terms of architecture and operation, and is inherently difficult to implement, but it still lacks sufficient legal protection to coexist with its basket of currencies. Even the euro is not a supersovereign currency, it must be legally recognized and protected by the eurozone countries, and completely replace the original national currency of the eurozone, as the new sole regional sovereign currency.

For some large institutions such as meta, which is committed to building an international clearing system, even if they want to run their own digital currencies, it may be more feasible to launch separate "tokens" linked to national currency equivalents and used mainly in that country than to directly launch a borderless currency linked to a basket of currencies in proportion to their integrated and unified nature.

#### **4.5 Government Regulation: Helping lagging governments to reform legislation and regulate the fast-growing Internet market**

The IBM and Microsoft examples demonstrate how anti-trust enforcement can divert or deter technology corporations from entering new sectors. Capital markets are concerned about Facebook's future development, as seen by the U.S. government's frequent hearings on the topic and several probes into monopolies, the platform's addicting user interface, and ethical bankruptcy. As to whether Meta will be affected in a similar way, it is impossible to tell.

These incidents also demonstrate the disconnect between the government's tardy response and the rapidly expanding technological sector. The American government has been sluggish to act, and prior antitrust laws had been more concerned with the price of goods to consumers than with the realities of the contemporary digital economy. Additionally, free services like Facebook and Instagram are available in the current digital economy. Therefore, it may take decades to conclude an antitrust action, and it may take even longer to try to change the law.

If companies rely solely on self-regulation, it is inefficient and difficult to gain user trust. Strong government regulation is needed so that the public, through trust in government regulation, will turn to trust that companies will use their private data, etc., legally and compliantly. The government is inherently lagging, and improper management of the Internet industry is not only detrimental to the development of meta, but also to the realization of the meta-universe that the whole industry is helping to achieve together. At the same time, as the industry leader, meta has a social responsibility to take the initiative to provide consulting services, break down barriers, and help relevant government departments reform legislation and regulate the market, thus tempering the public image affected by privacy issues with a proactive attitude of regulating itself.

#### **4.6 Cultural exploitation: Promote the metaverse through KOL and cultural works to get people to accept it and enter it.**

The general population might not be interested in taking part in this "real world alternative" (i.e., metaverse) at all, putting aside the rival tech behemoths in the metaverse. Google Glass failed ten years ago, and Zuckerberg's claims about the metaverse have been met with a lot of skepticism and bewilderment. Because it was unpopular with everyday users, many people thought it was an invasion of privacy and not cool to wear.

Only around 1 in 4 Americans had used an AR or VR headgear as of July 2021, according to a study by Morning Brew-Harris, a U.S. communications media business, and only 28% of respondents expressed excitement about the technology.

In fact, the public's understanding of the concept of metaverse may be limited to movies like Ready Player One

To make more users want to enter the metaverse, entertain, create and work in it, more cultural works are needed to make people think this emerging concept is very attractive. At the same time, the recognition and soft promotion of the products related to metaverse by celebrities, actors, musicians and kol on social media platforms will also help people gradually accept this subversive life style psychologically.

## **5. Conclusions**

There is still a lot of debate in the community when it comes to Meta's foray into the meta-universe. But as a collection of technologies and ideals, Facebook's name change to Meta is only the first wave, and the real push for the metaverse will still depend on innovative changes in all types of technology. The concept of metaverse is still idealised at the moment, and he offers the possibility of the next stage in the development of the Internet industry, but this new era will not arrive until there is a technological breakthrough.

This paper mainly uses theoretical frame of SWOT to analyse the metaverse from the perspective of the industrial layout and business strategies of meta companies, while there are also some philosophical and social science topics that are worth being discussed in the process of metaverse development: the excess of physical to digital man; the coupling of the natural and virtual worlds; the evolution of the atomic world to the bit world; the migration of the physical body to consciousness. And these issues are equally crucial to the development of the metaverse.

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