July 2020: In response to a policy to not moderate a controversial post on their platform. Facebook (FB) was the target of a never before seen mass financial activist campaign to cut off advertisement revenue to pressure policy change within the company. The movement gained support of 1100 organizations of various types who either reduced ad spending, or completely eliminated ad spending for the duration of Q3 2020 through Q4 2020. These included large

In Jun 2020, the month before the boycott campaign, it was reported FB controlled at least 23.4% of the overall US-online advertising market. The top 100 brands that cut their ad dollars on FB made up 6% of that 23.4% controlling interest. By Nov 2020, four months after the boycott, and a loss of over $70 billion in ad revenue in the short-term, FB earnings disclosed that overall online advertising increased by 10% in the past year 2019 with projections to continue in the future.

Our project will assume that a similar social campaign/revenue loss scenario can happen in the near future involving Facebook with the same population of companies, and at the same time.We have identified **83** distinct SEC-registered stocks across all 11 GICS stock market sectors that will be in this study. We will construct two comparison portfolios:

A **control** short-term portfolio, weighted 100% in FB and it's performance during the boycott period.

A **speculative** short-term portfolio,based on these 83 public companies. The weighting of this portfolio will be broken down and allocated by GICS market sectors of each company.

Example: if there are 3 market sectors in the total population of 83 stocks. The weighting will be .33/.33/.33. And each .33 allocation would be equally divided amongst all the stocks in that distinct sector.

What we cannot control for:

1. Whether a company was considered a "reduced spender"; that is a company never officially boycotted Facebook, but reduced 90% spending short-term for an unknown period of time.
2. The time when each company joined the campaign, and when they ended is not officially recorded by any source.
3. The actions to boycott advertising were done primarily through third-party advertising companies partnered with the brands themselves. That is to say, the top companies themselves did not reduce their advertising budgets with these firms, in reality it's the advertising contractors licensed to advertise on behalf of these brands that are not spending ad dollars on Facebook during this time. And it could be when they resumed costs have increased as a consequence that affects the stock value.

4. The effects of the pandemic which were already in place before the boycott. So there is financial declines that we not easily be able to attribute to the boycott.
5. Most of Facebook's ad revenues come from small businesses and nonprofits who cannot afford to reduce their sales presence on the platform, so assessing the overall financials of Facebook will likely include revenues from these entities.

What stock is qualified for this portfolio:

1. Any stock to a company that is SEC registered that participated in the boycott.
2. We will assume every stock included in this portfolio cut advertising completely and is not a "reduced spender."
3. We also assume each company started the campaign July 1st and ended Dec 31st.
4. We also include a stock even if one subsidiary joined the boycott, even if the main corporate entity did not make a full brand commitment. If they are owned by a parent corporation traded on the SEC, the parent stock is included.

Core analysis and scope: We will analyze the overall historic average returns of both control (FB) portfolio and speculative (83-stock) portfolio during Q3-Q4 2019 and Q3-Q4 2020 respectively. This covers FB only and it's subsidiaries like Instagram. If companies announced additional commitments to boycott ad dollars on other tech platforms like Youtube and Twitter, that is not accounted for.

Project scenario: We will assume there's an upcoming boycott event happening in 2021. We have $100,000 to invest in a short-term venture, based on the results of the first boycott. We as an intelligent investor will make a decision to either invest the $100,000 in either the FB portfolio, or invest in the speculative 83-stock portfolio.

Additional scenario: we will look deeper into our speculative portfolio, and analyze the overall average returns of each distinct market sector, and pick the top sector that showed the most positive returns amongst all sectors, for their action to boycott Facebook. We will put these stocks into a third portfolio, weighted evenly among all the stocks in that sector, and make a decision to either invest our $100,000 in FB, or the 1-sector portfolio.

Conclusion: The revelation from the analysis will reveal whether FB can objectively outperform a direct mass threat to its underlying business model on a short-term basis. Or if the boycott was strategic and caused the companies/sectors involved to increase profitability at the expense of a short downturn in stock value. These boycott or activist events that affect stock value are artificial in nature, and not a result of a genuine market event or economic causation. But we will assume more of these events will happen in the future given public discourse on techs role in social issues, and to form an short-term investment strategy of what sectors could pay off in the next boycott, or to put money in Facebook.