

**Business** | Mark to market

## Things are looking up for Meta

Is the worst over for Mark Zuckerberg's social-media empire?



**F**or mark zuckerberg, the first three quarters of last year were rough. In July 2022 his social-media empire, Meta, announced its first ever year-on-year decline in quarterly revenues. Three months later it reported another. Investors sneered at his expensive pivot from a lucrative ads business to the untested realm of the metaverse, on which Mr Zuckerberg was splurging \$10bn a year. By November Meta had lost roughly three-fifths of its market value since its peak of \$1.1trn in August 2021, when the covid-19 pandemic meant that much of daily life was

being lived online. Shortly after he sacked 11,000 people, or 13% of its workforce. All the while, he has been fending off trustbusters and, in TikTok, a rival that has proved considerably more adept than previous challengers such as Snap or Pinterest at attracting eyeballs—and with them advertising dollars.

On February 1st Mr Zuckerberg reported another decline in sales for the last three months of 2022, of 4.5% year on year. But the drop was smaller than expected. The company also put out an optimistic forecast for the current quarter, in which it thinks revenue could reach \$28.5bn. That would be more than in the first three months of 2021, before Apple introduced privacy rules for its iDevices that made it considerably harder for advertisers to track users across the internet. Costs are coming under control, Mr Zuckerberg promised, and the company would be “be more proactive about cutting projects that aren’t performing or may no longer be as crucial”. The firms said it would buy back an additional \$40bn-worth of shares. To top it off, on the same day a judge in California threw out a lawsuit brought by the Federal Trade Commission (ftc) to block Meta’s acquisition of Within, a maker of a popular virtual-reality fitness app.

Investors greeted all this with a big “like”. Meta’s share price, which had already risen by over 70% in the previous three months, leapt by another 20% or so after hours. That would put its market capitalisation at \$484bn. Squint and the company, which had been all but relegated from the ranks of big tech, is back in the fold.

Can the hot streak last? Mr Zuckerberg has reasons for cautious optimism. Meta has come up with ways to work around Apple’s privacy settings. Its artificial-intelligence capabilities are improving, both in the lab and in the real world—specifically, in the world of Reels, where algorithms are serving up short videos on Facebook and Instagram, Meta’s two profit motors. These are reportedly getting cleverer at creating engagement. TikTok, which is owned by a Chinese company, is under increasing scrutiny in America, where some politicians are calling for a ban on the popular app. Even Apple has given Mr Zuckerberg’s vision of the metaverse a backhanded compliment, by working on its own virtual-reality-like headset.

Plenty could still go wrong. What used to be recession-proof

digital-ad spending is becoming more cyclical, and the economic cycle is turning downwards. Even if Meta's Western markets avoid a recession, advertisers are likely to rein in spending. Despite a degree of bipartisan support for a TikTok ban, political gridlock in Washington makes any actual legislation to that effect unlikely in the near future. Its courtroom win over Within notwithstanding, Meta still faces other—more serious—challenges from regulators at home (where another ftc lawsuit calls for its break-up) and in Europe (where tough new rules on large digital platforms are being finalised). And few people are burning to migrate to the metaverse. Late last year Horizon Worlds, Meta's main metaversal attraction, was reportedly losing users. Mr Zuckerberg is not out of the woods. But he no longer seems lost in the jungle. ■

## 美达的情况正在好转

马克-扎克伯格的社交媒体帝国的最坏情况是否已经过去？

对于马克-扎克伯格来说，去年的前三个季度是艰难的。2022 年 7 月，他的社交媒体帝国 Meta 公司宣布其季度收入首次出现同比下降。三个月后，它又报告了另一个数字。投资者对他从利润丰厚的广告业务转向未经测试的元数据领域的昂贵举动嗤之以鼻，而扎克伯格先生每年在这一领域的投入高达 100 亿美元。到 11 月，美达公司自 2021 年 8 月达到 11 万亿美元的峰值以来，已经损失了大约五分之三的市值，当时 covid-19 大流行意味着大部分的日常生活都是在网上度过。不久之后，他解雇了 1.1 万人，占其员工总数的 13%。在这期间，他一直在抵御信任者，而在 TikTok，他的对手已被证明比以前的挑战者如 Snap 或 Pinterest 更善于吸引眼球，并随之吸引广告费。

2 月 1 日，扎克伯格先生报告说，2022 年最后三个月的销售额再次下降，同比下降 4.5%。但降幅比预期的要小。该公司还对本季度做出了乐观的预测，认为收入可能达到 285 亿美元。这将超过 2021 年的前三个月，当时苹果为其 iDevices 引入了隐私规则，使广告商在互联网上追踪用户的难度大大增加。扎克伯格先生承诺，成本正在得到控制，公司将“更积极地削减那些没有业绩或可能不再那么重要的项目”。该公司表示，它将额外回购价值 400 亿美元的股票。最重要的是，同一天，加利福尼亚的一名法官驳回了联邦贸易委员会(ftc)为阻止美达公司收购 Within 而提起的诉讼，Within 是一个受欢迎的虚拟现实健身应用的制造商。

投资者对这一切表示了极大的“喜欢”。Meta 的股价在过去三个月已经上涨了 70% 以上，盘后又跃升了 20% 左右。这将使其市值达到 4,840 亿美元。仔细一看，这家几乎被从大型科技公司的行列中排挤出去的公司，又重新回到了人们的视野中。

这股热潮能持续吗？扎克伯格先生有理由保持谨慎的乐观。Meta 已经想出了绕过苹果隐私设置的办法。它的人工智能能力正在提高，无论是在实验室还是在现实世界，特别是在 Reels 的世界里，算法在 Facebook 和 Instagram 上提供短视频，这是 Meta 的两个利润引擎。据报道，这些视频在创造参与度方面变得更加聪明。一家中国公司拥有的 TikTok 在美国受到越来越多的审查，一些政客呼吁禁止这一流行的应用程序。甚至苹果公司也通过开发自己的虚拟现实头盔，对扎克伯格的“元空间”愿景进行了反手称赞。

很多事情仍然可能出错。过去不受经济衰退影响的数字广告支出正变得越来越有周期性，而经济周期正在转向下行。即使 Meta 的西方市场避免了经济衰退，广告商也可能会控制支出。尽管两党对 TikTok 禁令有一定程度的支持，但华盛顿的政治僵局使得在不久的将来不太可能有任何实际的立法。尽管美达在法庭上赢得了胜利，但它仍然面临着来自国内监管机构（美国联邦贸易委员会的另一项诉讼要求其解散）和欧洲（对大型数字平台的严厉新规定正在敲定）的其他更严重挑战。而且，很少有人热衷于迁移到元数据领域。据报道，去年年底，Meta 的主要元老级景点 Horizon Worlds 正在失去用户。扎克伯格先生还没有走出困境。

但他似乎不再迷失在丛林中。■

