

# FACEBOOK (META)



## Introduction to the Business:

Meta Platforms Inc., previously known as Facebook, is one of the world's leading technology companies, headquartered in Menlo Park, California. Founded in 2004 by Mark Zuckerberg along with his college roommates at Harvard University, Meta initially began as a social networking service exclusive to Harvard students, which then expanded to other universities and eventually to the public in 2006. The primary mission of the company has been to give people the power to connect and share, enabling individuals to communicate, build communities, and bridge geographical divides.

In October 2021, the company underwent a major rebranding, changing its name

from Facebook to Meta, to reflect its shift toward building the “metaverse,” a virtual reality space where users can interact with each other in a fully immersive environment. With platforms like Facebook, Instagram, WhatsApp, and Messenger, Meta connects billions of people worldwide, offering them the tools for social interaction, business growth, entertainment, and virtual experiences. The company's focus extends beyond social networking to innovations in virtual and augmented reality, artificial intelligence, and more.

## What's the Business About?

Meta is primarily about connecting people and communities globally through digital platforms. The company's flagship social media service, Facebook, allows users to create profiles, share content, and connect with others, including friends, family, and businesses. Beyond Facebook, Meta also operates other popular platforms like Instagram (a photo and video-sharing social network), WhatsApp (a globally popular messaging app), and Messenger (a messaging platform connected to Facebook).

With the rebranding to Meta, the company has signaled its intent to become a leader in virtual reality and augmented reality. The "metaverse" is Meta's vision for the future of the internet, an interconnected virtual world where people can interact in real time in immersive environments using VR headsets and other devices. Meta has also become a major player in the fields of digital marketing, artificial intelligence (AI), and data-driven analytics, all of which serve as significant pillars for its business model.

## Bases of the Business:

The foundations of Meta's business can be broken down into several core areas:

**Social Media Platforms:** Facebook, Instagram, WhatsApp, and Messenger serve as the pillars of Meta's operations, offering users a way to communicate and share content. These platforms have become essential to the digital ecosystem for social

engagement, business marketing, and personal connections.

**Advertising:** Meta's primary revenue stream comes from digital advertising. Businesses worldwide use Meta's platforms to advertise their products and services, leveraging data-driven ad-targeting tools to reach specific demographics, behaviors, and interests.

**Metaverse Development:** Meta's investment in virtual reality (VR) and augmented reality (AR) represents its future growth path. With Oculus VR headsets and other immersive technologies, Meta is positioning itself as a key player in the emerging "metaverse."

**Artificial Intelligence and Data Science:** Meta uses AI for personalizing user experiences, optimizing advertisements, and creating tools like facial recognition. Data analysis allows for targeted advertisements, keeping businesses interested in using Meta's advertising solutions.

**Branches (If Present):**

Meta operates offices globally, with its main headquarters in Menlo Park, California. It has offices in over 30 countries across North America, Europe, Asia, Latin America, and Africa. Major branches include locations in:

**North America:** Offices in major cities such as New York, San Francisco, and Los Angeles.

**Europe:** Meta's European headquarters are in Dublin, Ireland, with offices in cities like London, Paris, and Berlin.

**Asia-Pacific:** Major offices in Singapore, Tokyo, and Hong Kong.

These offices serve various functions, including software development, marketing, data center operations, sales, and business development.

# Finance:

## How the Business is Funded:

Meta is a publicly traded company listed on the NASDAQ under the ticker symbol "META." It was initially funded through investments from venture capital firms like Accel Partners, with significant backing from early-stage investor Peter Thiel. The company raised over \$500 million through its funding rounds before going public.

## Share of Directors/Founders/CEOs:

Mark Zuckerberg, the co-founder, and CEO, holds a majority of the voting shares, giving him effective control over the company's decisions despite owning less than 15% of the total shares. Other co-founders like Eduardo Saverin also retain significant shares, although they have sold large portions of their holdings over time.

## Previous Funding Rounds:

Meta held its initial public offering (IPO) in 2012, raising \$16 billion at an initial share price of \$38. It was one of the largest IPOs in history at the time. The company has since grown through organic growth and strategic acquisitions, such as Instagram and WhatsApp.

## Where is the Majority of the Finance Share Going?

A significant portion of Meta's revenue is reinvested into research and development, especially toward building the metaverse and advancing its VR and AR technologies. Other financial outlays go toward marketing, infrastructure development (such as data centers), and maintaining its advertising platforms.

## Financial Analysis:

Meta's financial growth has been strong, with annual revenues consistently growing year over year. In 2023, the company's revenue reached over \$116 billion, with

digital advertising making up the bulk of its income. Meta is also investing heavily in its metaverse project, which could reshape its future financial outlook.



## Marketing and Branding:

### Digital Marketing:

Meta's platforms provide the foundation for some of the world's most advanced digital marketing strategies. The company offers tools for businesses to run personalized ad campaigns on Facebook and Instagram, which allow for targeted outreach based on user behavior, preferences, and demographics.

### Brand Loyalty:

Meta has developed a strong brand identity, particularly with its Instagram platform, where younger audiences and influencers engage heavily. Through features like Facebook Groups and Instagram Stories, Meta fosters community and brand loyalty among its users.

### Product Launch Strategies:

Meta uses a combination of media events, social media buzz, and influencer

partnerships to launch its products. When launching Oculus, for example, Meta collaborated with tech reviewers and influencers to generate excitement around VR.

### Unique Marketing Strategies:

One of Meta's most unique marketing strategies lies in its ability to integrate its platforms into everyday life, making them essential tools for communication and business. Meta also leverages user-generated content and community building to promote engagement, allowing its platforms to grow organically.

## Contribution to Social Welfare:

### Social Welfare Schemes:

Meta has introduced several initiatives aimed at enhancing digital literacy and internet access in underprivileged areas. The company's Free Basics program, under Internet.org, offers free internet access to certain websites in developing countries to connect more people online.

### Donations:

Meta has pledged millions of dollars to various charitable causes. During the COVID-19 pandemic, Meta contributed to relief efforts, including donating personal protective equipment (PPE) and funds to health organizations globally.

### Policies in Favor of Employees:

Meta offers comprehensive benefits to its employees, including generous parental leave, health benefits, and stock options. The company has also implemented various mental health and well-being programs to support its workforce.

### Schemes for the Public:

Meta has supported numerous public welfare programs, such as offering grants to

small businesses affected by the pandemic and introducing online tools to combat misinformation. It also promotes social causes, including campaigns on diversity, climate change, and voter awareness.



## Progress in Emerging Fields:

### Artificial Intelligence:

Meta has made significant strides in AI, particularly in machine learning for content personalization and moderation. The company uses AI for tasks like image recognition and combating harmful content across its platforms.

### Machine Learning:

Machine learning is at the core of Meta's advertising model, helping to deliver personalized ads based on user data. The company also uses machine learning to enhance its recommendation systems for videos, posts, and ads.

### Sustainable Technologies:

Meta has committed to sustainability by building energy-efficient data centers powered by renewable energy. The company aims to become carbon neutral by 2030 and is investing in reducing its overall environmental impact.

## New Trends:

Meta's primary focus on the metaverse is one of the most significant new trends in the tech industry. The company is pioneering virtual spaces where users can socialize, work, and engage in entertainment.

## Operations and Supply Chain:

### Global Supply Chains:

Meta operates an extensive global supply chain to support its data centers, hardware products (like Oculus), and VR initiatives. The company partners with hardware manufacturers and maintains a distributed network of suppliers for sourcing components and materials.

### Quality Control:

Meta maintains high standards of quality control for its VR devices and other hardware. Rigorous testing and compliance protocols are in place to ensure product safety and performance.

### Sourcing and Procurement:

The company sources hardware components from various global suppliers and has implemented procurement strategies that emphasize cost-efficiency, sustainability, and supplier accountability.

### Lean Management:

Meta employs lean management practices to streamline its operations, especially in product development and supply chain management. By focusing on efficient operations, the company reduces waste and optimizes resources across its global footprint.