



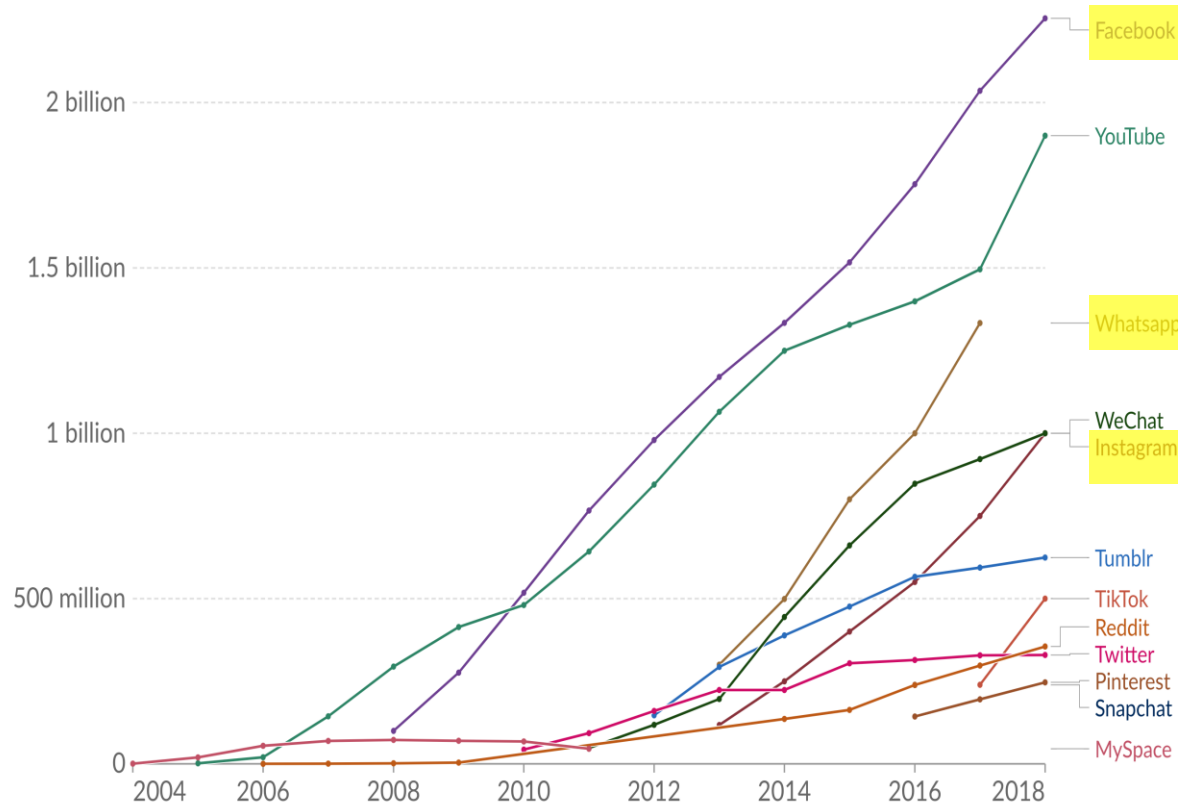
Meta
Acquisition's
Strategy



Number of people using social media platforms, 2004 to 2018

Estimates correspond to monthly active users (MAUs). Facebook, for example, measures MAUs as users that have logged in during the past 30 days. See source for more details.

Our World
in Data



Source: Statista and TNW (2019)

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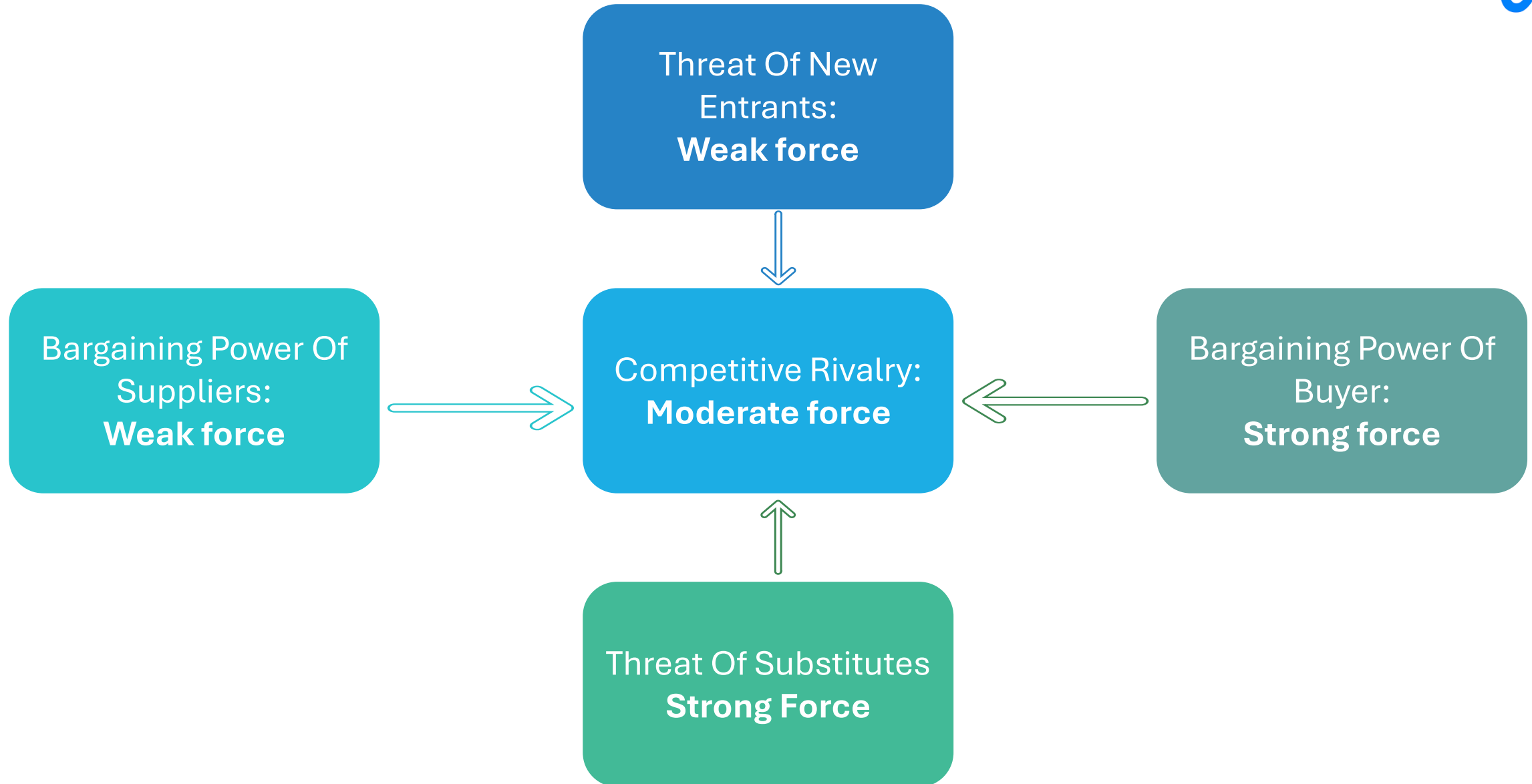
Company Background

Meta Platforms Inc., previously recognized as Facebook Inc., is a prominent symbol in the social media landscape.

As a tech giant, Meta's reach extends beyond its primary platform, Facebook, and includes a variety of applications and technologies that promote worldwide connectivity and immersive virtual reality experiences.

Its significant contributions to communication, digital advertising, and social networking solidify Meta's position as a key influencer in the technology industry and internet culture.

Five Forces Industry Analysis



Meta's Competitors

Google



 Microsoft



Competitive Position



Dominance in Social Networking

Diversified Portfolio

Technological Innovation

Data-driven Advertising Platform

Global Reach and Brand Recognition

Competitive Advantage



Strong Brand Portfolio

Owns some of the world's strongest IT and online service brands, including Facebook and Instagram. Massive global user base creating a powerful network effect.

Expanding Ecosystem

Has an expanding ecosystem of IT products. Shift towards the metaverse has led to the development of an ecosystem of products and users.



Large User Base

Maintains competitive advantage through its massive user base. Provides a vast amount of data for targeted advertising and other business applications.

Acquisition and Technology Strategies

Maintains and improves its competitive advantage through acquisition and technology strategies. Develops new capabilities, including intellectual property rights and human resource capabilities, to improve and introduce new services.



Resources/Capabilities	Valuable (V)	Rare (R)	Inimitable (I)	Non-substitutable (N)	Strategic Implications (S/W)
User Data Management	✓	✓			(S) Sets apart from competitors
Renewable Energy Use	✓	✓			(S) Environmental sustainability
Data Center Design	✓	✓			(S) Energy efficiency
Brand			✓		(S) Dominance in social media
Workforce Diversity			✓		(S) Adaptability and innovation
Feedback Networks			✓		(S) Enhances customer communication
Social Media Network			✓		(S) Largest network, hard to enter
Metaverse Development			✓		(S) Unique future positioning
Data Center Dependence				✓	(S) Critical operations
Sustainability Commitment				✓	(S) Sets apart from competitors
Customer Engagement				✓	(S) Innovative, hard to replicate
User Base				✓	(S) Established market presence

VRIN Analysis



Key Strategic Challenge

The key strategic challenge for Meta is to uphold its dominance in the social networking landscape amidst increasing competition and evolving user behaviors and preferences

This involves strategically acquiring and integrating potential competitors, leveraging additional avenues for monetization, and ensuring the independent growth and success of acquired platforms like WhatsApp and Instagram.



META'S ACQUISITION STRATEGY

META'S ACQUISITION STRATEGY



ACQUISITION RATIONALE

- Buys potential competitors and integrates them into its ecosystem
- Eliminates threats and maintains monopoly in the personal social networking space
- Acquiring these platforms provided Meta with additional avenues for monetization beyond its core advertising model

META'S ACQUISITION STRATEGY



INDEPENDENT GROWTH

- Paid a premium for young companies that were generating no revenue at the time of acquisition
- Builds and grows the WhatsApp/Instagram app independently from Meta's main Facebook platform.
- Allows acquired apps to retain its unique user base and features while benefiting from Meta's resources and technology

META'S ACQUISITION STRATEGY



SUCCESS FACTORS

- Both apps experienced user growth and high levels of user engagement after acquisition, indicating the success of Meta's strategy in retaining and attracting users
- Successfully monetized both platforms through various means, including advertising on Instagram and introducing business tools and subscription models on WhatsApp
- The acquisitions complemented Meta's existing offerings and contributed to its strategic objectives
- The revenue generation of WhatsApp and Instagram to Meta's overall profitability, underscores their success as strategic acquisitions



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