

GDPR: Is non-compliance profitable for Meta Platforms, Inc.?

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Abstract

Keywords

GDPR, Facebook, Meta, profit, non-compliance, big tech, privacy

Introduction

In the recent years, the increasing usage of the Internet has lead to a rapid expansion of data collection and processing^[1]. As concerns regarding data privacy and protection grew, the European Union (EU) implemented the General Data Protection Regulation (GDPR) in May 2018^[2].

GDPR aimed to safeguard the privacy rights of individuals within the EU by regulating the collection, storage, and transfer of personal data^[3]. Notably, data should be collected for specified, explicit and legitimate purposes^[4] and data can be transferred outside the EU if general data processing principles are in place ^[5]. Compliance with GDPR has become a critical issue for big-tech companies, which often handle massive amounts of user data.

One of those companies is *Meta Platforms, Inc.* (formerly *Facebook, Inc.*), which has been fined numerous times for GDPR violations and amounts for more than half of the total currency value of all GDPR fines^[6]. The company has also faced legal challenges and public backlash over its data collection

practices[]]. This has raised questions about the financial impact of GDPR non-compliance on *Meta Platforms, Inc.* and whether it is profitable for the company to continue violating the regulation.

Method

Most of the numerical data is coming from the Meta Investor Relations website[]].

This research is also following the protocol of Prisma flowchart for systematic reviews[]]. Google Scholar was used to search for articles containing the keywords above. The first 360 results were considered. The articles were filtered by relevance following their titles and 60 were considered. The abstracts of the 60 articles were read and X were considered

Inclusion criteria

- Articles published in English
- Articles published between 2018 and 2023
- Articles that discuss GDPR
- Articles that discuss Meta Platforms, Inc.
- Articles that discuss the profit of Meta Platforms, Inc.
- Articles that discuss the non-compliance of Meta Platforms, Inc.

Exclusion criteria

- Articles published in languages other than English
- Articles published before 2018
- Articles that do not discuss GDPR
- Articles that do not discuss Meta Platforms, Inc.
- Articles that discuss about ethics
- Articles that discuss about the impact of GDPR
- Articles that discuss about the impact of Meta Platforms, Inc.

Ethical considerations

This study is approved by Fontys University of Applied Sciences, Eindhoven, The Netherlands. All data is collected from publicly available sources and no personal data is collected. The author is not affiliated with Meta Platforms, Inc. or any other company mentioned in this study.

Results

Fines analysis

Legal expenses

Investor Confidence and Stock Performance

Advertiser Reactions

User Base and User Engagement

Reputational Damage

References