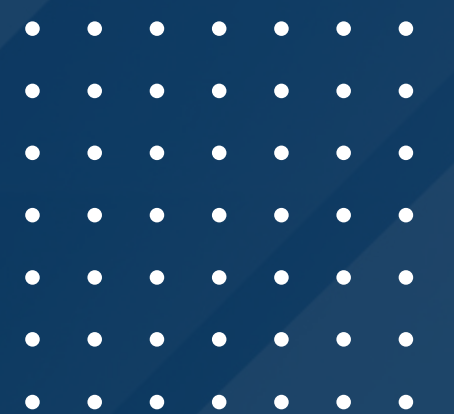


META PLATFORMS, INC



Strategic Analysis



Sophia Kunju Herrera

LEAD 701 -N01

EXECUTIVE SUMMARY

Meta Platforms Inc. is a technology company that provides social media platforms to their consumers to allow them to share ideas, opinions, photos, videos, and other activities. The company offers services such as Facebook, WhatsApp, Messenger, Oculus, and Instagram for people to communicate with other people across the world. Meta aims to Give the people the power to build community and bring the world closer together. A comprehensive strategic analysis was written to analyze the company's overall business. This was done through creating a PESTLE Analysis, Financial Statement Analysis, Marketing Analysis, and creating Strategic Recommendations the company could implement to improve their business strategy.

Although Meta Platforms Inc. is the biggest tech company that offers the biggest and most popular social media platforms, there have been different aspects/events that have affected the business of the company. For instance, political issues like the posting of fake news about the 2016 election as well as fake news about the pandemic have caused its users to not trust the company and therefore these users will potentially leave. The company has big strengths that create positive growth for the business, for example, Meta Platform Inc. has strong liquidity that helps them increase ease in its funding of day-to-day operations. Improving in its ability to capture market growth opportunities. Another strength of the company is that they have a great number of databases, that enable the platform to collect large amounts of information about its users.

The company's revenue has increased steadily over the past 3 years which is positive for the company and it's mainly due to the high increase in advertisements. The company has a lot of cash tied up in property equipment and prepaid expenses that have turned into short and long-term debts. Their cash flow is positive but not constant. The company itself is financing its operations through their paid advertisements which is the key for them generating their revenue. Meta Platform Inc.'s marketing strategy is mainly through word-of-mouth also known as Viral Marketing. Their consumers range from 13 to 70+ years old it just depends on the social media platform consumers are using. The company has a high market share and a high market growth compared to its competitors.

Three strategic recommendations were implemented in this document. The first recommendation was that Meta should partner up with Decentraland to create a virtual land where its content creators, influencers, and businesses can sell NFTs. Another recommendation was to implement credible sources when posting about news, with so much fake news roaming around the Internet, the company can make sure the source is credible and verified by placing a blue checkmark on the post in order to gain the consumer's trust. The last recommendation was to have the CEO Mark Zuckerberg step down from the public eye and focus on the backside or more on the Metaverse, have someone else make the tough decisions for the company, they should also bring in more executive-level members that are females and/or even more people of color into the company, especially on the executive levels.

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Business Overview



Company Overview

Meta Platforms Inc. is a social networking platform where it enables consumers to pass on ideas, opinions, photos, videos, and other activities. They are headquartered in California, USA. The company offers products such as Facebook, WhatsApp, Messenger, Oculus, and Instagram for people to communicate with other people across the world.

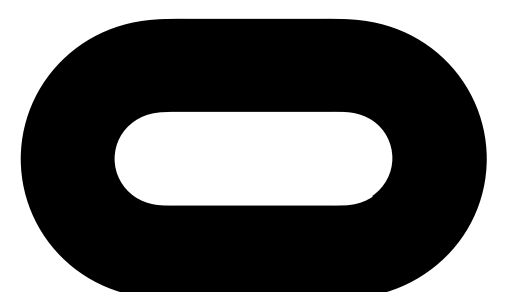
Within these platforms, Meta provides services such as shops, groups, stories, a news feed, IGTV, marketplace, etc.

Meta Platforms Inc. also provides advertising platforms in which allow marketers to reach a variety of consumers. The company's business presence is around the world; Asia-Pacific, Europe, the Americas, the Middle-East, and Africa. The company reported a revenue of USD \$112.329B (September 30, 2021) which resulted in a 42.23% increase over FY2020.

Business Description

Meta Platforms Inc. provides social media and networking platforms that allow consumers to create their profiles and enables them to share their opinions, photos, ideas, videos, and other activities with their family, friends as well as businesses worldwide. Facebook itself owns and operates 17 data centers and offices across over 80 cities around the world. Their product portfolio consists of social platforms such as Facebook, Instagram, WhatsApp, Messenger, and Oculus. Each social platform has different features that allow consumers to do different activities. For instance, the Facebook platform includes a website and an app that allows its users to share, discover, and connect with family, friends, people using computers or mobile devices. Messenger is a messaging platform that allows Facebook users to connect with family, friends, and other people across different devices and platforms such as video chat, chat rooms, and groups. Instagram provides various services such as posting photos, IGTV, Instagram feed, stories, Instagram live, reels, messaging, and shops. What's App offers a secure and reliable messaging service for people to communicate with one another in a private way around the world. Oculus Quest is a VR software where it enables its users to stay connected with friends and family and share memorable moments.

The company categorizes its revenue into two categories; Advertising and Other. Meta Platforms Inc. classify their operations geographically into four regions; USA, and Canada, Europe, Asia-Pacific and other parts of the world.



History

2003

Mark Zuckerberg creates a website called Facemash.



2004

February 4th - The Facebook Launches: Zuckerberg along with co-founders Dustin Moskovitz, Chris Hughes and Eduardo Severin launch Facebook for students in Harvard.

September 1 - "The Wall" is introduced. An area where users can post public messages.

June - Co-founder of PayPal invests \$500,000.

December - Company announces over 1 million active users.

2005

September 1 - Facebook expands beyond college campuses and into high school users.



2008



March 4 - Sheryl Sandberg becomes COO.

2012

April 9 - The company acquires Instagram for \$1 billion USD.



May 18 - Facebook goes public.

April 9 - The company acquires Instagram for \$1 billion USD.

History

2014



February 19 - Facebook buys Whats App for \$19 billion USD.

March 25 - Facebook buys Oculus. A virtual reality platform.



2016



March 28 - The debut of Oculus

2017

June 27 - Facebook crosses over 2 billion active users.

2BILLION

New record of monthly active users Facebook reached in 2017

2018

January - Facebook announces that WhatsApp has over 1.5 billion monthly users.



June 20 - Instagram has over one billion active users. Looked as the future of Facebook.

History

2019

March - Facebook acquires Sonics



April - Facebook introduces News services



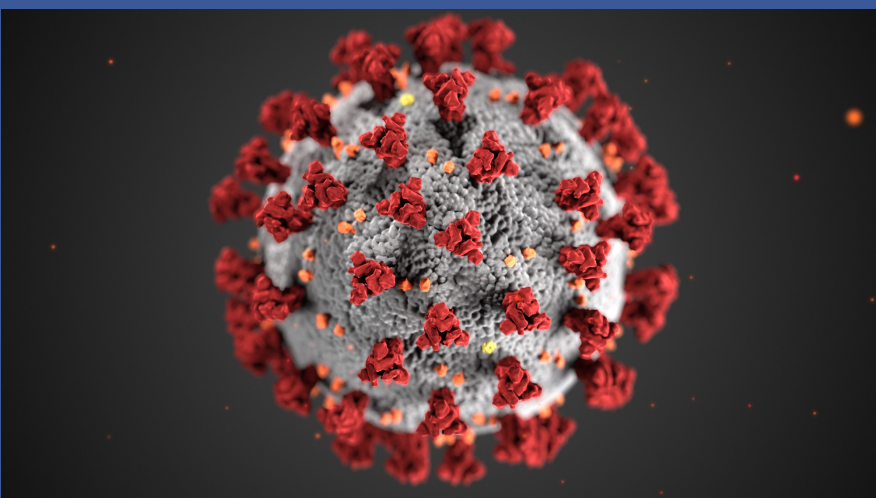
May - Facebook introduces Facebook Dating services.

December - the company acquires PlayGiga, a video game platform

September - Facebook launches Horizon, its Virtual Reality world.

The company introduces the new model of portal video chat devices with inbuilt of Alexa.

2020



March - The company launches COVID-19 information center.

August - Facebook launches its gaming app for iOS devices.

2021

October - Facebook rebrands to Meta Platforms Inc.



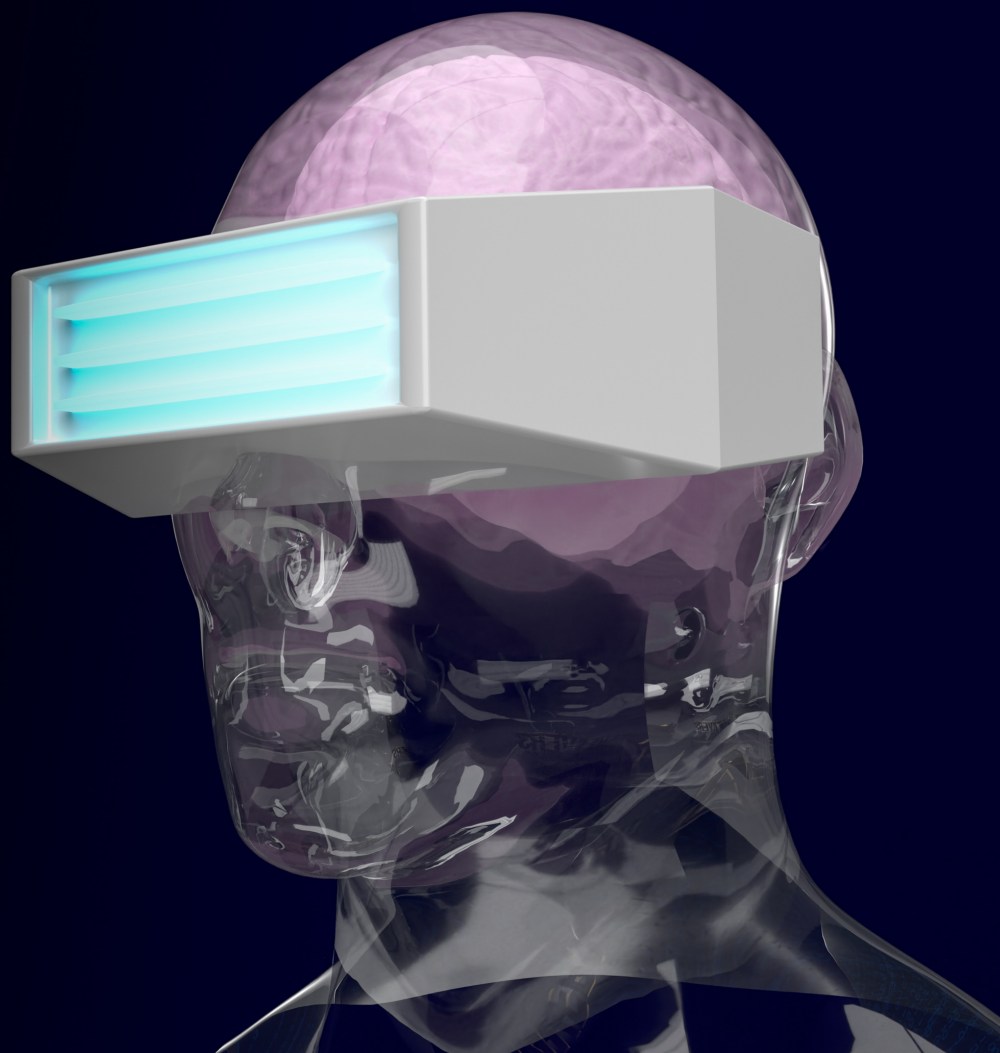
Mission



Give the people the power to build community and bring the world closer together.

Vision

To help bring the Metaverse to life



Values

- *Give people a voice*
- *Serve everyone*
- *Promote economic opportunity*
- *Build connection and community*
- *Keep People Safe and protect privacy*



Business Leadership

ORGANIZATIONAL CHART



Mark Zuckerberg

CEO & Founder



Sheryl Sandberg

Chief Operating Officer



David Wehner

Chief Financial Officer



Chris Cox

Chief Product Officer



Mike Schroepfer

Chief Technology Officer



Adam Mosseri

Head of Instagram



Will Cathcart

Head of WhatsApp



Stan Chudnovsky

Head of Messenger



Tom Alison

Head of Facebook App



Alex Schultz

*Chief Marketing Officer & VP of
Analytics*

Executives

Mark Zuckerberg



Chairman, Founder & CEO. Mark Zuckerberg is the founder and CEO of Facebook. He founded Facebook back in 2004 when he was a student at Harvard University studying computer science. Zuckerberg is responsible for controlling and setting both the overall direction and product strategy for the company.

Strengths:

- Threw away the traditional hierarchy of the average company
- Passionate about his work
- Got rid of traditions in the workplace

Weakness:

- A major weakness of Zuckerberg is that he doesn't always communicate with the board of directors before making important decisions.

Sheryl Sandberg

Chief Operating Officer. Sheryl Sandberg is the chief operating officer at the company. Her role is to oversee all of the firm's business operations. Prior to being COO of Meta, Sandberg was the Vice President of Global Online Sales and Operations at Google. In 2012, Sandberg was named in the Time 100 as one of the most influential people. Sheryl is also the second most powerful executive in powerful tech companies in the world. Sandberg is also an outspoken advocate for women to become more successful in the world of business.



Executives

David Wehner



Chief Financial Officer. Dave Wehner is the Chief Financial Officer of the company. Wehner leads the finance, facilities and information technology team. Before becoming CFO of Meta, Wehner was the company's vice president of Corporate Finance and Business Planning. Although Wehner doesn't hold any awards, his past jobs and career speaks for his ultimate goal of bringing success to Meta Platforms, Inc.

Chris Cox

Chief Product Officer. Chris Cox is the Chief Product Officer of Meta Platforms, Inc. Cox got his Bachelor's degree in symbolic systems from Stanford back in 2004. In 2005 he joined the company as a software engineer and successfully helped build the first ever versions of key Facebook features, which also included the News Feed. In 2008, Cox became the vice president of product, he built the product management and design teams of the company. In April 2019 through May 2020, Cox had spent time pursuing new projects that were focused on Climate, in June 2020 he returned back to Meta.



Mike Schroepfer



Chief Technology Officer. Mike Schroepfer is the chief technology officer of Meta Platforms, Inc. Schroepfer leads the development of the technology and teams that allows Facebook to connect with billions of people around the world as well as make tremendous breakthroughs in the AR and VR world. At the start of his career, Schroepfer worked in startup companies where he developed a software that are used in major motion pictures.

Executives



Adam Mosseri

Head of Instagram. Adam Mosseri is the CEO of Instagram. Mosseri oversees all the business functions which also includes engineering, product and the operations. Before becoming the head of Instagram, Mosseri was Facebook's design director of the mobile apps and later he moved into product management where he was in charge of the News Feed product as well as the engineering teams.

Will Cathcart

Head of WhatsApp. Will Cathcart is the CEO of WhatsApp. Cathcart oversees both the development and strategy for all of WhatsApp products which also includes consumers, business and the payments. Cathcart first joined Meta back in 2010 where he worked on numerous of the company's product efforts, he also led the product development for News Feed as well as the company's introduction of advertising. Back in 2018 Will became the vice president of the Facebook App.



Stan Chudnovsky

Head of Messenger. Stan Chudnovsky is the head of Messenger at Facebook. Before his career at Meta, Chudnovsky was the vice president of growth and global strategy at PayPal. Stan co-founded other successful companies such as Jiff, NFX, Ooga Labs as well as Wonderhill. Before co-founding these companies, Chudnovsky developed Tickle Inc., which was one of the first social media companies, the company grew and became one of the largest websites in the world back in 2003.



Executives

Tom Alison



Head of the Facebook App. Tom Alison is the head of the Facebook App where he oversees both the development and strategy across the features of the application such as the News Feed, Stories, Groups, Marketplace, Video, Gaming, Dating, News, Ads and more. Alison joined the company back in 2010, he played a huge part in the development shift from website to a mobile product app. Tom Alison has also managed the core fundamentals and experience of the App on desktop and mobile.

Alex Schultz

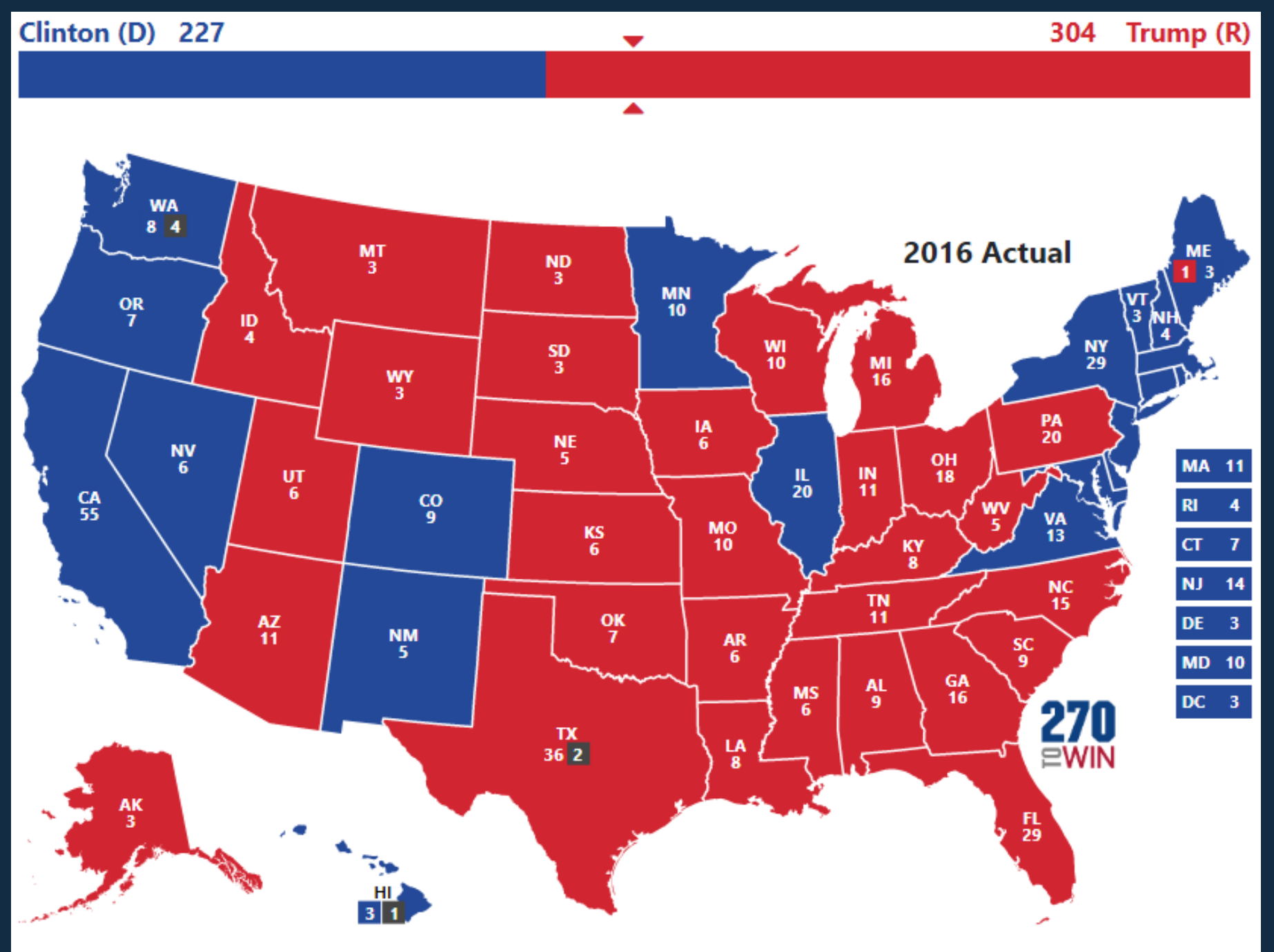
Chief Marketing Officer and Vice President of Analytics. Alex Schultz is the CMO and VP of Analytics of the company. For nearly over two decades, Schultz brings marketing experience to his role, he is responsible for the global marketing organization, as well as promoting the company's brands, products and services. Schultz also leads both the analytics and internationalization team which helped launch many of the impactful products and initiatives of the company. In the 16 years of history in the company, Schultz has led and run many of the response campaigns and growing the number of users across all platforms.



PESTLE ANALYSIS

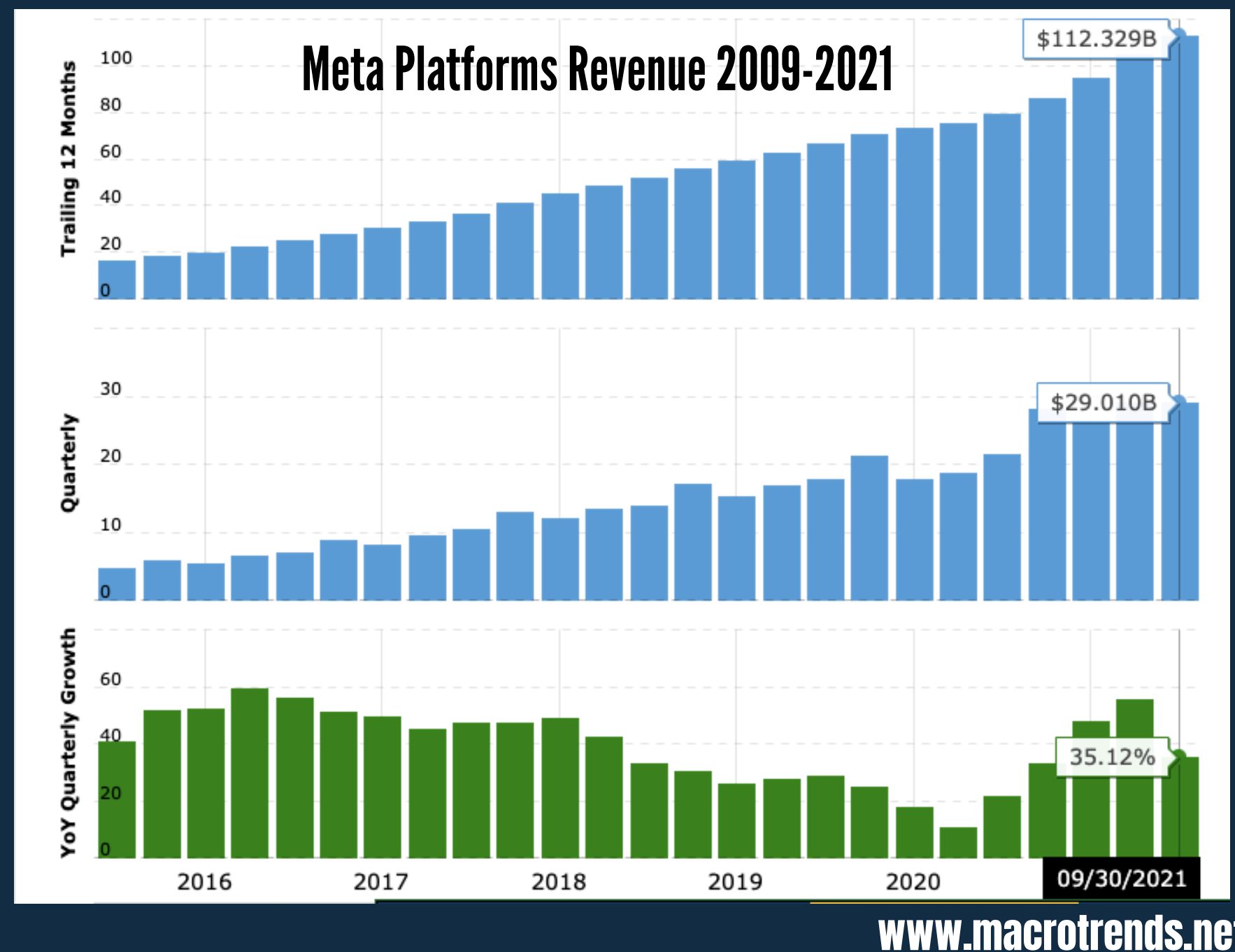
POLITICAL

- Fake news - The Meta platform has made its users post whatever they wish. Even though the platform started as a way for people to connect with peers and family. It soon turned into a platform to discuss corrupted policies and government practices. In 2016 the CEO, Mark Zuckerberg landed in hot waters because news of the Russians interfering with the US elections had surfaced. The company was now to be blamed for creating "fake news" to all of its users. They have also to be spreading fake news about COVID-19. This affects the company as its users will not trust the platform and will decide to leave it.
- Restrictions in countries - Some countries have banned the use of social media. Countries like China, North Korea, Iran, Turkmenistan. China specifically has banned the use of Facebook since 2009. With countries banning the use of these platforms, it impacts the company as they will lose some of its users based on geographic locations.
- Political tension - Some of the biggest US tech companies are running their operations with China tech companies. With tension rising between the two countries, the tariffs increases. This could potentially hurt technology companies like Facebook but it is highly unlikely. Meta should still be on the lookout with this tension.



ECONOMIC

- Revenue 2021 35.12% increase from 2020. This is a positive for the company as their revenue has grown steadily in a 12-month period. The company relies heavily on their advertising to generate revenue, as the company attracts more paid ads, their revenue increases.
- Growth in developing countries - Internet access is growing rapidly across the world. This means that the tech industry is growing. The company benefits from this as it allows them to increase their user usage. As more people join the platform, their revenue increases as they are able to attract more ads.



317.14 ▲ 3.88 (1.24%)

February 1, 12:59 PM EST · Market Open

Day

Week

Month

Year

5 Year

Max



High 378.69 on Sep 10, 2021

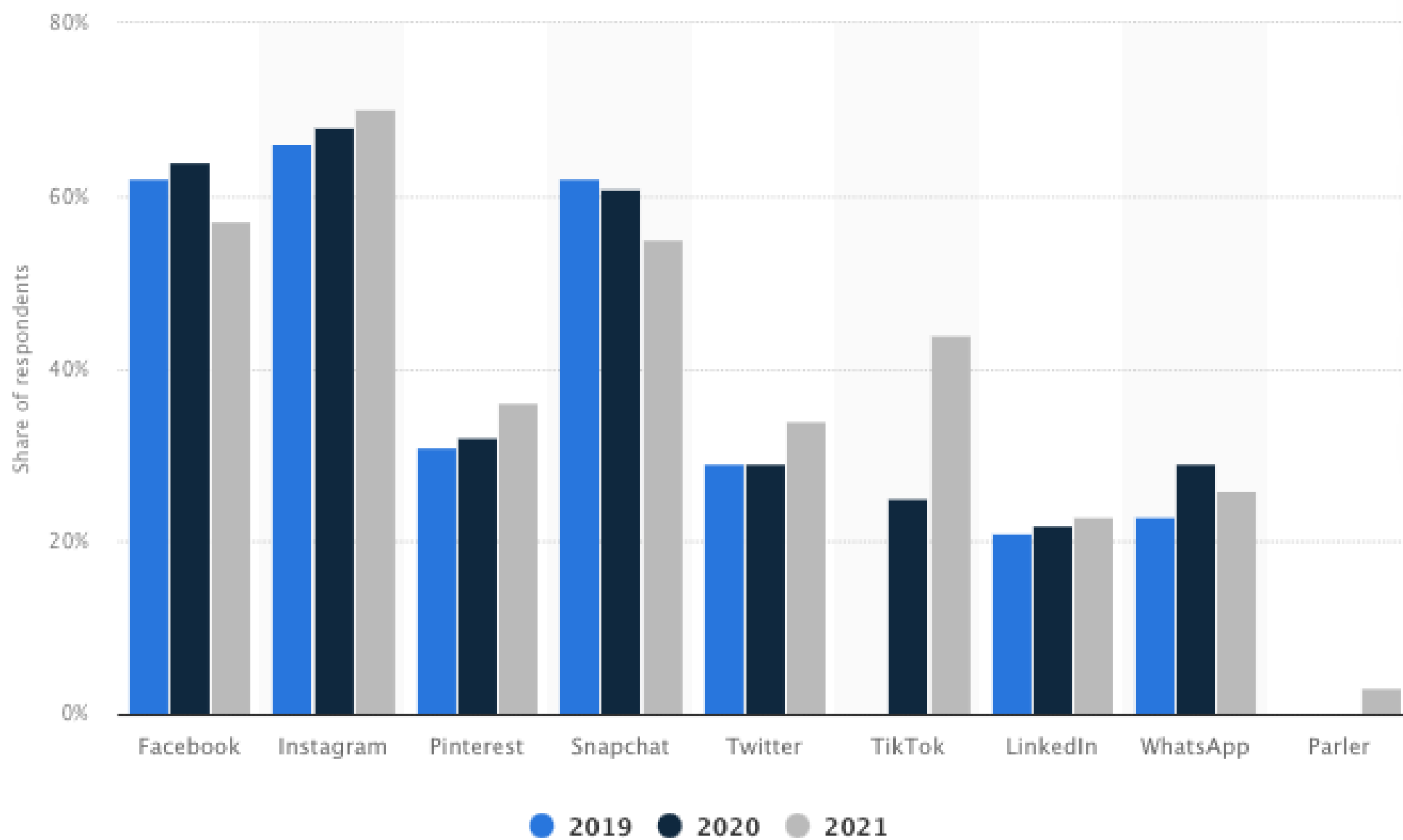
Low 124.95 on Dec 21, 2018

Avg 216.89 for past 5 years

- Both a business model and platform - the company itself is a business platform. It's users have paid access to its paid ads on Facebook that allows them to push their own products.
- Stocks plummeting - Meta's stocks have been decreasing over the past year. With scandals like the constant fake news and data security breach, it's making users leave the platform. Therefore investors are losing trust in the company and they will no longer invest in the company if these scandals continue.

SOCIO-CULTURAL

Social media brand usage among 12 to 34 year olds in the United States as of January 2021



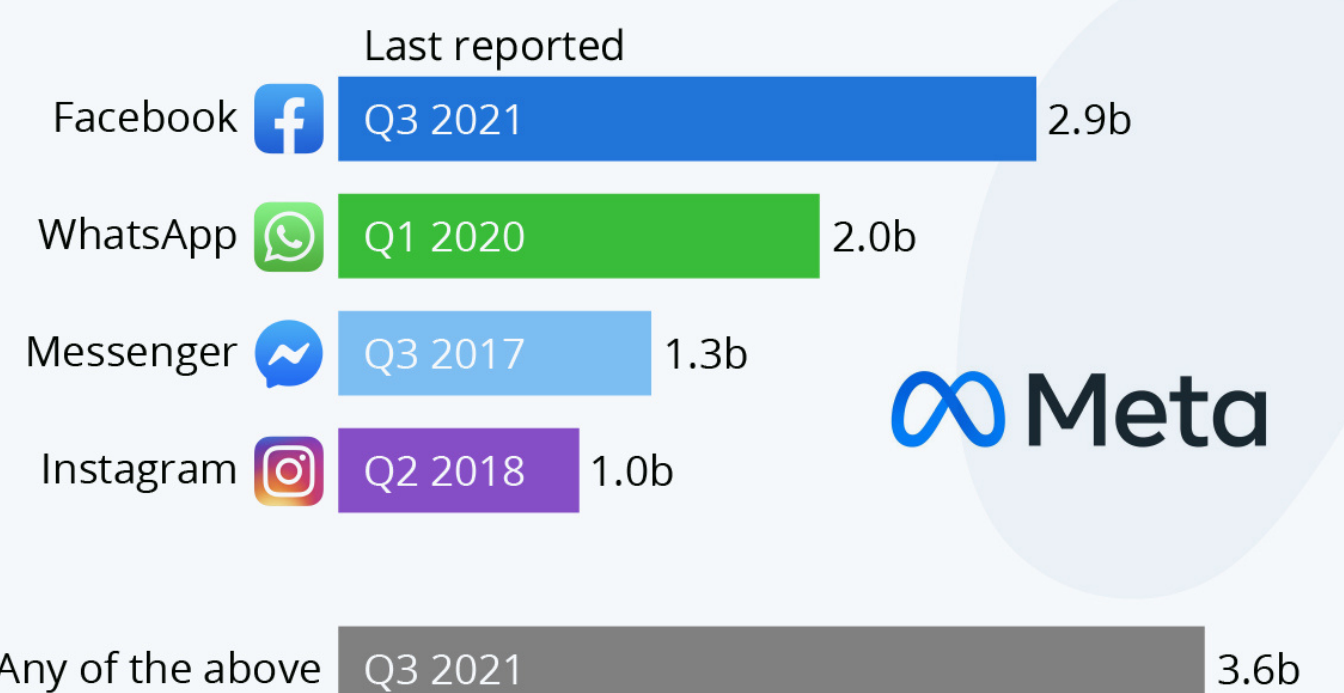
www.statista.com

- Millennials and Gen Z population - these 2 generations have been dominating the social media and technology market. This is because they are very technologically inclined and spend most of their time using these platforms either for pleasure or as a job. This is a benefit for the company as it grows the users. With technology and digital technology growing it has led to the use of the platforms owned by Meta worldwide.

- The shift in its core values - Meta Platforms Inc is a social networking platform. It began as a platform where people can connect with family and friends and so on. However, over the years that value has shifted. Recent controversies, community standards, etc have shifted. The company is solely focused on making a profit right now. To make a profit as an organization, Meta relies heavily on their paid ads, sponsored posts and other paid campaigns. The company's algorithm seems to have now focused on showing company and businesses pages rather than the user's family and friends statuses. This can create a problem as users just want to be able to connect with their family and friends.
- Decrease in quality service - with fake news, log in issues, advertisements and sponsored posts it has disturbed many of the company's users. They have started to question the quality of service they are receiving and how it is not as good as it was before. This can affect the company as it questions their values and quality of service, if it continues to deliver in such a low level and creating a lot of controversies, it could see it's number of users decline.
- Widespread usage of Meta owned platforms - across its platforms, the company has reached 3.6 billion users as of 2021. With the rise of people using smartphones, it creates an opportunity for the company to increase its market share by continuing to add new features to its platforms.

Meta Reaches 3.6 Billion People Each Month

Monthly active users of social media/messaging platforms owned by Meta Inc.



Source: Facebook/Meta



Meta

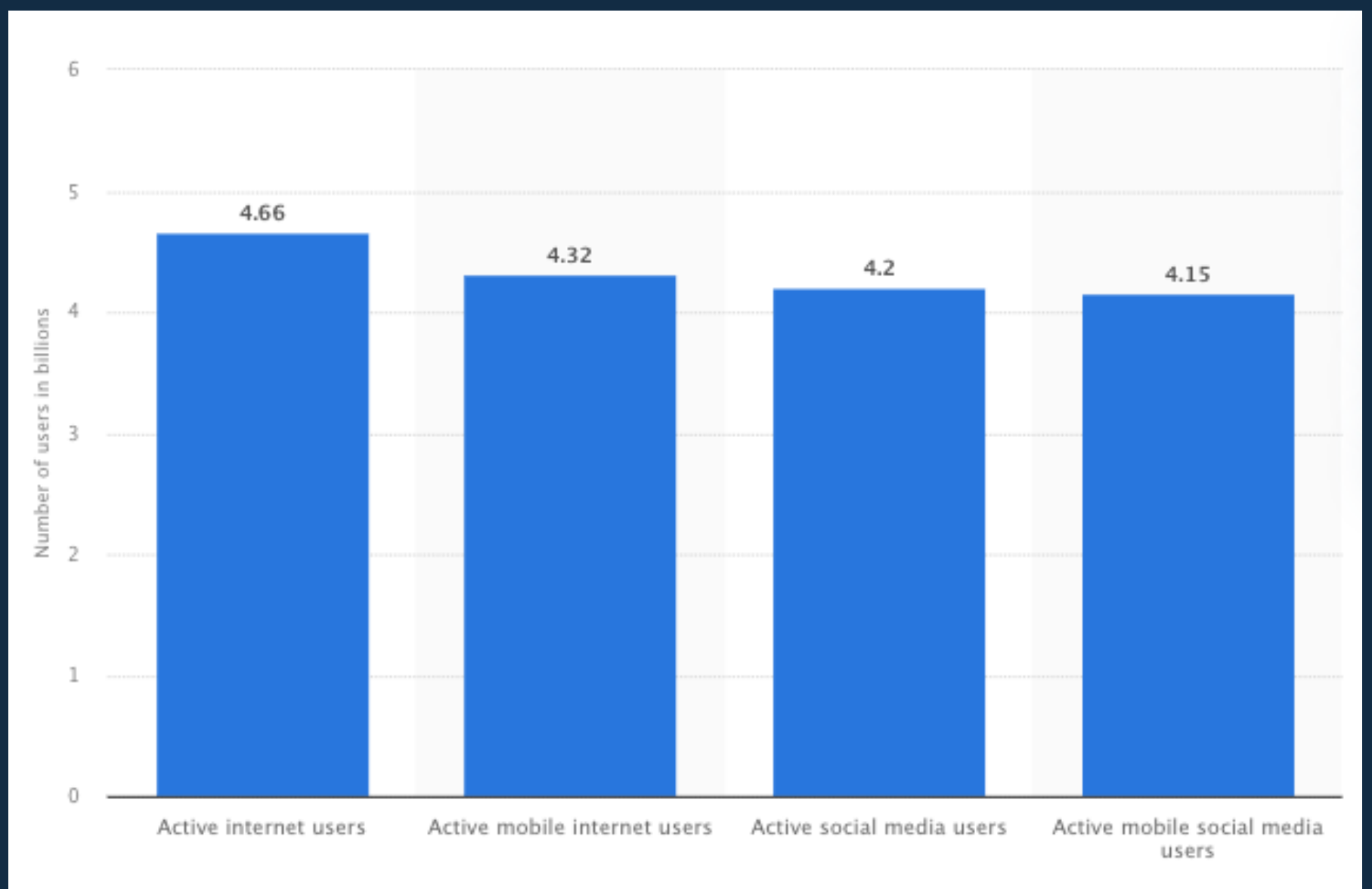
statista

www.statista.com

TECHNOLOGICAL

- More than just a platform - Meta Platforms Inc. is more than just a platform. The company relies heavily on the Internet. As of January 2021 there are 4.66 billion active users on the internet 4.2 billion of that number are active social media users. Without the Internet the company would not exist. As technology continues to evolve and grow, the company continues to innovate and grow. Their research and development expenses has grown over the past few years, these expenses were mainly driven by the growth of its user base and its revenues. Back in 2017 their R&D expenses were at around \$7.75 billion, it grew to \$22.82 billion in 2021. The company has more than doubled their research and development in 4 years.

Global digital population as of January 2021(in billions)



www.statista.com

- High competition in the social media market - over the past few years the social media market has been high in competition. With the addition of Snapchat and TikTok, these platforms pose a great threat to Meta. TikTok acquired more users within one year than Facebook could ever. In order to compete with TikTok and Snapchat, Meta has implemented its video-sharing platform.



- Security issues - security breach, account hacking and data being stolen are just a few security issues the company is facing. Meta should create a more secure server for its users to feel safe enough to use these platforms. Not having secure and safe server creates a bad reputation for the company and distrust from the users. If they continue to have this issue the company can see a decrease in the number of users across all platforms.

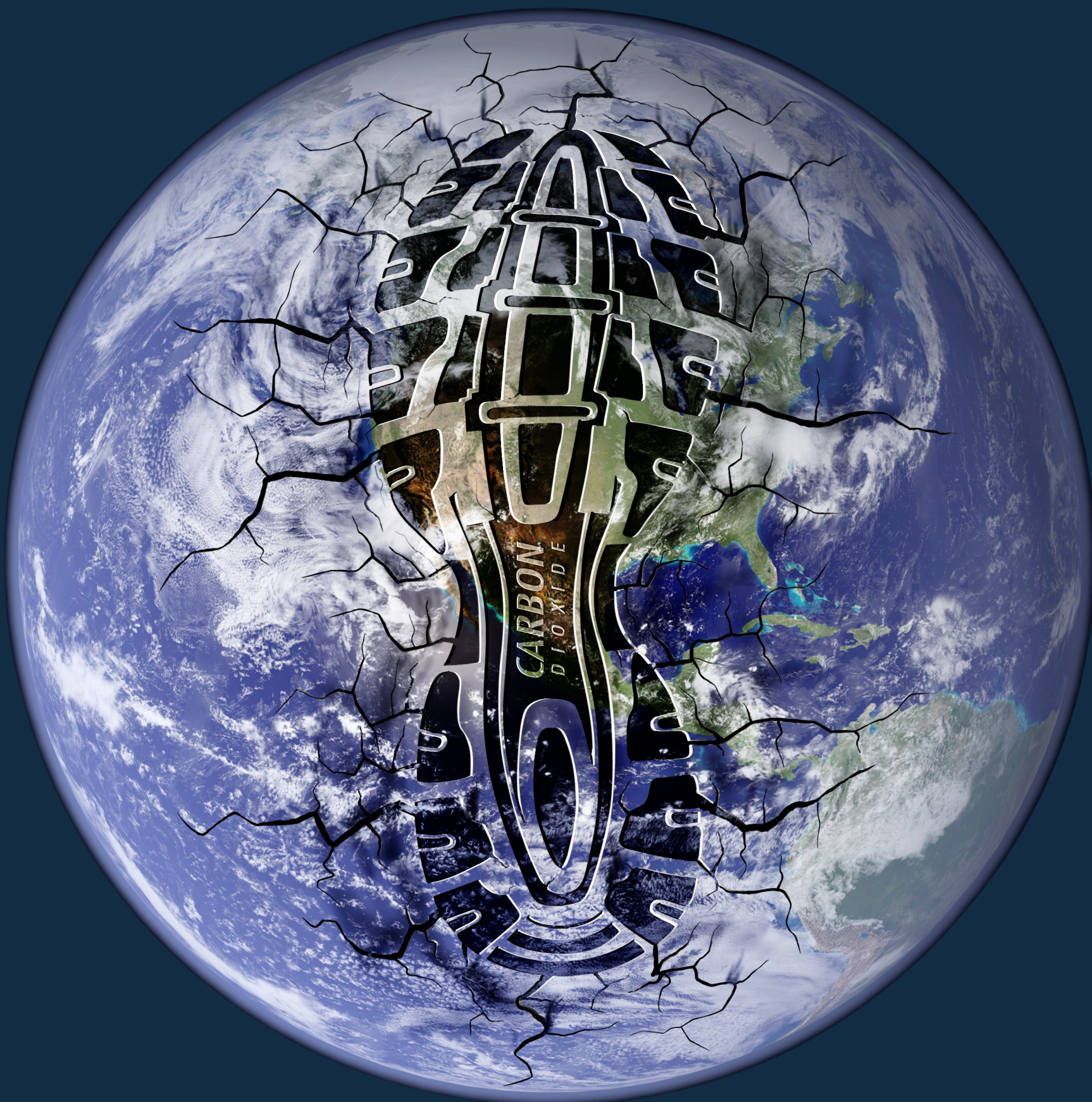
- 5G technology - world leading tech companies like Apple, Android etc, have recently launched 5G hardware in their latest models back in 2020. These companies would also launch 5G service. With technology constantly being innovative, Meta will need to keep up with the constant change and be up to date if not further thinking in its technology.

LEGAL

- GDPR - the General Data Protection Regulations of the European Union have stated that technology companies can't force a user to give access to their private details including log in information. With majority of Meta's users having concerns about their data being stolen, the GDPR can impose a penalty of billions of dollars to the company solely because the company failed to protect the data of its users.
- Digital tax - in the United Kingdom and the EU, they have started to implement a new tax. Digital Tax. This type of tax states implies that tech companies are responsible to pay higher taxes due to the fact they are multi-billion dollar companies and they pay very little tax. This creates a huge threat to Meta Platforms Inc, as this means that they will need to pay a huge sum of their earnings in the form of digital taxes.



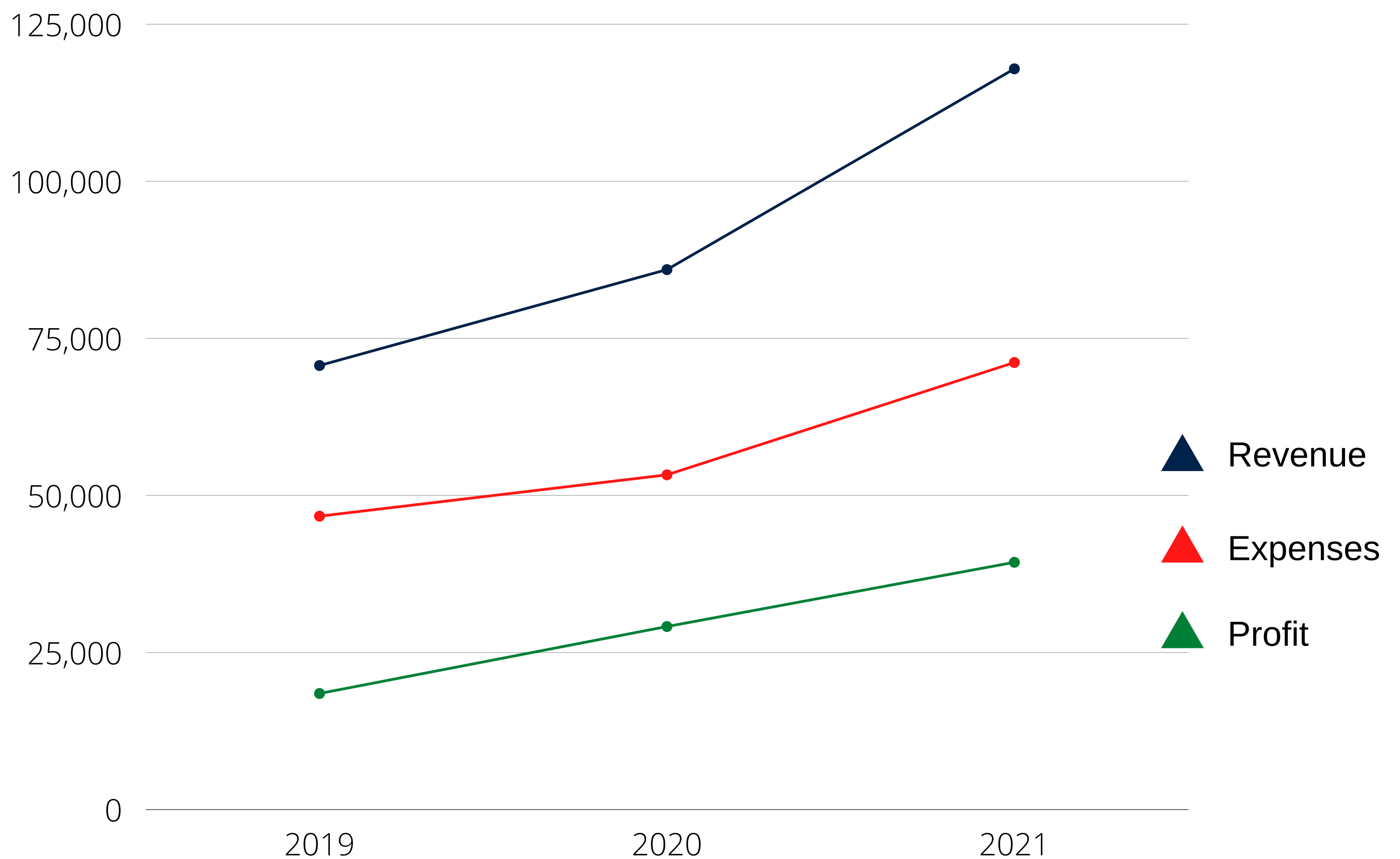
ENVIRONMENTAL



- Environmental regulations - the world is moving towards sustainable and environmentally friendly technology. This creates a great challenge for tech companies like Meta to achieve zero carbon emission to the environment. Back in 2020 Mark Zuckerberg reported that the company was using 100% renewable energy and that they had achieved zero carbon emission. Other environmental factors that Meta can impose are:
 - Leverage their platforms to innovate solutions for climate change
 - Collaborate with other tech companies or other industry companies to drive knowledge and understanding on the issue of climate change

INCOME STATEMENT ANALYSIS

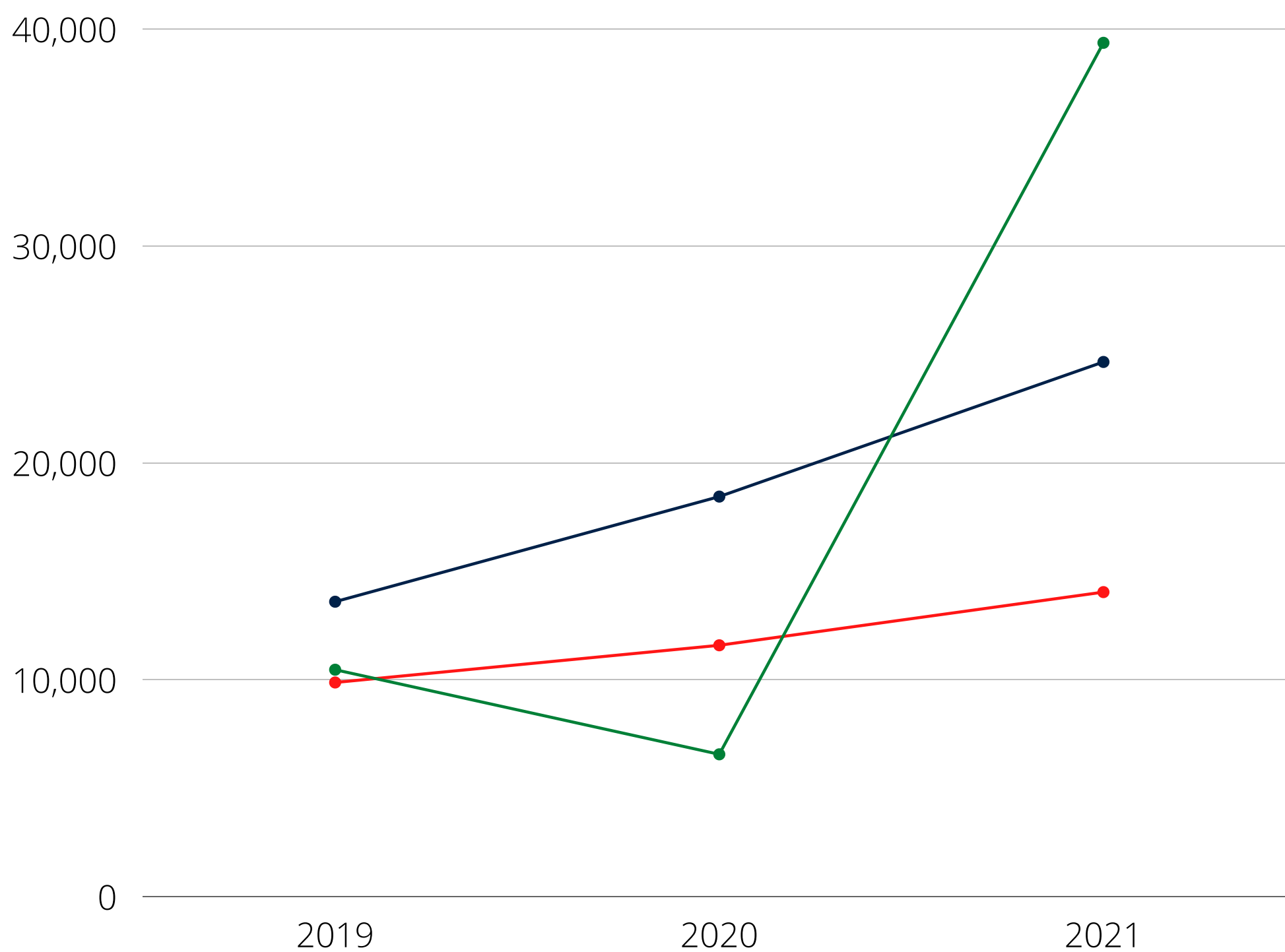
Meta Platforms Inc. Annual Income (2019-2021) (in millions)



- **Revenue trends:**
 - Annual revenue shows significant growth over the past 3 years. Meta's revenue is mainly generated through paid advertising. Their advertising revenue alone generated a revenue of \$114.93 billion in just 2021.
- **Expenses trends:**
 - Costs and expenses increased steadily over the past 3 years.
- **Profit trends:**
 - Meta has generated profit over the past 3 years showing steady growth. Meta could have added possible acquisitions.

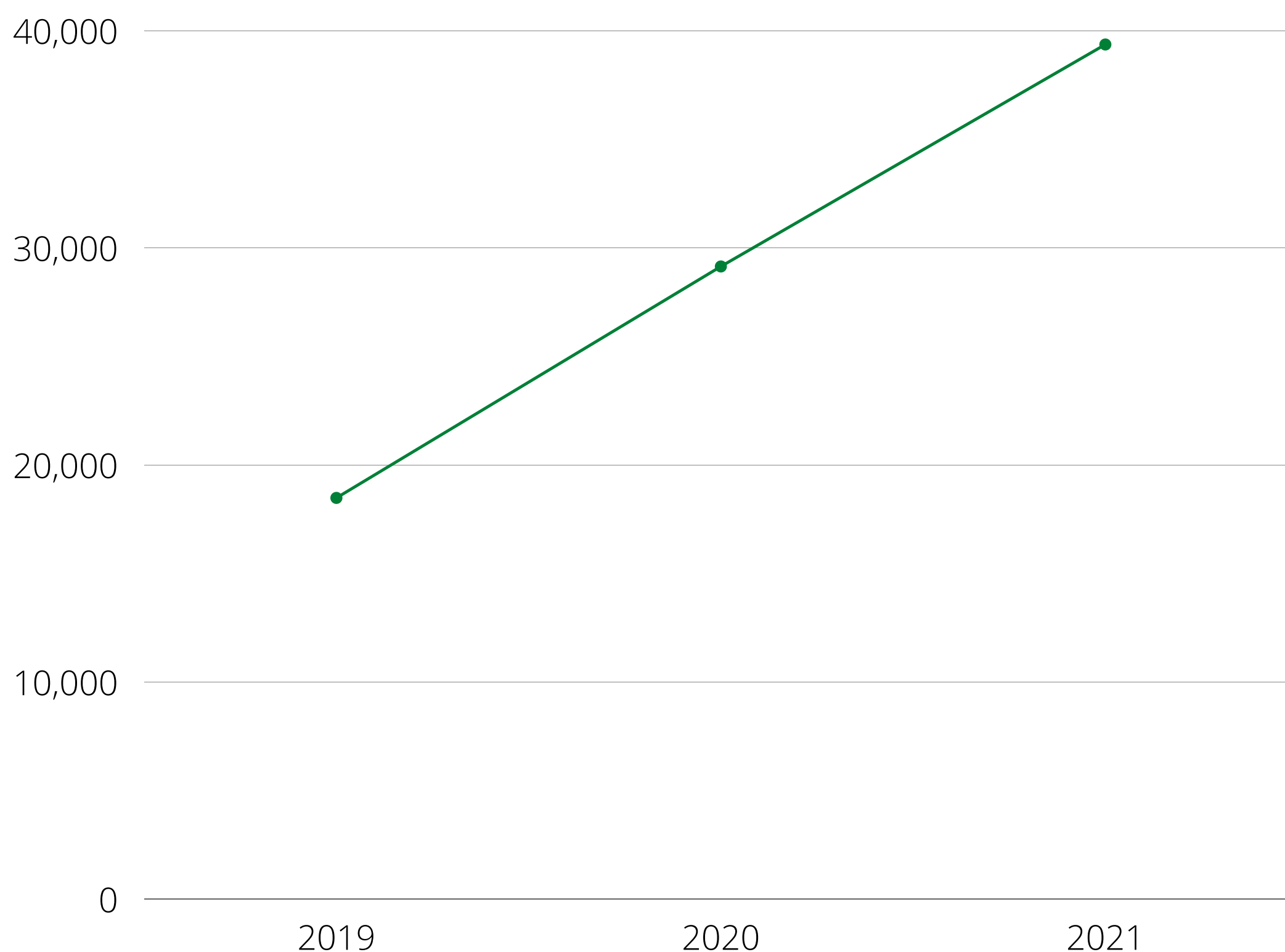
INCOME STATEMENT ANALYSIS

Meta Platforms Inc. Expenses (2019-2021) (in millions)



- Expenses categories:
 - **Marketing and Sales** have increased steadily. Meta heavily relies on its ads or its marketing to generate its revenue.
 - **General and Administrative** decreased from 2019 - 2020, there was an increase from 2020-2021.
 - **Research and development** increased steadily. The company is constantly innovating, with the rise of Metaverse.

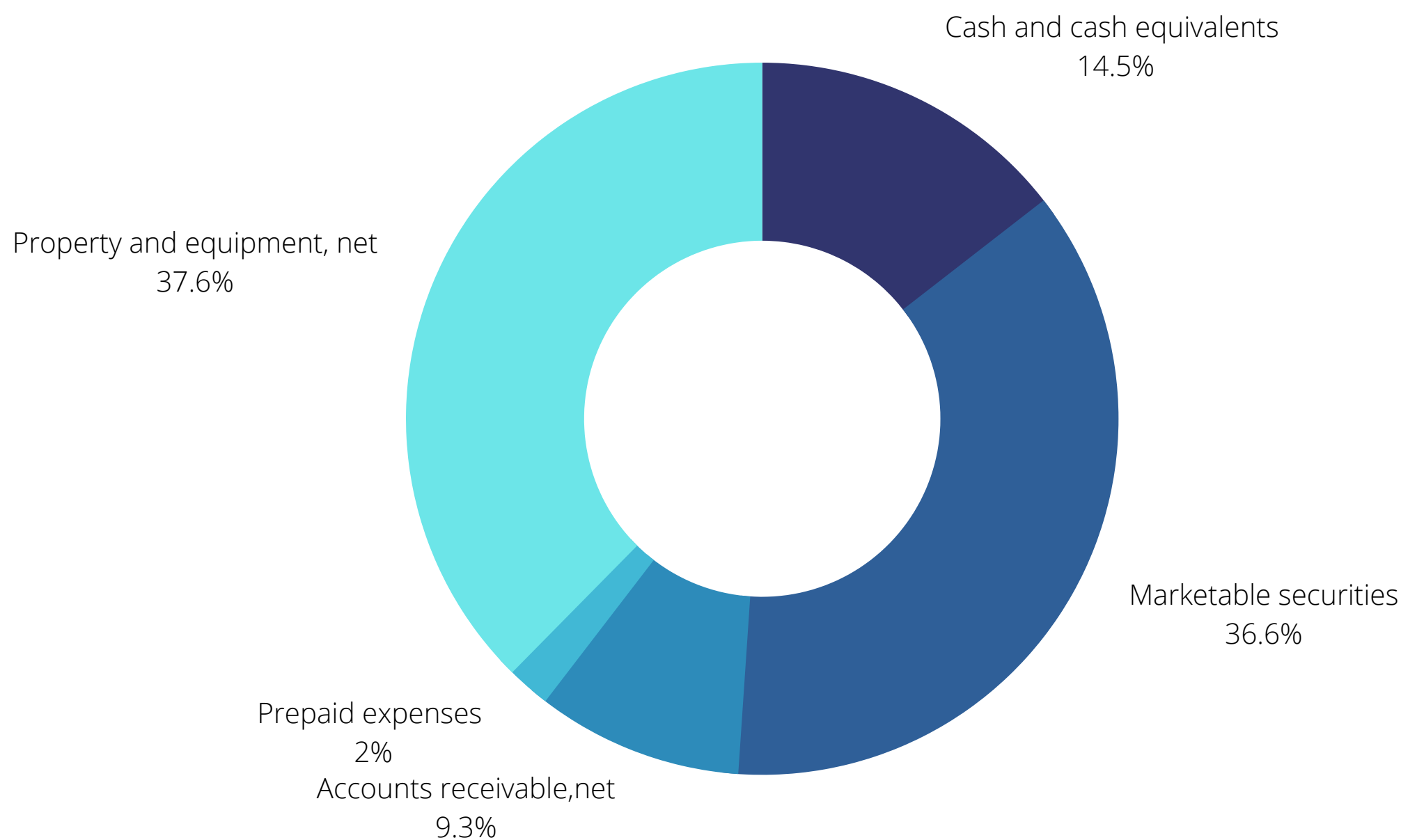
Meta Platforms Inc. Net Income (2019-2021) (in millions)



Based on the income statement of Meta Platforms Inc. they have been profitable over the past 3 years. The company's net income over the past 3 years have shown steady growth which is positive for Meta.

BALANCE SHEET ANALYSIS

Meta Platforms Inc. Total Assets (2020) (in millions)

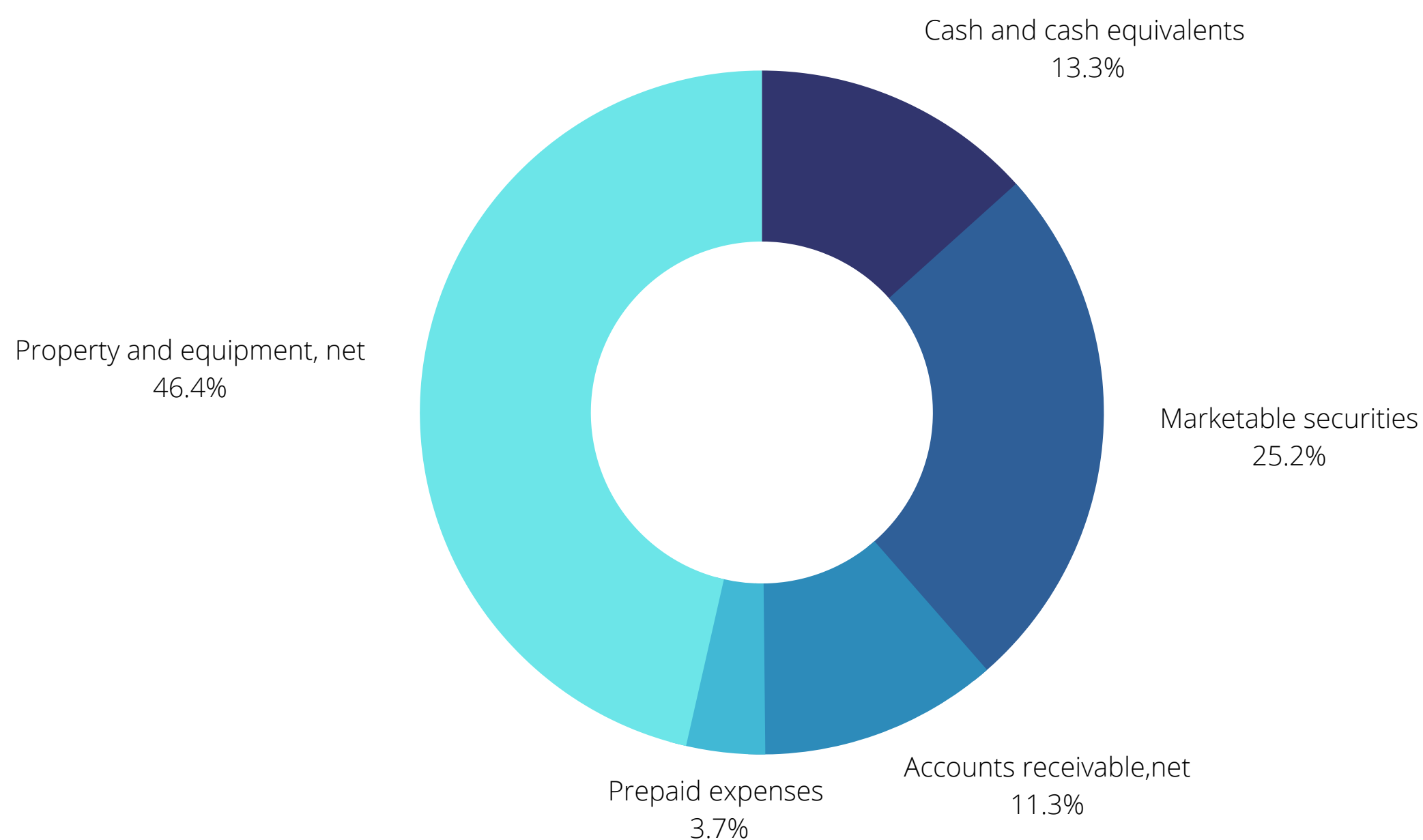


Property and equipment saw the most change in the company from 2020 to 2021.

- Property and equipment saw a change of 37.6% to 46.4%. Meta divides their property and equipment into 5 divisions;

- Servers and networks assets
- Buildings
- Equipment and other
- Finance lease right-of-use assets
- Leasehold improvements

Meta Platforms Inc. Total Assets (2021) (in millions)



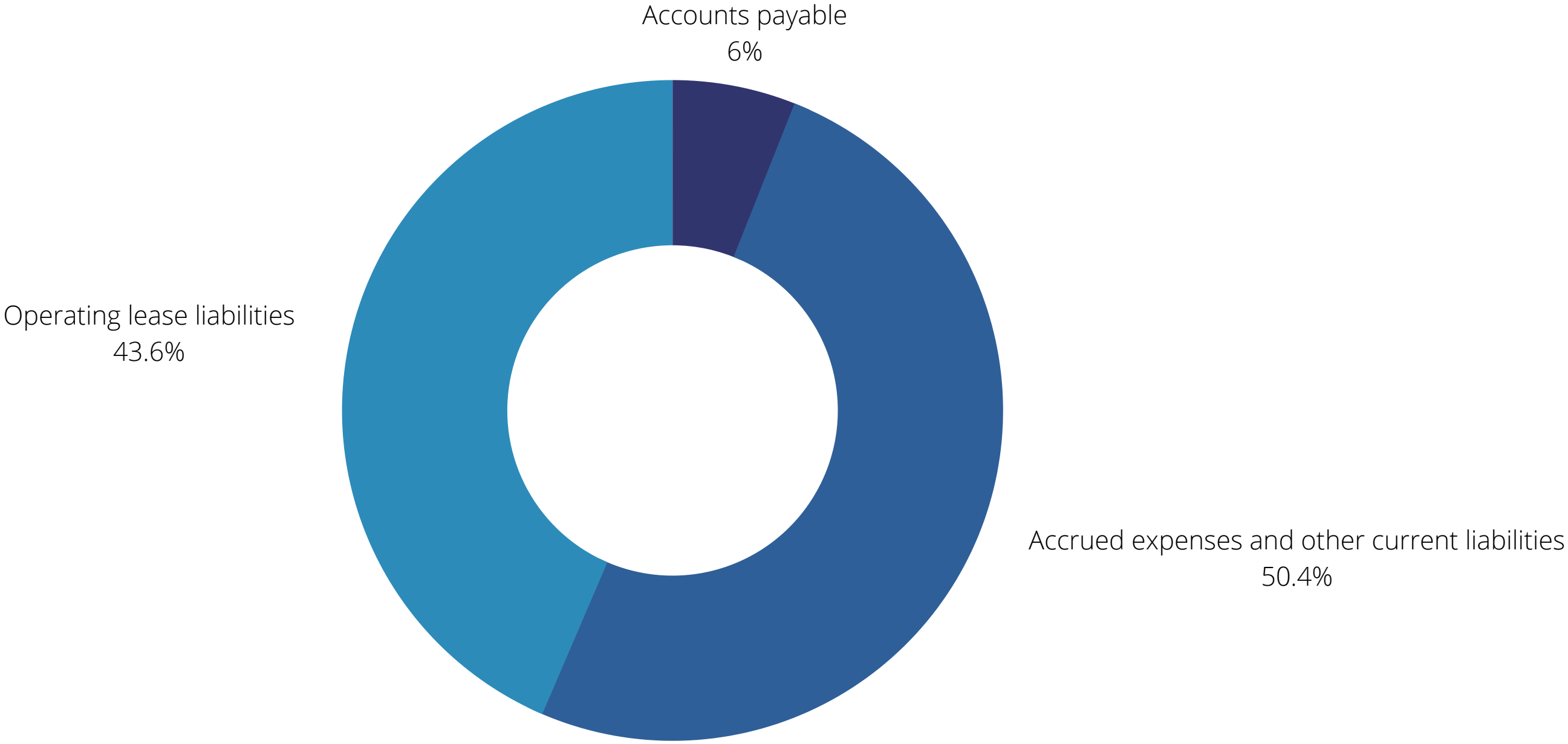
The company's Cash and Cash Equivalents saw a change of 14.5% to 13.3%. This change could be because of the low liquidity the company might have which can pose a risk and affect the company's profitability.

Accounts receivable showed a change of 9.3% to 11.3%. An increase in accounts receivables indicates that Meta's sales are increasingly paid with credit as a form of payment instead of cash. The company may receive high amounts of cash in the future.

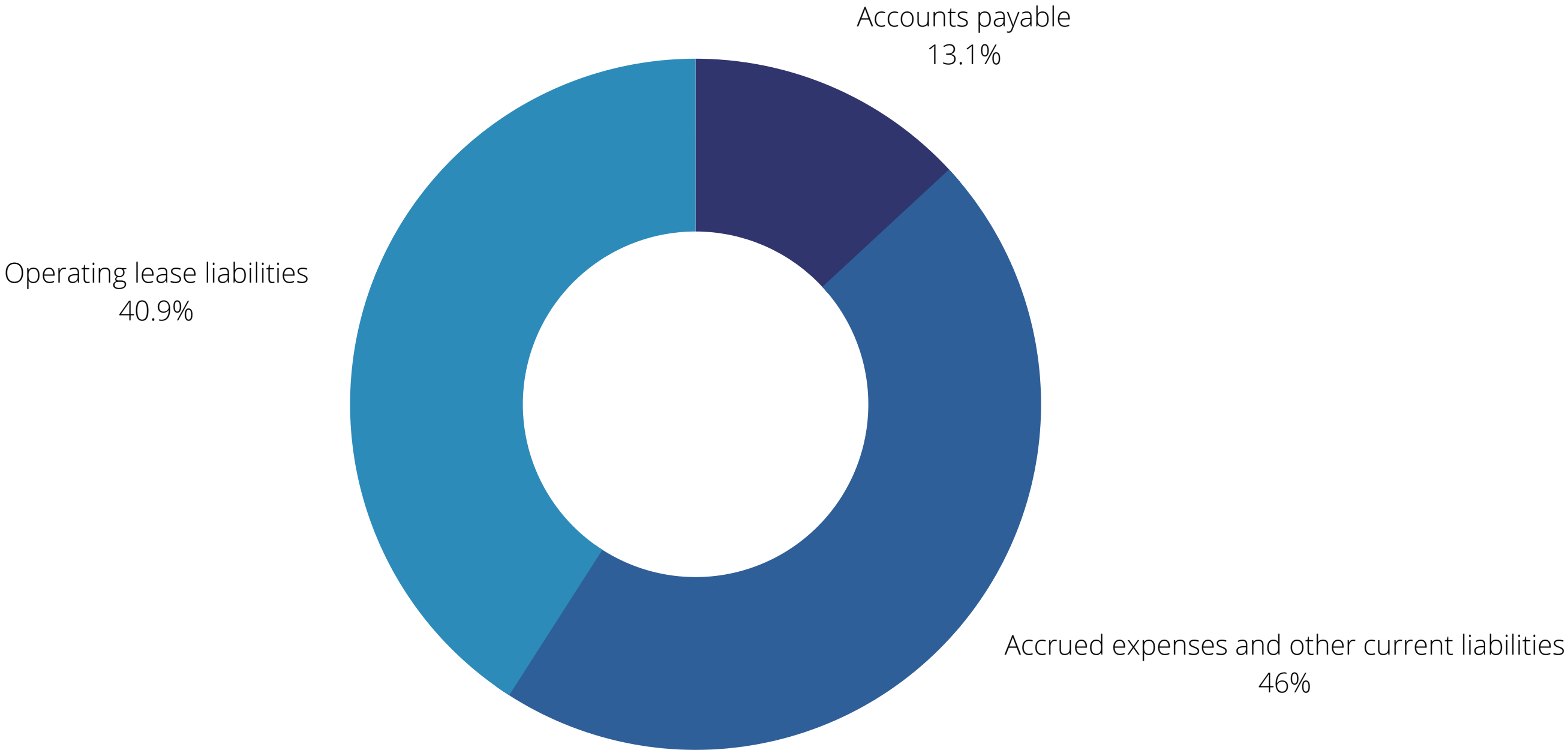
Based on the balance sheet, the company has a lot of cash tied up in property equipment and prepaid expenses. When the company has a lot of cash tied up in its PP&E it usually turns into long-term debts, the more property leases or equipment purchases they have the cash flow in the company will reduce because of all these debts. It is difficult to sell these things to get cash.

BALANCE SHEET ANALYSIS

Meta Platforms Inc. Total Liabilities (2020) (in millions)



Meta Platforms Inc. Total Liabilities (2021) (in millions)



Accounts payable saw the most change from 6% to 13.1% in 2020 - 2021. \$1,331 billion to \$4,083 billion. An increase in accounts payable indicated that the company is purchasing more goods or services on credit than they are paying off, this can affect the company's cash flow and its attractiveness to its investors.

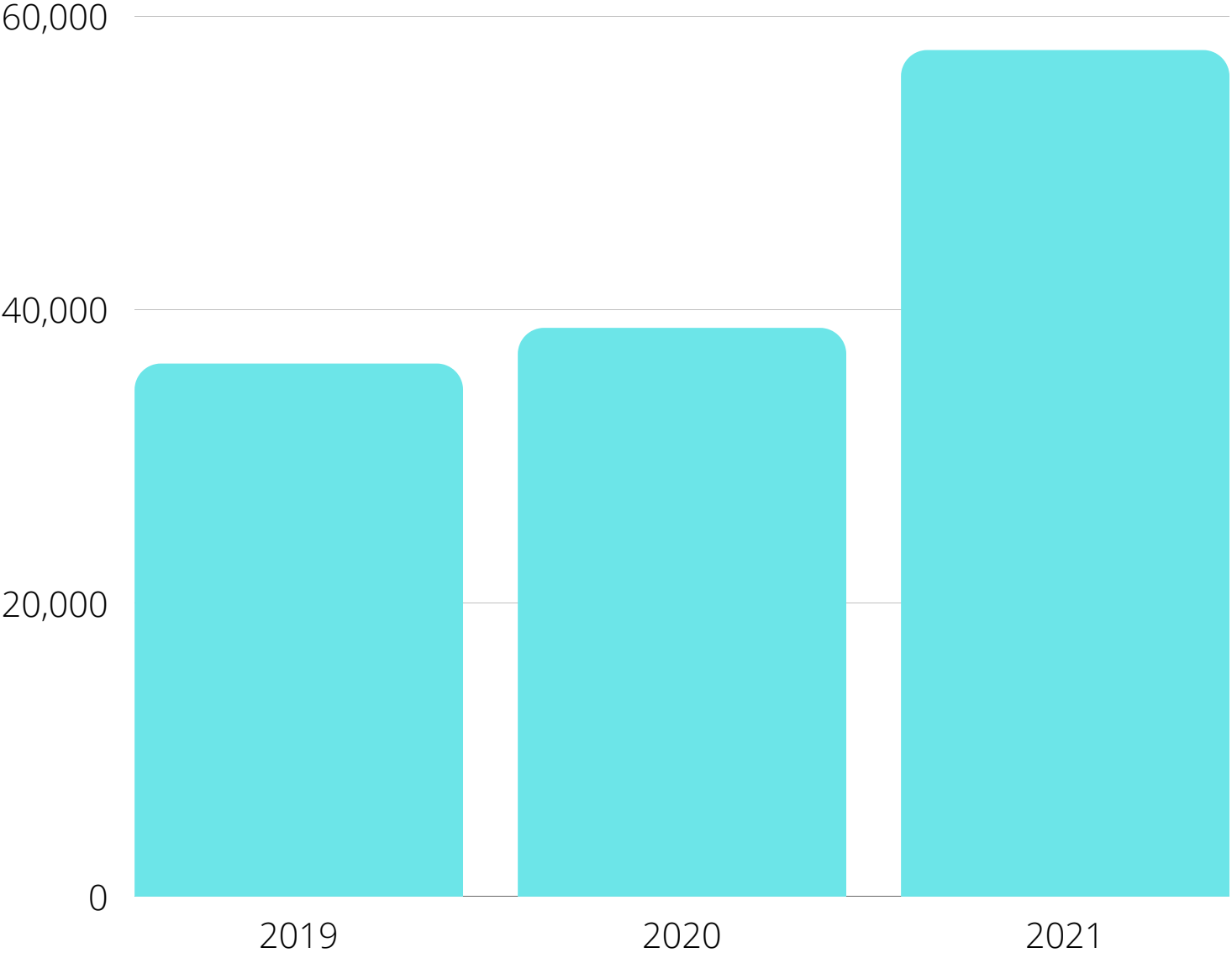
Accrued expenses and other current liabilities saw a change of 50.4% to 46% from 2020 to 2021. Meta's accrued expenses value increased from 2020 to 2021 from \$11,152 billion to \$14,312 billion.

Operating lease liabilities saw a change of 43.6% to 40.9%. \$9,631 billion to \$12,746 billion.

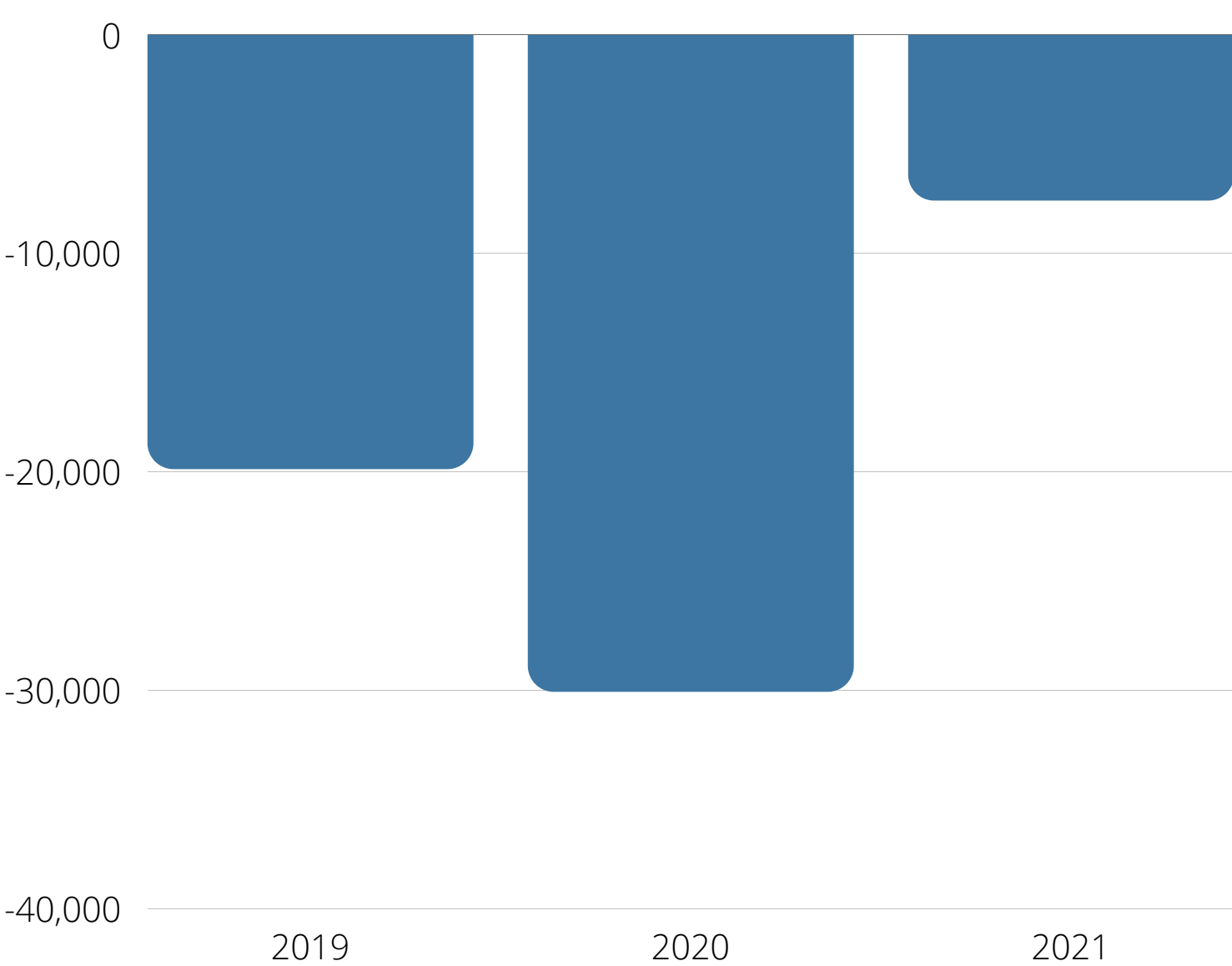
Based on the balance sheet, the company is in long-term debt and short-term debt. This can be based on a number of things; their accounts payable, their operating lease liabilities, and other non-current and current liabilities.

CASH FLOW STATEMENT ANALYSIS

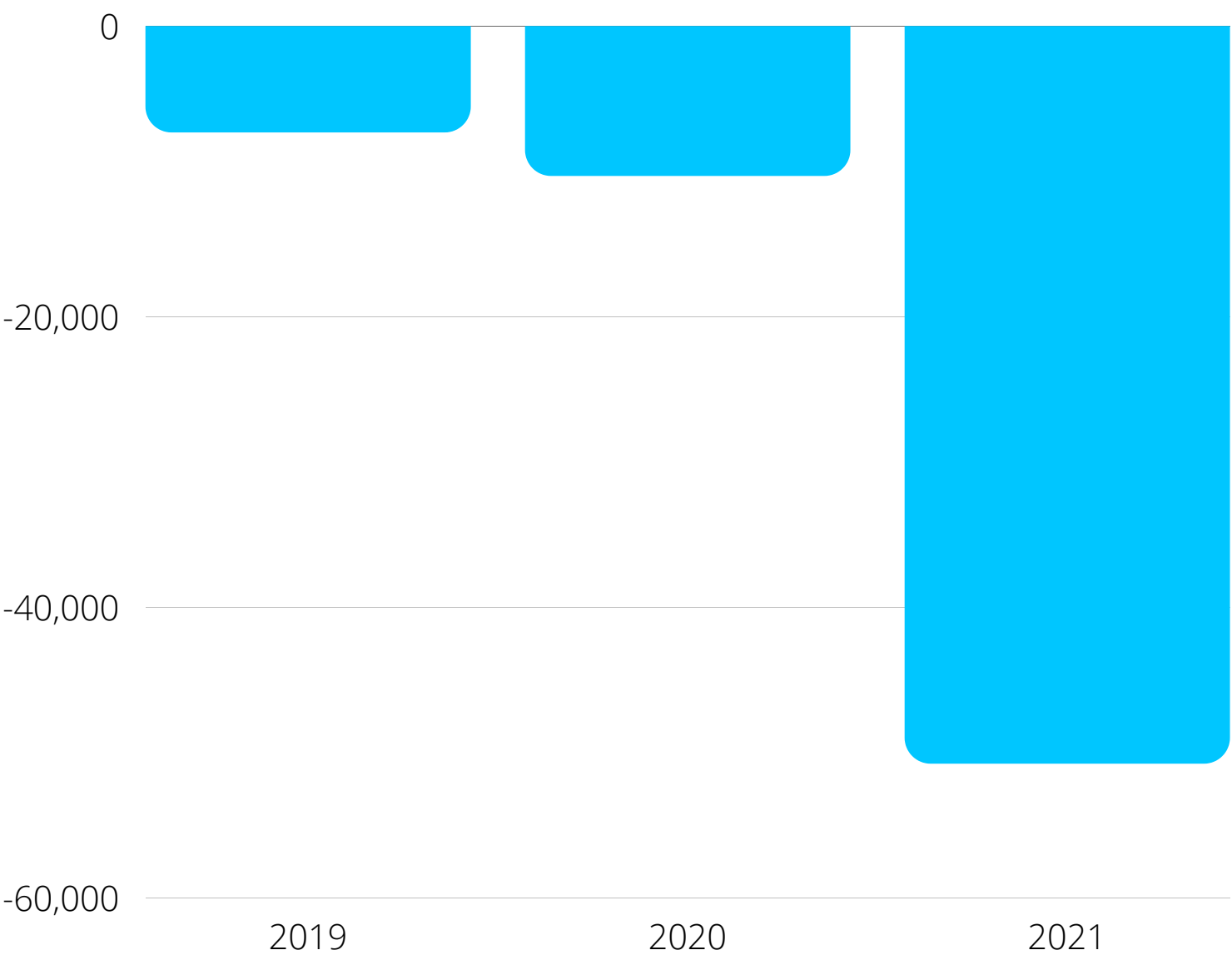
Meta Platforms Inc. Net Cash by Operating Activities (2019-2021) (in millions)



Meta Platforms Inc. Net Cash by Investing Activities (2019-2021) (in millions)



Meta Platforms Inc. Net Cash by Financing Activities (2019-2021) (in millions)



Based on the cash flow statement, Meta's cash flow is positive, however, it's not constant. It has increased steadily over the past 3 years. The company's cash flow is positive over the past 3 years resulting in the company's cash being rich.

Meta is financing its operations through its paid Ads.

The company's operating activities had the most change in the past 3 years. There was a huge jump in the company's operating activities from 2019 to 2021, and at the same time a huge change in its financing activities from 2020 to 2021, this could possibly indicate a change in the functions of the company and the implementation of new practices.

MARKETING ANALYSIS



facebook

Product Strategy:

Facebook is one of the largest social networking services. The brand's mission is to build a community where people can come together and connect. The platform allows its users to connect whenever they want with family, friends, colleagues, acquaintances, etc. Users of Facebook can write, share photos and videos and buy things on the platform.

Facebook has taken over other brands such as Instagram, WhatsApp, Oculus and has helped them improve their platform base to make it easier for people to connect. The Facebook platform allows its users to customize their profile to how they want others to view their profile highlighting the privacy the platform has available to its users.



Pricing Strategy:

The main form of revenue for Facebook is through Ads. Advertisers have different choices to choose from when it comes to advertising on the platform; market-oriented pricing and pay what you want pricing methods. Through the market-oriented pricing strategy, Facebook uses its competitor's prices as a basis for pricing its display advertising services, these processes are usually generated through applied per impression or per click. The pay what you want strategy, Facebook allows advertisers to decide on how much they would like to pay as long as it's above the minimum price.

Place and Distribution Strategy:

Facebook offers its services through the Internet; Websites, Mobile apps. Users can access accounts through the Internet browser or through their smartphones on the app. Advertisers also use both the websites and apps to have access to the company's display advertising services. Facebook has created effective and efficient global access to its products and its users can access it anywhere in the world where the platform is not banned.

Promotion and Advertising Strategy:

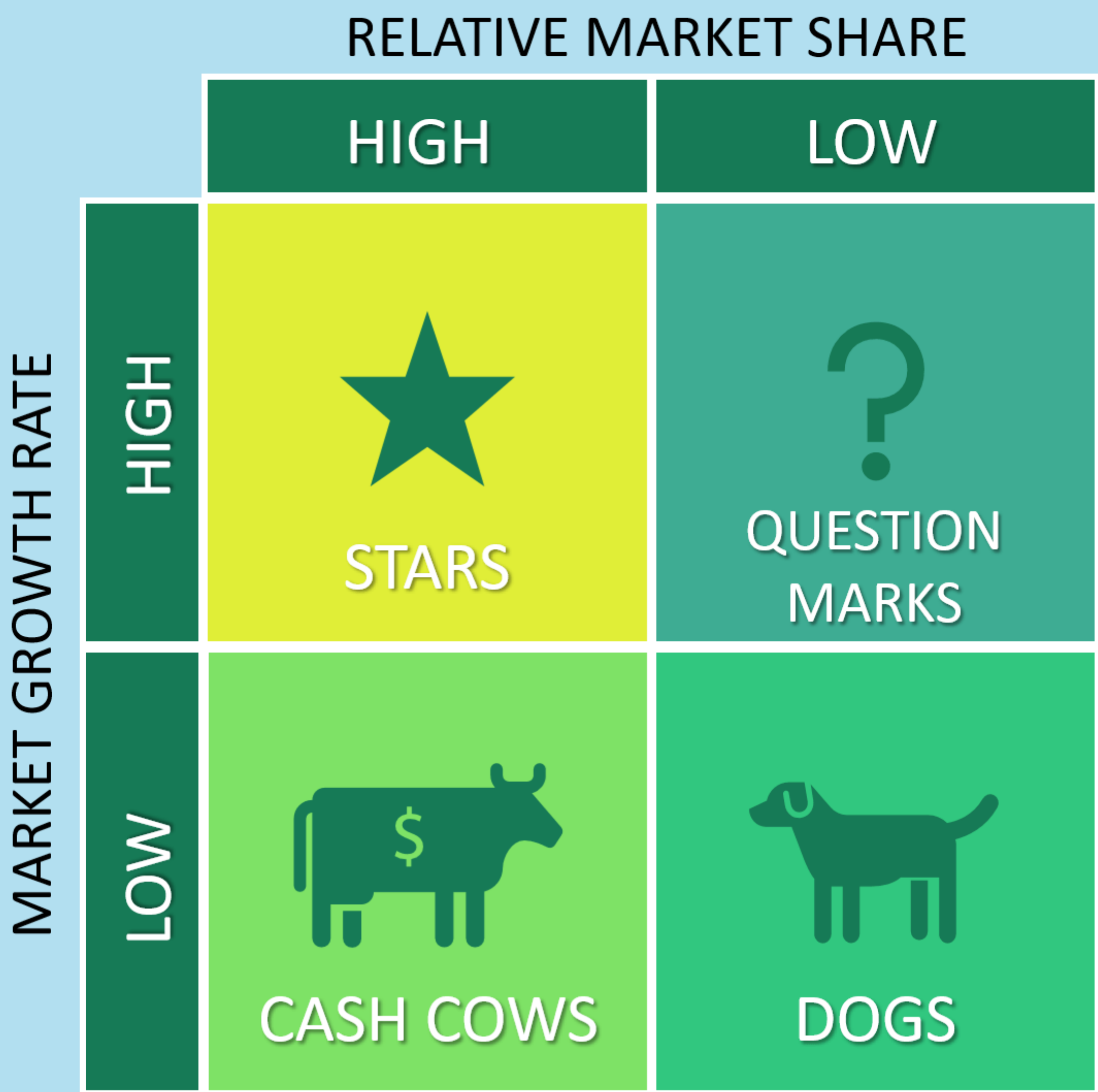
The platform relies heavily on both viral and direct marketing. Facebook's promotion strategy is through word of mouth and has proven to be very effective. Users have talked about the brand from one side of the world to another side of the world through their own words of mouth. This type of promotion strategy has contributed immensely to the development of Facebook. Other promotion strategies have been through the movie, the rise of the usage of the platform due to the various features the platform offers. Direct marketing is through the platform recommending advertising campaigns to Facebook pages like businesses and organizations.

Brand Equity:

The popularity of Facebook is high, it is a well-known brand and service, this is due to the positive awareness towards the company. Facebook has positive word-of-mouth and high TOMA (top of mind awareness) in comparison to its competitors.

BCG Matrix:

On the BCG matrix, Facebook is located on the stars. This is due to the high popularity of the service, Facebook has the majority of the market share and high market growth in comparison to its other services; Instagram, WhatsApp, Oculus, and Messenger. Even though they have a high market growth rate its now proving to be limited due to Internet availability.



FACEBOOK'S MARKET SEGMENT

Geographic:

- International
- India (416.6 million) has the most Facebook users followed by the United States (240.0 million) and Indonesia (176.5 million).

Demographic:

- Ages 13 years old and up
- Mainly 35 years and above (Millennials, Gen X and some Boomers II and Boomers I)
- Male dominated users (more in Millennials with about 18.4% of users are male)
- Single, married, divorced etc.
- Students, CEO's, executives, artists etc.

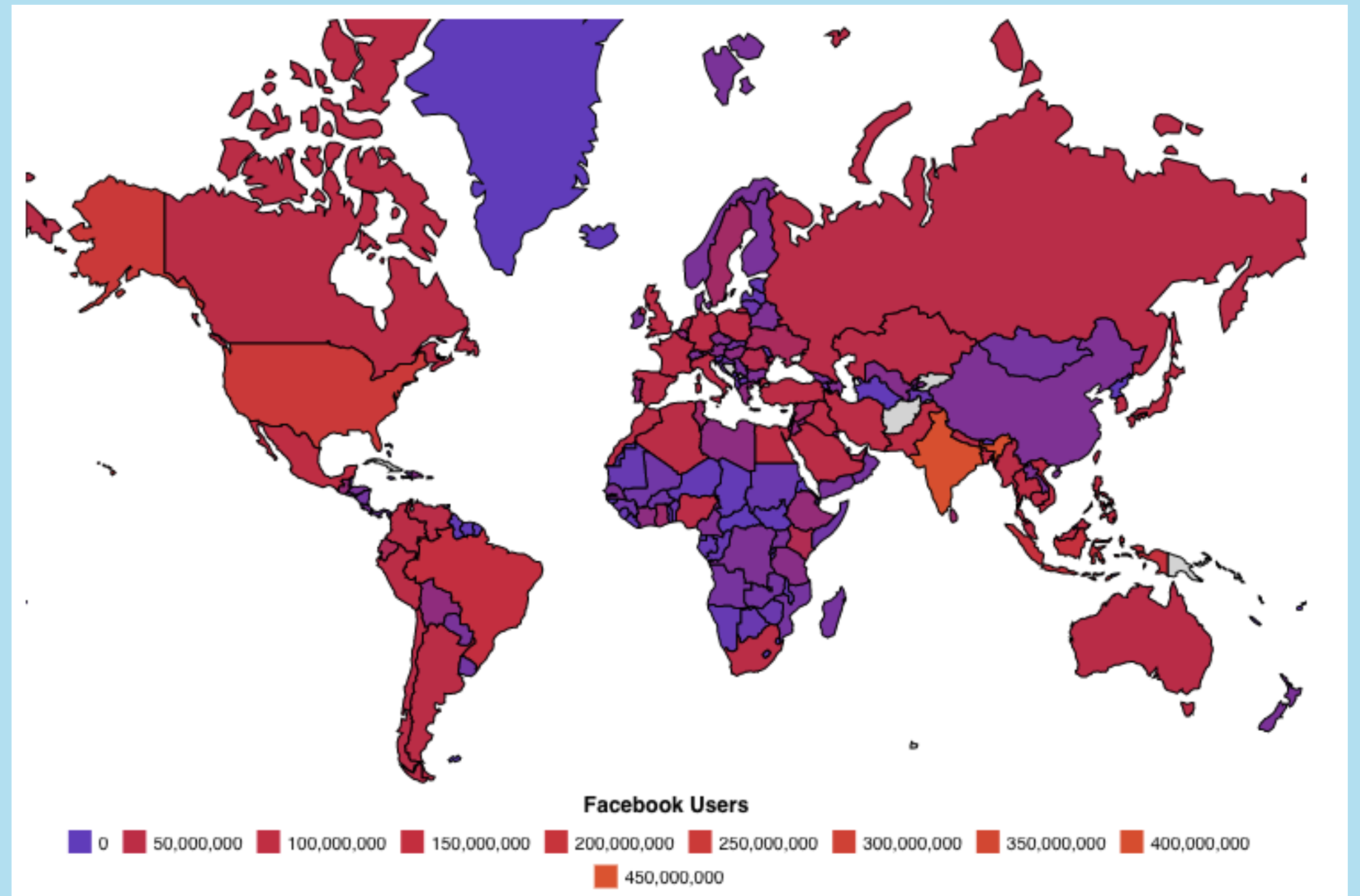
Behavioral:

- Big communicators
- Connectors and networkers
- Sense of belonging on the platform
- Easy going, determined and passionate

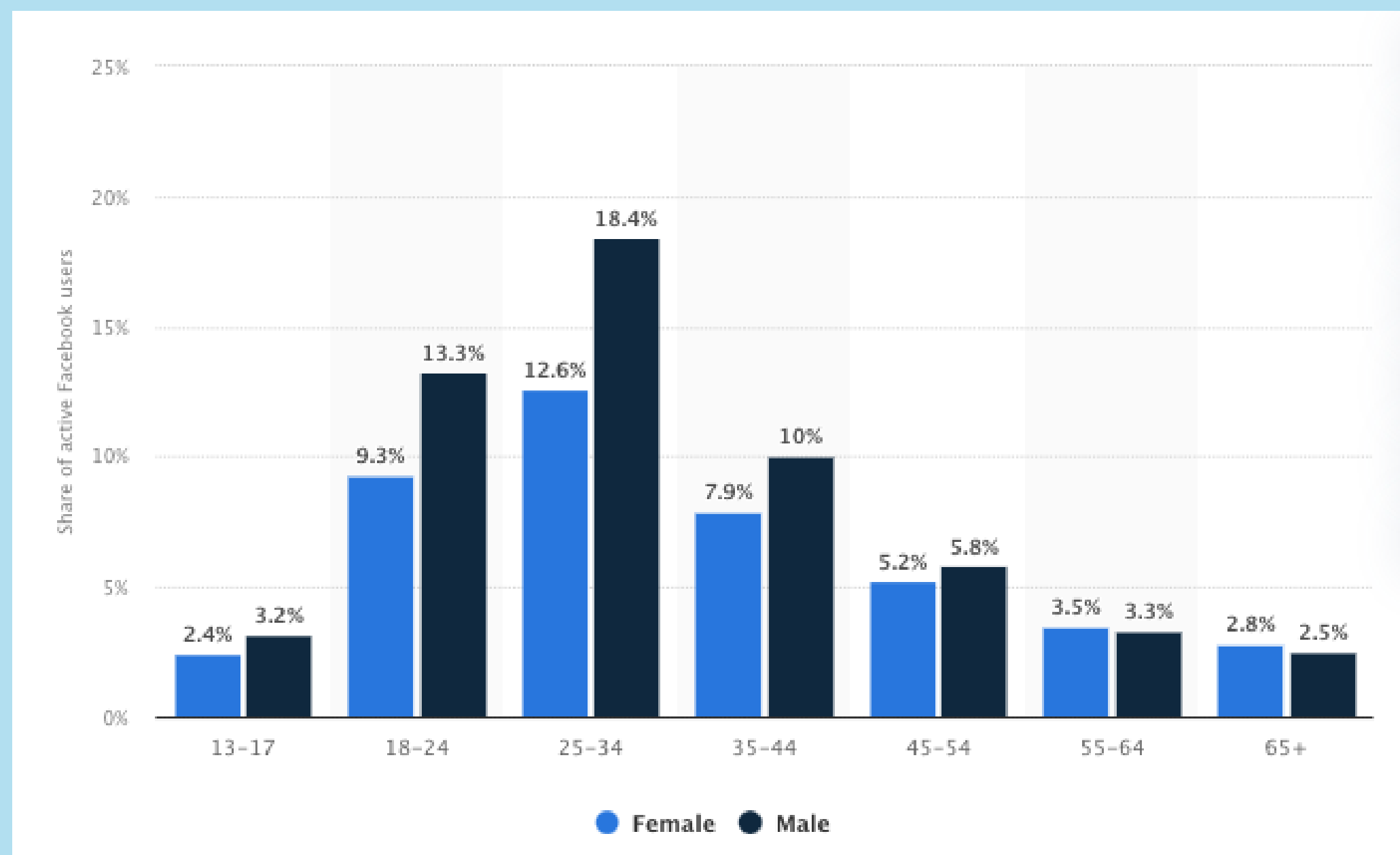
Psychographic:

- Lower, middle and upper class
- Aspirers, mainstreamers, creators, explorers

Number of Facebook Users by Country (2021)



Distribution of Facebook users worldwide (January 2022) by age and gender



Consumer Profile - Nicholas

Male

34 years old

Perth, Australia

Executive member of a tech company

Bachelor's & Master's Degree

\$180k >

Single, no kids

Nicholas lives in a penthouse on a high-rise apartment located in the heart of Perth, Australia. His interests includes technology advancement, nature, exploring new places and kickboxing. He loves to just chill at home on a quiet day and relax and catch up the latest new on technology innovation.





Instagram



Product Strategy:

Instagram is a service that provides a social media platform where it allows its users to share content with other people. Over the past few years, users have been using the platform to promote their businesses to increase their sales of items, share photos and videos. The functionality of the platform is what sets them apart from other social media platforms. Photos, reels, stories, and going on live can be done on the platform.

Photos: Users can upload photos as a single or multiple shots for a single post. They can also tag other users through the platform tagging feature. Geotagging can also be done, this allows the users to specify the location of where the picture was taken.

Hashtagging is a function where users can caption their content with hashtags. Instagram also has an Explore tab where it allows people to witness popular media that includes reels, videos, and photos that are trending.

Videos: Instagram offers its users to create video content on the platform. They have the option to either upload the video or they can live stream. IGTV and Reels are also one of the most popular sharing video content on Instagram.

Stories: This feature allows users to upload either a video or a photo as a story for 24 hours., very much like Snapchat. AR stickers, Face filters and Live Video are also features on the platform.

Pricing Strategy:

Instagram for users is a service, therefore it's free of cost. Instagram generates its revenue from its advertisement services just like Facebook. Posts can also be charged by the users being sponsored by the organization to promote their products.

Place and Distribution Strategy:

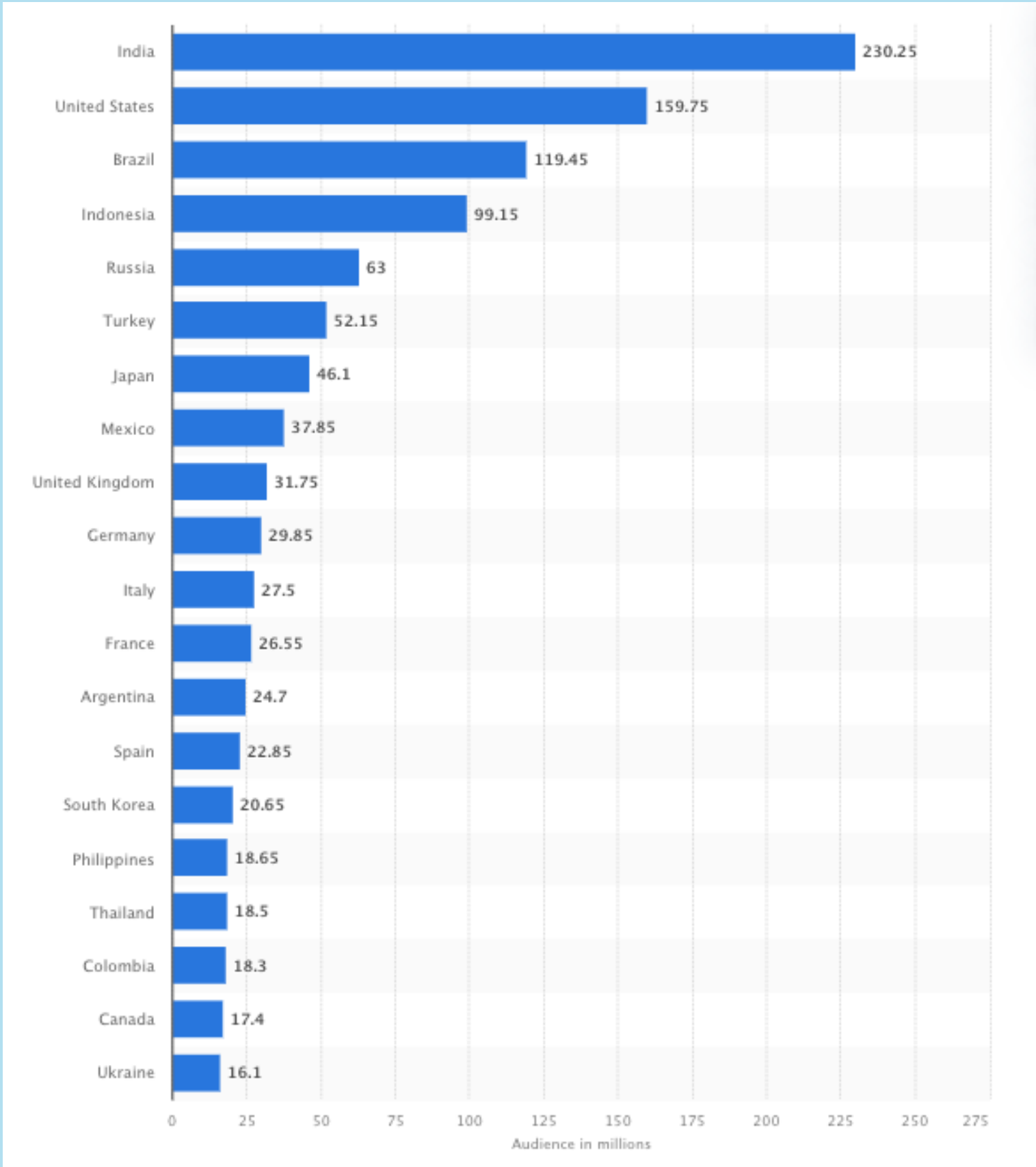
Instagram has a presence all over the world through iOS and Android and is free of any charge. They are present on mobile apps, websites, and Internet-based servers. Users either use the platform for promoting their brands or by just sharing content (photos, videos, etc) with their followers. Instagram has proven to be the fastest-growing social media platform.

Promotion and Advertising Strategy:

Instagram's promotion and advertising strategy are like Facebook, it relies heavily on word of mouth marketing also known as Viral Marketing. The more users who sign up for Instagram, the better it is for both Instagram and the users. Direct Marketing is another strategy Instagram uses. They engage in recommending advertising models and options to companies and independent users that are looking to promote their products or ventures. Instagram also has a number of partnerships that use the platform as a way for business promotion.

INSTAGRAM'S MARKET SEGMENT

Distribution of global audiences 2021, by age and gender



Geographic:

- International
- India (230.25 million) users, United States (159.75 million) users, and Brazil (119.45 million) users

Demographic:

- Ages 13 years old and up
- 18-34 years old dominating this platform
- Male-dominated with 34.3% in the 18-34 years old range
- Single, married, divorced, etc.
- Students, CEOs, executives, artists, etc.

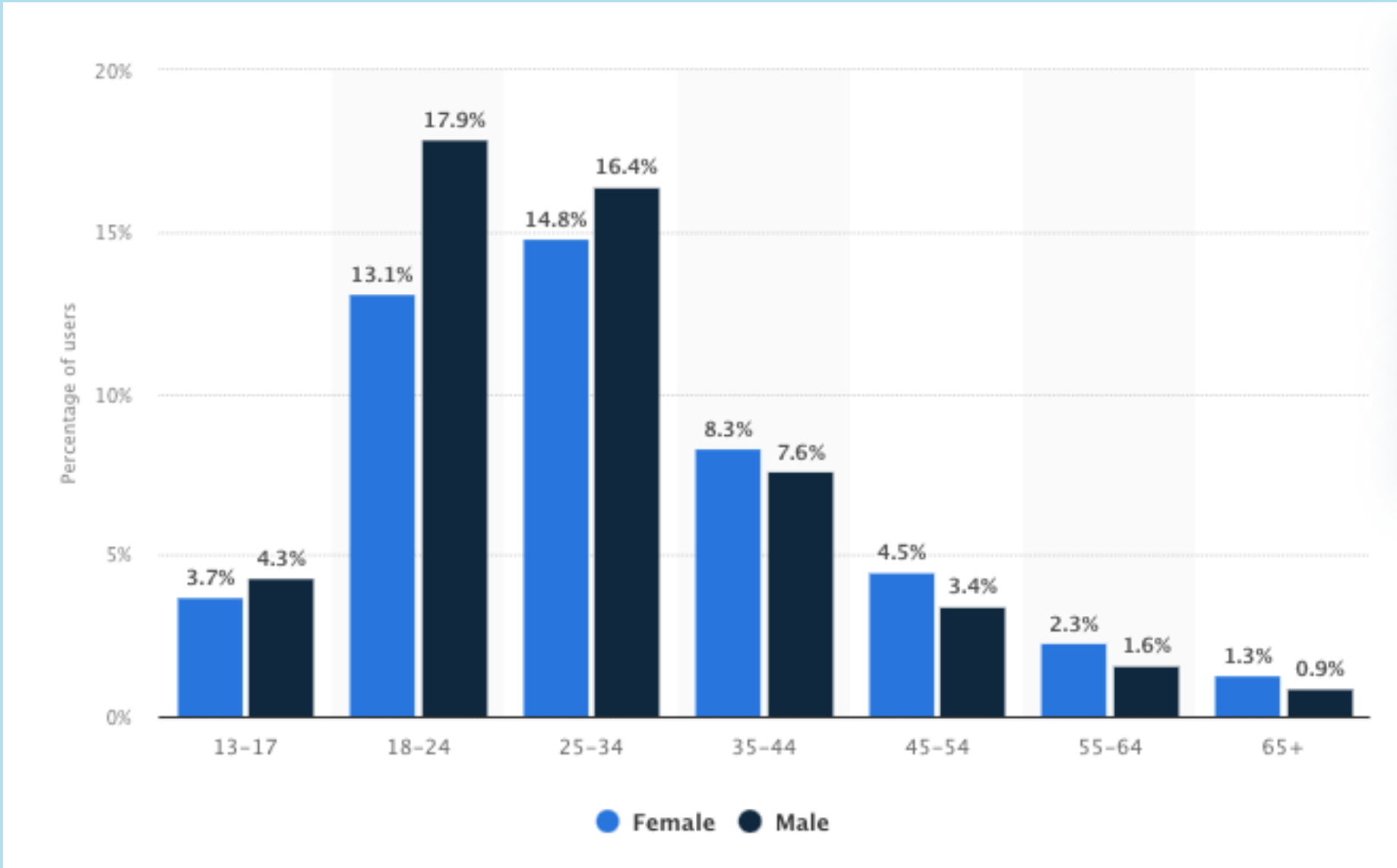
Behavioral:

- Big communicators
- Connectors and networkers
- Sense of belonging on the platform
- Easy going, determined and passionate

Psychographic:

- Lower, middle, and upper class
- Aspirers, mainstreamers, creators, explorers, and influencers

Distribution of global audiences 2021, by age and gender

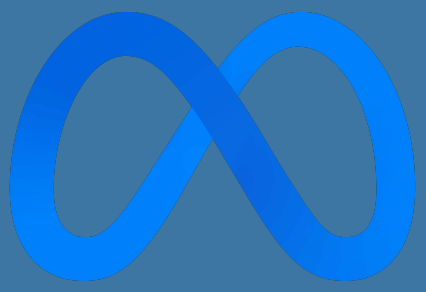


Consumer Profile - Sierra

Female
27 years old
Los Angeles, California
Social Media Influencer
Bachelor's Degree
\$200k >
Married

Sierra lives in a family home with her husband and 4 kids. She loves to explore different places and try different products to promote them on her page. On the weekends she and her family will drive to Malibu to hang out by the beach





META SWOT ANALYSIS

Strengths

- Strong brand - creating strong stability and long-term sustainability for the company. There is a strong growing Facebook community.
- Strong liquidity - having strong liquidity helps the company increase ease in its funding of day-to-day operations. Improving in its ability to capture market growth opportunities.
- Increase in revenue due to advertisements - the growth in advertisements was driven by the increase in users as well as the increase in the high frequency and number of ads that are displayed across its products. Strong revenue growth allows the company to allocate its funds for future stability growth.
- Huge database - Facebook itself has a vast amount of a database that enables the platform to collect large amounts of information about its users. Having this amount of information is very valuable for advertisers and developers. The data that the company owns creates a high competitive advantage.

Weaknesses

- Privacy concerns - concerns in privacy arise for the company as users feel their information are not being protected and anyone can have access to it. This results in the company losing popularity and losing its users.
- Lawsuits and litigations - having lawsuits and litigations could increase the legal costs of the company. Back in 2020 the FTC filed a lawsuit against the company for illegal monopolization. An increase in the company's legal costs could affect their operating results.
- Lack of consumer trust- the company does not fact check any of its political ads and just posted whatever ads they were paid for which resulted in their consumers not trusting the company. Not having trust from its consumers can result in consumers leaving the platforms.
- Overdependence on its advertising - The company's business models relies heavily on its advertising for its revenues. Around 98.5% of its revue are from advertisements.

Opportunities

- Investments in the news industry - the company has plans to expand its operations into the news industry. In early 2021, Facebook announced that they plan to invest over \$1 billion USD for the next three years in the news industry. With this investment the company intends to show its support in the news industry and as well as potentially partnering with news publishers.
- Positive outlook for media services (North America region) - Facebook succeeds in providing online social media and social networking services. The company itself stands to benefit from the positive outlook for media services market in the North America region.
- Portfolio diversification - the company owns WhatsApp, Instagram etc. and their revenue is highly dependent on advertising. The company can benefit from expanding into a different industry.
- Strategic initiatives - the company focuses on strengthening its business through making strategic initiatives. In February 2021, the company partnered with Shopify, this resulted both companies to maximise their digital potential.

Threats

- High pressure of competition - the company has high competition from other companies that offer the same platforms and services as Meta. For instance, Facebook competes with other mobile apps that provide the same features in form of communication as they do. With competition this intense it could impact Meta's user base and the level of engagement from their users which will make it less attractive to marketers and developers which then affects its revenue and its operations.
- Security breaches negatively impacting their reputation and business - the company faces many threats from hackers, viruses, and other issues. This can be a major threat as the company withholds a lot of private information. The company would need to invest in developing more secure products and technology to protect its systems and database.
- Regulatory environment - Meta is involved in a variety of laws and regulations. Introduction to new products or services will mean new laws and regulations being implemented. Any non-compliances could affect the company's revenue and operations.



SNAPCHAT SWOT ANALYSIS

Strengths

- Strong innovation - the brand has high innovation. The whole concept was out of the box. The features of the app have helped the company differentiate from its competitors. Snapchat appeals to the younger generation.
- Strong user base - the app has over 293 million users with a growth rate of 36% per year. Since their largest demographic are millennials and younger generations, their user base will continuously grow as well as grow their market share.
- Strong brand image - the brand has positioned themselves to be a force to be reckon with in the industry. They have a strong brand name that allows them to have strong brand awareness and familiarity.
- Good user-interface - the company's user interface is simple and easy to use, it enable its users to use basic skills in technology in order to enjoy the platform.
- Privacy - Snapchat promises and ensures privacy to its users through many features such as the self deletion. The life usage of messages has also made users have greater privacy.

Opportunities

- Advances in technology- advancement in technology has been an advantage and has created numerous opportunities for tech companies. Snapchat will need to invest heavily in strategic technology to create more innovation, to be more efficient, and to create more effective growth.
- Demand for privacy - the demand is growing for privacy across all social media platforms. To succeed, platforms like Snapchat need to provide security and privacy to their users. This is something the company is already doing great and if they continue to do great it sets them apart from everybody else.
- Expansion of features - Snapchat has introduced a lot of new features over time. If the company continues to introduce new features it can create a major advantage for the company.
- Customer use and engagement - more and more people are joining Snapchat, this will increase growth for the company and create opportunity for them as well.

Weaknesses

- Reputation - Snapchat's reputation has not been great like any other social media platform. There have been cases of these social media platforms sharing vulgar content, cases of cyberbullying, and any sort of harassment.
- Lack of Diversification - the company has attempted to diversify in several areas in the past. However the attempt to diversify proved to be unsuccessful which resulted in the company losing a lot of money. Snapchat Spectacles were one of the features that was a great failure.
- Decline of users - though the brand has a good amount of users, they are limited. Majority of the user base of Snapchat consists of millennials and gen z, the elderly population are not really acquainted with the app.
- Sharing content outside - Snapchat has some negative features such as not being able to share content outside of its platform. The features may also be confusing to use as a beginner.

Threats

- Competition - numerous companies also offer the same services like Snapchat and even more. Consumers are evaluating the best platform to use that meets their needs. The company will need to offer more innovative services to its consumers.
- Concerns and dissatisfaction - negative perception of social media platforms from parents who think these companies have a negative influence on their kid's minds affect these brands. This could affect the company's market share and decrease its growth.
- Restrictions - just like Facebook, Snapchat faced legal challenges since 2011 which resulted in. a lot of countries banning the app itself. This ultimately affects the accountability of the brand among users.



TWITTER SWOT ANALYSIS

Strengths

- Early entry - the brand entered the market in 2006. This was a huge advantage for the company as there were almost no other social media platforms emerging at that time.
- Market share - Twitter's market share has shown substantial growth over the past few years to reach its value of 25.45%.
- Acquisitions - the company's primary acquisitions are Tweet Deck, Tap Commerce, Periscope, and many more. These acquisitions offer assistance like a focus on the promotion, commercial, AI, and more. Having acquisitions have expanded the company's item arrangement and extended their client base.
- Monetary stability - the company's yearly income have shown stability. Their total compensation of their interpersonal communication has diminished in 2020. This was because of their acquisitions and the pandemic.
- Communication channel - Twitter has been the mainstream channel for true updates and correspondence for public authority, and VIP's.

Opportunities

- Innovation - Twitter can increase in its research and development and be more innovative. Using other social media platforms as inspiration, Twitter can innovate different tactics that will help add to its user satisfaction and needs.
- Diversification - Twitter can expand its portfolio by expanding into new target markets as well as finding new strategies that enhance user engagement and experience. This will increase the company's revenue and derive other benefits.
- Consumer loyalty - many of the users on Twitter have issues with the brand like fake news, deception, etc. Managing issues like these can increase the consumer's loyalty to the brand and increase their trust,
- Personalization - if the company adds customized features, it will expand its clients base and also increase its innovation.
- Online store - a number of organizations are advertising their items or administrations on Twitter. Twitter can create an online store to sell items that will benefit its users.

Weaknesses

- Low retention rate - Twitter's retention rate is low for its users. About 40%. This shows the company's inability to keep users interested in the platform.
- Limitations - Twitter only has a certain limit on the number of characters in each tweet and also a limit on tweets per day.
- Low diversification - the company has become dependent due to web-based media and microblogging stages as its main source. There is a lack of creativity as no innovation has come forth and many users think that the brand's algorithm is not great or up to par compared to its competitors.
- Revenue model - like Meta, Twitter's revenue is centered around ads. This is considered weak financing as the company's operational costs increases due to the money that is being put into the expansion of data centers. Therefore the company has not been able to generate huge amounts of profit in comparison to Facebook.

Threats

- Competition - there is high competition for Twitter in the market with other social media platforms on the rise such as Instagram, Tik Tok, etc. These platforms can steal Twitter's users as they are more innovative and appeal to the younger generation.
- Security concerns - usage of personal data is the main concern for social media users. Users want to know who is using their data and for what it's being used for. Security concerns like these can impact the audiences on platforms like Twitter.
- Fake accounts and hackers - like any other social media platform there are fake accounts and hackers. This is alarming for many social media companies since most of these companies have data from their users, if any of it is fake or hacked it can decrease the value and trust for the company.

STRATEGIC RECOMMENDATION 1: Meta x Decentraland (Integration of NFTs)



What is Decentraland? Decentraland is a 3D virtual land/universe that provides users with a variety of spaces to create content, explore worlds, and trade in cryptocurrency without the platform ever being owned by a single or centralized entity.

There are 6 key features; it is decentralized, a space of trade and commerce, social VR application, creator tool, offers VR real estate for users to purchase, and it's built on blockchain technology. In Decentraland, users can explore VR lands with other users, create content, make money, attend events and buy things.

NFTs have taken the world by storm recently, almost every industry is tapping into the integration of NFTs. NFTs are non-fungible tokens, these tokens are digital assets that usually represent real-world objects such as art, music, in-game products, and videos. These are bought and sold online with cryptocurrency. As a strategic recommendation, Meta Platforms Inc. should form a partnership with Decentraland and integrate NFTs. Influencers and content creators that are using Meta Platforms such as Instagram and Facebook, love showcasing their artwork, videos, their image etc.



These influencers and content creators are big on NFTs. Between the partnership with Meta and Decentraland, they can create a virtual world or land "Metaland" where content creators and influencers could sell NFTs with what they create. These content creators and influencers who have thousands of followers can bring fans into this virtual land to explore, be able to learn more about the tools/products/services Meta Platforms Inc and Decentraland offer. This could be a huge benefit for Meta as it can grow their consumer and database, it can also generate their revenue as advertisers can promote their Ads, as well as whatever the content creators and influencers create they can sell it as NFTs and the number of clicks generates the revenue for Meta. This could also benefit Meta and Decentraland by having the integration of NFTs into the Metaverse.

STRATEGIC RECOMMENDATION 2: Credibility

MEDIA BUZZ · Published November 18, 2016 5:02am EST

Fake news and the election: Why Facebook is polluting the media environment with garbage



Over the years, Facebook has faced several backlashes over posting fake news about either the elections or about the COVID-19 pandemic. Posting fake news on the platforms has proven to be one of the company's weaknesses and political issues. The company has made its platforms very accessible to users and given them the ability and freedom to post whatever they wish to. The platforms started as a platform for people to connect with peers and family. What was a form of communication and connecting, soon turned into platforms to discuss corrupted policies and government practices.

Back in 2016 the CEO, Mark Zuckerberg was in hot waters when news of the Russians interfering with the US 2016 elections came to the surface. Many people blamed the company for creating "fake news" to all of its users. The posting of fake news continued on when the pandemic struck the world. And also there has been fake news posted on the platforms about the war happening between Russia and Ukraine.

Having fake news posted on these platforms is not great for the company as users will question their credibility and will lose trust in the company. Losing trust will eventually lead to users leaving the platforms which will then result in the company not generating revenue as nobody will be using the platforms or clicking through the paid Ads, word of mouth will go from positive to negative.

As a strategic recommendation to improve the fake news problem, the company should analyze where is the source coming from and if it coming from an actual credible source such as The New York Times or others. On their platforms, they should also post verification that it's credible like a blue checkmark or mentioning that this source can be trusted. Making these changes will build more loyalty for the company's users as they will trust more of what is being posted.



STRATEGIC RECOMMENDATION 3: A New Face



The corporate structure of Meta Platforms Inc. seems to be male-dominated in the high executive levels. Mark Zuckerberg is the CEO and founder of Meta Platforms Inc. Over the years he has built a good and bad image of how people view him. Some people may think he is an all-time genius by coming up with the world's biggest platform Facebook, on the other hand, there are people who strongly dislike him. This is due to some of the decisions he has made, Zuckerberg is known for making decisions and not taking into account the impact.

So what's the solution? As an organization, Mark should step down from the public eye and let someone else from the executive level to be in the limelight and fix all of the company's wrongdoings. By stepping away from the public eye and putting someone else in the front like their COO Sheryl Sandberg, the company will gain more trust from its users and the world because they want to hear more of the company's initiatives.

In addition, since the executive levels seem to be mainly male-dominated and white, Meta can also be more diverse in its executive levels by hiring people of color as well as more executive-level women to bring in fresh perspectives from the outside into the company and see how they can change the future of the company. Either by developing more on Metaverse, diversifying the company's portfolio, etc.

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