

# **Maintaining Edge in a Data Conscious Economy**

# Our Team



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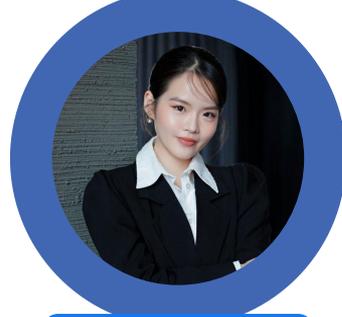
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# Industry Analysis



## Competitive Rivalry: (H)

- Diverse - rivals across different industries
- Meta acquisitions and huge market share
- Changing tech and consumer preferences
- Innovation as a key element

## Threat of New Entrants: (L)

- Valuable talent, resources, and consumer data
- Expanded scope of services
- Economies of scale and network effect
- Stricter regulations / entry barriers

Date of acquisition			Segment
Feb 19, 2014		16,000	Messaging
Mar 25, 2014	 <b>oculus</b>	2,000	Virtual reality
Apr 9, 2012		1,000	Social media
Nov 30, 2020	 <b>Kustomer</b>	1,000	CRM
Aug 14, 2014	LiveRail 	500	Online advertising
May 15, 2020	 <b>GIPHY</b>	400	Social media
Jun 18, 2012		100	Facial recognition
Jul 26, 2018		100	Messaging

\* Prices at the time of acquisition, not adjusted for inflation.

Sources: Meta, CNBC, Business Insider, Techcrunch

Highest acquisition prices for companies bought by meta (in million USD). Source: Statista

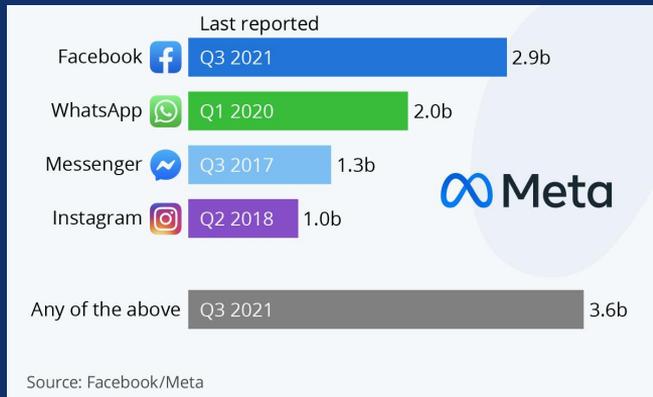


# Industry Analysis



## Buyer's Power: (M-H)

- Various competitors and low switching costs
- Meta's extensive reach as the selling point
- Customized and target-specific ad campaigns



Monthly active users of social media/messaging platforms owned by Meta.  
Source: Statista

## Supplier's Power: (M)

- Hardware components
- Data centers and cloud infrastructure
- Prioritize adaptability and innovation

## Threat of Substitutes: (M-H)

- Several platforms and similar services
- Emerging technologies
- Changing communication methods and privacy concerns



# External Environment

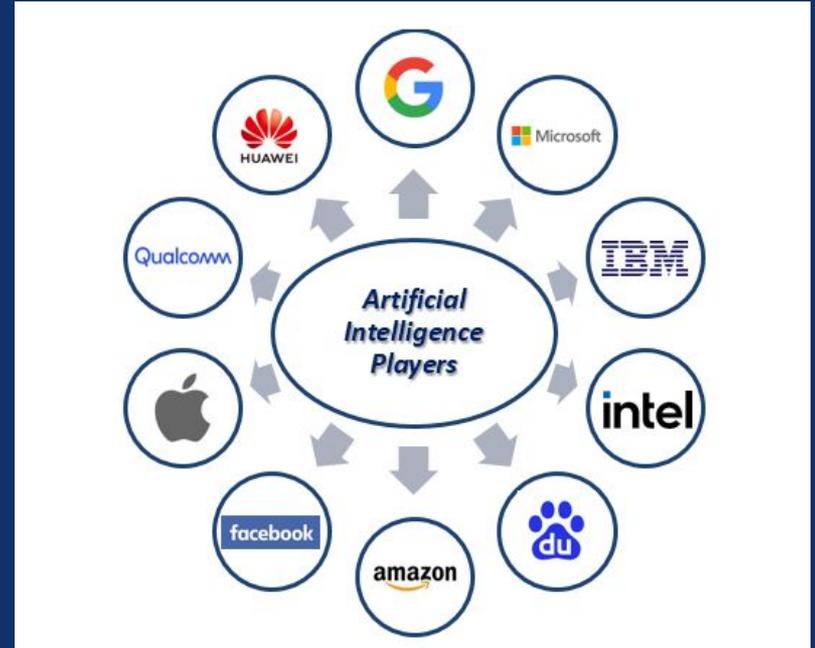


## Opportunities

- Generative AI
  - Opportunity in Generative AI to evolve products and services
  - **Challenges:** High cost to attract top talent and infrastructure for models

## Threats

- User Privacy Issues
  - Fined 1.2 billion Euros by European Union for transferring personal data to servers in US
  - \$725 million settlement to settle privacy lawsuits in the United States





# Internal Analysis

## History

**Meta**, formerly known as Facebook, founded by Mark Zuckerberg at Harvard.

- Rapid Expansion: Reach over 500 million active users by 2010.
- 2012 IPO: Went public, valued at \$100 billion.
- Continued growth: Acquisition of WhatsApp, Instagram, Oculus, etc.
- 2021 Rebranding: Transitioned from Facebook to Meta Platforms.
- Metaverse: Moving beyond 2D screens toward immersive experiences (AR, VR, mixed reality).

**Mission Statement:** Giving people the power to build community and bring the world closer together

**Vision:** To bring the metaverse to life and help people connect, find communities, and grow businesses

**Core Values:** 'People First', 'Moving Fast', 'Focus on Impact', 'Be Bold', and 'Be Open'

# Internal Analysis



## Strengths

- Strong Brand Recognition
- Massive User Base
  - Approximately 3 billion monthly active users worldwide
- Data & Insights
- Diverse Platform Ownership
  - Whatsapp, Messenger, Facebook, Instagram, Portal, Workplace, Novi
- Feature Integration & Connected Ecosystem

## Weaknesses

- Advertising Dependence
- Easily Imitable Business Model
  - Competitors can replicate Meta's features, increasing pressure to innovate
- Public Image Challenges
  - Criticism over data privacy, misinformation, and content policies
- Legal and Regulatory Risks





# Root Challenges



# Privacy Concerns and Data Sales



- Increasing Public Standards for Data Sharing
  - Apple, AI etc.
- Meta's Business Model is Reliant on Consumer Data
  - Initially built as social networking

Meta is confronted with the task of adapting its established business model to align with the increasing demand for data privacy.



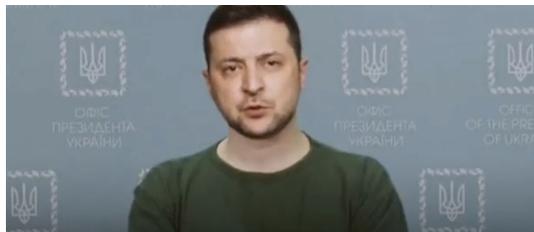
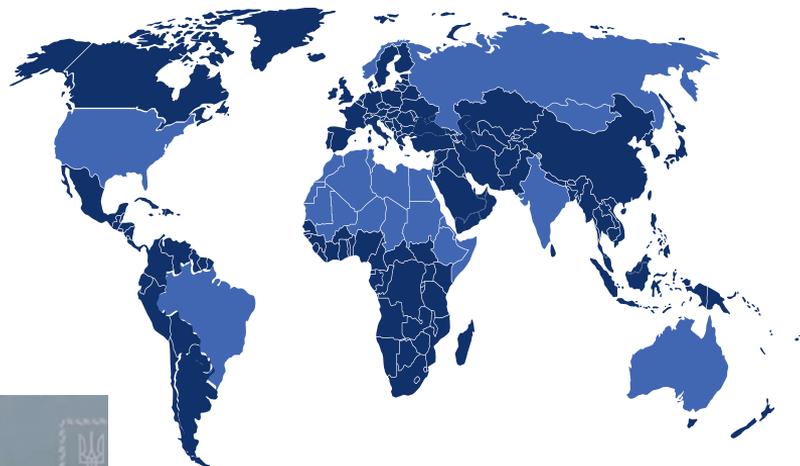
# Fake News! False Information, Content Moderation

3 in 10 adults use facebook for news.

- Erosion of Trust
- Social and Political Consequences
- User Safety

Meta has unique opportunity to use its platform as a news platform.

- Think X



# Metaverse Investment

- Return on Investment
  - Tech Challenges
  - Content
  - Adoption Barrier
- Meta Must Improve Prospective Vision

Meta needs to address shareholder concerns and demonstrate the long-term value of its metaverse initiatives.

Huge opportunity as MetaQuest introduces a Product!





# Potential Solutions



Search

**Root Cause: Privacy Concerns & Data Sales Transparency**

**Option 1**  
Transparency + Subscription Model

**Option 2**  
Data Selection Model

**Option 3**  
Monetary Incentives

Like Comment Share



Search

**Root Cause: Metaverse Investment**

**Option 1**  
Addressing Stagnant User Growth

**Option 2**  
Knowledge about Metaverse

Like Comment Share





# Chosen Solution



Root Cause: Privacy Concerns & Data Sales Transparency <i>(3 points max for options)</i>	Option 1- Transparency & Subscription Model	Option 2- Data Selection Model	Option 3- Monetary Incentives
<b>Bottom Line</b> <i>(Weight of 45%)</i>	<b>+3:</b> Subscription Model means more stable stream of income while keeping some data collection	<b>+2:</b> Would lose some revenue from decreased data collection	<b>+1:</b> Would lose money from paying users for their data
<b>Trust and Reputation</b> <i>(Weight of 30%)</i>	<b>+1:</b> Increase transparency would lead to more trust, And the subscription could initially make Meta look greedy	<b>+2:</b> Would empower users with increased transparency and control over what they share	<b>+3:</b> Would empower users and put the monetary value of their data in their hands
<b>Feasibility</b> <i>(Weight of 25%)</i>	<b>+2:</b> Transparency about data is easy to implement and trends show a future increase in subscription models.	<b>+2:</b> Transparency about data is easy to implement	<b>+1:</b> While this approach is being researched, it is ultimately unclear.
<b>Total</b>	$1.35 + 0.3 + 0.5 = \mathbf{2.15}$	$0.9 + 0.6 + 0.5 = \mathbf{2}$	$0.45 + 0.9 + 0.25 = \mathbf{1.6}$





# Implementation Plan - Option 1

## Data Privacy and Monetization

### Steps:

- Default user setting: Opt-in approach with transparent Terms and Conditions.
- Decentralized Approach: Utilize blockchain for secure data handling.
- Data Exchange Abilities: Users receive rewards for sharing selected data.

### Benefits:

- User Control: Allows users to control and adjust privacy settings.
- Financial Incentives: Users gain rewards for data sharing.
- Balances Interests: Aligns with data privacy, innovation, compliance, and user trust criteria.

### Challenges:

- User Engagement: Educating users on new concepts and convincing them to share data.
- Legal Compliance: Ensuring updated terms and user-friendly language.





# Implementation Plan - Long Term

## Paid Subscription Model

### Steps:

- Subscription Tiers: Different levels based on willingness to share data.
- Data Transparency: Clear correlation between subscription and data sharing.
- Incentives: Bonus benefits for more data sharing, creating a sense of control.

### Benefits:

- User Control: Enables users to customize their experience.
- Financial Benefit: Users gain a portion of Meta's revenue from data sharing.
- Aligns with Criteria: Meets data monetization, user choice, customer satisfaction, and legal compliance.

### Challenges:

- Privacy and Legal Issues: Ensuring compliance with legal data-sharing limits.
- User Satisfaction: Demonstrating the value of data sharing for user contributions.



Thank you

