

SWOT Analysis

Meta

Three billion users and an open-source AI bet.

SECTOR

Social Media / AI

MARKET CAP

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Meta — SWOT Matrix

STRENGTHS

- Facebook, Instagram, WhatsApp: 3.3B daily active users
- Ad targeting engine generates \$160B+ annual revenue
- Llama open-source AI — fastest-growing developer LLM
- Massive proprietary social graph — unique training data

OPPORTUNITIES

- WhatsApp Business monetisation in emerging markets
- AI-powered ads driving 20%+ performance improvement
- Ray-Ban smart glasses: first mass AR wearable traction
- Threads: fastest-growing social platform vs X/Twitter

WEAKNESSES

- Reality Labs metaverse: \$60B+ cumulative losses
- Brand toxicity with Gen Z — under-18 usage declining
- Teen safety legislation creates existential legal risk
- Over-indexed to advertising — limited revenue diversity

THREATS

- TikTok (and successors) dominating Gen Z attention
- EU Digital Markets Act enforcement on ads and data
- US children online safety legislation (KOSA)
- Advertiser concentration risk — top 100 = 20%+ revenue



STRATEGIC IMPLICATIONS

Meta: The Strategic Bet

Meta monetises attention at civilizational scale. The bet on open AI is bold and arguably smart. Reality Labs is an expensive strategic hedge.

KEY STRATEGIC BET

AI-native advertising on three of the world's five largest platforms, with open-source LLMs building a developer moat that rivals closed ecosystems.

WATCH LIST

Three things to monitor.

01 Regulatory Tipping Point

KOSA or EU DMA enforcement creating structural ad model change

02 Gen Z Recovery

Whether AI features re-engage younger cohorts on Instagram/Threads

03 AR Wearable Timing

Ray-Ban glasses inflection — lifestyle device or niche gadget

3.3 billion daily users. The ad machine has never been stronger.