

# What's next for Meta?

## Article

**Meta Connect revealed the changes in Meta's strategy:** The company formerly known as Facebook wanted to own the VR platform, its hardware, as well as the key applications on the metaverse—but a year later, realized it needed help to pivot the metaverse toward businesses and professionals.

- The company's recent thinning of its workforce and reduction in metaverse spending after its initial \$15 billion shopping spree have resulted in Meta's increased reliance on partnerships to push its metaverse vision forward.
- Partnerships with **Microsoft, Accenture, Zoom, and Adobe** are now necessary to create the professional metaverse focused on productivity and collaboration.

- But most of these third-party integrations simply replicate 2D apps and services inside the VR ecosystem—**existing customers can already access the best versions of these apps on PCs and smartphones.**

**Games are still the strongest argument for VR:** Despite Mark Zuckerberg pushing the “metaverse beyond games,” the reality is that games remain the biggest reason for VR adoption and will continue to be the key to user retention.

- **Microsoft** made a surprise announcement that **Xbox Cloud Gaming** would be coming to Meta Quest. “You’ll be able to play 2D games with your Xbox controller projected on a massive screen on Quest,” Microsoft CEO **Satya Nadella** said.
- **Marvel’s Iron Man VR, Among Us VR, Population: ONE Sandbox, Walking Dead: Saints & Sinners, and Behemoth** are some of the titles coming this year.
- The problem for Meta is that competition in gaming has intensified with more [VR headsets](#) and [cloud gaming and portable consoles](#) coming to market.
- **It’s doubtful that business-facing collaboration and productivity VR solutions can outshine the popularity of social and gaming experiences on the metaverse.**

**The Meta Quest Pro VR headset could be more of a problem than an opportunity:** The new headset is sleek and brings better specs and mixed reality features that make it ideal for design and collaboration. It also costs \$1,500, or nearly four times the cost of the **Quest 2** headset it replaces.

- Despite the Quest Pro’s new features and capabilities, Meta’s VR content will look the same across devices, as virtual reality environments like **Horizon Worlds** haven’t upscaled their graphics.
- It’s telling that while various partners are opening up apps and experiences to Meta, there were no announcements of corporate adoption of the Quest Pro VR headset—a sign that expensive headsets are priced out of business budgets.
- **Further, Meta risks fragmenting its platform by separating consumers from business users.** Can the company that [owns 90% of the \\$300 VR headset market](#) do as well in the \$1,500 market?

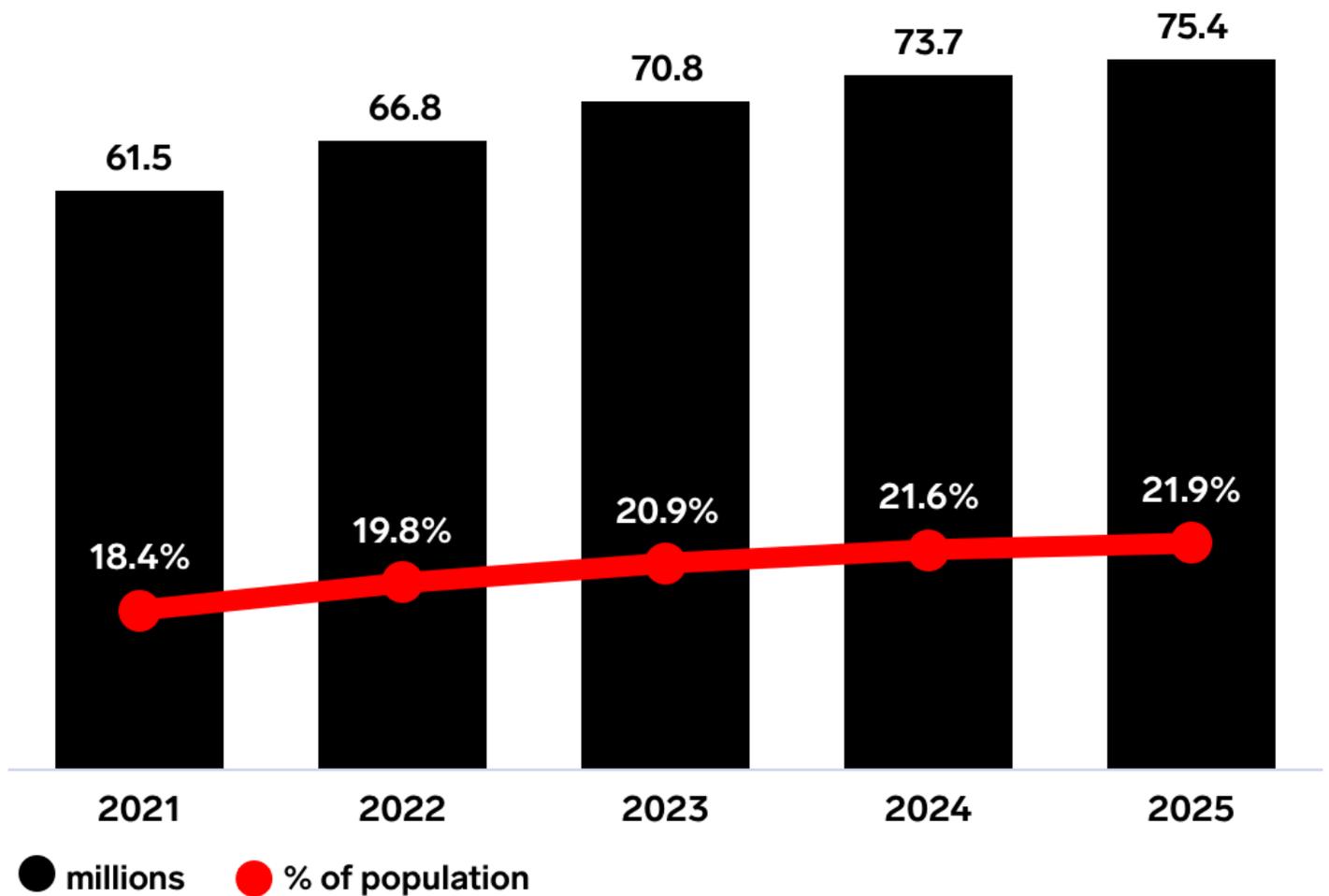
**The bigger picture:** Meta is pushing for a metaverse focused on business, collaboration, and productivity, but these solutions are dependent on expensive hardware and have limited

appeal in VR right now.

- Stuffing the metaverse with 2D apps and games that look and work better elsewhere could be perceived as a Potemkin village giving an appearance of progress.
- The company needs to refocus on shorter-term goals as well as keep its existing user base engaged.

## Virtual Reality Users

US, 2021-2025



Source: eMarketer, February 2022

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