

# Investors shun Meta even as Wall Street predicts massive metaverse growth

Article

**The news:** Wall Street remains bullish on metaverse-related technology, with some analysts even predicting it could grow into a **\$13 trillion industry** by 2030, [per](#) Bloomberg.

**Meta's misses:** The initial buzz around the metaverse—heralded as the **future of gaming, live events, business and productivity, real-estate, and social networking**—has waned considerably as investors take a more sober wait-and-see approach.

- Meta's stock price has declined by 40% since the start of 2022, and employees say that **Facebook's** business is plateauing and that it could be the next Yahoo.
- Meta is also cutting back on investments, specifically for its metaverse VR ecosystem. In context, Meta invested \$10 billion in the metaverse last year.
- Former and current Facebook employees told Insider in April that CEO Mark Zuckerberg is interested in little except the metaverse but lacks a coherent strategy for the project he regards as the future of the internet.

**Virtual reality check:** Despite the red flags, Wall Street analysts see metaverse opportunities as an area for growth. Investors are far less enthusiastic, though, and are holding off on buying into metaverse proponent **Meta**.

Their cautious outlook is a result of the current era of uncertainty, but it has been exacerbated by Meta's precipitous drop in value.

- While Meta anointed itself as the company to lead the transition to immersive VR ecosystems, it is quickly becoming clear that **no one company can build the metaverse**.
- “Competitors that are able to establish practical utility and real-world applications of these emerging technologies will be successful. However, that does not mean that only one company will prevail—there will likely be room for Meta and several others,” said **Jordan Yallen**, CEO at blockchain company **Metatope**.
- “Meta has formidable competition in developing the metaverse as an army of independent, nimble and agile players enter the space,” said **Quynh Mai**, CEO and founder of **Moving Image & Content**, a digital creative agency. “Though none can deliver the scale of Meta, they can deliver the experience, community, and creativity.”

**What's next?** Mai predicts that, “rather than develop the metaverse in-house, Meta will go on an acquisition spree and buy up companies that are innovating way ahead of them in the space.”

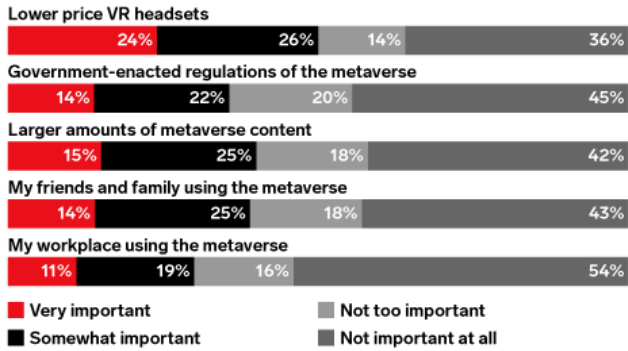
**What's the catch?** The company has historically opted to acquire rather than compete, as evidenced by buying **WhatsApp, Instagram, and Oculus**. New acquisitions may be unlikely in

the short term as Meta struggles to break even. This could lead investors to seek less nebulous metaverse platforms players to invest in.

**Go deeper:** For more in-depth analysis of the metaverse in tech, retail, marketing, crypto, healthcare, and China read our [Metaverse Report](#).

### Importance of Select Factors When Deciding Whether to Try Using the Metaverse According to US Adults, March 2022

% of respondents



Note: numbers may not add up to 100% due to rounding

Source: Morning Consult, "National Tracking Poll #2203015," April 11, 2022

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