

Zuckerberg thinks Facebook will be a 'metaverse' company within five years

Article

The news: Facebook CEO Mark Zuckerberg announced the company's plans to become a "metaverse company" sometime in the next five years, **according to** an interview with tech

writer Casey Newton on The Verge. For context, the metaverse is a **concept** derived from science fiction, and refers to a shared virtual space where users live out large portions of their lives. Zuckerberg said that the metaverse represents “**the successor to the mobile internet,**” and believes Facebook’s **early investment** in **VR** and **AR** will make it a powerful player in the emerging space.

Though most of the early focus around **XR** technology has surrounded gaming—and **increasingly** larger enterprise solutions like training and onboarding—Zuckerberg said that most of the time **Oculus** (which is owned by Facebook) users spend on their headset involves hanging out socially. By mixing XR with mobile and (and potentially **neural inputs**), Zuckerberg believes the metaverse can dissolve user friction and make accessing digital lives feel more fluid. If Facebook succeeds, Zuckerberg believes the public will come to view Facebook as a metaverse company, “rather than a mobile internet company.”

More on this: Zuckerberg acknowledged that when it comes to AR and VR, the technology isn’t there yet to create truly convincing, immersive experiences. He expects that significant improvements in hardware design and greater resolution will likely come within the next decade, though.

Why now?: Facebook’s grand metaverse proclamation drops at the same time as regulatory pressure on the company is reaching a boiling point.

- Facebook is currently under **investigation** for **anticompetitive** practices or privacy violations by **more than half a dozen countries spread** out across the globe.
- Domestically, the US government has set its **sights** on Facebook with an **invigorated antitrust-hungry executive branch**, an **FTC** headed by a fierce Facebook **critic**, and new legislative **proposals** that could hamstring its ability to buy out and kill competitors.
- Meanwhile, a recent book titled *An Ugly Truth* has thrust the company back into the spotlight over its sloppy handling of **misinformation and alleged amplification of extremist groups**.
- In other words, **now’s a great time for Facebook to change the conversation.**

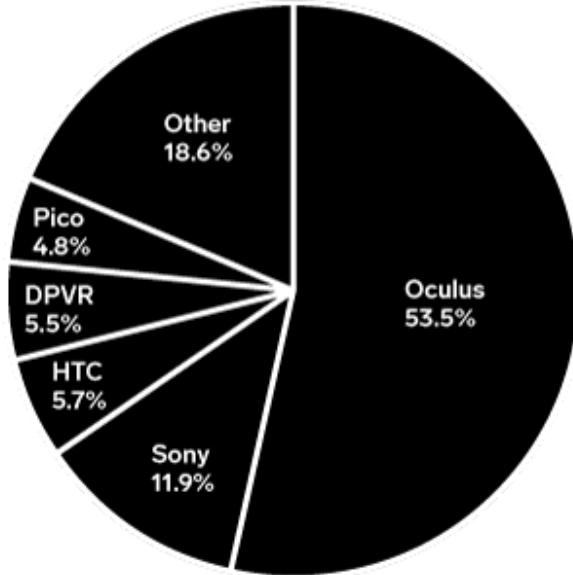
The problem: Financially, Facebook appears to be on fire with **record** revenues and a recent **\$1 trillion valuation**, but dwindling user **growth** amongst its flagship apps and **escalating** fears from advertisers over users opting-out of ad-tracking could cause real problems very soon.

Will it succeed? Facebook is in a unique position to make an XR-based metaverse a reality, thanks to its social media background and deep pockets to **fund** consumer XR, but an

eventual, rumored entry by Apple into the space could present a significant challenge.

Extended Reality (XR) Headset Shipment Share Worldwide, by Brand, 2020

% of total



Note: includes VR and AR headsets

Source: Counterpoint Technology Market Research as cited in press release, March 10, 2021

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