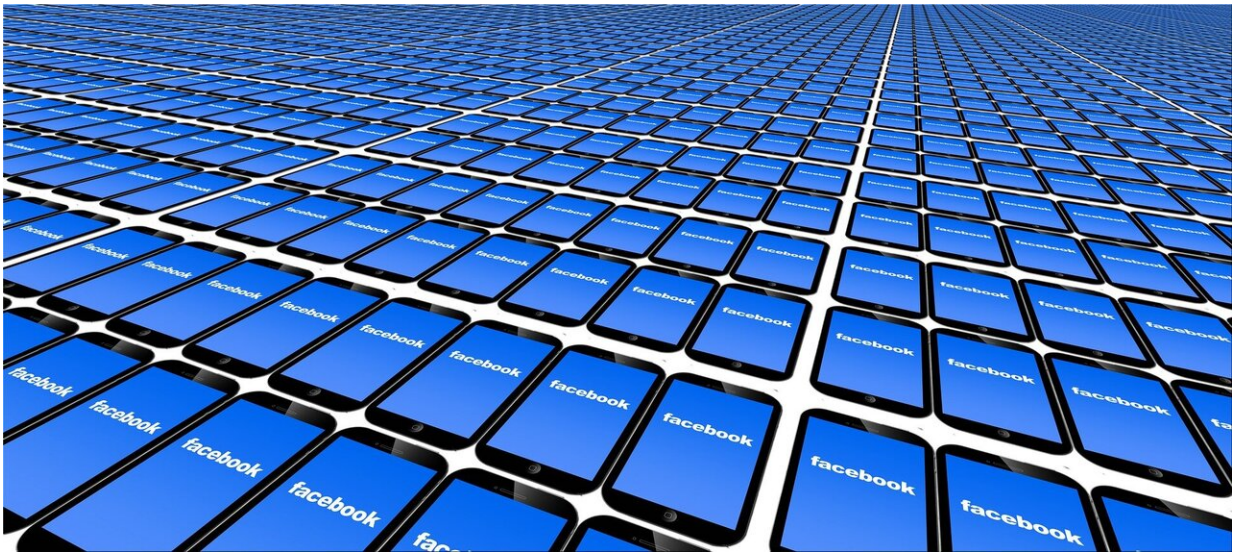


# Facebook is losing users for the first time ever and shares in Meta have fallen off a cliff

February 4 2022, by Brett Molina

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Credit: CC0 Public Domain

Feb. 4—A day after Facebook reported that its streak of user growth had come to an end, its parent company's stock plunged more than 26% in a staggering loss that obliterated more than \$230 billion in market value and triggered Wall Street's worst drop in close to a year.

It wasn't just Facebook colliding with a brick wall in user [growth](#). Like a horror movie killing off victims one by one, the hits kept coming when Meta reported earnings Wednesday.

Facebook said Apple changes that made it harder for apps to track iPhone users would cost about \$10 billion in advertising revenue this year.

CEO Mark Zuckerberg said Facebook was struggling to compete with short-video app TikTok.

The company's expenses were skyrocketing as it poured \$10 billion in augmented and virtual reality hardware to build its "metaverse."

But perhaps most unsettling to some was the revelation that Facebook, for years a hot-rod gstock, had experienced its first-ever decline in daily active users.

For the [fourth quarter](#), Facebook had 1.929 billion daily active users compared to 1.93 billion in the previous quarter, suggesting that the company whose user growth has stalled in North America and Europe for some time has run out of users to add in the rest of the world.

In a securities filing, Meta warned: "Any future declines in the size of our active user base may adversely impact our ability to deliver ad impressions and, in turn, our [financial performance](#)."

Not all the news was negative. Other user metrics showed modest growth. The company's apps, Instagram, WhatsApp and Messenger, continued to add users, albeit modestly. And the number of users logging in each month to Facebook continued to grow.

But the specter of shrinking daily users, coupled with a company forecast for slower revenue growth than expected in the current quarter, rocked Meta shares in after-hours trading Wednesday, a death rattle that continued into Thursday, hitting shares of other social media stocks and the market as a whole.

"People have a lot of choices for how they want to spend their time and apps like TikTok are growing very quickly," Zuckerberg said in prepared remarks Wednesday.

Meta is investing more into short-form videos to better compete with TikTok, including Reels, which the company launched on Instagram in 2020.

Facebook's chief financial officer David Wehner also blamed an increase in internet data prices in India, its largest market, for the dip in daily active users.

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Citation: Facebook is losing users for the first time ever and shares in Meta have fallen off a cliff (2022, February 4) retrieved 10 April 2024 from <https://techxplore.com/news/2022-02-facebook-users-meta-fallen-cliff.html>

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