

COVID-19 Benefitting Facebook?

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The coronavirus pandemic has affected many businesses in the world negatively. However, Facebook has experienced a positive impact, and its revenue has been going up.

Even without enough advertising revenue during the pandemic, Facebook has relied on its users to keep receipt up. Many people in the world have turned to social media and messaging applications to stay in touch with loved ones, friends, etc. Due to increased users on a daily or monthly basis, Facebook's revenue is expected to rise for the second quarter and the next coming quarters. This is because some regions are getting more affected by the pandemic than other areas of the world. The second wave and winter seasons in some areas might bring strict quarantine measures, which again means more users of Facebook and their other applications. The other applications include WhatsApp, Instagram, and Messenger.

Expenses also bring Facebook's revenues up because the coronavirus pandemic has lowered most of their expenses due to fewer events and travel. However, Facebook still plans to recruit technical talent and improve their company as a whole. Oculus is one way Facebook is trying to turn its expenses into revenue, while more people are buying Oculus products for gaming. Increased gaming has also helped Facebook because more people are holding their streams. In addition to streams, people hold live events and workshops that were supposed to be in person through the platform Facebook has to offer. This increases users for Facebook.

Facebook is predicted to have increased revenue for quarter two because e-commerce is the way people are doing their shopping at home. However, low advertising, because of pandemic e-commerce, has managed to stay stable with a slight increase.

Overall, Facebook is predicted to have increased revenue due to the increased users of Facebook during the pandemic for the second quarter and next coming quarters. The increased revenue will slightly increase the stock price during the second quarter.