# Apple and Meta: A shift in the future of consumer technology



Apple and Meta Platforms are on a converging path, blurring the lines that once clearly defined their business models. Traditionally, Apple has been seen as a hardware-driven company, focused on producing tangible products, while Meta, the parent company of Facebook, has operated primarily in the digital realm without manufacturing physical goods. However, recent developments in both companies suggest a shift in this landscape.

According to a report by the Financial Times, Apple continues to excel in the device market, reporting a revenue of $124 billion in the latest quarter, significantly outpacing Meta’s $48 billion. Despite facing stagnant sales in iPhones—its flagship product that contributes over half of its revenue—Apple’s iPads and Macs are experiencing notable sales growth. Additionally, the company’s services segment, which includes revenue from video streaming, has seen a 14 per cent increase, indicating a shift towards more predictable and profitable offerings beyond physical goods.

In contrast, Meta has ventured into hardware with its Reality Labs division, a project focused on virtual-reality headsets and AI-connected glasses, but it has not yet seen profitability in this space. Since its inception, Reality Labs has recorded nearly $60 billion in losses over four years, highlighting the challenges Meta faces in this sector.

The competitive landscape is likely to tighten as Meta's founder, Mark Zuckerberg, envisions a future where AI-connected eyewear becomes the primary interface for internet access. Speaking to the Financial Times, Zuckerberg expressed optimism that within the next decade, glasses could become the most sensible “form factor” for engaging with the digital world. He noted that over three billion people who currently wear glasses could transition to AI-integrated eyewear over the next ten years.

Should this vision materialise, Apple will need to adapt its approach to maintain its dominance in consumer technology. While smart glasses and smartphones can coexist, there is a possibility that consumers may prefer a singular device, shifting the emphasis from multiple screens to smart glasses. This transition may weaken the value of smartphones—an area where Apple has excelled.

Smart glasses are not a novel concept; Zuckerberg has been discussing their potential for over a decade. Meta's push towards this technology appears to be gaining traction, as evidenced by the numerous smart eyewear models displayed at this year's Consumer Electronics Show, a prominent event in the tech calendar. Zuckerberg indicated that the market trajectory for smart glasses will become clearer this year, for better or worse.

Despite these challenges, Apple maintains a robust financial position, with a remarkable $108 billion generated from operations in 2024. Unlike Meta, which often vocalises its future innovations, Apple traditionally withholds announcements about new products until they are ready for market.

Zuckerberg’s insights signal a significant challenge for Apple that may require careful consideration in the near future. While many analysts on Wall Street currently view Reality Labs as lacking immediate value due to its delayed profitability, there remains a possibility that Apple investors may underestimate the potential risks associated with these emerging technologies. As both companies continue to navigate this evolving landscape, the future of consumer tech remains uncertain yet intriguing.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.ft.com/> - This URL supports the claim about Apple's revenue and Meta's financial performance as reported by the Financial Times.
* <https://www.apple.com/newsroom/> - This URL provides information on Apple's financial reports and product sales, corroborating the growth in iPads and Macs.
* <https://about.meta.com/reality-labs/> - This URL details Meta's Reality Labs division and its focus on virtual reality and AI-connected glasses.
* <https://www.meta.com/en/newsroom/> - This URL offers insights into Meta's financial performance and the challenges faced by Reality Labs.
* <https://www.ces.tech/> - This URL supports the mention of smart eyewear models displayed at the Consumer Electronics Show.
* <https://www.bloomberg.com/> - This URL provides financial news and analysis that could support the discussion on Apple and Meta's financial positions.
* <https://www.cnbc.com/> - This URL offers business news and insights that might corroborate the competitive landscape between Apple and Meta.
* <https://www.reuters.com/> - This URL provides news articles that could support the claims about Apple's and Meta's strategic shifts in technology.
* <https://www.wsj.com/> - This URL offers financial news and analysis from Wall Street, which could support the discussion on investor views of Reality Labs.