

Facebook IPO boosting E-commerce, Social-commerce and especially F-commerce#

1. Introduction

Having filed paperwork on Feb. 1 with the Securities and Exchange Commission to raise \$5 billion in an initial public offering, the social network site is now in a “quiet period” where federal rules limit what company executives can say in public. (Hamilton, 2012) The mass media, on the contrary, have been so excited about bringing out all kinds of news about this. There is one interesting piece of news titled “Facebook IPO will mean big business for thousands of smaller companies. (Delevett, 2012)” In the news it indicated that Facebook’s IPO unveils a big truck of data about the customer and revenue growth, and that is a “wake-up call” for thousands of businesses to step up to spend on social media to advance their businesses. According to a report from ROK daily, (ROK daily, 2011) Social commerce website visitors more than double in 2011.

This issue is important because Facebook will get to be super lucrative after its IPO because a lot of small, medium and even large companies could made great benefit out of it. For example, there is a company call Vringo, based in New York. This company has developed an app called FaceTones that can display friends’ Facebook profile picture when they call. That app had been downloaded for 1 million times since it’s introduced for 6 months, which expect to contribute to most of the revenue in this year. This is just one example of a whole lot of companies who benefit from the platform created by Facebook.

2. Main stakeholders and implications

The first stakeholder and major stakeholder of this event, instead of Facebook, I think should be the f-commerce community, companies and organization that use “Facebook Model” to do their business. This is because Facebook is not a single company that stand alone, but a phenomenon that changing the structure of e-commerce that had been the hot-edge a few decades ago. Facebook’s IPO would lead to more spend and more expansion of the platform Facebook, and this platform would create a revolutionary era where a whole bunch of businesses would prosper over this platform.

Then the second stakeholder is of course, Facebook, Inc. As the platform for today and future’s e-commerce, social-network titan will step up and expand even more. Mobile-Commerce, Social-Commerce, Social-Marketing, will be the major topic in the internet industry in the following decade.

Investors would be involved in this issue too, as this might become another hot company that could make them rich. Google’s stock price at IPO was \$85 per share and now it is \$605.91. It is so interesting to see what happens in the investing industry responds to Facebook’s IPO.

Besides all these, Facebook will also boost job market of third party mobile/web application developers. The industry standard in the mobile world has been for developers to take 70 percent of the revenue, while the platform provider (Apple, Google, or Microsoft) takes the balance. (Cheng, 2012)

3. Final Thoughts

Facebook's IPO had a great impact on too many things around this cyberspace today. The way E-commerce influenced US economy is mostly about productivity and inflation. (Willis, 2004) Now F-Commerce is not prevailing today yet, but it's rapidly growing field that would have very significant on US economy too, and even the world's economy. To me the most important implication is that Facebook is achieving its goal of transforming the marketing world. However, there are still concerns.

The platform is very mature already, but the developed marketing abilities out of it are far less than its estimated potential. It is a great challenge for both Facebook and those who want to do their marketing successfully on Facebook. Most of the marketing potential comes from the user data that has been accumulated over the years of running Facebook. How to analyze and utilize all those data become the one of the crucial aspects of the future directions.

Another concern comes from the threat from government. Google hired a whole bunch of lobbyists after its IPO, Facebook would possibly do the same thing. At the same time, the "Social" hot brought by Facebook will more or less affect the way government operate, the way they make policies based on this new situation.

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