Example of Excellent Case Write-up

Written Question

* 1. Written question to be answered in two pages and submitted prior to class on LMS.
     1. What issues from “Visions of Web 3.0” impact the competition between Facebook and Google?
     2. What are the key social science issues in social networking?
     3. How should Mark Zuckerberg solve Facebook’s biggest problem – monetization?
     4. Use qualitative and quantitative data to answer these questions.
     5. Use good English language; style, grammar, spelling, and referencing.

Written Answer

*Facebook’s Platforms*

There has and always will be competition between two of the most popular online social networking sites, Facebook and Google. Both Google and Facebook are going to be impacted by the emergence of Web 3.0. A plus for both companies is that many Web 3.0 technologies already rely heavily on advertising to generate revenue. Twine’s business model is mostly driven by advertisement sales and premium subscriptions, while Freebase’s was “presumed to center on creating an advertising network among its affiliated sites” (Visions of Web 3.0 p10). Mark Zuckerberg, CEO of Facebook, hopes to generate more income through his site with advertisements. However, many are worried that Facebook users are too engaged with the actual site to notice the advertisements on the side of the page. Google is seeing a click-through rate of 20,000 clicks per every 1 million ads displayed, while Facebook is seeing statistics of about 400 per every 1 million (Facebook’s Platforms, p1). It also needs to be taken into consideration that Google sees about 293 million searches each day, while Facebook – who has over 300 million users, only has about 150 million active users log in each day.[[1]](#footnote-1) If each company relied only on advertisement as their source of income, Google would see better standings. However, the companies rely on other sources, which could play a very important role when dealing with Web 3.0, especially for Facebook. As of October 2007, Microsoft had invested $240 million into Facebook through a search deal (Facebook p1). Microsoft is also the owner of the new search engine, Bing, which utilizes semantic web technologies. By integrating the technologies Bing uses into Facebook, Zuckerberg could create a massive competitive advantage against Google. Freebase.com, a product of Metaweb, uses the Semantic Web to allow users to ask intricate questions, in which the program then returns a single, simple answer. Google on the other hand returned 150 results, none of which actually answered the question (Visions of Web 3.0 p10).

One main social science issue with social networking is privacy. Many users don’t exactly realize that everything they upload on to Facebook can now be considered property of Facebook. When Facebook first introduced the News Feeds and Mini-Feed, many users complained that it violated their privacy, since now it was even more accessible for people to “stalk” others. At the same time, while many complain about the violation of privacy, others thank Facebook for the limitations of profile access. Unlike other social networking groups like Myspace, Facebook only allows users within the same network to view other people’s profiles, depending on the privacy setting. This gives some users a false sense of security, that their information is safe within their network. Privacy will always be an issue within social networks, since with today’s technologies it’s hard to keep anything posted on the web private.

Mark Zuckerberg should face Facebook’s biggest problem, its lack of monetization by looking at Web 3.0. Many of the Web 3.0 technologies have a business model of collecting monetary funds through advertisements. By creating and strategically placing more appealing advertisements throughout Facebook, users will pay more attention to them which will result in a higher click-through rate, thus generating more money. Zuckerberg also has the option of using Facebook Connect to improve the targeting of advertisements. With the example given in the case study of incorporating Expedia with Facebook to access a user’s trip information, Facebook could tailor ads to show relevant local ads during the user’s trip. While many users might complain about this being another breach of their privacy, I think many will see its potential usefulness once they get accustom to it. When the News Feed and Mini-Feed first came out, it created an uproar among users, though today many find it helpful to keep up with their friend’s doings. With Web 3.0 technologies becoming more and more popular, Zuckerberg is going to have to let Facebook adapt to the ways of those technologies, which includes heavily relying on advertisements as a main business model.

1. <http://blog.usaseopros.com/2009/04/15/google-searches-per-day-reaches-293-million-in-march-2009/>, <http://www.facebook.com/press/info.php?statistics> [↑](#footnote-ref-1)