

# Mgt case analysis

Business



As one of the most widely used social platform, it allows people from different areas get connected through information exchange. Based on the research, Backbone has 1 users as of May 2011. Although, Passbooks big audience has been good enough to keep companies move forward, it does suffer bottleneck in technology development and market occupancy. The strategic issue in this case is how Backbone continues to explore the intersection of technology to meet users' deeds, protect their interests and Jump over international market barriers.

The first strength of Backbone is its wide range of audience and higher user loyalty due to its easiest mode of communication.

According to the Saucepan, there are 200 million people access Backbone via a mobile device each day. And they visit the site 40 times per month and “ creates 90 pieces of content each month in average. The second strength is its strongest brand name and unique endorsement function that successfully attracts tons of merchants to put in advertisement on the homepage. The third will be its simple and clean layout which enable users at different age group easily use.

The fourth will be its different language versions that allow international uses access.

The fifth will be its proprietary currency “ Credits” for payment processing. As a kind of virtual currency, it helps Backbone generates more revenue. The first weakness is privacy concern. Since Backbone encourage users to open themselves in a wider public, it potentially uncovers users' privacy and their corporate security through information exchange. The second one is limited

functionality of mobile app. Full-sized screens won't be present on mobile application.

And advertisements can't place on mobile application without compromising the user experience. The third one is poor protection for users. Since there is no restriction to sign up, thus some users may suffer fraud from unreliable or fake accounts. The fourth is limited source of revenue. This is because it's free to get enrolled and it only relies on advertisement profits.

The fifth is its less personality layout. The sixth is higher entry barriers to international market due to politic and cultural issues.

The first opportunity is increased number of users due to rapid development of smart phones and PC's. The second is potential brand extension on its subsidiary products and service. The third is an opportunity to develop new vision of mobile app. The fourth will be potential data base development through conducting different kinds of surveys.

The first threat is similar social network company in other countries.

Backbone may not survive in those countries that hold led a dominant position in social network.

The second one will be a potential new entrant that focuses on new technology development. The third is less fashionable in young generation. Young groups tend to use Mainstream to share their news instead of Backbone. The fourth is ad-block application that may lead to big losses in profits.

III. Based on the analysis above, I will recommend Backbone to add customization to meet some of customers' needs. I will also recommend it to invest more on mobile app development. Moreover, I will recommend it to add user Authentication and form.