

# [Comparing how facebook and flickr make money](https://assignbuster.com/comparing-how-facebook-and-flickr-make-money/)

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Introduction Web is dominated by the social networking sites.

Many sites allow their users to create their accounts for free. However, many people don’t know how the social networking sites make their money. The main way that the sites make their money is through some investments from some capitalists who bet that the sites they are venturing into will make a lot of money from the success it has. The only problem that comes with the capitalists is that as time moves on, the sites have to find some ways to raise more capital. Apart from this, there are other different ways that the sites make their money.

Some of these sites includeFacebookand Flickr. This essay compares how the two social sites make their revenue How Flickr Makes Money Flickr is one of the social sites in the internet, but what makes its popular is it being a site where photos are shared. Flickr is estimated to have over two million photos that were uploaded by the 4 million plus users that it has. Like many other sites, Flickr did not have a money making plan when the site was launched. Flickr has been making money by selling the premium subscriptions.

The subscriptions are targeted to firms and businesses that want to be in a position to upload a lot of photos per month without any limit (Corbett 2011). However, the amount charged per year is too small, which is around $25. Flickr also gets money from ads, even though the social networks do not sell ads by large numbers. There are some banners ads in Flickr but they are the pay-per-click banners. This simply means a person has to click on the ad; the only way the site can get money from the company that has listed the ad. The ads however do not fetch the site a lot of money (Turner ; Shah2010).

Flickr owners are considering selling specific photos such as iStock just as other sites that have stock photography does. Flickr is also considering to do brand advertising for the companies that want to have more exposure to their site. Flickr have made a partnership with Getty images. This is a company that deals with stock photography. Getty images licenses digital music and videos as well as photos from its archives to other business and publications. If a photo in Flickr has a tag “ Request to License” on its page, it simply means that any person who takes it has to turn on the “ Request to License” setting in their account settings in Flickr (The Editors of Photopreneur 2010).

How Facebook Make Money Facebook is one of the most famous sites. Facebook has been lately under a lot of pressure from the investors to find a way to monetize. This has led to the fundamental shift in how Facebook operates. CEO Mark Zuckerberg made a statement that the main priority of the site was to offer better services. This was immediately after the company tried to go public.

The founder is one of the wealthiest beings on earth. This means that he gets a lot or returns from Facebook (Ashton2011). People ask where Facebook gets its money since it is free. The main source of income that Facebook has is the ads. Facebook has a lot of users and hence the ads posted seems to earn the site a lot of money since they are widely viewed. The main draw to the advertisers isn’t actually the number of visitors that Facebook have, but the level of targeting that is available.

Apart fromGoogle, there is no single site that can access a lot of information about an individual subscriber with his demographics, actions, history, interests and any other person in his or her network (Marsden 2010). TThis can simply be termed as advertisement moving to a higher level and Facebook happens to be the only place selling it. Another way that Facebook gets its money is by selling stocks. This was done a while ago, even though it had a high price but people bought anyway. This helped in increasing the revenues that Facebook have.

Facebook has also been making money from Zynga. Zynga is a games company that makes advertisements through facebook. 12% of Facebook’s revenue comes from zynga . This includes the payments that are processed in zynga games and also the ads made by the zynga company (Carter 2011). According to the two sites, Facebook is my choice. This is because comparing the two sites, Facebook has a better plan to generate income than Flickr.

In terms of ads, Facebook has a better hand in that since it has a lot of users and hence the ads are likely to be clicked more. Facebook has sold their IPOs to the public while Flickr considers selling subscription. Comparing the two, Facebook has an upper hand since people will prefer free things and if they need to subscribe to get their photos uploaded without limit, they prefer staying with the limited photos provided it is free. Conclusion It is clear that the social networking sites have to either find ways to make money or sell their IPOs to larger companies. If the founders of the social networking sites want to have maintenance over their sites, the only way they have is for them to make money. One of the common ways to make money between Flickr and Facebook is by ads, where Facebook has a stronger hand in that.

Flickr has gone a step further by selling premium subscription while facebook on the other hand has decided to go public. This makes facebook to appear like the more creative sites between the two sites.