

Facebook, disruptive
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disruptive innovation



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Is Facebook Disruptive? If So, How? Disruptive Innovation, Facebook What is the most terrible nightmare to users devoted to Facebook? Let's think about disruptive innovation having been achieved by Facebook. Facebook subscribers of 0 person in 2004 became reached to 800 million people within 6 to 7 years. However, this is nothing more than start. It is expected that users will exceed 1, 000 million people in 2012 and be nearly equal to total populations of China or India.

Facebook, which has encroached on the market quickly by new mode and supplements on existing SNS, could be said as a representative example of disruptive innovation. ? Lead Changes of Communication Models If so, let's look at the how Facebook was able to accomplish such disruptive innovations. ? Preparing for suitable countermeasures after grasping changes exactly From the first stage, Facebook has reflected the new needs of consumers on search function. For example, it has expanded its target users on SNS services by providing easy services for older generations.

It means that Facebook prepared for countermeasures by grasping a fact that existing SNS services were being turned away from elders due to complicated items. Indeed, approximately 40% of Facebook users are 20s or 30s, but middle 40s are most active users. Also, it established a platform based on texts, which are suitable to mobile communications, according to the trend to mobile environments from the technology centering on communicating methods. ? Solution of the problems on existing SNS There were some side-effects called privacy's infringements because most existing SNS services were active with anonymous names.

For this reason, Facebook reduced users' anxiety by using real names online and e-mail authentication. Actually, there was a case that it disabled an account of a person in 2007, through consistent monitoring, who were active with the name of Jon Swift instead of his real name. Such a policy could be said as reflecting Facebook's willingness to protect users from people who use false names or fake personal information. ? Establishment of smart business models Facebook chose a wise method such like establishing suitable profit models gradually after recruiting enough users first.

First of all, they made efforts to build up credibility from users by inviting prestigious university students, right after its foundation in 2004. However, after starting its real business in 2006, Facebook raised profits through advertisement based on SNS users' characteristics, which was differentiated with the existing search engine service. Besides, Facebook tried to maximize profits related to application programs from 2009. For example, they attracted popular social games, including Zynga and Play Fish, to Facebook so that users could enjoy them through their networks.

In addition to advertising, Facebook also excavated new business models called social shopping services by making an alliance with Amazon. ?

Important Factors for Internet Business Three successful elements of Facebook mentioned above suggest Internet companies' directions on how to plan and proceed businesses. The most important thing in Internet-based businesses are : first, to develop products corresponded to current trends and changing business environment, second, to suggest solutions or alternatives to the problems in existing models, and finally, to set up profitable business models and develop it gradually.

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