

Facebook

e-Business Technologies

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I accept this paper was written by me, Tania Galíndez Olascoaga, and all the information contained is cited with the proper sources.

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Introduction

Social Networking Sites have more than 10 years gaining more market every year. This paper discusses how Facebook works and how it has managed to be one of the most trafficked sites in the United States.

First, a brief explanation of what Social Networking Sites are and what are the generalities of their structure, as well as a review of the most important sites and the chronological order of their development.

The second part of the paper presents briefly the history of Facebook and its creator. In this part, some interesting facts about the company are also presented.

In the third part, the basic functions of Facebook are presented. Among them, is the basic appearance of Facebook, its applications, the third-party applications and the mobile options to access Facebook.

Last, a series of reasons of why Facebook has become so successful is explained.

Social Networking

Social Networking is the practice of expanding social contacts by making more connections with other individuals. Social Networks have been part of human history, and there are theories like the six degree separation theory that states that any person in the world can be connected to other with only or less than five intermediates; but the use of internet has allowed these connections to be faster and shorter.

Social Networking Sites are web-based services that have various objectives:¹

1. Construct a profile that can be either public or semi-public so that other users can see it
2. To have a list of other users that can share the profiles with
3. Create a network in which the user can view and transverse the list of connections and those made by others.

In a Social Networking Site, a user can construct large lists of contacts and each of these contacts can look at the profile of the user. Profiles are unique pages that list specific information about the user that is normally filled out when the user creates the profile. This information can be the age, location, interests and general information about the user. Another feature frequently used in Social Networking Sites is the use of a profile photo so that other users can recognize the user.

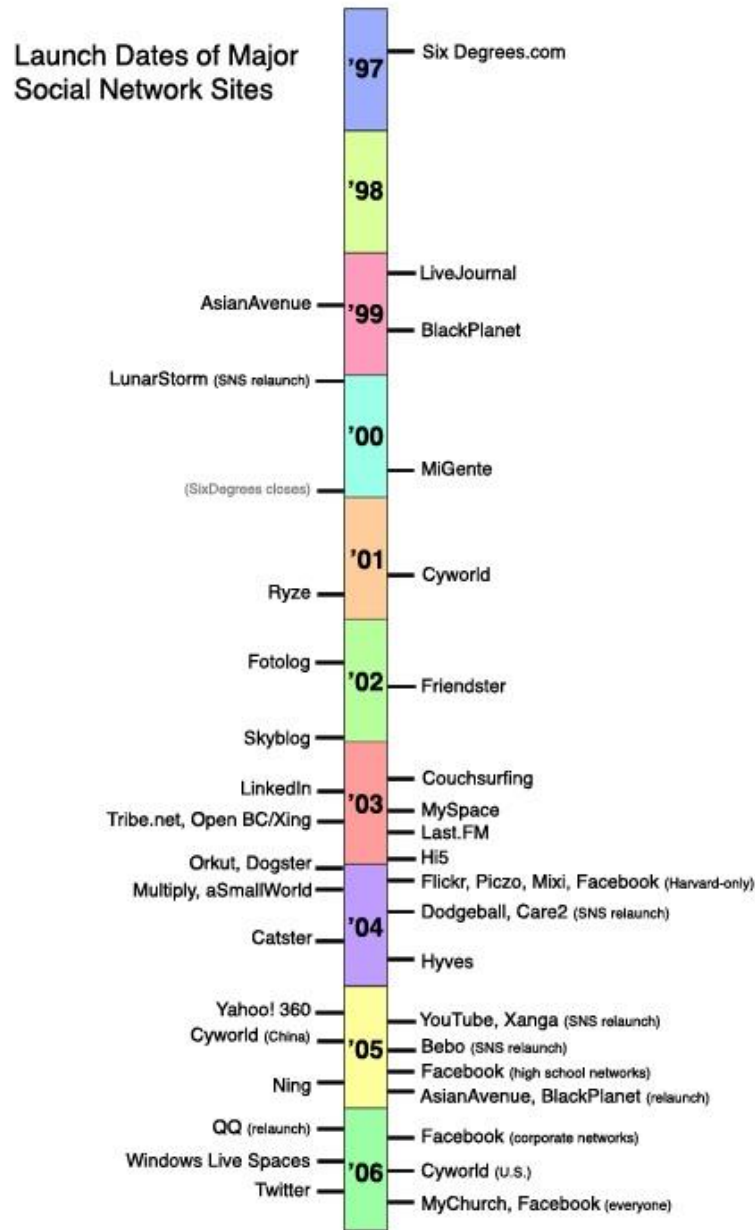
Another important point is the privacy offered to the user in these web sites. The privacy issue varies from network to network. Some sites offer the option to restrict the admission to the profile only to friends or to persons within the network of friends.

There are mainly two different types of Social Networking Websites: the websites with specific beliefs or groups with certain characteristics, and the open web-sites that are the most popular that give the opportunity to create the own network. Other features that these

¹ Taken from: <http://jcmc.indiana.edu/vol13/issue1/boyd.ellison.html>

kind of web-sites offer is the addition of comments in the profile of the user. Also instant messaging and web-mail are common to social networking sites.

Social Networking Sites have long history since 1997 when the first official social network appeared: Sixdegrees.com. Before it, some other web-sites like ICQ offered similar features. In the next figure, the main Social Networking Sites are listed:



Source: <http://jcmc.indiana.edu/vol13/issue1/boyd.ellison.html>

Facebook: History

The story of Facebook begins on February, 2004; when Mark Zuckerberg, a student of Harvard University launched The Facebook, a social network site for the students of Harvard. The name Facebook was taken from the “Exeter Face Book” used in Zuckerberg’s high school. It was a book that was passed to new students so that they could get to know the other classmates for the year.²

The Facebook was not only used in Harvard, but it soon became popular within the college students of the Boston area. Because of the rapid development and popularity of the web-site, Dustin Moskowitz and Chris Hughes joined the project, and in 4 months, The Facebook added 30 more colleges around the United States.

Zuckerberg and his partners moved to Palo Alto California where they started working to improve the appearance and functionality of Facebook. Zuckerberg began also to work with the former cofounder of Napster Sean Parker who eventually introduced Zuckerberg to Peter Thiel who became the first investor for the company. The first inversion for Facebook was \$500,000 US dollars.

In 2004 the first attempt to buy Facebook was made. Friendster wanted to pay \$10 million to Zuckerberg, but he turned down the offer. Later Accel Partners invested \$12.7 million in the company. In September 2005, Facebook was no longer exclusive for college students, it also opened the web-site for all the high schools in the United States. Soon after the addition of the high schools, Facebook added the photo sharing feature that has made it so popular.

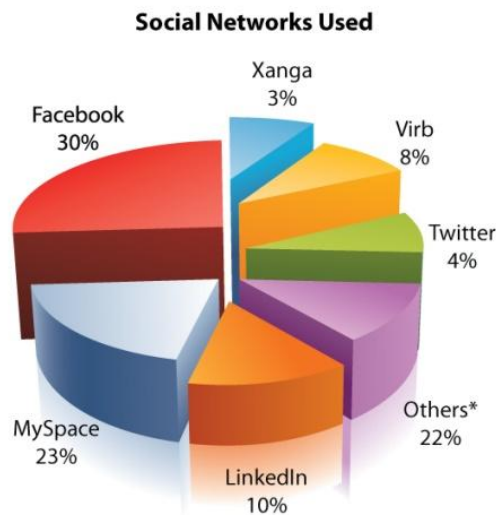
The third Big investment was received from Greylock Partners and Meritech capital for \$25 million. Then, Facebook was valued for \$525 million. The next step of expansion was to open Facebook to work networks, and eventually it included 20,000 work networks. In September 2006, Facebook was opened to anyone that owned an e-mail address.

² Taken from: <http://www.crunchbase.com/company/facebook>

Yahoo and Viacom tried to buy the company in different dates, but Facebook turned down the offerings.

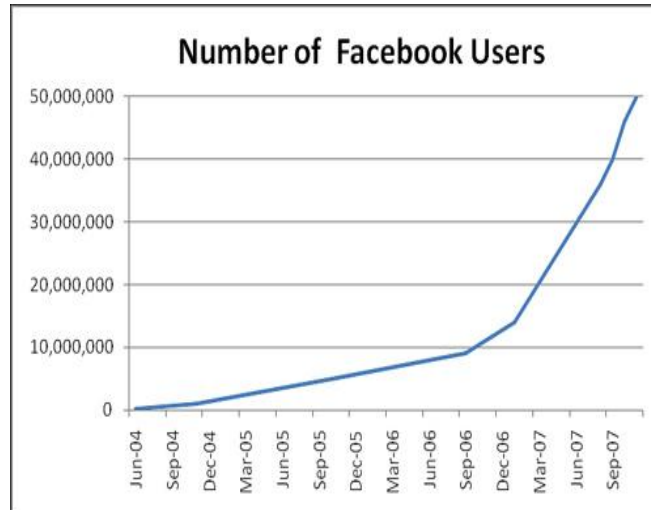
Facebook: Facts about success:

- In Fall 2007, 1 million users signed in every week, 200,000 daily making the list of users to about 50 millions
- It received 40 billion page reviews a month
- 11% of the user are over the age 35
- The fastest growing demographic group is over the age of 30
- More than half of the users use the product everyday
- The average spend 19 minutes every day in the web-site
- Facebook is the 6th most trafficked web-site in US.
- The company has now more than 57 million users
- Facebook is the number 1 image-sharing service in the Internet
- Facebook receives 14 million uploaded images every day.



*Others include a total of 20 various networks

Source: <http://swerve.lifechurch.tv/wp-content/uploads/2007/09/totalpercentages.jpg>



Source: <http://www.crunchbase.com/company/facebook>

Facebook: Features

In order to have a Facebook account, the user must do the following:³

1. Have an email address
2. Be more than 13 years old
3. Answer questions about the schools where the user had studied, and the work
4. Fill out some data like place of residence, birth date, etc.

Facebook provides different ways to browse friends on the web:

- Looking for networks organized as regions, colleges, workplaces or high schools
- Through the user's email account by searching your email contacts with Facebook users.
- Facebook has his own search engine.

After giving the basic data asked by Facebook, a profile is generated. This profile contains:

- Profile picture
- Friends section
- Personal information authorized by the user.
- A comments section called "the wall"
- A instant message application which shows who of the user's friends are connected
- A message center similar to an email

Because Facebook uses dynamic hypertext markup language (DHTML), the user must only click and change the appearance of the profile he is using.

Facebook Applications

Facebook has basic applications that any user can use:

³ Taken from: <http://computer.howstuffworks.com/facebook.htm>

- Photos application → with unlimited space to upload photos, the only restriction is a maximum of 60 photos per album
- Video application → to upload a video is a limit of 100 Megabytes and 2 minutes video, but Facebook supports almost any extension. Facebook converts all the videos into flash format.
- Groups application → create groups with your friends or join established groups.
- Events application → gives the user the chance to plan real life events and invite all the friends to them, so that they can confirm their assistance.
- Marketplace → allows users to look for people wanting to sell or buy products.
- Posted items application → used to post videos or photos to a web page, Facebook asks for the URL and then Facebook creates a hyperlink.
- Gifts application → gives the ability to send virtual gifts to friends

Third-Party Facebook Applications

Any user with a profile can create an application so that other users can utilize it. The success of Facebook is in part based in this feature. In order to create an application, the user must add the developer application and access to a web server to store the application, because Facebook does not store the programs created by the users.

The application programming interface used by Facebook allows a user to create an application. It is based on a Representational State Transfer interface, a style of software application for distributed hypermedia centers that maximize the data transfer. The REST uses Hypertext transfer Protocol (HTTP) GET, to retrieve information, or POST, requests adds information, requests.

Another technological tool that can be used to develop an application is the Facebook Query Language (FQL) that allows the developer to gather information about the users that downloads the application, and then use this information to create market targets or making business plans.

Another language used by Facebook is the Facebook Markup Language (FBML), that is derived from HTML. With this language, the developer can affect the appearance of his or

her profile. Through the use of applications, a developer has an open space to put advertisement, sell products or different options. This space is called the canvas page.

Facebook Cell Phone

Facebook has also created the option to download or upload information by the use of cellular phones.

There are different ways in which an user can use its mobile phone to connect to Facebook:

1. Text messages → they can be Short Message Service (SMS) or Multimedia Messaging Service (MMS). The way this works is through a series of steps:
 - a. The message is transmitted to a Mobile Switching Center (MSC), and this center sends a signal to a signal transfer point (STP).
 - b. Then the message is sent to Short Message Service Center (SMSC)
 - c. Then it is send to Facebook.
2. Web browsing capabilities → when a cell phone can support web browsing, the user must direct the browser to m.facebook.com. An e-mail can be sent to mobile@facebook.com, and different media information can be uploaded into the profiles.

Success of Facebook

There is a list of factors that have led Facebook to become a business success:⁴

1. Market → although there were already other similar sites, there was no site that was directed 100% to students, which made it a huge unattended market with great possibilities.
2. College students → the fact that the site was created by a college student, it gave the users the trust and understanding of the whole site, which makes them adopt the site.
3. Trust → for the users, this issue is valuable because they perceive the site as creating a profile only for their friends, giving them the trust they want.
4. Features and Experience → The experience created by Facebook for the users, has been unique. Users perceive Facebook as being trustable, easy to use and with high speed. The organization of all the information makes it easy to find friends, communicate and create groups.

⁴ Taken from: <http://chimprawk.blogspot.com/2006/05/facebook-critical-success-factors.html>

Conclusion

Facebook has based its success in the fact that they have offered the public a new form to communicate with other people, but with the liberty and creativity that other web sites have failed to offer.

Through its particular history, the best timing and the strategies followed, Facebook has achieved the success it has today.

The involvement of the user has also helped to the success because the user feels in control of what he creates for his contacts.

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