

Unit 3 Facebook vs. Twitter Case Study Analysis

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### **Introduction**

Social networking sites came to prominence with the launch of Facebook in 2004. Only two years later, Twitter was launched. Since their inceptions, both companies have managed to grow sustainably and exponentially. Despite seemingly different missions, Facebook and Twitter have reached the top of the social networking market and it has become clear that their collision is inevitable.

### **Synopsis of the Situation**

The confrontation between Facebook and Twitter is the inevitable result of the competitive threat that Twitter has become to Facebook's dominance in the social networking industry. In the case analyzed, companies' strengths, weaknesses, opportunities, and threats are considered (noting the similarities and differences between them).

### **Key Issues**

After reviewing the case, the first key issue to consider is that both Facebook and Twitter allows free membership to users (through account registration). A second key issue is that both social networking sites track user conversations in real time. In considering the differences between both, it is important to note that while Twitter limits the characters users can include in their 'tweets' (maximum 140 characters), Facebook does not limit post length. Third, in terms of application integration, Facebook has a clear advantage; users can use various applications, as well as upload videos, pictures. Twitter allows pictures to be uploaded with tweets; links to videos and other pages is also a possibility, but there are greater limitations than in Facebook. Finally, in terms of generating additional revenue, Facebook has the advantage that its pages allow for enhanced advertisement that targets larger audiences.

### **Define the Problem**

Facebook and Twitter face a common problem: enhanced market competition (as the market grows). As both companies try to follow in each other's footsteps, it is likely that site differentiation will become nonexistent. If this were to happen, users will ultimately be indifferent between with staying with Facebook, Twitter, or simply transferring to a new competitor that may appear in the near future.

### **Alternative Solutions**

A first alternative to solve their common problem would be for Facebook and Twitter to merge and establish a renovated social networking service that successfully integrates their trademark services. A second alternative would be for both companies to stay their respective courses, each hoping that the other will not manage to drive it off the market (and that no other competitors will appear to threaten their established market positions). Should the second alternative be chosen, it would be the user the one to decide which service he/she prefers to satisfy his/her social networking needs.

In Facebook's particular case, an alternative would be to develop innovative technology and successfully implement it so that the site can offer the same capabilities that Twitter currently offers (in terms of real-time information tracking). This alternative would allow Facebook to eliminate Twitter's strongest competitive advantage. Another alternative for Facebook would be enabling one-way relationships between users. In other words, users would have the possibility of choosing whose statuses to follow (much like they do in Twitter). This too would eliminate another one of Twitter's major competitive advantages.

### **Selected Solution to the Problem**

Having reviewed the case, the best solution to the problem would be for each company to stop trying to emulate their competitors' services and focus on developing their own differentiated product (by developing and capitalizing on their core competencies).

### **Implementation**

Implementing the proposed solution should not signify a major problem for either Facebook or Twitter. Each company should focus on finding ways of improving their services; communicating with customers and building on their feedback would greatly enhance each company's service.

### **Recommendations**

In order to offer the best possible service, it is important to collect feedback from users and integrate that feedback into their respective value propositions. Furthermore, in order to elevate their market appeals, both Facebook and Twitter should direct their efforts at developing innovating marketing strategies.

### **Conclusion**

After having reviewed the case in question, it is clear that despite trying to emulate each other's' services, Facebook and Twitter are still fundamentally different social networking sites. These differences offer different value propositions and possibilities for users. In the end, each company's relative success will be conditioned by their respective ability to integrate customer feedback into their value propositions and by their ability to develop appealing marketing strategies.

### References

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**Appendix**

Figure 1: SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
<p><i>Facebook</i></p> <ul style="list-style-type: none"> <li>• Connectivity with updated information.</li> <li>• Multiple application usage capacities.</li> <li>• Easy to find people.</li> </ul> <p><i>Twitter</i></p> <ul style="list-style-type: none"> <li>• Connectivity with updated information.</li> <li>• Real-time information tracking.</li> <li>• Searches outside user network.</li> </ul>	<p><i>Facebook</i></p> <ul style="list-style-type: none"> <li>• Two-way conversation threads are the only option.</li> </ul> <p><i>Twitter</i></p> <ul style="list-style-type: none"> <li>• Relationships only go in one direction.</li> <li>• Faking an account is more complicated.</li> <li>• Limited to only 140 characters per 'tweet'.</li> </ul>	<p><i>Facebook</i></p> <ul style="list-style-type: none"> <li>• Industry growth.</li> <li>• Networking potential.</li> <li>• Facility to link other applications into the system.</li> </ul> <p><i>Twitter</i></p> <ul style="list-style-type: none"> <li>• Industry growth.</li> <li>• News feed is updated in real time.</li> <li>•</li> <li>•</li> </ul>	<p><i>Facebook</i></p> <ul style="list-style-type: none"> <li>• Security breaches (identity theft).</li> <li>• Twitter's increased growth.</li> <li>• Emergence and growth of other competitors.</li> <li>• Spam hinders performance.</li> </ul> <p><i>Twitter</i></p> <ul style="list-style-type: none"> <li>• Security breaches (identity theft).</li> <li>• Emergence and growth of other competitors.</li> <li>• Facebook's increased growth.</li> <li>• Decreased staffing and growth.</li> </ul>