1. What is Facebook's primary value discipline?

The primary value discipline of Facebook is product leadership. Due to Facebook's larger user base, the platform's ability to collect, express, and leverage the connections between its users implies that each Facebook user can be considered a node or endpoint that is connected to other entities.(Gallaugher,2016)The social graph, the global mapping of users and organizations and how they are connected that Mark Zuckerberg proposes clearly states the heart of Facebook. In addition, according to John Gallaugher, as the first social network that needs users to use their real name and requires both users to approve the relationship from "friending", Facebook has managed to foster a "true social utility and build out a solid social graph consisting of verified relationships."(Gallaugher,2016) What's more, One of Facebook's distinguishing features is network externalities. The network effect is a phenomenon where the value of a product or service increases as its number of users expands. Facebook's large user base has also attracted various firms and organizations looking to connect with Facebook's masses. (Gallaugher,2016). This network effect has compounded into a bandwagon effect, where nobody wants to be left out from this platform(Network,2023).

2. Why have Facebook's click through rate historically been much lower than Google's?

In comparison to Google, first of all, Facebook's ads are not precisely provided to the users as Google does. To be more specific, "While users go to Google for a hunt—a task-oriented expedition to collect information that will drive a specific action"(Gallaugher,2016), Google can use that information to promote relevant ads for their target audience. However, Facebook lacks direct intent of search and easy-to-monetize compared to Google. As the author states in the book, many of the ads users see on Facebook are for discovery or awareness building rather than a stated intent to purchase.(Gallaugher,2016) Therefore, Google is able to provide correlated ads, which attract more click through rate as a result. In this case, many advertisements on Facebook and its related properties are intended to raise awareness or discovery of a product or service rather than to prompt an instant purchase. (Gallaugher,2016).

Secondly, the issue of content adjacency relates to uncertainty regarding the placement of a company's ads. (Gallaugher,2016) The possibility of ads appearing next to racy, offensive, illegal, or even mocking content is a serious problem with Facebook that allows advertising next to free-form social media. It's possible that advertisers don't want their ads connected to such

material. Better technology and policing of the context in which ads appear may ease the problem in the future.

Works Cited

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