## Facebook's business plan

**1.Business background:**

Facebook, an American company that provides online social networking services. Facebook was founded in 2004 by Mark Zuckerberg, Eduardo Savelin, Dustin Moskowitz, and Chris Hughes, all of them Harvard University students. Facebook has become the world's largest social network, with more than 1 billion users so far, about half of which use Facebook every day. The company's headquarters are in Menlo Park, California.

Access to Facebook is free, and most of the company's revenue comes from advertising on the site. New users can create personal profiles, upload photos, join pre-existing groups, and create new groups. The site has many components, including a timeline, a space on each user’s profile page where users can post their content and friends can post messages; status, which enables users to remind friends of their current location or situation; And News Feed, it will notify users of changes in the profile and status of their friends. Users can chat with each other and send private messages to each other. Users can use the "Like" button to show their approval of Facebook content, and this feature also appears on many other websites.

Part of Facebook's appeal stems from co-founder Zuckerberg's insistence from the beginning that members be transparent about their identities; users are prohibited from using false identities. The company’s management believes that transparency is necessary to establish personal relationships, share ideas and information, and build society. It also pointed out that bottom-up peer-to-peer connections between Facebook users make it easier for companies to connect their products with consumers.

**2.Advantages of Facebook:**

**1) Strong brand**

Having a strong brand is essential for stability and long-term sustainability. In 2019, Facebook was named the 5th most valuable brand by Forbes. With a brand value of 88.9 billion US dollars, Facebook is the most powerful brand in the global social media industry.

**2) Diversified investment portfolio**

Diversification enhances the stability of a company by protecting its core financial assets in the event of a declining income in a certain sector. Facebook clearly understands that you should not put all your eggs in one basket but choose to spread your investment into different areas.

**3) Dominant market position**

Companies that dominate the market can use their elevated position to give full play to their advantages.

**4) Loyal customer base**

Nothing can convey the company’s strength, stability, and success better than a large and growing number of extremely loyal customers. About 40% of the world's population uses Facebook products, which puts Facebook in an irreplaceable position.

**5) Focus on R&D**

Regardless of the industry, success in the digital age requires technological innovation through research and development. Facebook is one of the global leaders in R&D spending. Its R&D investment has increased from US$4.8 billion in 2015 to US$13.6 billion in 2019, accounting for approximately 19% of its annual revenue.

**6) Strong advertising business**

Although Facebook is synonymous with social media networks, its main source of revenue is advertising. In 2019, $69.66 billion came from advertising.

**7) Effective marketing strategy**

Facebook marketing is simple. The fact that more than 2 billion people use their app every day makes it a very powerful and effective marketing tool.

**Facebook's weaknesses:**

**1) User privacy issues**

Facebook has faced strong opposition due to its negligence in protecting user privacy, and the company's popularity has declined in some parts of the world. If the company does not solve the user's privacy issues in a timely and effective manner, it may lose popularity.

**2) Over-reliance on advertising**

Facebook's business model relies heavily on advertising revenue. About 98.5% of its annual revenue comes from advertising. In 2019, of its annual revenue of 70.7 billion U.S. dollars, 69.66 billion U.S. dollars was its advertising revenue.

**3) Spread fake news**

Facebook has received many criticisms for spreading false and misleading information. Fakebook’s inability to control misleading information can be very harmful to society.

**Opportunities for Facebook:**

**1) Diversified investment portfolio**

Facebook can expand its product portfolio beyond the social media industry.

**2) Increase integration with other applications**

As technology advances, more and more applications and websites are integrated, allowing users to connect through other platforms. Facebook can open its platform to integrate with various other applications, such as e-commerce, surveys, blogs, podcasts, videos, contests, reviews, games, etc.

**3) Targeting different audiences**

Although Facebook is very popular, its popularity is driven mainly by tech-savvy and young people. By introducing new features, Facebook can attract other target groups.

**Threats from Facebook:**

**1) Competition**

Competition from old and new platforms is threatening to reduce Facebook users. As new entrants in this field such as TikTok provide customized platforms for the younger generation, Facebook's future is becoming increasingly bleak.

**2) Bans in multiple countries**

In democracies, regulations are being adopted to curb fake news used to undermine democracy, and authoritarian governments are restricting access to Facebook to curb freedom of speech.

**3.4P**

**Facebook products:**

Facebook Inc. is known for its social networking sites, mobile applications, and online advertising services. This component of the marketing mix determines the organizational output that the company provides for its target market. The main products of the company are as follows:

1. Facebook

2. Instagram

3. Messenger

4. WeChat

5. Oculus

**Location:**

As an online technology company, Facebook Inc. provides services through the Internet. This part of the marketing mix determines where the company provides products. In this case, these places are as follows:

1. Website

2. Mobile application

3. Retail Store

**Promotion:**

Facebook promotes its social media services to gain more users, thereby expanding its membership base. In the 4P variable, this component describes the marketing communication activities of the company and its target customers. Facebook’s business involves the following promotional activities, ranked in order of importance:

1. Viral marketing (most important)

2. Direct sales

3. Advertising

4. Public Relations

**Price:**

Facebook uses a variety of pricing strategies. In this part of the marketing mix, the company's price point and price range strategy are considered. The company uses the following pricing strategy for its online display advertising services:

1. Market-based pricing

2. Pay-as-you-go pricing

**4.Operation plan**

Facebook's business model is based on providing its tools and services to billions of users for free, and then making money by allowing companies to show ads to Facebook users. Advertisers pay Facebook the price determined in the auction based on demand and supply.

Facebook is not a monopoly, but it has more than 3 billion users worldwide, spread across Facebook, Instagram, and WhatsApp, and dominates social media and messaging tools. Facebook's high user penetration rate around the world makes it such a valuable company. However, when it comes to Facebook's business model and how it makes money, users did not pay Facebook any fees. At least not directly

Facebook mainly makes money by displaying advertisers' ads in Facebook and Instagram applications. Advertising accounts for 98% of Facebook's $86 billion in 2020 revenue. The remaining 2% of revenue mainly comes from the sale of Oculus and portal devices, as well as developers’ payments

## Cultural differences between China and Thailand

1. China used to be more patriarchal than women and Thailand was patriarchal.
2. Under the influence of Buddhism, Thailand is more tolerant towards people and things, while China is more conservative.
3. Thailand does not have a fixed mealtime, but China has a fixed mealtime.