

## **THE PLACE OF FACEBOOK IN INTERNATIONAL SOCIAL NETWORK PORTFOLIO**

**ALIN CRISTIAN ISAC \***

**ABSTRACT:** *The paper aims to present a structure for social networks by various criteria, such as: user types, informational technology used as support and developed applications. Based on these elements, we presented Facebook not only in terms of user numbers and their evolution but also regarding the Facebook business, starting from share listing on international markets.*

**KEY WORDS:** *social networks; Web 3.0; informational logistic support; users.*

**JEL CLASSIFICATIONS:** *F23, O32*

### **1. INTRODUCTION**

The study of social networks is the information on capital that a person from a particular network holds and presents how people interact within that network, respectively some of their preferences, attitudes or manifestations. When they were started, the social networks had a minimal role of interaction between registered users and some of them remained at this early stage of development, such as "Friendster" or "Tribe.net", developed in 2003. So, if the original role of social networks was limited to an interaction platform between signed up users, the transition to Web 2.0 and, in the future, to Web 3.0 makes these networks become a complex economic phenomenon necessary within the globalization context and within the transition to a new global economic order based on the development of the informational society.

Currently there are over 200 social networks, some of them famous, whose development had a major social and financial impact with multiple influences from online marketing, human relations to capital markets. On Wikipedia, these web networks are called "social networks". Lately, a social network is also described as an informational network of internet users from certain websites where users can register and interact with others already signed up.

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\* Lecturer, Ph D, University of Petrosani, [isacalin@gmail.com](mailto:isacalin@gmail.com)

The members of a social network are informally connected, without obligations, but they usually contribute actively to collecting and spreading information across the globe through the Web [5].

## 2. WHY STUDY SOCIAL NETWORKS ?

Studying social networks allows us to understand how people communicate, how they prioritize and value interactions, what are their needs underlying connections between people, why and how people socialize [1]. The study of social networks should be analyzed from the perspective of the one who wants to use its results.

A sociological studies the social network to understand group dynamics, relationships and relations between age, sex, professional fields and areas, unlike a specialist in marketing who tries to obtain as much information about consumer habits, preferences and how they can be contacted directly. HR managers can find useful information about their employees and they can take decisions regarding the implementation of communication strategies which to increase cohesion and functional relations between the members of the coordinated teams, so they can understand better the formal and informal organizational relations and can act accordingly.

At company level, the benefits can be multiple and different depending on the social network. Generally, specialists show that the presence on such a network generates high visibility, attracting visitors interested in the business of the company, an efficient relation between the money invested for page management and the increase in the number of followers, increased position in search engines etc.

Obviously, the usefulness of social network analysis can get a major role in case of economic, social and political phenomenon, not only national but also at regional or even worldwide. Therefore, it's already acknowledged the role of social networks like Facebook and Twitter in organizing the social events in Egypt and Tunisia and how they succeeded in turning a virtual protest into real events.

## 3. CLASSIFICATION AND CHARACTERISTICS

The digital interaction recorded a massive development during the past five years through social networks with Web 2.0 and Web 3.0 technologies, which allowed not only the increase in user numbers but also in the type of applications developed.

**Table 1. Social networks classification and characteristics**

Classification criterion	Network type	Features	Examples
User category	Universal networks	Addresses all internet users, regardless of age, training, geographical space.	<i>Facebook</i> with over 1100 million users <i>Hi5</i>
	Networks of niche or specialized that targets a smaller group of users compared to universal networks.	Professionals networks	<i>LinkedIn</i> for professional contacts, focused especially on business, an environment of recruitment for HR departments <i>Academia.edu</i> - network for

			researchers interaction
Technology	Social video sharing platform	Viewing platforms and video sharing	<i>YouTube</i> uses Adobe Flash Player technology to display a wide range of videos, some even created by users <i>Vimeo</i> - site for art and for filmmakers needs
	Blogging and microblogging platforms are the new ways of disseminating information in a Web 2.0 social [4]	Limited length - only 140 characters - world press	<i>WordPress</i> is the most popular and powerful blogging platform and one of the most popular CMS that can be used to develop websites of any kind
Application complexity	Complex platforms	They have built satellite applications that allow beside socializing and gaming related applications, platform rebates, electronic stores, etc.	<i>SiteTalk</i> – has a Cashback platform, auction for electronic products, deals for offering discounts to network members
	Simple platforms	They allow the interaction between user and promotion component	<i>Netlog</i> an online social portal, which is aimed for young Europeans

Generally, media specialists state that the use of internet and social networks vary by demographic characteristics, which allows the development of custom advertising applications not only for companies but also for political organizations, government or social organizations.

The multitude of social networks developed made necessary their classification on several criteria (table 1).

#### 4. SOCIAL NETWORKING - INFORMATIONAL LOGISTIC SUPPORT

Obviously presenting the advantages or weaknesses of using one or more social networks, not only from the perspective of the individual user and of the specialists who use the information, is a non-realistic approach because the evolution of operating mechanisms and advertising tools is very quick in this area and may be supported by eloquent statistics.

Thus, one of the social media dedicated sites, [www.socialmediatoday.com](http://www.socialmediatoday.com), shows some of the variables with an accelerated development in the field, as follows [2]:

- 27% of total US internet time is spent on social networking sites;
- 21% of marketers say that social media has become more important to their company over the past 6 months;
- Social media produces nearly double the marketing leads of trade shows, telemarketing, direct mail or PPC;
- Women (48%) are more likely than men (43%) to regularly check out a brand's social page;
- 23% of marketers are investing in blogging and social media this year—a 9% annual increase.

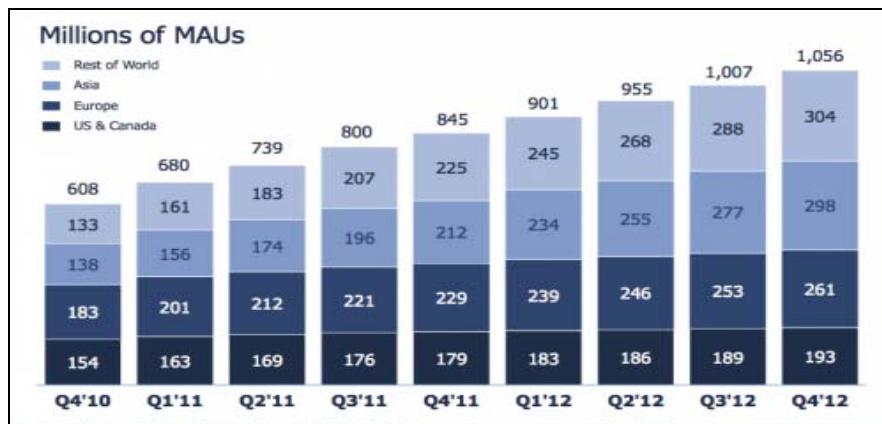
## 5. FACEBOOK

By far the most popular networking website, Facebook is a internet social network type website created by Mark Zuckerberg in 2004 to provide the opportunity to contact close persons, but also unknown people.

At this time Facebook is the most popular social network in the world and is supported by the fact that: 74% of all marketers say Facebook is important to their lead generation strategies, companies that generate more than 1,000; Facebook likes also get close to 1,400 website visits daily; 52% of all marketers have found a customer through Facebook in 2013 so far; on Facebook, brand posts achieve 50% of their reach within 30 minutes; 85% of Facebook fans of brands recommend them to others, compared to 60% of average users.

If we consider the spectacular increase number of users, we can predict a significant increase in the next 10 years for both the number of Facebook users and for the applications developed through the network. Thus, only during 2008-2012, the number of users increased 18+ times. During 2010-2012 the average number of users experienced a divergent development in different parts of the world.

In the U.S. and Canada there was a moderate growth with an average annual rate of 12.5%, while in Europe the average growth rate was nearly 40%. Unlike these two traditional areas regarding the use of social networks, in Asia the growth is over 80%, while for other areas South America, Australia and Africa, the growth was over 220%.



**Figure 1. Monthly active users from 2004 to 2012**

Regarding the number of Facebook users forecast, we found an interesting statistic on [www.emarketer.com](http://www.emarketer.com) which compared the total number of social networks users to the number of internet users worldwide and to the global population.

The 2017 forecast shows an increase of the Facebook position, so if currently, the number of Facebook users represents 42.6% of the total number of Internet users and over 15% of the global population, for 2017 experts consider a relatively moderate increase, not as spectacular as in the first 7 years of Facebook.

For the 4 years predicted, the average growth rate is over 2%, considering that more than half of the world internet users will be on Facebook (Table 2).

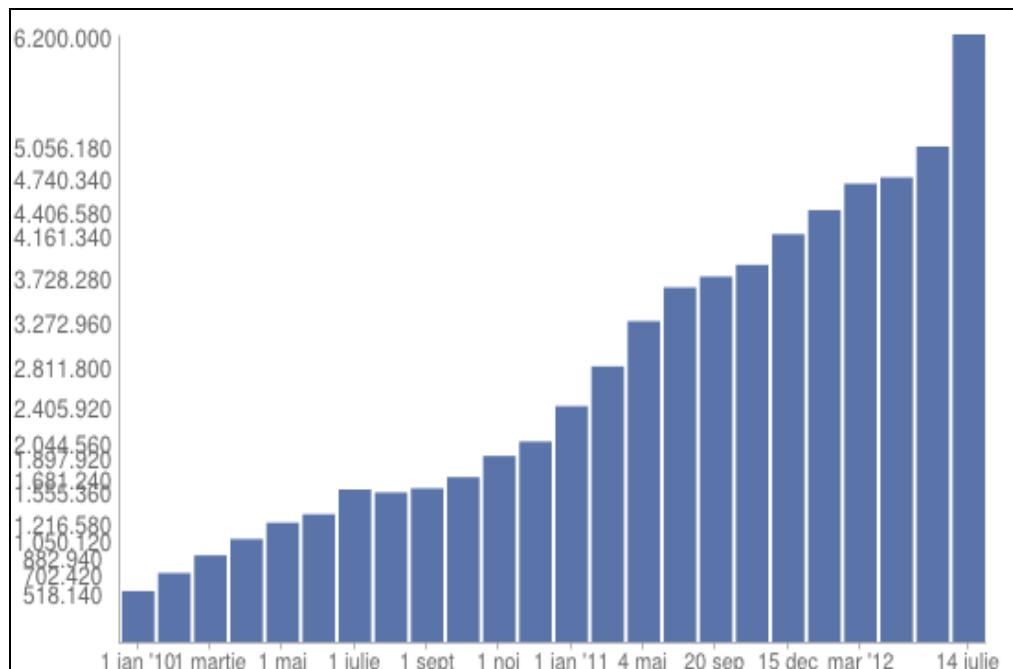
The situation in Romania of Facebook users is presented eloquently on [www.facebrands.ro](http://www.facebrands.ro) showing a spectacular increase of 2.5 times for Facebook users within the past two years, reaching more than 6.2 million users.

Given that in June 2012 the total number of Internet users in Romania was 9,642,383 and the Romanian population on October 20, 2011 was 20,121,641 inhabitants, Facebook users share is over 62% of all internet users, while over 31% Romanians have Facebook accounts.

**Table 2. Facebook Users and Penetration Worldwide 2011-2017**

	Indicators	2013	2014	2015	2016	2017
1	Facebook users (millions)	1098,2	1265,3	1443,7	1609,9	1771,6
2	% of social network users	63	64,4	66,3	67,9	69,5
3	% of internet users	42,6	45,8	49,1	52	54,7
4	% of world population	15,4	17,7	19,9	22	23,9

Source: [www.emarketer.com](http://www.emarketer.com) [3]



Source: <http://www.facebrands.ro/demografice.html> [6]

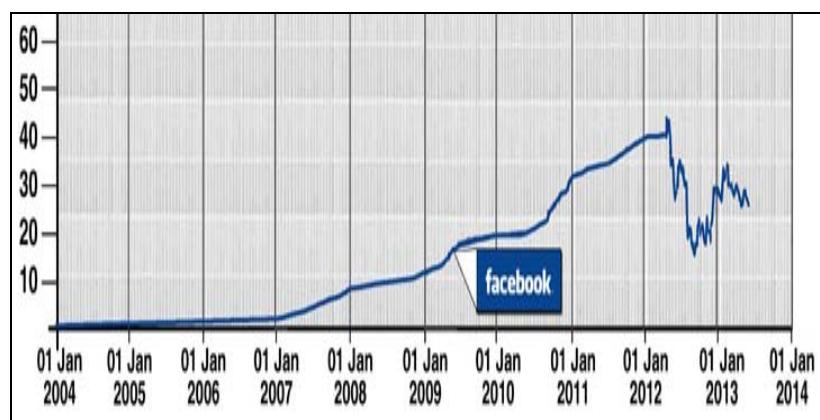
**Figure 2. Evolution number of Facebook users in Romania**

## 6. CONCLUSIONS

As a standard for social networks, Facebook has been embarked on the Nasdaq stock market in New York with largest IPO so far conducted in IT, having the certification of more than 1,000 millionaires in dollars and the price of \$ 38 per share.

Although it initially attracted \$16 billion, the third largest IPO in the U.S. history after Visa and General Motors, the evolution of Facebook shares was oscillatory, with a downward trend.

As shown in the figure below, 2012 was a year of significant oscillations of share value, although most of the financial indicators predicted a historical growth of network value.



**Figure 3. The evolution of Facebook shares**

Many times the share valuation is limited to a complex set of financial indicators, without taking into consideration a portfolio of less measurable aspects and features, but with significant effects on the image of a company. Facebook is also this case. The social and political implications mentioned in the above paragraphs, youth Internet addiction as discussed by psychologists or sociologists, aggressive promotional strategy are a few issues that may affect the future share values.

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