

Facebook [HBS 9-808-128]

1. Describe Facebook's business model and any sustainable competitive advantages.
2. Why did Facebook prevail over MySpace? How did they eventually beat the 800 lb gorilla that was substantially bigger and had greater resources?
3. Why did Facebook's valuation decline from the Microsoft investment in Oct 2007 (approx. \$15 billion valuation) to Digital Sky Technologies' investment in May 2009 (approx \$10 billion) despite traffic numbers that grew from 50 mm uniques to more than 175 mm uniques.
4. Facebook's reliance on advertising is suggested to be troublesome. Why?
5. The case implies that Facebook's users clicking on ads at a rate 50x less than Google is a problem. Is it? And is it a fair comparison? Why do you think there's such a disparity in click-through rates?
6. How is Facebook Connect different than Beacon?
7. Should Facebook develop a search product? Google publicly acknowledged the growing importance of social data in search.
8. How was Facebook able to withstand numerous threats from Google? Open Social, Orkut, etc. How has Facebook been able to sustain itself while other social networks have fallen?
9. If you had an opportunity to invest in Facebook, how would you go about reaching a valuation? What data would you use?
10. Can anyone please tell me why we haven't been able to recruit one decent QB prospect for our football program despite Neuheisel's purported recruiting prowess and Norm Chow as OC when he was here?