

SBMA7103D – Strategic Management

Coursework - Basil Choudhry

Strategic Analysis of Facebook

Executive Summary

Aim: This report was aimed at evaluating the competitive strategy of Facebook Inc., in light of the many recent issues that it is facing. The primary objective was to determine whether or not its current competitive strategy can assist it in overcoming challenges and continuing on its relentless growth trajectory.

Methods: Conducting this evaluation involved, outlining the key challenges and opportunities that the brand must overcome and exploit, using a situational analysis. This was followed by the identification of key strategies and their evaluation using various models and strategic typologies. These strategies were then critiqued and recommendations were provided, regarding how these strategies could be improved.

Findings: Key challenges that Facebook must overcome include: identifying additional revenue streams in its core social media business, avoiding legal and regulatory risks associated with various scandals that it is embroiled in and improving its public image. Its current strategies have been found to be ineffective in this regard, due to an excessive focus on M&A and cynical CSRx.

Introduction

Since its launch in the year 2004, the brand Facebook has become synonymous with the term social media and has attracted billions of users to its platform. Its spectacular rise has become one of the biggest success stories of the 21st century and it has spawned an industry and a market that continues to expand every day. However, the brand is currently facing a pivotal moment in its history and this report will assess whether its competitive strategy is suitable for the continued growth of the brand.

Situational Analysis

External Environment: PESTEL

Political Issues: The global political environment has become increasingly turbulent in recent years, with major events such as Brexit and the election of Donald Trump resulting in significant changes to the established political order. Facebook, has found itself at the heart of these events and has been accused of negligent behaviour that enabled certain entities to use the platform to manipulate individuals into supporting their cause (Hern, 2018). According to Hern (2018), issues related to the proliferation of inaccurate news, the posting of exploitative political ads and data breaches have resulted in a significant loss of reputation for the social media giant and has embroiled it in a situation that will be difficult to navigate. An additional political issue relates to Facebook's inability to enter the Chinese market due to government restrictions (Mozur, 2018). The Chinese government's strict censorship laws mean that Facebook is unable to access a large and highly lucrative market that can add considerably to its user base. However, accessing this market also remains a key opportunity for Facebook.

Economic Issues: Facebook has a significant impact on the global economy due to its ubiquitous presence and this impact has been estimated to be worth roughly \$227 billion by Deloitte (2015). Two economic issues are likely to have an impact on Facebook's competitive position in the near term and the first of these is the exchange rate. According to Facebook's Annual Report (2015), the weakening of the US dollar resulted in financial losses amounting to \$66 million, in the fiscal year 2015. This issue can pose considerable issues for the company if effective hedging strategies are not employed. The second key economic issue is that of tax avoidance and the fact that it reports the majority of its international profits in Ireland so that

it can exploit lower tax rates (Bershidsky, 2017). A continuation of this tax strategy may result in legal sanction and a loss of reputation.

Social Issues: As a social media platform, Facebook's performance is indelibly influenced by social issues and two recent issues in particular have threatened to halt its growth. The first of these is the fact that users belonging to the teenage and young millennial demographic have declined considerably, with this demographic preferring alternative platforms such as Snapchat (Wagner & Molla, 2018). However, Instagram- a social media platform also owned by Facebook- remains popular with this demographic. Nonetheless, this has negative implications for the future growth of Facebook. A second issue relates to the laissez faire attitude of the platform towards disturbing and violent content (Richards, 2018). According to Richards (2018) Facebook's refusal to remove such content has led to extensive criticism and the remote possibility of a social boycott.

Technological Issues: Facebook is also facing several challenges related to technology and more specifically flaws within the existing platform that enable unscrupulous entities to manipulate users through inauthentic information (Hern, 2018). A second issue that has emerged recently relates to the fast approaching ad saturation point and the lack of space on the Facebook interface that can be utilised for purposes of ad placement (Levy, 2018). Ad revenues are Facebook's only source of monetization and limits to ad revenue growth will pose a significant challenge to the firm's continued growth (ibid). There are also several technological opportunities available to Facebook, in the form of Artificial Intelligence and improved algorithms for search (McCracken, 2017).

Ecological Issues: Ecological sustainability has become an issue of fundamental importance for modern businesses. However, Facebook's record in this regard has generally been good and ecological issues are not expected to pose problems for the company in the future.

Legal Issues: The key legal issue threatening the firm's future operations in Europe and beyond is the introduction of the General Data Protection Regulation (GDPR) by the European Commission in 2018 (Denning, 2018). The GDPR contains strict rules on what firms can do with consumer data and the amount of time that it can be retained (ibid). Denning (2018) states that Facebook's current system breaches the GDPR's rules and also states that the firm must address this to avoid legal sanction.

Industrial Analysis: Porter's Five Forces

The Porter's Five Forces analysis (Porter, 1979) has been used to highlight the key micro environmental issues faced by the company.

Intensity of Competition: The social media market space consists of a variety of platforms that offer differing functional attributes and benefits to its users. Prominent social media platforms include Snapchat, WhatsApp, Instagram, Twitter, YouTube and Pinterest. However, despite the existence of multiple competitors, Facebook remains insulated from the competition due to its dominant position and the fact that it has the resources to acquire competitors that pose a threat, such as in the case of WhatsApp and Instagram (Constine, 2018). Moreover, Facebook is considered to be a part of a quintet of companies- others include Apple, Google, Amazon and Microsoft- that have disproportionate influence over the internet and digital landscape, with the ability to rapidly neutralise competition through fair means or foul (Smith, 2018).

Bargaining Power of Buyers: The buyers in this instance are the individuals or businesses that purchase ads, rather than social media users and the bargaining power of ad buyers is relatively low. This is due to the sheer volume of ad buyers who purchase ads on the Facebook platform and this figure was 5 million, in the year 2016 (Smith, 2017). This high demand for Facebook ads exists due to the number of individuals who use the platform and the average

amount of time spent by individuals on the platform (ibid). This suggests that Facebook can exert significant influence over these buyers, should it choose to do so.

Bargaining Power of Suppliers: The suppliers in this instance are the users of social media and the amount of power that they exercise is significantly higher than that of buyers. This is due to the fact that there are various other options for these users, who can easily transfer to other platforms if they offer superior functionality or features that Facebook does not offer. An example of this is the defection of the youth demographic to Snapchat, which was described earlier. However, the intensity of this threat is somewhat reduced, due to the fact that using an alternative platform does not necessarily mean that the individual will also stop using Facebook.

Threat of Substitutes: Although advertisers have other options available such as Twitter and YouTube, few alternatives can replicate the reach and functionality offered by the Facebook and Instagram platforms (Standberry, 2017). According to Standberry (2017), Facebook offers the largest and most diverse audience, as well as the ability to target users with ads, using data regarding demographic and behavioural characteristics. In addition, the Facebook owned Instagram platform also offers several benefits such as the Stories feature. Thus, it would be difficult for advertisers to substitute Facebook with alternative social media platforms.

Threat of New Entrants: The threat posed by new entrants is moderate. Although, the costs and resources required to enter the social media market space for new entrepreneurs are not significant when compared to other industries, replicating the user base and functionality of established platform's such as Facebook will be a daunting task. Moreover, Facebook has repeatedly demonstrated its willingness to curb this form of threat through acquisitions.

Internal Analysis: SWOT

Strengths: Facebook's key strengths include its significant financial resources, which have enabled it to acquire competitors, intellectual property and human resources (Constine, 2018). The company's possession of high quality IP and human resources is in itself a key strength, which provides the company with a significant competitive advantage. A second key strength, is the company's visionary leadership, which is provided by the CEO and founder Mark Zuckerberg (Ray, 2011). According to Ray (2011). Zuckerberg's vision enabled him to identify and exploit a market opportunity that others could not and this capability is a critical resource for the future. A third key advantage is its substantial user base that it has obtained through being one of the first major entrants into the social media sphere (ibid).

Weaknesses: Facebook's key weakness is its inability to actively moderate and control content that is posted on the platform. This inability to control content has resulted in extensive social criticism and could lead to legal sanction from governments if controls are not added. A second key weakness is the fact that advertising remains its only currently viable revenue stream. The lack of diversification in this regard can become a substantial issue due to the aforementioned issue of ad saturation.

Opportunities: There are several opportunities available to Facebook and the first of these is potential access to the sizeable Chinese market. This market could offer Facebook many benefits if it could identify ways of placating the Chinese government. In addition to this, there are over four billion individuals on the planet that are not online and could become future Facebook users (McCracken, 2017). A third opportunity, relates to the multiple possibilities offered by technological investments such as artificial intelligence (ibid).

Threats: The primary threat that Facebook must face is the threat of legal sanctions imposed for tax avoidance, anti-competitive behaviour or breaches of GDPR and other consumer data

protection regulation. A second threat relates to the continued decline in usage by younger users, who will be an important source of growth for the future.

Evaluation of Current Strategy

Mergers & Acquisition

Mergers and Acquisitions (Hagedoorn and Duysters, 2002) or M&A have been an integral component of Facebook's competitive strategy, since 2009 (Dolata, 2017). According to Dolata (2017), Facebook has acquired several businesses between 2009 and 2015, and the most prominent examples of this M&A activity has been the acquisition of social media platform Instagram, messaging application WhatsApp and the virtual reality technology start-up Oculus VR. These three acquisitions cost Facebook approximately \$5 billion and a list of acquisitions made by Facebook between the years 2009 and 2015 have been presented in the table below:

Facebook	2009	FriendFeed (social networking aggregator)	0.05
	2010	Hot Potato (social media platform)	0.01
	2011	Beluga (messaging)	0.01
	2011	Gowalla (social network)	n/a
	2011	Snaptu (app developer)	0.07
	2012	Instagram (photo and video portal)	1.00
	2013	Parse (app platform)	0.09
	2014	WhatsApp (messaging service)	19.00
	2014	Oculus VR (virtual reality)	2.00
	2015	Surreal Vision (augmented reality)	n/a
	2015	Pebbles (augmented reality)	0.06

List of Acquisitions made by Facebook 2009-15 (Dolata, 2017)

Facebook had various objectives in mind when making these acquisitions and the first of these was to reduce the threat posed by competitors to its core business (Constine, 2018). According to Constine (2018) the acquisition of platforms such as WhatsApp and Instagram has enabled the company to not only neutralise the threats to its market share but also to increase its market share simultaneously. Moreover, the acquisition of Instagram afforded Facebook access to a

new market and increased insights into the development of a mobile application, which was an area that it did not have previous experience with (ibid). Similarly, its purchase of Oculus VR provided the company with access to state of the art intellectual property that it would not have been able to acquire through internal processes (McCracken, 2017). According to Hagedoorn and Duysters (2002), access to technology is one of the key motives behind M&A activity in the tech sector.

This strategy can be analysed from the perspective of Miles and Snow's strategic typologies (1978). Miles and Snow highlighted four strategic perspectives that a firm could adopt and these included: the prospector perspective, the defender perspective, the analyser perspective and the reactor perspective. Based on these typologies, the M&A based strategy is reminiscent of the analyser perspective where the firm displays characteristics of both the defender and prospector perspective. This involves attempting to maintain a firm's existing competitive position and exploiting opportunities for future growth. This strategy has been highly effective for Facebook, in terms of maintaining its current position but its implications for future growth remain unclear, as the company has yet to profit from it (McCracken, 2017).

This M&A activity can also be assessed from the perspective of the Ansoff Matrix or the four key growth strategies outlined by Ansoff (1957). These strategies include: market penetration, market development, product development and diversification. Based on this, the acquisitions based strategy of Facebook largely conforms to the objectives of market penetration and product development. Market penetration refers to increasing market share in markets that it already operates in and in this case Facebook achieved this through the purchase of WhatsApp and Instagram. Product development involves developing new products for existing markets and Facebook attempted this through the acquisition of Oculus VR. Lastly, Facebook's strategy can also be evaluated using Porter's Generic Strategies (Porter, 1980), with Facebook's strategy choosing differentiation rather than cost leadership. According to Porter (1980),

differentiation can be achieved when one firm has an abundance of financial resources relative to competitors, which enables the firm to differentiate its offering. Facebook has differentiated its offering by acquiring competitors and other start-ups, whose technological patents could contribute to Facebook's core business and this was only possible due to its superior resources.

Innovation and R&D

Innovation has been one of the core strategies through which the company has managed to achieve unprecedented growth and become a benchmark for tech start-ups throughout the world (Ray, 2011). The initial form of innovation was the development of the platform by Zuckerberg and this bore all of the hallmarks of a blue ocean strategy, where companies create new markets through the creation of new and revolutionary products or services (Kim and Mauborgne, 2004). Although the marketplace had previously been occupied by companies such as Orkut and Myspace (Ray, 2011), Facebook's rise changed the face of the social media environment and expanded the size of the market beyond recognition (ibid).

Its continued investments in R&D and technological development in the areas of artificial intelligence, virtual reality and drone technology (McCracken, 2017) have a similar objective but are also borne out of a red ocean (Kim and Mauborgne, 2004) and Defender (Miles and Snow, 1978) motive. These motives are aimed at defending and competing for existing markets and Facebook believe that AI and VR will be critical to retaining the youth demographic, which has extensive demands from social networks (McCracken, 2017).

Facebook's investments in and emphasis on R&D can also be viewed from the perspective of the dynamic capabilities framework (Teece, Pisano and Shuen, 1997). According to Teece et al., (1997), dynamic capabilities refer to the manner in which firms make use of key resources and assets. When firms develop specific and highly efficient processes which describe how these resources are to be used, they can provide firms with a competitive advantage. These

processes are considered dynamic capabilities when they can be replicated throughout the organisation and when they are difficult to imitate for competitors (ibid). Facebook's extensive experimentation with R&D and efforts to develop and integrate new technology with its core business can be viewed as a method of developing dynamic capabilities. However, it remains to be seen whether or not Facebook will actually be successful using this method.

Entering New Markets

In 2017, Facebook founder Mark Zuckerberg announced that increasing openness and connectivity would become one of Facebook's central objectives (Statt, 2017). This announcement coincided with a Facebook led initiative to provide millions of people without internet access, with connectivity, free of cost. The infrastructure and technological development costs were to be borne by Facebook (ibid). This announcement resulted in extensive criticism from stakeholders who viewed this as a cynical attempt to acquire new markets and prevent them from being accessed by competitors. When viewed in conjunction with Facebook's desperate attempts to enter the Chinese market (Mozur, 2018), it is evident that this international expansion is a key element of Facebook's strategy. These attempts to enter and cultivate new markets can be considered as a market development strategy (Ansoff, 1957). Facebook is attempting to develop new markets through its offer of free internet and is attempting to add the previously untapped Chinese market to its global market.

Damage Control

The fourth strategic direction, which has been identified is damage control or attempts to reduce and control the damage from recent scandals involving Cambridge Analytica and Russian interference in the Brexit vote as well as the US elections. These issues have been compounded after the implementation of the GDPR and Facebook has been forced into a position where it must address its lax internal controls (Hearn, 2018). These belated attempts at introducing

internal controls have also resulted in significant costs, with these costs increasing at a faster pace than profits (Pratley, 2018). This has also resulted in reductions in share prices (ibid).

These issues can be analysed using two perspectives and the first of these is the organisational lifecycle perspective (Lester, Parnell and Carraher, 2003). According to Lester et al., (2003) such issues are typical of maturing firms that do not have the administrative structures in place to effectively address these issues. The authors indicate that a more hierarchical structure may be required to manage these issues. These issues can also be attributed to what Miles and Snow (1978), referred to as a reactor orientation. A company has a reactor orientation when they simply react to market challenges, without having a strategic plan in place. Facebook's responses to recent challenges is reminiscent of the reactor orientation and this is having a detrimental impact on the organisation.

Implications of Chosen Strategic Directions

This section provides a critique of two of the strategic directions that are being taken by the organisation; M&A and damage control.

M&A

Despite the many successes that have been achieved by Facebook through its M&A based strategy, there are certain drawbacks, which may have negative implications for the organisation. To begin with, this strategy must be evaluated against the key objectives that motivate the organisation to follow this course. The strategy has largely been successful in terms of insulating the organisation from competitive threats and in increasing its market share, which were two key objectives behind the purchase of rivals such as Instagram and WhatsApp. However, it is debatable whether or not this strategy will be effective for the third objective of innovation and new technology development.

According to research by Davidson (1991) empirical research indicates that acquisitions typically do not lead to innovative outcomes and this is due to two main barriers. The first is information asymmetry between the acquiring firm and the target firm. Managers of the acquiring firm, must rapidly absorb information that enabled the target firm to succeed with its innovation and Davidson (1991), states that complete absorption of information is not possible in many instances. Davidson (1991), also highlights cultural differences that prevent key synergies from being realised and this results in a lack of innovation. As stated earlier it is unclear, whether or not Facebook's acquisitions will enable it to develop marketable VR and AI as the company is yet to reach any significant breakthroughs in these fields.

A second issue relates to the fact that target firms are almost always overvalued with prices above market value being offered to encourage the target firm owners to sell (Coff, 2002). According to Coff (2002), such acquisitions do not give sufficient consideration to the needs of the shareholders of acquiring firms, who tend to experience losses in share value as a result of the acquisition. There is evidence that Facebook paid above market value for the acquisition of these shares (Dolata, 2017) and while this did not lead to the immediate loss of share value, its current predicament indicates that a greater focus on the core business may have been more profitable.

A third key disadvantage of this strategy relates to the potential for legal sanction due to the breach of anti-trust laws (Martynova and Renneboog, 2008). Facebook's fellow tech giant Google has already faced a penalty amounting to \$5 billion imposed by the EU for an alleged breach of antitrust regulations (Chee, 2018) and Facebook's continued acquisition of competitors may result in similar sanctions. Lastly, this

Damage Control

Facebook's recent attempts at damage control with regards to the Cambridge Analytica and other political scandals, as well as its highly dubious motives for wanting to provide internet access to the poor have resulted in a significant loss of image. This can be attributed to an ineffective CSR strategy that is extremely cynical and based on rhetoric that cannot be substantiated. According to Polonsky and Jevons (2009), disingenuous CSR strategies can be highly counter-productive as the already cynical public will find another reason to dislike the brand. This is a particularly serious issue for the Facebook brand and the organisation must adopt a more proactive approach to CSR, if it is to recover its reputation.

Facebook must also be aware of how steps that it may take to ingratiate itself with the Chinese government may be perceived by the wider world. Google has recently come under intense criticism over an attempt to develop a bespoke censored search engine for the country (Moon, 2018) and Facebook must ensure that it does not abandon values of corporate citizenship in order to gain access to a new market.

Conclusions and Recommendations

This report has analysed Facebook Inc.'s competitive strategy by highlighting key environmental challenges and assessing the extent to which these are being overcome and exploited by the company. Three recommendations have been presented below, which are aimed at addressing key deficiencies in Facebook's existing strategy

1. It is recommended that Facebook identify additional revenue streams to target within its core business as its current revenues are restricted to advertising. Its dependence on advertising may impact future growth as the current interface does not provide additional space that can be used for ad placement. Moreover, reliance on one revenue stream is considered to be a high risk strategy for Web 2.0 platforms such as Facebook (Simon, 2013).

2. It is recommended that Facebook limit its corporate acquisitions for the foreseeable future, in order to avoid legal sanction and to focus on its core business as a social media platform. Directing funds reserved for acquisitions towards the pre-emptive removal of problems related to privacy, inaccurate information and other unforeseen problems will improve the company's image and add to its user base. Moreover, a greater emphasis on the core business may also result in the development of new dynamic capabilities.

3. It is recommended that Facebook develop a CSR strategy that is based on genuine engagement and a genuine desire to contribute to the reduction of social and environmental ills. A commitment to values is critical for Facebook at this sensitive stage in its life and could determine the success or failure of its future strategy

Bibliography

- Ansoff, I. (1957). Strategies for Diversification. *Harvard Business Review*, 35(5), pp.113-24.
- Bershidsky, L. (2017). *2017 Was Bad for Facebook. 2018 Will Be Worse.* [online] Bloomberg.com. Available at: <https://www.bloomberg.com/view/articles/2017-12-14/2017-was-bad-for-facebook-2018-will-be-worse> [Accessed 7 Aug. 2018].
- Chee, F. (2018). *Europe hits Google with record \$5 billion antitrust fine, appeal ahead.* [online] Reuters. Available at: <https://www.reuters.com/article/us-eu-google-antitrust/europe-hits-google-with-record-5-billion-antitrust-fine-appeal-ahead-idUSKBN1K80U8> [Accessed 8 Aug. 2018].
- Coff, R. (2002). Human Capital, Shared Expertise, and the Likelihood of Impasse in Corporate Acquisitions. *Journal of Management*, 28(1), pp.107-128.
- Constine, J. (2018). *Zuckerberg owns or clones most of the “8 social apps” he cites as competition.* [online] TechCrunch. Available at: <https://techcrunch.com/2018/04/11/facebook-competition/> [Accessed 8 Aug. 2018].
- Davidson, K. (1991). Why Acquisitions May Not Be the Best Route to Innovation. *Journal of Business Strategy*, 12(3), pp.50-52.
- Deloitte (2015). *Facebook's Global Economic Impact.* Deloitte.
- Denning, S. (2018). *Why Facebook Faces A Foggy Future.* [online] Forbes.com. Available at: <https://www.forbes.com/sites/stevedenning/2018/03/29/why-facebook-faces-a-foggy-future/#6cc43e2b4be4> [Accessed 8 Aug. 2018].
- Dolata, U. (2017). *Apple, Amazon, Google, Facebook, Microsoft Market Concentration – Competition – Innovation Strategies.* University of Stuttgart.
- Facebook Inc (2015). *Annual Report 2015.* Facebook Inc.
- Hagedoorn, J. and Duysters, G. (2002). External Sources of Innovative Capabilities: The Preferences for Strategic Alliances or Mergers and Acquisitions. *Journal of Management Studies*, 39(2), pp.167-188.
- Hern, A. (2018). *New Facebook controls aim to regulate political ads and fight fake news.* [online] The Guardian. Available at: <https://www.theguardian.com/technology/2018/apr/06/facebook-launches-controls-regulate-ads-publishers> [Accessed 7 Aug. 2018].
- Kim, W. and Mauborgne, R. (2004). *Blue ocean strategy.* 1st ed. Boston: Harvard Business School.

- Lester, D., Parnell, J. and Carraher, S. (2003). ORGANIZATIONAL LIFE CYCLE: A FIVE-STAGE EMPIRICAL SCALE. *The International Journal of Organizational Analysis*, 11(4), pp.339-354.
- Levy, A. (2018). *The 3 Biggest Challenges Facing Facebook*. [online] The Motley Fool. Available at: <https://www.fool.com/investing/2018/06/02/the-3-biggest-challenges-facing-facebook.aspx> [Accessed 8 Aug. 2018].
- Martynova, M. and Renneboog, L. (2008). A century of corporate takeovers: What have we learned and where do we stand?. *Journal of Banking & Finance*, 32(10), pp.2148-2177.
- McCracken, H. (2017). *Inside Mark Zuckerberg's Bold Plan For The Future Of Facebook*. [online] Fast Company. Available at: <https://www.fastcompany.com/3052885/mark-zuckerberg-facebook> [Accessed 8 Aug. 2018].
- Miles, R. and Snow, C. (1978). Organizational Strategy, Structure, and Process. *Administrative Science Quarterly*, 23(4), p.652.
- Moon, M. (2018). *Senators grill Google over rumored China search engine*. [online] Engadget. Available at: <https://www.engadget.com/2018/08/05/google-censored-search-engine-china-senators-letter/> [Accessed 8 Aug. 2018].
- Mozur, P. (2018). *China Said to Quickly Withdraw Approval for New Facebook Venture*. [online] Nytimes.com. Available at: <https://www.nytimes.com/2018/07/25/business/facebook-china.html> [Accessed 8 Aug. 2018].
- Polonsky, M. and Jevons, C. (2009). Global branding and strategic CSR: an overview of three types of complexity. *International Marketing Review*, 26(3), pp.327-347.
- Porter, M. (1979). How Competitive Forces Shape Strategy. *Harvard Business Review*, 59(2), pp.137-45.
- Porter, M. (1980). *Competitive strategy*. 1st ed. Free Press.
- Pratley, N. (2018). *Facebook's share price slump is justified by uncertain outlook | Nils Pratley*. [online] The Guardian. Available at: <https://www.theguardian.com/business/nils-pratley-on-finance/2018/jul/26/slump-in-facebooks-share-price-is-justified-by-uncertain-outlook> [Accessed 8 Aug. 2018].
- Ray, J. (2011). Facebook: A Case Study of Strategic Leadership. *SSRN Electronic Journal*.
- Richards, A. (2018). *Facebook trainees told 'leave violent videos online to improve user experience'*. [online] Evening Standard. Available at: <https://www.standard.co.uk/news/world/facebook-trainees-told-leave-violent-videos-online-to-improve-user-experience-a3889166.html> [Accessed 8 Aug. 2018].
- Simon, P. (2013). *The age of the platform*. Las Vegas: Motion Publishing.

- Smith, E. (2018). *The techlash against Amazon, Facebook and Google—and what they can do*. [online] The Economist. Available at: <https://www.economist.com/briefing/2018/01/20/the-techlash-against-amazon-facebook-and-google-and-what-they-can-do> [Accessed 8 Aug. 2018].
- Smith, K. (2017). *25 Facebook Advertising Statistics That Will Blow Your Mind*. [online] Digital Marketing Blog. Available at: <https://www.lyfemarketing.com/blog/facebook-advertising-statistics/> [Accessed 8 Aug. 2018].
- Standberry, S. (2017). *The Best Social Media Platforms for Social Media Marketing in 2018*. [online] Digital Marketing Blog. Available at: <https://www.lyfemarketing.com/blog/best-social-media-platforms/> [Accessed 8 Aug. 2018].
- Statt, N. (2017). *Mark Zuckerberg just unveiled Facebook's new mission statement*. [online] The Verge. Available at: <https://www.theverge.com/2017/6/22/15855202/facebook-ceo-mark-zuckerberg-new-mission-statement-groups> [Accessed 8 Aug. 2018].
- Teece, D., Pisano, G. and Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), pp.509-533.
- Wagner, K. and Molla, R. (2018). *Facebook lost around 2.8 million U.S. users under 25 last year. 2018 won't be much better..* [online] Recode. Available at: <https://www.recode.net/2018/2/12/16998750/facebooks-teen-users-decline-instagram-snap-emarketer> [Accessed 8 Aug. 2018].