

<address redacted>

April 22, 2013

Mark Zuckerberg, CEO
Facebook, Inc.
1601 Willow Road
Menlo Park, CA 94025

Dear Mark Zuckerberg:

As an avid user of Facebook, I would like to address several possible changes that may increase the revenue of Facebook as well as help Facebook thrive and succeed in the future as the internet moves from Web 2.0 to Web 3.0 (mobile). I am proposing that Facebook start contests to produce new features or make creative designs for Facebook. These contests should be voted on, and should count as part of the decision in the winner. These contests will create a community among Facebook and promote brand loyalty. Another proposal is modifying the newly launched Facebook Home on Android phones. I suggest that Facebook Home still control the full lock screen with scrolling newsfeed updates, but change into widget form once the user unlocks their phone. This allows the user to customize his phone more but still gives Facebook the platform to advertise and constantly be in users' lives.

Through these different changes I believe Facebook can continue to thrive off of the human need for communication. Through keeping in touch with what users want as well as taking their innovative ideas seriously, Facebook can continue to produce features that will keep it relevant for years to come.

Sincerely,

Introduction

The era of the internet for public use is still very new- social networking through the internet is even newer. Beginning with the birth of Xanga, social networking sites have since been attempting to figure out how to keep and attract new users as well as succeed in being a profitable company. Facebook has been able to draw in different generations (teens, parents, young adults) and it is the first to successfully do that on a massive basis for such a significant amount of time. It has been able to do this by adding new innovative features and growing upon the brand that the company has created for itself as being the “it” networking site to keep in touch with relatives and friends alike.

Scope

As of now, Facebook’s sole source of revenue is through advertisements. Mr. Zuckerberg, I believe that in order for Facebook to continue to be profitable, Facebook must leverage its popularity with the world to gather revenue. In 2012, Facebook spent 4.5 billion dollars on advertising but only received 5 billion dollars of revenue. In comparison, Google spent 37.4 billion dollars and received more than 50 billion dollars in revenue. Clearly, Facebook needs to reconsider how to most efficiently capture its one billion users’ wallets. To do this, I propose that Facebook interacts with users more by involving them. This will not only create a more loyal Facebook following (who will be less likely to switch to a competing social networking site), but also excite users to also help Facebook succeed.

Contests

Facebook should crowdsource by creating contests for users. These contests can vary from things such as creating an innovative ad for a new Facebook product, creating a new and useful feature for Facebook, or creating a new Facebook game. For ads, contest submissions should be fully complete with an essay describing the background and idea of the ad. For features and games, since it would be difficult to test, would remain as mock-ups with a description of the product or game. These contests will have incentives such as monetary rewards, the winning user name being displayed on Facebook, or that his product will be seen by the entire Facebook community.

These contests should not only involve creative users, but also users in general by allowing votes to count towards the winning product. For example, in the popular TV show *Dancing with the Stars*, the average American watcher becomes invested in the show because they want to see their preference win

and play an active part in it by voting for them. Dancing with the Stars engages the audience and has them actively participate in it.

Users would be allowed to vote once a day per contest. By allowing users to vote daily, it creates a reason for users to sign into Facebook. Contests should also contain a live feed of the rankings of each contests and how many votes behind one submission is from the next. For example: Johnny Moon is 10 votes behind Melanie Smith for third place. This will not only create competitiveness among users but also provide incentive for users to continue voting for their preferred contest submission. The live feed of rankings provide another incentive for users to continue to log in to Facebook as it will continually update users on the placement of their preferred submission. By engaging users, Facebook can create more investment towards the website and keep users from straying towards competing websites.

Competitions are also a great way to market Facebook as well. Although Facebook has become a household name, not everyone has a Facebook account. Because voting will be involved in determining the winner, contestants and their friends will ask friends and family members who do not have accounts to register and vote for them. Contests will provide an incentive for people to create accounts to support friends and family. Once an account has been created, this gives Facebook an opportunity to entice these users to continue to log in to Facebook.

Competitions will not only help market Facebook, but also help Facebook to be more profitable. In comparison to costs of normal advertising, contests which require no production value cost significantly less. Therefore, Facebook would be cutting advertising costs while continuing to promote the website as well as creating brand loyalty. The contest would not need advertising outside of Facebook and instead could rely on word of mouth from Facebook users. The costs of contests would only consist of hiring staff to manage the contest, as well as if monetary rewards will be provided to the winner.

Facebook Home

With the recent invention of smartphones, the internet has had to adjust to the tiny screen of touchscreens. Using the internet through smartphones has quickly become one of the most-used ways and in order for Facebook to take advantage of this, they must be forward-thinking. Facebook Home is Facebook's new product to compete in the Mobile market by allowing Facebook to be at the forefront of the phone so that users can be updated instantly without having to go to a separate app and open it up. As many people now carry their phones with them at all times, Facebook Home integrates itself

into the lives of its users, making itself irreplaceable. Facebook intends for following versions of the app to include advertisements, in hopes of capturing revenue from the Mobile age. However, Facebook Home has been met with varying degrees of criticism. Facebook Home has been criticized as being only an app for Facebook fanatics as most users do not want Facebook to overtake their phone.

The core of Facebook's strategy allows the website to take over a user's phone and essentially "Facebook-ify" it so that users will become accustomed to always having keeping in touch with others through Facebook. With Facebook Home, Facebook will always be in users' thoughts as it will show up as soon as a phone is turned on. This also allows Facebook with the advantage of putting ads up on a phone's home screen, essentially creating an advertising phone, and allowing Facebook to profit. However, Facebook Home has proved to invade too much into the phones of users.

As of now, Facebook Home displays newsfeed on both the lock screen as well as the wallpaper of the phone, not allowing widgets. The notifications tray at the top where time, battery life, and notifications are is minimized, making users tap the phone in order to check these things. Although this allows for Facebook to display pictures from edge to edge of the phone, this also makes it a hassle to check the time and battery life- both of which are essential components of the phone. To make Facebook Home more appealing to a wider audience, Facebook should instead let parts of Facebook Home overlay the Android interface instead of almost everything. Facebook should still be the lock screen, so that every time the user turns on their phone, Facebook has the opportunity to update them on their social network and advertise. Facebook Home should allow for widgets on the home screen, allowing for easier access to other parts of the phone which are obscured because of having Facebook newsfeed as the phone user's wallpaper. Facebook Home should take up part of the screen, like weather widgets. Weather widgets display on the entire horizontal plane of the phone but only takes up part of the height of the phone. This allows for Facebook to always be displayed on a phone, but not overtake the entire screen. With Facebook as a widget, this would allow users to continue to use their phone to cater to their specific needs while still allowing Facebook to always be present in users' lives. This widget would display at all times like weather widgets and like the wallpaper Facebook Home currently is, allow for swiping to read new newsfeed items. In between newsfeed items, advertisements would appear, allowing for Facebook to take advantage of the mobile market. Also, when the widget is double tapped, it can be made full screen, like Facebook Home currently is. This way, users are given an option of

whether to keep Facebook to a minimum, or be able to enjoy Facebook in full screen.

It is crucial to make Facebook Home marketable in order for Facebook to break into the mobile market and successfully compete with mobile apps such as Instagram and Vine as the mobile market is the future of the internet. Facebook Home is a good start in penetrating the mobile market. However, it has only captured a very niche market of Facebook fanatics and must attract much more of their active users to download the app in order to stay relevant in the future. By making Facebook Home more attractive to a larger audience by detracting from its intrusive overlay, Facebook can not only stay relevant in the future, but also stay profitable by allowing for advertisements to be shown through the app, which will always be displayed on phones.

Overview

At the core of these new ideas, is involving and listening to the user. I believe the user is the reason why the company is able to exist. Through contests, Facebook will not only be able to cut costs as well as increase profitability, but also connect with users on a more interactive basis. This will strengthen the relationship between Facebook and its users which will lead to a strong fanbase. With the improved Facebook Home, this will allow for more mass appeal and allow Facebook to penetrate into the mobile market. With these new and innovative ideas, Facebook can continue to stay relevant in everyone's lives as well as continue to prosper as a profitable company.

**What are Facebook's
problems and how can they
be solved?**

Profitability

Advertising Revenue and Costs as of 2012

Facebook

Revenue: 5 billion

Cost: 4.5 billion

Net: **0.5 billion**

Google

Revenue: 50 billion

Cost: 37.4 billion

Net: **12.6 billion**

Contests

What can Facebook Learn from Dancing with the Stars?

 <p>Jennie Garth Derek Hough</p> <p>3401</p>	 <p>Cameron Mathison Edyta Sliwinska</p> <p>3407</p>
 <p>Josie Maran Alec Mazo</p> <p>3402</p>	 <p>Floyd Mayweather Karina Smirnoff</p> <p>3408</p>
 <p>Sabrina Bryan Mark Ballas</p> <p>3403</p>	 <p>Helio Castroneves Julianne Hough</p> <p>3409</p>
 <p>Marie Osmond Jonathan Roberts</p> <p>3404</p>	 <p>Albert Reed Anna Trebunskaya</p> <p>3410</p>
 <p>Melanie Brown Maksim Chmerkovskiy</p> <p>3405</p>	 <p>Mark Cuban Kym Johnson</p> <p>3411</p>
 <p>Jane Seymour Tony Dovolani</p> <p>3406</p>	 <p>Wayne Newton Cheryl Burke</p> <p>3412</p>

Dancing with the Stars is:

- Engaging
- Exciting
- Interacts with audience

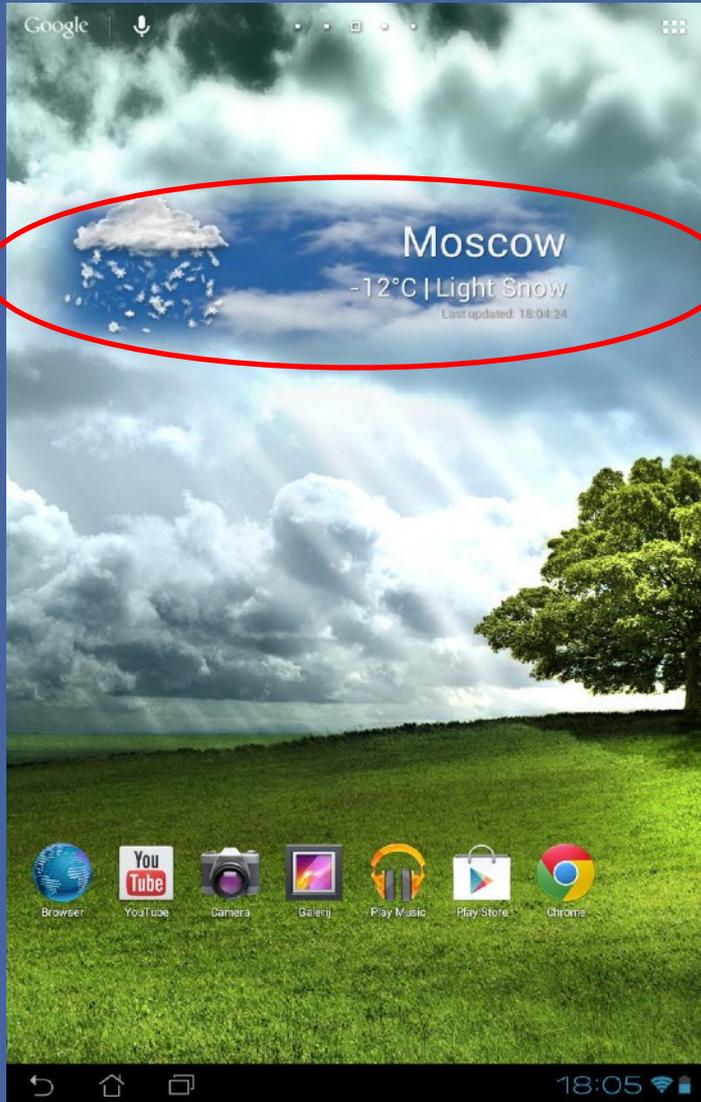
Facebook SHOULD:

- Interact with users
- Create excitement for the site
- Take advantage of its popularity

Current Facebook Home



Modified Facebook Home



- Allows viewers to still use phone for other purposes
- Widget can be made bigger or smaller
- Ability to “fullscreen” Facebook Home
- Non- intrusive

Overview

- Facebook will be more profitable through mobile advertisement
- Facebook will develop a more loyal base of users
- Facebook will succeed in the mobile market
- Facebook can stay relevant through interaction with users

Thank you!