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# Facebook's stock price

By Miklos Sarvary

**Today's 8pm News on French TV reviewed the evolution of Facebook's stock price - an interesting move from a rather 'business unfriendly' medium. Or was it, maybe, jealousy the motivating factor? "See those 20-year billionaires in the US; their success is all bogus...."**

Putting media bias aside, it is hard not to wonder about the steadily declining stock price of Facebook. The obvious answer is that the site has done badly in monetizing its huge user base. Advertising alongside Facebook pages doesn't really work and the company hasn't revealed plans on developing alternative sources of revenue. But this can barely be the cause of the recent slide for the simple reason that people knew this before Facebook's introduction to Wall Street. Also, let us remember that the user base is still very active - a lot of corporations and brands have most of their online presence materialize via their Facebook page. There doesn't seem to be an alternative website or medium emerging either, one to which people flee in mass.

My hypothesis is that what we see is simply the cash-out of insiders. They were patiently waiting for their shares and now they are ready to sell them and leave. In fact, the News mentioned that three of the top executives are leaving the company. All this of course worries uninformed investors in a pretty bearish economic climate which can reinforce the sell off.

Bottom line: let's not burry Facebook yet. After all, even at the current price the company is still worth - what? - 50 billion dollars?

**Find article at**

<https://knowledge.insead.edu/marketing/facebooks-stock-price>

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