
Multi-Homing on Social Networks



By Miklos Sarvary , Carson Family Professor of Business at Columbia Business School

Facebook is not going to become irrelevant just because its users also browse other social networks

A recent Pew survey cited in this [FT article](#) confirms that about 40% of adults divide their time between Facebook and another social networking platform. Professionals tend to spend a significant amount of time on LinkedIn besides Facebook (not a surprise) and a large proportion of women tend to use Pinterest besides Facebook.

This is consistent with economic theory applied to platform competition in the presence of local (as opposed to global) network effects. Our paper with Kaifu Zhang, currently at CKGSB, describes exactly this phenomenon and analyses how it may manifest itself in the presence of a 'dominant site' such as Facebook. If time spent on a platform relative to that spent on others is the relevant measure of market power, then worrying about Facebook's dominance has always been misplaced.

Can Facebook really be anything to anyone over the Internet? Not really... Similarly, I find silly the recent arguments that Facebook is becoming increasingly irrelevant because young people spend more time on chatting sites and less time liking each other's posts. People seem to look for another big thing to which everyone is likely to migrate. But the dynamics of the Web are strongly influenced by *local* network effects meaning that it is an ecosystem of strong platforms rather than one big site that is likely to dominate social networking. Facebook, with its billion plus active members is certainly a strong candidate to be part of this ecosystem. However, worries about adequate revenue models for the firms in the ecosystem are well justified: it is still not clear how such a fragmented attention base can be efficiently monetised.

Find article at

<https://knowledge.insead.edu/marketing/multi-homing-social-networks>

About the author(s)

Miklos Sarvary Miklos is a Carson Family Professor of Business at Columbia Business School and a former Dean of Executive Education at INSEAD.