

# Why did Google+ fail?

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**Despite offering an arguably better experience, Google's social network failed to unseat Facebook. Dr Andre Veiga examines why, and what it tells us about how social media users deal with choice**

If you told students the same class was on down the hall, but with free pizza and coffee, they would up sticks and move without being asked twice. But why don't we show the same mobility when it comes to social networks? **Even if there might be a better experience on offer, people tend to stay put.**

Consider the example of Google+, the tech giant's attempt at a social network to rival Facebook. It launched in 2011, only to struggle over the years to acquire users, despite offering, as some argued, a better experience. Google finally [consigned it to](#)

[the corporate graveyard](#) in 2019. This illustrates the advantage of established technology networks with the lion's share of users: they retain the upper hand. Economists call this "incumbency advantage".

This incumbency advantage of tech giants unsettles regulators and arguably makes for a poorer experience for individuals. If incumbent platforms know they are unlikely to lose users, they have little incentive to charge low prices and provide high quality.

## **How big is the incumbency advantage?**

Why are individuals so reluctant to leave an established social network, even if there's something better over the way? Some attribute Facebook's staying power to Mark Zuckerberg's talents, the superiority of the product, or better data. We have used a mathematical model to shed additional light on this question; our model allows us to understand how much better a new network must be before users choose to leave the incumbent platform. Or in other words, how much incumbency advantage matters.

One crucial feature of platform markets that we are considering is that people enjoy being where others are (what economists call "network effects"). Individuals enjoy using Facebook because lots of other people also use that network – people want to remain in the same network as each other.

Our model shows how these network effects make it unlikely individuals will leave an incumbent network. Imagine, for instance, a user debating whether she should switch from Facebook to Google+. Perhaps Google+ is better in terms of speed and user interface, but – as one unkind commentator described – the experience is [like a tumbleweed](#) blowing through the desert. This means she will delay moving to Google+ and continue using Facebook, knowing she can switch at any time. **If all users make the same decision, no one ever switches to Google+.**

Users behave like a large group of pedestrians trying to cross a busy road. In dribs and drabs or one at a time, they are unlikely to risk it. They're far more likely to be successful if they're inspired to cross together. Everyone ends up staying on the same side of the road, waiting for someone to take the first step. The same will hold true for moving social networks, according to our model. This reluctance to switch is perfectly rational from an individual viewpoint, but it ends up harming the group as

a whole.

## **Guidance for regulators on social media**

Surprisingly, our model shows **the more opportunities there are to switch platforms, the less likely it becomes that individuals will make the move.**

Suppose an individual only remembers to check Google+ once a year. If she doesn't switch at that time, and Google+ becomes extremely popular, she might miss out on the advantages of the new network for an entire year. Suppose now that individual checks every hour. She'll then be extremely comfortable with delaying a decision since she can change her mind soon. Paradoxically, more frequent chances to migrate can increase incumbency advantage.

Our model yielded another insight: the more opportunity people have to be on several platforms at once (commonly known as "multi-homing"), the more likely they are to migrate across platforms. Multi-homing makes it less costly to take that initial step, because you can be in two or more places at once. Our model highlights the positive impact of multi-homing on competition. Regulators should keep in mind the importance of features such as data portability among platforms, or the ability to conduct business on different platforms.

Interestingly, our theory shows too that, if platforms can commit in advance to limiting numbers who may sign up, this too spurs individuals to join. Fear of missing out may be a strong motivation: there's a risk they won't be able to move again in the future if the new platform has reached capacity.

## **Regulating competition among social media platforms**

Previously, authorities have acted mostly on intuition in the absence of an accurate means to assess the impact of proposed mergers and the circumstances that competitors require to thrive. Our model goes some way to providing antitrust regulators with the tools to assess and quantify the advantages held by established social platforms.

We also go some way to assessing just how much better a new platform needs to be to entice users to join. As we've seen in the case of Google+, offering only slight improvements in some areas just isn't enough to win people over, given the large incumbency advantage.

Big tech companies may throw up their arms at the prospect of regulation and argue competition is “only one click away”, but our model begins to show such arguments don’t account for network effects (which lead people to delay moving platform) and reveals the competitive advantage that gives incumbent platforms.

*This article draws on findings from ["Should I Stay or Should I Go? Migrating Away from an Incumbent Platform"](#) by Gary Biglaiser (University of North Carolina), Jacques Crémer (Toulouse School of Economics) and André Veiga (Imperial London).*

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## About André Veiga

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Dr André Veiga is an Associate Professor of Economics. He joined the Imperial Business School as an Assistant Professor of Economics in 2017. His research interests are in theoretical and empirical industrial organisation, especially insurance, credit and healthcare markets.

His research has appeared in journals including the American Economic Review, the Journal of Economic Theory and the RAND Journal of Economics.

Read [Andre's Imperial Profile](#) for more information and publications.

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