

Social Networking: What's the big deal?

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What are we talking about?

- Social Networking – Seems like it should be called something else...like virtual networking...or digital connections...
- In 2006, social networking grew 47% year over year. (Nielson Research)
- 45% of web users are involved in social networking of some sort.
- It's Reality TV on the net. (Nielson Research)
- “The content is relatively inexpensive for publishers to produce, and social networking is not a fad that will disappear. If anything, it will become more ingrained in mainstream sites, just as reality TV programming has become ubiquitous in network programming” (Nielson Research)
- “However, again like reality programming, the concept of ‘reality’ alone, or in this case ‘social networking,’ is not enough. In this competitive marketplace, sites also have to provide consumers with distinct content they can identify with.” (Nielson Research)

Who uses these sites?

- Young people as their primary communication device...
- Fisherman looking to find a honey hole in Galveston Bay
- New mothers looking for support
- Working mothers looking for advice
- Handymen sharing DIY tips
- Business people keeping contacts fresh
- Recruiters looking for good candidates
- Job Seekers looking for inside connections
- Musicians hoping to be heard.
- Advertisers looking for a more targeted audience.
- Cancer patients and their families sharing stories.
- Singles looking to meet.

Top 10 Sites

| Site | April 2005 | April 2006 | YOY Growth |
|-------------------|------------|------------|------------|
| My Space | 8,210,000 | 38,359,000 | 367% |
| Blogger | 10,301,000 | 18,508,000 | 80% |
| Classmates Online | 11,672,000 | 12,865,000 | 10% |
| YouTube | N/A | 12,505,000 | N/A |
| MSN Groups | 12,352,000 | 10,570,000 | -14% |
| AOL Hometown | 11,236,000 | 9,590,000 | -15% |
| Yahoo! Groups | 8,262,000 | 9,165,000 | 11% |
| MSN Spaces | 1,857,000 | 7,165,000 | 286% |
| Six Apart TypePad | 5,065,000 | 6,711,000 | 32% |
| Xanga.com | 5,202,000 | 6,631,000 | 27% |

Source: Nielsen//NetRatings, May 2006

Local Examples

- **Yippykya.com:**
 - Social networking for people who want to become stars or get rich. The site's theme is "Meet Friends, Make Money and Get Discovered." Members, known as "Yippys," can post their photos, videos or music and open online stores to sell their wares. The site takes a percentage of sales.
 - Went live: Sept. 1, 2007
 - Founder: John Reger got his entrepreneurial start at 17 starting a car stereo business, which he said he grew and sold in 1995 for \$5 million. He then dabbled in real estate before creating Yippykya in 2006.
 - Members: 100,000
 - Vision: Put actors discovered on Yippykya in Hollywood movies. Become one of the most visited Web sites on the planet. Go public within two years.
- **Sk-rt.com**
 - "Digg for chicks" is how they describe it. It plays off the popular Digg site, which posts links to stories based on users' votes. Sk-rt does the same thing, with stories of interest to women visiting the site.
 - Went live: July 30, 2007
 - Founders: Laura Mayes in Houston collaborating with women in New York, San Francisco and North Carolina.
 - Members: More than 5,000
 - Vision: All the women have full-time jobs outside of Sk-rt, and they're not pushing for huge growth. They'll start selling some advertising soon to cover expenses. Other than that, "We're just kind of rolling with it," Mayes said.

Local Examples

- OpMom.com
 - Social networking for moms. Operation Mom taps "the collective wisdom of thousands of mothers of all ages, sharing advice and ideas around the world's largest coffee table."
 - Went live: September 2007
 - Founder: Carrie Pacini was an IT executive and entrepreneur who combined that experience with her motherhood.
 - Members: 8,000
 - Vision: Increasing the number of users. Hopes to be acquired in 12-18 months.
- Natuba.com
 - Provides one jumping-off point with links to users' various content-sharing sites such as MySpace, YouTube and Flickr.
 - Went live: Aug. 31, 2007
 - Founder: Richard Yoo made millions starting San Antonio-based Rackspace and turning it into Texas' largest Web hosting company. Natuba is his first launch since moving to Houston last year.
 - Members: Won't say.
 - Vision: To be determined. One option is getting it established and then finding a venture capital firm to invest and bring in its own management, which would free its creator, Yoo's Hush Labs, to go back to other projects.

Local Examples

- CareFlash.com
 - Lets people create free Web sites to keep friends and relatives up to date as someone battles an illness or injury. Features animations of illnesses to educate people about what's wrong.
 - Went live: January 2007
 - Founder: Jay Drayer, who has a finance background, saw the need when his father-in-law spent two months in the hospital, and relatives struggled to keep a large circle of friends and family updated.
 - Members: Fewer than 1,000
 - Vision: Adding about 100 users per week. Drayer hopes for 100 per minute to provide a large enough audience for advertising dollars.
- iRazoo.com
 - "Social search engine." Think Google, but the sites that show up at the top of the search results are determined by users' votes, not by how the search engine's programming ranks them.
 - Went live: June 2, 2007
 - Founder: Neal Verma and three friends built the site after getting frustrated with the results they were getting from Google, Yahoo and other search engines.
 - Members: 70,000 users per month
 - Vision: Looking for investors so they can market the site. Hoping to draw one million users per month within nine months.

Local Examples

- **HoustonBuddy.com**
 - Online meeting place for Houston residents of all ages who are interested in caring, responsible and healthy lifestyles.
 - Born: July 15, 2007
 - Founder: Donny Crouch, 23, had created online message boards but wanted a better forum for Houstonians who "care about other people" to be able to find each other.
 - Members: About 300
 - Vision: Crouch wants to attract as many new members as he can, but he said he hasn't given much thought to the long term.

Source: Houston Chronicle – 10/14/2007

Best for Business

- Linked-In (www.linkedin.com)
 - Find potential clients, service providers, subject experts, and partners who come recommended
 - Be found for business opportunities
 - Search for great jobs
 - Discover inside connections that can help you land jobs and close deals
 - Post and distribute job listings
 - Find high-quality passive candidates
 - Get introduced to other professionals through the people you know
- Plaxo (www.plaxo.com)
 - Plaxo, Inc. keeps people connected by solving the common and frustrating problem of out-of-date contact information.
- XING (www.xing.com)
 - Similar to Linked-in and Plaxo, but more International.
- RYSE (www.ryse.com)
 - Personal Improvement

More Sites

Check the WIKIPedia...

http://en.wikipedia.org/wiki/List_of_social_networking_websites

or just Google it...

Topics for Discussion

- Which ones are best for me?
 - Who/What are you looking to find/learn more about?
 - Industry Groups
 - Social Connections
 - Affinity Groups
- Better for business or pleasure?
- How do they work?
 - Peer-to-Peer Networking
 - Portals
- Where is it headed?
 - Big companies are getting involved
 - Google, Yahoo, Microsoft, Time Warner, News Corp, Disney, New York Times

The Good

- A new twist on an old theme – People talking to People.
- Another useful tool in the arsenal of the consummate networker.
- Great for re-connecting with the fringe of your life/career circle of friends.
- Adds credibility to broadcast information.
- Membership has its privileges.
- The 6 degrees rule – proven.
- Knowledge Management.
- Targeted.

The Bad

- Can be a crutch instead of a tool.
- Some services are too open – begins to look like SPAM.
- Bloggers beware: What you write is saved in perpetuity...
- Too much of a good thing...is a bad thing
- Cultural impact on globalization