

Technology Trends in Social Networking

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The burst of the Dot-com bubble helped spur entirely new uses of the Internet, known as "Web 2.0." While this label is criticized as a buzzword and a misnomer by some, its influence on a "new generation of Internet applications" is irrefutable.¹ "Defining characteristics of Web 2.0" include collective intelligence, interactive services and a greater degree of user control over data.² These elements have given rise to a new form of Website: the social network. The Pew Internet & American Life project defines social networks as sites where users can create a profile and connect to "other profiles for the purposes of creating a personal network."³

The number of social networks has expanded to include offerings for a variety of interests and communities. LinkedIn, the leading social network for professionals, "drew 4.9 million visitors" in October of 2007, up from 1.7 million in 2006.⁴ Membership at Club Penguin, a site for 6 – 14 year old children, now stands at 3.8 million users, up 157% in one year. These are eclipsed by the youth oriented MySpace and Facebook, with 58.8 and 19.5 million users, respectively. Businesses are actively engaging this medium, as a presence on social network sites supports community building and advertising to a captive audience.⁵ Given the collaborative nature of the medium, entry and participation by businesses must be carefully approached.⁶

Competition between the major social media sites has become fierce in recent months due to maturation of advertising. One critical trend in this space is providing highly targeted advertisements.⁷ Both Facebook and MySpace announced in November advertising platforms that allow for targeting based on users content and interests. This activity has earned significant interest by

¹ Madden, M. and Fox, S. (Oct. 5, 2006). Riding the Waves of "Web 2.0", 1. Pew Internet Project.

² Madden, M. and Fox, S. (Oct. 5, 2006), 1.

³ Lenhart, A. and Madden, M. (Jan. 3, 2007). Social Networking Websites and Teens: An Overview, 1. Pew Internet Project Data Memo. Pew Internet & American Life Project.

⁴ Walsh, M. (Nov. 15, 2007). Linked-In: Fastest Growing Social Network. MediaPost Publications.

⁵ Knowledge@Wharton (Dec. 12, 2007). Social Marketing: How Companies Are Generating Value from Customer Input. The Wharton School of the University of Pennsylvania.

⁶ Knowledge@Wharton (Dec. 12, 2007), 4.

⁷ Knowledge@Wharton (Dec. 12, 2007). Who Owns You? Finding a Balance between Online Privacy and Targeted Advertising, 2. The Wharton School of the University of Pennsylvania

corporations: Facebook and Microsoft signed a 250 million dollar agreement securing banner advertising through 2011.⁸ Businesses are struggling to define the privacy boundaries in this dynamic space. One advertising application, Facebook's Beacon, spoiled holiday surprises by displaying a user's purchase history.⁹

Social networks entertain users and bolster collaboration through applications, colloquially known as "apps."¹⁰ The common theme for applications includes the ability to share content, such as music, video and contacts with other users.¹¹ While Facebook has over 8000 applications, most are "fluff designed for adolescents"¹² including "Who Is Your Ideal Mate?" and "My Heroes Ability."¹³ College bound students can use *College Planner* to apply to schools from within Facebook. Applications often interact with real-life. MIT released a social networking application in December 2006 called "friendspotting". This tool, accessible from the campus network, allows "members of the MIT community the ability to accurately calculate their location on campus" and share it with others.¹⁴ Monetization of applications will first come in advertising.¹⁵

The latest trend in social networking has been the standardization of applications. In November 2006, a consortium of web properties and networks founded OpenSocial, a framework that allows the creation of "social applications across multiple websites."¹⁶ Championed by Google, members include major social networks such as MySpace, Orkut, LinkedIn and

⁸ Spirison, B. (Dec. 10, 2007). Turning the page on Facebook. Chicago Sun-Times
<http://www.suntimes.com/business/spirison/689465.CST-FIN-spir10.article>

⁹ Knowledge@Wharton (Dec. 12, 2007). Who Owns You? Finding a Balance between Online Privacy and Targeted Advertising, 1.

¹⁰ College Planner by Embark. Facebook.com. Retrieved Dec 17, 2007.
http://www.facebook.com/apps/application.php?api_key=0cb52e1a7b3d2ebc3116458537d20411

¹¹ Knowledge@Wharton (Nov. 14, 2007). Google: In Search of Itself, 1. The Wharton School of the University of Pennsylvania.

¹² Smith, A. (Nov 21, 2007). Facebook applications to make you smile. The Dallas Morning News.

http://www.dallasnews.com/sharedcontent/dws/bus/ptech/stories/DN-facebookbox_21bus.ART.State.Edition1.2a43d17.html

¹³ Facebook Applications Directory, Most Activity. Retrieved Dec. 11, 2007.
<http://www.facebook.com/apps/>

¹⁴ News Office (Dec. 13, 2006). SENSEable City reveals 'friendspotting,' new MIT social networking form. Massachusetts Institute of Technology. Retrieved Dec. 11, 2007.
<http://web.mit.edu/newsoffice/2006/ifind.html>

¹⁵ Noyes, K. (December 10, 2007). Clearspring Forms Network to Send Ads to Widgets. E-Commerce Times.

¹⁶ OpenSocial FAQ. Google.com. Retrieved Dec 15, 2007.
<http://code.google.com/apis/opensocial/faq.html>

salesforces.com. Information within member networks is accessed using standardized, publicly available tools. These social applications are deployed on existing social network sites or within other web properties.¹⁷ Benefits of this model: "users get a better experience around the web, developers get access to new audiences, and social sites get more applications."¹⁸ Facebook surprised the Web community on December 13th, 2007 when it announced that its application development platform would be available to other social network sites.¹⁹ The UK social network giant Bebo, with 40 million users, is the first to base site on the Facebook standard.²⁰

Social applications face three major concerns: standards, privacy and business use. The competition between the major social networks will continue to manifest itself in the respective application platforms. Such standards battles are not uncommon on the Internet, prompting companies to adopt competing models. Bebo also has plans to integrate with OpenSocial in 2008. Another issue at hand is how to best deal with privacy concerns. The volume of complaints Facebook received due to its Beacon launch is indicative of the level of privacy expected by users who put forth personal information in their profiles. Lastly, businesses have to determine how to best use social applications. While advertising will help attract new customers, there is no indication among tech-savvy industries how to best use the platform itself.

Strategic points for 2008

- Establish a presence on a social network, particularly LinkedIn. A group on LinkedIn provides branding and networking for members and costs nothing to setup.
- Evaluate long-term goals involving your website, content management system and other Web applications. Consolidations an integration of technologies is essential. Savvy organizations will incorporate social networks in the next 12 – 18 months.
- Begin a conversation on-line with your target community. This is a slow process and starts with listening. Be sure to use online resources, such as web-strategist.com and lexblog.com.

¹⁷ Andreessen, M (Oct. 31, 2007). Open Social: a new universe of social applications all over the web. http://www.cnet.com/8301-13642_1-9808278-41.html

¹⁸ Vora, A. (Dec. 13, 2007). Opening up Facebook Platform Architecture. Facebook.com

¹⁹ Vora, A. (Dec. 13, 2007).

²⁰ PRWeb (Dec. 12, 2007). Bebo Launches Open Applications Platform. PR Web.

- Keep an eye on OpenSocial and Google.