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A world of connections;

Martin Giles. The Economist. London: Jan 30, 2010. Vol. 394, Iss. 8667; pg. 3

Abstract (Summary)

Facebook, which celebrates its sixth birthday next month and is now the second most popular site on the internet after Google. The globe's largest online social network boasts over 350m users--which, were it a nation, would make Facebook the world's third most populous after China and India. That is not the only striking statistic associated with the business. Its users now post over 55m updates a day on the site and share more than 3.5 billion pieces of content with one another every week. As it has grown like Topsy, the site has also expanded way beyond its American roots: today some 70% of its audience is outside the United States. Although Facebook is the world's biggest social network, there are a number of other globetrotting sites, such as MySpace, which concentrates on music and entertainment; LinkedIn, which targets career-minded professionals; and Twitter, a networking service that lets members send out short, 140-character messages called "tweets". All of these appear in a ranking of the world's most popular networks by total monthly web visits, which also includes Orkut, a Google-owned service that is heavily used in India and Brazil, and QQ, which is big in China. On top of these there are other big national community sites such as Skyrock in France, VKontakte in Russia, and Cyworld in South Korea, as well as numerous smaller social networks that appeal to specific interests such as Muxlim, aimed at the world's Muslims, and ResearchGATE, which connects scientists and researchers. Going public

Full Text (1238 words)

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Online social networks are changing the way people communicate, work and play, and mostly for the better, says Martin Giles

THE annual meeting of the World Economic Forum in Davos, currently in progress, is famous for making connections among the global great and good. But when the delegates go home again, getting even a few of them together in a room becomes difficult. To allow the leaders to keep talking, the forum's organisers last year launched a pilot version of a secure online service where members can post mini-biographies and other information, and create links with other users to form collaborative working groups. Dubbed the World Electronic Community, or WELCOM, the forum's exclusive online network has only about 5,000 members.

But if any service deserves such a grand title it is surely Facebook, which celebrates its sixth birthday next month and is now the second most popular site on the internet after Google. The globe's largest online social network boasts over 350m users--which, were it a nation, would make Facebook the world's third most populous after China and India. That is not the only striking statistic associated with the business. Its users now post over 55m updates a day on the site and share more than 3.5 billion pieces of content with one another every week. As it has grown like Topsy, the site has also expanded way beyond its American roots: today some 70% of its audience is outside the United States.

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All this shows just how far online communities have come. Until the mid-1990s they were largely ghettos for geeks who hid behind online aliases. Thanks to easy-to-use interfaces and fine-grained privacy controls, social networks have been transformed into vast public spaces where millions of people now feel comfortable using their real identities online. ComScore, a market-research firm, reckons that last October big social-networking sites received over 800m visitors. "The social networks' greatest achievement has been to bring humanity into a place that was once cold and technological," says Charlene Li of the Altimeter Group, a consulting firm.

Their other great achievement has been to turn themselves into superb tools for mass communication. Simply by updating a personal page on Facebook or sending out a tweet, users can let their network of friends--and sometimes the world--know what is happening in their lives. Moreover, they can send out videos, pictures and lots of other content with just a few clicks of a mouse. "This represents a dramatic and permanent upgrade in people's ability to communicate with one another," says Marc Andreessen, a Silicon Valley veteran who has invested in Facebook, Twitter and Ning, an American firm that hosts almost 2m social networks for clients.

And people are making copious use of that ability. Nielsen, a market-research firm, reckons that since February 2009 they have been spending more time on social-networking sites than on e-mail, and the lead is getting bigger. Measured by hours spent on them per social-network user, the most avid online networkers are in Australia, followed by those in Britain and Italy (see chart 2). Last October Americans spent just under six hours surfing social networks, almost three times as much as in the same month in 2007. And it isn't just youngsters who are friending and poking one another--Facebook-speak for making connections and saying hi to your pals. People of all ages are joining the networks in ever greater numbers.

Social-networking sites' impressive growth has attracted much attention because the sites have made people's personal relationships more visible and quantifiable than ever before. They have also become important vehicles for news and channels of influence. Twitter regularly scores headlines with its real-time updates on events like the Mumbai terrorist attacks and on the activities of its high-profile users, who include rap stars, writers and royalty. And both Twitter and Facebook played a starring role in the online campaign strategy that helped sweep Barack Obama to victory in the presidential race. Delivery time

But like Mr Obama, social networks have also generated great expectations along the way on which they must now deliver. They need to prove to the world that they are here to stay. They must demonstrate that they are capable of generating the returns that justify the lofty valuations investors have given them. And they need to do all this while also reassuring users that their privacy will not be violated in the pursuit of profit.

In the business world there has also been much hype around something called "Enterprise 2.0", a term coined to describe efforts to bring technologies such as social networks and blogs into the workplace. Fans claim that new social-networking offerings now being developed for the corporate world will create huge benefits for businesses. Among those being touted are services such as Yammer, which produces a corporate version of Twitter, and Chatter, a social-networking service that has been developed by Salesforce.com.

To sceptics all this talk of twittering, yammering and chattering smacks of another internet bubble in the making. They argue that even a huge social network such as Facebook will struggle to make money because fickle networkers will not stay in one place for long, pointing to the example of MySpace, which was once all the rage but has now become a shadow of its former self. Last year the site, which is owned by News Corp, installed a new boss and fired 45% of its staff as part of a plan to revive its fortunes. Critics also say that the networks' advertising-driven business model is flawed.

Within companies there is plenty of doubt about the benefits of online social networking in the office. A survey of 1,400 chief information officers conducted last year by Robert Half Technology, a recruitment firm, found that only one-tenth of them gave employees full access to such networks during the day, and that many were blocking Facebook and Twitter altogether. The executives' biggest concern was that social networking would lead to social networking, with employees using the sites to chat with friends instead of doing their jobs. Some bosses also fretted that the sites would be used to leak sensitive corporate information.

This special report will examine these issues in detail. It will argue that social networks are more robust than their

critics think, though not every site will prosper, and that social-networking technologies are creating considerable benefits for the businesses that embrace them, whatever their size. Lastly, it will contend that this is just the beginning of an exciting new era of global interconnectedness that will spread ideas and innovations around the world faster than ever before.

Indexing (document details)

Subjects: Social networks, International, Popularity

Classification Codes 8331, 9180

Author(s): Martin Giles

Document types: Feature

Publication title: The Economist. London: Jan 30, 2010. Vol. 394, Iss. 8667; pg. 3

Source type: Periodical

ISSN: 00130613

ProQuest document ID: 1957870481

Text Word Count 1238

Document URL: http://proquest.umi.com.turing.library.northwestern.edu/pqdw_eb?did=1957870481&sid=1&Fmt=3&clientId=30032&RQT=309&VName=P_QD

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