CHAPTER 1

Social Media

An Overview

Social media has evolved from basic tools and Web sites used by professors and computer geeks into a behemoth that is fundamentally changing how people connect and converse with corporations, governments, traditional media, and each other. Until the advent of social media, organizations and traditional broadcast media had a stranglehold on the message. Most had the ability, and the desire, to ensure that communications were a simple monologue or, at the most, a very controlled two-way conversation. Without a widespread methodology for individuals to communicate information or opinions about an organization, commentary was limited to a small sphere of influence, mainly done through one-to-one communications—whether in person, on the phone, through the mail, or, more recently, via e-mail. While people would still get together and talk about political issues, brand name products, and their favorite meal at their local restaurant, the conversation was not scalable; it just simply had no way of reaching the masses.

The broader conversation was the job of the marketing and public relations teams. With sufficient resources, marketing could develop communications that could reach millions

through television, radio, and print publications. At the same time, public relations professionals were garnering the attention of traditional media outlets, getting their message out through established news outlets. In both cases, the job focused on pushing messages to the audience and hoping the messages were compelling enough to create the desired outcome.

As time progressed through the mid- to late-1990s, the consumer's ability to go from one-to-one to one-to-few was empowering. People's ability to have a voice that could be heard beyond their immediate sphere of influence was beginning to grow. Through more advanced bulletin board systems, Internet forums, online chat, and personal Web sites, the ability for an individual's voice to reach the masses was about to become a reality. While organizations still resided in "monologue mode," there was the growing realization that this was becoming a trend that would have to be reckoned with in the near future.

For some organizations, this was exciting news. It meant that the small business could have a voice and gain ground on larger organizations with massive advertising budgets. For organizations that wanted to gain a closer connection to their customers, this meant there was now a way to listen and hear what was being said about their organization and products, start a conversation, and potentially develop meaningful relationships with stakeholders. However, for those who were happy controlling the message, this was going to mean a significant change in their overall communications strategy—a change that many did not want to make.

Today, social media has rapidly become part of how people communicate. Over the past seven or eight years, it has transformed from a way people pass time to a significant part of personal and corporate culture. This is especially true as broadband Internet access has become ubiquitous throughout the world. With the ability to instantly upload text, images,

audio, and video content—and with the added dimension of immediate global access—traditional media methods have been distorted. This has empowered everyone to become a publisher, creating content and joining conversations regardless of the media format. While all of this opens up tremendous opportunities for businesses to grow closer to stakeholders, it also presents a brand new set of significant risks.

> Social media is like water. On its own, water does some cool things, but when combined with other compounds, it enabled the evolution of all forms of life. Social media on its own is nice, but when combined with other tools, it is enabling everything to evolve, from communications to business to politics to marketing.
>
> —Mike Volpe, VP Marketing, HubSpot

Definition of Social Media

There is no single recognized definition of social media. However, within the various descriptions that exist, it can be said that social media is the set of Web-based broadcast technologies that enable the democratization of content, giving people the ability to emerge from consumers of content to publishers. With the ability to achieve massive scalability in real time, these technologies empower people to connect with each other to create (or *co*-create) value through online conversation and collaboration.

It is important to note that the most significant outcome of applying these technologies is to help foster relationships with people. Whether it is as simple as helping families and friends stay connected or enabling a deeper connection with

consumers, employees, vendors, and investors, the global power of these relationships is not only impressive but also evolving rapidly. It is also important that social media not be solely bundled within an IT framework. While there have been new technologies developed that helped facilitate these interactions, for the most part, they do not represent a sweeping change in the risks or auditing of the IT function.

History of Social Media

To gain insight into why social media is so popular and continues to rapidly evolve, it is important to look back and see how it has progressed over time. The following is a timeline of how Internet technologies began to embrace conversations and collaboration, from the early days of bulletin board systems to some of the latest trends in 2010. (We can't be held responsible for what happens from 2011 and beyond.)

1978–1989: The Conversation Begins—One-to-Few

Perhaps the first true social media tool was created back in 1978. The "Computerized Bulletin Board System" was the first form of communication that best meets the definition of social media. Developed by former IBM employee Ward Christensen, the value proposition was simple. Develop a program that would enable members of their community to post a message to others in the group. These were the typical messages about meeting times and locations, saving the community's organizers significant time in placing telephone calls. This was the first real case where an offline group used broadcast technologies to enable people to move beyond one-on-one conversation to "one-to-few." It also allowed for the democratization of their content, allowing members to post content as publishers and

deliver value through conversation and collaboration with other group members. While limited in scope, it was also a productive solution, especially considering that potentially dozens of phone calls would have to be made to convey the same message as a single post.

As the practicality of these bulletin boards grew, so did the functionality. While limited in bandwidth and typically not available to the average person, members of these "virtual communities" were able to engage in conversations, converse in message boards, access documents contributed by other community members, and so on. The electronic conversation was beginning.

1990–1994: User Adoption 1.0—The Internet Comes Alive

At the beginning of the 1990s, Internet access was primarily available to government, military, and academic organizations. It wasn't until 1993–1995 that access really opened up to everyone when Internet service providers (ISPs) began to offer services in most major U.S. cities. During this time, Prodigy and CompuServe emerged as the leaders, gaining critical mass in the commercial and in-home markets. In the mid-1990s, America Online (AOL) also gained significant popularity with consumers through aggressive advertising and the direct mailing of millions of CDs to consumers. These providers opened up the Internet to individuals through a more refined user interface that allowed them to participate in forums and develop and host basic Web sites.

While still rudimentary in nature, these exchanges were the first steps at a scalable social media solution. Though these services did not maintain their initial popularity, they can be attributed with enabling millions of commercial and home users the opportunity to enjoy their first interactive experiences—including the introduction of e-mail.

1995–1999: The Conversation Takes a Breath—The Dot-com Bubble

The period 1995 through 1999 saw an incredible boom in Web technologies (browsers, Web site design, etc.), e-commerce, and online ad serving (leading to the eventual bursting of the Internet bubble in early 2000). The vast majority of venture capital was applied to commerce and advertising-supported business models, resulting in less emphasis on the "next generations" of social media, and most business models remained with the traditional bulletin-board type application. Although this was a relatively slow period for the evolution of social media technologies, the changes occurring provided the springboard for events in the next century.

There were a few standouts that began to shape the future of social media. ICQ, an instant messaging system, was launched in 1996 and quickly acquired by AOL, eventually becoming the AIM platform in 1997 that is still popular today. Though most used it to only communicate with people they knew personally, it was the first mainstream application of using microformatted content—short packets of content—which is the backbone of the currently popular Twitter publishing platform. Created by users and spreading virally through the instant messaging community, abbreviations such as LOL and IMO have almost become a common part of our offline conversations. And, as much as we might like to, let's not forget emoticons either.☺

Another precursor for some of today's social media functionality was SixDegrees.com. Initially launched in 1997, the site was based on a "Web of Contacts" business model and allowed a user to establish a profile and connect with friends and family, building a virtual "six degrees of separation" community. It enabled some direct communication with the added ability to share connections with anyone else on the site.

SixDegrees.com was potentially ahead of its time, with site users complaining that there was little left to do after accepting "friend" requests, and most users were not interested in meeting strangers. It could not build a sustainable business model (especially during the bursting dot-com bubble) and the site eventually closed in 2000–2001. However, for the next generation of social media organizations, this experiment provided valuable guidance, showing that a true social media application not only supports the connectivity between its members but also allows them to become publishers of content, join in the conversation, and form relationships.

It was also in the late 1990s when blogging began to gain some traction after a very slow start. Initially used as personal diaries, it was during this time that the first organizations began developing hosted blogging tools. The first of many was Open Diary. Launching in 1998, it grew to include thousands of online diaries and was the first community to allow readers to comment on a blogger's post. This was quickly followed in 1999 with the launch of LiveJournal and the extremely popular Blogger, acquired by Google in 2003.

Though it might not seem like much, the ability to add comments was significant because it enabled an ongoing conversation to occur in a more relevant way than bulletin boards. As conversations grew, so did the popularity of the people publishing the content. This was also another key to helping individuals form relationships around a common interest or topic.

2000–2004: The Conversation Grows—One-to-Many

Social media site development really began to take off, both in terms of platform development and content creation, in 2000. This is also when user-generated content began reaching a level of critical mass, providing the first signal to organizations that

people were able and willing to create content and join in conversations without organizational participation. While this had always been the case in the offline environment (as well as, to a small degree, online), it was this time when the volume of conversations reached a level where everyone was beginning to notice—and the conversations were becoming somewhat more interesting. While there wasn't a substantive understanding or response by most organizations, savvy communications professionals started to recognize the need to at least listen to what was being said about them and their competitors.

In early 2003, Friendster launched as the first social media platform that seemingly worked out most of the issues faced by its predecessors. Attracting 3 million users in the first six months, Friendster was positioned to dominate the social media platform space and is currently a leading platform in Asia with more than 115 million registered users. This was also the time when the phrase Web 2.0 began to catch on. As opposed to Web 1.0, which focused on centralized Web sites, this new era focused on the "Web as a platform" and was built around the collaborative creation of content and information sharing.

The year 2003 also marked the launch of another well-known platform—LinkedIn. This social networking platform enabled professional colleagues to connect and collaborate together and in groups. It was not only an important communication tool for employees but also for human resource professionals who were looking to recruit new talent. While it took some time to gain momentum, by 2010 LinkedIn claimed to have more than 50 million users, with more than 50 percent located outside the United States.

Another platform that launched in 2003 was Wordpress. This tool allowed individuals who had no programming knowledge to start a blog in minutes and gave people the choice of either downloading the software or using a free

hosted solution. Wordpress helped lead the shift in the adop-
tion of user-generated content and "citizen journalism." What
set Wordpress apart from other platforms was that users could
host a blog on their own domain and have much greater
control over the usability and design aspects of their sites.
Additionally, Wordpress was launched as an open source tool,
allowing third-party developers to continually enhance the
platform through the development of onscreen tools that are
embedded into a Web page—also known as widgets (finally,
a widget is no longer a fictional product!). These widgets pro-
vided users with significantly greater control and functionality
of their sites. Today, a number of the most highly trafficked
sites run on the Wordpress platform.

The year 2003 also saw the advent of social bookmark-
ing with the launch of the Web site del.icio.us (now simply
delicious.com). This gave users the ability to bookmark a Web
page using freely chosen keywords or "tags," creating a user-
generated *folksonomy* (basically a user-generated taxonomy
around a particular topic). The differentiator between book-
marking and file sharing is that the data is not stored, but a
simple link to the Web page is provided, allowing the user
to access the information later. These links can be saved pri-
vately, shared within select groups, or made public, allowing
users to search through the bookmarks by popularity, cate-
gory, tag, or date.

While social bookmarking helped people find the content
they wanted to save, real simple syndication (RSS) made it easier
for content updates such as blog posts, news headlines, audio,
video, and so on to be published and distributed in a standard-
ized format. Though it originated in 1997, the current version
(RSS 2.0) was developed by Dave Winer, founder of UserLand
software. This version was made available in 2003 by the
Berkman Center for Internet & Society at Harvard Law School. A
typical "feed" will include either the full or summarized text with

additional data on author and date. What makes RSS so important is it allows anyone to quickly listen and gather content from a particular publisher. This provides an efficient method of monitoring news and streamlines communication between publishers and readers.

However, the biggest launch in 2003 came in August with MySpace. In what became the most popular online social networking site, MySpace offered users a greater level of on-page control, empowering them to be more self-expressive in how their content was displayed and consumed. This quickly became a popular feature and a significant differentiator from Friendster, catching the attention of everyone from musicians and celebrities to teenagers and major corporations. As adoption grew, having a MySpace page was considered an indication that an organization wanted to have a communications strategy that connected to a younger, hipper audience. It also caught the attention of political candidates and CEOs who wanted to be seen as being in touch with current trends.

Though MySpace has lost some of its popularity, it is still a heavily trafficked Web site and a powerful source of personal communications. The extensive use of this and other sites by employees caused many corporate IT departments to block access because it was impacting workplace productivity and serving as a potential source to leak confidential internal information.

The year 2004 kicked off with the launch of Flickr, a photo-sharing site, which quickly grew to include billions of pages of photos, videos, and community content. Flickr provides a robust community for another form of publisher—the photographer/videographer. With both amateurs and professionals sharing images, tips, and information on photography, the site successfully leverages the aspects of content, contacts, and conversation as a basis to form relationships based on a mutual interest.

The growth of social media platforms did not slow down during 2004. In April of that year, Facebook was launched on

the Harvard University campus with the initial intent of offering a platform for students to interact. Under the initial domain thefacebook.com, the Harvard networking site grew quickly, leading to expansion on other university campuses, including Stanford, Columbia, and Yale. Expanding to high school students helped propel the next level of expansion in 2005, and, by September 2006, the site (now Facebook.com) was available to everyone. With a cleaner, more refined user interface, Facebook was the answer for many MySpacers who were frustrated with confusing, ad-laden page layouts. By the end of 2006, Facebook had 12 million users. According to Facebook, this number has grown to more than 500 million active users.

Beyond the design elements offered (or not offered), what has made Facebook addictive is a combination of instant status updates with third-party social games and applications. The status updates allow users to quickly scan the activities and events of their friends, and the social gaming applications create a somewhat addictive environment that increases both time on site as well as interactivity among users.

Facebook's success can also be attributed to the more mature nature of its audience. As opposed to some sites that tend to attract a younger demographic, more than 60 percent of Facebook users are over the age of 35. According to a 2010 survey by Royal Pingdom, social games also appeal to an older, more female demographic with the largest single group being 35 to 44 years old. For organizations, this provides a significant opportunity for listening to, engaging with, and building close relationships with their stakeholders.

While certainly not the powerhouse of Facebook, Yelp, a tool for local searches and consumer reviews, successfully launched in October 2004. By combining the qualities of social networking with a robust user review process for local businesses, Yelp stands out as an innovator for drawing attention to the small to midsized businesses. Users benefit by being able to log in,

enter a location (city, ZIP code, etc.), along with such terms as "pizza" or "dry cleaners," and discover all the businesses in the area that meet that criteria. Combined with reviews, users can ideally find the best option as determined by the community. For organizations, Yelp is a powerful relationship management tool for listening to their customers. This feedback can be invaluable for thanking happy customers for their business, reading positive comments, and responding to or assisting customers who did not have a positive experience. By 2010, this young start-up had grown into a social media powerhouse, serving more than 30 million active users per month.

2005–2009: User Adoption 2.0—The Conversation Comes Alive

If 2000–2004 was about building platforms and tools, 2005–2009 could be defined as the period of user adoption and the remarkable change in how users connect, converse, and build relationships.

There were major advances in social media tools and technologies that spurred adoption. The first occurred in May 2005 with the launch of YouTube, the video-sharing Web site. Before its public launch, there were not many avenues for the average Internet user to share video. Part of the issue was the availability of broadband Internet access. The other was a lack of online storage. YouTube solved both of these issues and combined it with a simple user interface, overnight empowering virtually anyone to become a publisher of video content.

The second major platform came in 2006 when Twitter was launched (or "hatched" in the sense that their logo is a bluebird). Twitter is positioned as a microblogging (or microformat) method to publish content, and it took some time to gain traction in the marketplace. With a maximum of 140 characters, "tweeting" became an easy form of content publishing that allowed individuals to "follow" other people and

provide status updates and information in short bursts. Users, known as "tweeters," can also embed links within their message. By using link-shortening services such as bit.ly, a long Web address can effectively be shortened to just a few characters. While the Twitter platform is interesting, the bigger movement comes from the popularity of the "status update," enabling individuals the ability to create, share, and converse using shorter forms of content. As Facebook emerged from the college campuses and became available to the general public, combined with the launch of Twitter and the ability to send a text message from a mobile device, social media started to shift from long-form content found in blogs to this shorter form.

Today, Twitter is one of the most powerful tools an organization has to listen to conversations that are happening in real time (search.twitter.com). Many are also finding it to be an invaluable tool for customer service (Best Buy's @Twelpforce) as well as a powerful revenue driver (Dell's @DellOutlet).

The third advance came more as a technology innovation than a particular platform. In 2008, shortly after the release of the iPhone 3G, the App Store was introduced along with the ability for third-party developers to create mobile applications. These applications came in many forms, from games to productivity enhancements to social networking tools. Now available in most smart phones, these applications bring the Internet to the mobile device, creating new and interesting ways to connect, converse, and build relationships. It not only enables more people to participate in social media, but also facilitates the expansion of microformat content creation.

2010 and Beyond—The Launch of the Statusphere

The trend away from blogs and static Web pages continues to grow into 2010, as the term *blogosphere* begins to fade and *statusphere* begins to emerge. While there is still interest in

blogs, the sharing of opinions, and the desire to participate in online conversations, content creation is moving away from "what I think" to "what is happening right now." The major accelerant to this shift is based on the global positioning system (GPS) found within smart phones. As developers began to uncover new consumer applications for GPS technology, *location-based services* (LBS) began to emerge, with the intent of unlocking the mobile experience to its full potential. LBS applications essentially allow people to identify their location using the mobile GPS functionality and "check in" at locations. This check-in can be shared through social networks and be seen by their friends. One such service, Foursquare (which launched in 2009), was created as both an LBS social networking site and a mobile gaming application that would allow users to become the "mayor" of locations they frequented as well as earning badges for certain activities or levels of participation. Retailers such as Starbucks have created incentives for their "mayors," allowing them to receive discounts or free products upon each check-in.

While the concept of the check-in combined with a real-time status update can be a viable method of social networking, individual privacy concerns have risen, primarily among women who do not want to disclose their location to potential strangers. This concept has been dubbed "locational privacy." Sites such as PleaseRobMe.com were launched as awareness tools to stress the risks of oversharing locations through social networks.

A Minefield of Opportunities and Risks

What began as a way for a few dozen members of a select group to effectively communicate with each other has evolved into a global phenomenon and a major cultural shift in how people connect and communicate. With the recognition that

everyone is, or at least can be, a publisher, the organizational implications are tremendous. While this means the organization is no longer in complete control of its message, the good news is that it has the ability to develop stronger and more meaningful relationships with stakeholders, creating an opportunity to provide much greater value. Through effective listening, connecting, and conversing with stakeholders, organizations can gain a greater understanding of those stakeholder needs. Starting with message forums and connecting with friends, social media has evolved into a diverse set of tools and technologies that enables organizations to communicate with customers in real time based on their exact location. These tools and technologies also enable organizations to "crowdsource" (outsourcing tasks or projects to large groups of people such as customers or vendors), creating everything from new products to television commercials.

At the same time, with opportunity comes risk. To date, the majority of organizations have not addressed the risk of social media. According to the Deloitte LLP 2009 Ethics & Workplace Survey, titled *Social Networking and Reputational Risk in the Workplace,* 58 percent of corporate executives agree that the reputational risks that can arise from self-expression through social networking should be a boardroom discussion. However, only 15 percent are actively addressing the issue. More surprising, only 17 percent have formal programs in place to monitor and mitigate the potential reputational risks related to the use of social networks. Additionally, the study cited that only 22 percent of respondents say that their organization has a formal policy to dictate how employees can use social networking tools.

So beyond cool online tools and mass consumer adoption, where is the value for an organization?

It's in relationships. It's the ability to move beyond the monologue (and monolithic) way of controlled communications

and embrace an open and honest dialogue. When social media is implemented effectively, it provides a scalable method to foster trust between the organization and the stakeholder to work collectively for mutual gain.

A great example of the value that social media and relationships can bring to an organization can be found in the foreword of Geoffrey Moore's bestseller *Crossing the Chasm* (HarperBusiness, 1991). As Regis McKenna writes:

> Fundamentally, marketing must refocus away from selling product and toward creating relationships. Customers don't like to be "owned" if that implies lack of choice or freedom. But they do like to be "owned" if what that means is a vendor taking ongoing responsibility for the success of their joint ventures. Ownership in this sense means an abiding commitment and a strong sense of mutuality in the development of the marketplace. When customers encounter this kind of ownership, they tend to become fanatically loyal to their supplier, which in turn builds a stable economic base for profitability and growth.

While the history and evolution of social media can sometimes seem as though it is merely a set of tools for people to share their favorite recipes, chat online, or look up old high school friends, it has actually become a corporate imperative requiring both a strategic approach as part of a communications plan in addition to the tactical implementation and tracking with the right metrics. With processes and policies built around traditional communications processes that have been in place for decades, a comprehensive review must be conducted to ensure that the organization has the adequate governance, risk, and control measures in place to capitalize on these opportunities while protecting it from excessive risk.