



The Impact of Social Networking

The Internet has grown into a vast net of services and applications that entertains as well as serve as an indispensable work aid for hundreds of millions of users around the world. Megat Ishak, Director of Licensing Department, SKMM, explores its impact.

The first useful Internet service for the masses was email. Then came the first of the graphical web in the form of websites. Today, this vast network has grown into a truly worldwide web that is accessible to ordinary users, turning the Internet into a mainstream phenomenon. Access to the Internet can be found at home, cybercafes, offices, Internet kiosks, cafes and anywhere else where there is a meeting of people for social or business purpose. What assists Internet usage growth even more is the expansion of devices such as desktop computers, notebooks and smartphones. Thus not only has it grown in popularity but it has grown into a necessity in our everyday lives.

Over the last few years, the Internet has expanded with powerful applications such as blogs, instant messaging, eCommerce, VoIP (which includes peer to peer voice communication), video, online news, podcasting, multiplayer gaming, photo sharing, online maps, GPS services and a lot of other terms have entered into the vocabulary as these services became popular with Internet users.

As the Internet came out with more and more sophisticated services, inspired entrepreneurs brought

many of these services together into sites that aimed to connect people. With such widespread use, it was only natural then that people began using the Internet as more than just a means of seeking information. People found that the Internet could be used to connect with other people, whether for business or commercial purpose, and also to make new friends and to rekindle old friends and long lost relatives.

The social networking revolution was born. Today, social networking sites form the bulk of most lists of highly valued Internet companies. This is because just about everyone who uses the Internet is a member of at least one and often many online social networks. With such widespread adoption, it is no surprise that social networks have impacted the way people live and socialise.

Online social networks focus on building and reflecting social relationships among people who share interests and or activities. Most social networks allow users to maintain profiles of themselves and lists of their friends. These social networks encourage people to share their personal experience with others through music, videos and other media. Among the most popular social networks these days are Facebook, MySpace and Friendster. Of course, social networks are not a new phenomenon on the Internet as people began socialising with one another almost as soon as the Internet came into being (for more on the history of social networks, read the accompanying article on the history of social networks in this issue).

Spread of social networks

Today, there are hundreds of social networking sites operating. Some of them are popular in certain countries while others have global reach. Some of these sites are targeted at very specific interest groups while others are general in nature. One of the best examples of a special interest social network is LinkedIn, a very popular social network for business executives. The popular general social networks are sites such as Facebook, Twitter, Friendster, MySpace, Blogger and many more.

No one predicted the extent and impact of social networking at such a phenomenal scale. At one point during the year 2005-2006, MySpace, a social network that promotes independent music and the socialite scene across the globe, actually ranked higher than Google in terms of page viewed. The winning angle for this network was the ability of users to listen to new music and find out about the latest party as well as promote creativity through the creation of unique profiles and the sharing of favorite videos. MySpace claims that it has over 100 million music playlists with over 5.5 billion song listened, 7 billion photos and at least 600 world famous celebrities blogging.

Friendster.com was launched in the year 2002. People using this site tend to focus on sending messages, invites, and blogging to stay in touch. Friendster used a degree

of separation concept called "Circle of Friends" (wherein the pathways connecting two people are displayed), and promoted the idea that a rich online community can exist only between people who truly have common bonds. And it ensured there were plenty of ways to discover those bonds.

The current most popular social networking site in the world, Facebook, has grown into more than 300 million active users with an average of 50% of them logging on to Facebook everyday. Facebook.com is similar to Friendster and started with an emphasis on the college community. From that, it just grew and grew in popularity and reach. Today, the number of adults on Facebook dwarf that of college students and it has become the de facto social network for the English speaking world.

At least 8 billion minutes are spent on Facebook each day. One of the reasons Facebook is so addictive is because it is a convenient way to track the status of friends.

But even before the explosion of Facebook and its likes, there were weblogs, or blogs for short; making them the first real social networks. The power of blogs is its usability. It enables ordinary people to use and voice out opinions on practically anything to an audience from practically anywhere. Although blogs started as people's personal diaries, they have grown bigger today, touching on a variety of topics such as fashion, automotive, technology, food, entertainment, personal opinion, politics and many more.

While it takes hours or days to build a traditional website, creating a blog is simple and it only takes a minute to set up a blog on sites such as Blogger.com, a blogging platform owned by Google. As of June 2008, blog search engine Technorati indexed over 112.8 million blogs and over 250 million pieces of tagged social media, according to its page on Wikipedia. The growth of blogs has been slow over the past one year but the impact it has created is impressive.

The latest social networking phenomenon is Twitter, which is best described as a micro-blogging tool. Twitter (www.twitter.com) allows user to send or "tweet" about their latest updates within 160 characters. Twitter is now accessible via a number of third party application and mobile sites making it very popular among users.

While Facebook may be the fastest growing social network in the world, there is another social network that rivals it. The Chinese language social network, QQ is number one in China and claims more than 300 million users.

There are a few other social networks that dominate in specific regions or countries. In Russia a social network called V Kontakte dominates while Brazil and India are avid users of Orkut. Hi5 is very popular in Central America, Peru, Mongolia, and Thailand while South Koreans love Cyworld. Malaysians loved Friendster so much that they are among the most avid users on it.

Nielsen Online report that social networks and blogs are now the fourth most popular online activity ahead of personal email, member communities are visited by 67%

Facts About **facebook**

Source: Facebook

- # The fastest growing demographic is those 35 years old and older
- # **Average user has 130 friends on the site**
- # More than 45 million status updates each day
- # **More than 10 million users become fans of Pages each day**
- # More than 2 billion photos uploaded to the site each month
- # **More than 14 million videos uploaded each month**
- # More than 2 billion pieces of content (web links, news stories, blog posts, notes, photos, etc.) shared each week
- # **More than 3 million events created each month**
- # More than 45 million active user groups exist on the site
- # **More than 70 translations available on the site**
- # About 70% of Facebook users are outside the United States
- # **More than one million developers and entrepreneurs from more than 180 countries**
- # Every month, more than 70% of Facebook users engage with Platform applications
- # **More than 350,000 active applications currently on Facebook Platform**
- # More than 250 applications have more than one million monthly active users
- # **More than 15,000 websites, devices and applications have implemented Facebook Connect since its general availability in December 2008**
- # There are more than 65 million active users currently accessing Facebook through their mobile devices.
- # **People that use Facebook on their mobile devices are almost 50% more active on Facebook than non-mobile users.**
- # There are more than 180 mobile operators in 60 countries working to deploy and promote Facebook mobile products

of the global online population. The time spent on social networks is growing at three times the overall Internet rate, accounting for almost 10% of all Internet time

Malaysians on social networking

By all accounts Malaysians are avid adopters of social networking sites. As mentioned, Malaysians are big on Friendster and also MySpace. Malaysians are also among the most prolific of bloggers, reportedly among the first three worldwide on Blogger.com.

Facebook, of course is the current hot social network in Malaysia. Some 100,000 Malaysians are joining Facebook every month, on top of the 1.4 million Malaysians who are already on board. On Facebook, Malaysians actively network with each other on social and work groups, causes and pages. Facebook has become a very popular tool to promote or share just about anything.

Nine of the Top 20 websites in Malaysia according to Alexa are social networking sites. The top 6 sites are Yahoo!, Facebook, Google.com.my, YouTube, Google.com, and Blogger. Malaysians consume digital media heavily according to the Nielsen Global Online Consumer Survey on entertainment media usage. The sampling is based on 26,000 online users (including 500 Malaysians) from 52 countries. The survey defined digital media as video (movie, TV show, music video, short video), audio and video games. Malaysians ranked very high in this survey: They were No 5 in digital media consuming nation and were the third ranked nationality in spending over 20 hours a week watching streamed or downloaded content from the Internet.

An article published in the Star newspaper by David Gibson, managing director of Inter.Asia Communications says that social media is very big in Malaysia and will grow bigger over time. According to that article, by 2010 there will be 17 million Internet users in Malaysia. These users belong to a variety of social networks, they actively consume and adapt information, and they have a sense of global culture.

The Impact of Social Networks

With the phenomenal figures mentioned above we can appreciate the fact that social networking does leave an impact or a dent on both individuals and businesses.

Let's look at the youths of today. For them, the online community is where it's at. Modern day life in the city at times restricts physical social interaction among these young people. Long school hours, commuting times and threat of rising crime combined together act as a compelling factor which keeping many youth at home for long hours. As a result, those with Internet access turn to online social networks which enable not only instant communication with friends but also enable the sharing of similar interests. In that sense, social networks represent an effective platform for teenagers to interact and socialise.

These social networks have also been responsible for bringing together like-minded people in a quick and efficient manner that would be difficult to duplicate without the Internet. There have been claims that the Internet is impersonal and reduces social contact between people but that assumption is being proven wrong on social networks where it often leads to real world activities. For example, a group of Malaysian outdoor lovers set up the Malaysian

Outdoors Trekking, Hiking, Scuba Facebook Group. Within a year of setting up, the group had attracted more than 5000 members and volunteers had organised numerous outings all over Malaysia.

In Malaysia, the impact of social networking on society was proven during the 2008 Malaysia General Election, where blogs and other social networking sites played a major role during the election. That also resulted in more blogs being created such as the blog of Prime Minister Najib Tun Razak. There are also a number of blogs related to the Government and opposition out there including the blog of Tun Dr Mahathir, Dr Mohamad Khir Toyo and many more. Even in the United States, President Barack Obama spent a lot of time campaigning on social networks to win the election.

There is an impact on education too. Social networks are also being used by teachers and students especially in the West as a communication tool. Teachers and professors are forums and groups to extend classroom discussions. Some of them routinely use Twitter to communicate announcements and information to their students. It is a two-way process as students too are using these mediums to share feedback to their teachers.

Social networks have also become platforms for doing good. Social activists all over the world have learnt how to spread word about their causes, enlist volunteers, embark on actions and raise funds. There are many examples all over the world. Locally, one good example would be the Twestival Local event that was held in September 2009 in Kuala Lumpur. A group of Malaysians who used Twitter was inspired by the Global Twestival project held earlier in the year in some cities across the world. The event name came about by combining two words: Twitter + Festival. The global project raised awareness of water issues and ultimately raised more than USD200,000 which was used to build wells in countries in Africa and other places.

The Twestival Local was an event where Malaysian tweeters could come together for a social event and raise funds at the same time. Four people decided to organize this event. Publicity was done mainly through social networking sites and especially over Twitter. People paid RM30 or more to attend and the event ended up raising more than RM11,000 for Destiny Starting Point, a second chance home for juvenile delinquents.

Many social networks have been started just for promoting positive social change. Some examples of social networks that promote social good are TakingITGlobal, Care2, WiserEarth, OneWorldTV, OneClimate and Network for Good.

According to new figures released by The Nielsen Company, Internet users in August 2009 spent 17% of their surfing time on social network and blogging sites, nearly triple the percentage of time spent on such sites a year ago.

Not surprisingly then, this segment has also become an attraction for business. The term social media has become part of business speak. All over the world, businesses have learnt that it is cheaper and easier to grow their businesses using social networks. Companies can easily build a brand

online for free just by using the power of blog or sites like Facebook, MySpace and Twitter.

According to comScore, a marketing research company that tracks Internet traffic, social networking sites accounted for 13.8 billion display ad impressions in August 2009, representing more than 25 percent of all display ads viewed online, in a study of U.K. online display advertising on social networking sites.

Social media is changing the way marketing is done. No longer can marketers rely on putting out one general message to the public. They have to also figure out how to influence people on a one-to-one basis online as these people will share their opinions and choices online and can undermine or bolster any traditional marketing campaign. In Malaysia, 80% of affluent Malaysians (those with a household income above RM5,000) use social networking sites. The opinions of bloggers and friends have become more influential than advertisements.

Using social media allows businesses to reduce cost on marketing or connect with customers. A number of Malaysian companies use social network to promote their product or service. A recent example is mobile operator DiGi who used social networking to create awareness on mobile broadband. One of the many campaigns DiGi did was Pimp My Broadband (www.pimpmybroadband.com.my) which was a contest allowing people to post up creative videos to the site. DiGi used mostly Facebook and Twitter to spread the word and communicate with people.

In another example, the Prudential insurance company was running in December 2009 a contest for which people were asked to guess the retirement fund a fictional character named Adam would need to retire comfortably. This campaign was heavily promoted over social networks and blogs.

Most organisations have jumped onto the social networking bandwagon. Large and small organisations alike maintain Facebook fan pages and groups. The leading budget travel airline, AirAsia, has more than 20 different Facebook pages and groups that promote some aspect of their service. It also has Twitter feeds as well as its own social network located at www.airasia.ning.com. The results have been impressive. It claims to lead all other airlines with a fan base of approximately 100,000. The AirAsia blog is ranked as the world's second most popular blog site by an airline while CEO Tony Fernandes' blog is the most popular in Malaysia by a corporate leader. Its YouTube site is very popular while its Twitter account has 15,500 followers. AirAsia's investment of time and effort to reach out socially to Internet users must be bringing results; it recently announced plans to launch a brand new social network for travelers.

The Nielsen Company estimates online advertising spent on the top social network and blogging sites increased 119 percent, from approximately USD49 million in August 2008 to approximately USD108 million in August 2009.

Businesses and professionals are also connecting with one another on social networks. It has become commonplace for professionals to maintain accounts at LinkedIn. Using

The Good & Bad of Social Networks

GOOD BAD

Cheap/Free way to communicate	Addiction
Networking	Identity Theft
New Interest	Danger to Kids/ Predators
Information sharing	Privacy
Opportunities	Wrong Information
Business purpose	Negative Information
Easy to use	Not profitable in a big way

that platform, businessmen are able to find contacts that they can trust as introductions come from people they know and trust. At the same time, networks such as LinkedIn have become fertile grounds for job seekers. Employers often scour these sites to find suitable recruits for open positions.

While social networks generally are having positive impact on businesses, especially reputable ones who take the time to engage online with their customer base, there are also negative impacts on society.

For one, it is impacting the workplace. A recent survey in the UK revealed that the cost to the economy due to use of social networking sites like Twitter and Facebook by office workers during office hours could be over GBP 1.38 billion per year. The survey found that more than half of office workers used these social networking sites for personal use during the working day, and admitted to wasting an average of 40 minutes a week each.

Children too are especially vulnerable to predators on social networks. Law enforcement agencies in US and UK have found that many convicted sex offenders have accounts on social networks. It is very likely that some of them would be using these accounts to lure young people.

Also, as more and more people spend their online time inside social networks, spammers and phishers have also appeared on these sites. The amount of private information posted by users on social networks is worrying. Crooks are able to use this information to craft scams that seem believable. Friends are more likely to fall for these scams as it would seem to originate from a trusted friend.

Privacy is another major concern. Already people have lost jobs because the information they posted on social networks was not liked by their employers. Recruiters are increasingly using social networks to check on job

applicants raising the possibility that photos and postings made by people will one day come back to haunt them.

Connecting Further

Nevertheless, social networks are not going away anytime soon. No one will deny the benefits of being able to easily keep track on the latest happenings and interact within a network of people, groups or companies that share a person's interest. While social networks already connect individuals or groups, they are also beginning to connect businesses in the future.

The features available on social networks are also improving. Location based services are beginning to appear. Imagine a social network that marries the best features of Facebook, GPS and YouTube. A user could simple upload a video from their 3G phone or track their friends using GPS on Facebook. Integration between Twitter and Google Maps could allow users to track their friends on a map or update their location using GPS or A-GPS.

Going forward, only time will tell how social networking will be in the future. One thing for certain, social networking will remain as people always want to "connect" with other people. 

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