

## Growth in social media

We can hardly believe that it's a year since our June, July newsletters touched on Social Media - Facebook, Twitter etc. (And nearly a year since our September newsletter touched on the same subject). It's not that it has gone away.

Facebook's own [statistics](#) and its timeline page says that growth was as follows:

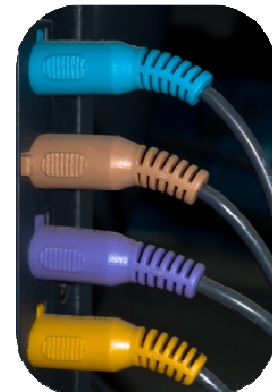
- July 2010: reaches over 500 million users
- February 2010: reaches over 400 million active users
- December 2009: reaches over 350 million active users
- September 2009: reaches over 300 million active users
- July 2009: reaches over 250 million active users
- April 2009: reaches over 200 million active users
- February 2009: reaches over 175 million active users
- January 2009: reaches over 150 million active users

As for Twitter have a look at [Twitter International Growth](#) on Techcrunch.



And it's not just 'web based' Microsoft Outlook users can view their social networks as they look through their email as the newly-launched [Outlook Social Connector](#) integrates Facebook and Windows Live Messenger into Outlook, bringing the streams of Facebook users into their inboxes.

In the UK we spend 65% more time online than three years ago and the time spent on social networks has accounted for the biggest share of this increase. We now spend 82% more time on social networks than we did a year ago, and yet although we're more connected than ever before, according to press reports we are also actually feeling more isolated and lonely than we ever have done and some recent research found that although the average Facebook user has around 137 'online' friends, they class only 24 (less than 20%) of those as "real" and admitted to seeing only 10% of those friends on a regular basis. Just under half of Facebook users admitted that they wouldn't be able to find someone they'd want to go out with when browsing through their first 15 friends on Facebook.



So a lot of people also say that we're waking up to the fact that having 300 Facebook friends is no substitute for a good night out with a true friend. So it's a natural progression for the social networking trend to spill over into demand for using the internet to make more meaningful offline social connections. Good on them we say - there is not a lot that's better than a good night out with a true friend.

But having said that the [Pew Research Centre](#) say: "The social benefits of internet use will far outweigh the negatives over the next decade, according to experts

who responded to a survey about the future of the internet. They say this is because email, social networks, and other online tools offer 'low-friction' opportunities to create, enhance, and rediscover social ties that make a difference in people's lives. The internet lowers traditional communications constraints of cost, geography, and time; and it supports the type of open information sharing that brings people together."

## Advertising and social media

Then again it's claimed that social media has become a "phenomenally important" element of online marketing in the past couple of years because it allows consumers to "bond" with a particular product on their own terms. Tristan Garrick, PR manager at the Direct Marketing Association, said incorporating portals such as Facebook, YouTube and Twitter into a company's internet marketing allows potential customers to "take a brand in their own hands", rather than having information pushed on them. Nevertheless, he added, there are "certain inherent dangers" in this approach because companies are leaving their brand equity "at the mercy of consumers", who can start up their own discussion pages or social media channels to broadcast their opinions to a large audience.



At the same time ad spending on social networks world-wide is expected to rise 14% this year to \$2.5 billion, according to research firm eMarketer. Although social media represents only a fraction of the \$55 billion online-ad market, it is one of the fastest-growing segments. The push to form a more formidable presence in social-media advertising is being fuelled by the increasing number of marketers who are eager to work

out how they can use sites as a marketing tool. Creative ad agencies, digital ad firms, social-media boutiques, public-relations outfits and publishing companies are all clamoring to offer advice, all claiming to be best suited to handle the task.

So what is going on? Doesn't some of this, at least, seem contradictory?

Of course it does, the world's like that. But with Facebook passing the half billion mark and both Facebook and Twitter aiming for at least a billion users each we can pretty safely say that unless something dramatic happens to push it all off a cliff online social networking is here to stay and, if around 2,000,000,000 pairs of eyes are out there using it we can also assume that advertising will follow as surely as night follows day. We can also say that people will still have that night out with a good friend and, whilst they are doing so they may well be using a whole range of those social sites and the apps built for them.

## Mobile internet and location based marketing

The mobile internet is growing fast. Take a look at [Morgan Stanley's Mobile Internet Report](#) for more information about the mobile internet. According to this report mobile internet devices could reach 10 billion units in 2010 and it is projected that more users will connect to the Internet with wireless devices than desktop PC's within five years.

Geo targeting and geo marketing (determining the geo location of a website visitor and delivering different content to that visitor based on his or her location) is also growing fast. Each local geographic region is essentially a niche market that can be targeted. Phones and mobile internet devices make this form of targeting even better. GPS is far more accurate than IP and location-based marketing that uses location tracking technology in mobile networks to target consumers with location specific advertising on their mobile devices.



Location is the new demographic. Marketing is no longer just about age, gender and socio-economics, but about reaching users who are in a geographic position to buy. Consumer research indicates that consumers are interested in receiving location based marketing on their mobile phones from their favourite establishments, provided that it is opt-in and perceived as a valuable service. A lot of people believe that location based marketing will soon change the way all

sorts of companies behave. It's as much about being less annoying as it is about their return on investment as compared to traditional advertising. Smaller businesses particularly like it because it offers a fast return on investment measure via increased 'store' traffic.

At the recent MobileBeat 2010 Conference in San Francisco, Facebook's Mobile chief, Erick Tseng, asked the audience, "How many people have ever used a type of coupon where an offer is pushed to you based on your proximity to a store?" No hands went up. Tseng continued, "To me, those types of coupons would feel like spam. However, if there is social intelligence on top of the location-based ad that makes it more relevant, I am interested." The tools to make this happen could boost Facebook's already-big mobile audience of 150 million users.

Companies like [Placecast](#) and [Foursquare](#) already have applications with apps such as [Tipfinder](#) which claims to help you find the best places to eat and drink. Foursquare itself says: "People use foursquare to "check-in", which is a way of telling us your whereabouts. When you check-in someplace, we'll tell your friends where they can find you and recommend places to go & things to do nearby. People check-in at all kind of places - cafes, bars, restaurants, parks, homes, offices."

It's fairly easy to see, based on the simple examples above that social networking, the mobile internet and location based marketing will lead to more people using social networking, but, most probably in quite a different way than it is used today.