

Growth of Social Networks

The commercial growth of the Internet is largely due to consumers' ability to create relationships with other people that live anywhere in the world based on a common interest. In the 1990's, sites such as Tripod and Geocities were excellent examples of how massive destination sites could be established by providing the ability to express oneself via the Internet. Other businesses such as eBay have also leveraged this phenomenon by building networks of buyers and sellers of all types of products and services, with tremendous success. Early teen-focused social networking sites such as Bolt and College Club helped to pave the way in determining which utilities resonated with younger consumers seeking to create online profiles and establish networks of friends based on similar interests.

As online networking became socially acceptable among the vast majority of teens, new sites such as Friendster, MySpace, and Facebook took advantage of this phenomenon and became leading examples of social networking sites that reached young consumers. Other businesses such as IGN successfully focused on specific interests such as gaming. The end result is that sites such as MySpace and IGN are among the most popular sites on the Internet, with only the major portals such as Yahoo and Google surpassing them in terms of total page views and traffic.

Social networking sites have also become acceptable among advertisers. MySpace, for example, is expected to generate an over \$1 Billion in advertising revenue from 2006 through 2008. Advertisers are attracted to these sites for their ability to draw a massive audience of hard-to-reach young consumers and in a format that combines traditional advertising with direct marketing. Furthermore, the more advanced social networks are able to target advertising based on the profiles of the consumers using the service, providing advertisers with highly targeted messaging in an environment that young consumers spend hours a day within consuming various entertainment. However, due to the general subject matter of sites like MySpace, many advertisers continue to shy away from making major commitments as they are rife with nudity, profanity, and other subject matter not appropriate for advertisers. Other more specific social networking sites such as Bolt and Facebook tend to have greater sell-through and deeper relationships with major advertisers as their content has traditionally been more controlled and targeted.

The growth of social networks can be seen as technology better facilitating a basic social need. Yet, this trend has created another channel for advertisers to bring their product to market. But as this trend continues some would say that saturation becomes a risk and if so will that alienate the very users that make these sites so valuable?

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About the Author

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