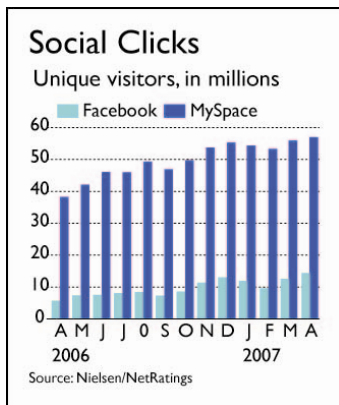




## Social networks are rewiring the concept of friendship By Simon Andrews

We believe that the very concept of friendship is being rewired through social networks and whilst the major players in social networks (MySpace, Facebook, Bebo etc) favour the young right now we expect these phenomena to spread to other audiences – for example LinkedIn operates as a sort of social network for business people, with over 8 million users worldwide.

MySpace continues to be the market leader with over 69 million users but growth is slowing, whilst Facebook as a (distant) second with 27M is growing much more quickly.



Geographically we are seeing significant differences which we expect to continue. In the UK Bebo is challenging MySpace whilst Facebook doesn't make the top 10 – yet.

Rank	Website - [Show domain]	Market Share	Apr '06	Mar '06
1.	MySpace	13.00%	1	1
2.	Bebo	11.98%	2	2
3.	Piczo	5.87%	3	4
4.	MSN Spaces	5.69%	4	3
5.	Faceparty	4.02%	5	5
6.	Friends Reunited UK	2.45%	6	6
△ 7.	YouTube	2.09%	11	16
▽ 8.	hi5	1.92%	7	9
△ 9.	Yahoo! Groups	1.58%	10	10
▽ 10.	MSN Groups	1.52%	8	8

Source Hitwise UK

Recent research suggests that as social network sites proliferate some are starting to reflect users personality and possible social status. MySpace is very strong with music fans and US studies suggest that the user base has a wider



demographic spread and racial mix than Facebook, which still reflects its roots as a tool for college kids.

But the decision to open registration to anyone has driven rapid growth of Facebook amongst the young and the 25-35 age group.

<b>Facebook.com Demographic Profile</b>			
<b>Unique Visitors (000)</b>			
<b>May 2007 vs. May 2006</b>			
<b>Total U.S. - Home/Work/University Locations</b>			
<b>Source: comScore Media Metrix</b>			
<b>Age Segment</b>	<b>Facebook.com</b>		
	<b>May-06 (000)</b>	<b>May-07 (000)</b>	<b>Percent Change</b>
Total Audience Unique Visitors (000)	14,069	26,649	89%
Persons: 12-17	1,628	4,060	149%
Persons: 18-24	5,674	7,843	38%
Persons: 25-34	1,114	3,134	181%
Persons: 35+	5,247	10,412	98%

In the UK we've seen really fast growth of Facebook in the media industry and amongst Londoners – one friend reports;

**Sitting at a table on the train yesterday opposite a Granny and her university-age grand-daughter, Granny says 'So... are you using MySpace any more, or is it mostly Facebook?'... 'Facebook'.**

**Later on the same journey, someone sat down in the empty seat next to me, pulled out a Blackberry and started typing a message. I didn't really mean to read it but it said... 'Why aren't you on Facebook yet?'**

There are some doubts over the durability of all these platforms, but we believe that friendship is the key driver, and that people will tend to stay where their friends are.

Given one of the key metrics of social networks is how many friends you have its not surprising that many of the functions of these sites are rewiring friendship; in many cases people who would once have been categorised as acquaintances now become friends.

But amongst the young we see the most interesting trends and we believe these will start to influence all target audiences in due course.

Because MySpace allows friends to see ones personal profile it does have more significance than some other sites. It did let users give prominence to 8 friends – the Top 8 – but given the profound social implications of having to publicly choose your Top friends, people found this challenging.



We find in school playgrounds around the world that being added (or dropped) from someone's top friends is a cause of much discussion;

**'As a kid, you used your birthday party guest list as leverage on the playground. 'If you let me play I'll invite you to my birthday party.' Then, as you grew up and got your own phone, it was all about someone being on your speed dial. Well today it's the MySpace Top 8. It's the new dangling carrot for gaining superficial acceptance. Taking someone off your Top 8 is your new passive aggressive power play when someone makes you mad'.  
Nadine**

In response to the grief caused by Top\*, MySpace now allows users to populate their top friends list with up to 40 people.

Another area that is redefining friendship is virtual gifting. In a world where everyone can be your friend and it's easy to message people, finding a way to denote someone as special has become important. Facebook has developed a significant economy allowing people to buy virtual items to give to a friend. There are a number of icons that can be bought for \$1 (all profits go to a Breast Cancer charity) and given to friends – along with a message; people know you've paid for this so the quality of your friendship is enhanced.



We expect this service to be opened up to brands in due course. One final aspect of social networks that is worth watching is the ways people interact with each other – for example Facebook has recently allowed outside developers to build applications to be used in Facebook. Many are quite functional but some are designed to be social – one is based on the concept of a food fight; you sign up and are given a notional budget each day which you use to buy food from a selection that changes each day. You buy the food and throw it at your friend – the icon appears on their profile so everyone can see who is throwing what at whom. Sounds silly – but within two weeks of launching it has over 1.6 million users – and the developer has now launched a version of Tag for Facebook.

Right now all of this is taking place amongst an older audience, but as we know KGOY and we expect social networks catering for kids to be a big growth area in the coming months. This rewiring of friendship will become a significant factor in the all/most markets so we need to think about and prepare for the challenges and the opportunities this creates.