Managing Social Media Value Networks: From Publisher (Broadcast) to User-Centric (Broadband-Narrowcast) Business Models

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1 Introduction

When Web 2.0 applications emerged in 2005–2006, cultural theorist Henry Jenkins (2006, p. 24) was one of the first to notice a definite paradigm shift in the way social media content is produced and circulated: 'Audiences, empowered by these new technologies, occupying a space at the intersection between old and new media, are demanding the right to participate within the culture.' The result, according to Jenkins, was a participatory culture which increasingly demands room for ordinary citizens to wield media technologies—technologies that were once the privilege of capital-intensive industries—to express themselves and distribute those creations as they seem fit (van Dijck 2011). When 'old media' still reigned, media recipients had little direct power to shape media content and faced enormous barriers to enter the marketplace, whereas 'the new digital environment expands the scope and reach of consumer activities' (Jenkins 2006, p. 215). The technological opportunities seized by grassroots movements and individuals increase their creativity and provide a diverse palette of voices (Deuze 2007). Moreover, with the emergence of Web 2.0 applications, most prominently UGC-platforms, the qualification of 'user' has gradually entered the common parlance of media theorists (Livingstone 2004). Users are generally referred to as active Internet-contributors, who put in a 'certain amount of creative effort' which is 'created outside of professional routines and platforms' (van Dijck 2011). Since the 1980s, the term 'prosumer' has been deployed by various academics to denote how user's agency hovers between the bipolar categories of producer versus consumer, and of professional versus consumer. New hybrid terms such as 'produser' and 'co-creator' have meanwhile entered academic discourse to accentuate user's increased production prowess (Bruns 2007).

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The ubiquity of Web 2.0 services has transformed the landscape of online content consumption (Szabo and Huberman 2010). With the Web, content producers can reach an audience in numbers inconceivable through conventional channels. Examples of services that have made the exchange between producer and consumer possible on a global scale include video, photo, and music sharing, blogs, wikis, social bookmarking, collaborative portals, and news aggregators, whereby content is submitted, perused, rated, and discussed by the user community. Portals often rank and categorize content based on past popularity and user appeal, especially for aggregators, where the "wisdom of the crowd" provides collaborative filtering to select submissions favored by as many visitors as possible. Over the last few years the Web 2.0, now uniformly tagged as social media has fundamentally shifted towards user-driven technologies such as blogs, social networks and video-sharing platforms (Smith 2009).

Social media focus on both global and personal topics demonstrating how the future of content will be increasingly bottom up and consumer driven (Smith 2009). Characteristics of user generated reviews and reviewers can affect ecommerce demand, feedback in blogs can affect firms' pricing policies and the nature of competition, the attributes of user-generated search queries can affect the performance of search engine advertising and the content of customer support dialogues can affect product design (Ghose and Ipeirotis 2009).

2 Literature Review

In order to substantiate the main hypothesis the author has consulted most important international academic research papers published between 2004 and 2010 in the field of business and technology of web media. These research papers are examined via the largest international research database—EBSCO and include following journals: Communications of the ACM, Journal of Information Science, Harvard Business Review, Journal of Media Business Studies, Journal of Revenue and Pricing Management, Multimedia Systems, Journal of Interactive Advertising, Management Information Systems, International Journal of Market Research, International Journal of Cultural Studies, European Journal of Communication, Journal of Computer-Mediated Communication. Furthermore, the author cites a relevant European and North American literature in the field of social media (Benecchi and Colapinto 2011; Qualman 2010; Bakos and Brynjolfsson 2000; Jenkins 2006; van Dijck 2011; Livingstone 2004; Vizjak and Ringlstetter 2003; Doyle 2002; Anderson 2008) which dominantly substantiate the paper's main principles.

3 Main Objectives of Research

The main objective of this conceptual, exploratory and longitudinal research paper is to provide a framework and contribution to the strategic media restructuring caused by recent economic recession and decline of financial revenues of traditional media sector such as newspaper publishing, radio and free-to-air broadcasting.

In the main hypothesis of the paper, the author argues that the economic shakeout of media firms and economic downturn of media markets is dominantly evident in traditional media industries (TV, print and radio) whereas in new media (web, internet, digital, network and online media) the profit has been relatively stable. So, the author argues that a real media crisis did begin a decade before the global recession that officially started in September 2008 as a result of the

1. Emergence and subsequent convergence of digital media
2. Falling costs of computing and online (internet-web) distribution
3. Exponential growth of internet and broadband adoption
4. Media market deregulation.

In addition, the author argues that in order to attain the sustainable competitive advantage media executives and companies are required to strategically adopt, implement and utilize following technological, economic and managerial concepts and strategies:

1. Advanced financial and revenue models: micropayments
2. New advertising and marketing models: nicheization of media market, VoD—Video-on-demand and PPV—Payment-Per View mode, B2B and C2C Marketing
3. Innovative distribution models, solutions and applications: 3D TV, sharing and usability of media content, global convergence, mass personalization (customization) including more interactive, on-demand, ambient, pervasive, augmented, immersive media as well as wireless and mobile user interfaces
4. New economic, market and consumer strategies: long tail economics, tipping point, crowd sourcing, mesh company strategy
5. Innovative and high quality social and web media content production: media content repurposing, cross-media content and UGC—User Generated Content (question–answer databases, digital video, blogging, podcasting, mobile phone photography and wikis).

4 Economic, Market and Consumer Paradigm Shifts

4.1 Long Tail Economics

As the cost of reaching consumers via social and web media drops dramatically, our markets are shifting from a one-size-fits-all model of mass appeal to one of unlimited variety for unique tastes (Anderson 2008). Social media's ability to offer vast choice is changing the media market and causing corporations and consumers to rethink where profitable markets lie and how to get to them.

Unlimited selection is revealing truths about the nature of media consumerism that ranges from selling DVDs, accessing internet video over computers and mobile phones, to advertising on Google. Accordingly, social and web media create an entirely new economic model for business—"The Long Tail". With the proliferation of niche sites and communities on the Internet, it's becoming increasingly important to target long tail search terms and cast a wide net. After a century of obsessing over the few products at the head of the demand curve, the new economics of distribution ("The Long Tail") allow consumers and corporations to turn their focus to the many more products in the tail, which collectively can create a new and more innovative market. Thus, "The Long Tail" is a powerful new force in digital and information economy characterizing the rise of the niche. The Long Tail is essentially about the economics of abundance. New efficiencies in distribution, manufacturing, and marketing are essentially resetting the definition of what's commercially viable across the board (Anderson 2008).

4.2 Tipping Point Strategy

It is advisable to point out that the efficient usage of the long tail economic strategy leads to the reaching of the Tipping Point. Tipping points are "the levels at which the momentum for change becomes unstoppable" (Gladwell 2002). Furthermore, it is defined as "the precise moment of critical mass, the threshold, the boiling point when a trend becomes a trend" (Gladwell 2002). In economics, the tipping point represents the point at which a dominant technology or player defines the standard for an industry-resulting in "winner-take-all" economies of scale and scope.

An excellent example of the application of the tipping point strategy in social media is the launch of three well established international social networking and UGC generated websites: Facebook, You Tube and Twitter. The business and market growth of each of these companies is subsequently analyzed.

4.2.1 Facebook

Facebook positions itself as leader of interactive, participant-based online media, or Web 2.0, the descriptor for websites based on user-generated content that create value from the sharing of information between participants (Hoegg et al. 2006). With the advent of new social technologies, users no longer have to rely on an individual's self-composed emails, chat statements, or personal web pages to garner impressions about a subject. Communication technology has evolved beyond the means by which senders had more or less complete control over the impression-related information that receivers could observe (Tom Tong et al. 2008, p. 531) (Table 1).

Between August 2008 and September 2011 (Table 2) the number of Facebook users increased eight times (from 100 to 800 million). If Facebook were a country it would be the world's 3th largest between India and the United States. In addition, the revenue of Facebook company increased from 52 million dollars in 2006 to 2 billion dollars in 2010. Based on traffic data from Alexa and Google Trends in

Table 1 Facebook revenues (estimated, in millions US$)

Year	Revenue	Growth
2006	$52	—
2007	$150	188 %
2008	$280	87 %
2009	$775	177 %
2010	$2,000	158 %
2011	$4,270	114 %
2012	$5,780 (expected)	

Source: TechCrunch (2010) and Bloomberg L.P. (September, 2011)

Table 2 Facebook total active users

Date	Users (in millions)	Monthly growth
August 26, 2008	100	178.38 %
April 8, 2009	200	13.33 %
September 15, 2009	300	10 %
February 5, 2010	400	6.99 %
July 21, 2010	500	4.52 %
January 5, 2011	600	3.57 %
May 30, 2011	700	3.45 %
July 2011	750	4.16 %
September 22, 2011	800	3.73 %

Source: Bloomberg L.P. (September, 2011)

June 2011 Facebook was the most popular social network in 119 out of 134 countries. Moreover, it was the most popular social network in the U.S., followed by Twitter and LinkedIn. More than 50 % of active users log on to Facebook in any given day.

The overall display marketplace in the U.S. is expected to be $12.33 billion this year and $14.82 billion the next. Facebook will have a 16.3 % share of the U.S. display market this year, followed by Yahoo at 13.1 %, Google at 9.3 %, MSN at 4.9 %, and AOL at 4.2 %. Collectively, those top five display leaders have 47.9 % of the display space in the U.S. That means there's a lot of territory still to conquer amid an otherwise fractured market.

Twenty five billion tweets are sent on Twitter in 2010. Thirty billion pieces of content (links, notes, photos, etc.) are shared on Facebook per month. Thirty six billion of photos are uploaded to Facebook per year. These numbers although appear to be very impressive should not surprise the researchers as Facebook currently has about 550,000 different applications. Such a large number of applications creates the personalization of web and media content on Facebook profiles both effective and efficient.

Table 3 You Tube video views per day

Date	Users (in millions)
December 2005	8
July 2006	100
October 2009	1,000
May 2010	2,000

Source: Online Marketing Trends (2010)

4.2.2 You Tube

You Tube serves 2 billion views per day making up 13 % of global mobile data bandwidth and covering 10 % of the Internet Traffic. An average Internet user spends around 15 min every day on YouTube. It is forecasted by eMarKeter, a New York based digital marketing, media and commerce company that YouTube revenue reached in 2010—$825 million and could exceed $1.3 billion in 2011 and rise to almost $1.7 billion in 2012. In December 2010 online video advertising forecast from eMarketer pegged the whole online video industry's ad revenue at $1.97 billion in 2011, meaning YouTube alone could account for approximately 65 % of the entire industry's revenue. The increasing growth of You Tube usage is particularly evident in the fact that between December 2005 and May 2010 the number of video views per day has increased approximately 250 times (from 8 million to 2 billion). This number nearly doubles the prime-time audience of all three major U.S. broadcast networks. More video is uploaded to You Tube in two moths than all three major U.S. networks created in 60 years. In addition, partner ad revenue more than tripled in 2009. At the same time, the number of advertisers using display ads on You Tube increased 10-fold in 2009. Fifty one language versions of You Tube services are available through user interface (Table 3).

4.3 Twitter

Twitter is a website, which offers a social networking and microblogging service, enabling its users to send and read messages called tweets. Tweets are text-based posts of up to 140 characters displayed on the user's profile page. It has been described as "the SMS of the Internet Innovative and high quantity of registered Twitter applications have made Twitter services very popular". Thus, between August 2010 and August 2011 the number of Twitter applications has increased from 150,000 to more than one million. There are currently approximately 300 million Twitter users worldwide and their number is growing at an average of 15 million per month or 500,000 a day. The number of Twitter mobile users over the past year has increased for 182 %. The number of employees at Twitter has increased from 8 in January 2008 to 600 in December 2011. eMarketer expects Twitter to earn $150 million in revenues this year, the vast majority ($140 million) of which will come from the US. This represents a substantial increase over the company's 2010 revenues of $45 million. eMarketer forecasts that by 2012, Twitter

Table 4 Number of Twitter employees

Date	The numbers of employees
January 2008	8
January 2009	29
January 2010	130
January 2011	350
March 2011	400
December 2011	600

Table 5 Twitter advertising revenues

Date	Revenue (in millions US$)
2010 (USA)	$45
2011 (USA)	$140
2011 (International)	$11
2011 (Worldwide)	$151
2012 (USA)	$225
2012 (International)	$25
2012 (Worldwide)	$250

Source: eMarketing (January, 2011)

Table 6 Twitter market valuation 2009–2012

Date	Market valuation (in millions US$)
February, 2009	$250
September, 2009	$1,000
December 2010	$3,700
January, 2011	$4,000
March, 2011	$7,700
July, 2011	$8,000
September, 2011	$10,700

revenues will reach $250 million, passing MySpace in revenue generated. As such, Twitter advertising revenues between 2010 and 2012 are expected to grow for 405 % in the U.S. and 456 % in the worldwide market (Tables 4, 5, and 6).

4.4 Crowd Sourcing Strategy

In order to expand markets, social media such as Wikipedia use Crowd sourcing strategy. Such strategies function as reward programs and are only likely to grow more important, especially as the Web reaches into corners of the world where it never benefited from the frisson of a social movement (Dokoupil and Wu 2010). In 2009, Google launched successfully the Kiswahili Wikipedia Challenge to grow the number of Swahili-language Wikipedia entries in parts of Eastern Africa by

tying them to the chance to win modems, cell phones, and a laptop (Dokoupil and Wu 2010). Jeff Howe (2009), the author of Crowd sourcing: Why the Power of the Crowd Is Driving the Future of Business predicted in 2006 that the winners in the social-media world would be "those that figure out a formula for making their users feel amply compensated." Moreover, it is advisable to point out that with more than a million entries, hundreds of thousands of contributors, and tens of millions of fully recorded article revisions, Wikipedia's freely available database/online encyclopedia has also made it possible to study how human knowledge is recorded and organized through an open collaborative process (Spinellis and Louridas 2008).

In this new world of Social networks, the blogosphere, online communities, the ever-growing notion of crowd sourcing ("collective wisdom"), factual information of the masses provides the "true statements and facts" by testing a wide range of users with vastly different opinions (Edwards 2009). It is expected that eventually the truth will be solidified.

4.4.1 Mesh Companies Strategy

Unlike the traditional businesses which follow a simple formula: create a product or service, sell it and collect money, in the last few years a fundamentally innovative business model has taken root-one in which consumers have more choices, more tools, more information, and more peer-to-peer power. Organizations that use social media, wireless networks, and data crunched from every available source to provide people with goods and services at the exact moment they need them, without the burden and expense of owning them outright are called "Mesh companies" (Gansky 2010). This strategy can be profitable as it creates trusted brands and build strong communities by helping customers to buy less but use more products and services. Mesh strategy s successful if aligned with the peer-to-peer power of social media networks as it can inspire customers in a highly competitive world where access trumps ownership (Gansky 2010).

4.5 Strategic Shifts in Marketing and Value Chain

Marketing is experiencing a profound paradigm shift. In the old paradigm, marketers controlled the conversation with consumers through commissionable media—television, radio, newspapers and magazines (Qualman 2010). In the new paradigm, marketers risk is being marginalized in the electronic dialogue now taking place real-time. The solution is to adopt efficiently new technologies (e.g., weblogs, RSS, wikis) which together with the diffusion of broadband Internet allow companies to interact effectively with media consumers (Lacy and Bauer 2006) and massively integrate consumers into the production process at all levels of the value chain. Each step of the traditional value chain of media production—from concepts, know-how, and technology to content production, packaging, marketing and distribution—has a user-generated equivalent (Schaedel and Clement 2010). This strategy allows social media to considerably increase market share and generate exponential returns for consumers and businesses. Those returns could vary for

media business from sales, brand awareness, customer service. A subset of this is that in the future we will no longer search for products and services, rather they will find us via social media. Because of the speed in which social media enables communication, word of mouth now becomes world of mouth. Nielsen Global Online Consumer Survey "Trust, Value and Engagement in Advertising" in July 2009 shows positive influence of social media on consumer trust as 78 % of consumers trust peer recommendations, while only 14 % trust advertisements.

4.6 Micropayment and, Nicheization of Media Market

Industry and market structure of the social media industry will be more niche-oriented. If the twentieth century was about hits, the twenty-first will be equally about niches (Anderson 2006). On demand media and particularly VoD—Video on Demand will considerably gain more importance. As such, long tail economics will become more prevalent in capturing the fragmented media market. In terms of advertising and marketing revenue, it is advisable to point out that online and interactive advertising as well as micropayment strategies will be increasingly important. Micropayment will provide potential consumers with immediate transaction processing and will increase VoD—Video-on-demand and PPV—Payment-Per View models. It is argued that micropayment is in the process of becoming web's new currency and will be especially useful in purchasing electronic books, online articles, music, video and film files. The case of micropayment strategy is additionally supported by the exponential growth of the Internet during the past decade. Thus, between 2000 and 2010 the number of internet users worldwide increased for 445 %.

Micropayment strategy is widely becoming an alternative to subscriptions as it moves content creators closer to consumers. The competitive advantage of micropayments can potentially provide consumers with a payment model in which content can be unbundled and further sold via B2C channel. On the other hand, cloud computing will be especially important in terms of B2B marketing as many international companies will hire another firms to manage their data via the Internet in private spaces, rather than those companies using their own servers, in an effort to gain storage space and, rather than those companies using their own servers. The increasing development of social media, web, personal computing devices (PCs, mobile phones and portable media players) made possible the wide dissemination of various online contents over the consumer-to-consumer (C2C) channel.

4.7 Media Distribution Strategies

From a technological and distribution viewpoint, the usage of different applications for mobile, wireless and network media will become more dominant. The most important technology trends in the future are sharing and usability including more

interactive, immersive, wireless and mobile media as well as user interface. Mobile TV is an effective media technology that allows to leverage and customize (personalize) the content of UGC and distribution of the social (web) media services (Blanco-Fernández et al. 2009).

In addition, the distribution of web media will migrate from broadcast to unicast. This means that web media will dominantly operate as a multimedia platform integrating variety of different media TV, video, radio, internet, telephony. Moreover, 3DTV is increasingly considered a viable option to the traditional LCD and plasma full HD TV sets. The original feature of 3D TV presents the option of more immersive watching experience by potential viewers. However, the lack of universal technological standard as well as unease about wearing 3D glasses could postpone more intensive consumers' adoption. Web media have now become an on-demand, participatory, non-linear means of communication in which viewers will be able to control the type of content they watch as well as its timing.

4.8 User-Generated Content as a Promoter of Collaborative Information Services

User generated content is characterized as 'Conversational Media', as opposed to the 'Packaged Goods Media' of the past century. The former is a two-way process in contrast to the one-way distribution of the latter. Conversational or two-way media is a key characteristic of so-called Web 2.0 which encourages the publishing of one's own content and commenting on other people's. UGC can be twofold and include both personal and collaborative publishing. The personal publishing consists of weblog, podcast, photo, whereas the collaborative publishing consists of internet forum, wiki. Thus, consumer becomes Prosumer—both producer and consumer of information goods. The proliferation of UGC has made a strong impact on consumers, media suppliers, and marketing professionals while necessitating research in order to understand both the short and long-term implications of this media content (Daugherty et al. 2008).

One of the main competitive advantage of the conversational media is that within the UGC, all digital media technologies are included, such as question–answer databases, digital video, blogging, podcasting, mobile phone photography and wikis. In addition to these technologies, user generated content may also employ a combination of open source, free software, and flexible licensing or related agreements to further reduce the barriers to collaboration, skill-building and discovery. As the consumption, creation, and distribution of UGC continues to evolve, content aggregation tools and Web 2.0 applications built on Really Simple Syndication (RSS) technology will become more usable and accessible to consumers, helping create a manageable information space that is both customized and relevant (Daugherty et al. 2008).

User-generated content is a part of the development of collaborative information services and the usage of folksonomies. Folksonomies represents collection of tags. The term folksonomy is a portmanteau of the words folk (or folks) and taxonomy

that specifically refers to subject indexing systems created within Internet communities (Snuderl 2008). Folksonomy has little to do with taxonomy—the latter refers to an ontological, hierarchical way of categorizing, while folksonomy establishes categories (each tag is a category) that are theoretically "equal" to each other (Snuderl 2008). Folksonomies turn the classification system from criteria-centric into a resource-centric approach (Peters 2009, p. 3).

On the other hand, Tags are a "bottom-up" type of classification, compared to hierarchies, which are "top-down" (Snuderl 2008). Tags are keywords, entered as additional metadata to each uploaded file—words that describe the content according to author's opinion and experiences (Snuderl 2008). So tagging is a method of categorizing information in a collaborative and decentralized way. Tagging, or using keywords to add metadata to shared content, is gaining much popularity in recent years (Cattuto et al. 2007; Golder and Huberman 2006; Marlow et al. 2006). Tags are used to annotate various types of content, including images, videos, bookmarks, and blogs, through web-based systems such as Flickr, YouTube, del.icio.us, and Technorati, respectively. The popularity of tagging is attributed, at least in part, to the benefits users gain from effective sharing and from organization of very large amounts of information (Ames and Naaman 2007; Cattuto et al. 2007). Due to the fact that user participation is critical to the sustainability of content sharing communities, as a collaborative tagging system cannot succeed without higher level of user contribution (Nov and Ye 2010; Koh et al. 2007).

4.9 Content Re-purposing, Cross-Media Content and Global Convergence

Content re-purposing is particularly important because in the future, only media companies focusing on selling content and services in maximum quantities will manage to maintain a profitable position in this highly volatile market (Vizjak and Ringlstetter 2003, p. 17). Moreover, the strategic management of cross-media content and platform is important because of two dominant reasons: (1) It increases the number of media distribution platforms and services, and (2) it diversifies firms' corporate portfolios while reducing financial risk in highly volatile global markets.

The concept of cross-media content will integrate both the hypermedia and multimedia models. Cross-media and on-demand content offer the enormous content base (linear and nonlinear) as a part of web and social media content. In addition, on-demand web and social media services are able to promote premium, niche, and user generated content. As such, innovative services are based on convergent technological architecture (Bakos and Brynjolfsson 2000). Due to the faster product life cycles, volatile markets, and increased competition, future cross-media services will be more interactive, dynamic, enhanced, and flexible. This enhanced technological and content integration will more efficiently stimulate the economies of aggregation that, in turn, will bring value added services to the media business and industry. The future of web media strategies including media

re-purposing and UGC looks very bright. It was recently estimated by Mark Selby, Vice President of Nokia Multimedia, that the mixing up of media content will increase a multimedia content by 25 % by 2012.

Globalization and convergence have created additional possibilities and incentives to repackage or to repurpose media content into as many different formats as is technically and commercially feasible (books, magazine serializations, television programs and formats, videos, etc.) and to sell those products through as many distribution channels, outlets, or windows in as many geographic markets and to as many paying consumers as possible (Doyle 2002, p. 22). Accordingly, repurposing represents the joint emphasis of media firms on both the content and distribution.

5 The Increasing Influence of New and Social Media

The increasing influence of social media is well documented in the fact that five among ten most visited global websites belong to the category of social media that favor the creation of UGC—User Generated Content (Facebook # 2, You Tube # 3, Blogger.com # 5, Wikipedia # 8 and Twitter # 9). The importance of social media is further exemplified by the fact that 75 % of search results for the world's top 20 largest brands are links to user-generated content. The Nielsen Research found that in April 2010 most popular global brands online are: Google, MSN/WindowsLive/Bing, Facebook, Yahoo!, Microsoft, YouTube, Wikipedia, AOL Media Network, eBay, Apple. This research shows that the highest percentage of Social Networking/Blog Sites users are to be found in Brazil, Italy, Spain, Japan, United States, United Kingdom, France, Australia, Germany, Switzerland. Furthermore, total worldwide social media advertising revenues are projected to reach more than $8 billion by 2012, with the lions share going to Facebook, which is projected to generate $5.78 billion that year.

The increasing usage of social media is additionally supported by present and future demographic trends. As such, it is estimated that over 50 % of the world population is under 30 years old. Accordingly, in 2010 generation Y outnumbered Baby Boomers. In addition, it is the generation Y that in 96 % of cases have joined social network. More than 80 % of Twitter users are less than 30 years old. In November 2010 CBS reported that the number of social media users age 65 and older grew 100 % throughout 2010, so that one in four people in that age group are now part of a social networking site.

Erik Qualman, the author of "Socialnomics: How Social Media Transforms the Way We Live and Do Business" lists several empirical and quantitative facts/data that prove the increase of social media usage in the global media business:

- By 2010 Gen Y outnumbered Baby Boomers which is evident in the fact that 96 % of them have joined a social network
- comScore, Inc. digital marketing intelligence research company indicates that Russia has the most engage social media audience with visitors spending 6.6 h

and viewing 1,307 pages per visitor per month—Vkontakte.ru is the #1 social network
- The fastest growing segment on Facebook is 55–65 year-old females
- Generation Y and Z consider e-mail passé. The number of social media and UGC users (Facebook, You Tube) exceeds the number of e mail users.
- A 107 trillion of emails are sent on the Internet in 2010.
- 24 of the 25 largest U.S. newspapers are experiencing record declines in circulation because we no longer search for the news, the news finds us.
- In the near future the consumers will no longer search for products and services as they will find them via social media
- Successful and profitable companies in social media follow two primary rules of (1) listening first, selling second and (2) acting more like party planners, aggregators, and content providers than traditional advertiser.

6 Reasons for Corporate Embrace of Social Media

Today's media companies must embrace social media for three reasons. First, they provide a low-cost platform on which to build consumer personal brand. Second, they allow consumers and corporate executives and managers to engage rapidly and simultaneously with peers, employees, customers, and the broader public, especially younger generations, in the same transparent and direct way they expect from everyone in their lives. Third, they give users and prospective business clients an opportunity to learn from instant information and unvarnished feedback. (Dutta 2010, p. 128).

It's no secret that social media—global, open, transparent, non-hierarchical, interactive, and real time—are changing consumer behavior and workplace expectations. As a result, the best businesses are creating comprehensive strategies in this area to support their goals. However, my research on the organizational implications of social media and consulting work with dozens of companies in America, Europe, and Asia suggest that it is taking longer for corporate leaders to consider what the new paradigm means for them personally. As such, it is advisable to take into consideration the world's leading CEOs as a sample. According to data from Fisheye Analytics, the top 50 chief executives (as identified by Morten T. Hansen, Herminia Ibarra, and Urs Peyer in "The Best-Performing CEOs in the World," HBR January–February 2010) are increasingly discussed in online venues, but few are using social media to spread their own messages: Only 19 were on Facebook, only six had a LinkedIn page, and only two—Google CEO Eric Schmidt and former Norilsk Nickel CEO Mikhail Prokhorov—were tweeting or blogging (although some used their corporate pages for blogs) (Dutta 2010, p. 128).

Furthermore, social media provide advantage to the media corporations in terms of

1. Reducing distribution and advertising costs
2. Prolonging the business cycle of media products and service through UGC and media content repurposing
3. Managing more effective target marketing.

Moreover, recent studies in social networking sites have found a positive relationship between certain kinds of Facebook use and the maintenance and creation of social capital (Ellison et al. 2007). Accordingly, Facebook appears to play an important role in the process by which its users form and maintain social capital. The findings in this research demonstrate a robust connection between Facebook usage and indicators of social capital, especially of the bridging type (Ellison et al. 2007). It is advisable to point out that Internet use alone did not predict social capital accumulation, but intensive use of Facebook did. Boyd and Ellison (2007) define three main characteristics of SNS: such sites allow users to "(1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system."

7 Business Benefits of Using Facebook's and Other Social Network Sites

As it relates to social networking in the corporate business, there is no one-size-fits-all approach. Benefits of social networking platforms are based on platform type, features and the corporation itself. Social networking platforms may allow organizations to improve communication and productivity by disseminating information among different corporate groups of employees in a more efficient manner, resulting in increased productivity. Contemporary academic research in the field of business and social studies (Utz 2009; Subramani and Rajagopalan 2003; Stelzner 2011, p. 16) points out that social networking sites provide benefits in business as they

- Increase Customer Loyalty And Trust
- Build and enhance corporate reputation
- Assess corporate markets in real time
- Facilitate open communication, leading to enhanced information discovery and delivery
- Allow employees to discuss ideas, post news, ask questions and share links.
- Provide an opportunity to widen business contacts
- Target a wide audience, making it a useful and effective recruitment tool
- Generate, enhance, increase and improve brand awareness, business reputation management and client base with minimal use of advertising
- Expand market research, implements marketing campaigns, delivers communications and directs interested people to specific web sites.
- Entice consumer engagement
- Act as a portal point for driving traffic to corporate site and other online properties

- Provide an opportunity and an efficient feedback mechanism to acquire new segments of customers and consumers by targeting specific vertical markets with specific business objectives.
- Provide another potential interception point to build the relationship with corporate consumers and increase client retention.
- Effectively and efficiently access the inherent value of the different consumer segments
- Bring more Traffic and subscribers to Website by increasing Email Marketing Capability and Viral Syndication of Content
- Understand consumer behavior based on the sharing of content and commentary on the social networking site
- Generate qualified lead
- Improve sales and search rankings
- Generate exposure for corporate business
- Reduce overall marketing expenses.

8 Trends of Global IP Traffic Growth

The Cisco Visual Networking Index 2009–2014 white paper "Hyperconnectivity and the Approaching Zettabyte Era" forecasts that global IP traffic will quadruple from 2009 to 2014 (176 to 767 exabytes). Overall, IP traffic will grow at a compound annual growth rate (CAGR) of 34 %. In 2014, the Internet will be four times larger than it was in 2009. Advanced Internet video (3D and HD) will increase 23-fold between 2009 and 2014. Cisco's research shows that by 2014, 3D and HD Internet video will comprise 46 % of consumer Internet video traffic. Video-on-demand (VoD) traffic will double every 2½ years through 2014. Consumer IPTV and CATV traffic will grow at a 33 % CAGR between 2009 and 2014.

Globally, mobile data traffic will double every year through 2014, increasing 39 times between 2009 and 2014. Mobile data traffic will grow at a CAGR of 108 % between 2009 and 2014, reaching 3.5 exabytes per month by 2014. Almost 66 % of the world's mobile data traffic will be video by 2014. Mobile video will grow at a CAGR of 131 % between 2009 and 2014. Business IP traffic will grow at a CAGR of 21 % from 2009 to 2014. Business video conferencing will grow 10-fold over the forecast period. Business videoconferencing traffic is growing almost three times as fast as overall business IP traffic, at a CAGR of 57 % from 2009 to 2014. Web-based video conferencing will grow 180-fold from 2009 to 2014. Web-based video conferencing is the fastest growing subcategory (183 % CAGR from 2009 to 2014) within the business portion of the Cisco VNI Forecast at this time. HD video conferencing will account for over half (57 %) of business video conferencing traffic in 2014, up from 31 % in 2009. Increasing broadband speed: the average global residential Internet connection download speed is 35 times faster in 2010 (4.4 megabits per second) than 2000 (127 kilobits per second).

9 The Decreasing Influence of Old Media

The decreasing economic and social influence of traditional media (print, radio and TV) is particularly evident in the statistical data which show that radio needed 38 years in order to reach 50 million users. TV needed 13 years to reach the same number of users, Internet 4 years, IPOD—3 years; while Facebook added 100 million users in less than 9 months. Moreover, iPod application downloads hit 1 billion in 9 month. On the other hand, global internet company such as Google in 2009 has increased the value of their brand for 25 %.

Simultaneously, all the trend lines were downwards for the newspaper business. Global newspaper advertising revenues fell −17 % in 2009; North American newspapers lost a quarter of their advertising revenues. Ad spend was also down in Western Europe −13.7 %, Central and Eastern Europe −18.7 %, Asia 9.6 %, Latin America −2.9 % and was stable in the Middle East and Africa. Between 2004 and 2009, the US newspaper industry lost 34 % of its readers; the UK industry lost 22 %.

The research of the Newspaper Association of America shows that daily newspaper print ad has been constantly decreasing since 2005. Furthermore, in the USA The Wall Street Journal is the only newspapers in 2010 to gain in circulation among the top 25 newspapers. The importance as well as the market expansion of digital media is evident in the bookseller Barnes & Noble assertion that the company in 2010 sells more digital books than physical books on its Web site. Accordingly, Forrester Research expects U.S. e-book sales to total $2.8 billion in 2015, up from nearly $1 billion in 2010. The research firm projects the number of e-readers and tablets in the U.S. will soar from more than 15 million in 2010 to nearly 60 million in 2015.

10 Main Competitive Advantage of New/Social Media Over Old/Traditional Media

Although, both the old/traditional and new/social media can reach small or large audiences, there are many fundamental differences in terms of the competitive advantage in distribution, production, technology, market targeting that favor new/social media over old/traditional media (Table 7).

Conclusion

Today social media represent an important segment of ICT industry that together represent the fastest growing sector of modern economies. Moreover, this industry sector is undergoing a massive metamorphosis and a profound change. This rapid change includes the digitization of information, digital convergence, cross-media content management, the emergence of the internet, Web 2.0, Web 3.0, Web 4.0, Web X.0, dramatic increases in computing power and bandwidth capacity, IPTV,

Table 7 Differences between old and new media consumption patterns

Old/traditional media	New/social, Web and UGC media
Industrial media dominantly produced by large multinational corporations	Personal media primarily produced by internet users
Top-down content production	Bottom-up content production
Centralized framework for organization, production, and dissemination of media One to many content distribution	Decentralized (network and on-demand) based media Many to many content distribution
Linear, One-way media communication	Interactive and immersive media communication
Reaching the audience	Connecting the audience
Passive users—Users as Recipients	Active users—Users as participants
Static media	Mobile media
Economies of scale	Economies of scope (Long tail Economics)
Content is the king	User is the king
One-sided platform distribution	More diversified multi-platform (hypermedia and multimedia) distribution, less hierarchical, and distinguished by multiple points of production and utility
Less available and accessible to the public, distribution costs and viewing is more expensive	Generally available and accessible to the public at little or no cost
The time lag between communications produced by industrial media can be long (days, weeks, or even months)	Capable of virtually instantaneous responses; only the participants determine any delay in response
Once created content, it cannot be altered (once a magazine article is printed and distributed changes cannot be made to that same article)	Easily altered content by almost instantaneously editing and writing comments
Less creative content creation	More creative content creation
Storage capacity for media content is relatively low	Storage capacity for media content is very high Acts as an online database
Low level of content categorization and sharing	High level of content categorization, annotation and sharing: Widgets, collaborative tagging, social classification, social indexing, and social tagging, folksonomy
Less peer-to-peer power Publisher-Centric	More peer-to-peer power User-Centric Model UGC—User generated content
Analogue	Digital media Digital convergence Mobile and wireless media Ambient media Augmented media Widget(ized) media Tagged media Folksonomy
Two-dimensional media	3D media
Traditional market targeting (B2C and B2B marketing)	Better and more efficient market and consumer marketing (B2C and C2C) Nicheization Social network and online communities

Internet TV, Mobile TV, Cable TV. Accordingly, this process requires new mechanisms to create more innovative and profitable media content and viewers' experiences. Effective application of content repurposing will help media and ICT companies to reach a wider and more varied audience. With new internet and mobile TV technologies (UGC, media content repurposing) companies have an opportunity to stretch the life of the same content across platforms and audiences.

Looking from a macro economic perspective, it is advisable to point out that the digital/social (web) media revolution corresponds with the decreasing economic and industrial influence of the leading western countries such as the USA. Thus, the market capitalization growth of the American market in 1970. Represented 66 % of the global market capitalization, while in 2001 the American market capitalization represented 47 %. It is estimated that by 2020, the USA market capitalization growth will be reduced to 27 % of the global market capitalization.

The future of television goes through the interactive services (IPTV, Web TV, Cable TV) such as income tax statement, taxes payment, medical services, shopping. With all these changes, media companies are not any more companies that only deliver contents. Media managers have to set departments of marketing, retailing, and stores, or to signed agreements with external firms. Whereas traditional, centralized, old media favorized communication and content distribution from one to many, new, social, web media produces and distributes content and services from many to many. In old media environment the content was the king. However, in social media, the user becomes new king. In an increasingly converged and global digital media landscape it is easier than ever to reach a large audience, but it is harder than ever to effectively connect with it. Therefore, old media traditional preoccupation was to reach the audience, however, in the age of digital media globalization, new media companies have a twofold task to reach and connect the audience.

In summary, the twenty-first century media is apparently becoming increasingly interactive, immersive, ubiquitous and digital. Furthermore the future of the media appears to be specifically oriented towards the establishment of, networked, 3D, on-demand, broadband and unicast as well as multimedia and hypermedia models of distribution, communication and content creation. Therefore, it is becoming very common that social media is regarded among scholars and media businessmen as a fundamental communication, marketing, content production and distribution, shift in which successful social media companies will have to act more as corporate planners, aggregators, and content providers than traditional advertiser.

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