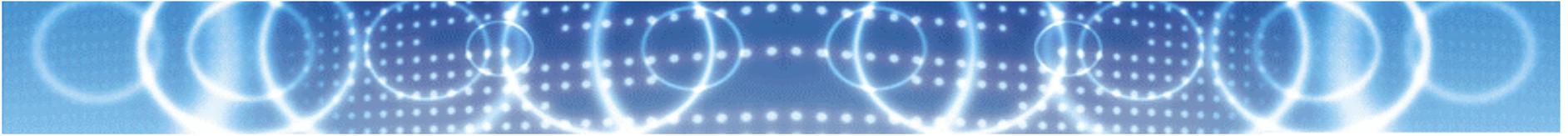


# **The evolution of social networks case study proposal**

**Value Chain Dynamics Working Group Workshop  
October 24, 2008  
Cambridge, MA**

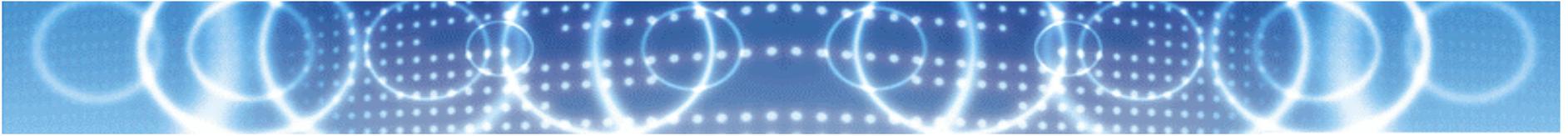
**Natalie Klym  
nklym@cfp.mit.edu**



## **Today's goals**

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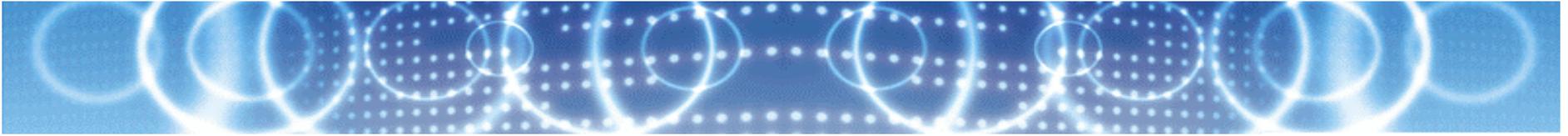
- Present outline of case study
- Clarify & prioritize goals
- Start the discussion
- Provide a background on the social TV case study for the next session



## Case study summary

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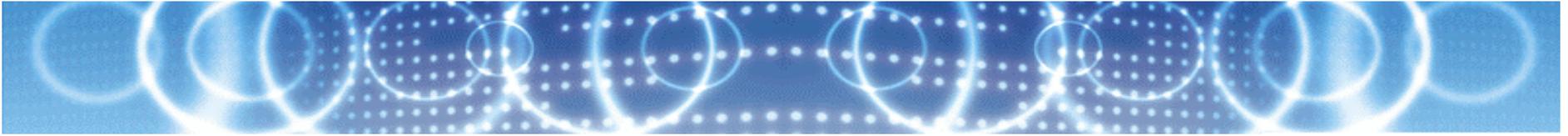
- The case study will explore the evolution of social networking in terms of *functionality* (what utility does it offer and how is it being applied?) and the *organization of that functionality* (what's the value chain?).
- Key areas of investigation
  - Functionality and purpose of social networking
  - Value chain analysis
  - Social TV case study



## **Defining social networks**

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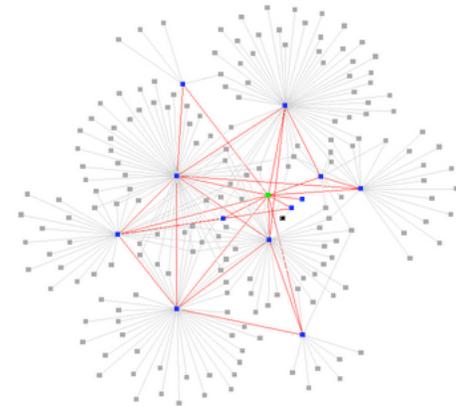
- Social networks are an assembly of software functions that enable group interaction based on the connections between people
- Social networks combine profile + social graph information

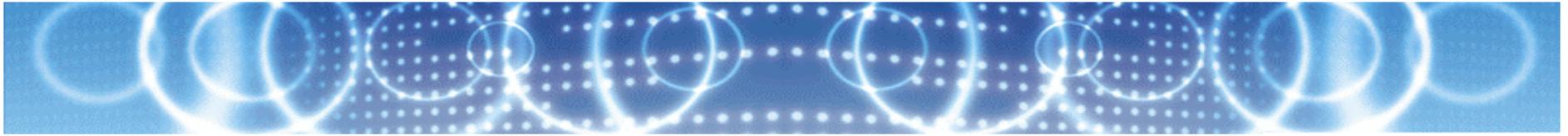


## The social graph

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- The core function of social networking
- The network of connections through which people communicate and share information
- Formed by making “friends”
- Social networking apps leverage the social graph

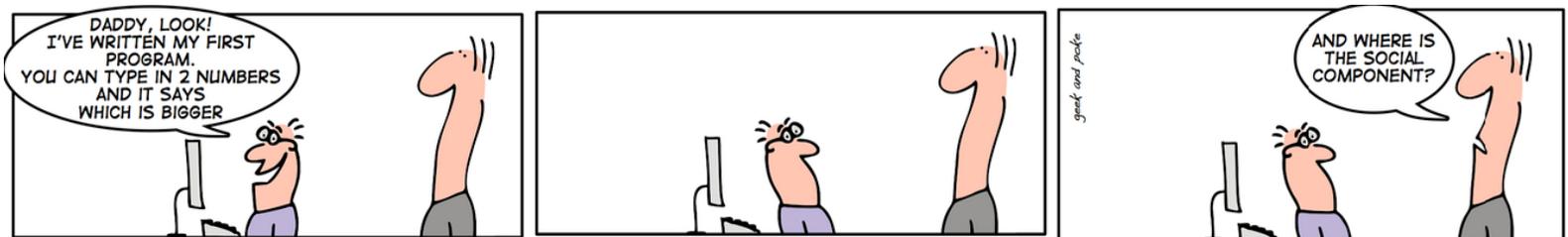


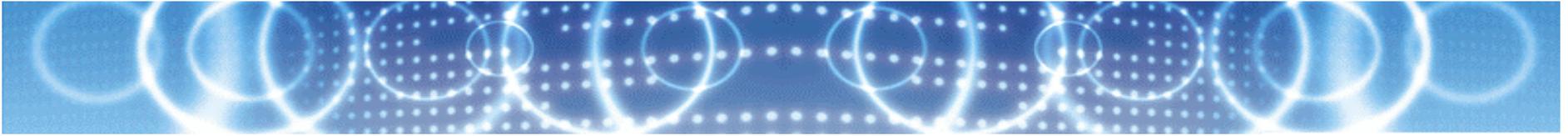


## The social component

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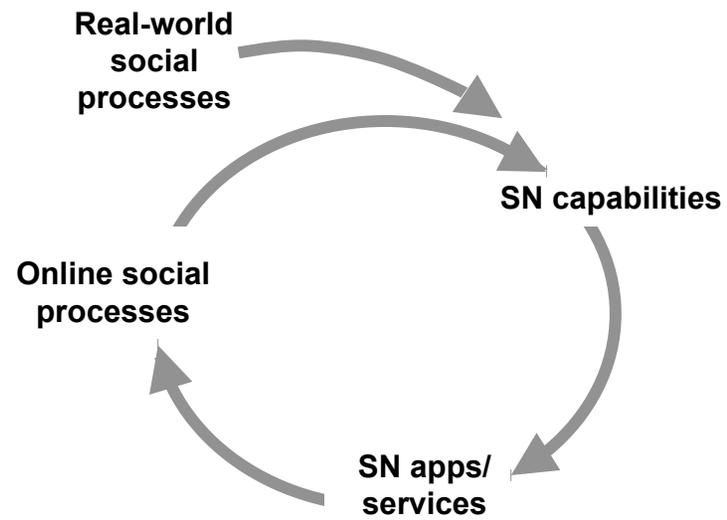
- “There are an increasing number of new "social applications" as well as traditional applications which either require the "social graph" or could provide better value to users by utilizing information in the social graph.”
- What does it mean to make an application or service “social”?

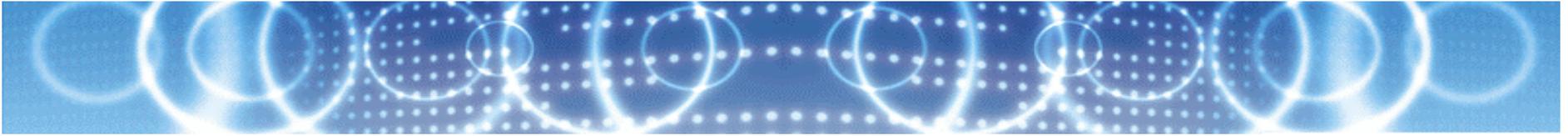




## **The social component—a conceptual framework**

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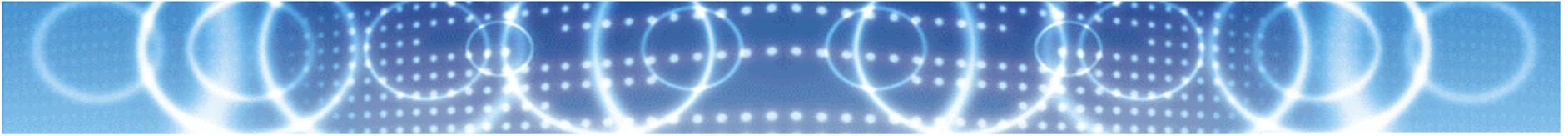




## **Value chain analysis**

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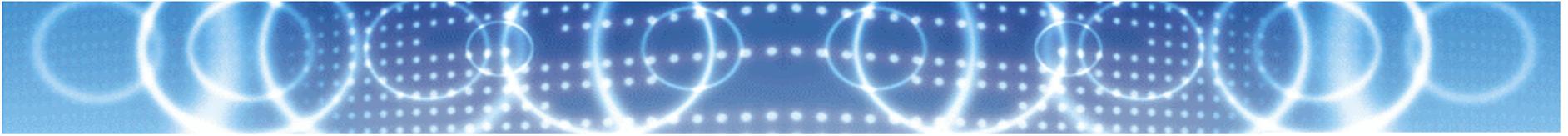
- Where does profile + social graph information fit in the communications value chain?
- What's the relationship between ID management and the social graph?
- Will there be a unified social graph? Who will own it?
- What's the role of social capital in the value chain?
- What's the social advertising model?



## **Value chain analysis**

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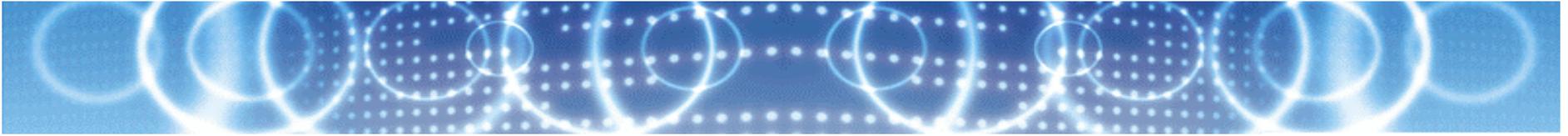
- Key players:
  - Social networking sites (the original Facebook, LinkedIn, Bebo)
  - Social networking platforms (Facebook, opensocial)
  - Social networking application developers (RockYou, Ning, Faceforce)
  - Other contenders (email, blogs, IM, Skype, mobile operators, etc.)
  - Advertisers
  - End users
  - Others?



## High-level trends

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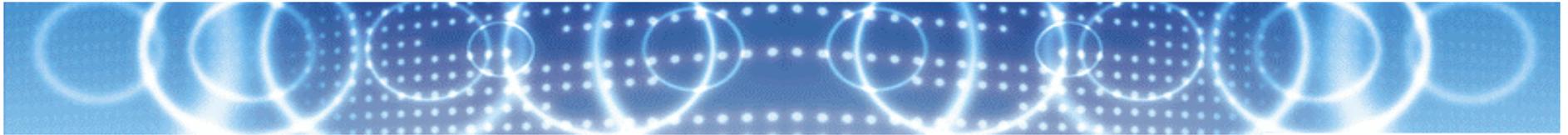
- Transition from applications to platforms
  - Platform wars: Facebook vs opensocial as dominant platform?
  - Will there be one unified social graph? Who will own it?
- Other social networking contenders
  - IM, Skype, Email, Blogs, Multi-user games
- Transition from social platform to ...
  - Web browser?
  - Windows & Mac desktop?



## **Case study: Social networking and television**

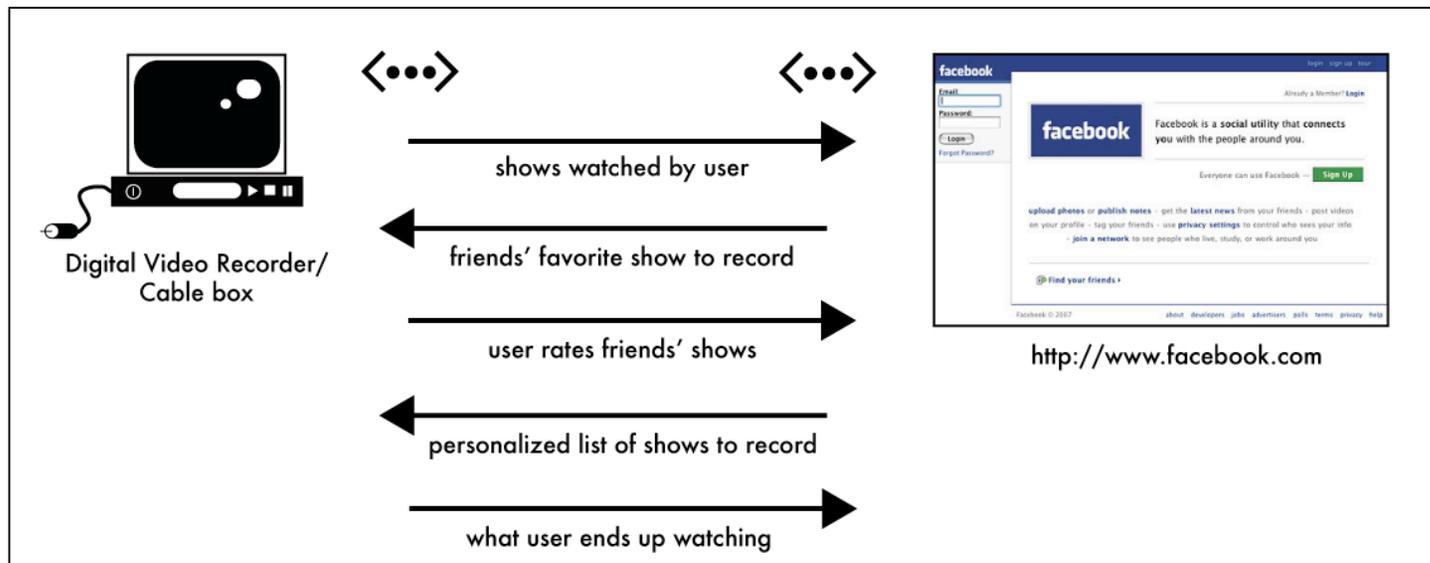
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- Web TV
  - Online video distribution + social networking (E.g., Joost, NBC.com, YouTube)
  - Social networks built around content (E.g., Abigail's X-Rated Teenage Diary)
  - Social networks + video (Eg., Facebook + embedded video)
- P2P distribution?
  - BitTorrent
  - Community TV
- Operator-based TV + social networking (e.g., Facebook TV)

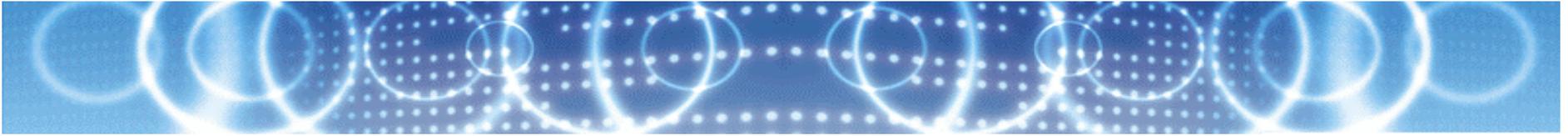


## Facebook TV example

- Adds social networking extensions to the TV UI
- Enables the DVR to communicate with Facebook so users can see what their friends are watching and their ratings
  - E.g., “favorites” are influenced by what friends are watching, can be used to determine what to record



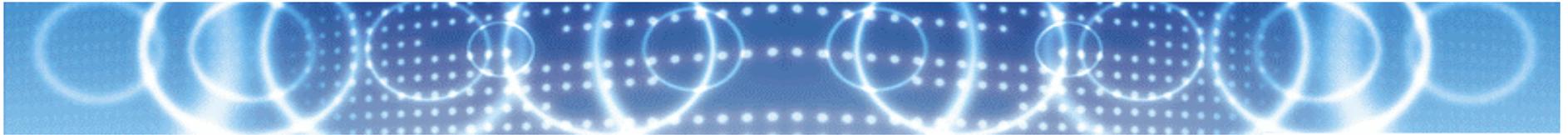
Source: Mariana Baca, MIT



## **Facebook TV example (con't)**

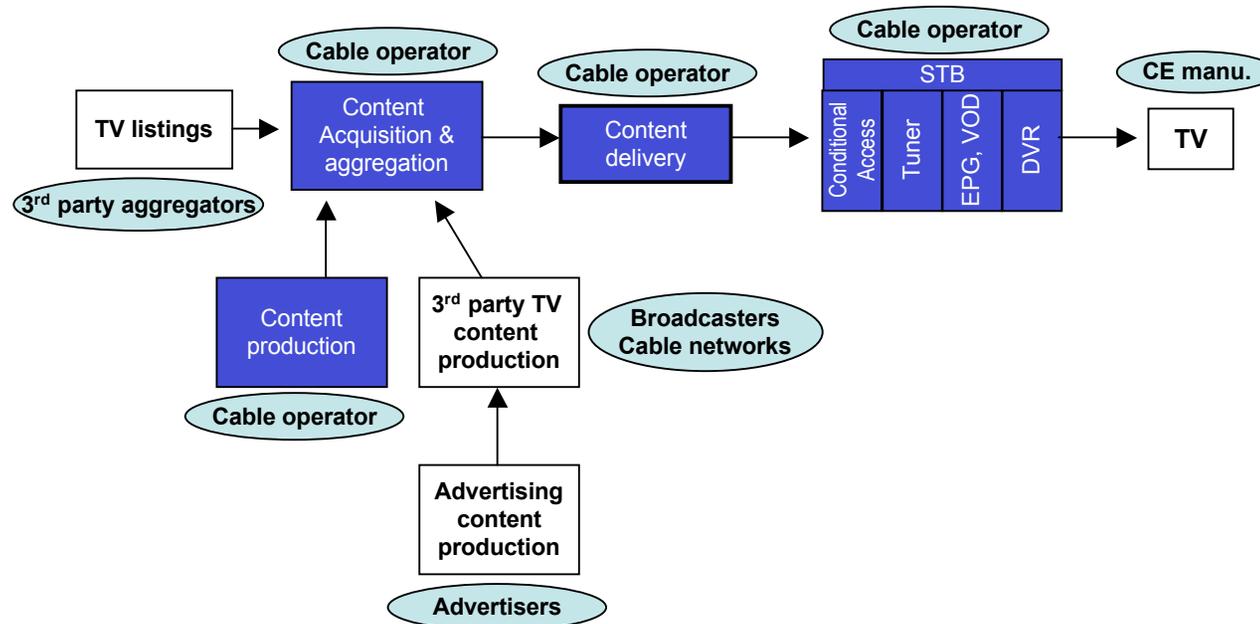
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- The social network becomes a “virtual operator” – performing a more customized version of “programming” function, based on viewing habits of the user’s peer group
- Opportunity for targeted advertising
- Enables P2P-enabled “community TV” (“friends” connect to each other’s DVR)

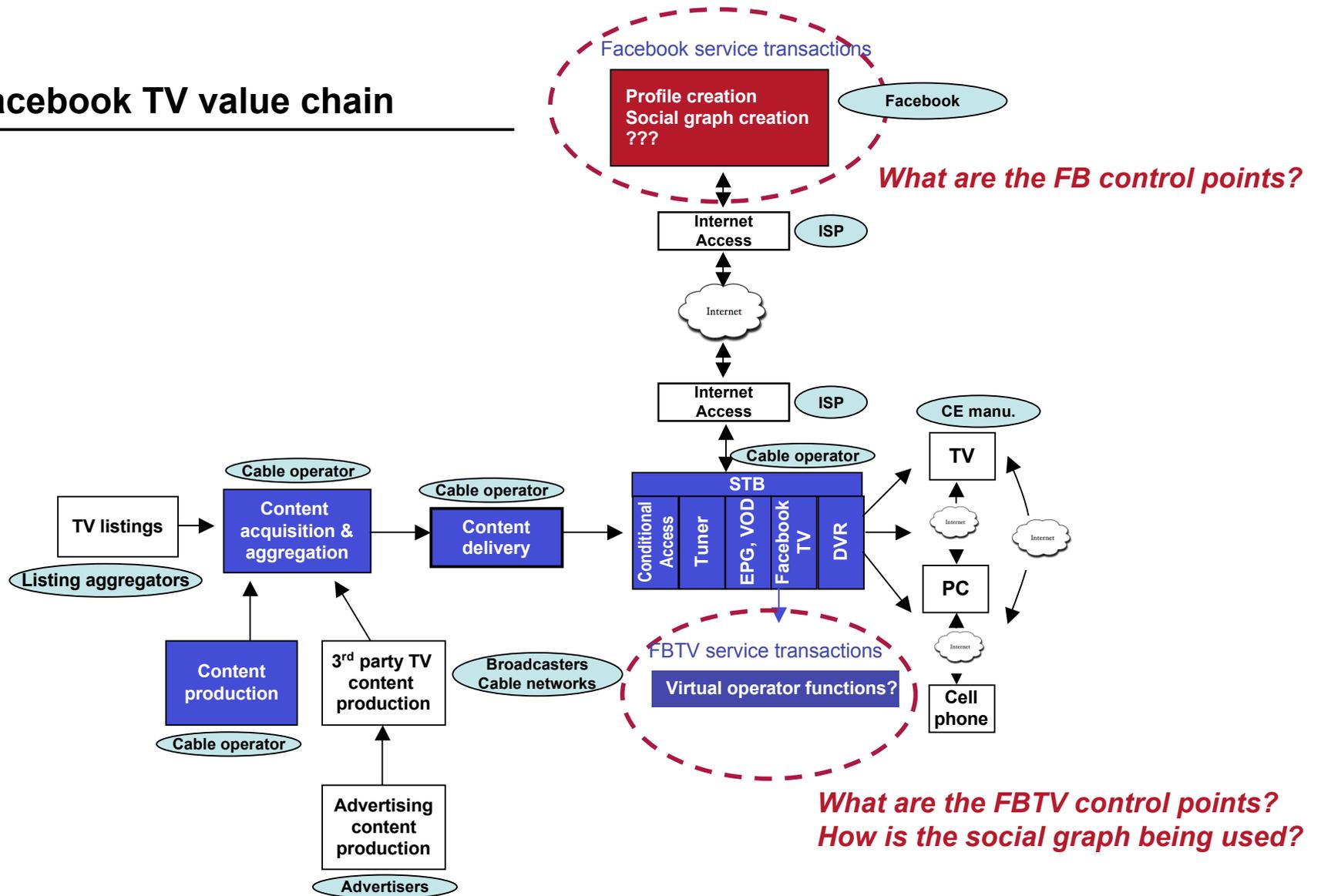


## Traditional TV service value chain (simplified)

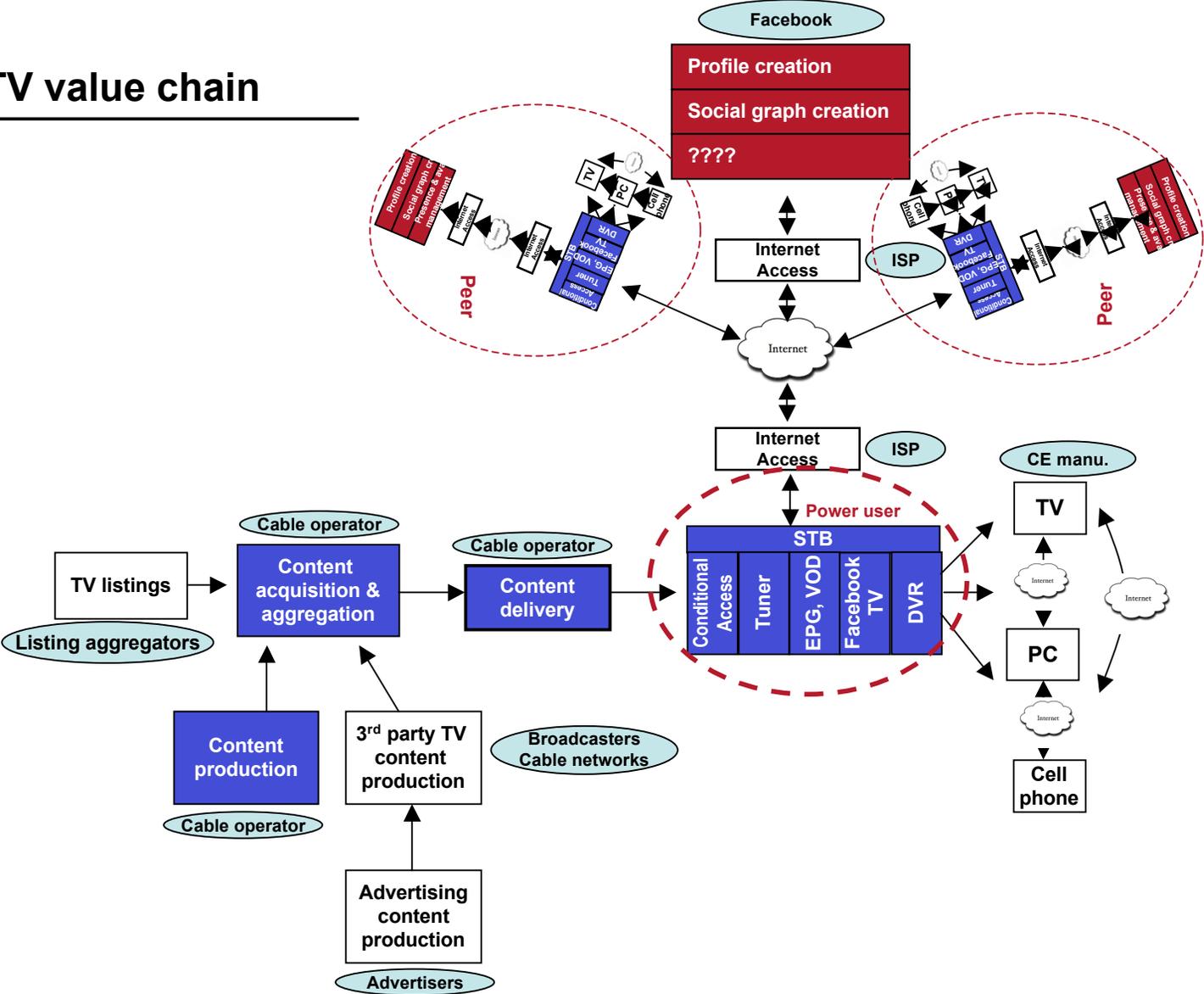
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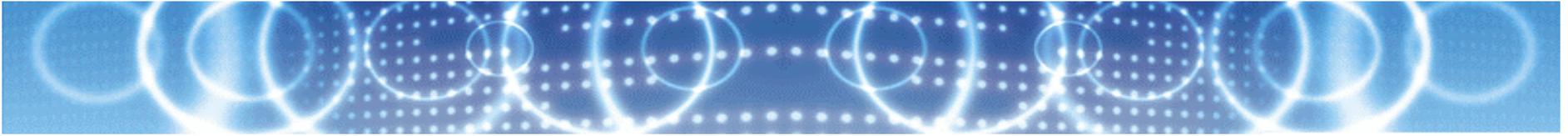


# Facebook TV value chain



# Community TV value chain





## **Case study: Social networking and television**

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- Next steps:
  - Further develop Facebook TV case study
  - Compare with Web video models