Executive Summary

Social media is a phenomenon that has transformed the interaction and communication of individuals throughout the world. However, social media is not a new concept - it has been evolving since the dawn of human interaction. In recent times, social media has impacted many aspects of human communication, thereby impacting business. Social networking has become daily practice in some users’ lives. In this article, the authors describe features and the evolution of social media, including major social networking sites that came into existence during the 21st century. Some of the sites discussed include Facebook, YouTube, Twitter, MySpace, CyWorld, and LunarStorm.

Introduction

This paper examines the history of social media. The plan was to approach this work from its historical development to its modern day perspective. The authors also looked at the definition of social media, its concept and application in the 21st century. In the decade of information systems, social media has played a vital role in transforming business and communications. We believe that the fastest way to grow a business entity is through social media and networking. In 2000, many social networking sites emerged to ease interaction with people that share common interest in music, education, movies and so on. This also affected how businesses conducted their transactions and advertisements, and also their products.

It is difficult to study social media without encountering the phrase social networking. Therefore, both concepts are discussed in this article. The Merriam-Webster dictionary defines social media as “forms of electronic communication (as Web sites for social networking and blogging) through which users create online communities to share information, ideas, personal messages, and other content (as videos).” The same source defines networking as “the exchange of information or services among individuals, groups, or institutions; specifically: the cultivation of productive relationships for employment or business.”

There are many ideas about the first occurrence of social media. “Throughout much of human history, we’ve developed technologies that make it easier for us to communicate with each other” (Carton, 2009). The earliest information encountered by the writers of this article...
referred to 1792 and the use of the telegraph to transmit and receive messages over long
distances (Ritholz, 2010). Emile Durkheim, a French sociologist known by many as the father of
sociology, and Ferdinand Tonnies, a German sociologist, are considered pioneers of social
networks during the late 1800s. Tonnies believed that social groups could exist because members
shared values and beliefs or because shared conflict. His theory dealt with the social contract
conceptions of society. Durkheim combined empirical research with sociological theory. Also, in
the late 1800s, the radio and telephone were used for social interaction, albeit one-way with the

Social networks have evolved over the years to the modern-day variety which uses digital
media. However, the social media isn’t that new. In addition, it didn’t start with the computer
but instead the telephone. During the 1950s, phone phreaking, the term used for the rogue
searching of the telephone network, began. This process was accomplished through the use of
homemade electronic devices that facilitated unauthorized access to the telephone system to
make free calls. Phreaks were able to find telephone company test lines and conference circuits
to complete their task. Brett Borders stated phreaks were able to hack into corporate unused
voice mailboxes to host the first blogs and podcasts (Borders, 2010).

During the 1960s, the public saw the advent of email (Borders, 2010). However, the
internet was not available to the public until 1991. Email was originally a method to exchange
messages from one computer to another, but both computers were required to be online. Today,
email servers will accept and store messages which allow recipients to access the email at their
convenience. In 1969, ARPANET, created by Advanced Research Projects Agency (ARPA), a
U.S. government agency, was developed. ARPANET was an “early network of time-sharing
computers that formed the basis of the internet.” CompuServe, the third development of the
1960s, was also created in 1969 with a mission to provide time-sharing services by renting time
on its computers. With very high fees, this service was too expensive for many (Rimskii, 2011; Ritholz, 2010).

Computer Technologies

Social media was further developed during the 1970s. MUD, originally known as Multi-
User Dungeon, Multi-User Dimension, or Multi-User Domain, was a real-time virtual world with
role-playing games, interactive fiction, and online chat. MUD is primarily text based which
requires users to type commands using a natural language. BBS was created in 1978, the same
year as MUD. BBS is a synonym for bulletin board system. Users log in to the system to upload
and download software, read news, or exchange messages with others. In the early years, bulletin
boards were accessed via a modem through a telephone line by one person at a time. Early on,
bulletin boards did not have color or graphics. Bulletin boards were the predecessors of the
World Wide Web. Conceived in 1979 and established in 1980, the Usenet is similar to a BBS.
Usenet is a system to post articles or news. The difference from a BBS is that Usenet does not
have a central server or devoted administrator—messages are forwarded to various servers via
news feeds (Ritholz, 2010). As a professor at Murray State University in Murray, Kentucky, a
project was initiated to work with a BBS to meet area educators’ needs (Shirky, 2011).
With the 1980s came the introduction of The WELL, GEnie, Listserv, and IRC. The WELL, which originally began as a BBS, is short for the Whole Earth ‘Lectronic Link. It was founded in Sausalito, California by Stewart Brand and Larry Brilliant and is one of the oldest continuously operating virtual communities. GEnie is the acronym for General Electric Network for Information Exchange. It was an online service using the ASCII language and was considered competition for CompuServe. General Electric Information Services (GEIS) ran GEnie on the time-sharing mainframe computers during non-peak hours. GEIS initially refused to expand the network to allow GEnie to grow. Listserv, launched in 1986, was the first electronic mailing list software application. Prior to its creation, email lists had to be managed manually. The software allows the sender to send one email to reach several people. Originally, Listserv was freeware but is now sold commercially. A free version is available for a limit of ten lists with no more than 500 subscribers. IRC, Internet Relay Chat, is designed for group communication. It is a form of real-time chat, also known as internet text messaging, or synchronous conferencing. IRC’s main purpose is for group communication, but it allows private messages, chat, and data transfers between two users (Ritholz, 2010).

Social Networking

Many social networking sites were created in the 1990s. Some examples include Six Degrees, BlackPlanet, Asian Avenue, and MoveOn. These are, or have been, online niche social sites where people can interact, including sites for public policy advocacy and a social network based on a web of contacts model. In addition, blogging services such as Blogger and Epinions were created. Epinions is a site where consumers can read or create reviews of products. ThirdVoice and Napster were two software applications created in the 90s that have since been removed from the market. ThirdVoice was a free plug-in that allowed users to post comments on webpages. Opponents of the software argued that comments were often vulgar or slanderous. Napster was a software application that allowed peer-to-peer file sharing. Users were allowed to share music files bypassing normal distribution methods, which in the end was determined to be a violation of copyright laws (Ritholz, 2010).

In 2000 social media received a great boost with the witnessing of many social networking sites springing up. This highly boosted and transformed the interaction of individuals and organizations who share common interest in music, education, movies, and friendship, based on social networking. Among those that were launched included LunarStorm, six degrees, cyworld, ryze, and Wikipedia. In 2001, fotolog, sky blog and Friendster were launched, and in 2003, MySpace, LinkedIn, lastFM, tribe.net, Hi5 etc. In 2004, popular names like Facebook Harvard, Dogster and Mixi evolved. During 2005, big names like Yahoo!360, YouTube, cyword, and Black planet all emerged (Junco, Heibergert, & Loken, 2011).

LunarStorm

LunarStorm can be accessed at www.LunarStorm.se, it is a commercial virtual site and it is available in Swedish language. Actually, LunarStorm started in 1996 and was design by
Rickard Ericsson; it was a social networking website for teenagers and was Europe’s first digital online community. LunarStorm was officially launched in 2000.

In 2001, LunarStorm had grown to over 600,000 members but still experienced economic difficulty. Since the beginning, LunarStorm had been financed by banners and other advertising on the website, but this soon evolved to include more of pay-by-SMS services. An early example was LunarStorm's own pre-paid card "Vrål" ("Bawl"). In 2002, "Kolla" ("Look" or "Check this out") was introduced, which allowed users to visit LunarStorm from their mobile phones. In the same year, members were able to upgrade their membership to "pro" status and get unlimited access to a range of services for a fee. LunarStorm Pro was extremely popular among the member base, and it improved the website's economic situation greatly (Goma, 2001).

MySpace

MySpace, a social networking website, has its head office in Beverly Hills, California, where it shares a building with its owner, News Corporation. In 2006, MySpace became the most popular social networking website in the United States but was overtaken in 2008 by its competitor Facebook, that internationally became the most popular social networking site worldwide. Approximately 43.2 million users visit MySpace on a monthly basis. The company employs approximately 1000 employees. A unique feature of MySpace is the ability for users to customize their profile information to give detailed information about themselves and what they are interested in. MySpace also has a special profile for musical artists were they can download their entire music into mp3 songs (Natta, 2010).

Facebook

Facebook is a social networking website launched in February 2004, and it is privately operated by Facebook, Inc. (Facebook, 2004). Facebook was founded by Mark Zuckerberg and others when he was a student at Harvard; though when the site was initially launched, it was restricted to Harvard students only. Later the privilege was extended to high school students and later to everyone that is 13 years or older (Boyd, 2007). As of July 2010, Facebook has more than 500 million active users. In January 2009, Facebook was ranked as the most used social network worldwide. Also, in May 2010, Google announced that more people visited Facebook than any other website in the world. It declares that this was discovered from findings on 1,000 sites across the world. (TIMES, 2010). Users may create a personal profile; add other users as friends, and exchange messages, including automatic notifications, photos and comments when they update their profile. Additionally, Facebook users may join common interest user groups, organized by workplace, school, college, or other characteristics. Facebook allows anyone who is at least 13 years old to become a registered user of the website.

On a daily basis, traffic to Facebook network is on the rise. Facebook also became the top social network across eight individual markets in Asia—the Philippines, Australia, Indonesia, Malaysia, Singapore, New Zealand, Hong Kong and Vietnam. On October 24, 2007, Microsoft announced that it had purchased a 1.6% share of Facebook for $240 million, giving Facebook a
total implied value of around $15 billion. Microsoft's purchase included rights to place international ads on Facebook; other companies have equally followed suit (STONE, 2007). For example, just during the 2010 FIFA football world cup, Nike did an ad with Facebook, and within minutes, an average of 8 million viewers had registered with Facebook (kevthefont, 2010).

**YouTube**

YouTube, founded in 2005, is the world's most popular online video community, where millions of people can discover, watch and share originally-created videos (YouTube, 2005). YouTube provides a forum for people to connect, inform, and inspire others across the globe and acts as a major distribution platform for original content creators and advertisers, large and small. YouTube is based in San Bruno, California and uses Adobe Flash Video technology to display a wide variety of user-generated video content, including movie clips, TV clips, and music videos, as well as amateur content such as video blogging and short original videos. In November 2006, within a year of its launch, YouTube was purchased by Google Inc. in one of the most talked-about acquisitions to date. YouTube has entered into a number of partnership relations with content providers such as CBS, BBC, Universal Music Group, Sony Music Group, Warner Music Group, NBA, The Sundance Channel and many others (YouTube, 2005). YouTube offered the public a beta site of the site in May 2005, six months before the official launch in November 2005. The site grew rapidly, and in July 2006, the company announced that more than 65,000 new videos were being uploaded every day, and that the site was receiving 100 million video views per day (YouTube, 2005).

**Social Media vs. Social Networks**

According to Daniel Nations (2010), social media is hard to define and is a two-way street that gives you the ability to communicate. Does that mean that a social media is an instrument of communication, just like any other social network? Do any differences exist between these two concepts?

Social Media can be called a strategy and an outlet for broadcasting, while Social Networking is a tool and a utility for connecting with others (Cohen, 2009; Stelzner, 2009). Furthermore, Cohen (2009) reports that “the difference is not just semantics but in the features and functions put into these websites by their creators which dictates the way they are to be used.”

In fact, there are several differences between social media and social networks (Hartshorn, 2010). The first one could be the definition; social media is still a media which is primarily used to transmit or share information with a broad audience, while social networking is an act of engagement as people with common interests associate together and build relationships through community (Cohen, 2009; Hartshorn, 2010).
Another difference is the communication style as it is reported by Bedell (2010). Indeed, social media is simply a system, a communication channel; it is not a location that you visit. In contrast, social networking is a two-way communication, where conversations are at the core, and through which relationships are developed (Bedell, 2010; DigitalLikeness, 2008; Hartshorn, 2010).

The return on investment, or ROI, is also a difference between social media and social network. It is difficult to determine precise numbers for the ROI from social media yet the social networking’s ROI is a bit obvious (Hartshorn, 2010; Hoffman & Fodor, 2010; Wilfong, 2010).

Then, the timely responses and the ‘’asking or telling’’ fact are another dissimilarity between social network and social media. Social media is hard work, and it takes time in which you can’t automate individual conversations; whereas, social networking is direct communication between the user and the people that he chooses to connect with. Despite the fact that in social networking people can write blogs or discuss anything, social media does not allow users to manipulate comments, correct errors or other data for personal or business benefit (Bedell, 2010; Cohen, 2009; Hartshorn, 2010; Nations, 2010; Stelzner, 2009).

The year 2005 marks the beginning of many social networks such as Yahoo 360 and YouTube, and Facebook. Facebook was only for the Harvard community, but became accessible by high school students (Jasra, 2010). Later in 2007, the growth of Facebook was staggering, as it gained over 1 million new users every week.

Yahoo! 360 was a website launched by Yahoo! Inc., and people could create a profile with photo albums and interact with other people with similar interests or get in contact with some of their friends like in any other social network (Roeder, 2010; Yahoo, 2010). YouTube was created by three PayPal employees who wanted to have a website where people could upload and share many different videos. YouTube was a revolution in the social media world because it did need a simple interface in a world where it was not easy, almost impossible to post videos online (PCmag, 2010).

Twitter

2006 was the year for Twitter to exist while Facebook began to open its doors to everyone. Twitter gained a lot of popularity first because it offered more different options such as micro blogging and secondly because it was used by some celebrities (Jasra, 2010; Tweeternet.com, 2010).

Until 2010, there was several social media created, such as Friend feed in 2007 which was a feed to consolidate the updates from social media and social networking websites and was acquired by Facebook in 2009 (Jasra, 2010).

Ping.fm was created in 2008 and was defined as ‘’the auto magic’’ micro blogging and networking web service that enables users to post to multiple social networks simultaneously (Hendrickson, 2008; Pirillo, 2010).
In 2009, Netlog formerly known as Facebox and Bingbox, was launched and is a Belgian social networking website specifically targeted at the European youth demographic (AppAppeal, 2010), and Google buzz was born in 2010.

Google buzz is a social networking and messaging tool that integrates a web-based email program which will work through the popular Gmail service, will allow users to post status updates, photos and links to members of their network, as well as pull in their activity on other sites like Twitter or Facebook (Google, 2010; Gross, 2010).

Social Media Technology

Social media helps conversations to reach a wider audience leveraging the "long tail" concept, which means conversations that can be conveyed to different forums. There are several communication channels in an organization that include meetings, phone calls, and emails. These communication channels have their own limitations such as forgetting a message, missing to take notes during a meeting, and searching for information in a huge list of emails which can be challenging. Use of social media web sites has increased the channels of communication and its effectiveness in the organization. Now people need not waste their time as it has become easy for a person to send messages through an instant messenger or a tweet and get the response really quick. Social media has also improved collaboration between team members in an organization, which has resulted in a better outcome. When a team is encouraged to work as a team allowing them to share their workload, the outcome will be tremendous compared to what an individual could have created. At such situations, the social media acts as a source to allow people to generate and share their ideas. Through communication and collaboration, one can increase the overall effectiveness of a team. Companies must allow their employees to leverage their networks if they have a well-built social profile. This will result in professional gains as these social media will enable collaborating without leaders in their respective industries. Moreover, this will help the employees stay up to date with the latest developments in the industry and also stay connected with the top leaders.

Benefits of Social Media

"The elevator pitch about these "intangible" or long term benefits of social media is very simple" (Hollier, 2009). Engaging in social media will help strengthen the brand experience which will support brand building. A company becomes more attractive to the customers, and to current and potential employees, if it has a well-built brand name. As a result, social media will help in building a good reputation for a business organization. A couple of words can describe a brand whether in the consumer or in the business space. By building a brand, it helps to reinforce the brand in the minds of the consumers. Through social media, the company can repeatedly reinforce the brand name. Customers experience a brand privilege while using a product or service and also when interacting with a company (Carraher, Parnell, Carraher, Carraher, & Sullivan, 2006). Brand awareness starts with the experiences of the employees of a company. If a company is approachable, people-friendly, then the company must make itself visible by inclusion on the web (Carraher, Parnell, & Spillan, 2009). Social media forum acts as a powerful
way to communicate the brand value and brand attribute as they facilitate open forms of communication. Social media is best for the following situations:

- Promote open communication between employees and management.
- Enable employees to share project ideas and work in teams effectively, which helps in sharing knowledge and experiences.
- Social media also promotes better content, such as webcast and videos, than just simple text.
- Helps to communicate collaboratively between current and potential customers, in receiving feedback, product definition, product development, or any forms of customer service and support.
- Encourage members, or part of the company’s employees, to become members of a well-recognized community.
- Social media becomes a good venue for discussions and becomes a classic goal of marketing and communications, but the companies must ensure that the employees are adhering to the rules and etiquettes of social media.

Another way to create brand awareness for businesses is by becoming a part of an existing forum and opening a new forum for stakeholders (Kukulska-Hulme, 2010). If this can be carried out properly, it can result in good reputation and build advocacy which means that people are tended to speak positively about the company in a practical and sensitive way (Carraher, 2011). The major challenge for a social media is to be a reliable source for communication as it is not for damage control. Social media can be used to be realistic, transparent, and for being able to communicate issues on time; thereby reducing rumors, negative talk, and motivating people to speak for the company (Hollier, 2009).

There are several paid services available for monitoring conversations on the web. They carry out a qualitative and quantitative analysis of how discussions are carried out and how much the information is spread over the internet.

Social media such as Facebook, blogs, YouTube have become major sources of hiring. LinkedIn is another similar source used by recruiters, and about 80 percent of companies use it for the recruiting process. Social media has also become one of the easiest ways to improve productivity and to generate a natural interest in the work carried out by the employees. Using these media, companies can track employee’s creativity and enthusiasm.

**Conclusion**

The key factor for the success of social media is conversation. When a social media site is used for a business, it enlarges the conversation through buzzes that would call out the brand name. A company must be truly dedicated towards conversation through social media, as much as the customers are. The companies must take time to review the conversation and must dedicate time and effort to respond to customers’ responses. Social media is a cost-effective method for marketing activities (Paridon & Carraher, 2009). It was used by businesses initially to market products and services at a minimal cost. During the time when companies do not have
sufficient money, they had to become careful about where, when, and from whom they would buy the products and services, and the recession resulted in the lack of trust in businesses. Because of the extreme conditions of the economy, companies made several unethical decisions which affected customers negatively (Carraher, Buchanan, & Puia, 2010). This is where the social media plays its role. It was the most inexpensive method of marketing and advertising, but also offered its brand that was reliable to the customers. Social media allowed two-way communication between brands and the customers and enabled customers to react to the concerns of the customers. As a result, if there was no response from the business about the concerns, the customers would consider the company as not reliable. Moreover, the company would lose the brand loyalty and credibility. Social media is not only a place to market the products and services of a company, but also a place to interact with the customers to try and solve their problems. Yes, social media is now a major player in most people’s business lives.

References


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