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July 13, 2007

## Meet the new networks

The media network is dead! Long live fragmentation! Kind of.

A panel of online media experts debated the future of the industry at *Fortune's* iMeme conference in San Francisco on Friday. It probably shouldn't come as a huge shock that these Web executives predicted more doom and gloom for so-called "old media" and good times ahead for the Internet companies.

The general consensus was that the traditional media networks, your ABCs, CBSs, NBCs and Foxs of the world, are losing relevance in an era of MySpace, Facebook and YouTube.

Michael Jackson, the president of programming for IAC (IACI), the Web conglomerate run by traditional media mogul Barry Diller, said that if MySpace and Facebook wanted to create their own programming, they could "eviscerate" other youth-oriented traditional networks like Viacom's (VIAB) MTV.

Chris DeWolfe, the CEO of News Corp's MySpace, added that young Internet users now identify more with sites like his, Facebook and Google's (GOOG) YouTube. Loyalty to, or even awareness of, what particular media company makes a certain movie or TV show seems to be non-existent.

"Nobody associates a brand with its larger conglomerate. Most young people don't even know what network their favorite TV show is on. But they know to come to sites like MySpace, Facebook or YouTube to find it or information about it," he said.

So have MySpace, Facebook and YouTube become the Web's equivalent of the big TV networks? Yes. But that doesn't necessarily mean they will dominate everything, other panelists said.

Samir Arora, the CEO of [Glam Media](#), which owns a network of sites focusing on news and content for women, said that the media business, in many respects, is like the restaurant industry.

He said that, while there are two or three large popular national restaurant chains that dominate the industry, there are also many smaller local restaurants that people like to go to. In other words, big brands may get all the attention, but there's still a lot of business left over for other niche players.

IAC's Jackson agreed with that assessment. He said that even though there are some new big networks emerging, he predicted that the future of the Web lies in fragmentation, not in more walled gardens for content.

"We live in a world of virality, of word of mouth marketing, a beautiful and happily uncontrollable world," he said.

So how will this fragmentation trend ultimately play out? Probably with a lot more consolidation, as big media companies realize that the only way for them to remain relevant is to increase their presence online, particularly in the burgeoning user-generated content business.

"The future network will have to be my network, whatever I want and personalized," said Bruno Zheng Wu, chairman of Sun Media Investment Holdings, which has invested heavily in online media sites in China and other parts of Asia.

But even if some cool companies get scooped up by larger media firms, an experience that DeWolfe knows about intimately, there will always be room for more upstarts to crop up and challenge the established leaders.

"Larger companies have a difficult time innovating," he conceded.

In other words, the YouTubes, MySpaces and Facebooks of the world may be the toast of the media business now. But they better watch their backs.

Filed under [Facebook](#), [online video](#), [YouTube](#), [MySpace](#), [social networking](#)  
Posted by Paul R. La Monica 4:11 pm 2 Comments | [Add a comment](#)

I second Chris's opinion - niche socialnetworks are going to do well - however, I strongly believe they will start to consolidate related niches to stronger and wider focused networks.

To the above list, I would add

LinkedIn - similar to Partnerup but focus is wide.

LikePoint - Network of home lovers, Realtors and Home vendors.

Posted By Steve, Saratoga, CA : July 15, 2007 9:57 pm

I strongly believe that despite the big general networks getting the bulk of the attention, the many niche social networks are going to continue to do very well. It would be great to see some of the powerful media players focus more on the niche sites.

These niche sites can be very useful and it seems that there is pretty much a network for everything, including:

[PartnerUp](#) - A social network for entrepreneurs, business owners, startups, investors, and people interested in getting involved in business.

[StumbleUpon](#) - A social network for people interested in browsing and discovering random sites on the web.

[MyYearBook](#) - A social network for kids who are in school.

[Dogster](#) - A social network for people and their pets.

And these are just a few of the thousands out there. Most of the above are private companies, so there's no way to say how well they are doing financially. However, based on how rapidly they all seem to be acquiring users, if the companies have any kind of monetization mechanism in place one would have to assume that they must be doing well.

Posted By Chris, Woodbury MN : July 13, 2007 5:15 pm

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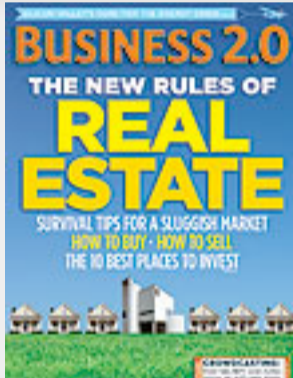
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