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Results

Delphi Study: „Success Factors of Online Social Networks“

Hamburg, July 2008

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1. Introduction & Questions

In 1985, along with THE WELL (The Whole Earth 'Lectronic Earth), Steward Brand and Larry Brilliant founded the first web based community in California, which is still an exchange for people to meet and communicate via the internet.¹ Some time later, RHEINGOLD was the first to coin the phrase „Virtual Community“ and to explain the evolvment of relationships in the computer age.²

In the following 20 years, numerous communities for different target groups, topics and usage scenarios, often also as partial editorial portals, were established during the various development phases of the internet.

With the beginning of the era of the so called “Web 2.0” in 2004/2005, communities were called „Social Networks“. Compared to former communities, these Social Networks offer the user significantly more and diverse interactive and collaborative functions. The term „Web 2.0“ was first used in 2004 by Dale Dougherty and Craig Cline, who created a list in which they compared previous standard web criteria (Web 1.0) with new ones (Web 2.0). However, the term was permanently defined when the author and publisher O'REILLY introduced it on 30th of September 2005 in the article „What is Web 2.0?“³ Since that time, the phenomenon of Web 2.0 and the related concepts, products and business models have been discussed in various institutes, conferences, articles, books and blogs worldwide, and have been further developed.

The term „Web 2.0“ in Germany is commonly refered to as „Mitmach-Internet“ (literally translated „Take-Part-Web“) because it allows the user to publish and distribute his or her own content and concepts in nearly any format, as well as to co-create the marketing. This occurs in the form of Wikis and Blogs, on Photo and Video-Portals and any type of Social Network.

As one of the first Social Networks, MYSPACE was started in the US in 2003 on the basis of profiles, which were created and maintained by musicians, to present their music to a broader audience, independent of established record companies.⁴ According to Chris de Wolfe, CEO of MySpace, to HELFT and STONE 200 million people had registred at MySpace to present themselves via their profiles, connect with their friends and manage their leisure time over the web until November 2005.⁵ MySpace regards itself as “an online community that lets you meet your friends' friends“⁶, in 2005 HOWE of the San Francisco based magazine WIRED called it “the MTV of the net generation.“⁷

Today, the platform belongs to the strongest websites in terms of reach, and is offered in many country versions and languages. It enables the users, mainly teens

¹ Cp. Hafner 1997 and The Well (dateless).

² Cp. Rheingold 1993 and further information under <http://www.rheingold.com>.

³ Cp. O'Reilly 2005.

⁴ Social Networking Website MySpace <http://www.myspace.com> (dateless).

⁵ Helft & Stone 2007.

⁶ Cp. MySpace.com 2008.

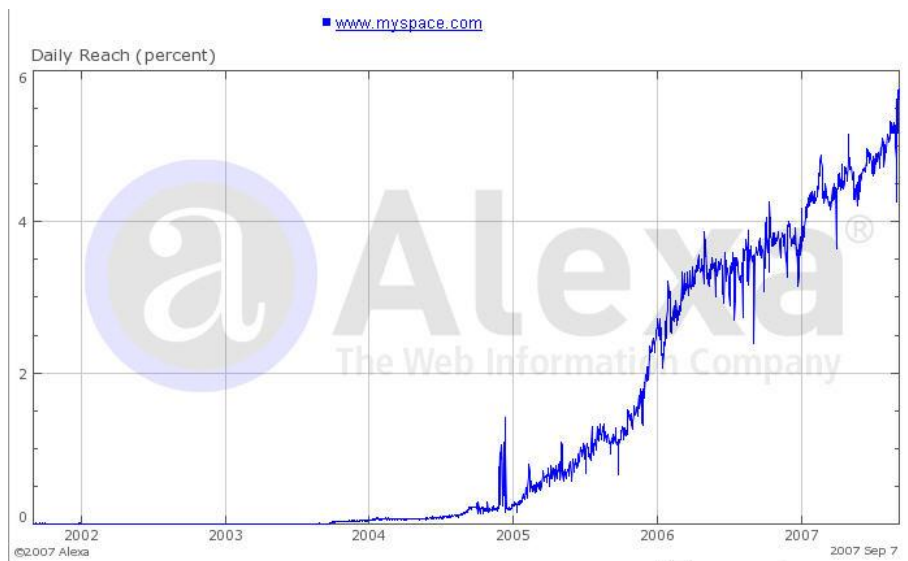
⁷ Howe 2005.

and twens, to create their individual profile with text, photos, music and videos, as well as to communicate with each other in groups, forums and guestbooks.

In July 2005, MySpace was purchased by Rupert Murdoch for US \$580 million and remains a shining example for those who have started similar projects. According to PEW Internet & American Life Project, 55 percent of American teenagers between 12 and 17 years use Social Networks like MySpace & Co.⁸ In Germany 51 percent of all onliners use Social Networks in different intervals, 22,4 percent do this one a week.⁹

In Germany, just as in other countries, numerous companies have attempted to duplicate the success of MySpace, for example, from start-ups to established media companies. On 11th May 2008, the agency Netzwertig.com identified 149 Social Networks within the framework of an ongoing updated list.¹⁰ If one takes MySpace's reach development as an example for an ideal growth curve of a successful Social Network (cf. fig. 1), then so far only a few of these 149 offers have had a breakthrough.

Figure 1: Historic Reach Curve MySpace.com up to 7th September 2007¹¹



According to the analysis of the "Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V." (IVW) along with SchülerVZ, StudiVZ, Wer-Kennt-wen, Lokalisten, MySpace Deutschland and MyVideo, six of the ten largest German Websites based on the total number of page impressions in July 2008 were Social Networks.¹²

⁸ Lenhard, Madden and Internet & American Life Project PEW 2007.

⁹ Fittkau & Maaß 2007, S. 60.

¹⁰ Cp. Netzwertig.com 2008.

¹¹ Alexa.com 2007.

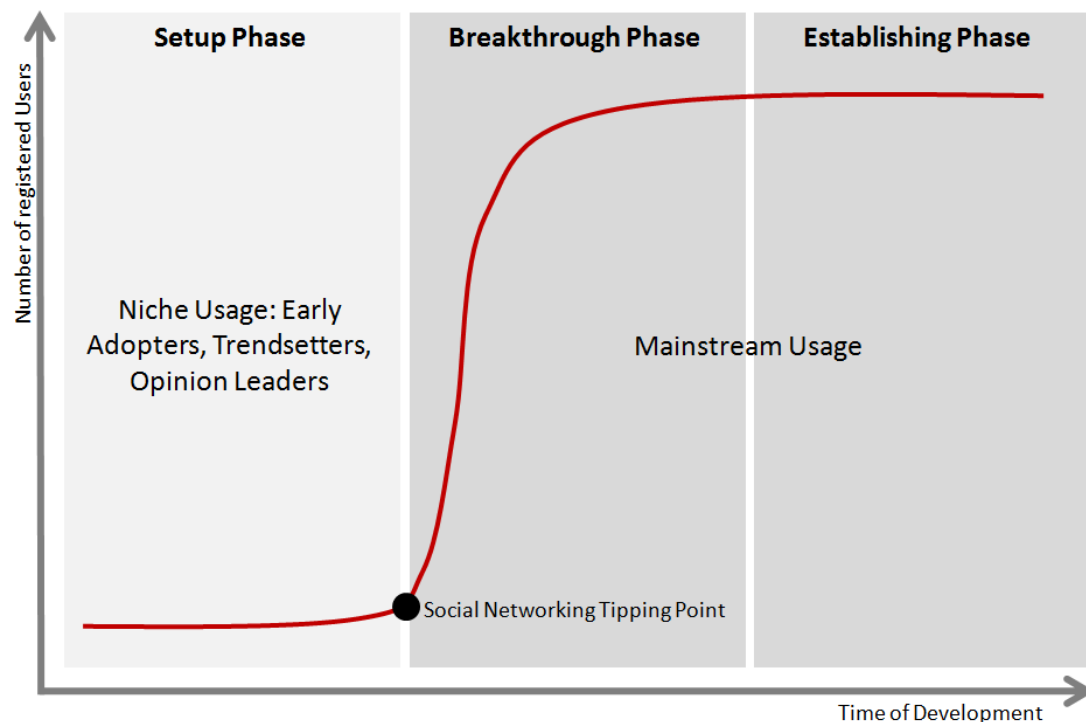
¹² Cp. Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e.V. (IVW) (dateless).

Why were these offers successful in their breakthroughs and others not? Why did the reach of some Social Networks explode and others not, when the concepts and measures were seemingly similar? Which circumstances, factors and actions lead to success? To determine these „Success Factors for Online Social Networks“ a project that processes the status of literature and empirical research, identifies gaps and executes internal empirical studies was implemented at the end of 2007. As a pre-study a Delphy Analysis was implemented in order to discover, to supplement and to prioritize the potential factors: Which role does product related quality characteristics such as the extent of the functions, design and usability play? What is the effect of traditional communication measures such as print advertisements, TV spots compared to new instruments such as search engine marketing (SEO/SEM) or viral marketing? What influence does management have in its understanding, style of leadership, work approach and workflow with regard to a start-up or an established media company?

In a second study expert interviews will be conducted with the persons responsible for marketing of the 15 to 20 largest Social Networks in Germany in order to determine which communication actions were taken and which effect these actions had on the growth of reach. A third study is planned for 2010.

It is assumed that specific measures are only effective in specific phases of a Social Network. Consequently, it is believed that ideally a Social Network can run through three life phases:

Figure 2: Model of a Social Networking Lifecycle¹³



Barbara Anna Hamm: „Model of a Social Networking Lifecycle“, 2006

¹³ Own illustration

The majority of Social Networks remains in the first phase of set-up because the necessary criteria for breakthrough and the resulting growth are never obtained, which appear to be necessary for long-term user fun and value, as with MySpace.

GLADWELL coined this positive momentum as "tipping point" and formulated three rules proving instructions on how to achieve it. According to the first rule, "law of the few", one requires people who are capable of causing an epidemic. Primarily, it deals with finding these individuals. In order to create mouth-to-mouth propaganda, one must use one's resources wisely and concentrate exclusively on the groups of intermediators, experts and salespersons. The second rule, "model of anchoring", describes above all the packaging of a method, presentation or message in such a manner that is irresistible. The smallest modification to details could increase its effect significantly. Therefore it is particularly important that the individual assumptions and intuitions are constantly questioned. The third rule, "theory of the power of circumstances", says that the contextual view of an occurrence is more important than the dispositional view. People react more sensitively to their environments than one assumes. Their communication is based on unusual rules which often contradict our expectations.¹⁴

In 1961, ROGERS had already developed the theoretical concept of diffusion und described the processes, which were caused by the launch of innovations – new ideas, concepts and products – in social systems such as markets.¹⁵ The theoretical basis, particularly the theories of diffusion and adoption as well as possible explanatory models, for example, the model of the Tipping Point, shall be described within the framework of the dissertation project. Additionally, research will be conducted to determine if there are criteria for a „Social Networking Tipping Point“.

2. Selection of Method and Research Process

The goal of this pre-study was to collect potential success factors and, with the help of experts, to identify and establish which factors are particularly relevant or less relevant for the expansion of reach and breakthrough.

For this analysis, the so called Delphi Method, a worldwide practiced and excepted prognosis process, was chosen. This method developed by RAND in the 60s and named after the ancient Oracle of Delphi, is a systematic, multilevel and controlled survey method for concentrated and essential assessment of development and trends.¹⁶ According to HÄDER, the basic idea of Delphi is to "use several waves of expert opinion for problem solving and to utilize anonymous feedback". The method is especially suitable for generating ideas, predicting diffuse circumstances, identifying and qualifying expert opinion for a specific object, and finding a consensus.¹⁷ Various Delphi variations have been described in literature, however, a multilevel, written survey of experts of a specific topic has been accepted as the standard. The assessment of professionals is gathered on the basis of a questionnaire and is analysed statistically. The analysis takes place with the aid of a

¹⁴ Gladwell 2002, S. 40, 154, 186, 293, 295, 297

¹⁵ Cp. Rogers 2003.

¹⁶ Cp. USAF Project RAND 1974.

¹⁷ Häder 2002, S. 22, 29.

median and quartile distance. The purpose of this method is to achieve convergence between expert opinions.¹⁸

Based on this chosen standard method, a selected group of experts were presented with a questionnaire, which contained a listing and short description of possible factors.¹⁹ In the first step, the experts estimated the relevance of the offered factors on the basis of their know-how and experience on a scale from „extremely relevant“ to „not relevant“.²⁰ It was possible to include new factors. The written responses were summarized with the aid of an average determination and were presented to the specialists as a temporary result. For this second step, individual questionnaires were created for each expert, in which the average was counter to the previously given assessments.²¹ This method should lead to the coming-together of minds, the improvement of consensus, and the minimization of discrepancies.

In addition to the Delphi Standard Method, so called Delphi Broadband Method has been described in research literature.²² The use of this method achieves an accelerated, transparent consensus building in the group. The experts meet after the analysis of the questionnaires in order to discuss the temporary results, particularly the deviations. The disadvantage of this method is that the experts do not just evaluate on the basis of their personal know-how and experience, but also under the influence of the group dynamics, and the dominance and opinion making of some.

2.1. Selection of Experts

In order to avoid problems and to ensure a professional process, as well as strong results for the basis to continue work, sufficient experts were selected with reliable know-how and experience from as many different, and for the purpose of the study, relevant and supplementary areas of expertise.

The persons were questioned anonymously and independently of each other. There were no prior agreements or discussions among them. The 47 participants represented the following fields of expertise and were, at the time of questioning, between 30 and 48 years old, the average age was 40.

*Figure 3: Segmentation of Specialists in Areas of Expertise*²³

| | |
|--|----|
| Strategy, Business Development | 24 |
| Marketing, Sales | 22 |
| Consulting | 19 |
| Journalism, Editorial, Conception | 16 |
| Media Production & Management (Publishing House, TV, etc.) | 16 |
| Media & Communication Studies & Research | 15 |
| Acquisition, M+A, VC, Investor | 15 |

¹⁸ Fantapié Altobelli 2007, S. 55.

¹⁹ Detailed description of the standard Delphi method at: Steinmüller 1997.

²⁰ Attachment 1: First questionnaire

²¹ Attachment 2: Second individual questionnaire

²² Cp. Burghardt 2007, S. 112 ff.

²³ Figure 3: Segmentation of specialists in areas of expertise, N=47, "What is your professional background?", multiple answers possible

| | |
|-----------------------------|---|
| Technology, Informatics | 9 |
| Law | 4 |
| Sociology, Cultural Science | 4 |
| Philology, Linguistics | 1 |
| Psychology | 1 |
| Business Informatics | 1 |
| Press & PR | 1 |

Pertinent criteria for the selection of the experts was that the participants had know-how regarding Online Social Networks, had followed the ongoing development and dialogue, and were users of Social Networks themselves.

*Figure 4: Usage of Social Networks by the Experts*²⁴

| | |
|---|----|
| I use one or more Online Social Networks regularly and proactively | 36 |
| I am a member of one or more Online Social Networks, but do not use proactively | 8 |
| I am knowledgeable of Online Social Networks (I have read, seen), but am not personally active. | 2 |
| No information | 1 |
| Total | 47 |

To avoid falsification due to personal expectations, neither experts directly responsible for the operation or results of a Social Network were approached, nor founders, CEO's or line managers. However, seven of 47 considered themselves responsible for such a Network.

*Figure 5: Professional responsibility for a Social Network*²⁵

| | |
|--|----|
| Occasionally I have to do with them at my current job. | 23 |
| I design or partially design a Social Network. | 11 |
| I am responsible for a Social Network. | 7 |
| My current job has nothing to do with it. | 3 |
| No information | 3 |
| Total | 47 |

2.2. Selection of Success Factors

The possible factors were selected on the basis of the experience of the last ten years in which I was responsible for conception, editorial content, operation and management of various internet offers of publishing houses. Nearly all offers contained formats which allowed users to communicate with each other, from simple internet forums and chatrooms to complex community applications and Social Networks with all types of functionalities. Prior to the Delphy study, I considered the following 41 factors as suitable explanations for the growth of Social Networks:

²⁴ Figure 4: Usage of social networks by the experts, N=47, "Media Usage: To which extent do you use social networks?"

²⁵ Figure 5: Professional responsibility for a social network, N=47, "Business Interest: To which extent is your job concerned with social networks?"

- **Unique identification** Singular usage, immediate and recognizable with the first visit to the website, USP (Unique Selling Proposition)
- **Design** Look & Feel, attractive page design, suitable colors and forms
- **Usability** Comprehensive, simple and intuitive navigation, and user friendliness and guidance
- **Wording** Vocabulary, style and approach suitable for the offer and the users
- **Technical Equipment** Suitable selection, order and diversity of functions
- **Organic Set-up and Expansion** Implementation and further development of the offer in evolutionary expansion phases
- **Open Innovation** Integration of the users' wishes and requirements
- **Transparency** Visible management processes, understandable communication of the "rules of the game"
- **Scale of Freedom Versus Intervention** Optimal amount of possibilities for design and self-expression for the target group
- **Empathy** Feeling for specific requirements of the target group – age, sex, life situation, etc.
- **Social Contact** The offer helps the user find new social contacts
- **Offline Becomes Online** The offer helps the user maintain existing social contacts via internet
- **Online Becomes Offline** The offer supports people in their pursuit in meeting online contacts in real life
- **Individuality** The offers fulfills the specific wishes of the target group for self expression
- **Country Culture** Suitability of the offer for the culture of the individual country
- **Regional Culture** Suitability for the specialities of the individual region – for example, east/west, city/rural
- **Group Culture** Suitability for the specific generation or scene with regard to value orientation, mentality, lifestyle, etc.
- **Company Culture** Openness, enthusiasm for innovation and „Trial & Error“-preparedness of the company
- **Workflow** Fast, simple and flexible decision and production processes
- **Management** Selection of managers suitable for the offer and the mentality of the target group
- **Expertise** Management experience in operation of websites and the set-up of online communities
- **Operation** Technical dependability – offer and support 24/7
- **Legal protection** Adherence to legal guidelines – youth, data and copyright protection
- **Private Sphere** Functions which allow for privacy and anonymity – visible protection, blockage etc.
- **Old or New**
 - Launch of the offer under a brand new name
 - Launch of the offer under a suitable topic in an established brand world – print, TV, automobile, FMCG, etc.
- **Classical Advertising Campaign**
 - Print: Newspaper and magazine advertisement
 - TV: commercials on television
 - Radio: radio spots
 - Internet: online banners
 - Miscellaneous: Billboards, illuminated panels, etc.
- **PR** Press Releases, PR-Parties, co-operations
- **Viral Marketing**
 - Offline: Initiation of Mouth-to-Mouth Propaganda, Acquisition of target group on site
 - Online: Electronic Word of Mouth (recommendations, invitations, social media, etc.)
 - Mobile distribution
- **SEO/SEM** Presence at Google & Co. - Search Engine Optimazation, Search Engine Marketing
- **Costs** Free usage of offers (at least an essential part)
- **Access Limitations** Usage of offer only with permission – the attractiveness of a club membership or „members only“
- **Targeting Advertising**
 - Limited to marketing topics, customers, formats which are accepted by the users
 - Targeting: delivery of advertisements which correspond to the users interests reflected in the profile
- **Fees instead of advertising** Waiving of advertisments, launch of additional paid services

2.3. First Survey Level

For the first round, between the 4th and 27th of February 2007, a standardised questionnaire was sent to 67 selected experts. This form contained the 41 above mentioned factors, which were to be assessed based on a scale of „1 = extremely relevant“ to „6 = not relevant“. ²⁶ Furthermore, the experts had the possibility to add their individual factors in an unlimited number. Moreover the participants were requested to determine the correlation between reach and success of a social network. Only four of the 47 professionals gave critical notes due to the fact that one of the factors was not described precisely enough, not understood or was basically considered illogical. In one case, the survey was generally questioned because the success of social networks was seen as pure luck – however, this form was completed.

2.4. Second Survey Level

After the counting of the first round, a preliminary result was generated by the calculation of average values. Then, for the second round, 47 individual forms were created. ²⁷

The individual assessments and the average values were presented opposite of each other on these forms. If there was a significant deviation between their assessment and the average value, the participants were asked either to reconsider their assessment and to give a more tolerant value, or to justify their original assessment. It was particularly emphasised that there was tremendous interest in receiving their justifications. The deviations were marked as significant if the quartile interval was exceeded. Furthermore, 10 of 22 recommendations for additional success factors submitted in the first round (some of them two or three times) were included in the second form.

- **Open Platform** Possibility for further development for Externals via open interfaces / API's
- **Integrability, Widgetization** Possibility for usage of selected, relevant services also outside the platform – "widgets"
- **Integration of Network Effects** Installation of features, which promote viral mouth-to-mouth propaganda effects
- **Speed of Growth** Fast generation of critical mass as a pre-condition for viral effects – "lead community"
- **Size Transparency** Visibility of the number of registered and/or active users
- **Geographical Fit** of the offer to the size of the country or catchment area – USA versus Liechtenstein
- **Perfect Timing** Time to market – "first mover advantage"
- **Personal Engagement** Willingness of the makers to push the project through their personal engagement and direct communication with the target group
- **Controlling** Regular analysis und assessment of user behavior
- **Chance & Luck** Illogical or unplanable effects

²⁶ Attachment 1: First questionnaire

²⁷ Attachment 2: Second individual questionnaire

The participants were to assess them according to the usual methodology. In the selection of these ten supplements, those were added which expanded or completed the content spectrum. The other recommendations were thematically very closely related to the already listed factors. Of the 47 questionnaires sent out on 13th March 2007, a total of 36 were returned by the 15th of April.

3. Results

From the perspective of the questioned experts, which of the 51 factors were relevant for reach expansion, breakthrough or Tipping Point?

Before focussing on the effect of product quality, marketing and management, these are the ten factors which were considered to be most or least relevant by the experts:

The 10 Most Relevant Factors

| | | |
|-----------------------------------|------|------------|
| Viral Online Marketing | 1,32 | Marketing |
| Free Usage | 1,43 | Product |
| Viral Offline Marketing | 1,47 | Marketing |
| Usability | 1,68 | Product |
| Regular Controlling | 1,72 | Management |
| Unique Identification | 1,85 | Product |
| Search Engine Presence SEO/SEM | 1,85 | Marketing |
| Personal Engagement of the Makers | 1,91 | Management |
| Integration of Network Effects | 1,97 | Product |
| Tempo of Growth | 2,00 | Management |

The 10 Least Relevant Factors

| | | |
|--------------------------------------|------|-----------|
| Radio Advertisement | 4,47 | Marketing |
| Billboards, Illuminated Panels, etc. | 4,37 | Marketing |
| Print Advertisement | 4,28 | Marketing |
| TV Advertisement | 4,11 | Marketing |
| Fees instead of Advertising | 3,89 | Marketing |
| Launch under established brand | 3,87 | Marketing |
| Regional Culture Consideration | 3,70 | Product |
| Members only | 3,28 | Marketing |
| Online Becomes Offline | 3,22 | Product |
| Country Culture Consideration | 3,06 | Product |

There was one aspect that could not be categorized: Chance and Luck. Two participants (independently of each other) recommended it for the second phase of the questionnaire, because they were convinced that if all 41 factors were perfectly fulfilled – as far as they were really relevant - success could not be guaranteed. “Everyday numerous communities are created and only a fraction of those will become successful, although there are no recognizable differences in their concept and approach.” In the second round the participants assessed this factor as not “extremely relevant“ or “very relevant“ (Assessment 2,83). However, within the framework of the dissertation the status of the Chance & Luck research shall be, with regard to possible explanations, reviewed in more detail.

3.1. How Important Is the Product?

The experts are of the opinion that the quality of a Social Network seems to be a pre-condition for success – 12 of the 19 factors which relate to the product were considered to be extremely or very relevant. Although an expert drew attention to the "terrible usability of MySpace and Facebook"²⁸, one criteria stands out, which has always been determinant for the quality of an online social network, whether it is a community website or not: user friendliness (Assessment 1,68).

But also the immediate and clearly recognizable and unique benefit ("Uniqueness", Assessment 1,85) is considered to be extraordinarily important, as well as the "integration of network effects" (Assessment 1,97), which, for example, allow the user to recommend the offer. It appears, however, a participant's remark - that a unique benefit is created, if enough friends are on board and the networking and communication are in full swing - is correct.²⁹

19 Factors which relate to product quality

| | |
|---------------------------------------|------|
| Usability/User Friendliness | 1,68 |
| Uniqueness | 1,85 |
| Integration of Network Effects | 1,97 |
| Operation Security | 2,04 |
| Private Sphere | 2,04 |
| Group Culture Fit | 2,06 |
| Possibility for Individuality | 2,13 |
| Open Platform for External Developers | 2,19 |
| Promotion of Social Contacts | 2,24 |
| Offline Becomes Online | 2,26 |
| Integratability, Widgetization | 2,31 |
| Technical Equipment | 2,36 |
| Wording of the Offer | 2,57 |
| Design | 2,87 |
| Offer's Size Transparency | 2,91 |
| Consideration of Country Culture | 3,06 |
| Geographical Fit | 3,10 |
| Online becomes Offline | 3,22 |
| Consideration of Regional Culture | 3,70 |

Four of the 36 experts were surprised that the operational security was considered to be very important (Assessment 2,04) because social networks such as StudiVZ, Twitter and Syworld have become successful despite enormous technological problems in the first months.³⁰ The accessibility and reliability were important at a much later stage. If the offers were free of charge, the users accept technical errors.³¹

²⁸ Expert opinion: „Websites with bad usability (MySpace, Facebook) are most successful.“ = 4, Facebook <http://www.facebook.com>, German version <http://www.facebook.de>.

²⁹ Expert opinion: „... The light bulb moment comes later when the user has started his activity. The impression of the first visit can be something like "What's this about?" ...“ = 4.

³⁰ Expert opinion: „...Twitter, StudiVZ or Cyworld had enormous technical problems in the first and later phase concerning accessibility and reliability. They were successful anyway.“ = 5, Cyworld, original Korean version <http://www.cyworld.com>, US-version <http://us.cyworld.com>, <http://www.studivz.de>, <http://www.twitter.com>.

³¹ Expert opinion: "Look at MySpace and Twitter, it is relevant in a later stage but not for the initial success." = 5, "If the offers are free of charge, users accept technical errors." = 4.

From the participants' perspective, one of the most relevant factors was certainly the possibility that the user could determine what he wants to make public of himself and what he does not, with whom he communicates or does not ("Private Sphere", Assessment 2,04), even if the level of usage and fun probably shrinks with the reduction of personal publicity, because social networks target a certain level of exhibitionism, according to one participant.³²

This was validated with the high valuation of the factor "Individuality". It assumes that a social network should satisfy the target group's specific wish of self-expression (Assessment 2,13). Self-expression is generally made possible as users can set up a personal profile and design it individually. The tools and options of designing vary very strongly from network to network. According to one participant, the evaluation of this factor was not possible because the relevance would strongly depend on the character of the platform.³³

The thesis that a successful Social Network should target the specific characteristics of a peer group or generation such as value orientation, mentality and lifestyle has been universally confirmed (Assessment 2,06). However, one participant points out that this might be the case for special interest Social Networks, but large offers like StudiVZ are mainstream oriented and do not intend to project a "hip" image.³⁴

The assumption that the significance of customizing Social Networks according to the respective national or regional culture and/or the size of the country was confirmed less (Assessments 3,06, 3,10 and 3,70). This means that, for example, neither a typical German nor a typical Bavarian Social Network would influence growth. Concerning this point the expert opinions were not only diverse but also very controversial: While a couple ranked the relevancy of local and regional aspects very high, others referred to the exemplary success of global offers such as Google, Flickr, iMac, LastFM and Facebook and to the high appeal of these global offers particularly to young users.³⁵

According to the experts, the openness of the platform for external developers (Assessment 2,19) and the external usability of contents, tools and other components outside of the platform ("Widgetization", Assessment 2,31) are as relevant as the adequate selection, arrangement and diversity of the actual functions ("Technical Equipment", Assessment 2,36). This observation was made with regard to technical characteristics beyond operating safety. Two experts made the following critical remarks: Firstly, the positive audience development of Facebook after the platform had been opened for external developers cannot necessarily be applied to other social networks. Secondly, many different Social Networks could be realized with the identical technical equipment. For this claim the expert offered the following

³² Expert opinion: "Privacy is important for online dating. Social networks target a specific level of exhibitionism." = 4.

³³ Expert opinion: "... This question can't be answered generally. The answer depends on the character of the respective platform..." = no evaluation.

³⁴ Expert opinion "... The efficient social networks are general-interest-oriented. Also StudiVZ does not give itself a hip character. Small and specific networks might work if one considers special interest..." = 4.

³⁵ Expert opinion: "In fact, the internet is a global medium, but ... every business is local." = 1 "This impact is massively overrated. Google, Flickr, iMac and LastFM work well in every country." = 6 "It's better to focus on mass interests. The Internet is global, particularly for young people." = 5 "If that was right, Facebook would have no chance in Europe." = 5.

example: The quality and appeal of a book does not depend on the editorial software with which the book was edited.³⁶

The expert opinion on the relevance of social contacts (Assessment 2,24) is identical with what the users of Social Networks in Germany say: 73,5 percent want to network with friends and people they already know, 51,3 percent go to Social Networks to find contacts they had lost, and 38,9 percent intend to find new contacts and friends.³⁷ However, two participants took a critical look at the last-mentioned motive: "Though I cannot prove it with figures, but after many discussions I strongly suspect that people mostly network with people they already know. The aspect of creating new contacts is more dream than reality." (Assessment 4) "My evaluation matches with my experience in dealing with Social Networks. The wish is to find new contacts, which, however, represent only a small part of the list of friends. Existing peer groups find each other and, to a lesser degree, new and unknown ones are added." (Assessment 4)

So if a Social Network is primarily used to maintain contacts instead of creating contacts, then it is hardly surprising that the relevance of transferring offline contacts into the online world ("Offline Becomes Online", Assessment 2,26) is considered to be higher than meeting online contacts in the real world ("Online Becomes Offline", Assessment 3,22). One participant considered neither of them to be relevant for success because e-mail was best for networking. In this context, Social Networks served self-expression – via photos, videos, music and by adding "old contacts" to the friends list.³⁸ Some others rated the relevance of "Online Becomes Offline" much higher because many Social Networks open new delightful options: "At StudiVZ the flirt factor is high, probably not only virtually. At Xing the target is to find new businesses. For this, at a certain point, changing to the offline world is required." (Assessment 1) "Social Networking makes it easy to find like-minded people who share hobbies, private or business interests. And it becomes really exciting to generate real contacts from them." (Assessment 1) "From my point of view, the mere possibility of meeting people from the web in real contexts is conducive to the expansion or maintenance of the network." (Assessment 1).

Two characteristics, which would have been of higher significance for other kinds of websites, such as editorial offers, only received medium ratings: The appearance concerning the "Look & Feel", colours and forms ("Design", Assessment 2,87), and the suitable choice of words ("Wording", Assessment 2,57). The last one got opposing voices that rated the wording as significantly relevant because it would help distinguish from other networks, increase the conversion rate for generating new users and raise the users' willingness to trust the site with their information.³⁹

³⁶ Expert opinion: "In my opinion, the technical equipment is hardly a determining factor for the creation of a good book..." = 5.

³⁷ Fittkau & Maaß 2007 S. 60.

³⁸ Expert opinion: "From my perspective E-Mail is a killer application to maintain offline contacts online. Social networks are more to interact with others and to express oneself in a certain context (music, video, photo, XING). The adding of old contacts to a friends list is more to express oneself and to expand the personal reputation via the size of the personal network, rarely to communicate." = 4.

³⁹ Expert opinion: "As the expectations of social networking are very positive, new networks start permanently. Besides that already existing networks roll out their offers to other countries. In this context the orientation on the target group is extremely important. To implement this, the wording can be one of the most important drivers." "It affects the conversion." "In my opinion, social networks have to do with diverse emotions. For example, users entrust

The transparency of the number of signed-in and active users probably also contributes to the last-mentioned effect (“Transparency of Size”, Assessment 2,91).

3.2. Which impact does Management have?

The results of the queried factors concerning the management of a social network show that two thirds are rated “extremely relevant” or “very relevant”.

From the experts’ perspective, the most important aspect is classic: the controlling (Assessment 1,72). This topic was recommended by several experts in the first phase of the study and was integrated into the second questionnaire. The recommendation, however, did not refer to the comprehensive meaning of controlling, which is defined as the methods and information for all planning and controlling workflows.⁴⁰ In this case, the regular analysis and reporting of user behavior is meant; for example, the analysis of daily new registrations to check the impact of marketing activities, or the daily retention time per user to draw conclusions with regard to the attractiveness of the offer. All this is assessed as extremely relevant and as a precondition for a successful further development of the company.

14 Factors Referring to the Quality of Management

| | |
|---------------------------------------|------|
| Regular Controlling | 1,72 |
| Personal Commitment of the Makers | 1,91 |
| Speed of Growth | 2,00 |
| Empathy | 2,04 |
| Openness of the Company Culture | 2,06 |
| Right Degree of Freedom /Intervention | 2,13 |
| Right Time to Market | 2,16 |
| Flexible Workflow | 2,19 |
| Open Innovation | 2,21 |
| Experience of the Makers | 2,40 |
| Organic Building-up and Upgrading | 2,57 |
| Mentality of the Management | 2,60 |
| Transparency of Procedures | 2,77 |
| Legal Protection | 2,77 |

Of all potential success factors concerning the manager or the management team, the manager’s degree of personal commitment ranks first (Assessment 1,9). This aspect was also suggested by several participants. They named concrete persons who pushed notable social networks with their personal commitment, imagination and direct communication with the target group.

However, not only the makers’ commitment was rated as very relevant, also the ability to have empathy for the target group and the willingness to consider the

their site with diverse information. If the site talks to the user in a way a user would not talk, the site will be less successful.“ = 1.

⁴⁰ Cp. Ziegenbein 2004.

specifics of age, gender and life situation when designing the offer (“Empathy”, Assessment 2,04) as well as a management that suits the target group’s mentality (Assessment 2,6): “Either they are a member of that target group or they must have the ability to be prepared for it.” (Assessment 1). “An athlete network can only be made by an athlete.” (Assessment 1). At the same time, mainstream needs have to be addressed in order to be successful, according to some participants.⁴¹ The management itself does not have to understand the target group – that’s a team task – but has to be able to execute successfully.⁴² The comparatively high rating of experience that a maker should have to set-up websites and to run online communities met with opposing voices: Authenticity was more important than experience. A good management does not have to understand much about its own product. Facebook founder and manager Mark Zuckerberg was the best proof that a successful Social Network could be set up without experience, whereas skilled media managers had failed with their social networking projects. Experience was only important for the commercialization phase of the network.⁴³ Company culture, i.e. the openness, capacity of innovation, willingness for trial and error (“Trial and Error”, Assessment 2,06) as well as the workflows for decision and production, which should be fast, simple and flexible for a growth oriented Social Network (“Workflows”, Assessment 2,19), was assessed, nearly consistently, as very relevant.

According to the experts, the assessment of the following four factors demonstrate the importance of dealing with the technological options of web 2.0. and the involved opportunities for user participation and contribution for successful social networking management.

Firstly, it was rated to be highly relevant to allow the target group an optimal degree of freedom for designing the profile and self-expression (“Grade of Freedom versus Intervention”, Assessment 2,13). Secondly, the users’ wishes and requirements should be integrated into the further development of the website (“Open Innovation”, Assessment 2,21). However, some experts recommended to keep the original project idea and vision, which usually was not designed by the target group.⁴⁴ Thirdly, it was classified to be relevant not to start and enhance a finalized version of the offer, but to develop it step by step (“Organic Building-up and Upgrading”,

⁴¹ Expert opinion: “Social networks should supply general wants not individual needs. For example cooking, not cooking for people who live in a flat sharing community, hear reggae music and are members of the green party.” = 6 “Surprisingly, the large communities are not very special. This means that the use case is not focused on a specific age. But this is a tightrope walk.” = 4.

⁴² Expert opinion: “The management has to successfully execute – which does not mean that they have to be “brothers in arms” with their users.” = 6 “It has to do with good management. The makers do not have to understand their target group but have to hire people who know what the users need. And they have to let them do things.” = 5 “From my perspective, the manager should be able to put himself in the user’s position.” = 5.

⁴³ Expert opinion: “With experience I often do more of the same. Authenticity is an important success factor.” = 6 „A good management does not have to understand much about the own product. If it concentrates on managing, it can work well.“ = 5 “Zuckerberg and others demonstrate ... Experience does not help until a later stage of consequent commercialization.” = 5 “Most successful social networks are not the result of experienced media professionals who follow a detailed project plan, but the result of young people who want to solve a problem. (YouTube, MySpace).” = 6 “Various currently successful social networks were set up by young people who had a certain idea but were never entrepreneurs before. Look at Marc Zuckerberg. And on the other hand experienced web managers have tried to set-up social networks, and failed.” = 4.

⁴⁴ Expert opinion: “A clear vision for the own product is more important. Most user opinions are diffuse and random.” = 4 “Either an idea is good, then it works, or an idea is bad, then it dies.” = 4 “Everybody knows that innovations do not usually come from users. Furthermore the average user does not express his opinion. Finally, it can be difficult to suggest from individual opinion to the mass.” = 4.

Assessment 2,57) in order to distinguish itself from competitors by introducing ongoing innovations and by involving the users as designers and drivers of the community. It was argued that this approach might be too slow and not strategic enough.⁴⁵ Fourthly, the transparency of entrepreneurial procedures as well as an understandable communication of the rules (“Transparency of Procedures”, Assessment 2,77) to treat contributing users appropriately and fairly. Xing, Facebook and StudiVZ were mentioned as negative examples, whose intransparency led to user protests and caused them to change.⁴⁶

Two factors were recommended by some participants, added to the questionnaire and assessed to be very relevant in the second phase: The fast growth of a critical mass in terms of a “Lead Community” as a precondition for viral effects (“Tempo of Growth”, Assessment 2,00), and the right time to enter the market with a so called “First Mover Advantage” (“Suitable Timing”, Assessment 2,16). There were no variations or contras concerning these topics.

Even though the assessment of legal protection got a rating of “2,77” concerning its positive effect on the success of social networks, it nevertheless provoked by far the most numerous and controversial statements. The participants who rated this aspect as extremely relevant considered the legal compliance concerning the protection of minors, of data and copyright as a “Conditio Sine Qua Non”. The result could be negative press and PR or the migration of users, if this condition was not fulfilled.⁴⁷ Experts who had considered the legal protection as insignificant referred to examples demonstrating that noncompliance had created no damage. MySpace, for example, does not grant copyright protection. Before the offer became very successful, legal protection seemed irrelevant apart from extreme cases (for example, cases of pedophile abuse). Furthermore legal action generated attention and PR.⁴⁸

⁴⁵ Expert opinion: “How shall a social network work without continuous expansion and brilliant innovation?” = 1 “The more social networks are offered, the more important it becomes to be distinguishable from others.” =1 “In my opinion the step-by-step development of a social network is a deciding factor to involve users and to give them scope for creation.” = 1 “The development of a social network shall not be seen as a deterministic but an organic growth process.” = 1 “Organically set up sites often lack a strategy.” = 5 “The winner is the one who got large as fast as possible .. there is no time for organic growth.” = 5.

⁴⁶ Expert opinion: “The user should have the feeling of having enough information to decide by himself either to play or not. It’s the idea of transferring the concept of procedural justice to websites.” “... because a lot of data is demanded.” “Facebook and StudiVZ are negative examples for that. After having gone too far in the reorganization and personalization of advertising they had to make a bow.” “The protest of XING and Facebook users made this aspect much clearer.” = 1.

⁴⁷ Expert opinion: “Look at the discussions about StudiVZ. The compliance with legal rules remains a central success factor.” “It is extremely important not to be vulnerable. Otherwise the blogosphere and press will jump on it.” “It is important to protect users from misuse in the electronic era.” “Privacy misuse causes strong negative press and disturbance within the social group.” “The experience of social networks on an international level is that users become more aware of their web visibility. Mistakes in this regard often causes negative press and migration of users. This importance of this aspect depends on the value of data.” = 1.

⁴⁸ Expert opinion: “MySpace, for example, does not accept copyright protection. This did not cause any damage.” “Legal rules are overrated. There will be problems if the community offends against rules of fairness. The compliance with legal rules is a minor matter. Exception: Youth protection against pedophile assaults.” “There is no community that got successful because it complied with legal protection. That is a luxury problem. It becomes a topic when the community becomes successful.” “It becomes relevant in a later stage, not in the early stage.” “Legal actions implicate attention and PR for free.” = 5.

3.3. Which effects can Marketing have?

Previously, only those possible marketing activities concerning product, price, communication and distribution which were known to be already in use online were selected. All 17 factors were already part of the first version of the questionnaire, no additions were recommended.

It is important to mention that some of the product and management factors could also have been examined in the marketing chapter. For example, factors such as “Unique Selling Point” (chapter on product) or “Open Innovation” (chapter on management) could also have been included in the chapter on marketing. Furthermore, it has become apparent that the 17 factors cannot be clearly attributed to one of the four classical marketing disciplines. Viral Online Marketing, for example, could be discussed as a Product, Communication as a Distribution activity, if social networking users are offered a new function to invite friends (“Communication”), users adopt it as part of their network (“Product”) and actually invite their friends to register with that network (“Distribution”).

17 Factors with regard to Marketing Quality

| | |
|---|------|
| Viral Online Marketing | 1,32 |
| Free-of-Charge Usage | 1,43 |
| Viral Offline Marketing | 1,47 |
| Search Engine Presence SEO/SEM | 1,85 |
| Target-Group-Specific Advertising | 2,13 |
| Classic PR | 2,60 |
| Interest Targeting for Advertising | 2,68 |
| Launch under a New Brand | 2,69 |
| Online Advertising | 2,98 |
| Closed Community | 3,28 |
| Mobile Distribution | 3,30 |
| Launch under an Existing Brand | 3,87 |
| Charging instead of Advertising | 3,89 |
| TV Advertising | 4,11 |
| Print Advertising | 4,28 |
| Display Advertising (bills, boards, etc.) | 4,37 |
| Radio Advertising | 4,47 |

The assessment of classic communication methods can be constituted as one of the most important results of the Delphy Study. With this assessment the experts confirm what is already visible in German online communication and in most other countries: The classical communication methods seem to have a subordinate role and, in many cases, are only applied if companies can utilize existing resources. This, for example, is the case for television companies that advertise their own online offers on air, or for road sign companies that use their own billboards to promote their website. Almost without exception the experts find Radio Advertising (Assessment 4,47), Advertising on Bills and Boards (Assessment 4,37), Print Advertising (Assessment 4,28) or Television Advertising (Assessment 4,11) moderately relevant to less relevant. These media channels were not effective due to a decreasing or parallelized media usage, unless a user group above the age of

35 is targeted, or not efficient, because users have to necessarily change over to another channel (for example, TV to Online).⁴⁹

Even the effect of Online Advertising is assessed to be not extremely relevant or relevant (Assessment 2,98). "Banners can not fulfill social functions. With banners people are not animated to interact. They have no potential to convince in the same way as TV or radio spots (Assessment 6)." Of all traditional communication methods the strongest impact was awarded to Public Relations ("PR", Assessment 2,6). However, this applies less to standard methods such as press releases which are lost in the mass and do not reach the target group. In contrast to that partnerships and web co-operations enabled a high level of targeting and media consistency.⁵⁰ In comparison, web-2.0-specific marketing methods were assessed as extremely relevant to very relevant, particularly the viral online marketing, which gained the highest valuation of all factors (Assessment, 1,32). As these methods have not yet received a final theoretical or practical definition and are discussed as "Connected Marketing", "Buzz Marketing" or "Word-of-Mouth-Marketing", the experts could associate many different methods and activities with this.⁵¹ For this reason, the first questionnaire already distinguished between "Viral Online Marketing" (Assessment 1,32), in terms of electronic Word-of-Mouth-Marketing via recommendations, invitations and social media, and "Viral Offline Marketing" (Assessment 1,47) as the initiation of Word-of-Mouth-Marketing in real life. However, two experts mentioned critically that Word-of-Mouth-Marketing can not be initiated, instead the viral effect resulted from the persuasiveness of the product itself.⁵²

All the methods enabling a better search engine presence to generate new users, particularly at Google, are, without any variations, assessed as very relevant (Assessment 1,85). From one participant's point of view, the search engine optimization methods (SEO) were "Condit Sine Qua Non", yet presence bought with search engine marketing (SEM) "can not be efficient, because commercialization of community generally does not have the sufficient economic potential" (Assessment 4).

Between 2001 and 2003 various studies had determined a low willingness of German internet users to pay for content and services, unless these offers were

⁴⁹ Expert Opinion: "Classical advertisement does not play a role." (multiple statement) "Television and Radio are too quick. They can not generate an impulse for usage within a time frame of 30 seconds." "The experience is that it does not work. Furthermore, it is not efficient." "Classic advertising is not recommendable at all. It causes disproportionate cost in consideration of the effect to the community growth." "Pure image advertising communicates no functionality. Furthermore, it is too expensive for online start-ups." = 6 "For those who look for a target group above 35 they will best find it on TV." = 2.

⁵⁰ Expert opinion: „Particularly web co-operations allow a high level of target group orientation and media assistance.“ "Social networks strengthen reliance on them by finding suitable topics and partners. The recommendation "SÜDDEUTSCHE.de says that XY is the best network" would have a very positive and measurable effect, particularly if SÜDDEUTSCHE communicates this as a co-operation partner. These news have to be customized, which is a good deal of work. Standard PR does not work at all." "Google has become one of the most expensive brands in the world only by offering superior product and viral marketing, without spending a dollar for advertising. With clever public relations young companies do have the chance to become popular within their target group." "All national and international social networks I know have achieved their tipping point only through co-operations and PR, without any large media spendings. These co-operation and PR activities enable a viral growth." = 1.

⁵¹ Cp. Kirby, Marshen 2006.

⁵² Expert opinion: "I consider mouth-to-mouth-propaganda as the most important factor of all. To my mind this can not be initiated. The product essentially has to convince." = 3 "In this case I did not like the word „initiate“. I think that the web regulates itself and brings good things to the top." = 4.

genuinely unique.⁵³ Today, the usage of almost all general interest oriented social networks is free. Only business oriented networks and platforms for dating offer premium services with costs.⁵⁴ Therefore it is not surprising that a free usage is assessed as extremely relevant (Assessment 1,43).

How have other factors with an immediate impact on or a future perspective for the income and economic success of a social network been evaluated? According to the experts, the display of advertising strengthens the growth of a social network if advertisements are limited to topics, formats and advertisers that users accept ("Target-group-specific Advertising", Assessment 2,13). A delivery of ads that suit the topics and interests a user has posted in his profile supposedly has a positive effect ("Targeting", 2,68). To do this on the basis of empirical data was easy to realize, transparent to users and permanently optimizable. The protests at XING, StudiVZ and Facebook have shown how important it seems to advertise a social network in accordance with users' orientations.⁵⁵

A participant stated that GODIN had emphasized the high importance of user acceptance. He recommends user-permission-based marketing: "A permission marketer goes on a date. If it goes well, the two of them go on another date. And then another. Until, after ten or twelve dates, both sides can really communicate with each other about their needs and desires. After twenty dates they meet each other's families. Finally, after three or four months of dating, the permission marketer proposes marriage. Permission Marketing is just like dating. It turns strangers into friends and friends into lifetime customers. Many of the rules of dating apply, and so do many of the benefits."⁵⁶

From the experts' perspective it would be a promising solution to monetize a social network without any advertising, and to offer it as paid service instead ("Charging instead of Advertising", Assessment 3,89). In conclusion, the option to use an offer for free had been evaluated as extremely relevant. Social networks focusing on the paid service business model did not receive convincing results. Users of special interest social networks were only willing to pay for their usage if that social network is run without any ads.⁵⁷

The German press specialized on media topics had often discussed whether the launch of a social networking website within a suitable, wellknown and established brand world, or under a fresh new brand was more conducive to increasing reach in Web 2.0. From the experts' point of view, a new brand (Assessment 2,69) was an advantage over an "old" one (Assessment 3,87). Established brands were not apt for disruptive technologies, offline brands were only transferrable to online community

⁵³ A good summary of these studies can be found in: Neuberger, Tonnemacher 2003, S. 201-202.

⁵⁴ Explanation: Platforms that focus on dating were excluded (for example, Parship www.parship.de) or on exchange of data (e.g. YouTube www.youtube.com).

⁵⁵ Expert opinion: "The protests of XING, StudiVZ and Facebook users have demonstrated that users move to the next platform if they receive the impression of being hawked."

⁵⁶ Godin 1999, S. 45.

⁵⁷ Expert opinion: "This does not even work at XING." "With the exception of few special interest communities social networks with costs will not work." = 6 "In Cases of special interest or vertical oriented social networks, for example, finance, users would be more willing to pay for their membership. Then they will expect an offer free of ads." = 2.

platforms to some extent, and in the times of Google and Technorati the name was not relevant.⁵⁸

The last two marketing methods discussed in the questionnaire were estimated to have a positive impact on the reach growth, however with some limitations. If people are only granted access to a social network by invitation, then a special incentive and desire to become a part of such a supposedly exclusive private community develops ("Limited Access", Assessment 3,28). "Exclusiveness has a strong appeal as one can see at the Lufthansa Senator Service." Even if one of the large social networks focussed on such a model, it could work fantastically, particularly to start a new offer. But there was no offer known that was successful in the long run with this concept.⁵⁹

If a mobile version of a social network is offered, either via an internet browser on the mobile phone or on the basis of a downloadable mobile application, in the opinion of most experts, this can have a relevant effect ("Mobile Distribution", Assessment 3,30). Some professionals even considered mobile distribution as extremely relevant without offering any significant reasons. However, nine of them held the opposite opinion. They considered the average assessment to be overrated for the following reasons: Firstly, they can not see any difference between the stationary or mobile delivery of the offer. Secondly, they determined the mobile usage generally too expensive for users. And thirdly, because the susceptibility to mobile advertising was even lower than to stationary web advertising.⁶⁰

3.4. Context Between Reach and Economic Success

Traditional media demonstrates: the higher the reach of a media product, the larger the potential sales income. In media planning, this is measured with a specific price per thousand contacts. For example, the price an advertiser has to pay for an ad in a television show, a printed magazine or on a website, depends on the number of people who watch it, read it or use it. Media planners often say that size matters. In online this is not only true for display oriented business models, also the success of performance oriented concepts such as Search or Affiliate Marketing depend on the size and reach of the inventory. In addition to online advertising, other business models that brought revenues also to small offers, for example, e-commerce via web-shops or charges for specialized services, were set-up and tested. However,

⁵⁸ Expert opinion: "The transfer of an offline brand to an online community is very limited." "A disruptive platform cannot be offered under an established brand." "In times of Google and Technorati the name is almost irrelevant." "Established brands do not have any credibility relevant for social networking activities. Only brands with a special interest topic and target group (for example, GZSZ-Community, HSV-Community, etc.) provide an advantage by using them for communities. The larger the target group and topical focus, the better the creation of a new brand." = 1
"I do not know any brand world fulfilling my success criteria." "Communities do not need established environments but want to experiment on new things. None of the successful networks I know have started from an established brand world." = 6.

⁵⁹ Expert opinion: "I do not know any community that had success with a members-only concept. Cyworld of T-Venture for example had just closed." "I can not see that StudiVZ, MySpace and Facebook were accessible by invitation. They are successful without any doubt." = 5.

⁶⁰ Expert opinion: "All contemporary developments show that online usage becomes more and more mobile (iPhone). This means that in future, people will talk about internet independently from stationary or mobile internet access." "Currently, mobile is not efficient because mobile data transfer is still too expensive." "I consider the mobile channel as generally and currently overrated. From my perspective, users delete mobile advertising directly in fear of paid services." "Is overestimated. I do not know any offer that generated growth by mobile distribution." = 5.

which model will be established to monetize social networks in future? Which role will reach play? Will social networks only have long term success if they succeed in offering maximum reach? The Delphi participants did not reach a consensus on this matter.

Figure 6: Connection between reach and economic success⁶¹

| | | |
|---------------------------------------|--|-------------------------|
| Size & Reach, Relevant | The larger the network grows in terms of the number of registered users and technical reach, the larger the long term potential revenue via classic advertising, targeting, subscriptions, paid services, etc.becomes. | 26 55% |
| Size & Reach, Not Relevant | Size and reach of a network will not be a precondition for monetizing. Also small networks will have a chance of economic success. | 11 23% |
| Still Unclear | Up to now, the conditions for economic success of social networks are unratable. | 9 20% |
| Not Applicable | | 1 |
| Total | | 47 |

More than half of the experts, 55 percent, did assess the size and reach to be relevant for long term economic success of online social networks. Almost a quarter, 23 percent, rated size and reach as not determining; also small networks had a chance to success. 20 percent did not conclude under which conditions social networks will earn their money.

4. Summary and Outlook

Overall, the Delphi Study delivered an impressive collection and prioritization of possible factors. The experts' recommendations, ratings and statements showed up possible perspectives and outlined the success factors of social networks. Analysing and assessing the experts' comments, I discovered two additional aspects which were not initially included in the questionnaire. Firstly, some of them addressed possible interdependencies, for example, between the quality of product and viral marketing. Secondly, others pointed to the effect of specific factors within specific life phases, for example, the effect of limited access to a social network particularly in the beginning phase.

The most important results are as follows

- The very high relevance of contemporary and creative web 2.0 marketing in contrast to the low significance of traditional marketing instruments

⁶¹ Figure 6: Connection between reach and economic success, N=47, "Preconditions for economic success of online social networks – With which statement do you agree?", N=47, no multiple answers possible.

- The still high impact of classic product quality measures concerning the uniqueness and user friendliness
- The importance of the manager, his commitment, and his ability to observe and to identify the users' needs, and to integrate them into the product development and operation.
- The interaction between success factors and their interdependencies
- The differing relevance of the factors in specific phases of the social networks' life-cycle.

These results open promising perspectives for the ongoing research on success factors for online social networks.

5. Index

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5.2. Illustrations

Figure 1: Alexa.com: Historic Reach Curve MySpace.com up to 7th September 2007, available under [http://www.alexa.com/data/details/traffic_details/myspace.com] (generated 7th September 2007), last checked 7th September 2007.

Figure 2: Hamm, Barbara Anna, Model of a Social Networking Lifecycle, Mai 2008

Figure 3: Segmentation of Specialists in Areas of Expertise, own evaluation, N=47, „What is your professional background?“, multiple answers possible

Figure 4: Usage of Social Networks by the experts, N=47, „Media Usage: To which extent do you use social networks?“

Figure 5: Professional responsibility for a social network, N=47, „Business Interest: To which extent your job is concerned with social networks?“

Figure 6: Connection between reach and economic success, N=47, „Pre-conditions for economic success of online social networks – To which statement do you agree?“, N=47, no multiple answers possible

5.3. URLs of mentioned social networks

| | |
|----------|---|
| Cyworld, | http://www.cyworld.com ; http://us.cyworld.com |
| Facebook | http://www.facebook.com ; http://www.facebook.de |
| MySpace | http://www.myspace.com ; http://www.myspace.de |
| Parship | http://www.parship.de |
| StudiVZ | http://www.studivz.de |
| The Well | http://www.well.com |
| Twitter | http://www.twitter.com |
| Xing | http://www.xing.com |
| YouTube | http://www.youtube.de |