

"Social Media and Beyond – Towards the Emotional Network"

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Facebook and Weibo are huge social networks that now cover well over one billion people, and yet are still growing fast. Until recently there was no such thing as a social network, yet now they have become a critically important part of the live of hundreds of millions of people all over the world.

So now, two questions arise from the perspective of entrepreneurs and investors.

- Are there other opportunities in social media now that the space has been occupied by the major players such as Facebook and Weibo?
- What is the next thing after social media?

Is it worth an entrepreneur starting a social media site and is it worthwhile an investor investing in it? And if it isn't, what should they be investing in as the next big thing?

How to Make Media Ultra-Social

It's pretty hard for anyone to compete against the established players like Weibo and Facebook. Even Google, which has been trying with its new Google+ social network, is having some difficulty despite its huge size and capital assets. So you might think there are no opportunities any more in the area of social networks.

But the world continues to surprise us. The recently-launched US social network, Pinterest, is growing even more rapidly than Facebook and Google did at a similar stage of growth. Pinterest is a site that allows its members to "pin" photos up of a particular interest or hobby. It is essentially a niche site that has grown to a size that no-one would have thought possible of a niche. So maybe there are more global niches to be filled for social networks.

But the betting is that, if there are more opportunities out there for social networks, it's not for a general purpose one like Weibo or Facebook. Pinterest is essentially a niche site. While there may be many more of these, it is likely that most will not be as large or popular. The likelihood is that we are approaching the end of the first big phase of social networking.

However there are thousands of niche sites out there which are aimed at smaller or small social groupings. These social networks cover a huge variety of interests shared by relatively smaller social groups.

These include such areas as gambling, pets, women, art, and films and so on. In this area there are no doubt large swathes of society that would find a social network for their own particular needs to be useful.

But gradually these unaddressed areas will be addressed and the opportunity will disappear. They are still there, but there is probably no more than 2-3 years to address them and then the opportunity will go away.

But this is really not the main issue. The real issue is whether or not these sites will be large enough to be able to make enough money so that they can be profitable.

We have seen this issue before. When bulletin boards first started up 20 years ago a huge number also launched to cater to the needs of relatively small groups. However very few of these survived since they could never grow their user base to be large enough to make them financially sustainable.

This time it will probably be the same with niche social networks. Many will start but few will be sustained. In all probability, the greatest part of the value of this sector has already been achieved and from an investor's point of view it is probably the wisest course to move on to the next big thing that follows social networks, whatever that happens to be.

Making the Most of the Social Networks

Of course, the mere existence of social networks will result in new areas emerging that leverage them for various purposes. We have already seen the emergence of one of these, namely social gaming.

Another is advertising through social networks. Yet another is marketing. Another is using social networks for other purposes such as inferring the needs of the members for products and services such as life and car insurance, financial and health services, shopping needs, and so on. These could be huge new areas.

So although the social networks will themselves have a limited future because the new category is being filled, they will spawn other new categories. In these areas we could well see some huge new companies, mainly in terms of personal and professional needs that can be inferred from the information that can be learned and inferred from the massive amount of personal data on the social networks.

So the message for entrepreneurs is that it will probably soon be past the time to get into the creation of new social networks if you want to make a lot of money on the scale of Facebook or Weibo. On the other hand, if money is not your main aim, there is probably

an opportunity to start a niche social network in thousands of areas. Maybe these could be areas that you have a particular interest in. Just don't expect them to make you a very rich person. More probably they won't make you any money at all.

But the secondary areas of new categories of products that arise from the mere existence of social networks will be a new and fast growing category for the next decade. Some of these will be hard to predict.

But we could well expect one or more of these areas to result in hugely successful new companies. My betting is that some of these new areas will focus particularly on financial and health services. These will derive new types of information from the social networks to enable them to target members to offer them drugs, health services and personal financial services such as insurance and money management.

One emerging area is using data from social networks to address mental illness. This is an area that has been largely unaddressed on China. Even in the US there are still not adequate services for the emerging needs of mentally ill people given the rapidly growing areas of drugs, depression and so on. We will see this area becoming a target for pharmaceutical companies, hospitals and medical providers.

Beyond Social Networks

So what could possibly follow social networks as the next big innovation? Surely these new systems allow us to share enough; aren't we sharing enough already?

One way of looking at this is to try to figure out what the underlying evolution of human systems has been. Sure it has been to share, but to share what?

So far systems have shared information and data. Increasingly they are now sharing feelings and emotions.

Social networks such as Twitter and Weibo allow people to share their feelings right at the current time. Humans want to see not just what other people are doing, but also what they are thinking and how they are feeling.

That is, we are moving to sharing feelings and experiences. The human race is moving towards systems that allow us to share our imaginations in real-time, on any type of topic.

The social networks such as Twitter and Weibo take us a big step further towards this goal but they still fall short in a number of areas. First, they don't really include video, other than as un-integrated elements of the network, something we have to make a special effort to watch. Future social networks will integrate video. That will happen as webcams and cameras become integrated into people's lives so that everything becomes recorded as a video. Think Weibo/Twitter + YouTube.

It's All About Feelies

But even that doesn't cover it. Experience is not just text and video; it also includes sounds, touch and smell. The famous English author Aldous Huxley in his book "Brave new World" wrote about future films being "feelies" that is movies which would also incorporate touch and smell – maybe we call these touchy-smellies

We are getting very close to this vision being realized now. It will not belong before the social networks will become feelies too, integrating both video and touch (via haptic feedback) and even smell. The network doesn't just let me see what you are doing; it allows me to experience what you are experiencing. That provides for shared imaginings which we can viscerally feel, not just read about.

But that isn't all. Neuroscience is progressing very rapidly now. It is now possible to see how a person's brain is operating and even to infer what a person is thinking and imagining by using MRI machines. These are getting ever smaller.

With biofeedback we can also add to our understanding of what people are thinking. This allows us to draw a bead on the emotional state and thinking of a person.

How about a social network that actually shares how other people are actually feeling right now? What about a network that can transmit the shared emotions and feelings of a group, family, locality, or even a nation? That's where social networks are going right now.

How would that work? Well how about your smartphone having sensors that share your biofeedback with others, maybe some information on your neural state? So that instead of getting a data feed, or a video feed, now you are getting an emotional feed?

Maybe an emotional data feed that parents can use to watch over their kids while they are away from them so that they get a real-time read on what their kids are feeling, rather than thinking or texting? How about using it in the military to see how a combat patrol is standing up to the stress of the job? Or to watch over miners in a coal-mine to get a sense of what they are feeling before the miners themselves can vocalize what is happening down there?

These future social networks will be designed to share not just data, nor even feelings but also imaginations. Artists will use it to further art, and scientists to jointly imagine the future. Planners will use it as a new form of collaboration where they can sense what other planners feel, as distinct from what they say and do. Shared imagination and feelings will add totally new dimensions to human sharing, collaboration and planning not to mention how we get on with each other.

Pretty soon the wiring of our smartphones will be incorporated into smart clothing and will provide more capacity to add the sort of sensors and computing power we need to achieve this vision.

It is very likely that within the next 5 years some humans will be routinely wearing sensors implanted in their bodies. Initially this will be for medical and health purposes.

But quickly these sensors will be used to obtain sensory and emotional information for the emotional feeds that will form the backbone of these new types of networks. We are already routinely implanting such sensor into animals and pets. Humans will be next and then we won't even need smartphones in order to get the data feeds we need to power these networks.

Emotional Networks are Coming

Let's call these new social networks, emotional networks. How will they be leveraged for commercial and professional purposes?

How about totally new forms of advertising and marketing based on the current emotional state of people? Where companies get immediate feedback on how people view them, their products and services? Where feedback reflects much better what they truly feel rather than what they say they feel? Where marketers can observe another dimension of people's feelings about what they are developing, selling and the future they are moving to?

How about new forms of focus groups based on emotional networks that provide instant emotional feedback on ideas for future products and services being envisaged by a company. Taking Weibo to the next level where instead of basing decisions on what people say and text, instead basing it on how they feel and imagine?

Just as the secondary uses of social networks will be their greatest value in the near future, we can expect that the secondary uses of emotional networks will be even bigger than the emotional networks themselves. We can't predict now all their many uses. Some of them will be totally new and totally unpredictable. But that is where investors will make the big money. Not to mention the entrepreneurs.

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