2010 – The year of 3D virtual social networks!

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It's essential for companies to monitor social networks and their developments, as this is where the reputations – and the profits – of tomorrow's companies will be made and lost.

The new year got off to a flying start, setting new records right from the outset. The film Avatar, which boasted the biggest budget in the history of cinema, recorded over 1 billion dollars in ticket sales in less than 2 weeks! Revolutionary developments in 3D technology lie at the heart of this ecosystem, providing an unprecedented viewer experience. The cinema and the entertainment industry are venturing into new creative territory.

Virtual Social Networks such as Facebook, Twitter and LinkedIn continue their phenomenal growth, with over 500 million registered users between them. But it's not just individual use that's exploding – we're seeing the same thing in companies, where we've observed a sudden, massive intensification of Web 2.0 use. The blogosphere is providing ever more dialogue between the customer, the brand and the company. And woe betide the company that fails to listen to, analyse and react to what's being said about it. Everything is aired through digital "dialogue", especially if the customer has had a bad or frustrating experience.

Networks of Influence

Customer experience signifies a promise that the company must keep, especially when the customer is an influential member of a digital community. The challenge for the company is to understand quickly enough the influence that a given internet user has on their virtual community. The degree to which other users feel concerned by or involved with the experiences of a member of their group can be represented by a social graph, with links between each member. This is the dawn of Social Shopping, where more than 70% of internet shoppers place more trust in their virtual community than in the brand or the company.

These virtual communities are concentrated, and move around digitally like schools of fish in a fertile discussion zone, engaging in the infamous "digital dialogues" that tackle subjects arising from shared interests or activities. We find ourselves leaving "value chain" silos in favour of the "constellation of

value creation". An example of this phenomenon is when a tourist who has visited a hotel in a given region of the world gives his opinion on that hotel on a community site. More and more consumers are visiting these sites to read other travellers' advice before booking a trip, a hotel or planning a route.

E-marketing techniques must now include *Community Management*. We can no longer manage individuals simply as individuals, but must manage their powers of influence (or of disruption) within their virtual communities as well. We expect to see a proliferation of *Chief Community Officer* jobs, as this type of management is the best way for brands to prolong their life cycles … at the same time, *Chief Privacy Officer* positions will open up, given the need to preserve the *privacy* of the user or groups of users, i.e. the confidentiality of discussions and personal information … And the volume of digital personal information is expanding rapidly, as this includes not only text-based data, but also shapes, gestures and images captured on camera or video!

China is the world's leading internet power

However, the record that we really need to take note of is China's rise to the position of leading global internet power. There are more internet users in China than there are citizens of the USA.

Tencent QQ now boasts over a billion subscribers, with a major instant messaging application on more than 600 million mobile phones and a virtual 3D universe with virtual money. The Chinese government even had to push through legislation to ban its use outside of the virtual social network, which operates on a multichannel platform with 60 million simultaneous connections.

In China, capital expenditure on R&D as well as the growth rate of R&D investment over the last 5 years has exceeded that of the US: the implications for the future of this investment in innovation are clear.

And for a final milestone, the Shanghai World Expo in 2010: the event expects to bring in more than 100 million tourists, but billions of internet users … what a showcase for China!

All exhibitors are required to have an internet presence. The government controls and hosts all internet applications … and the websites must be in 3D. Even the success of Obama's election campaign via Twitter pales in the face of this real-world construction of an ecosystem on a scale that is still poorly understood by the main players in the West. A veritable digital steamroller is emerging in Asia, with an information systems architecture that is solving equations that no Western country knows how to solve … Google, Yahoo, Cisco and many others have stumbled in the face of these problems of scale: 60 million simultaneous connections per second, which is the same as the number of accounts that Facebook succeeded in creating in one year!

In addition to the virtualised architecture, the digital content and the management of these networks, the rules of the road for these new information superhighways say that he who has the lowest costs wins. Today, in order to conquer new territories, companies are allying traditional expertise with skills

in virtual social networking. This is clearly demonstrated on the website www.madeinchina.com, where you can buy a Chinese aeroplane, a fleet of ships and all the necessary parts to assemble a factory …

New developments

Another development to watch: the multiplication of open source and of complementary, virtual, ethical, and/or socially responsible "money" … 300 in the Paris region, more than 700 in France and 5,000 throughout the world … hence the plea for more awareness to the French authorities at the Autrans 2010 meeting. Analysts predict that these virtual currencies will number in the millions. One example is twollers, Twitter's open money, or the payment via SMS available on Twitter and PayPal. Prepare yourself: you can already pay within your virtual social network using twitpay.me, by sending, for example, the tweet "xiberoland twitpay $10".

Amidst all the noise around these internet developments, we'd like to draw your attention to a new French startup that has snaffled all the prizes that count for the Western internet, including the famous Tech Crunch 50: Stribe! [i]

Rather than "offshoring" your social network to a networking site, this French startup enables you to set up a social network and to multiply its links on your own home page … a must-try.

To conclude this overview of 2010 we must take note of the massive growth in *Cloud Computing*[ii]… for example, when Voyages-SNCF needs to be able to handle peak traffic with seven million unique visitors per month, the SNCF website uses Amazon's *Cloud Computing* bandwidth and hosting… The SaaS[iii] (Software As A Service) permanently improves the productivity and competitiveness of a group or region while significantly reducing the structure of fixed and variable costs.

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[i] To find out more: http://www.stribe.com/

[ii] *Cloud computing* is the concept whereby companies rely on remote suppliers rather than developing their own datacentres. This refers to the use of a "cloud" of servers and computers around the world, linked by a network such as the internet.

[iii] Software as a service (SaaS), often associated with "cloud computing ", can be seen as an economic model for the consumption of applications: they are consumed and paid for on demand (per user and per minute of use, for example) and not acquired through the purchase of licenses. As such, SaaS is said to be based on a "cloud computing" type of infrastructure.