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Social Networking Market, 2011-2015

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SCOPE

This study examines the market for Social Networking solutions from 2011 to 2015. The study covers both the Enterprise (i.e. business) market as well as the Consumer market. For the Enterprise market, it provides extensive data regarding current installed base, market share, breakouts by region, business size, and four year forecasts. For the Consumer market, it provides current installed base, market share, breakouts by region, and four year forecasts. The study also looks at the leading players in the Social Networking market and analyzes their features, business strategies, and product strengths and weaknesses.

All market numbers, such as market size, forecasts, installed base, and any financial information presented in this study represent worldwide figures, unless otherwise indicated. All pricing numbers are expressed in \$USD.

METHODOLOGY

The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. It consists of information collected from vendors, service providers, and users within global corporations via interviews and surveys.

Secondary research sources have also been used, where appropriate, to cross-check the information collected. These include company annual reports and market size information from various market segments of the computer industry.

EXECUTIVE SUMMARY

- The Social Networking market has continued to grow at a rapid pace over the last 12 months. Social networking remains one of the driving forces of “Enterprise 2.0”, or any drive to revamp business procedures and communications. As businesses look to upgrade their investments and infrastructure to keep up with current trends, implementing social networking into the business is often one of their top priorities.
- This study looks at the Social Networking market as comprising two different market segments:
 - *Enterprise Social Networking* vendors provide social networking tools and services which cater to corporate environments that require strict security policies, and robust management capabilities. Key vendors in this segment include: *Atlassian, IBM, Jive Software, Microsoft, Novell, Oracle, Socialtext, Telligent*, and others.
 - *Consumer Social Networking* services are typically external facing networks that are used primarily by consumers, but many businesses and enterprise users utilize the services as well. Key Social Networking providers in this segment include: *Facebook, Friendster, hi5, LinkedIn, MySpace, Orkut, Qzone, Twitter, YouTube*, and others.

- Enterprise Social Networking solutions offer secure, highly customizable platforms that allow companies to build internal (B2B) or customer-facing (B2C) collaboration communities. B2B communities allow users to interact, share content, and collaborate on projects through features like shared blogs, wikis, document sharing, and group management. All Enterprise Social Networking solutions have B2B functionality. Some Enterprise Social Networking solutions are also designed for B2C use. B2C communities offer a powerful avenue of social interaction between businesses and customers, allowing customers to join in on business-related conversations and interact with business representatives.
- Security remains a large issue with Social Networking. Both consumers and business users have major concerns about the privacy and security of their information. Social Networking is becoming a popular access point for malicious software and hackers to exploit vulnerable users.
- Niche websites that focus on a specific topic, such as sports, photography, art, and more, are increasingly integrating social networking features such as blogging, discussion forums, wikis, user profiles, photo sharing, and more. In a similar vein, some traditional social networking services are renovating themselves into content providers while retaining their social networking capabilities, such as MySpace and Friendster.
- Location-based social networks are beginning to grow in popularity after initial concerns about privacy. Most location-based social networks have an achievement and awards system, which encourages users to continue using the service. For example, location-based service Foursquare bestows “mayorship” on users who consistently check in to one location, and other achievements that can be unlocked as users check into sponsored locations.
- We expect the total number of worldwide Social Networking accounts, including both Consumer and Enterprise accounts, to grow from about 2.4 billion in 2011, to about 3.9 billion in 2015. The number of Social Networking users is expected to rise from 798 million users in 2011, to over 1.2 billion in 2015. (*Note: users typically have more than 1 account*).

- Table 1, shows the growth in the number of worldwide Social Networking accounts and users from 2011 to 2015. Worldwide Social Networking accounts shown below include both Enterprise and Consumer Social Networking accounts.

	2011	2012	2013	2014	2015
Worldwide Social Networking Accounts (M)	2,395	2,723	3,073	3,471	3,890
% Change		14%	13%	13%	12%
Worldwide Social Networking Users (M)	798	910	1,030	1,135	1,240
% Change		14%	13%	10%	9%
Average Accounts / User	3.0	3.0	3.0	3.1	3.1

Table 1: Worldwide Social Networking Accounts and Users, 2010–2015

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