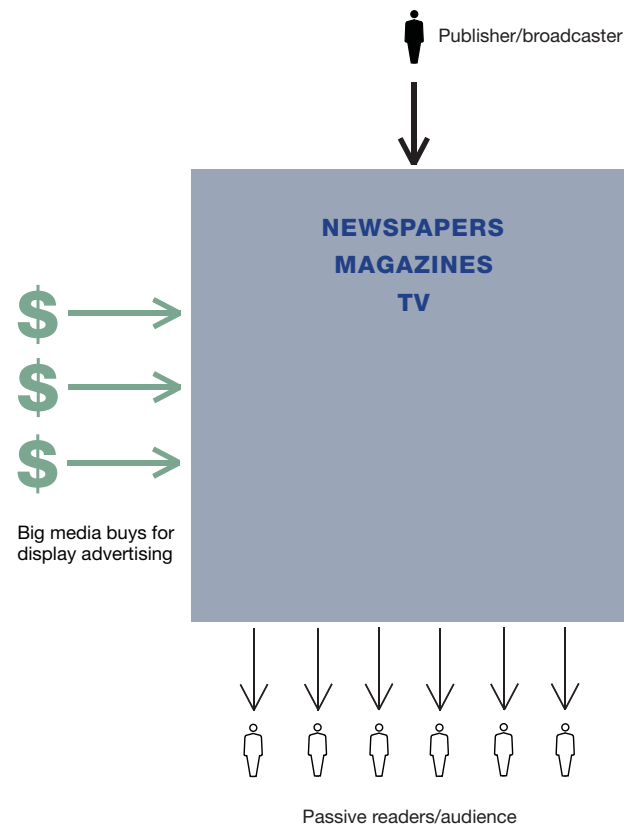


# Social media introduce new models of value creation

## BROADCAST

“We tell you”

Examples: The New York Times, CNN



**Relationship type:** one-to-many, push

**Reader participation:** readers and viewers write letters to the editor, participate in surveys or testing, and are modeled in aggregated ratings data. Feedback is to publisher or broadcaster only, unless it is published.

**Value for the user comes from:** high quality of content, and the reliability and authority of the publisher/broadcaster

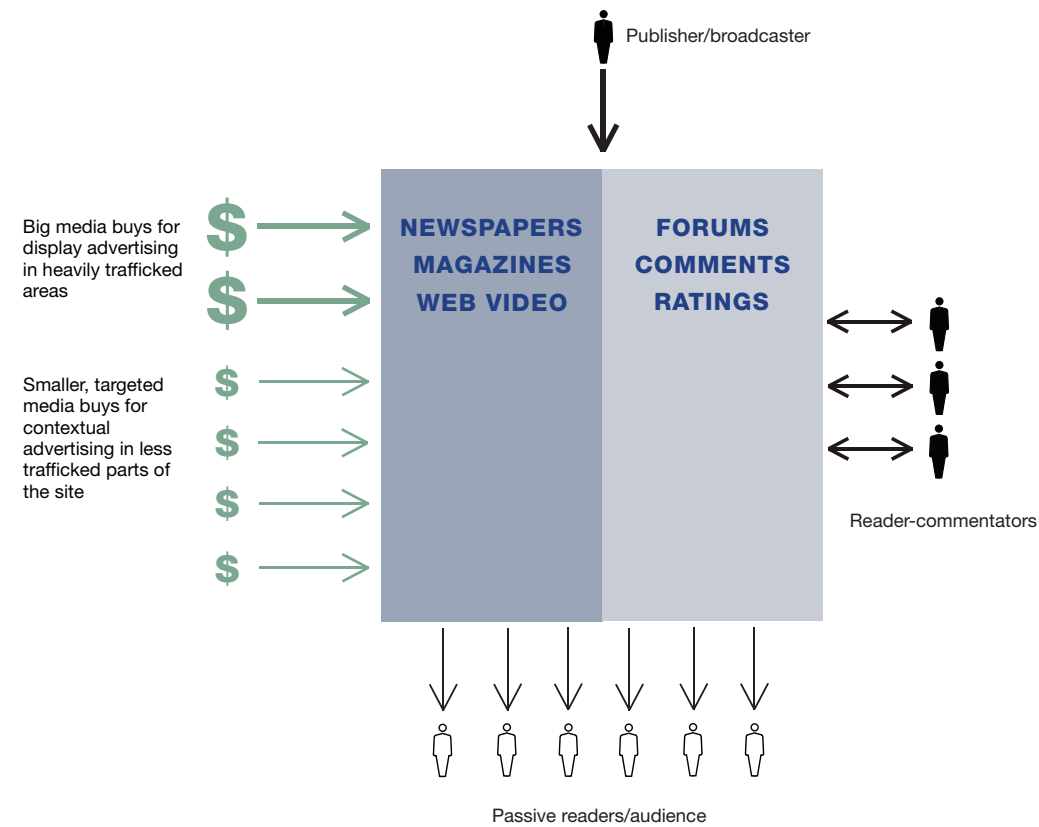
**Opportunity for the business comes from:** developing high quality content; understanding the needs of advertisers and building stronger relationships with them

**Threats:** competition for advertising revenue from new media, fracturing of markets by specialty content and service providers on cable and the web

## INTERACTIVE

“Tell us what you think of what we tell you”

Examples: nytimes.com, cnn.com



**Relationship type:** combination of one-to-many on main site and many-to-many on segregated areas, push/pull

**Reader participation:** while unable to directly influence content, readers are invited to *comment*, *rate*, *market* via email and occasionally discuss in *forums*; feedback and original content are typically kept apart

**Value for the user comes from:** the ability to customize access to a variety of content sources

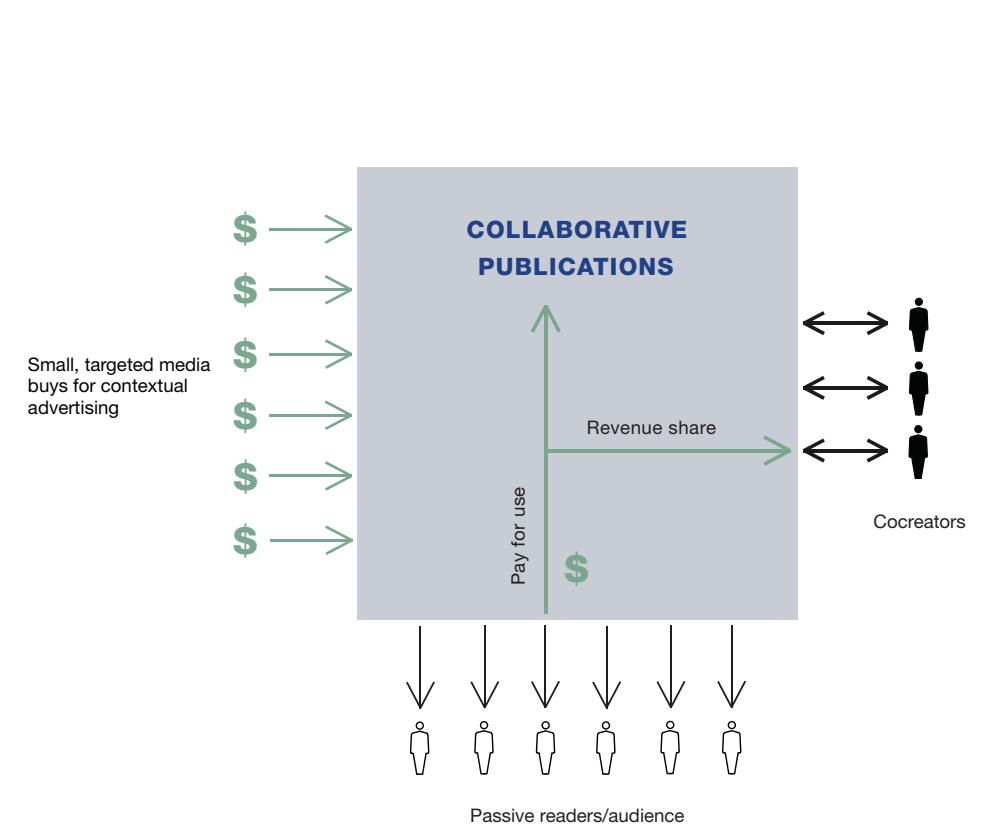
**Opportunity for the business comes from:** display and keyword advertising that can be better targeted by using *posted comments*, *rated content* and *tagging*; improving loyalty by building deeper relationships with readers by allowing active participation and community building in *forums*; providing better aggregation of content with social customization tools such as *collaborative filtering* and *social networks* and better distribution through *RSS*

**Threats:** competition from even more participatory content sources, *customization* and *personalization* can result in narrowed world views which are contrary to some companies’ missions; allowing mass participation requires greater staff or sophisticated technologies to make reader-created areas suitable for traditional advertisers

## SOCIAL MEDIA

“Tell each other”

Examples: Wikipedia, Slashdot, Ohmynews



**Relationship type:** many-to-many, push/push

**Reader participation:** taken to a new level with readers becoming reporters, commentators, and even editors; point of view emerges from group values

**Value for the user comes from:** an infrastructure for active participation in content creation, and a community of trusted cocreators

**Opportunity for the business comes from:** building communities of reader/writer/editors with very high levels of participation and loyalty; reduced content creation/acquisition costs, increased audience size by creating viral groups of creator/marketers, improved content quality by providing tools for trust, reliability, and quality using technologies such as *collaborative editing*, *reputation managers*, *public profiles*, *social networks*, and *recommendations based on friends and contacts*

**Threats:** hard to guarantee advertiser-appropriate user-generated content; barriers to entry may be low for competitors; group point-of-view may not match businesses; user-base may reject or try to sabotage revenue activities; legal overhead high due to unpredictability of content quality; communities are hard to jump-start and often slow to grow

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