

Pocket pals

By Dan O'Shea

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Social networking and user-generated content are in the process of becoming the killer apps that 3G networks were built for.

There are two kinds of people in the world: Those who think MySpace will be the next Google, and those who think MySpace already is the next Google. Whichever side you're on, the social networking Web site is an online phenomenon of epic proportions, at least the eighth-most-visited site on the Web, according to comScore Media Matrix (though third or even second-most-visited by other public estimates). It had 37 million unique visitors during the month of February, according to comScore, and by other estimates, it may have almost 60 million recurring users.

That's not too shabby for a free Web site that has no intrinsic commercial value of its own — only that bestowed upon it by the people, many of whom are in the coveted 18- to 35-year-old demographic, who choose to use it as an online meeting point, market and venue for sharing opinions, music, photos and anything else they can think of. But once you have that demographic, advertising dollars are bound to follow.

And now MySpace is going mobile. Last year, Rupert Murdoch's News Corp. acquired MySpace for \$580 million, and while those who didn't know much about MySpace questioned the deal, others could see what Murdoch had in mind. In February, MySpace struck a partnership with Helio, the global mobile virtual network operator (MVNO) joint venture of EarthLink and SK Telecom, the leading mobile service provider in South Korea.

With the launch of Helio's service this spring, the companies also will be launching MySpace Mobile On Helio, giving MySpace users mobile access to the site.

"MySpace Mobile On Helio will allow our members to share their lives as they happen and evolve the MySpace experience from being about what you did last night to about what you are doing right now," said Rob Gelick, Helio's head of media and community services, in announcing the offering. MySpace isn't the only social networking site online, and it certainly isn't the only one that sees great potential in going mobile. It's also one of several online or content companies that is chasing the vast opportunity believed to exist in mobile social networking and the user-generated content that often feeds the furious social exchange happening on such networking sites.

Social networking may not sound like much of a new concept, and it isn't. The original format for social networking, after all, is voice. Text messaging is a more recent platform for mobile social networking.

"When you get down to it, the mobile part of this doesn't bring a new service — it just allows you to do it from anywhere," said Nick Desai, chairman and chief creative officer at Juice Wireless, which operates the social networking site Juicecaster. "You know, it's not mobile Web blogging that's new — it's just blogging; and it's not mobile social networking — it's still networking. It's a bridge to other people, which is really a simple idea."

Mark Donovan, senior analyst and vice president of products at M:Metrics, said that it is also true that the concept of user-generated content isn't all that new. "It's kind of a slippery thing because you can argue that text messages are user-generated content or that sending a friend a photo is user-generated content," he said. As far as users creating their own video and audio content and sharing it via mobile networks, the trend is not yet having a measurable impact on the mobile industry, but could in the near future he added.

"Is anyone in the mobile industry making money off of it right now? Not really, but the mobile phone is a device that is all about connecting people, and what we're learning now is that people are producers, as well as users," Donovan said. "This could become an important thing in another two or three years."

Companies like Bango, AirG and LivePlanet might say that it is already having a huge impact on the mobile industry.

"The two drivers that you need for social networking to explode are good devices

for catching, storing and uploading content and also you need the pervasiveness of cell phones with browsers," said Anil Malhotra, founder and senior vice president of alliances and marketing at Bango.

AirG's growth actually took off after it released a Java-downloadable product. AirG started six years ago as a mobile gaming company, "but we found the people were talking about the games even more than they were playing them," said Frederick Ghahramani, director at AirG.

Now, the dedicated mobile social networking company claims 7.5 million registered, interconnected users, and Ghahramani said the inflection point for AirG has already occurred. "We grew by 50% in the last five months of 2005," he said. That growth coincided with AirG's release of a Java-downloadable product that was an improvement over browsing.

LivePlanet, the online creative community launched by actors Matt Damon and Ben Affleck and others has not been around as long as AirG, but the company's entry into the mobile social networking market also was gated by technology capabilities.

Larry Tanz, CEO of LivePlanet, said the company is launching its first networking application at CTIA's Wireless 2006 trade show in Las Vegas this week. It's a game called Phone Tag, described by Tanz as a "massive, multi-player wireless game" that can be played on a global basis by users who don't know much about one another, or by a small group of friends.

The game will be offered by Amp'd Mobile, the MVNO targeting users in the 18- to 25-year-old demographic, and it uses the location-based services (LBS) technology that several carriers have finally implemented in their networks. LBS will allow game players to track one another and will warn one player when others are closing in.

"We actually created the application four years ago, so the technology has caught up with the idea," Tanz said.

Though primary applications or demographic targets may differ slightly among these and other companies pursuing the mobile social networking market, there will be some degree of competition between the emerging firms and applications. "Any time you are going after the same disposable income, there will be competition," AirG's Ghahramani said.

But, traditional mobile carriers and MVNOs alike will have the luxury of being able to offer access to multiple mobile social networking communities and applications. Bango already has partnered with several carriers. AirG recently made announcements with Cingular Wireless and Amp'd Mobile, and though LivePlanet is launching Phone Tag with Amp'd Mobile, Tanz said that the company is talking to other carriers.

Desai, of Juice Wireless, said that ultimately, mobile carriers have much to gain from these partnerships. "The killer mobile app is immediacy," he said. "Social networking applications right now can give an operator a huge differentiator. The immediacy is something that every young person we're targeting understands, and the applications will come from that."

Desai added that while mobile carriers have heavily invested in 3G networks, usage of applications that take advantage of all that bandwidth remain fairly low. Mobile social networking can help change that. Desai and others also noted that mobile social networking and the applications and usage scenarios that arise from it also could eventually help inform device design and service packaging. Meanwhile, offering an open service with a partner will help cure mobile carriers of the fears of letting their users travel beyond their walled content gardens.

Tanz said one of the distinctions of Phone Tag will be that "the game is happening all around you." The same could be said right now of mobile social networking.