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93 Percent Growth in Social Networkers Reveals Need for New Approaches to Online Advertising

CMOs Urged to Experiment in Social Media despite Economic Downturn

San Francisco, December 11, 2008 -- Netpop® trending data reveals social networking has grown 93 percent since 2006, with Facebook showing the greatest increase in regular users in that timeframe (500%). As people spend more time communicating online – particularly in grim financial times – Netpop Research executives argue for greater experimentation in social media advertising.

“Social media will play the same role in this recession that movies played in the Depression,” says Cate Riegner, Vice President of Research, Netpop Research, LLC. “The growth of social networking is still accelerating and the bonds consumers are developing with friends and groups of like-minded people are just beginning to shape behaviors. Companies need to be there, talking to both their existing and potential ‘fans.’ Brands that experiment in social advertising now will be in the best position to leverage these important media channels when the economy turns the corner.”

Netpop data show the importance of Social Networkers as a brand target: Young, influential, empowered shoppers who spend an average of \$101 per month online – 26% more than non-social media users. They also connect with an average of 110 people in a typical week, underscoring their ability to influence others in their network.

“CMOs have been discouraged, understandably, by the poor performance of standard online ad formats in social media spaces,” concedes Josh Crandall, President at Netpop. “But current attempts at advertising in social networking environments have been limited to traditional, display advertising. Facebook’s new “engagement ad” unit is a new development, but there is a long way to go. Understanding those environments, and working on new approaches to advertising, will become increasingly important as social media consumption grows.”

These are among the conclusions of a newly released Netpop | Connect report: “Social Networkers U.S.: Who they are and what they mean for next generation advertising.” The report, which is available online to registered users for free until January 31, 2009, includes:

- Comparison of Social Networkers to non-social media users
- Comparison of Facebook users to MySpace users and users of both sites
- Overview for CMOs eager to find effective ways of reaching consumers in social media spaces

Register at www.netpopresearch.com and download a free copy of the report today.

Netpop Research plans to release a similar report in on social networking trends in China. If you are interested in receiving information about this report when it becomes available, please contact rudy@netpopresearch.com.

About Netpop Research, LLC

Netpop Research, LLC is a San Francisco-based strategic market research firm that specializes in online media, digital entertainment and user-generated content trends. Since 1997, Netpop has offered research products and services focused on the online consumer, establishing its unique domain expertise and creating industry-accepted metrics for understanding the digital consumer. Netpop Research is the creator of the Netpop tracking study of Internet usage among broadband consumers in the United States and China.