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What's next for Consumer Social

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3-4 minutes

With a looming paradigm shift from open sharing to closed networks, there's currently a fragmentation of the consumer social sector where large, ubiquitous products like Instagram, Facebook, YouTube, etc. are no longer delivering the same value to users. Instead, they are leaving holes for challenger networks and products to emerge. Behaviorally, people are becoming less inclined to engage and share to these overarching and hyper-connected networks, and instead are leaving for newer, semi-private-communities where like-minded people can collaborate over their shared interests, current life situations, desire for new media, etc.'

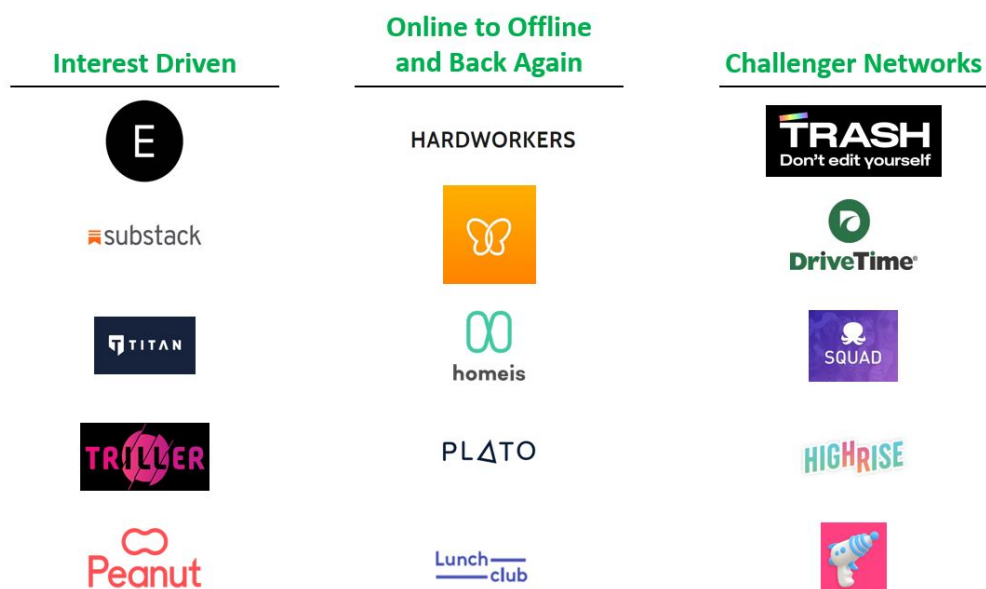
Once in an arms race with Instagram, Snap has reclaimed its spot in the consumer social market as a social network where friends can communicate without the self-conscious fear of other's judgment. Coupled with its ephemeral product features, this idea of private sharing has given way for the public market's appreciation of Snap, and subsequent [81% increase in share value](#) YoY.

In the same vein, tech founders are carving unique niches in the consumer landscape by separating the 'social' from the 'media' and identifying gaps in large incumbents' product suites.

Founders are able to build companies around key themes like:

- **Interest Driven:** Low barrier to entry, opt-in networks driven by trust and information distribution.
- **Online to offline and back again:** Akin to [Chris Dixon's](#) saying, I'm claiming my own: come for the knowledge, stay for the network. These can be either IRL, online, or both.
- **Challenger networks:** Attacking the gaps in incumbent social networks with new content distribution and formats.

Below are just a few examples of startups taking advantage of this shift in consumer behavior:



It's easy to think about consumer social as a quasi-hierarchy. Instagram, Facebook, and Snap are unlikely to go anywhere. These large platforms make the market by serving as high value advertisement platforms for other companies, acquisition channels for startups, and the guidelines for proving what consumer interests are already in the market. Startup founders assess what products and features are missing from these companies and quickly build better versions.

Reddit, the self dubbed front page of the internet, was one of the first contemporary private networks, but has since given way for startup companies to create more personalized experiences across multiple subreddits. There are a bunch subreddits garnering well over a few million subscribers that serve as an interesting place for budding entrepreneurs to look to for inspiration in regard to what types of future digital products could make sense.

Online communities translating to startup companies



Aside from consumer social fragmentation, I'm excited about advancements in other consumer technologies and the network effects that can come from the increasingly high-quality photo capabilities of the iPhone camera, constant usage of headphones, democratization of fintech, verticalization of marketplaces, and future of work. These technologies can make way for new startup companies to steal market share from incumbents and ultimately change consumer behaviors.