Why did the first social networking sites fail? Is there anything they could have done to survive?

First social network site: “SixDegrees.com” – 1997 (Andrew Weinreich) 安德鲁·魏因赖希

Direct reasons pointed out by the material:

1. Users felt that not enough of their friends were members to make it an interesting destination
2. Users can only invite and accept friend requests

SixDegrees.com is the first mover

First movers: the first entrants to sell in a product or service category (“pioneers”)

Being a first mover disadvantage:

* High research and development expenses
* Undeveloped supply and distribution channels
* Immature enabling technologies and complements
* Uncertainty of customer requirements

Uncertainty of customer requirements / Immature enabling technologies and complements

Not enough friends were members

Not satisfy with the functions of the website (only enable users to create profiles, invite and accept friend requests)

<https://www.renewablefreelancer.com/blog/what-led-to-the-failure-of-six-degrees/>

Other materials:

Immature enabling technologies and complements:

The cost of internet was high, and accessibility become a road block in its progress

1. AOL and dial up internet options were the only ones available 🡪 it was a hard task for a user to be able to connect with another one
2. When Six Degree reaches 3.5 million users, the company couldn’t accommodate the number of users required before the run out of their money
3. The social media site failed to acknowledge the fact that their line of work depended fully on other complementary goods which in this case was internet connection
4. online advertising firms were not readily mature enough to supply the market with sufficient online advertisers’ opportunity to support model of their business

Is there anything they could have done to survive?

1. Attach greater attention to communicate with its users, develop new functions that users will get satisfied with on the website
2. Make use of “reaping increasing returns advantages” which is an advantage for first movers
   1. Invest their profits to technological development (servers)
   2. Invest their profits to online advertising
3. Make sure that current technology can support the user base