

PASSION INDEX:

The Fall of Social Media.

Foreword.

The first stage of social networks began in the early 2000s and was defined by a handful of open, centralised platforms like Facebook.

At the time, I was immersed in the electronic music scene, recording under the aliases Prometheus & Younger Brother. Like many entrepreneurs looking to grow their brand, these social networks offered us the opportunity to engage with large followings regardless of location, in real time.

But as these networks matured, they became more congested. As a result, the reach and engagement they once promised was soon diminished.

This was incredibly frustrating at first, but it got me thinking. How can we help community hosts own the value and connection to their own networks?

When I founded Disciple Media in 2016, my aim was to empower brands and creators to build independent communities of true value. Since then, we've grown from an agency-model business building bespoke fan engagement apps for musicians, such as The Rolling Stones, into a global SaaS business.

With more than 200 thriving passion communities around the world, our success has highlighted that by reducing the barriers to entry in terms of cost and efficiency, brands and creators now have a viable alternative to traditional social media networks. And our new self-serve offering means our customers can now create a community platform in a matter of minutes.

As consumer trust in major social media players continues to drop and individuals become increasingly conscious of the time wasted viewing poor quality and unengaging content, we're transitioning into the next phase of social media: the Passion Economy.

From YouTube content creators to wellness leaders, entrepreneurs are taking the passionate audiences they have built on social platforms and migrating them to their own communities where they can turn the social capital they have built into valuable, independent businesses.

This report comes at a time when physical distance from each other has never been so important to the health and wellbeing of individuals and communities around the world. Never before has the digital world been so important to maintaining the connections we share.

From staying in touch with friends and family to connecting with community groups founded on shared passions and interests, as well providing support and access to essential services, niche communities have evolved to become an integral part of our daily lives. We hope you enjoy the findings and feel empowered to seek out new ways to connect and shape the future of the digital ecosystem.



Benji Vaughan, Founder and CEO

STATE OF PLAY.

Social media has been one of the definitive technologies of this generation. Emerging from a relatively marginal component of the internet to one of its largest industries, social media has completely restructured how the internet is used, how individuals interact socially and created an entirely new sector. In 2019, the social media sector was valued at £34 billion and with the average Brit spending 2 hours 45 minutes on social media, according to our latest research, its presence is felt almost everywhere.

While the sector has shown unprecedented growth over the last decade, there has been a gradual but marked change in attitude amongst individuals to this once burgeoning technology; a movement from connection to distrust. As a result, the same research found that 52 percent of Brits would like to spend less time on social media.

16 - 24	25 - 34	35 - 44	45 - 54	55 - 64
3 hr 29 mins	3 hr 9 mins	2 hr 37 mins	2 hr 8 mins	1 hr 21 mins

Fig 1. Time spent looking at low-quality content, or scrolling with no purpose

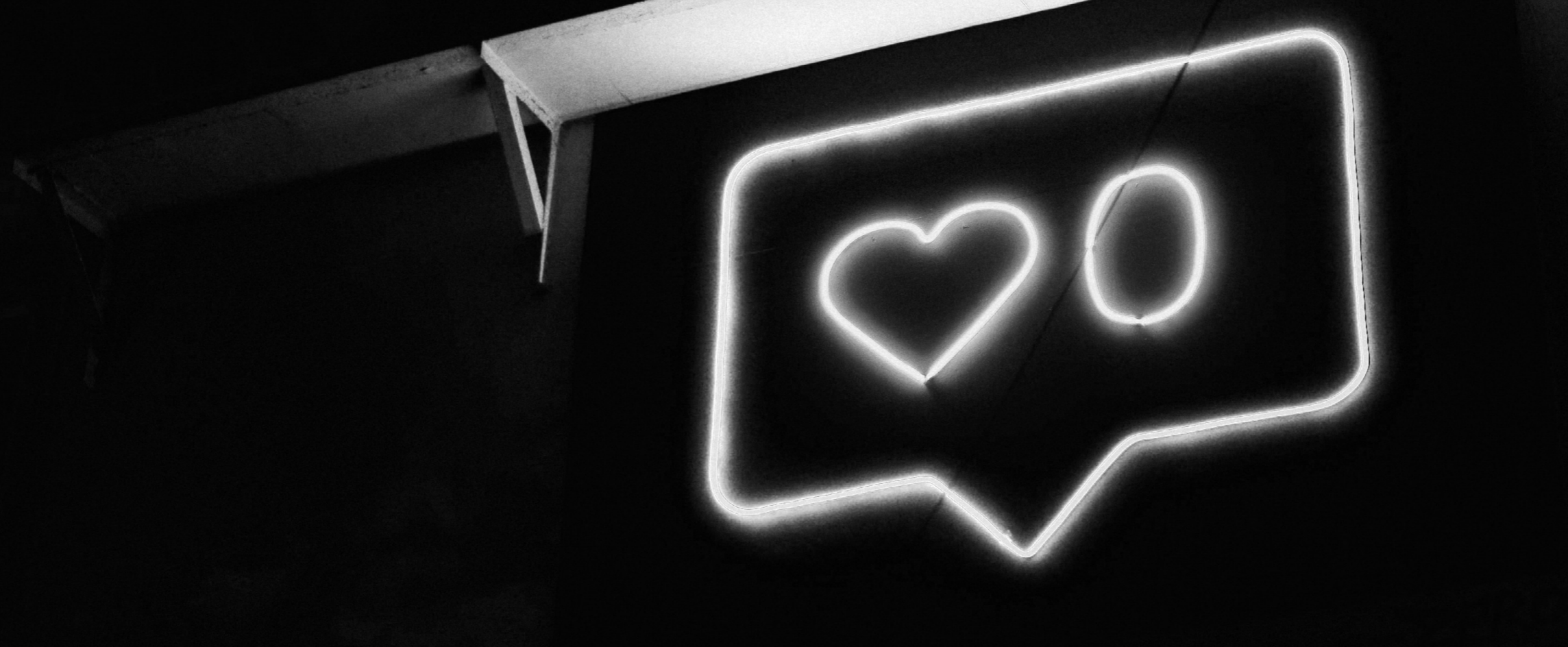
This transition wasn't precipitated by any one event but is rather the culmination of several factors. The first is how social media platforms have moved away from their initial purpose. Back when the technology was new, social media was seen and used as a mechanism for connecting people, brands, community and cultures. It was about expanding social circles and connecting with friends, old and new, in novel ways. This was the fundamental promise of social media and for a long time, it successfully delivered on this.

There is a temptation to label such retrospectives as rose-tinted or idealising a platform that never really existed but for many of us, we will recall a sharp difference in how social media was used back in the early 2000s versus 'the attention economy' we see today. We define the attention economy as a platform that aims to share generic content to the widest possible audience; prioritising the quantity of time spent consuming content on the platform over user engagement or quality.

Part of this change was precipitated by the shift towards seeing social media as a profitable platform over a social one. Whereas social media platforms originally focused on user-driven content, it instead shifted towards a culture of generic content. The once common personal posts that used to fill up newsfeeds gradually became replaced by generic content targeting individuals. Worse still, in recent years this generic content has taken a more dangerous turn towards the sharing of 'fake news'. This was particularly exemplified during the onset of the coronavirus where several social media platforms had to clamp down on fake news being spread around the COVID-19 pandemic.

In response to this endemic mistrust of social media, there has been a movement away from the attention economy towards the passion economy. The passion economy describes the popularity of niche communities built around specific hobbies or interests. Given the nature of these platforms, they represent the antithesis of the traditional social media giants. Where we have traditionally had generic content targeting the broadest possible audiences, these niche communities create highly targeted content for individuals with shared interest.





ATTITUDES TOWARDS SOCIAL MEDIA.

Social media has been around for longer than many people may expect. Primitive versions of the technology date as far back as 1980 and more recognisable versions were appearing around the new millennium. However, it was only towards the mid-2000s that social media platforms saw mass adoption with the launch of Myspace in 2003, Facebook in 2004 and Twitter in 2006. While there was a notable influx in subsequent years of platforms varying (or not) on the existing social media model, many of these fell to the wayside. By the early-2010s, Instagram and Snapchat had launched and we began to see the colossal value of these companies. In 2012, Facebook had its IPO and was valued at \$104 billion - the largest valuation at that time for a newly listed public company. They soon bought Instagram for \$1 billion. In 2017, Snapchat continued this trend with its IPO valued at \$33 billion.

Given how far these platforms have come from their humble origins, it is no wonder that they often move away from their initial objectives. While they may have once sincerely focused on connecting people, brands and communities, they are now enormous corporations featured in the NASDAQ-100. With such financial stakes, it seems inevitable that motivations would change and the

focus moves away from users and onto revenue streams. What has been problematic is that much of this revenue comes from user data. Events such as the Facebook-Cambridge Analytica scandal, where user data was illegally harvested for political advertising, have gone a long way in shaping public perception on how social media companies handle their data. This failure in trust in social media is quantifiable. In our 2020 survey, 43 percent said they still don't understand how social media platforms use their data.

However, the change in public perception towards social media revolves around more than mistrust. According to the same survey, 25 percent of respondents said that social media has a negative impact on society. We often hear people lamenting that social media is a waste of time or that it offers little value. As a result of the generic content that has come to populate the platforms, less than 50 percent of social media content is considered high-quality and engaging according to our respondents. What users want are posts that engage them by connecting with their passions or interests.

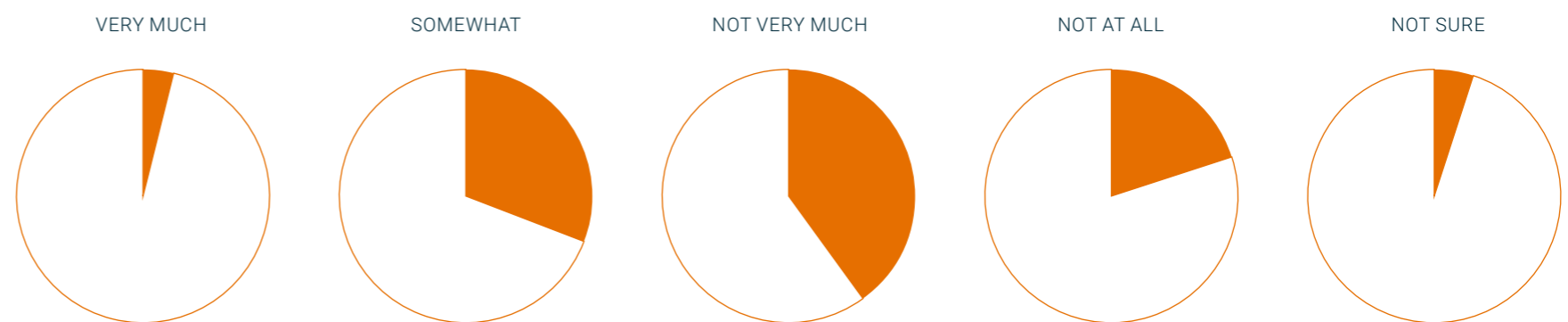


Fig.2 How much do you trust social media platforms like Facebook, Instagram and Twitter?



SOCIAL MEDIA GIANTS VS. NICHE COMMUNITIES.

Another issue is the lack of diversity in social media. The industry is primarily dominated by 3 key players: Facebook, Instagram, and Twitter who between them have an 87.8 percent market share. Facebook alone has a 65 percent share which, in any other industry, would be considered a monopoly. For reference, J. D. Rockefeller's Standard Oil company, perhaps one of the most famous monopolies in history, had a 70 percent market share in 1906.

While there is no legal definition of what constitutes a monopoly, there is a strong case to be made for social media companies, such as Facebook, that claim their dominance can be attributed to the 'free' services they provide, despite making most of their profits through advertising. The efforts of numerous antitrust and anti-competitive crusaders, following data-sharing and privacy scandals, can't be ignored. And while they may have had minimal impact on the power and dominance social media giants wield, they have brought their profit-first approaches into question.

In the wake of the Cambridge Analytica scandal, leading brands including Tesla and Mozilla announced they were boycotting Facebook advertising amidst privacy concerns. Enough may have been enough for a selected few, however, Facebook's reported advertising revenue for 2019 of \$17.4 billion, an increase of 28 percent year over year, highlights businesses are still relying on this risky and somewhat ineffective platform to connect with audiences.

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As distrust in social media continues to rise, with 60 percent of Brits noting they do not trust platforms like Facebook and Instagram, we're starting to see increasing numbers of individuals shift away from these once loved platforms. Brands are beginning to follow suit, seeking out new channels which allow them to connect with audiences and create truly independent community spaces of true value. The emergence of niche communities has given rise to a democratization of digital networks, putting power back in the hands of content creators who value real connection and community over profits.

THE PASSION ECONOMY.

Our collective attention is being badly wasted by the current mix of low-quality, maximum-scale social media and aggregation services. And people don't want to spend more time on their devices inhaling meaningless noise. They want to spend less time but have it be quality time with quality people and content.

Our research revealed that Brits waste more than two and a half hours every day viewing 'low-quality' social content, citing that this problem was so widespread that 90 percent of content was deemed unengaging. Younger Brits (aged 16-24) are worst affected, reporting they typically spend three and a half hours each day viewing 'low quality' content.

This highlights something that most of us have felt for a while - the relationship we have with social media has become addictive and intrusive - and despite feeling the need to distance ourselves, we still crave connection in the digital world.

With individuals becoming increasingly conscious of the role of social media in their daily lives, brands and influencers have also begun questioning their use of these channels, seeking out new ways to maintain the relationships they've built with their followers.



Fig 3. Would you join a new social platform or app dedicated solely to one of your personal passions?

In recent years, niche communities have emerged as an alternative avenue for brands and content creators to establish and maintain relationships with their followers via owned channels. While these may have once been seen as a time-intensive and expensive investment, a range of niche communities and platforms have cropped up, offering them a viable solution.

Subscription services like Netflix have proved that a paid for experience is often higher quality and less intrusive. Subscribing as a way to graduate out of the exploitation and irritation of the attention economy is becoming a standard behaviour as we hit the 2020s.

Beyond this, these niche communities have the power to drive brand loyalty, advocacy and knowledge sharing. Consider, for example, how the Airbnb host community not only allows property owners to connect with one another, but also lets them ask for advice, share stories with the community and receive updates.

By focusing on building strong relationships with a highly targeted demographic, you can avoid having to play by the rules of third-party social media. And one thing's for certain; Facebook or Twitter don't have your brand's best interests at heart. It's also a lot harder to get heard through all the noise, making building a close-knit community of engaged members almost impossible.

By owning the channel of communication, businesses and content creators can increase efficiency and reduce costs, while also maintaining control over the privacy and security of the brand and assets. Additionally, they gain complete access to all data generated from each interaction, allowing them to quickly act on insights and community polls to better understand and serve their members. This isn't achievable using traditional social media channels, which use algorithms to limit your overall reach and, therefore, engagement with your community.

With half of respondents noting that they'd join a dedicated social media platform or app tied to a personal interest or passion and 34 percent outlining they would be willing to pay for exclusive content or offers, the opportunity for brands is clear. Niche communities where people can coalesce around a passion, whilst giving brands control of the data and value their network generates, are the way forward.

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CONCLUSION.

The transition away from larger social media platforms towards niche communities will continue to accelerate, building a passion macro-economy. This will be defined by networks of niche communities where hosts will benefit from deeper connections.

And as more and more people strive to make all of their digital time meaningful, networks and communities serving niche interests with quality content will continue to thrive.

Since our SaaS platform launched, the 40 percent of Disciple hosts who choose to monetise their communities have earned over \$1,200,000 from their communities.

Our new platform launched in March 2020 and opens up our technology to an infinitely bigger potential market.

Our aim is to give people greater ownership of and access to their passions. We are starting a movement where people can connect around their interests in a trustworthy place. And create value in doing so.

