
Myspace And 2021

Social media took the world by storm when it hit the markets in the early part of this decade, and the spark has grown to become a raging fire. With millions of people using social media on a daily basis, it has grown to become a billion-dollar industry. Here today, we will be taking a look at one of the most popular networking sites of the past-MySpace. This company became insanely popular, and then grew exponentially, before getting eclipsed by Facebook towards the latter part of its runtime. Here's a look at how Tom Anderson who founded MySpace, grew to become one of the world's most popular men.

About the Founder

Tom Anderson did his BA in English from the University of California, before following it up with a MA in Film Studies from the same university. He began his career as a product tester at XDrive in 2000, before dropping out and joining ResponseBase a year later. This company was then bought by iUniverse and became Intermix a year later. Finally, in 2003 he and DeWolfe founded MySpace, which two years later was acquired by News Corp.

Founding MySpace

In 2003, employees of eUniverse felt that social media networking would grow to become a successful venture. They all had accounts on the networking platform Friendster and found the platform to be successful. They decided to use the same model and redesign it to be better. For instance, they stripped their design of Friendster's less popular features and named the working prototype MySpace. All this designing and redesigning took only 10 days, and the first version of MySpace was ready. The company came to be, with Anderson serving as the CEO and DeWolfe being the President.

iUniverse gave the team everything they needed, including programmers, resources, and even funding. The employees themselves became the first users of the networking platform, and they began recruiting new users. Since eUniverse had a massive contact list comprising of over 20 million individuals, the crew was able to spread the word regarding MySpace quite quickly and efficiently. This helped them drive a lot of traffic onto their platform, making it immensely popular, incredibly fast.

Their quick growth and surging popularity inspired Rupert Murdoch to buy the company in 2005 for \$580 million, and he proceeded to take the platform globally. He grew the company into markets such as the UK and China, helping make MySpace an industry leader. At its highest, the company was valued at \$12 billion, and constantly outperformed Facebook when it came to website traffic. However, soon enough they put a brake on innovation, becoming stagnant in the process. This led to a massive growth slow-down, which Facebook capitalized on, and by 2008, Facebook succeeded in eclipsing MySpace.

Fall from Grace

Tom Anderson built a platform that completely revolutionized the way people share music and

communicate with each other. However, even having 200 million friends and Rupert Murdoch as a boss didn't help MySpace when Facebook grew phenomenally. At its peak, MySpace boasted over 110 million users, the first time this had occurred in social networking. But, MySpace founder Tom Anderson believes that the company's true peak came when it was sold to News Corp. Throughout its growth, the main issues that people had with MySpace were that it wasn't very easy to use, lacked robust security features, and hadn't clearly defined its scope.

What Could Have Been

The company rose from Los Angeles instead of the usual Stanford, which is the base of most of the world's largest start-ups. While this made them unique, it also made it harder for the duo to build connections within the developer community. The platform found instant success thanks to its creative music initiative, which built a loyal fan base for the platform. Boss Murdoch then wanted the company to expand its video content creation and marketing. This led MySpace to curate an extensive list of licensed video content from their new owners News Corp and also other sources.

However, since News Corp regarded property rights as an important part of business relations, their growth was halted due to complications with licensing. According to Anderson, this prevented them from being the next YouTube. Also, MySpace turned profitable very fast, making close to \$1bn in revenues in 2005. The company was making money before News Corp bought it, and for a company that was only four or five years old, it did much better than others of the same age.

Furthermore, the company's obsession with developing everything on their own, made development difficult and slow. Hence, new features rarely came in, making the interface look old and outdated. Further trouble came in the form of hackers who hit MySpace badly using malware, spam, and phishing scams. All of this led to a slow-down in growth and revenue generation, which led to the founding duo running into trouble.

Soon enough Anderson stepped down, with DeWolfe taking over as CEO. What followed were two major rounds of layoffs, with staff reducing by 30% first and later by 37.5%. It later went up for sale, later on, generating very low interest. Finally, the company was sold to Specific Media for a meager \$35 million with Justin Timberlake taking an interest. While MySpace fell from grace publicly, it was a pioneer in the field of social media networking and will be remembered in the years to come as a torch-bearer for the industry.