

# Ello: The new Facebook and a new business model for social media?

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 [blogs.lse.ac.uk/polis/2014/10/30/ello-the-new-facebook-and-a-new-business-model-for-social-media/](https://blogs.lse.ac.uk/polis/2014/10/30/ello-the-new-facebook-and-a-new-business-model-for-social-media/)

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*Is Ello the new Facebook? Has a new trend towards privacy and secure user data begun or will this new platform go the way of other social media platforms once called ‘facebook destroyers’. Polis Intern and LSE MSc student John Ray looks at Ello and other Facebook competitors in the post as he seeks to answer these questions.*

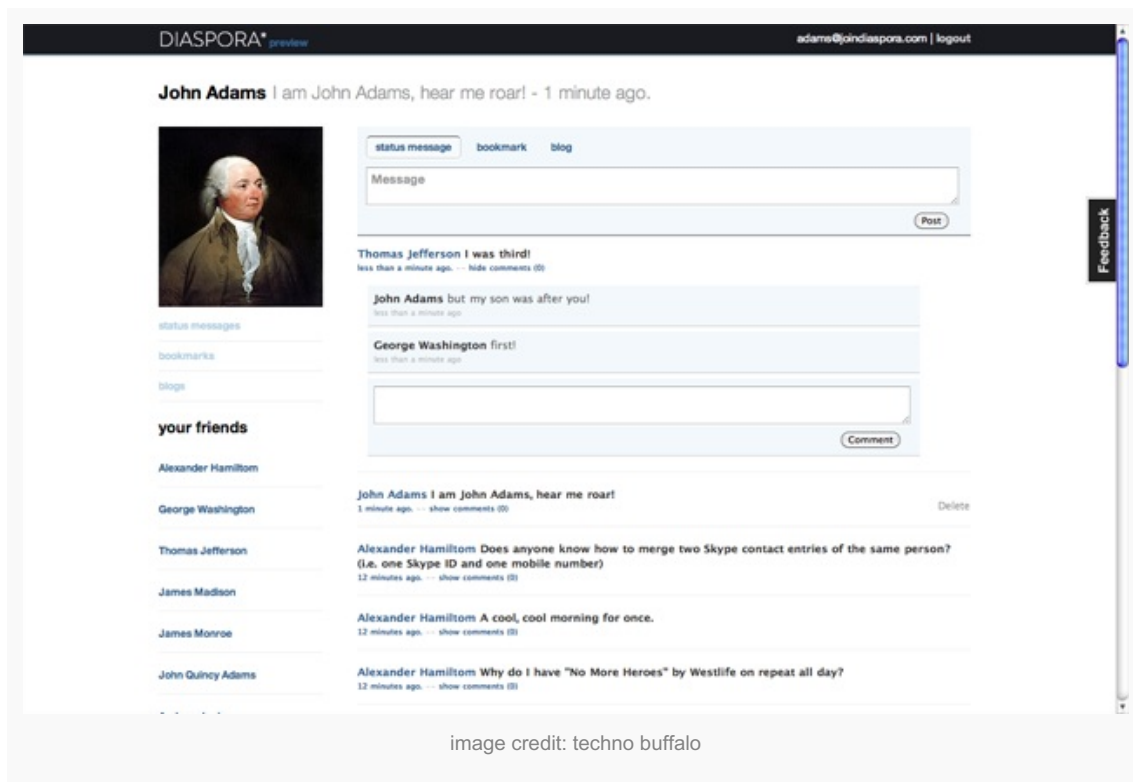
Ello has been heralded as the latest pretender to the social networking throne. The ‘anti-facebook’, founded by Paul Budnitz of Kid Robot, was created with the intention to be both a beautiful social network and a “tool for empowerment, not a tool to deceive, coerce and manipulate”. And Budnitz and the rest of the Ello team have kept their word to a certain extent; they’ve recently agreed to become a “public benefit corporation”. This status means that they cannot host advertisements, they cannot sell user’s data to third parties, and, in the event that Ello is sold, the new owners will have to abide by these terms (read the charter [here](#)).

This is a novel approach to securing an advertising/data mining-free social sphere on the Internet. Ello, at least legally, no longer exists merely for the benefit of its owners or shareholders.

This new model is also interesting because it’s still a for-profit company. Despite their status, Ello has, per [Tech Crunch](#), received 5.5 million dollars in venture capital funding...funding that appears to expect a return on investment. Indeed, Ello has released a statement in which they announced planned future implementation of paid features, like an app or enhanced privacy.

Could this public benefit model be a way to free consumers from the cost of “selling out” to communicate digitally? How have other platforms addressed these concerns in the past? Let’s consider a few other “facebook destroyers” and their peaks and pitfalls:

## Diaspora



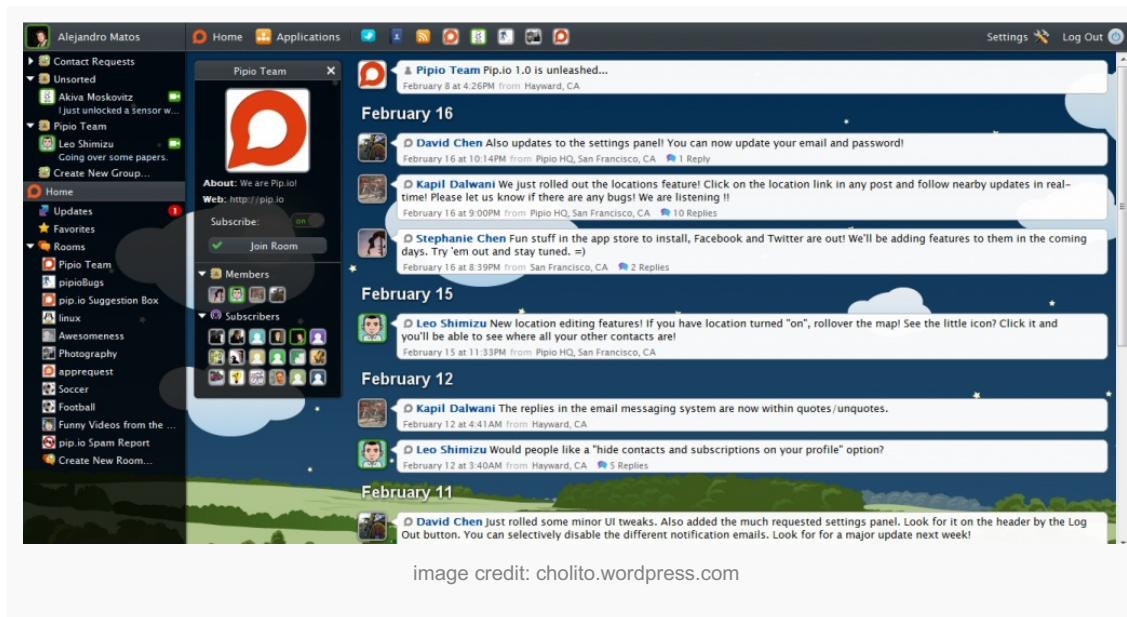
**What was it:** Of all the previous projects, Diaspora was (and is) perhaps the most ambitious and ideologically similar to Ello. It was built around the concept of a decentralized social network, where user's personal information is stored on their machines and access to that information is granted via the equivalent of accepting a friend request. As a contrast, platforms like facebook, twitter, and ello send users through a centralized server, where data can be collected and analyzed.

**Where did it go right:** Diaspora was a theoretically perfect answer to Facebook's problems. It was an open-source and crowd funded project that was also decentralized, personalized, and private.

**Where did it go wrong:** If the theory was perfect, the implementation was a disaster. The platform was not ready to be released when the "alpha" rolled out and the bugs and glitches stood in stark contrast to the smooth beauty of Facebook. Any potential for large-scale success went out the window with the first release.

**What happened:** Today, signups to the main "diaspora pod" have closed, but smaller offshoots that make use of the software remain popular in Europe. French and German sites are the most active of the open pods and the language that they use is startlingly similar to the rhetoric employed by Ello. (For more on the Diaspora story, this [Motherboard article](#) provides an excellent history)

**Pip.io**



**What Was It:** While Diaspora sought to decentralize social networks, Pip.io sought to enrich them. The platform, founded by Leo Shimizu, was designed to improve online conversations by employing targeting to reduce noise. Shimizu expanded upon this, saying that targeting enabled “Implicit vs. explicit broadcasting. Now the power to clean up the noise is in the hands of the poster!”

**Where Did It Go Right:** The implication of noise reduction in social networking is that, with the content reduced to the thoughts of the users, topical conversation and genuine social networking will become privileged. Some pip.io users reported that they felt the platform facilitated debate and discussion to a much greater degree than its competitors.

**Where Did It Go Wrong:** The reduction of mess and clutter seemed like a large-scale solution for a small-scale platform. Pip.io didn’t ideologically orient itself in opposition to its competitors or provide any real riposte to the privacy concerns that dominated the social media sphere in the late 2000s.

**What Happened:** It’s hard to say, really. It obviously didn’t engender enough recognition to be considered a success, but Pip.io disappeared from the Internet in an instant and now just redirects to [www.leoshimizu.com](http://www.leoshimizu.com), Leo’s now defunct personal webpage. The creator, who went on to develop a content aggregator and sharer called “Harvest”, wrote a brief eulogy for the site, where he declared that he was suspending the service in order to pursue other projects.

## Snapchat

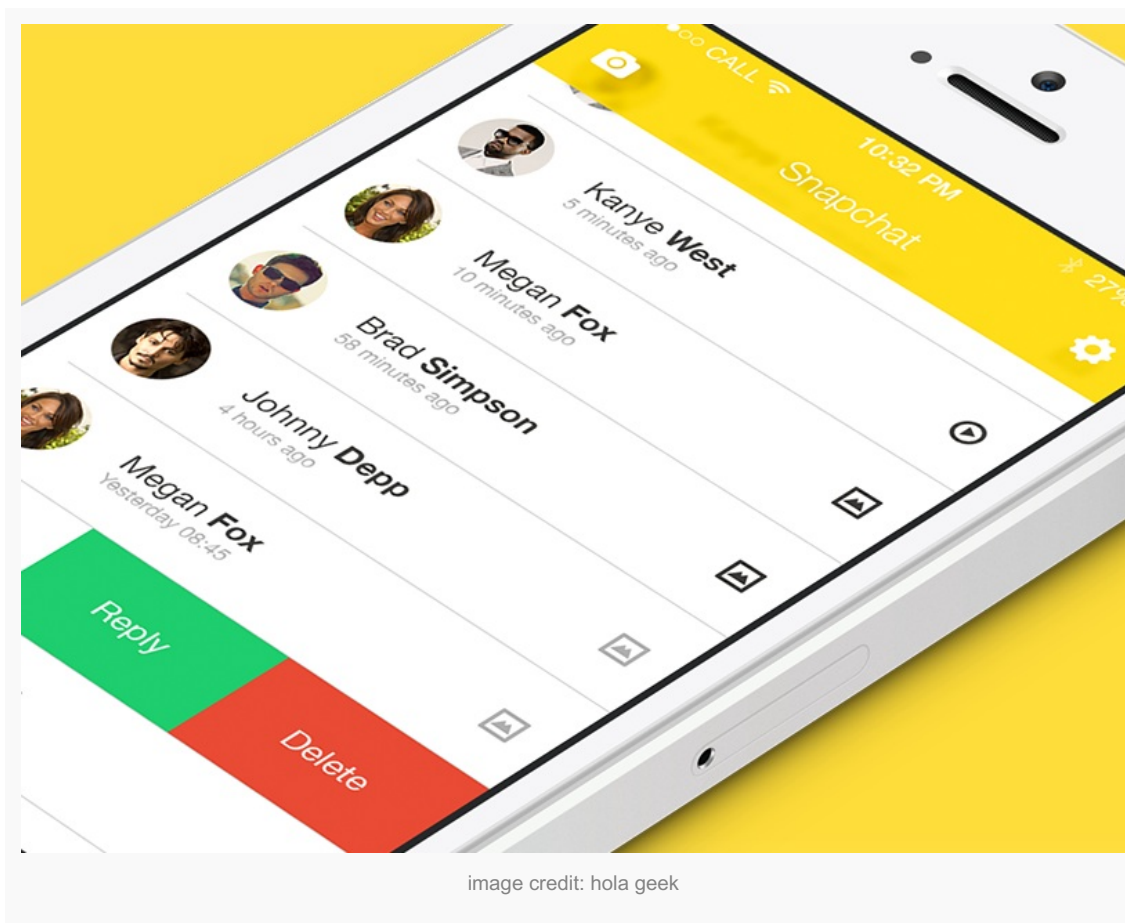


image credit: hola geek

**What Is It:** As you likely know, Snapchat is an app for you to send self-destructing pictures and videos. The app is incredibly popular among children and teenagers and provides a way to be social without worrying as much about the long-term consequences of your post. Snapchat might not be considered a natural rival to Facebook, but a \$3 billion offer from Zuckerberg & Co. at the turn of 2014 suggests that they are taking it seriously as a competitor.

**Where Has It Succeeded:** Snapchat's answer to the privacy problem is that all the pictures are removed from the central server when their expiration timer tolls. By having the content self-destruct, concerns about privacy and censorship are vastly lessened. It's also a fun tool to use, where you can (in theory) be more authentic instead of having to worry about a public image.

**Where Has It Gone Wrong:** The Snapchat platform is struggling to become more than a mere novelty as it gains market share. The cultural significance of the "selfie" should not be doubted, but it's not a true many-to-many networking program. Snapchat has tried to go further into this realm, with the implementation of new features like "My Story" that allows you to send your message to all of your followers, but has had mixed success.

**What's Happening:** Snapchat is looking for a way to juggle privacy concerns, profit and advertising, and their "cool factor". The company has begun bringing segmented and native advertising to the app by using image recognition technology to mine the snaps for relevant data.

But it's the privacy concerns that have been in the news recently as, in a recent hacking scandal, users of "third party snapchat apps" like snapsaved have had their photos leaked and, while not a breach of snapchat itself, it's not been great PR for the API. Earlier this year almost 5 million users had their display names and phone numbers hacked.

So what do the relative successes and failures of Ello and these previous platforms tell us about Facebook (and its

eventual successor)?

First, the demand for an alternate network that is more private and less commercialized tells us that the public, or at least a component of it that thinks critically, is uneasy with Facebook's use of big data and the permanence of their information. With the rise of "doxxing" and "life ruins", some are increasingly afraid to reveal their personal information on the Internet. We are in an age where almost all identities are traceable by the determined and users want protection.

Second, they tell us that alternatives must be prepared. The biggest pitfalls of Ello (thus far) and Diaspora were that they became popular ideologically before the product had the capacity to handle the traffic that they necessitated. Diaspora was riddled with bugs that destroyed the user experience and Ello hasn't been able to handle the upscale in traffic that's come with the site's unpredictable demand. Facebook is a simple, global, and attractive platform that almost anyone can use. The more difficult the alternatives are to use, the less chance they have for traction.

Finally, we want to use these tools to communicate with others in the easiest, most fun, and most frictionless way. Concerns of morality, commercialization, and privacy come next. It's hard to compete with a platform that allows communication with the majority of the Western world's technologically literate citizens. The site that overtakes Facebook, if any does, will make communication of all types easier, not more complicated.

*This post is by Polis Intern and LSE MSc student John Ray*

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