

Beyond Facebook

BY EMMA RITCH
eritch@bizjournals.com

Caring.com and iMantri are not trying to become another Facebook. They are a new breed of Silicon Valley-based social networking sites popping up to capture the growing Web traffic and ad dollars in the field.

Caring.com is catering to adults who are caring for aging parents by offering them expert advice as well as the ability to connect with others in their position. The San Mateo-based startup launched before Thanksgiving, and membership is growing 15 percent per week, says Andy Cohen, one of the founders.

"There's a need for social networking sites for different purposes. This is a community specifically around caregiving," Cohen says. "Niche social networks are really helping people."

Caring.com isn't alone in trying to fill a void in social networking that leaves out many adults and professionals.

Milpitas-based iMantri started matching mentoring partners for free in late January. The site helps participants create goals, track progress and seek advice from peers.

"There's a tremendous amount of activity in the personal social networking space," says iMantri co-founder Satya Iluri, "but we believe there is a glaring opening in the business or professional networking scene. There's nothing on a large scale that is providing and facilitating business interactions."

iMantri intentionally doesn't have any advertising. Eventually, Iluri says, iMantri will charge companies to pair and develop in-house mentoring programs. Another revenue stream will come when professional mentors join the site and charge for their services, giving iMantri a cut, he says.



Dennis G. Hendricks

Caring.com co-founders Jim Scott, left, editor-in-chief; Andy Cohen, center, CEO; and Steven Fram, CIO, have created an online social networking space for adults who are caring for aging parents.

"There's a unique opportunity to build on the two trends that are emerging fast: the social networking trend and the peer-to-peer trend," he says. "We chose mentoring because there is a great opportunity for people who have succeeded in various walks of life to help other people."

Growing involvement

About 37 percent of adults in the U.S. visit social network sites each month, with that number expected to reach 50 percent by 2011, according to research firm eMarketer. Ad spending on social networking sites is increasing, with \$1.8 billion projected for 2008, up from \$920 million in 2007, eMarketer data shows.

Much of that money is aimed at the best-known sites, MySpace and Facebook,

which jointly accounted for 89 percent of visits to the top 53 social networking sites in 2007, according to an assessment of 10 million U.S. Internet users by research firm Hitwise.

Yet analysts and entrepreneurs say there's growing interest in niche social networks focused on professional opportunities, hobbies or generational issues.

Caring.com demonstrates a more diverse need. The business raised \$6.75 million from several investors, including DCM and Split Rock Partners. It's making money through banner ads for products such as sleeping aids and cold-defense medicine, but it's not profitable.

Srini Iyengar, iMantri's co-founder, says he thinks Web users will begin to adopt the growing number of social networking sites

BEYOND: Caring.com, iMantri find opportunity by taking social networking into new niches

that serve different purposes. He likens it to a single person joining Match.com and eHarmony.com at the same time.

“Multiple dating sites would make sense in terms of expansion of choices. This specific site is for mentoring,” he says.

Iluri says the company plans to create a Facebook application to expand their reach.

“We want to be a value-adding niche player, not a dominant social network,” Iluri says. “We won’t have 60 million [users] like Facebook has, and we don’t need to.”

The challenge for sites such as iMantri will be getting a critical mass of users when so many niche social networks are launching, says Jefferson Scher, a partner with law firm Carr & Ferrell LLP who specializes in intellectual property and cyberlaw counseling.

The niche sites have strengths over the big players in social networking. Scher says users are likely to feel more comfortable in tightly defined groups and therefore would be more active. Such sites also help professionals keep personal and business contacts separate, he says.

Scher points out that proliferation of social networking sites causes privacy concerns. It’s just a matter of time before a site aggregates all the scattered information and develops profiles for users, Scher says, which could blur the distinction between people’s business and leisure personas.

Also, the social networking sites often transmit personal data to advertisers, who pay premiums that keep the sites free for users. That’s likely to be a growing concern for users as ads become more targeted, Scher says.

Mareza Larizadeh, co-founder of Doostang Inc., says the 400,000 users of Doostang.com aren’t trying to keep their business and personal lives separate.

The invitation-only job-matching site helps people find positions through friends and former classmates.

“The online recruiting world is very archaic. First it was a bulletin board of job postings, then a resume database,” Larizadeh says. “But in the recruiting arena, people want to know the people they’re hiring, whether they’re friends, or friends

of friends. If someone is within three degrees of separation from you ... then the chances of them being the type of person that’s appealing to you becomes much, much higher.”

The Palo Alto-based social networking site, which started in 2006, charges employers and recruiters who want to make their positions more visible. There are no banner ads, and the number of users is growing by about 10 percent a month, Larizadeh says.

Caring.com’s Cohen says he thinks it’s logical that Silicon Valley is at the epicenter of the growing niche social network field.

“It’s a great place to start a company. Employees want to work for startups, and investors want to support them,” he says. “In other parts of the country, it may be hard to get capital and hard to get people to build your site. Here, it’s easy.”

EMMA RITCH covers cleantech, Internet technologies, small business and hospitality for the Business Journal. Reach her at (408) 299-1830.