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Making Social Media Additive -- Not Addictive



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Cookies on Forbes

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(Disclosure: At the time of writing, the author holds stock positions in Facebook and Salesforce.)

People spend **1 billion hours** a day on YouTube. That's enough person-hours to build 142 **Empire State Buildings** every single day.

The amount of time and energy consumed by entertainment technology and social media is staggering. An NBC News **analysis** suggested Facebook alone was responsible for up to \$3 trillion in lost productivity.

While social media clearly has many benefits, it raises questions about whether these interactions could be translated into tangibly productive activity -- and still be enjoyable. Can all this brainpower be channeled in novel ways to create new and enriching byproducts?

More Symptoms

The **most "liked"** Instagram post of all time is a picture of Kylie Jenner's newborn baby clutching Kylie's perfectly manicured thumbnail. It's a great picture; Oxford University research actually suggests **cuteness** plays an innate role in baby caregiving. However, tech firms and content creators can now take advantage of how we're wired on a scale never before seen. Now, the beneficiary isn't the baby who gets taken care of by his/her entire village. It's the big tech company that sells more ads or a celebrity cosmetics startup that gets free marketing.

It's unclear whether it's healthy for 18 million people to obsess over a stranger's baby. But it's worth noting that, if each person looked at that picture for 10 seconds, that sums to roughly 25 person-years of effort (assuming an eight-hour workday). That's even more time than it took to **develop Instagram** itself.

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Dangerous Incentives

Unsurprisingly, Google's, Facebook's and Twitter's true "product" is advertising. Advertising-based business models are a dominant paradigm in tech, and they're vastly more effective with more user attention. This generates not only more ad impressions but also valuable data advertisers use for hyper-targeting.

Cutthroat competition for ad spend has created an arms race. Technology has become ever more captivating in a Darwinian way. As we use it, more [A/B tests](#) are run and more data is generated. It's all used to make these products even *more* engaging -- to the point of arguably becoming [addictive](#). [More than half](#) of Facebook users say they use Facebook "several times" a day.

Recently some prominent tech leaders have voiced concerns about social media and the vast amount of data some companies are collecting:

"Facebook is the new cigarettes. It's addictive. It's not good for you." - [Marc Benioff](#), CEO, Salesforce

"The narrative that some companies will try to get you to believe is: 'I've got to take all of your data to make my service better.' ... it's a bunch of bunk" - [Tim Cook](#), CEO, Apple

Are you truly enriched by that funny cat video the genius algorithms know you'll "like"? Are we at risk of a technology-driven attention singularity, where these products become such an irresistibly enjoyable black hole of our time -- leveraging every quirk about what we humans find interesting -- that they detract from productive activity? It's a world where we're all zombies involuntarily gazing at our own navels. The consequences would be devastating.

A Promising Cure

Of course, there's nothing wrong with entertainment and socializing. Helping people connect and build relationships are admirable goals, regardless of whether you think they're being accomplished. Entertainment, talking to friends and "decompressing" can be valuable even through the lens of productivity. A [research study](#) by University of **Warwick** economists suggested happiness makes people 12% more productive

Communication and collaboration are also incredibly powerful. Harnessed properly, they yield amazingly valuable results vastly beyond any individual's capabilities.

For example, take open source initiatives like the Linux kernel. Some **15,000-plus software engineers** built and maintain this world-changing project. In fact, about **96% of internet web servers** run on Linux, plus more than 80% of smartphones globally.

There are other examples: the corpus of knowledge in Wikipedia or even restaurant reviews on Yelp. Each is a valuable byproduct of large-scale collaboration and, in a sense, collective intelligence.

Investing With Collective Intelligence

Social platforms centered on collaboration and collective intelligence have different incentives from those that are purely ad-driven. In ad-driven platforms, often the incentive is engagement for the sake of engagement. With purpose-built social platforms, it's more natural to focus engagement on specific, productive results that benefit all.

At the company I co-founded, Nvstr, we're applying this approach to investing. In the U.S., financial literacy is **lacking**. One **study** found that 33% of adults in the U.S. have \$0 saved for retirement. A 2013 NerdWallet **survey** suggested that fewer than one out of five people even know what type of account they need to buy stocks (a brokerage account). That's not good.

There's good reason to believe collaborative platforms can play a leading role in solving this problem. The NerdWallet study also found that the No. 1 reason people selected a particular online brokerage was a personal recommendation. This is corroborated by general **findings** of the Pew Research Center that family and friends are more trusted sources of information than news organizations, governments, financial institutions and general social media.

This suggests collaboration with people you know and trust, and growing that network, can be a powerful solution to financial literacy problems. Furthermore, it's not just beginner investors who benefit. When I was at hedge funds and Wall Street firms, I saw how debate and discussion yield valuable investing insights -- and, importantly, identify unforeseen risks. Our thesis at Nvstr is that investors of all skill levels can become more informed when they leverage the collective experience of others.

There's almost magical potential in platforms that possess the trifecta of being enjoyable/engaging, avoiding dangerous incentives stemming from ad-monetization and creating genuinely useful collaborative outputs that solve real problems. Purpose-built, collaborative communities are a very promising direction.

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