

Twitter Flies from Obscurity to the Height of Fame

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New York (AP) — The Pope. President Obama. Queen Elizabeth. Oprah. You.

When Twitter started seven years ago as an obscure medium for geeks, critics dismissed it as an exercise in narcissism. Some thought it would be as intriguing as watching people gaze at their bellybuttons. But it quickly matured into a worldwide messaging service used by everyone from heads of state to revolutionaries to companies trying to hawk products.

Now, Twitter is taking the next critical step in its evolution — selling stock to the public. It promises to be the most hyped and scrutinized initial public offerings since Facebook's Wall Street debut in May 2012. To be successful, the company will need to become an advertising behemoth and prove that the same service that has already helped change the course of history can also make money.

Twitter quietly slipped out news of its plan to go public in a tweet on Thursday afternoon. By the next morning, nearly 14,000 of Twitter's 200 million users had retransmitted the message.

"Twitter epitomizes the revolution of social media ...more than Facebook, more than YouTube," says Fordham University communications professor Paul Levinson, author of "New New Media." "It caters to the immediacy, the equality of all users."

And yet, Twitter really isn't that big. Only about 15 percent of Americans say they've ever used Twitter, according to an August poll by the Pew Internet and American Life Project. That's up from 9 percent in June 2010. At the time of Facebook's IPO, an AP-CNBC poll found that 56 percent of Americans said they had pages on Facebook. Some 17 percent said they used the site several times a day.

Twitter's 200 million global users represent about one-sixth of Facebook's 1.16 billion. If Facebook were a country, it would be the world's third-largest behind China and India. Twitter would clock in at No. 6, edging out Pakistan.

Even so, Twitter generates more news than Facebook. A big part of that is its public

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nature, Levinson says. With their messages of 140 characters or less, most people tweet openly, for better or for worse, allowing the world a glimpse at their thoughts. Facebook, in contrast, gives its users a plethora of controls to hide or show posts to as many or as few people as they'd like. That means many users share updates only with people they already know.

"You can rub elbows with famous people instantly," Levinson says, noting that people can send a message to the president or a movie star just as easily as they communicate with a friend. "That's what makes communication in the 21st century radically different from any time in the past. It wasn't until Twitter that the combination of speed and access to anyone became available for everyone."

Twitter might never have become the world's digital watercooler if Noah Glass and Evan Williams had convinced more people to tune into a podcasting service called Odeo started in 2005. Less than a year after its birth, it became apparent that Odeo was destined to be a dud. Not even its own employees were using it that much.

By early 2006, Glass and fellow Odeo programmer Jack Dorsey began work on a new project. They were given the go-ahead to work with co-worker Christopher "Biz" Stone on a way to corral the menagerie of text messages typically sent over a phone. It was an offshoot of Dorsey's longtime fascination with the dispatch systems used by police cars, fire trucks, delivery trucks and taxis. Dorsey even wrote dispatch software in one of his first jobs.

It was Glass who came up with the original name Twttr in a reference to chirping birds. (The two vowels were added later.) On March 21, 2006, Dorsey posted the world's first tweet: "Just setting up my twttr". Glass posted the same words just 10 minutes later.

By 2007, Twitter was incorporated with Dorsey as the original CEO and Williams as chairman. Dorsey and Williams would eventually swap roles. Both remain major shareholders, though neither runs the company. Dick Costolo, a former Google executive and once an aspiring stand-up comedian, is now CEO.

Despite his early involvement in Twitter, Glass was never promoted as one of the company's founders along with Dorsey, Stone and Williams. Glass, though, proudly boasts of his role on a Twitter account that he rarely uses. His Twitter profile states: "I started this."

Perhaps Twitter's greatest appeal is that it allows users to see news unfold in real time. People can follow and even communicate with newsmakers. And they can witness history. In 2009, Twitter became an essential communication tool in Iran as the country's government cracked down on traditional media after a disputed presidential election. Tech-savvy Iranians took to Twitter to organize protests. As the events unfolded, they used the service to send messages and pictures to the outside world. Twitter played a similar role in the 2011 Arab Spring uprisings in Egypt and other countries.

Today, a billion tweets are sent every two and a half days. To be fair, most tweets

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don't comprise the world's weightiest matters. They are ruminations about lunch, the weather and Justin Bieber —and occasionally they involve career-crashing missteps of the Anthony Weiner sort.

Like Facebook, Twitter reaps most of its revenue from advertising. Research firm eMarketer estimates that Twitter will generate \$582.8 million in worldwide ad revenue this year, up from \$288.3 million in 2012.

While companies are flocking to Twitter to woo consumers, not all of them are convinced of its usefulness. More than 60 percent of U.S. marketers use Twitter, according to Forrester Research analyst Nate Elliott, but he says they are not "fully satisfied with the results." Twitter, he says, still needs to improve the way it targets advertisements to users and it needs to find more types of ads to sell.

Still, by 2015, eMarketer expects Twitter's annual ad revenue to hit \$1.33 billion.

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Liedtke reported from San Francisco. AP Director of Polling Jennifer Agiesta contributed to this story from Washington.

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