

Chapter 66

Rise of Facebook in the USA and WeChat in China: Commodification of Users

Naziat Choudhury

Department of Mass Communication and Journalism, University of Rajshahi, Bangladesh

ABSTRACT

The owners of Facebook and WeChat repeatedly promote their media as the preferred platform for people to connect. Improving social relationships was marketed as the reason for their innovation. But users' urge to unite on these OSN services alone cannot explain the success of these media in the US and China. There is a different or rather new business approach underpinning these OSN services that contribute to their success. The author argues that there is an implication of owners' profit-based interest in ensuring the popularity of their online platforms. Audience commodity analysis as discussed by Dallas W. Smythe and Christian Fuchs is employed in the contexts of the US and China to comprehend the complex factors related to online social media owners' interest and their negotiation with the government in online media's prosperity. Through archival research including examination of newspapers, policy documents from OSN-based companies, and survey results from 2015 to mid-2018, this chapter demonstrates the political economy of Facebook and WeChat.

INTRODUCTION

Facebook in the US and WeChat in China are two of the most popular online social networking (OSN) services in the world. Both are trying to win the top place in the OSN market. This paper tries to understand the political economy aspect of these popular online social media. Facebook has been in the news in recent times with the way they deal with their users' data (BBC, 2018). The latest report suggests that Facebook has accumulated "... millions of user passwords in plain text files" (Cuthbertson, 2019, para. 1). This raised questions about how the other social media deal with their user base. In a world where commodification processes demand that companies look for new forms of consumer dependency, the

DOI: 10.4018/978-1-6684-6307-9.ch066

Rise of Facebook in the USA and WeChat in China

rise of OSN platforms and the power of these media to actively engage users has become a new frontier. Whilst users have been engrossed in communicating within their online social networks, company owners have been busy designing the online platforms in a way that helped to harvest these communication contents for profit. Facebook (owned by Facebook) and WeChat (owned by Tencent) have used sophisticated algorithms to transform these online platforms into automatic personal data-collecting apparatus. Some of these OSN services have spread out from their originating country to other countries in the world and are not confined to specific geographic locations. The political economy factors that were associated with the success of these online services are analysed here in the context of the US and China. It is argued that there is an implication of owners' profit-based interest in ensuring the popularity of their online social platforms.

BACKGROUND

Audience commodity analysis as discussed by Dallas W. Smythe (1981) and Christian Fuchs (2016) is employed in the contexts of the US and China to comprehend the complex factors related to online social media owners' interest as well as their negotiation with the government in online media's prosperity. It is important to focus on the influence of government regulation and surveillance of OSN services. These companies function within laws and regulations set by the government of a country. Governments design and create a market economy which structures the way a company will run. Examples of these can be the structure of taxation and private data ownership and control in the case of OSN-based companies.

The limited inquiry on the political economy perspective of OSN services in China (in the English language) was evident while conducting this research. The central focus of the majority of research papers was censorship or use practices. The Chinese Internet scenario poses unique characteristics that separate it from others; namely, the obvious state control over the Internet activities. In the case of OSN services, Benney (2014) argues that the Internet in China was another tool for state control. He further argued that the Internet interfaces were designed in a way that the users were unconsciously led to use the technology in a certain manner conformed to the Chinese state and market. This, he showed, was congruent with Sina Weibo (Benney, 2014).

This article demonstrates how the companies of OSN services are monetising and commodifying the "attention economy" of media users (Goldhaber, 1997, para. 3; Christophers, 2010; Trottier, 2016). The greater the number of users of an online platform, the greater the potential for possible revenue. Following the work of Dallas Smythe (1981) on the audience commodity, this paper explores the way advertising has driven the development of OSN features. In turn, the advertising market is the basis for financial success with OSN services across China and the US. Christian Fuchs (2016) demonstrates that online social platforms have two forms of economies: the advertising economy and the finance economy. In the advertising economy, owners earn revenues from advertisement sales. In the finance economy, these owners of OSN services raise stock prices by "sell[ing] shares to investors" (Fuchs, 2016, p. 35).

Audience power is used by these OSN industries to gain revenue, in which audience time is referred to as a "commodity" (Smythe, 1981, p. 234). Smythe (1981) shows that audiences play the roles of being both a worker and buyer. He explains that, in the context of commercial television industry, audience's attention is sold to the advertisers and commercials are sold back to the audiences. These audiences participate in the consumption process of commercials, but in this process of buying and selling, they

18 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/rise-of-facebook-in-the-usa-and-wechat-in-china/308662

Related Content

Theorizing the Journalism Model of Disinformation and Hate Speech Propagation in a Nigerian Democratic Context

Adamkolo Mohammed Ibrahim (2019). *International Journal of E-Politics* (pp. 60-73).

www.irma-international.org/article/theorizing-the-journalism-model-of-disinformation-and-hate-speech-propagation-in-a-nigerian-democratic-context/251893

Reading Online: Young University Students' Experience with Internet Reading

Rosalía Winocur (2015). *International Journal of E-Politics* (pp. 53-69).

www.irma-international.org/article/reading-online/139780

Is AI a Threat for Social Media Entrepreneurs?

Khaled Arafat, Rusana Rubain, Sifat Jakia Swapniland Anika Zarin Chowdhury (2024). *Cases on Social Media and Entrepreneurship* (pp. 152-163).

www.irma-international.org/chapter/is-ai-a-threat-for-social-media-entrepreneurs/341988

Merging Social Networking With Learning Systems to Form New Personalized Learning Environments (PLE)

Steve Goschnick (2023). *Research Anthology on Applying Social Networking Strategies to Classrooms and Libraries* (pp. 355-382).

www.irma-international.org/chapter/merging-social-networking-with-learning-systems-to-form-new-personalized-learning-environments-ple/312930

Twin Wiki Wonders? Wikipedia and Wikibooks as Powerful Tools for Online Collaborative Writing

Meng-Fen Grace Lin, Curtis J. Bonkand Suthiporn Sajjapanroj (2008). *Social Information Technology: Connecting Society and Cultural Issues* (pp. 253-272).

www.irma-international.org/chapter/twin-wiki-wonders-wikipedia-wikibooks/29188