



FEATURE



Social Exchange Theory and the Internet

[By Lana Moore]

When two parties interact, they engage in a series of exchanges and continue to do so until the costs or risks of the relationship outweigh the rewards. Take dating, for example. With each date, conversation, or exchange, one is constantly calculating whether he or she will benefit from a relationship with the second party with the least-possible risk or cost.

Social exchange theory proposes that all human relationships are formed by users through subjective cost-benefit analyses and comparison of alternatives. This theory crosses disciplines such as sociology, psychology, and mathematics.

Enter the Internet.

Whether we recognize it or not, a series of exchanges happens each time we interact on the web. With the rise or resurgence of social networks; collaboration tools; and real estate, matching-making, and job sites, interaction design plays a huge role in stickiness and user adoption.

The Internet evolves as social exchange theory is supported by technology.

Web 2.0 and rich Internet applications provide means for users to engage in social exchanges through dynamic web-based interfaces. Persistent connections, end-to-end communications, and distributed computing methods, combined with faster and better hardware, improve social exchanges on the Internet.

While the exchange between two parties, in human relationships, means interaction between two people, social exchange theory also accounts for the delivery of

value to end users via web applications. Similarly, in human relationships, when a web application's cost and risk is higher than its value, the user will abandon that relationship. Today's rich Internet experience can either facilitate end-to-end communication, OR it can take the place of one of the parties, both of whom reinforce social exchange theory.

By looking at some of the newer web applications employing new technologies, we can see how social exchange theory has evolved the Internet.

Take a look at Facebook, a social networking tool. It's amazing how many exchanges I have with my "friends." I can tell what Chris had for lunch, what Erin is listening to at that moment, what movie John went to see, and what he thought of it. I can even invite a bunch of my friends to add an application that I have and share information with them like PersonalDNA (which was eerily accurate). Every action I take on Facebook can be shared, creating social exchanges.

Itzbig takes a different approach to finding jobs. Other job boards are online versions of newspaper classified ads. In the past 10 years, little has been done to improve social exchanges between professionals and employers. Instead, boards have moved

toward becoming résumé repositories—monetizing on information that should be confidential and shared only after several exchanges have been made.

The purpose of the itzbig network is to facilitate exchanges between professionals and employers. After selecting positions and locations, professionals aren't required to provide information, especially personal information. However, as professionals provide more skills and experiences, value is provided, with each selection, in the form of higher-quality jobs. Social exchange happens gradually, with professionals granted the abilities to assess benefits before they share additional information about themselves.

The real-estate search tool Trulia is similar to itzbig. It requires only a city to perform an initial search. As you provide more information about the house you are looking for, the quality of your results improves. This is in comparison to other real-estate sites, where you are asked to provide all of your preferences at the onset, only to be disappointed by the results and return to the "search form." Instead, with each interaction, Trulia's results become finer tuned to your needs. Again, as users provide more information about what they want, they see value, get results, and are able to assess their next steps.



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Web-based applications will continue to evolve through advancements made in technology. Through these advancements, sites that support social exchange theory will shift the Internet from content-bearing static information to highly interactive and dynamic exchanges, providing value for their users.

About the Author

As product manager for itzbig, Lana Moore is perpetually exploring new ways to do old

things and old ways to do new things. She's passionate about removing friction from process and making technology as intuitive as possible.

Lana has over 12 years of online application experience and has managed the user and customer experience for companies such as MyDocOnline (Aventis Pharmaceuticals), Hire.com, Verizon, and EDS (Navy Marine Corps Intranet).

During her career, Moore has been a vocal proponent of web standards and Agile User-Centered Design. Her work in the HR technology field has led to industry awards such as *HR Magazine's* Product of the Year.

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