

WEB 2.0 TRENDS

Angela Schneeman, High Point Creative



Web 2.0 is no longer just for techies and teenagers. Adults of all ages are beginning to appreciate the networking opportunities and social nature of Web 2.0. Business owners and executives from around the globe are using this group of technologies with increasing frequency, and they are planning on expanding their Web 2.0 capabilities into the future.

Just What Is Web 2.0?

Web 2.0 refers to the second generation of the World Wide Web that offers a higher level of user interaction and collaboration. Web 2.0 encompasses online communities, social networking sites and wikis. Web 2.0 includes several different platforms and technologies, with new applications being created at an impressive rate.

Here is a description of some of the more common Web 2.0 technologies:

Blogs (short for Web logs) are online journals or diaries maintained by individuals with periodic commentaries, often on a particular subject. Blogs often include narrative text, images and links to other blogs and Web sites.

Collective intelligence is the concept that several individuals working together and combining their ideas and expertise will have better ideas and find better answers. With regard to Web 2.0, collective intelligence refers to any type of system that collects the expertise of a group rather than an individual to make decisions, including wikis and shared databases.

Podcasts are audio or video recordings posted on the Internet that may be downloaded and played on iPods, MP3 players or on the media players found on computers. According to 2007 survey, nearly 25% of the respondents age 25 – 34 indicated that they had listened to an audio podcast.¹

RSS (Really Simple Syndication) refers to real-time information, typically news, blogs, podcasts, or other information distributed online via subscription.

Social networking is the use of Web sites such as [Facebook](#) and [MySpace](#) to connect with people who share personal or professional interests. Social networking may also be used within companies to help identify experts and improve collaboration among employees.

Twitter is a social networking and micro-blogging service that allows users to send short (140 character) updates (or “tweets”) to be posted on the [Twitter](#) Web site. These updates are delivered instantly to anyone who has signed up to receive that sender’s updates.

Web services are software systems that make it easier for different applications from different sources to communicate with one another automatically to pass information or conduct transactions. For example, a retailer and wholesaler might use Web services to communicate over the Internet and automatically update each other’s inventory systems.

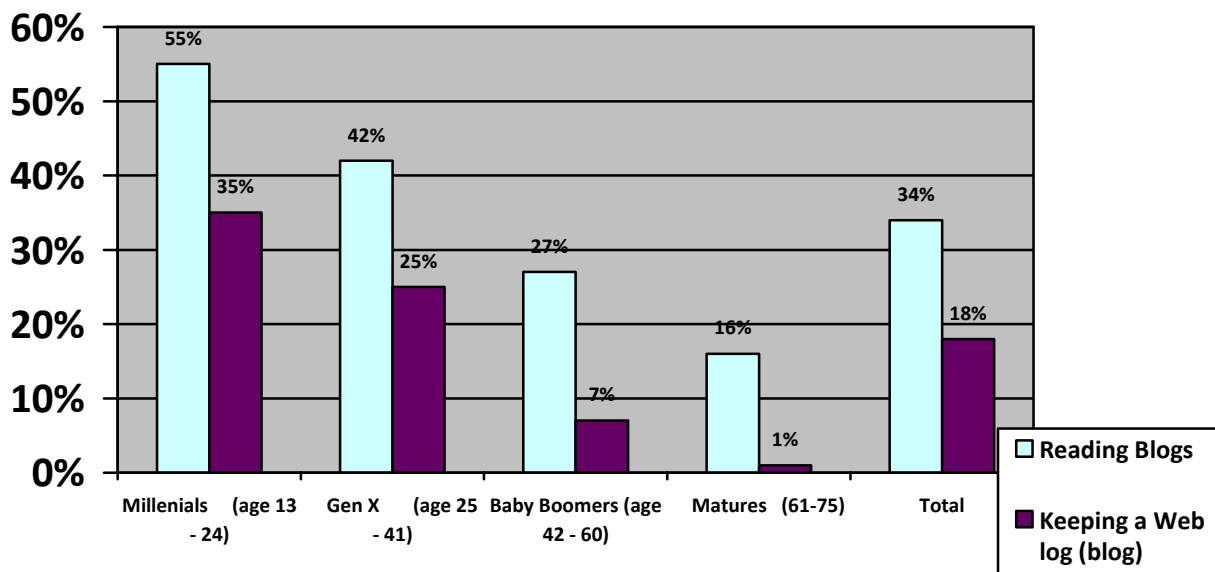
Wikis, such as [Wikipedia](#), are systems for collaborative publishing. Anyone with access may contribute to or modify the content. Wikis allow many authors to contribute to an online document or discussion.

Web 2.0 For Everyone

Various technologies are often associated with different age and social groups, but Web 2.0 use spans the generations. For example, MySpace, a popular social networking site, is perceived as the site for teens and tweens, while its rival FaceBook is seen as the site for college age users. LinkedIn, a social/professional networking site that is a relative newcomer to the scene, has an average user age of 41.

Blogging is one example of a Web 2.0 technology that has gone mainstream – it's no longer just for teenagers who want to blog to the world about the latest fashion craze or their latest crush. In fact, according to a recent survey published in eMarketerⁱⁱ, the average age of bloggers in the United States is 37.6 years old.

Weekly Blogging By US Internet Users by Age (Percent of Respondents in Each Group)

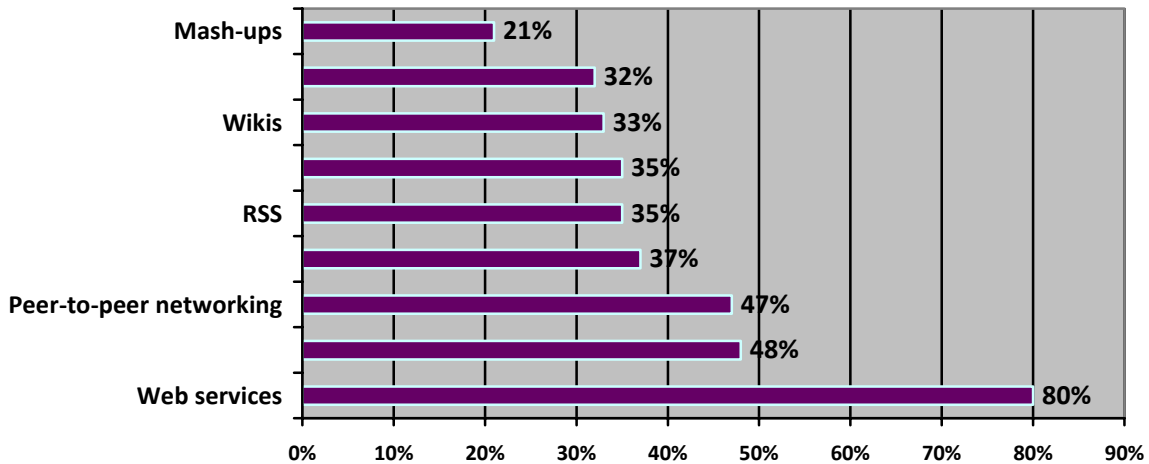


Not Just For Fun

In a global survey of executives conducted in 2007 by *McKinsey Quarterly*, survey responses indicated that nearly all major corporations use at least some of the Web 2.0 technologies for a variety of purposes. Blogs, podcasts, social networking and the other Web 2.0 technologies are used to communicate with customers, interface with suppliers and partners and to collaborate internally.

The two most popular Web 2.0 technologies used by the respondents to the McKinsey survey were Web services and collective intelligence. Almost all of the executives surveyed indicated that their companies use Web services to make it easier for their various software systems to communicate with each other. Nearly half of the survey respondents say they are using or considering using collective intelligence (systems that tap the expertise of a group rather than an individual to make decisions) and/or peer-to-peer networking – a technique for efficiently sharing files (music, videos, or text) over the Internet or within a closed set of users.

Business Use of Web 2.0 (2007 McKinsey Global Survey)



Percent of Companies Using or Planning To Use Web 2.0 Technologies

In early 2008, ChangeWave conducted a survey of more than 2,000 business, technology and medical professionals. A large percentage of those professionals surveyed indicated their belief in the benefits of Web 2.0. Thirty-nine percent of the survey respondents indicated that their companies are very or somewhat willing to use Web 2.0 social software for business purposes.ⁱⁱⁱ

Businesses that adapt quickly, such as H&R Block and Zappos report that they are using Twitter to respond to customer queries.^{iv} Market researchers report that they look to Twitter to scope out minute-by-minute trends.

Big Business

While we may consider Web 2.0 to be about sharing free information, make no mistake, 2.0 is big business. Based on the recent purchases by Microsoft of an equity stake in Facebook, the high-traffic social network Web site has been valued at \$15 billion. eMarketer predicts that US online social network ad spending will near \$1.6 billion in 2008.^v

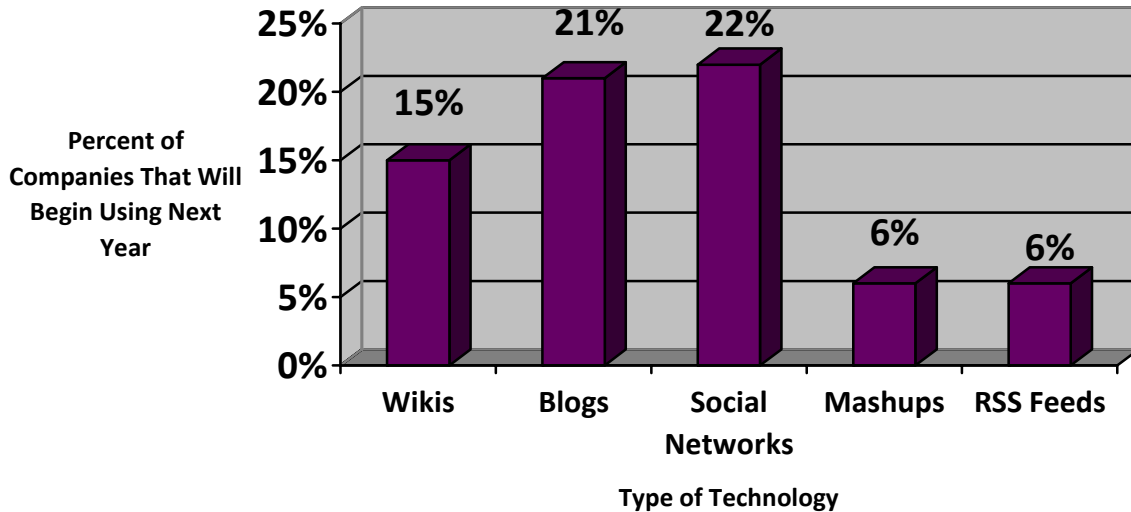
What the Future Holds

Many companies are looking to begin or expand their use of Web 2.0 in the near future. Some of the reasons corporate executives give for planning on future adoption of Web 2.0 technologies are to:

- Improve internal collaboration
- Improve customer service and support
- Increase brand awareness and loyalty
- Increase sales of product and services

According to the ChangeWave survey, more than 20% of the businesses responding will begin using blogs and/or social networks next year.

Future Web 2.0 Use by Businesses



In yet another survey, this one conducted during the third quarter of 2007 by Forrester Research, 119 U.S. companies with more than 500 employees were surveyed concerning their plans for implementing Web 2.0 technologies in the next 12 months. 18% of the respondents indicated that implementing Web 2.0 was a priority at their company. 6% indicated it was a critical priority.

Although no one knows with certainty what the future holds for Web 2.0, one safe prediction is that the collaborative and communication technologies offered by Web 2.0 will continue to evolve and grow...at least until Web 3.0.

ⁱ Podcasts Aren't Just for Young Nerds, eMarketer, Source: Arbitron and Edison Media Research, "The Infinite Dial 2007: Radio's Digital Platforms," April 19, 2007. www.emarketer.com.

ⁱⁱ Who Blogs Now? eMarketer June 9, 2008, Source: BIGresearch, Simultaneous Media Survey (SIMM11) as cited in press release, February 12, 2008.

ⁱⁱⁱ Levine, Joshua, "Corporate Use of Web 2.0 Explodes", *ChangeWave Investing*, January 2008. Accessed June 20, 2008. www.changewave.com

^{iv} Baker, Stephen, "Why Twitter Matters" *BusinessWeek*, May 15, 2008. Accessed June 20, 2008. www.businessweek.com

^v Who's Spending on Social Networks?, eMarketer, March 28, 2008. Accessed April 8, 2008. www.emarketer.com