

Deutschland Online 4

Report 2006

Special Report on
the Social Web



Introduction

What is the Social Web? The answer to this question may surprise you: the Social Web is not a trend, nor is it a “killer application” or a case of hype. And nevertheless, it is something totally new. The Social Web means nothing less than the practical realization of all the goals and visions that people associated with the budding Internet over 15 years ago. The Web has become interactive – and not just in the technical sense. Predefined roles are changing, as users and consumers become providers in a different context. Every active participant can play an active role in shaping the Internet. One example consists of personal profiles or your own video which can be called up by millions of other users.

The shaping of the Internet by its own user community is set to play a major role in the future evolution of the medium. Particularly in a global context, the Social Web has become an absolute fixture. This was the motivation for producing this special report for Digital Lifestyle Day 2007, featuring some exclusive findings on the evolution of the Social Web as contained in the “Deutschland Online 4” study.¹

Aspects of the Social Web

Broadband Internet makes Social Web applications possible. How are users taking advantage of this new freedom in their role as Web producers? It is obviously extremely important to them to share information with others, and user-generated content and online communities have attained a commensurately high degree of relevance. The intense competition among providers means it is increasingly vital to establish to what extent and in which form these applications are actually situated in users' own local environment. A third key item involves the phenomenon that the Social Web is by no means a mere pastime – financing on the basis of pay-for-performance ads, for example, is the preferred revenue model. The following will examine all three phenomena more closely.

Social Web experts anticipate that the Social Web will have a major impact in three areas (Fig. 1). First, they are expecting Social Web applications to greatly facilitate future interaction between companies and consumers. Second, they expect networked communities to be the source of a growing number of economic and social changes. And finally, they also believe that an increasing percentage of social activities will shift over to the Internet.

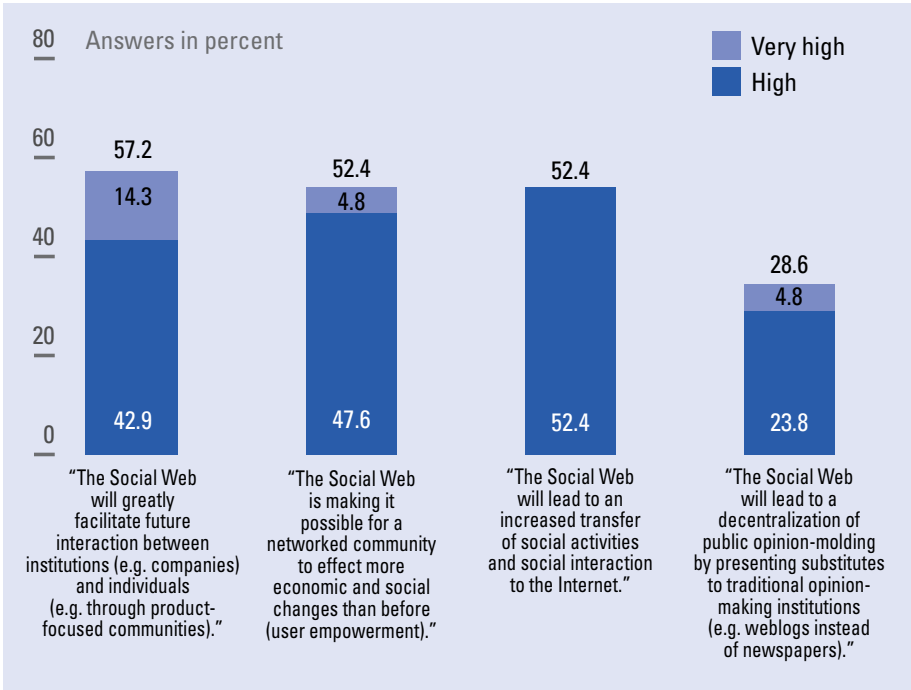


Figure 1:
 Impact of the
 Social Web (according to
 Social Web experts)

Similarly to the Social Web experts, consumers expect the Social Web to improve the quality of their interaction with companies. In this area in particular, consumers stress the aspects of improved transparency and timeliness of information (Fig. 2). And both sides stand to benefit from this interaction, since, from an enterprise point of view, a dialog with one's customers makes it easier to develop and offer the right products and services.

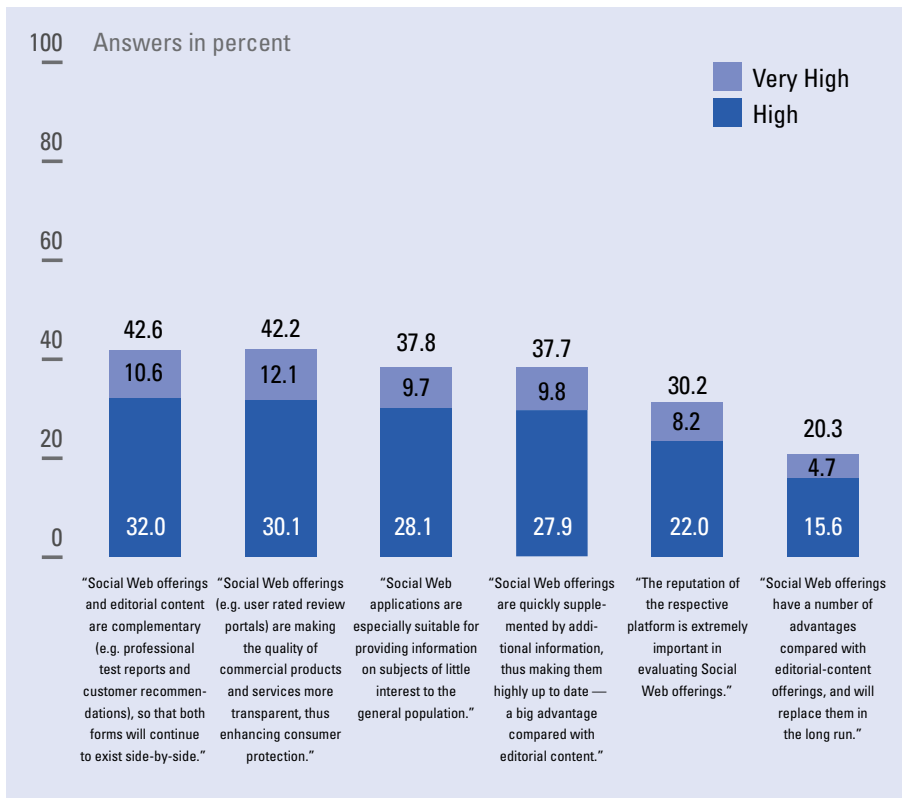


Figure 2:
Impact of the Social Web
(consumers)

As can be seen, consumers are expecting numerous benefits to derive from the Social Web. In this context, it is interesting to note which Social Web applications enjoy the biggest approval among consumers, today and in the future. The clear leader among user favorites consists of information-driven offerings (Fig. 3). And the clear winner in this category involves online reference works. But user rated review portals also enjoy a high use intensity. On the whole, it can be said that all Social Web applications will experience a considerable increase in usage in the years leading up to 2010.

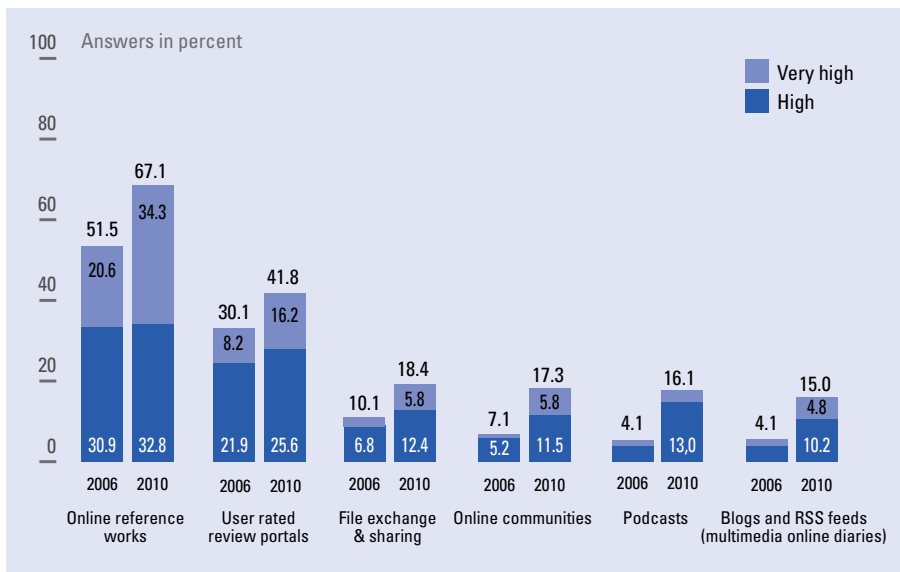


Figure 3:
Use of Social Web offerings (consumers)

If we examine the areas where the Social Web has made inroads internationally, we see some impressive findings here as well. The survey interviewed international experts on the extent to which various Social Web applications have penetrated the triad (i.e. the United States, the EU and Asia).

The findings clearly reveal that the United States has a leadership role in the Social Web (Figure 4). The United States dominates the other two economic blocs, the EU and Asia, by a large margin in all application categories, with the EU and Asia being relatively even in the degree to which Social Web applications have become established. The highest rate of penetration in all three economic blocs involves applications for user-generated content, followed by online communities.

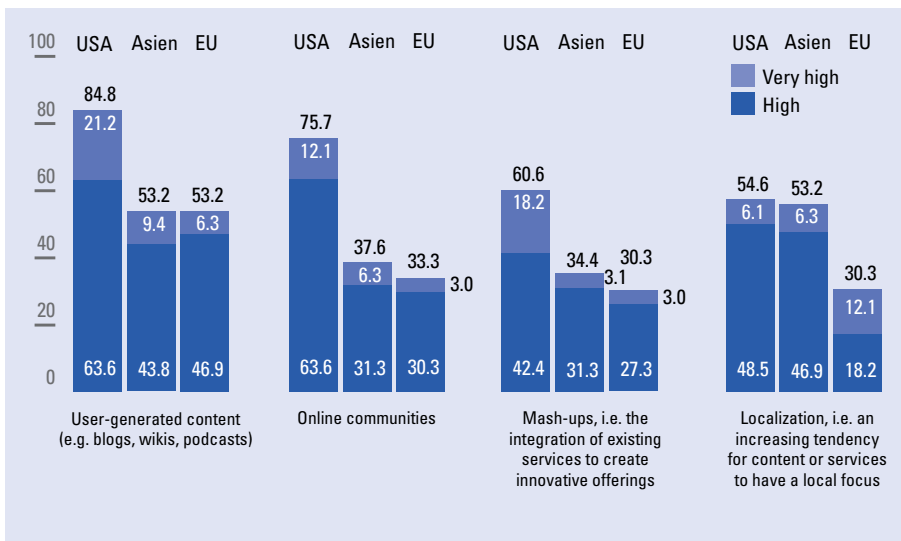


Figure 4:
 Degree of establishment
 of Social Web applications
 in the triad
 (international experts)

A further key trend involving the Social Web is the increasing localization of offerings. The significance of online content that is relevant to the user's own local environment (local content) is set to grow considerably. Local portals in particular are expected to attain a considerable degree of significance. It is foreseeable that local components for the Social Web will form an ever-more important orientation focus for the Social Web. Even in a networked world, the global village has an established role to play.

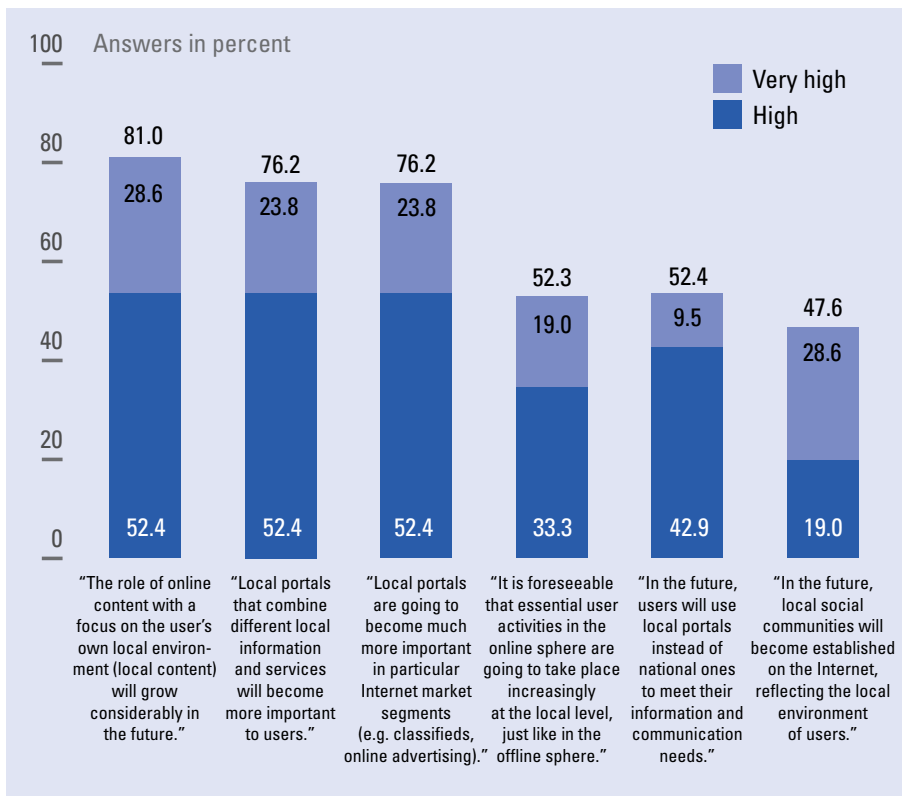


Figure 5:
Social Web and
localization
(Social Web experts)

Virtually no one doubts the considerable future significance of the Social Web. But how will it be financed? The Social Web experts had an answer here as well (Figure 6). They saw the biggest potential in pay-for-performance ads, followed by commissions, display ads and classified ads. Conversely, the Social Web experts saw only a slim potential for financing Social Web offerings by charging user fees.

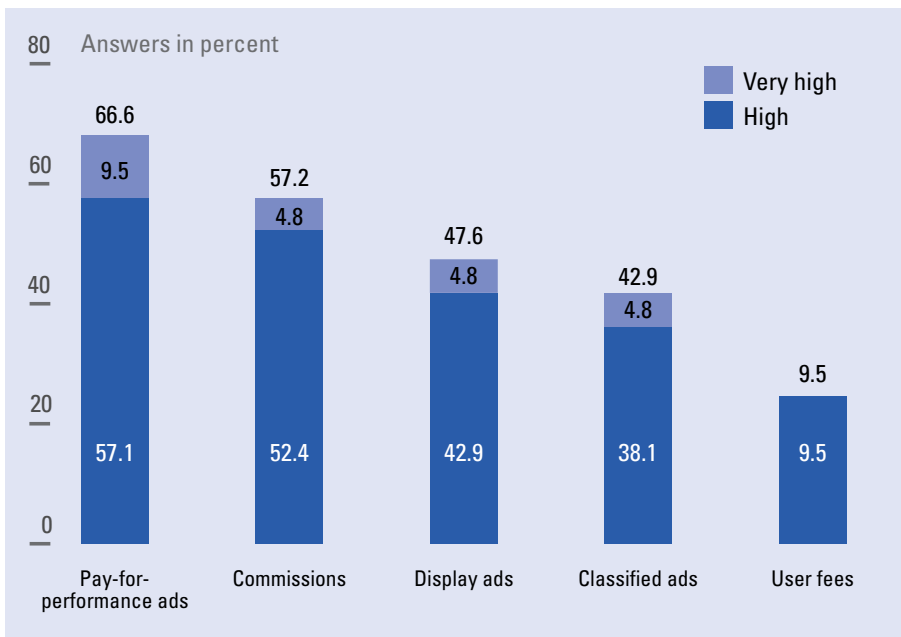


Figure 6:
Financing models for
Social Web offerings
(Social Web experts)

By networking people, the Social Web is becoming an increasingly significant platform for social communication and activity. A growing number of online applications are going to dovetail with key aspects of our “offline” social life. The integration of this social life into ones’ own local setting is set to become a major factor.

Today more than ever, the successful transition to the information society is determining the competitiveness of enterprises as well as of societies and entire nations. In this context, the effective and efficient deployment of broadband Internet assumes a critical importance. Data highways are a key competitive factor here, but by no means the only one. Increasingly, it is also the ability of a society to produce innovative products and services – as we are currently experiencing with the Social Web on a global scale. These applications are the prerequisites for a sensible, beneficial use of the high-speed network – to the benefit of society as a whole.

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Deutschland Online

c/o Deutsche Telekom AG, T-Com, Business Unit T-Online

P.O. Box 10 11 52

64211 Darmstadt, Germany

www.studie-deutschland-online.de

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Editor: Kai Hattendorf, Michael Schlechtriem

¹ 115 experts and 6,347 consumers were surveyed for the study