What Drives the Web 2.0 World: Search, Media, and Conversations

John Battelle
UCB, Marti Hearst, Presiding
Who Is This Guy?
Web 2.0

• Version 1.0 of the Internet: Long on vision, short on execution, shorter on profits; market & tech immature

• Version 2.0: Long on execution, long on profits, even longer on vision; platform is maturing
• The rise of the web as a platform…
• …based on inexpensive communications and software and mass adoption…
• …allowed for highly iterative, lightweight, innovative companies….
• …to leverage the architecture of participation…
• …and drive a new kind of commerce based on conversation.
The Rise of Web 2.0

- Mid-Late 90s - we thought it was a battle for the window into computing: Netscape v. MSFT.
- Instead, it became about the content and services, not the window
- Web itself became a robust development platform
- Sites also became platforms: Amazon, Google, Yahoo!, eBay, etc
- And entrepreneurs began to build on the platforms, creating new approaches to established markets - like software, media, retail….
To create IT-driven businesses that work…
- You need a solid ecosystem in which to develop
  - IE Windows, Linux
- The Web now has such an ecosystem
- Sites built on this platform embrace the open: data, access, portability
- And they are headed your way, some are already there
- And the best sites are iterative….
Web 2.0 Principles:
THE ARCHITECTURE OF PARTICIPATION

• Leverage user-generated content & the force of many to create advantage and build network effects
• The remix culture: the best sites are mixes of other sites’ APIs, data feeds: Prosumer rising
Web 2.0 Principles:
LIGHTWEIGHT BUSINESS MODELS

• The Web as Platform plus AoP = new generation of “lightweight” competitors
  – Google/Yahoo News & Craigslist/Blogs v. Newspapers
  – Tivo/NetFlix/VideoIP v. Comcast/cable
  – Federated Media v. Primedia
Web 2.0 Principles:
SEARCH RULES

“Questions are the breath of life for a conversation.”

-James Nathan Miller

• Our culture’s point of inquiry, the spade with which we turn the web’s soil
• The axis of a business transition from Packaged Goods to Conversational models
• A conversational interface to technology and culture
• Smart companies see an opportunity online…
• To provide a platform that allows them to have a conversation with their customers…
• Through services built around their core brand and business promise.
• It’s an old lesson: transportation, not trains…
The Conversation Economy:
The Third Wave of Interface Culture

- Participants (mm)
  - 1,000
  - 100
  - 10

- Industry size ($bb)
  - 5,000
  - 500
  - 50

- Talk with Back-Office
- Talk between Front and Back Office
- Talk with Customers (Web 2.0…)

Source: US Gov, IDC
Search as Interface:
Remember DOS?
Search as Interface:
Remember DOS Results?
After DOS.....
Search as Interface: Search 1.0….
Better Results, Inc.
Fund raising for large and small organizations selling French bread pizza, cookie dough, cinnamon rolls, and soft pretzels.
www.zapasnack.com/ - 16k - Cached - Similar pages - Remove result

Better Results, Inc
Provides products and services to the MultiValue/Pick community. Specializes in desktop integration and connectivity tools, system conversions, ...
www.betterresults.com/ - 21k - Jan 21, 2006 - Cached - Similar pages - Remove result

CNN.com - Better search results than Google? - Jan, 5, 2004
As wonderful as Internet search engines are, they have a pretty big flaw. They often deliver too much information, and a lot of it isn't quite what we're ...
www.cnn.com/2004/TECH/Internet/01/05/search.search1.ap/ - 66k - Cached - Similar pages - Remove result

ACCOUNTABILITY FOR BETTER RESULTS
File Format: PDF/Adobe Acrobat - View as HTML
Accountability for Better Results — A National Imperative for Higher Education. A. bout the Commission. The National Commission on Accountability in Higher...
www.sheeo.org/account/accountability.pdf - Similar pages - Remove result

GM expects better results
e-mail Email this; e-mail Print this. BY MICHAEL ELLIS ...
www.freepl.com/apps/pbcs.dll/article?AID=/20060114/BUSINESS/0601140324/1014 - 20k - Cached - Similar pages - Remove result

NASCAR.com - Better-prepared Burton expecting better results - Jan ...
In the wake of the new Ford Fusion dominating Wednesday morning's test session at Daytona International Speedway, the Chevrolets of Hendrick Motorsports duo ...

MSN's adCenter: More Control and Better Results
MSN's news, marketers, more control. That means more relevant ads and better ROI.
The Conversational Interface: What Might Be Next?

• “Driving through the web…”
• Taking the interface for granted...
• A call and response model
• The web re-builds itself around your intent…
• Just as it does now at a search service
  • It’s interface as conversation
• And it means big shifts in how businesses operate
• New Bottles, Old Wine
  – The link between search, mobile, and an insatiable Index….
Search as Interface: It’s Happening…

- Ask, Google, Microsoft, Yahoo all have moved toward a conversational interface…
2008 Lancer

RADICALLY REIMAGINED TO CHANGE YOUR EXPECTATIONS.

Inspired by more than 30 years of competition in international rallying, the new 2008 Lancer is the sports sedan with the DNA of a champion. With aggressive new styling, an all-new 152-horsepower MIVEC engine and a long list of available features, Lancer will change what you expect from a car.

Aggressive new design  
Don’t trust us, trust the experts

Performance-tuned suspension

Pedal-shift Sportronic® CVT

152-horsepower, 2.0-liter MIVEC engine

THE NEXT GENERATION. VISIT THE 2008 LANCER EVOLUTION INSIDER
Search Loves Conversations
Old Homepage for American Express Plum Card

How can we help your business?

- Spending power built for business-sized needs
- Built-in rewards and savings for you
- Simple ways to manage and monitor your spending
- Customized support for the needs of small business owners

Choose from these recommended Cards:

Are you a Cardmember and need help? Click for a List of Appropriate Customer Service Phone Numbers.
Not a Business Cardmember yet, but want to apply by phone? Call us at 1-800-519-OPEN (6738).

Click this icon for additional help throughout the site.
New Homepage for American Express Plum Card

Plum Card
americanexpress.com/plumcard
Who's getting a Plum Card? Initial release of 10,000 cards

Plum - Membership Benefits
The Plum card is provided by Bolton at Home in association with 'Countdown' which is an
organisation that offers local and national savings, from 5% to 50%,...
woltonathome.org.uk/content/plum3.htm - 10k - Cached - Similar pages - Note this

Plum - Policy Statement
Only one Plum card will be issued per household and the holder must be a .... If they are
suspended from the scheme, the PLUM discount card will no longer be ...
woltonathome.org.uk/content/Plum7.htm - 18k - Cached - Similar pages - Note this

The Plum Card from American Express OPEN | Duct Tape Marketing Blog
American Express OPEN President Susan Sobott, announced today a new credit card from
American Express called the Plum Card from American Express OPEN ...
ducttamarketingblog.com/2007/09/07/the-plum-card-from-american-express-open/ - 54k - Cached - Similar pages - Note this

American EXPRESS OPEN Plum Card - How To Launch a Product x Small...
American Express OPEN launched its new Plum Card yesterday at the Inc 500 event, with
'oooh and ahh' elements of suspense and drama. The suspense began on the ...
american-express-open-plum-card-how-to-launch-a-product.html - 43k -
Cached - Similar pages - Note this

Introducing The Plum Card(SM) -- The First Everything, Everywhere...
NEW YORK, September 07, 2007 – American Express OPEN today introduced The Plum
Card a new trade terms Card that responds to small business owners' need to ...
home3.americanexpress.com/cop/pc/2007/plum.asp - 36k -
Cached - Similar pages - Note this
The Rise of Conversational Media

• Search loves conversations.
• The rise of a search/conversation-driven interface to the online world…
• …means conversational sites are taking off, and becoming the primary source of information and connection on the web…
• …the era of Conversational Media is upon us…
## What Is Conversational Media?

<table>
<thead>
<tr>
<th>Packaged Goods Media</th>
<th>Conversational Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product driven</td>
<td>Service driven</td>
</tr>
<tr>
<td>Commodity platform</td>
<td>Highly produced platform</td>
</tr>
<tr>
<td>Highly produced content</td>
<td>Best first draft</td>
</tr>
<tr>
<td>Write once, read many</td>
<td>Write once, listen, write again</td>
</tr>
<tr>
<td>Controlled/Dictated</td>
<td>Free flowing, conversational</td>
</tr>
<tr>
<td>Distribution, capital driven model</td>
<td>Open model</td>
</tr>
<tr>
<td>Consumption model</td>
<td>Engagement model</td>
</tr>
</tbody>
</table>
The Rise of Conversational Media: 2005-6

<table>
<thead>
<tr>
<th>Rank</th>
<th>Property</th>
<th>9/06</th>
<th>Y/Y Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Microsoft</td>
<td>505</td>
<td>5%</td>
</tr>
<tr>
<td>2</td>
<td>Yahoo!</td>
<td>481</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Google</td>
<td>467</td>
<td>11</td>
</tr>
<tr>
<td>4</td>
<td>eBay</td>
<td>237</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Time Warner</td>
<td>218</td>
<td>20</td>
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<tr>
<td>6</td>
<td>Wikipedia</td>
<td>155</td>
<td>110</td>
</tr>
<tr>
<td>7</td>
<td>Amazon</td>
<td>134</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>Fox</td>
<td>118</td>
<td>303</td>
</tr>
<tr>
<td>9</td>
<td>Ask</td>
<td>113</td>
<td>(0)</td>
</tr>
<tr>
<td>10</td>
<td>Adobe</td>
<td>95</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Apple</td>
<td>95</td>
<td>38</td>
</tr>
<tr>
<td>12</td>
<td>Lycos</td>
<td>91</td>
<td>(3)</td>
</tr>
<tr>
<td>13</td>
<td>CNET</td>
<td>84</td>
<td>(10)</td>
</tr>
<tr>
<td>14</td>
<td>YouTube</td>
<td>81</td>
<td>2,662</td>
</tr>
<tr>
<td>15</td>
<td>Viacom</td>
<td>66</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: comScore Media Metrix Glo
### Top Conversational Media Sites 2007: New comScore Data

#### Blog Metrix Report

- **Geography:** Worldwide
- **Location:** All Locations
- **Time Period:** July 2007
- **Target:** Total Audience
- **Date:** 8/23/2007

<table>
<thead>
<tr>
<th>Level</th>
<th>Entity</th>
<th>Total Unique Visitors (000)</th>
<th>Average Daily Visitors (000)</th>
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</thead>
<tbody>
<tr>
<td>Category</td>
<td>Conversational Media</td>
<td>542,854</td>
<td>194,834</td>
</tr>
<tr>
<td>Subcategory</td>
<td>Social Networking</td>
<td>497,588</td>
<td>162,988</td>
</tr>
<tr>
<td>Subcategory</td>
<td>Blogs</td>
<td>403,435</td>
<td>78,671</td>
</tr>
<tr>
<td>1 Media Title</td>
<td>Blogger</td>
<td>142,624</td>
<td>13,855</td>
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<tr>
<td>2 Channel</td>
<td>Windows Live Spaces</td>
<td>109,567</td>
<td>11,353</td>
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<td>3 Media Title</td>
<td>MYSPACE.COM</td>
<td>107,114</td>
<td>27,838</td>
</tr>
<tr>
<td>4 Channel</td>
<td>Yahoo! Geocities</td>
<td>88,212</td>
<td>6,324</td>
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<tr>
<td>5 Property</td>
<td>WordPress</td>
<td>61,153</td>
<td>3,853</td>
</tr>
<tr>
<td>6 Property</td>
<td>FACEBOOK.COM</td>
<td>60,491</td>
<td>16,023</td>
</tr>
<tr>
<td>7 Property</td>
<td>Six Apart Sites</td>
<td>45,127</td>
<td>3,453</td>
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<tr>
<td>8 Alt Rollup</td>
<td>Federated Media Network</td>
<td>41,615</td>
<td>2,770</td>
</tr>
<tr>
<td>9 Channel</td>
<td>Lycos Tripod</td>
<td>38,812</td>
<td>1,761</td>
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<tr>
<td>10 Media Title</td>
<td>FLICKR.COM</td>
<td>35,736</td>
<td>2,049</td>
</tr>
</tbody>
</table>
So How Does Conversational Media Make Money?

• Search....
• Social Networks
  • Facebook
  • Myspace
  • et al...
The Rise of Conversational Marketing

• If we believe that Conversational Media is real…
• …and represents a new form of exchange among its participants…
• …then it only follows that marketing in Conversational Media means working in a different ecology…
• …one we’re just adapting to.
• We’re in the “Fish with Feet” phase…

First step, walking. Next step, Facebook…
How Business Evolves: The Consumer in Control

- It’s an old saw, but ever more true...
- The consumer is now in control...
- So how might this apply?
- *Piece o Cake* - turn your business over to your customers....
- ….and let them interact, build and talk about your brand.
- Some examples from FM’s work with brands...
Case study: Cisco

- Cisco wanted to drive discussion of the idea “The Human Network”
- Worked with FM authors
- End result: Wikipedia entry; a search brand beacon
Case study: Dice

• Innovative invitation to “rant” inside the banner
• Average Interaction Time: 7 minutes and 41 seconds
• Those who interacted 3+times: 18 minutes and 4 seconds
RSS (Really Simple Syndication) is a technology that allows headlines and content to automatically be pushed off of one site and onto another.

FM created and ran Symantec ads featuring RSS feeds from their website (updated daily). Upon click on the headline, users were directed to the article on Symantec’s site. (see Case Study on slide 3)


Unlike most ads, the Symantec creative did not experience ‘fatigue’. In fact, **Symantec saw a 300% spike in response several weeks into the campaign due to the fresh, daily copy!**
Case study: Ask.com/Ninja

The Ad Spot:
After each of the 9 Ask.com-sponsored episodes, the Ninja invites viewers to visit Ask.com and enter in the word “Ninjuice”.

QuickTime™ and a decompressor are needed to see this picture.
Search is a new interface to computing, but it’s more than that: it’s the beginning of a new customer-driven culture.

This heralds the rise of conversational media.

Conversational media means businesses must adapt from traditional approaches to markets…

Creating a platform for users to interact with its brand and services…

And learning to join the conversation on its customers’ terms.
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