

Web 2.0 Revives Internet Economy

E-commerce gets a boost with emerging interactive apps and other new online technology.

Len Rust
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The emergence of the next generation of Internet technology and applications has led to the coining of the term Web 2.0 to indicate that the Internet now has more capabilities than ever before. The Internet media companies such as Google, News Corp, and Yahoo are just some of the leaders taking advantage of this with the introduction of new services and applications.

This revival of the Internet has also led in part to the re-emergence of the Internet economy, and more specifically e-commerce. The increase in broadband connections is another factor that has led to this revival according to BuddeComm.

Revenue from the large range of content and services available from the Internet is rapidly increasing globally; travel, gambling, adult content, music and health services are particularly popular, and social networking services are flourishing. It is estimated that by 2010 more than US\$2 billion will be spent on social network advertising in the US alone. The Internet economy is increasingly relying on the underlying Internet infrastructure for its success, and this has also opened up a range of new support functions for ISPs and business service providers, with some already beginning to diversify.

New video applications have also emerged as the Internet media companies seek to exploit the added speed and capacity of broadband infrastructure. This will result in a whole range of applications continuing to enter the market over the next decade. As can already be observed, the killer application on these networks is video-based communication, nearly half of which is produced by users themselves.

Commercial video entertainment will eventually account for only a quarter of these services. Sites that started as social networks, such as Facebook, are also expanding into video-based services in order to compete. As commercial Web sites try and enter this space, there is no sign of this growth abating.

Web 2.0 technologies have shifted the consumer's Web experience to interactive and collaborative applications, which a growing number of people can access and contribute to. Online payment gateways such as PayPal have facilitated consumer use of e-commerce, facilitating services coming to market. The success of social networking and sites based on user-generated content clearly shows that the consumer-led era has begun, heralding the end of those with vested interests being able to control what they present to

users. In future consumers will be not only be able to participate actively, they will also be in a position to challenge the way things have been done in the past and expose failures and misconduct.

E-health is also rapidly shaping up as one of the key killer apps on the truly high-speed broadband networks. Around the western world we are facing a massive dilemma in relation to healthcare. New technologies are increasing life expectations and improving our lifestyle. The cost of this, however, is enormous, and we simply cannot afford to finance these huge advances through the public health systems any longer. In countries with proper broadband infrastructure we see e-health shaping up as a way that will allow us to enjoy these advances in medical technology and medical services at a more affordable cost.