

Older Surfers - Web 2.0 Next Big Wave

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The new crop of older 'onliners' or silver surfers, as more mature web users are often referred to, are poised to get to grips with the more participative elements of cyberspace. This increasingly internet-savvy consumer segment will constitute a major Web 2.0 presence as 'baby boomers' start to swell their ranks.

Key Trends

Watching the numbers;Which sites and technologies?Social networking for older 'onliners'.Commercial opportunities

Explore social networking sites geared towards mature groups – often offering subscription revenues and targeted advertising revenues to fund profitable online businesses in their own right;Such sites also offer further marketing opportunities to other online businesses. Attracted by the asset wealth and time of the 'baby boomers' as they move into their fifties and sixties, these high potential advertisers range from shopping and travel to banking, investing and gaming;Some social networking businesses have moved into the online genealogy area – a sector already led by mature online consumers. Online research and content sites for a generation that will increasingly want to understand its history and leave a legacy for the future have the same positive prospects.Background

Web 2.0 refers to the perceived second generation of web-based communities and hosted services such as social networking sites. These aim to facilitate creativity and sharing between users. It refers to how end-users and software developers use webs rather than any new technology.

While there has been some hype in previous data regarding older 'onliners' that marketers should have been wary of, the new numbers are set to be genuinely attractive.

As far as entry into Web 2.0 activities, older 'onliners' still focus on key Web 1 tools, especially e-mail, but are far less active in the cutting edge content creation of Web 2.0. In particular, their impact has yet to be really felt in the vital social networking phenomenon of today's web. Watching the numbers

Surveys show that older consumers have rapidly joined the worldwide web community during the current decade. But these high growth rates have been from small bases, exaggerating the influence of the older online group.

One issue is defining the 'elderly'. The youth-biased online world tends to refer over 55-year-olds or even web users over 50 as one group.

In fact, there is a major difference in use between people in their fifties and sixties (core 'baby boomers') and those over 70. Figures from Pew Research in the USA show that while over half (55%) of 60-69 year olds are online, this more than halves, to 26%, amongst 70-75 year olds and falls sharply again to 17% of those over 75 years of age.

Despite strong growth, the relatively small numbers to date mean that the commercial internet industry has, not surprisingly, tended to show little interest to date.

However this will now change quickly.

The number of people in their fifties and sixties will grow sharply worldwide as the bulk of the 'baby boomer' bulge enters these years;These age groups view their own identities very differently. –Fifties are the new forties,– –sixties are the new middle age,– –retirement is a new beginning not an ending– etc. These tend to be the views held by large parts of these groups. Most will not, for example, wish to classify themselves as 'silver surfers';As is well-known, large parts of the 'baby boomer' generation are also asset-rich, time- rich and ready to spend, albeit with discrimination, during their 'golden years';Those entering these age groups are far more familiar with digital technology than their predecessors. Someone aged sixty now could have used the internet, probably starting at work, since their late forties; as a rough guide to timelines, Netscape was launched in 1994. Someone now fifty years old, outside of the poorest economic groups, is highly likely to use the internet at least some of the time.Which sites and technologies?

Older consumers are especially attracted to e-mail – free, written notes to friends for a generation familiar with personal letters, and a tool for keeping in touch with children and relatives as families move around the world.

Online travel information and booking, banking and shopping have also proved attractive to mature internet shoppers, hooking into their lifestyle desires – including:

Expenditure on travel; Ease of access to personal finance; Disenchantment with shopping for consumer durables on the high street.

Older internet users, however, tend not to take an interest in the content creation and more advanced features of Web 2.0.

One example of this is internet video viewing. More than three quarters of those aged 18-29 in the USA claim to have viewed online video – but this slumps to less than half (46%) of internet users aged 50-64, and just 39% of those aged 65 years and over (Source: Pew Research, USA). Social networking for older 'onliners'

Looking at one of the key phenomena of today's web, mature consumers are noticeably minor users of the main social networking sites.

The core users of these sites are the 'college generation' (18-24-year-olds). And the sites' technologies (video downloads etc) as well as their look and feel make most mature 'onliners' feel uncomfortably in the wrong place.

Of the main current social sites, Facebook is the most heavily oriented to the 18-24 age group, while MySpace has a somewhat broader appeal, and Friendster branches even more heavily into the '30-something' range.

However, UK-based Friends Reunited comes from and attracts an entirely different generation. Launched in 2000 in the wake of the early dotcom failures, Friends Reunited preceded the likes of MySpace and Facebook (2003 and 2004) by a few years. This manifests itself in its technology and business model – with few of the later sites' upload technologies and a subscription-based service.

Its users, too, are much older. More than a quarter are over 55 – while 18-24-year-olds account for less than half of this share.

Friends Reunited was bought at the end of 2005 by UK TV company ITV and critics say its growth has largely stalled – though it is profitable.

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Social Network Site Users Aged over 55% Online Users over

5511Facebook.comÂ 8Xanga.comÂ 7Friendster.comÂ 8Friends Reunited (UK)Â 27*Source: Extracted from comScore data, *Hitwise dataNote: All figures roundedOther successful mature consumer online social networking segments are:

Mature dating, spurred on by high divorce rates. Contacting old friends through social network sites has been shown to lead to post-divorce relationships, and indeed divorces; Genealogy sites – tend to be for older seniors often seeking to establish their roots and leave their own autobiographical legacy. Though not technically social networking sites, they are very closely related. Industry figures suggest that almost one third of visitors to genealogy sites are aged over 55.

Last month the Parent Company of leading USA-based online genealogy business Ancestry.com (and also owner of MyFamily.com) sold a majority stake in its business to Spectrum Equity Investments for a reported US\$300 million. Outlook

The 'baby boomer' generation is ripe for making a major impact on the social networking elements of the internet; They are likely to be less comfortable with the exposure and easy access to personal details that younger groups share on the likes of Facebook and MySpace. They are therefore more likely to be willing to pay for some form of privacy and discretion on sites. The ageing population's desire to discover their own past and leave a legacy for the future will open up prospects for sites similar to the already successful genealogy sites, and for content upload sites (but different to the youthful YouTube etc.); With age, the internet obviously offers channels for healthcare products. To date, these have had limited success with older consumers (the UK's NHS Direct for example reports relatively low usage amongst this group). But as the more internet-familiar 'baby boomers' require more and more healthcare, they will turn to the net for advice; Later in life, the other major problem the elderly suffer – loneliness – may also find some solutions in specialist social network sites; Finally, social networking sites for a broader age range of consumers are now gaining attention. Last month, the New York Times reported on the trend, highlighting examples such as Florida-based Multiply (which has recently received financing from Vantage Point Venture Partners – an early investor in MySpace); Maya's Mom, a parenting site purchased in August by Johnson & Johnson; and new site TBD.com, launched for older Americans by the founder of Parenting magazine. Print this page E-mail a friend

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