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**Online Communities and Their Impact on Business:
Ignore at Your Peril**

October 22, 2008

Summary

Working with online communities has long been touted as a great way for a company to save money in its marketing, support, sales, and even product development. But for most companies, the diversity of communities online, and the challenge of learning how to work with them, is daunting. Most companies don't understand how online communities work, how they make a difference, and how to engage with them.

Among the companies that have tried to work with communities online, many have found that they conversation is dominated by extreme enthusiasts rather than average users, and have concluded that online community is a distraction from their real customers.

That turns out to be a very dangerous mistake.

Rubicon Consulting's web practice team recently conducted a broad survey of US web users to understand better how people in the US use the web, with a special focus on web community and its effect on consumers. Key findings of that survey, and its implications for companies, include:

It's true, enthusiasts *do* dominate online conversations

Most web users are consumers of information, not creators. About 80% of the user-generated content on the web, including comments and questions, is created by less than 10% of web users, a group we refer to as the most frequent contributors (MFCs). See page 7.

User reviews drive product purchases

But despite the low content creation rates, online communities have enormous influence on almost all web users. Online comments and reviews posted by the enthusiasts are second only to word of mouth as a purchase driver for all web users. Those personal reviews are far more influential than official reviews posted by a website or magazine, or information posted online by a manufacturer.

This means the old idea of "influencers" is confirmed and explained. The most frequent contributors are the influencers, and they have a strong influence on purchase decisions because they write most of the online recommendations and reviews.

For more information, see page 11.

Web discussion is theatre

These findings mean online community matters enormously to companies, but not in the way that most of them expect. Online discussion is a poor way to communicate *with* the average customer, because average customers don't participate. But it is a great way to communicate *to* them, because average customers watch and listen.

Most content and discussion sites should be viewed as performances, in which the site's organizers interact with a relatively small number of users in order to educate, persuade, or entertain everyone else. This means it is critical that companies understand who the MFCs are, and how to take care of them, because they are the companies' fellow actors in the online performance.

MFCs are different from the average web user. They're more ethnically diverse; more technically skilled; more likely to be single; more likely to work in technology, entertainment, or communication companies; and more likely to be Democrats. But most of all, they are younger than typical web users. Half of the web's most frequent contributors are under age 22. See page 14.

Other insights: Leading websites, and the web's impact on social lives

The survey also explored general use of web community, and its impact on users' lives. Some of the most interesting insights include:

Search is the leading web category, but what comes after that?

It depends on how you ask the question. If you look at sites generating the most daily traffic, the most intensely used site categories after search are:
- Social networking (such as Facebook and MySpace),
- General news sites (such as CNN.com and NYTimes.com), and
- Online banking.

If you look at breadth of visitors (in other words, which sites are eventually visited by the largest percent of web users), the leaders after search are:
- Mapping (MapQuest and others),
- Retail (Amazon.com and others), and
- Reference (including Wikipedia).

Either way, community sites are in the top four web destinations.

Yahoo is the second most valued website. A good way to measure the value of a website is to ask users if they would pay a monthly fee to get access to it. By this measure, Google is the site web users value most, as expected. But Yahoo stood out as the clear number two. It was followed by three leading community-driven sites: YouTube, Wikipedia, and Facebook. The press coverage of Yahoo's financial challenges sometimes obscures the size and loyalty of its user base.

Site valuation differs a lot by age. Among web users over 30, Google and Yahoo are still the top two, but they are followed by eBay and MapQuest.

Other key findings about site usage:

Facebook appears to be ahead of MySpace in terms of number of people who have profiles, and the value people assign to the site.

ESPN.com and CNN.com are both more valued than NYTimes.com, but all three are eclipsed by community-based Wikipedia.

For more information, see page 17.

The web has a big impact on social lives, but mostly for young people

Who's #3 in social sites? Most people know that Facebook and MySpace are the leading social networking sites in the US, but the strong #3 in registrations is Classmates.com, followed distantly by LinkedIn. Those two sites have many more adult users than teens.

Twitter and SecondLife serve niches. Although both Twitter and SecondLife have received enormous amounts of press coverage, and are used intensely by some people, they are dwarfed in membership by the major social sites such as Facebook, MySpace, and even LinkedIn.

Social sites are much more satisfying to teens than adults. Although many adults have joined MySpace and Facebook, those sites are much less effective and satisfying for users over 21. Adults say they make fewer friends through social sites, and say the sites play a less important role in their social lives.

Adults and teens use their social networks differently. Most adults will approve someone as a friend on a social site only if they already know them. Many teens will approve someone as a friend as long as they have even a vague idea of who they are. This means the two groups use the friends list in different ways. To adults, the friends list confirms relationships that they already have elsewhere. To teens, the friends list is an entry point for a relationship.

Despite differences over the social sites, the web as a whole has a significant impact on the social lives of many users. For example, about 24% of web users say they have dated someone they first met online. In the 22-30 age group, that percentage rises to 37%. Many of those meetings are happening outside of dating websites, as only 9% of web users said they visit dating websites at least once a month.

Web activity is more important to Democrats than Republicans. Web users who identify with the Democratic Party were more active on community websites and said they were more likely to be influenced in their voting decisions by online information. In part this may be due to age -- young people in the survey were much more active online, and were also more likely to identify with the Democratic Party.

For more information, see page 24.

Online communities are not created equal

Although many observers speak of web community as if it's a single thing, in reality different types of web community have very different dynamics and user bases. Approaches that work well in one type of community may fail utterly in another. That

means companies looking to found community sites, or partner with them, need to understand what kind of community they are engaging with.

Based on the research on this report and our other experience in the industry, Rubicon has developed a taxonomy of web communities that classifies them into five broad categories:

- Proximity, where users share a geographic location (Craigslist is an example);
- Purpose, where they share a common task (eBay, Wikipedia);
- Passion, where they share a common interest (YouTube, Dogster);
- Practice, where they share a common career or field of business (many online professional groups fall in this category); and
- Providence, where they discover connections with others (Facebook).

For more information, see page 32.

More information to come

This report is the first in a series on the status of the web and use of online community. The dynamics and requirements of the different forms of community will be covered in much more detail in upcoming publications. For more information on Rubicon's web strategy practice, and the other information and presentations in the series, please see the contact details at the end of this report.

Contents

1. Web communities: 10% contributors, 70% voyeurs

The common perception of web communities is that they allow groups of people to share ideas and information, and that they allow companies to communicate directly with their customers. This is factually true, but also misleading. The vast majority of online conversation is driven by a small group of web users -- less than ten percent of them. The rest of the web community sits back and watches the interactions as a mostly-passive audience that only occasionally injects a few comments.

Community experts have been aware of this phenomenon for years, calling it "participation inequality."   Jakob Nielsen wrote an influential article on the subject in 2006, describing the "90-9-1 rule" (http://www.useit.com/alertbox/participation_inequality.html). It states:

- "90% of users are lurkers (i.e., read or observe, but don't contribute).
- "9% of users contribute from time to time, but other priorities dominate their time.
- "1% of users participate a lot and account for most contributions: it can seem as if they don't have lives because they often post just minutes after whatever event they're commenting on occurs."

The 90-9-1 phenomenon means that an online community generally doesn't represent the opinions and interests of the average customer; instead, it tends to reflect the views of extreme enthusiasts. This is a source of intense dismay to many online community advocates, and a huge amount of effort has gone into trying to reduce the rate of inequality. Software strategist Dennis Howlett (http://www.accmanpro.com/about/) recently summarized the outcome (http://www.chrisbrogan.com/web-20-was-it-ever-alive/):

"You can add all the social software you want but getting more than a small number to actively participate and use is a devil's own job. I've got the scars to prove it from projects I've been running the last two years. There are precious few signs that Nielsen's 1:9:90 participation inequality law is in any danger of being proven wrong. The people I meet squirm at the notion of 'social anything.'"

Rubicon's survey confirm the idea behind the "1-9-90" rule, but not its specific details. The 1-9-90 rule says that 90% of web users are completely silent lurkers. In our research, a majority of web users said they sometimes contribute something, even if it's just an occasional comment. The truly silent lurkers are only 9% of the web population. But the vast majority of content still comes from a small percentage of the population:
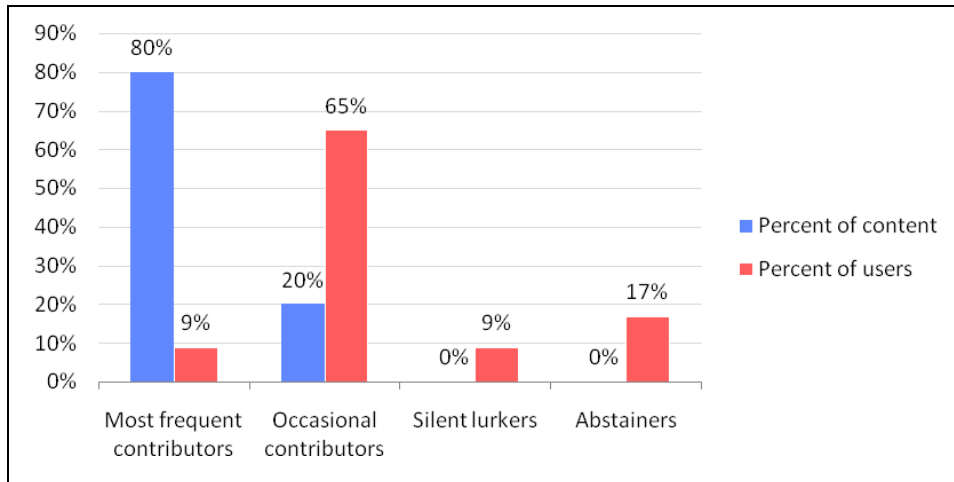
How web users participate in online community. *About 80% of content is produced by 9% of users, the Most Frequent Contributors. About 65% of web users are passive readers who contribute content only occasionally. They account for only about 20% of content, depending on the medium. Another 9% of web users are pure lurkers, never contributing any content. And about 17% are community abstainers; they believe they never visit any community-related site on the web. (Think of AOL users who use the Internet only to read e-mail.)*

Another interesting finding in our research is that the rate of participation varies according to the type of content. Some people are contributors in one type of content but lurkers in another:

Rates of participation, by content type
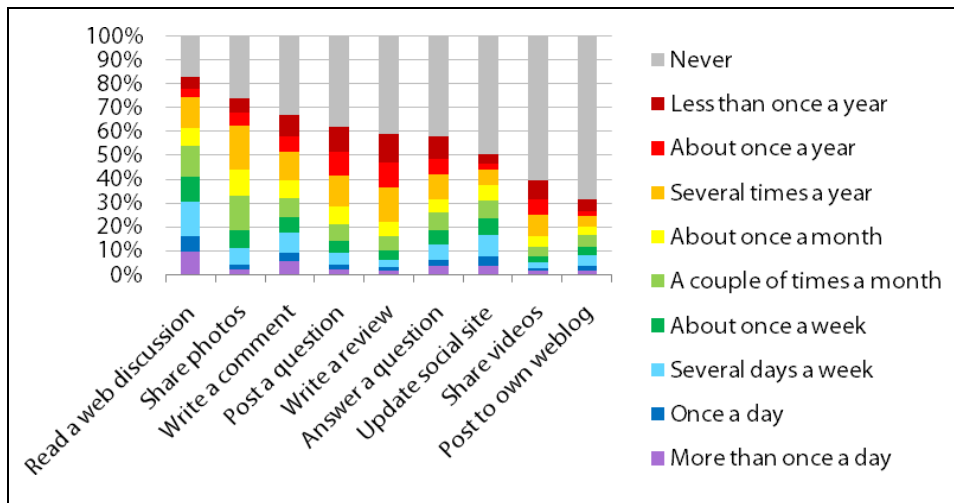

Online community participation rates

About 70% of web users have shared at least one photo online, but less than 5% do it daily. By contrast, only about 30% have ever had a weblog.

These differing rates of participation are similar to what Forrester Research has found in its surveys of US consumers, as documented in the book Groundswell by Charlene Li

and Josh Bernoff. Forrester reports that rates of participation in community sites have been rising over time, which may explain why our findings don't match the research reported by Nielsen (http://blogs.forrester.com/groundswell/2008/10/new-2008-social.html).

But even with rising participation rates, the activities of the most frequent contributors drive online content. To understand why, think through the cumulative effect of someone who posts frequently. Someone posting a comment once a day will produce seven times more comments than someone posting once a week, and 30 times more comments than someone posting once a month. The most active participants end up dominating online conversations. The chart below shows roughly what percent of total content is contributed by people in each frequency category:
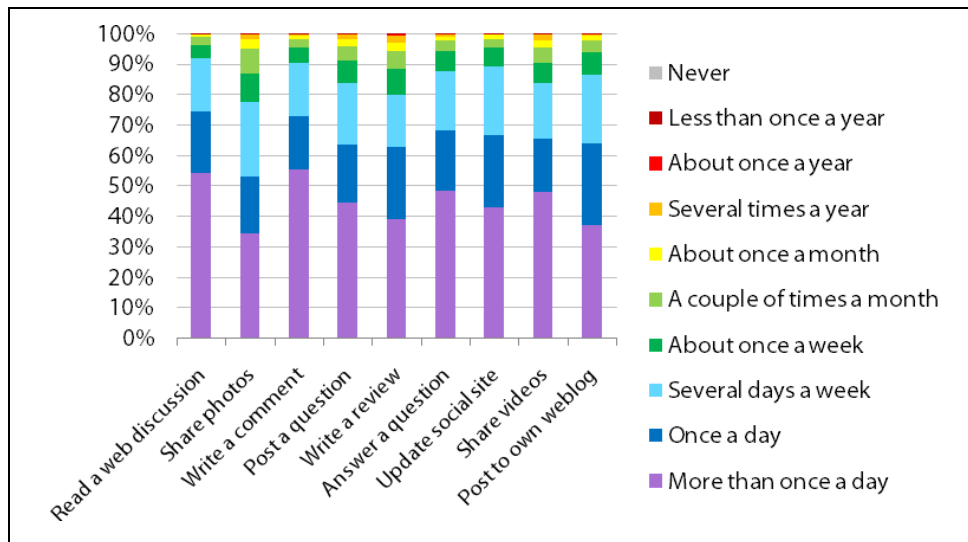
Percent of total activity created by each contribution group

The people who post daily produce most of the activity, and everyone posting less than several times a week is almost completely drowned out.

Netting it all out, about 10% of web users generate the vast majority of all user-created content. The rest of us are more or less voyeurs. Here's what the top 10% contribute, according to the study:
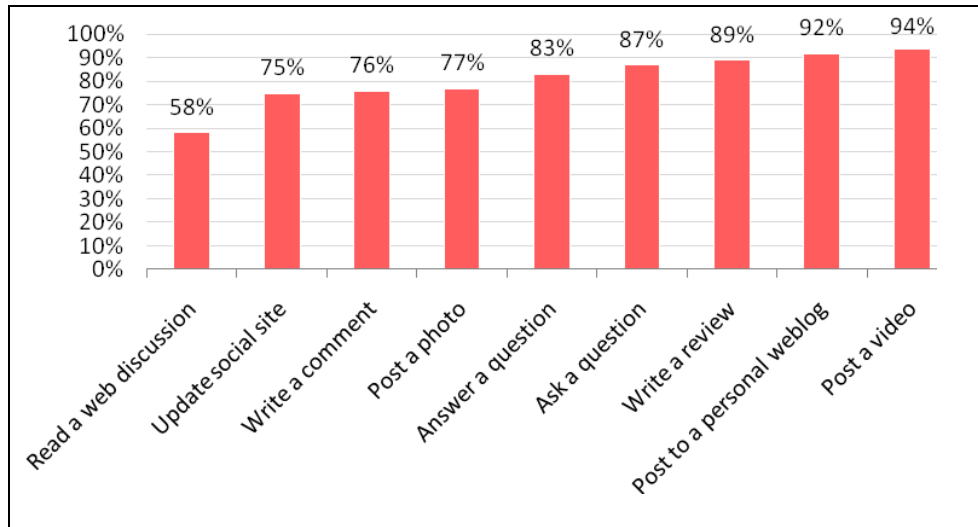
Percent of total activity created by top 10% of web users

Websites that host communities see this phenomenon in their own usage statistics. Exact participation rates vary from site to site, but the concentration of frequent contributors is almost universal across both enterprise and consumer web conversations. For example:

- SAP's Community Network is a leading enterprise-oriented discussion site, with over one million registered members and more than 700,000 unique visitors a month. About 100,000 members have ever contributed any content, and just 4,600 members are classified by the company as highly active contributors.
- Cruiser Customizing is a consumer review and discussion website dedicated to motorcycle enthusiasts. It has 180,000 registered members, but 10% of them contribute 83% of the content.

Online community managers sometimes worry that they need to increase the rate of participation, but in fact the 10/80 ratio or something like it seems to be a natural outcome of the way people interact with the web, at least at this point in the web's development.

2. User comments online drive purchase decisions

The web, and web communities in particular, has a big impact on the behavior of consumers in the US. But that impact is not uniform. In some parts of our lives the web is very influential, while in other areas it has only a small role. The survey attempted to map out where the web is having the most impact. Our most important finding was about the role of the web in product purchasing.

Online reviews are second to word of mouth in influencing purchase decisions

Word of mouth (personal advice from a friend) is still the #1 driver of purchase decisions. Among web users (who are about 70% of the US population), content on the web has moved into second place, ahead of printed reviews and advice from salespeople. But not all web content is created equal. Reviews and comments posted by actual users are more influential than third-party reviews or information posted by manufacturers:
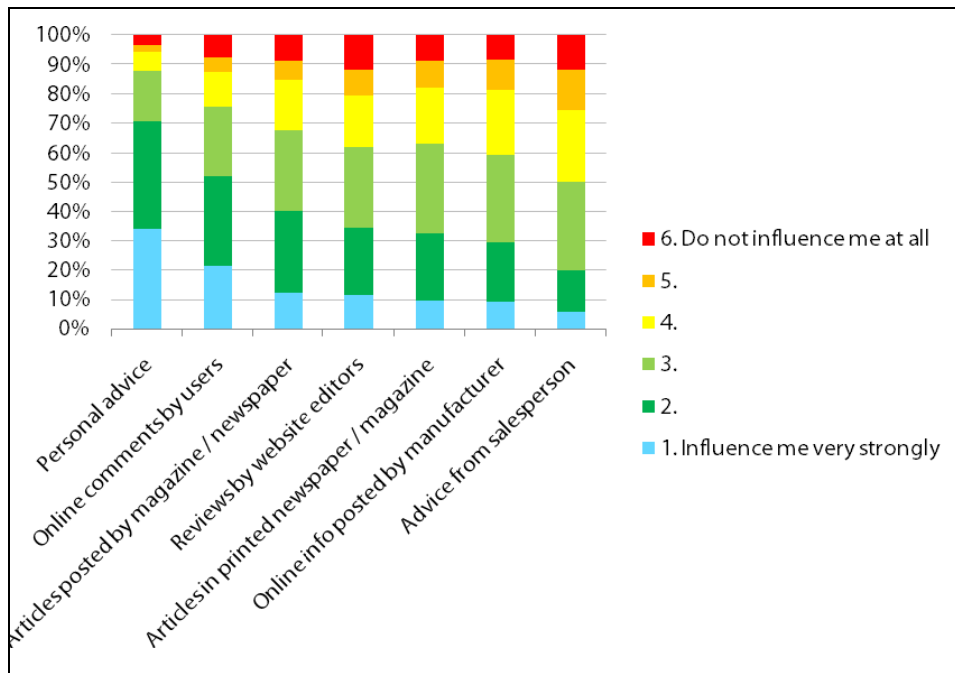

Influence of various sources of information on purchasing

There really are "influencers," and they really do matter

In the last year there has been a debate in marketing circles about the existence and significance of "influencers," a small group of people who drive purchases by others. The Rubicon survey documented how the influencer process actually works: The MFCs write most of the online reviews and comments, and other web users rely heavily on those comments when making purchasing decisions. Online comments are the new word of mouth, and MFCs do the most commenting.

Web influence varies by product or service category

The influence of the web varies tremendously, according to what category of product or service the consumer is looking for. Decisions on consumer products, vacations, and movies are all heavily influenced by online information. On the other hand, many services decisions -- such as choosing a doctor, an auto mechanic, or a politician to vote for -- are influenced much more weakly by online information.
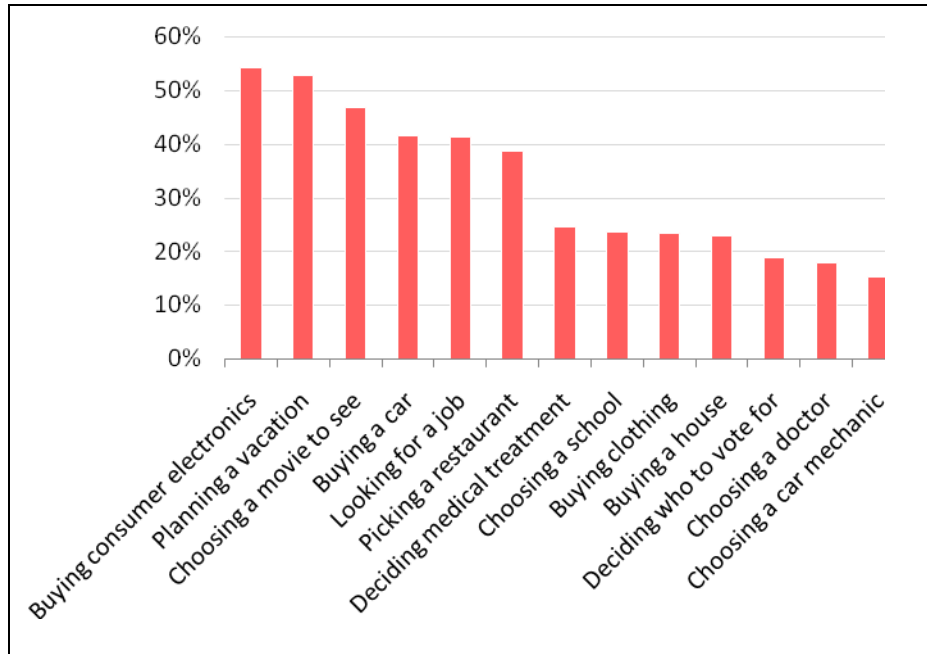

Percent of web users who say they are heavily influenced by online information when making a decision on various products and services

The differences in web influence may be because people don't feel comfortable using web information for some decisions, or because there isn't yet an established online source for information in that category.

Given the attention that both political parties have put on online campaigning in 2008, it is interesting that most web users say online information is not a heavy influence on their voting decisions.

**Young people more influenced by online information**

In general, younger people were more likely to be influenced by online information. For movies in particular, more than 60% of young people said they were strongly influenced by online information, compared to less than 40% of web users over 40.
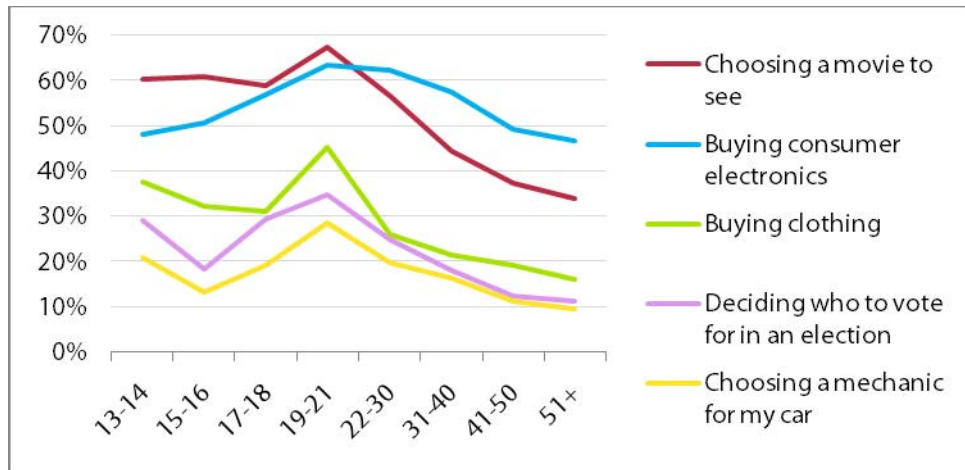
Percent of each age group strongly influenced by online information

Use of the web for product support varies by age

Once web users choose a product, the web also plays a big role in helping them use it. When web users have technical problems with a product, their most common response is to check the manual. After that, though, the web takes on a prominent role. It is neck and neck with asking a friend, and ahead of calling the manufacturer or asking a dealer. There are also some interesting differences by age. Older users are more likely to look on a manufacturer's website for information, while younger ones are more likely to go straight to a search engine:
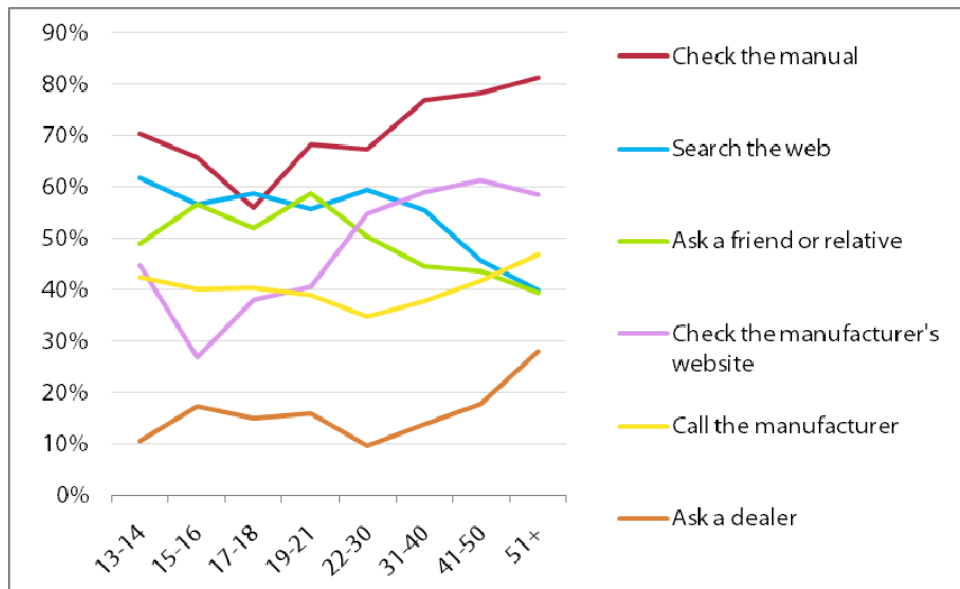
Web users' most common responses to a technical problem

Companies looking to reduce their support costs should be aware that many web users will look online before making a call. If the companies ensure that good support information is available online, and that it's well indexedby search engines, they can head off many technical support calls and probably increase customer satisfaction as well. It's also a very good idea to make sure the manual is well written.

3. What it means to companies: Online discussion is theatre

Combine the information on how MFCs drive online community content, with the influence of that content on purchases, and you reach a very important conclusion:

Web discussion is a performance in which a small group of people interact with each other, and with companies, for the benefit, education, and amusement of everyone else.

This has huge implications to companies running, and looking to interact with, online communities. Even though you can't get most of your customers to interact with you online, they watch what you do with the MFCs, and they judge you based on it. Far from being an irrelevant bunch of fanatics, the MFCs are proxies for, and advisers to, your entire customer base.

Know your fellow actors. The MFCs are your fellow performers in the theatre of online community. They need to be cared for and catered to carefully, but without making the passive audience members feel unwelcome or discriminated against.

Who are the Most Frequent Contributors?

We classified the MFCs as people who post at least one type of content (a comment or a video or a review, etc) more than once a day. The people who do that are 9% of the total web-using population in the survey, and they are not typical web users.

First, and most important, the MFCs are a lot younger than the average web user:
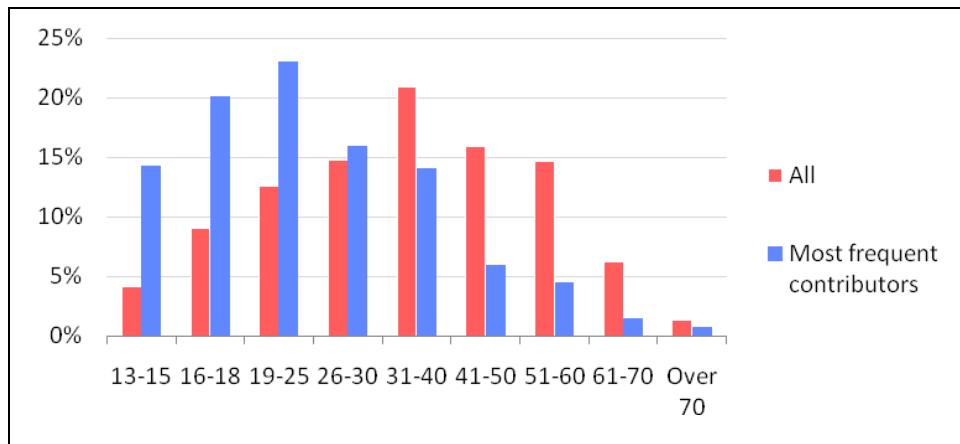
Percent of each age group who are MFCs, compared to all web users in the survey

Half of all MFCs are age 21 or younger. Some 22% of young people fit into the MFC category, whereas only 5% of people over 22 do. If it sometimes feels like people online behave like children, that may be because many of the noisy ones are.

The MFCs are more sophisticated technically than other web users:
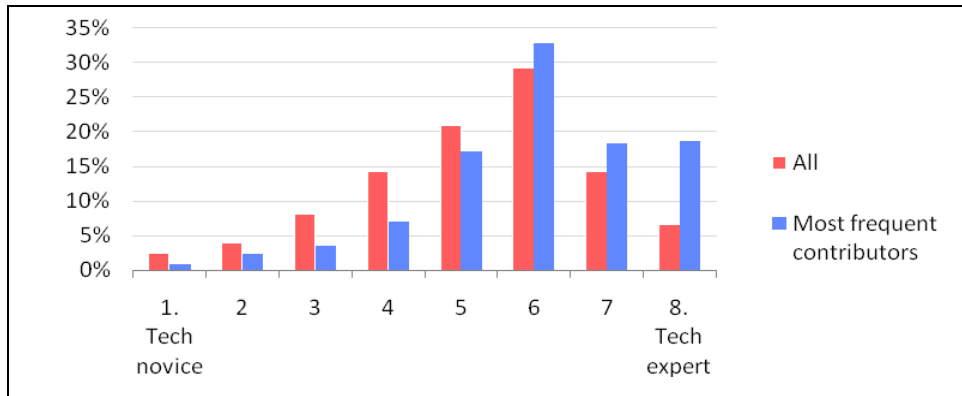
Self-reported technical sophistication of MFCs, compared to all users in survey

The MFCs are also more ethnically diverse than average web users:
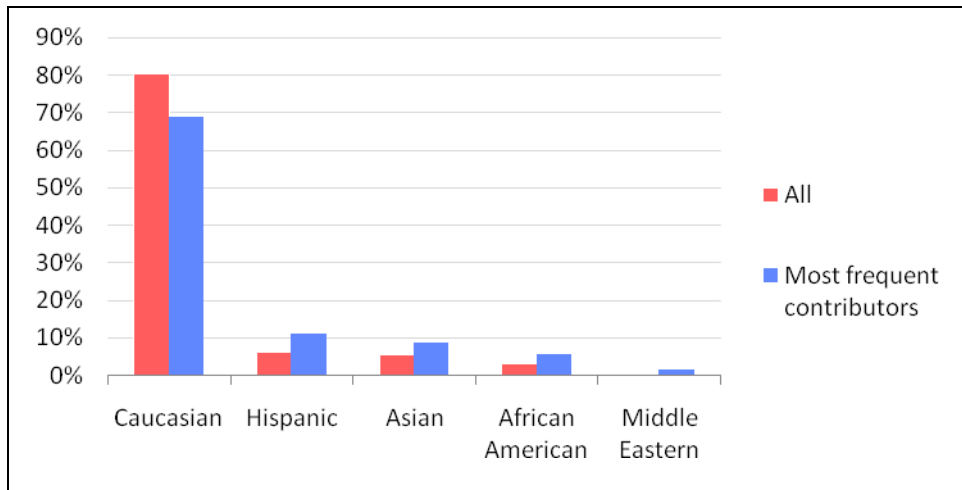
Race or ethnic identity of MFCs compared to all web users in survey

The MFCs much more aggressive users of social, file sharing, and discussion-related websites. In contrast, their usage of general news, sports, and online banking is little different from the average web user:
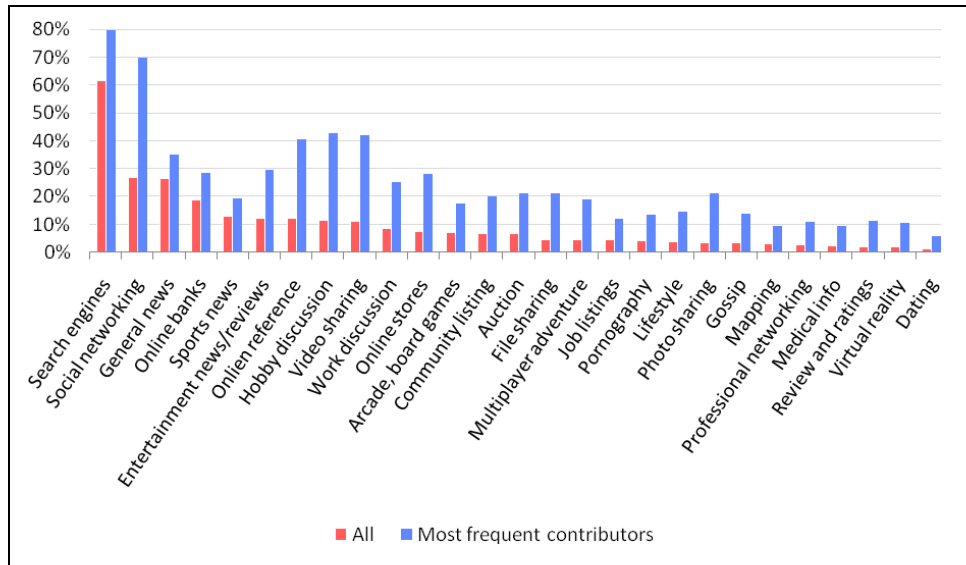
Percent of each group who visit a site category every day

Some other notable characteristics of the MFCs:
- Because they're young, they are more likely to be single than other web users.
- 61% of them are male.
- 40% of them are students. Again, that is no surprise given the age profile.
- Among those with jobs, the MFCs are more likely than other web users to work in the technology, arts, entertainment, and communications industries.
- They are more likely than other web users to be Democrats. This appears to be tied to age.

4. Community sites are among the top online destinations, no matter how you measure it

Although many people think of online community as an emerging trend, community sites are already some of the most popular and influential destinations on the web. To explore that, the survey looked at site usage rates.

Website popularity: Search is #1, but what comes next?

There is no single best way to measure the popularity of websites. Is a popular site the one with the most visitors every day, or the one that the largest number of people eventually visit, even if they come only once a month? The answer is that it depends on what the site is trying to accomplish.

In the survey, we looked at the popularity of websites in three ways:
- Which types of sites have the most intense usage -- the largest number of daily visitors?
- Which types of sites have the broadest usage -- they don't necessarily have a lot of daily usage, but are eventually visited by most of the population?
- Which specific sites create the most loyalty -- large numbers of people say they would pay a monthly fee to access the site?

In all three approaches, search websites ranked #1. But the rankings below #1 varied a lot.

Sites with the most intense usage

Measured by percent of web users visiting them daily, the top five categories of web site are:

Category	Percent of web users visiting daily
Search engines	62%
Social networking (MySpace, Facebook, etc)	27%
General news (CNN, NYTimes, etc)	27%
Online banks	19%
Sports news (ESPN, etc)	13%

Top five most visited web categories

The high rating for social networking sites was driven by very heavy usage among young people. For example, 65% of 19-21year olds visit social sites every day. In contrast, news, sports, and online banking were all more popular among older users:
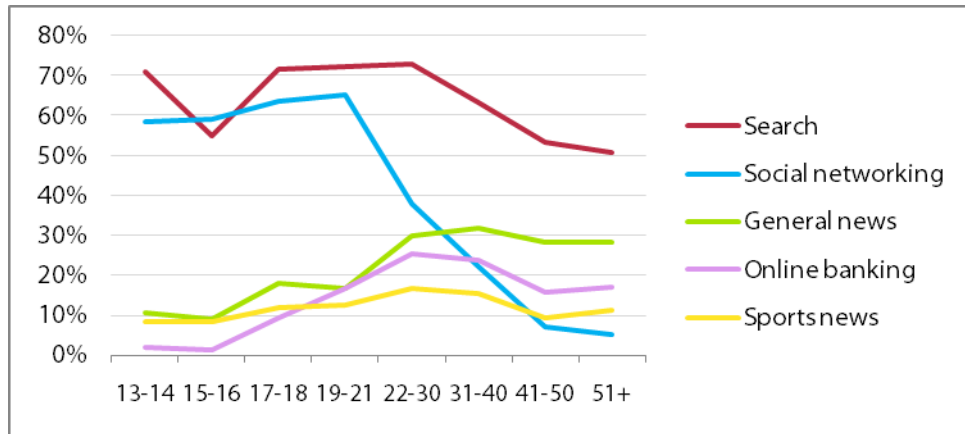
Percent of web users in each age band visiting a website daily.

The popularity of sports news websites was driven mostly by men. 22% of men in the survey said they visit sports news sites daily, compared to 4% of women.

At the end of this section you'll find a full list of the site categories tested and their usage rates.

Sites with the broadest usage

Some websites don't necessarily generate a lot of daily usage, but are the place to go for certain types of information or services that many people need from time to time. Those sites are best identified by the percent of web users who ever visit them. By that measure, the top five categories of site were:

Category	Percent of web users ever visiting
Search engines	98%
Mapping (MapQuest, etc)	97%
Retail stores (Amazon, etc)	96%
Reference (Wikipedia, etc)	93%
General news	90%

Top five web categories with the broadest audiences

Other categories with very broad user bases included medical information and auction sites.

Niche sites. Some prominent categories of website have attracted relatively small groups of intense users but haven't attracted a broad audience. Among the site categories we asked about, the ones with the narrowest user bases were:

Category	Percent of web users ever visiting
Dating	20%
VR worlds (SecondLife, etc)	23%
Multiplayer adventure games	26%
Pornography	36%
Gossip sites	38%

Five web categories with narrow audiences

In other words, despite all the publicity about them, dating websites have never been visited by 80% of web users, and virtual reality sites like SecondLife have never been visited by 77% of web users. They may or may not be very successful financially, but they are serving a niche.

The one exception to the niche categorization may be pornography sites. For men they are a major category, with 56% of men visiting at least occasionally. But for women they are a narrow niche, with only 15% of women ever visiting.[1]

The most valued sites: YouTube, Wikipedia, and Facebook stand out

We gave users a list of the most-visited general-use and community websites (as reported by Alexa), plus selected sites that have been covered heavily in the tech press recently. We asked which sites, if any, the users would be willing to pay $2 per month to access. Note that this question really measures loyalty. It doesn't measure the actual monetary value of the sites, and we're not advocating that any of these sites should start charging a fee to visit.

Google was, as expected, the most valued site. Without search, it's hard to use the web in general. Yahoo came in second. We think that's not due just to Yahoo search, but also to the many other features of Yahoo's site. Six of the top ten websites are community sites.

The top ten sites are:

| Site	Percent willing to pay $2 / month
Google	52%
Yahoo	22%
YouTube	19%
Wikipedia	18%
Facebook	17%
eBay	16%
MapQuest	14%
Amazon	13%
MySpace	12%
Craigslist	10%

Ten most valued websites

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[1] Or at least, that's the percent of people who will admit to visiting those sites.

Once again, young people had a strong influence on these rankings. They were much more willing than older users to pay for the social sites and YouTube. Older users were more willing to pay for eBay and MapQuest.

Young people value websites more

Young people were generally willing to pay for access to a larger number of web sites. The average 13-14 year old was willing to pay for access to 4.3 sites, while the average 31-40 year old was willing to pay for 1.9. We don't know if that's because younger people value the web more, or because they would expect their parents to do the actual paying:
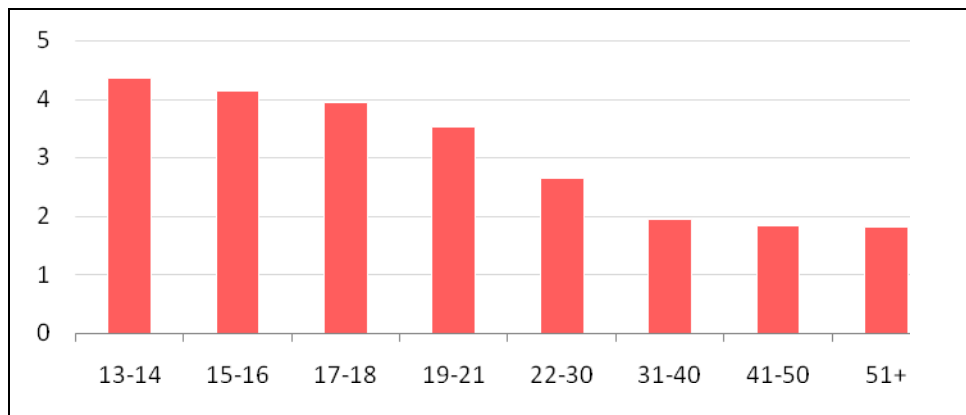
Number of sites an average user would be willing to pay for, by age

The full list of website valuations is at the end of this section.

Comparing the ratings by age gives some other interesting insights:

Communities: Facebook more valued than MySpace
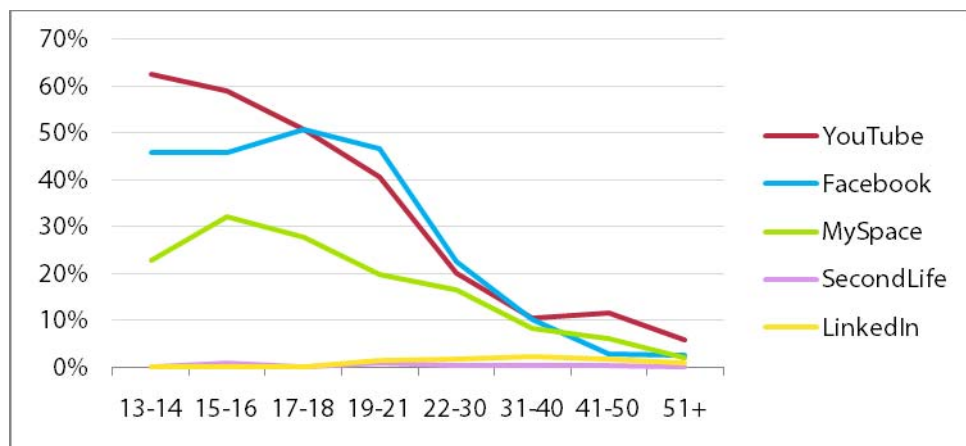
Percent of each age group willing to pay $2 / month to visit

Comparing some popular community sites, Facebook was about as valued as YouTube, and both were rated ahead of MySpace. SecondLife had a very low valuation, while LinkedIn was one of the few community sites to get a higher value

rating from older users. That's not surprising, since LinkedIn focuses on career networking for people after college.

Even among older users, though, Facebook and MySpace were both more highly valued than LinkedIn. We didn't expect that result. The difference may be that LinkedIn is generally used to maintain professional contacts, while even older Facebook and MySpace members use the sites for a broader range of social activities.

Search and portals: Google and Yahoo ahead of everyone else
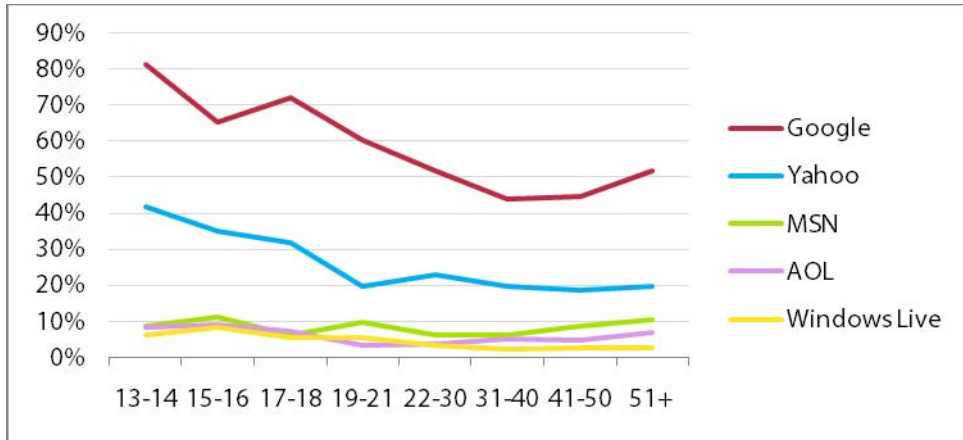
Percent of each age group willing to pay $2 / month to visit

It's difficult to do direct comparisons between these sites because Yahoo, AOL, and the Microsoft sites all act as portals in addition to search engines, whereas Google is pure search. But the results confirm that Google is in the lead, and Yahoo is firmly in second place. This chart makes it pretty clear why Microsoft wants to buy Yahoo.

**Reference and news sites: Wikipedia more valuable than any single news site**
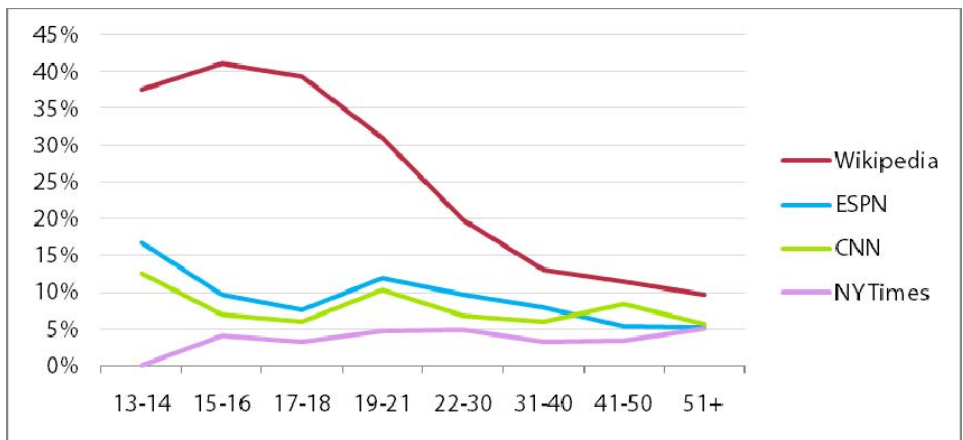
Percent of each age group willing to pay $2 / month to visit

Although news sites in general attract a lot of visitors, there are many different sites carrying news, and this depresses the perceived value of any one of them. By contrast,

there are few substitutes for Wikipedia, so it gets a higher score in all age groups, but especially among students who use it to help with homework.

CNN.com and ESPN.com were both perceived as more valuable than NYTimes.com.

**Photo sharing: Photobucket ahead of Flickr**
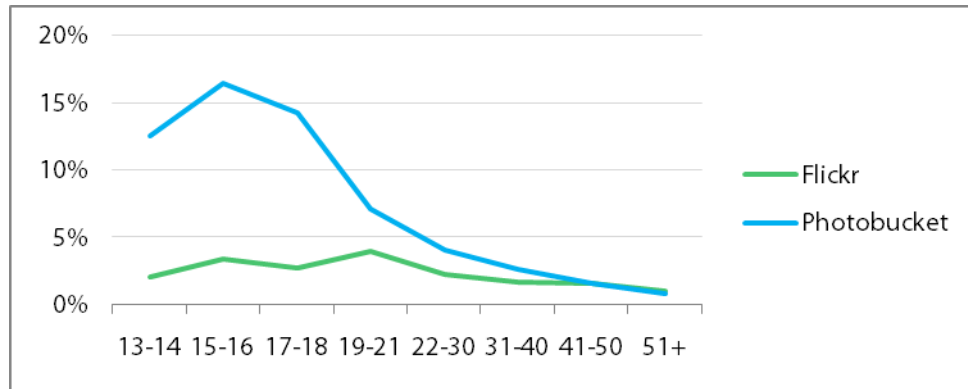
Percent of each age group willing to pay $2 / month to visit

One interesting head to head comparison was between photo sharing sites. Flickr probably gets more publicity in the technology press, but Photobucket has a strong lead in valuation, driven by its stronger appeal to young people.
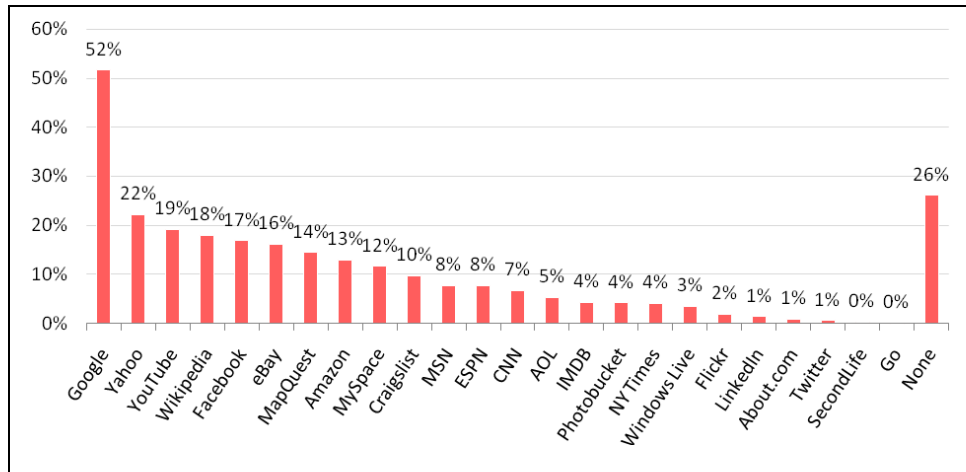
Full results for frequency of visits and valuation

Frequency and breadth of visits
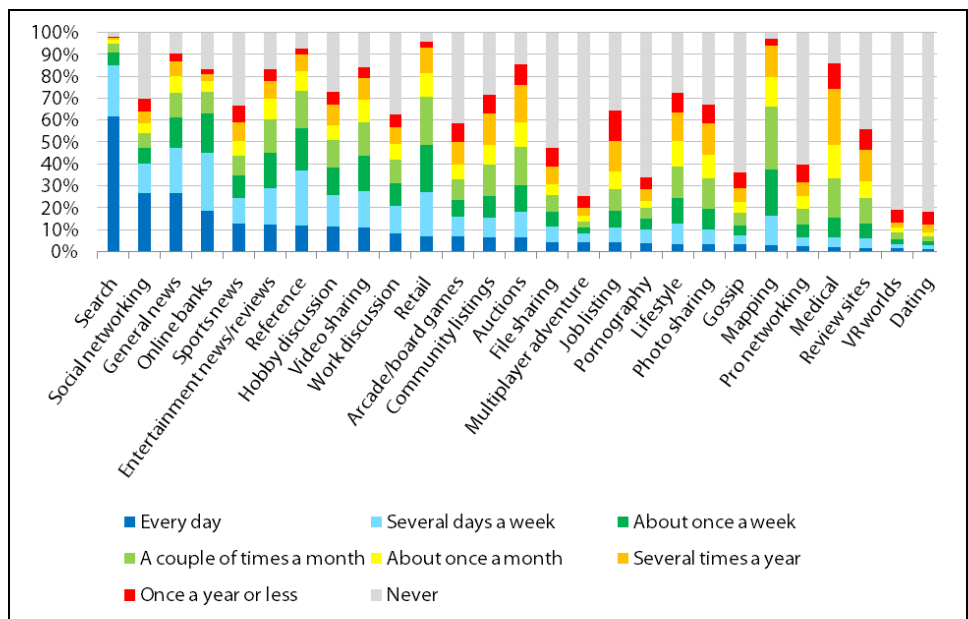
Percent of web users visiting various site categories, and how often they visit

Website valuation

Percent of web users willing to pay $2 per month for access

## 5. Social sites have a *much* bigger impact on young people

Especially for young people, the web has taken on an important role in social lives of web users. The study explored membership in social sites, how they're used, and what effect they have on people.

Membership in social sites: Facebook, MySpace... and Classmates.com

The survey gave a list of the leading social community sites in the US (as determined by Alexa), supplemented by a few sites that have received extensive press coverage. Respondents were asked which of the sites, if any, they have a personal profile on. Facebook and MySpace were almost tied, followed by a very strong showing for Classmates.com, a site that gets much less press coverage than Facebook or MySpace. In fourth place was LinkedIn, followed by a long tail of various social, dating, and communication sites.

Two social-related sites that have received enormous press coverage, Twitter and SecondLife, have relatively small user bases. That doesn't mean they are unimportant, but they're currently serving niches rather than broad audiences.

About 30% of web users said they have no personal profile on any site.
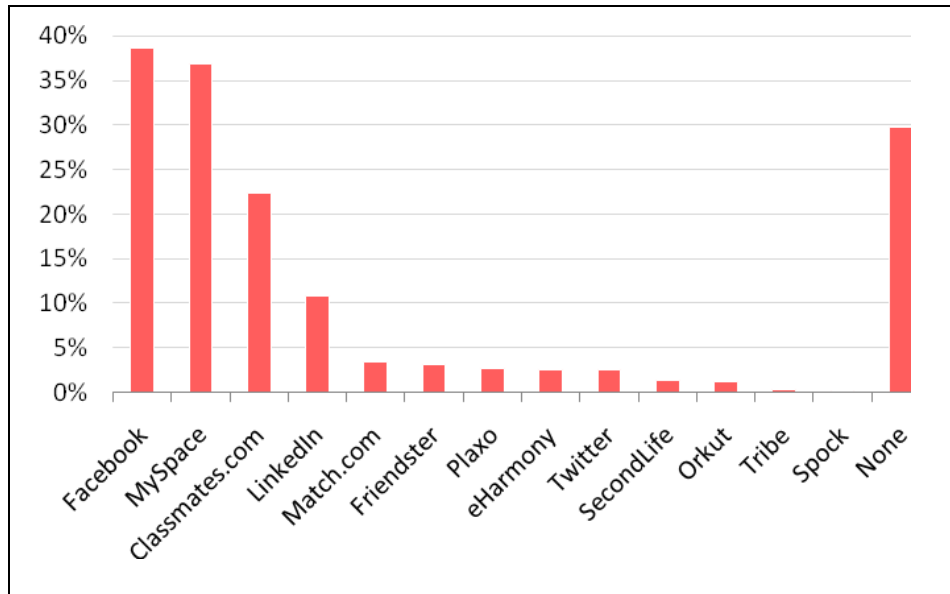

Percent of web users having a personal profile on a given site

Although Twitter and SecondLife have both received copious amounts of press coverage, their actual user bases are still very small compared to the major social sites. This isn't necessarily an indictment of their businesses, it just means they serve niches today.
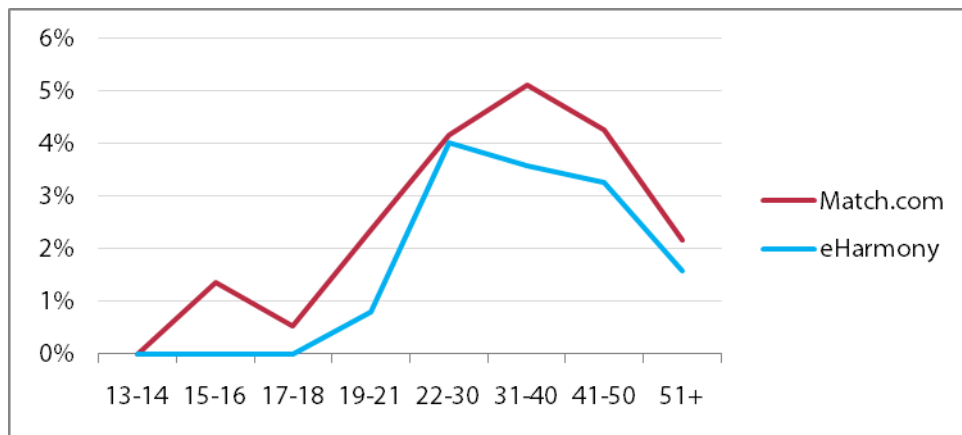
Membership in the leading sites varied dramatically by age. MySpace and Facebook were dominant among young people, while LinkedIn and Classmates were made up mostly of adults:
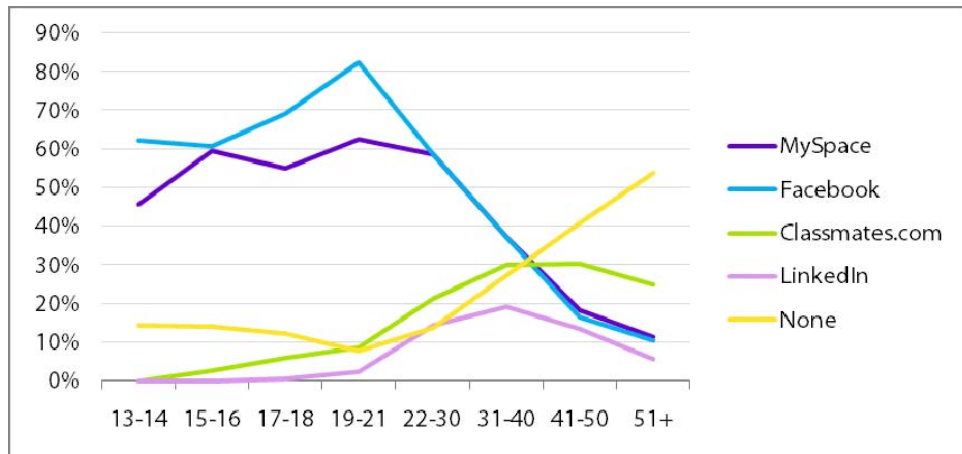
Community membership by age

Membership in dating sites is also skewed toward adults, with most users being between age 22 and 50:

Dating site membership by age

Satisfaction with social sites

We asked people who use social sites a series of questions about their satisfaction and usage patterns on the sites. The results pointed out some potential problems with the sites, and debunked some fears:
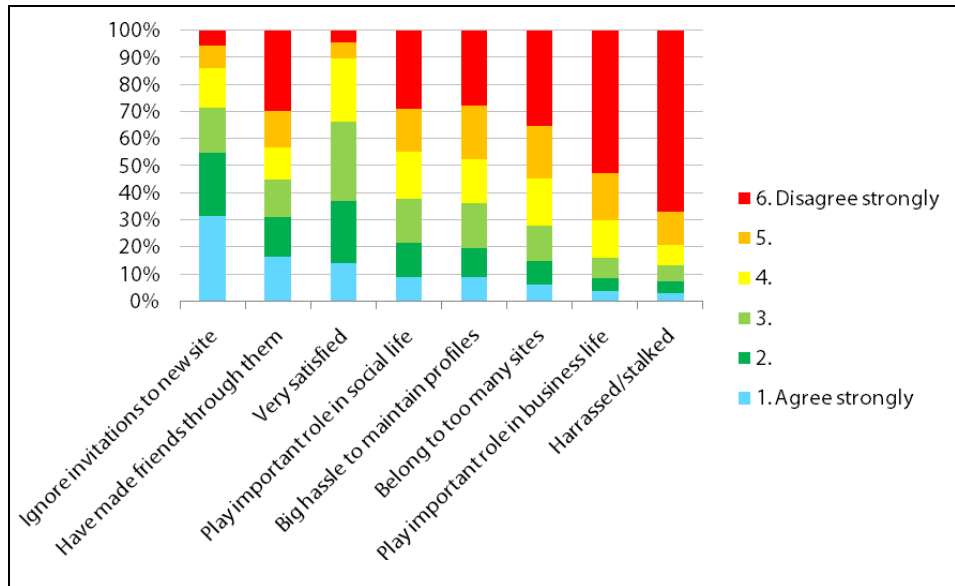
Reactions of social site members

- Most social site members tend to ignore invitations to join new social sites. This explains why the first social sites to get established in a market tend to remain dominant. The barriers to entry for a new social site have been raised substantially.
- Some people report making new friends through the social sites, but more than half say they haven't.
- A majority of social site users are satisfied, but the overall satisfaction level is good rather than great.
- Some people reported that the sites play an important role in their social lives, but a majority said they don't.
- Most members said it's not a big hassle for them to maintain their online profiles. This explains the lukewarm response many web users have shown to products designed to help them consolidate management of their profiles; to most people, it's just not an issue.
- Although most people ignore invitations to join new sites, most do not say they belong to too many sites.
- Few people said social sites play an important role in their business lives. We think this may be an opportunity for a new type of social site focused on business.
- Very few people said they had been harassed or stalked through a social site, which may be reassuring to some parents.

Adults are *much* less satisfied with social sites

Social sites work better and are much more satisfying to younger people. We don't know if this means social sites work better for people with a student lifestyle, or if the younger generation just knows how to use them better. But the differences are striking -- social site users are most satisfied at 13-14 years of age, and satisfaction drops steadily after that. Older adults are also less likely to make friends through the sites, and most say the sites do not play an important role in their social lives.
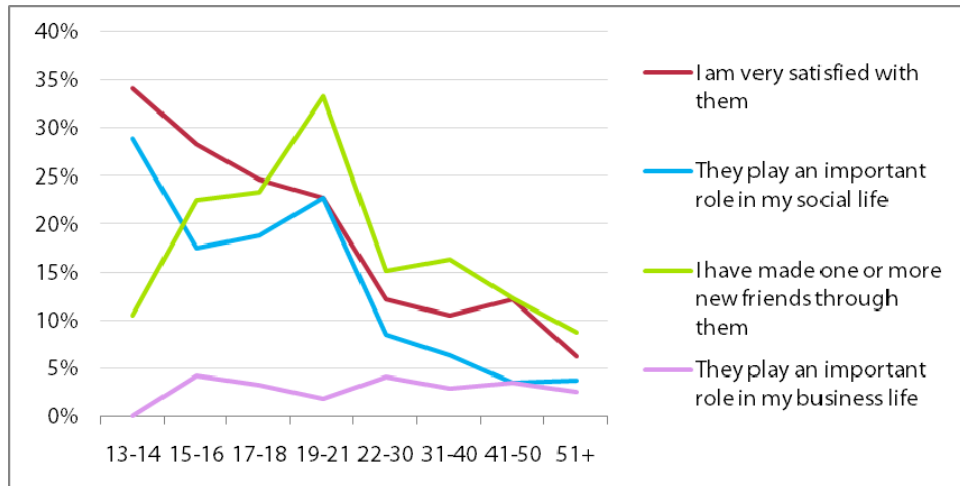
Percent agreeing strongly with statement, by age band

How people manage their online relationships

Young people are much more profligate with connections

There are also big differences by age in the way people manage their social connections online. Older people expect to know someone much more thoroughly before they will approve them as a connection. More than 50% of users under 18 will approve a connection to anyone they have ever heard of, whereas less than 20% of people over age 50 will do that.
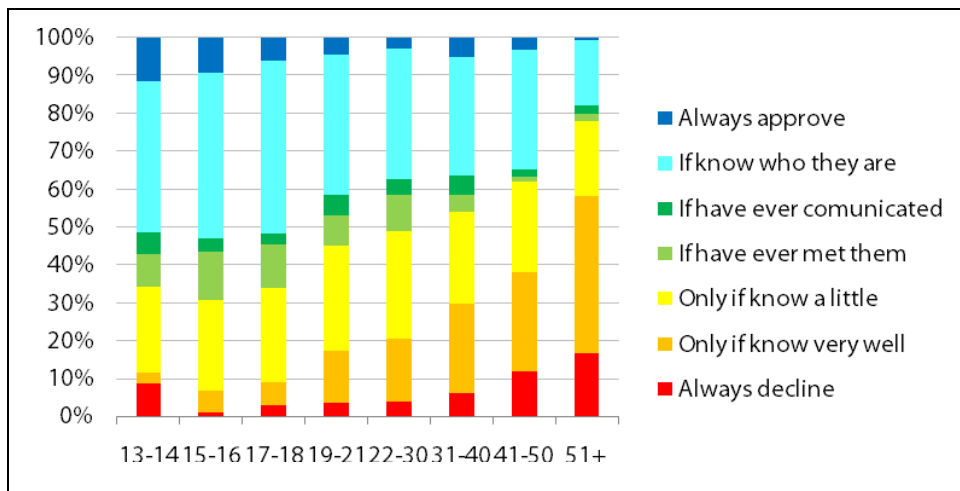
This means older people view online connections as a reflection of relationships they have already formed elsewhere, while young people view online connections as the start of a relationship. To older people, the friends list is an outcome. To younger people, the friends list is a beginning.

There's less deception than we expected in online profiles...

We thought we might find a lot of instances in which people have created multiple or false identities on social websites, especially among young people who are the most active social site users. But only 12% of users say they have created multiple profiles on a single site, and the rate is fairly steady across age groups.

Among the people who did create multiple profiles, the main motivations were just to have fun, to separate different groups of friends, and to protect their own privacy.
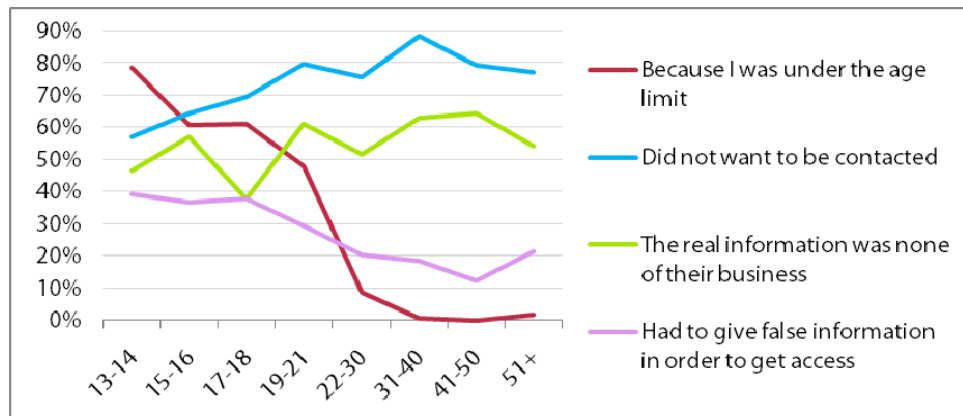
..but many people fake personal information they give to companies online

We also asked web users if they ever give false personal information when registering to use a site or download something. 27% of web users say they have given false personal information, and the rate varies a lot by age. More than half of web users under age 18 say they have faked personal information, compared to only 9% of users over age 50.
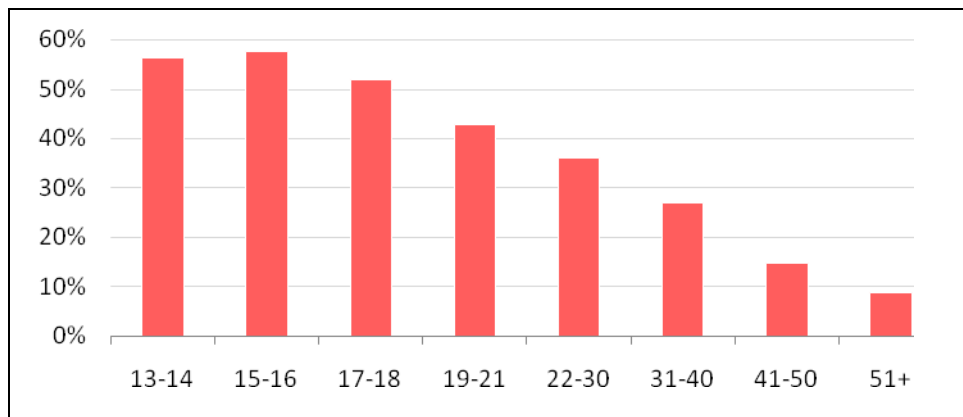
Percent of web users who have falsified personal info, by age

The reasons for falsifying information vary by age. Young people tend to do it to avoid site restrictions and age limits; older people do it to protect their privacy and avoid being contacted.

*Among people who falsified information, reasons given*

The personal information that's most likely to get falsified is (in order): Phone number, mailing address, name, and e-mail address. Users are much less likely to falsify non-contact information such as sex and race.

This means companies that collect contact information online should expect to get a fairly high rate of false information -- especially if they are dealing with younger web users.

The web's impact on personal lives

More than a quarter of web users have dated someone they met online

Given the relatively low usage rate for online dating sites, we were surprised when 24% of web users said they have dated someone they first met online. The rate is highest for people age 22-30:
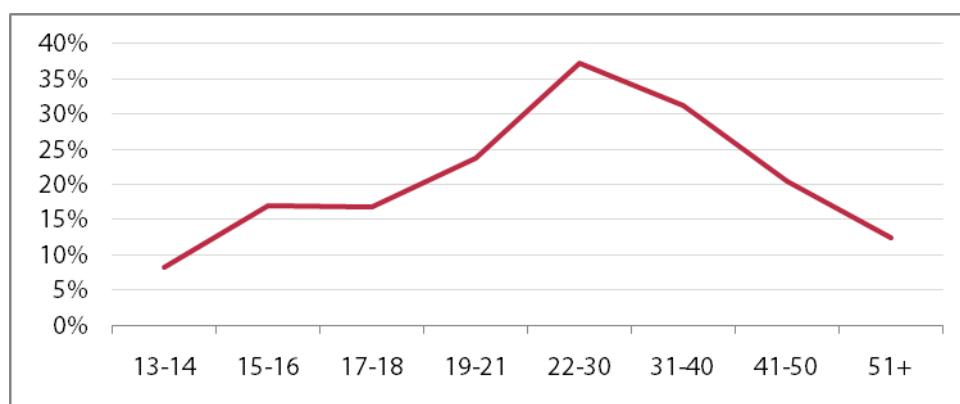

Percent of web users who have dated someone they first met online

Presumably most of those dates are being arranged outside of dating sites, since the usage rate for dating sites was a lot lower than these figures.

More than a quarter of teens have embarrassing information online

With the rising use of social and video sharing sites, there are plenty of anecdotes in the press about people who get in trouble over something they have posted online. We wanted to see how widespread that problem could be. Eleven percent of web users said there is information about them online that could embarrass them. The rate was much higher among teenagers, ranging between a quarter and a third of users:
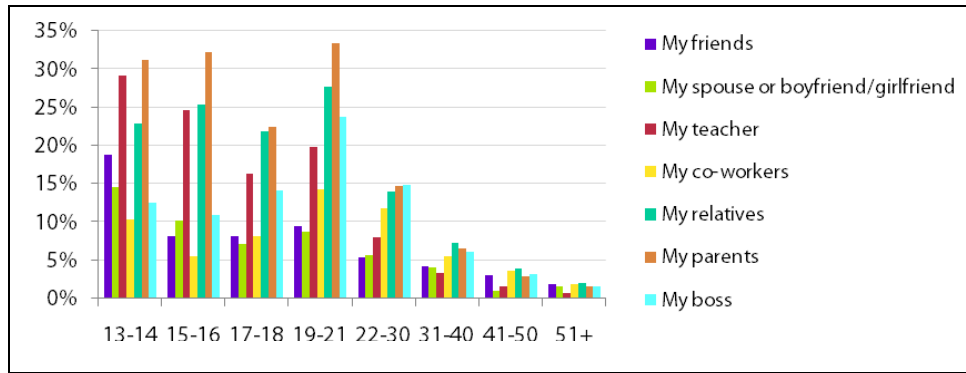
Is there information about you online that would embarrass you if it was seen by...

Some of the higher rate for teens may be because they actually do have more embarrassing information online, and some may be because they are more easily embarrassed than older adults. As for who they don't want to see the embarrassing information, the young people cited parents, other relatives, and teachers. Once they reach working age, bosses replace teachers on the list.

The main message of this finding, though, is that even among teens, most people do not have any embarrassing information about themselves online.


The web plays a bigger role for Democrats

Most surveys in the US show that young people today are more likely to identify themselves as Democrats than Republicans. This has a significant effect on the online world. Because young people are more active online, Democrats are over-represented in the MFC group. Democrats are also somewhat more likely than Republicans to be heavily influenced by the online world.

For example:
- 13% of online Democrats visit video sharing sites like YouTube daily, compared to 7% of Republicans.
- 11% of online Democrats post comments at least once a day, compared to 7% of Republicans.
- 27% of online Democrats have dated someone they met online, compared to 18% of Republicans.
- 14% of online Democrats say there is embarrassing information about them online, compared to 7% of Republicans.
- 40% of online Democrats say they have a profile on MySpace, compared to 29% of Republicans (the percentages are virtually tied for Classmates.com, though).
- 22% of online Democrats say they would be strongly influenced in a voting decision by online information, compared to 17% of Republicans.

Party affinity of the MFCs, compared to all web users:
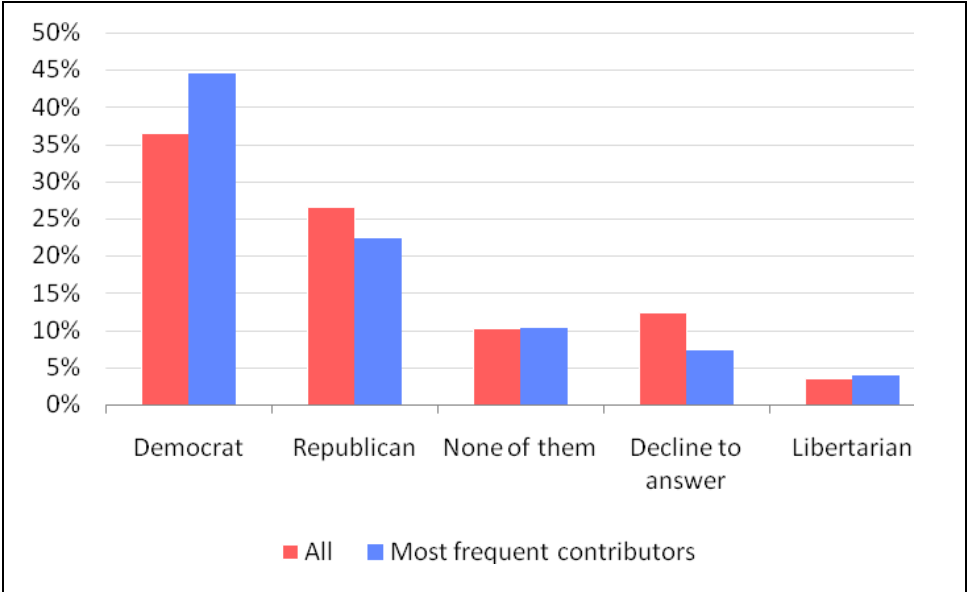
Which political party do you feel is closest to your personal political views?

6. Different types of community require very different strategies

The survey showed that different types of online communities have very different user bases and rates of usage. Although many observers speak of web community as if it's a single thing, in reality there is incredible diversity between communities. Approaches that work well in one type of community may fail utterly in another. That means companies looking to found community sites, or partner with them, need to understand what kind of community they are engaging with.

Every community is unique, but they can be grouped into five broad categories, based on the motivations of the people who participate in them. The five major types of communities are:

- Proximity, where users share a geographic location (Craigslist is an example);
- Purpose, where they share a common task (eBay, Wikipedia);
- Passion, where they share a common interest (YouTube, Dogster);
- Practice, where they share a common career or field of business (many online professional groups fall in this category); and
- Providence, where they discover connections with others (Facebook).

Many communities cross boundaries. For example, MySpace is a community of providence. But many MySpace users are very focused on music, making it a community of passion as well.

Communities of providence have the largest and youngest audience today

More than 25% of web users visit communities of providence daily. This is not at all surprising, given the popularity of Facebook and MySpace.
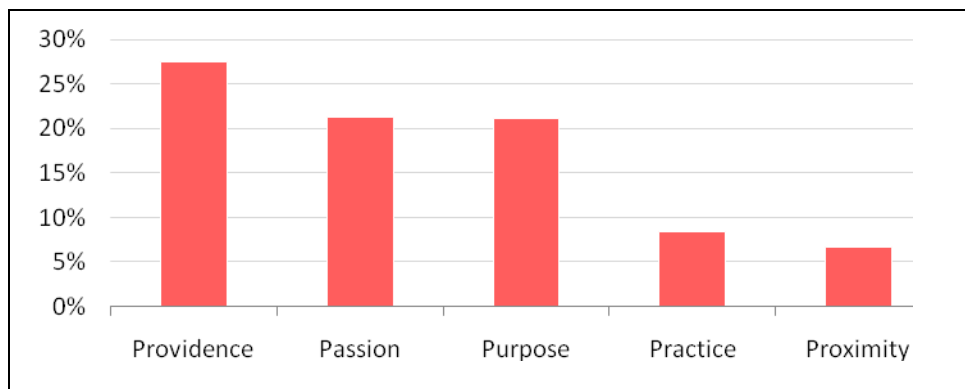
Percent of web users visiting the various community sites daily

Looking at community members by age, practice has the oldest users, peaking in the 31-40 age band. That makes sense, since communities of practice are often driven by shared professions, and you have to be established in your career before you need them. Communities of providence had the youngest users, driven by the social communities.
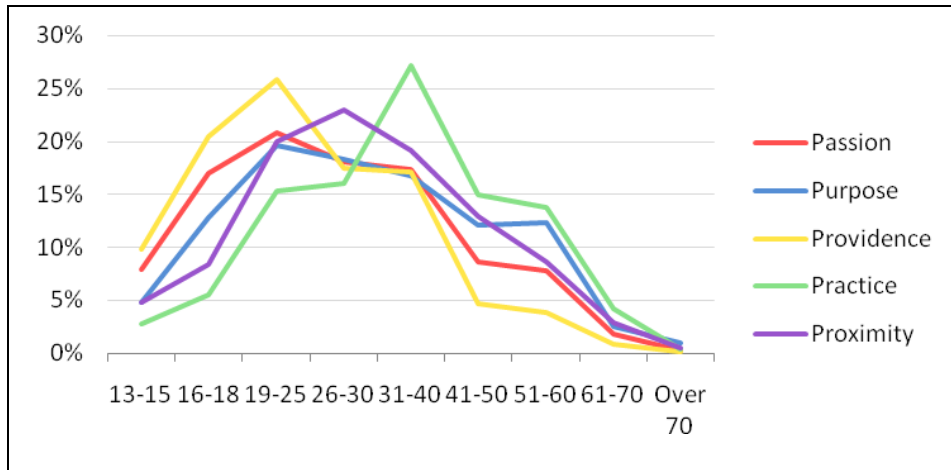
Percent of each age band who are daily visitors to the various commuity types

Users of the different communities value websites differently

The providence users valued Facebook and MySpace highly, as would be expected. Passion users had a special affection for YouTube, while proximity users showed huge enthusiasm about Craigslist. Purpose users favored eBay, and practice users gave an especially low value to MySpace and Facebook while giving a good value to CNN.
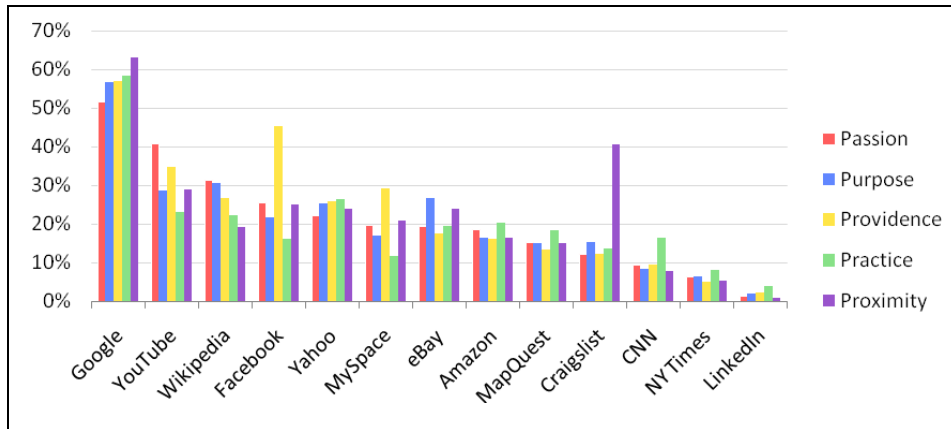
Percent of daily community visitors willing to pay $2 a month for access to selected websites

Proximity users are more likely to create multiple profiles

For reasons we don't understand, heavy users of proximity communities were a lot more likely to create multiple identifies online.
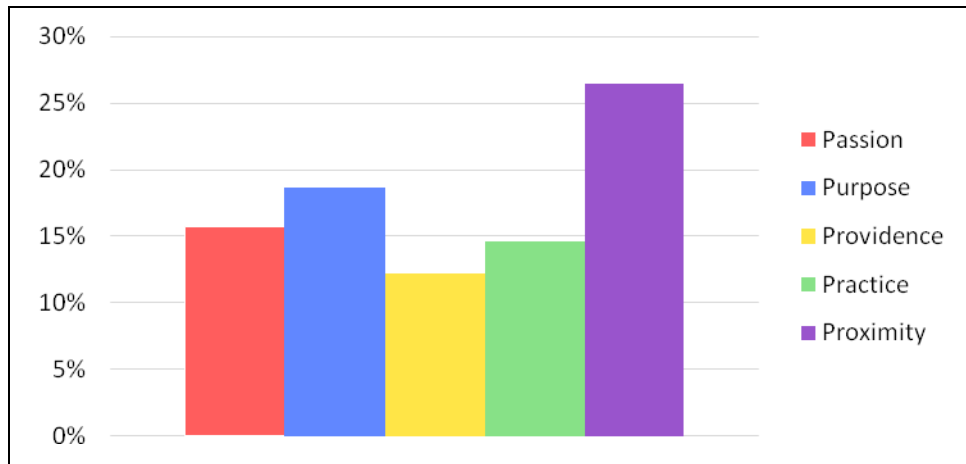
Percent of daily community visitors who create multiple identities

7. Implications for companies

Know how the web plays in your industry. For companies, the single most important implication of this survey is that you have to understand the role of the web in your particular industry. How much do customers in your industry rely on web information? If the rate is low, that probably means the right online marketplace hasn't yet been created for your industry (most of the categories where people reported low web influences were ones in which it's currently hard to gather online information comparing offerings).

This may be an opportunity for you -- the company that creates the best marketplace in a category usually gets the lead. Just ask Amazon.com.

Take care of the MFCs. Even if the web's influence in your industry is relatively low, you'll still have a lot of customers making decisions based on the user comments they see online. Most of those comments will be generated by a small percentage of users, who you can identify and court. Since the people posting comments online are also the most enthusiastic web users, you can use your website to reach out to them and make sure their needs are met.

When we say web communities are theatre, we mean that literally -- you need to partner with the performers (the MFCs) and make sure the show looks good. The difference from theatre is that you can't pay the actors; you have to win them over through love, enthusiasm, and fairness.

Know what type of community you're dealing with. Most companies are dealing with online communities in one or more ways. Some have communities of users online, others are trying to market through online communities. And some are trying to build communities of their own. In all cases, you need to understand what type of community you're dealing with. A community of passion works very differently from a community of practice; if you treat one like the other, you may actually alienate people.

Rubicon has created a training that gives much more detail on the types of community and educates companies in how to deal with them. To learn more, please contact us using the contact information on the last page of this document.

If you're creating an online community

You need to know all of the above, plus you must understand the type of user traffic you're looking to generate.

There are three categories of very successful sites:
- Sites that get a lot of daily use from large numbers of people (search and social sites are good examples)
- Sites that get occasional use from large numbers of people (reference, shopping, etc)
- Sites that get intense usage from small numbers of people but are ignored by everyone else.

You have to know which category your site is in, and optimize the community design for that.

About the study

In September of 2008, Rubicon Consulting's web strategy practice surveyed 3,036 web users age 13 and up in the United States.

The survey was conducted online, using respondents sourced from a national sampling company, and should be projectable to the US web-using population, or about 75% of US residents. The margin of error is about plus or minus two points at a 95% confidence level.

Usage of web communities varies dramatically from country to country. Although the general principles outlined in this study should apply worldwide, the actual site ratings apply only in the US.

About Rubicon Consulting

Rubicon Consulting is a strategy and marketing consultancy designed specifically for the needs of tech companies, from today's global giants to tomorrow's. Rubicon's proprietary methodology continuously delivers significant material results to clients, driving revenue growth, market share, and profits. Rubicon clients include Adobe, Hewlett-Packard, Logitech, Nokia, Symantec, Autodesk, and numerous small web and software startups.

Rubicon's insight has helped its clients thrive through the rise and fall of numerous paradigms, from the PC era to the graphical OS wars, e-commerce, Web 1.0, Web 2.0, and the rise of mobility. The firm combines the intellectual rigor and wisdom expected from a giant consulting firm with the savvy and hands-on focus of veterans from some of Silicon Valley's best companies.

The company's website is: www.rubiconconsulting.com

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Michael Mace, Principal, is a 20-year veteran of some of the tech industry's toughest battles, and is a seasoned strategist for product management, mobile, and web. Mace was Vice-President of Strategic Marketing at PalmSource, where he helped handset companies and wireless carriers plan new smartphone products and wireless services. Before that, he was Chief Competitive Officer and Vice-President of Product Planning at Palm, Inc. Mace spent almost 10 years at Apple in a variety of leadership roles. A well-known industry spokesman, Mace publishes, speaks and has appeared in the Wall Street Journal, CNN, Computerworld, and many technology trade publications.