Chapter 2
Media Evolution and the Advent of Web 2.0

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ABSTRACT

In today’s marketplace, new technology innovations and the changing media environment offer endless opportunities to consumers: seemingly infinite amounts of information via the internet, a plethora of broadcast stations and channels, and higher functionality and control through such technologies as online content aggregators and digital video recorders. These technological changes have redefined the media landscape and thus the role of advertising in new media consumption. As interactive media markets become increasingly segmented, it is vital for advertisers to examine effective techniques for communicating with consumers via such customized and controlled channels. This chapter will examine how media has evolved over the last several decades and the impact Web 2.0 technologies are making within the interactive advertising space.

INTRODUCTION

In today’s marketplace, new technology innovations and the changing media environment offer endless opportunities to consumers: seemingly infinite amounts of information via the internet, a plethora of broadcast stations and channels, and higher functionality and control through such technologies as online content aggregators and digital video recorders. These technological changes have redefined the media landscape and thus the role of advertising in new media consumption. As interactive media markets become increasingly segmented, it is vital for advertisers to examine effective techniques for communicating with consumers via such customized and controlled channels.

Media fragmentation, consumer interactivity, and greater ability to personalize content are all products of recent technology advancements leading to one outcome—the empowerment of the consumer. Shapiro (1999) claims that technology
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has brought with it a reduction of institutional control resulting in an increase of individual control, both in terms of program selection and advertising exposure. Further, Shapiro (1999) asserts that we live in an environment that fundamentally allows us a higher level of control; this is not the age of narrowcasting where someone else prepares packaged content for you, but you can prepare a whole media content package for yourself and limit your exposure to advertising accordingly.

To this end, the emergence of Web 2.0 technologies, including personalized content delivery services, has created an abundance of niche markets online, attracting more than 69 million users in 2006 and generating $450 million plus in advertising revenues in the same year (Verna, 2007). The personalized, or customized, media environments made available to consumers through such services have the potential to decrease information overload by tailoring content to the consumers specifications as well as provide a sense of perceived control to the consumer. The availability of these services has increased in recent years with personalization services at most major search engine sites, including Google and Yahoo as well as being available via desktop applications (i.e., NetNewsWire, RSS Bandit, Apple Mail RSS, etc.). As such, a customized online environment would be defined as any type of web-based content aggregation application that allows a user to customize his or her content per their specifications. The consumer benefits of customized online environments, coupled with their projected growth in popularity, make them a potentially rich advertising outlet within the interactive niche. (Godek & Yates, 2006; Liang, et al., 2006)

The availability of highly customized information spaces allows consumers to tailor their exposure to specific content needs and desires (Liang, et al., 2006). The tailoring of such exposure has been made possible by web-based applications that aggregate content per the consumer’s specifications. This further allows media exposure to be more tailored or “consumer-centric” rather than “publisher-centric” (Morrissey, 2005). As the consumption, creation and distribution of web-based content continues to evolve, content aggregation tools and Web 2.0 applications that utilize Really Simple Syndication (RSS) technology will become more usable and accessible to consumers, helping to create manageable information spaces that are personalized, customized and relevant. These types of information spaces provide a conduit for exposing consumers to context relevant advertising in a less cluttered environment, thereby potentially leading to increased cognitive involvement and liking, or attitude. As the effectiveness of traditional interactive advertising continues to decline, customized online environments could provide an arena that allows advertisers to connect with consumers during moments of peak user satisfaction.

Although the creation and dissemination of media content has been a constant in our world for hundreds of years, the potential for an ordinary consumer to communicate with and influence a mass audience has just recently been achieved with the advent of Web 2.0 technologies. Examples of prominent Web 2.0 websites and web-based applications that support the creation, distribution and consumption of CGC include, but are not limited to, YouTube, MySpace, Facebook, Wikipedia, StupidVideos, Flickr, Blogger, and personal Web pages, among others. Amidst the plethora of both traditional and digital media choices today, the Internet has revealed itself to be an outlet where traditional forms of media entertainment can also converge and be offered to consumers in a time and place that is most convenient for them. While traditional media are nowhere near extinction, it is clear that trends are changing such that consumers are in more control of their media consumption than ever before in history and have the freedom because of technology to create quality media content. This media content creation sphere continues to shift towards a ‘user-centric model’ led by CGC and away from the past model that has been