

Where Is The Internet Going?

An analyst I used to follow in my investment days, [Henry Blodget](#), is now an editor for [Business Insider](#), and his own company has been on top of the internet space since the beginning. I like hearing what he has to say because he has had so many years watching the ups and downs of the firms in this space, and he offers good insight into where these companies are going.

Business Insider recently held its annual IGNITION conference with great speakers from [LinkedIn](#), [Google](#), [Groupon](#), and [Time Warner](#). With so many people in companies that are on the forefront, you have the opportunity to enjoy a great perspective at what is happening now and where things are going.

Here are some of the key observations that Blodget made from the conference:

With 1/3 of the world population now online, it leaves 2/3 of the market left to grow. However, since this 1/3 earns 85% of the world's income, the growth and commercial opportunity may not be so strong. As I have discussed before, the smartphones and tablets are now outselling PCs. Mobile should be the focal point because that is where growth and activity are coming from.

Mobile devices have hit the half-way point in developed countries, which usually means growth slows down somewhat. Surprisingly, consumers are willing to pay for content. Blodget says digital content revenues are exploding! He points out that digital advertising is growing just behind TV advertising, with most of this growth is going to Google and Facebook.

Another observation is that Google is a better source of advertizing than Facebook because Google is like advertising at

a store and Facebook is like advertising at a party. He also notes that the internet has already taken out the newspaper business, so the question is: Will television be next?



[Mary Meeker](#) recently released her presentation on the state of the web, and she had similar observations. Internet growth is robust, and mobile adoption as many upsides. Global internet users are growing at 8% year over year, and the USA has 78% penetration, while China has 40%, and India holds 11%. Smartphones are interesting. She shows smartphones as a percentage of total subscribers, and China was at 24%, the USA at 48%, Japan at 65%, and India at 4%. Where do you think you'll find the most opportunity?

All this data continues to support what we have been discussing for a while, that mobile and all the connectivity it will bring is the major wave we need to be riding right now. What are you doing to get on that wave?