Leading On-Demand Rich Media Platform
DELIVERING AUTOMATED, SCALABLE SOLUTIONS

SCENE7 ONDEMAND SURVEY:
WEB 2.0 EXPERIENCE 2008 AND BEYOND

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Executive Summary

We are pleased to present the results of the Scene7 OnDemand Survey: Web 2.0 Experience 2008 and Beyond. The objectives of this survey were to identify and analyze what online businesses plan to do in 2008 to enhance user experience – including Web 2.0 features, tools and technologies being used and timeframes for deploying rich Internet applications. Scene7's quantitative survey received 347 responses from primarily retailers, manufacturers, agencies and high-tech companies worldwide that sell a variety of products and services online.

Highlights from the survey include the most popular deployed features and their effectiveness, as well as business investments planned to drive conversions and enhance user experience over the next 12 months.

- One-third of all respondents have deployed zoom and alternate views, and ranked these features more effective than any other tested features by a 10 percent to 30 percent margin.

- Twenty-five percent of respondents have deployed the following features, which they ranked as equally effective: micro-sites, videos, online catalogs, personalized stores, blogs, color swatching, quick looks, RSS and product tours.

- More than 50 percent of respondents plan to deploy Web 2.0 rich Internet enhancements to their sites within the next six months, and over 93 percent will deploy within the year.

- 360-degree spin is considered one of the most highly-effective features, yet it is underutilized today. Nearly 30 percent of respondents plan to add 360-degree spin in 2008 along with other top top-ranking features including: alternate views, user ratings, videos, blogs, product tours, online catalogs, personalized messaging, quick looks and personalized stores.

- The greatest adoption of planned versus already deployed features will be in the areas of m-commerce, URL/widget sharing, personalized messaging, 360 spin and user ratings.

- The most widely used or planned Web 2.0 rich Internet tools include DHTML/HTML, Adobe Flash and Javascript.

- Increased clicks or usage and increased conversions are the leading metrics used for evaluating enhancements; however, more than 40 percent of respondents measure the effectiveness of features based qualitative feedback and increased revenues.

A detailed summary of these results follows.

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Methodology and Participants

The Scene7 Web 2.0 Experience 2008 and Beyond Survey was conducted from November 7, 2007, to December 7, 2007. The key objectives of the survey were to identify and analyze what online businesses plan to do in the next year to enhance their user experience. The results were compiled based on responses from 347 companies representing a broad cross-section of product categories and selling channels.

Primary Industries

The top four industries for respondents, representing more than 55% of the total, were Retail, Agencies (Advertising/Interactive), Computer Hardware/Software/Services and Consumer Product Manufacturers.

What is your company's primary industry?	Response Percent	Response Total
Agencies (Advertising, Interactive)	12.7%	44
Automotive	1.4%	5
Business Services	3.5%	12
Computer Hardware, Services, Software	10.7%	37
Consumer Products Manufacturers	8.1%	28
Education	2.6%	9
Financial Services	1.2%	4
Government/Non-Profit	1.4%	5
Health Care/Pharmaceuticals	1.4%	5
Industrial Manufacturing	4.3%	15
Insurance	0.3%	1
Leisure	0.9%	3
Media	5.5%	19
Photography	1.4%	5
Real Estate	1.7%	6
Retail	25.4%	88
Telecommunications Equipment & Services	0.9%	3
Transportation Services	0.3%	1
Other	16.4%	57
Total # of respondents **347**.	Statistics based on **347** respondents	**0**

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Annual Sales

Company annual sales responses show concentrations of respondents with less than $10MM (46%) and greater than $100MM (29%). Almost half of the respondents fall into the Small/Medium Business (SMB) segment and nearly one-third are in the large Enterprise segment.

What are your company's annual sales?	Response Percent	Response Total
Less than $10 million	**46.4%**	[161]
$10 million - $25 million	**11.8%**	[41]
$25 million - $50 million	**6.3%**	[22]
$50 million - $100 million	**6.9%**	[24]
More than $100 million	**28.5%**	[99]
Total # of respondents **347**.	Statistics based on **347** respondents **0** filtered; **0** skipped.	

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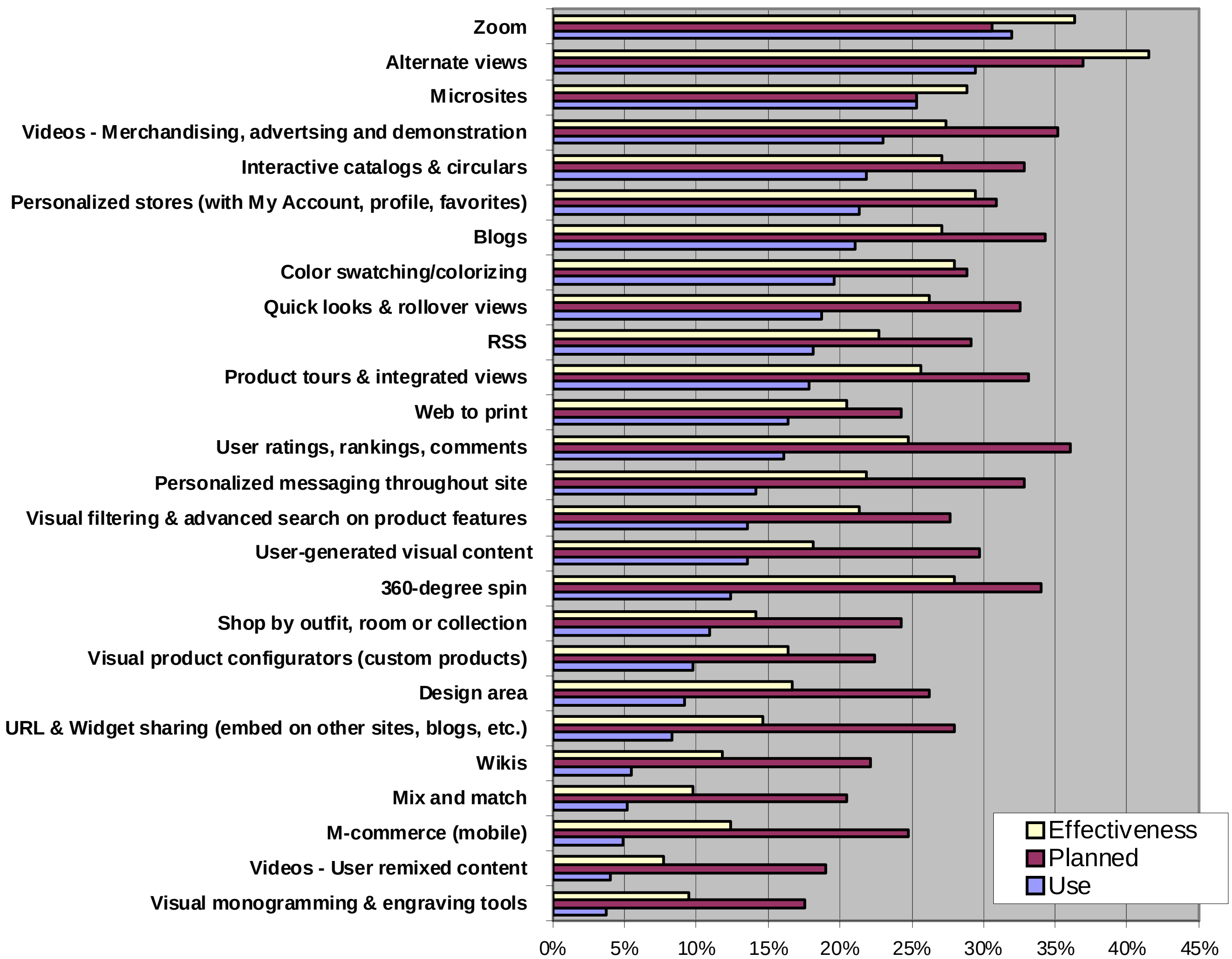
Survey Results

Which Web 2.0 features do you currently use or plan to offer over the next year? What is the actual or expected effectiveness?

The survey identified the most popular Web 2.0 features either deployed or planned for the coming year, along with the effectiveness of each feature.



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Top Deployed

One-third of all respondents have deployed zoom and alternate views, and ranked these features more effective than any other tested features by a wide margin. Comparing these results with the Scene7 2007 survey on deployed features, alternate views, zoom and interactive catalogs remain in the top five deployed areas for both years, with videos becoming more popular in 2008.

- Zoom: 32%
- Alternate Views: 29%
- Microsites: 25%
- Videos – Merchandising, Advertising and Demonstration: 23%
- Interactive Catalogs and Circulars: 22%
- Personalized Stores (My Account, Profile, Favorites): 21%
- Blogs: 21%
- Color Swatching/Colorizing: 20%
- Quick Looks & Rollovers: 19%
- RSS: 18%
- Product tours & Integrated Views: 18%

Top Planned

Nearly 30 percent of respondents plan to add 360-degree spin in 2008 along with the following top-ranking features. The least deployed but top planned features will be in the areas of m-commerce, URL/widget sharing, personalized messaging, 360 spin and user ratings.

- Alternate Views: 37%
- User Ratings, Rankings and Comments: 36%
- Videos – Merchandising, Advertising and Demonstration: 35%
- Blogs: 34%
- 360 spin: 34%
- Product tours & Integrated Views: 33%
- Interactive Catalogs and Circulars: 33%
- Personalized messaging throughout site: 33%
- Quick Looks & Rollovers: 33%
- Personalized Stores (My Account, Profile, Favorites): 31%

Top Effective

Respondents ranked zoom and alternate views as the most effective tested feature. Twenty-five percent of respondents ranked the following features as equally effective: micro-sites, videos, online catalogs, personalized stores, blogs, color swatching, quick looks, RSS and product tours. 360-degree spin is one of the most highly-effective, yet under-deployed features today. Comparing these results to Scene7 2007 survey, zoom and alternate views continue to rank in the top five most effective features, with personalization increasing in effectiveness.

- Alternate Views: 41%
- Zoom: 36%
- Personalized Stores (My Account, Profile, Favorites): 29%
- Microsites: 29%
- 360 spin: 28%
- Color Swatching/Colorizing: 28%
- Videos – Merchandising, Advertising and Demonstration: 27%
- Blogs: 27%
- Interactive Catalogs and Circulars: 27%
- Quick Looks & Rollovers: 26%
- Product tours & Integrated Views: 26%
- User Ratings, Rankings and Comments: 25%

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How do you typically measure effectiveness when adding Web 2.0 rich Internet enhancements?

While increased clicks/usage and conversions were reported as the leading metrics for evaluating enhancements, more than 40 percent of respondents measure the effectiveness of their Web site features based on qualitative feedback and increased revenues.

How do you typically measure effectiveness when adding Web 2.0 rich Internet enhancements? Check all that apply.	Response Percent	Response Total
Increased conversion rate	60.2%	195
Increased clicks/usage	63.3%	205
Reduced returns	18.5%	60
Reduced abandonment	35.5%	115
Increased average order size	28.4%	92
Increased repeat purchases	29.6%	96
Increased revenues	47.2%	153
Qualitative feedback	41%	133
View Other	4.6%	15

Total # of respondents **347**. Statistics based on **324** respondents **0** filtered; **23** skipped.

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Which Web 2.0 rich Internet tools are you using or plan to use?

Top Web tools that businesses say they use or plan to use include DHTML/HTML, Adobe Flash and Javascript.

Which Web 2.0 rich Internet tools are you using or plan to use? Check all that apply.	Response Percent	Response Total
Adobe Flex	19.6%	64
Adobe Scene7 OnDemand	36.1%	118
Adobe Flash	69.1%	226
AJAX	53.2%	174
Javascript	68.5%	224
Java	33.9%	111
DHTML/HTML	70.6%	231
View Other	15.6%	51
Total # of respondents **347**.	Statistics based on **327** respondents **0** filtered; **20** skipped.	

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How do you conduct Web 2.0 rich Internet development?

Most respondents are employing a combination of in-house development resources and third-party companies to deploy their rich Internet projects.

How do you conduct Web 2.0 rich Internet development?	Response Percent	Response Total
In-house development	41.4%	137
Third-party development	13%	43
Both	45.6%	151
View If third party, please identify companies:		39
Total # of respondents 347. Statistics based on 331 respondents 0 filtered; 16 skipped.		

Within what time frame do you plan to deploy additional Web 2.0 rich Internet experiences?

The survey results showed almost all respondents will be conducting rich Internet projects over the next year. The majority are planning new projects within six months.

- Within 3 months - 22%
- Within 6 months - 53%
- Within a year - 93%

Within what time frame do you plan to deploy additional Web 2.0 rich Internet experiences?	Response Percent	Response Total
3 months	21.8%	73
6 months	31.3%	105
9 months	15.5%	52
12 months	24.8%	83
View Other	6.6%	22
Total # of respondents 347. Statistics based on 335 respondents 0 filtered; 12 skipped.		

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About Scene7 OnDemand

Scene7 (www.scene7.com), part of Adobe Systems Incorporated, provides the leading on-demand rich media platform that enables companies to grow revenues, enhance customer experience and cut production costs. Scene7 OnDemand solutions are built on an integrated technology platform for unrivaled breadth, depth, scalability and ease of use. Solutions include Dynamic Imaging, eCatalogs, Product Configurators, Targeted Email & Print and Image Management. Leading companies worldwide have selected Scene7, including Amazon, Harrods, Otto UK, Macy's, Office Depot, Levi Strauss & Co., La-Z-Boy and QVC.

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