

# Web 3.0: A VC Primer for the Next Step in the Evolution of the Internet

Looking towards the future is an inevitable aspect of VC technology investing, and while we all dislike catch phrases or "trends-du jour", it is critical to understand the implications of the next looming step in Web evolution.

## **Problem:**

The Internet is currently a jumble of data *searched by computers BUT categorized for people.*

## **Solution:**

Create a system that allows computers to understand the meaning of the data the way people understand language, like using words to form a sentence.

*Web 3.0 is the unification of disparate data systems thru standardization making the Internet intuitive for people and computers alike. Hence, the "**Semantic Web**," which emphasizes data as information on the Internet. The goal is to treat data objects like ideas and real language, thereby, achieving the true meaning of the "information age".*

Here are the highlights of the direction of Web 3.0 and what it will mean to any VC investor looking to capitalize off this evolution:

- **Personalization:** web-experience focused on the individual, true customization = iGoogle, Netvibes, customized home pages, aggregators & targeted mash-ups
- **Intelligent Search:** next generation of search will be dynamic, rather than just keywords-based; it uses the data itself to produce results for user by grasping the context of information and verbiage in order to produce results, e.g. search for Bali, results in travel arrangements &

## *Examples of Web 3.0 Companies*

### *Layar*

Mobile, augmented, reality browser - iPhone App that combines the Internet, cell coverage, GPS & camera on a smart device so you can point your device down a street, and see graphic overlays identifying the shops, restaurants & bars in front of you. <http://layar.eu/>

### *PeopleBrowsR*

One simple portal that indexes and combines different social media profiles into a primary interface to manage and use them all at once.

### *Facebook Apps: Twangu*

Create & join teams of buyers of products or services then have vendors bid against each other for your business; review user's profiles for info on items and share info with them



hotel specials, backpacker blogs, maps of recommended sites, restaurant ratings, local events, etc.

- **Relevance:** rise of *Contextual Advertising*: focused, personalized, meaningful & nonintrusive; such as Engagement Ads on Facebook that blend marketing, live polls, & mixed media. Also, social media apps that allow for sharing of ratings of purchases and include targeted advertisements based on preferences.
- **Unification:** vision of the web as joined and empowered by accepted syntax of data taxonomy and standardized programming languages - this allows computers to comprehend meaning and process it just like people do, hence, a real language approximation. This also means convergence and ubiquitous access to information through all devices owned by users - *everywhere, all the time*.

The onus is on VCs to find companies that can create or leverage these new forms of data relation & presentation. Web 3.0 is mainly about convergence and the shifting of websites into web services that provide something tangible out of the “data garble” that users can use and, perhaps, pay for.

## Web 3.0 Cheat Sheet

	Web 1.0	Web 2.0	Web 3.0
<b>Web sites are:</b>	static billboards	collaborative messageboards	personalized signposts
<b>The Internet is:</b>	data we can access and search	data that we create & share	disparate databases to be cross-indexed thru standardized syntax then individualized for our use
<b>We Shop at:</b>	Bed, Bath & Beyond	Amazon	MyFavStuff, Facebook Application
<b>Search Online using:</b>	Altavista	Google	Wolfram Alpha, Bing

