

# Metcalfe's Law, Its impact in China, and the Future

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# Overview

- **Metcalf's Law**
- **E-commerce**
- **Communications**
- **Public Opinion**

# Two Fundamental Laws

## Moore's Law

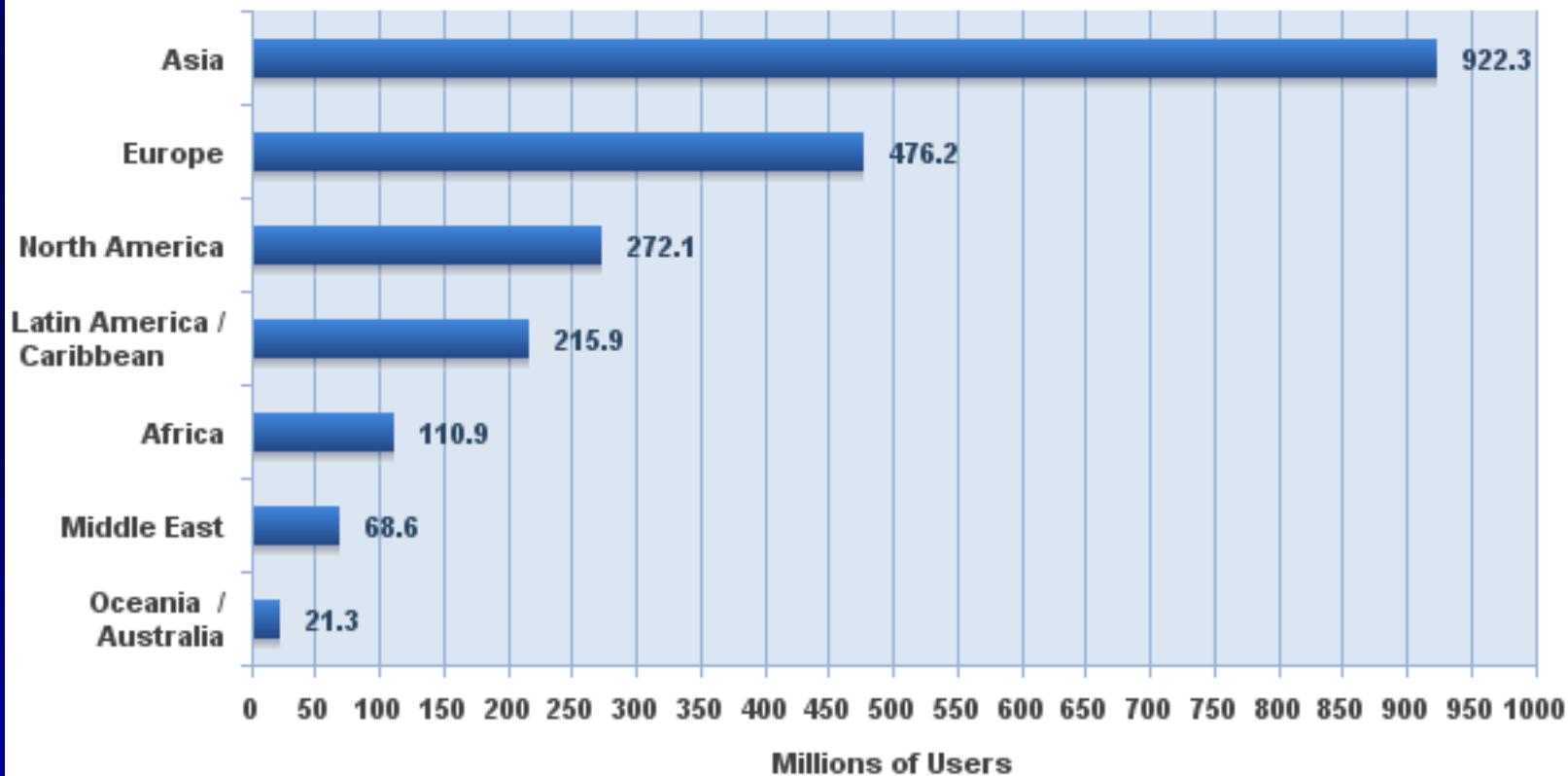
CPU performance doubles every 18 months.

## Metcalf's Law

The value of a network scales as two times of the number of persons connected.

# Mobile Internet

## Internet Users in the World by Geographic Regions - 2011



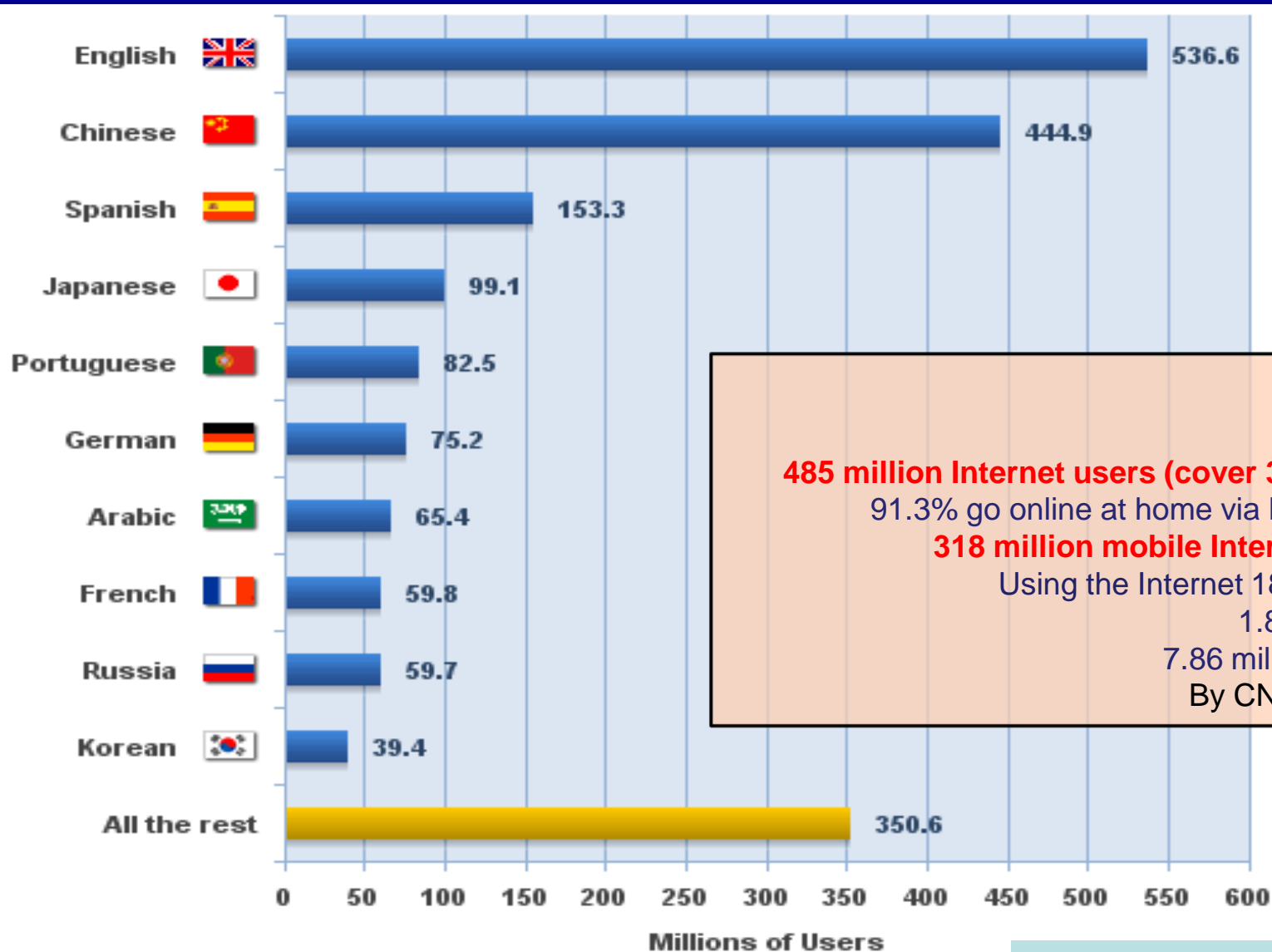
Source: Internet World Stats - [www.internetworldstats.com/stats.htm](http://www.internetworldstats.com/stats.htm)

Estimated Internet users are 2,095,006,005 on March 31, 2011

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Source: <http://www.internetworldstats.com/>

# Top 10 Languages in the Internet – in millions of users



## China:

**485 million Internet users (cover 36.2% population)**

91.3% go online at home via broadband Internet

**318 million mobile Internet users (65.5%)**

Using the Internet 18.7 hours per week

1.87 million Websites

7.86 million domain names

By CNNIC, July 19, 2011

# E-commerce

- Large base of population
- Cheap labor to deliver
- Convenient & secure payment system (with SMS support)
- Government's encourage

	December 2010		June 2011	
	Million users	Rate	Million users	Rate
Online shopping	160	35.1%	172	35.6%
Online payment	137	30%	153	31.6%
Online banking	140	30.5%	150	31%
Online stocking	71	15.5%	56	11.6%
Group buying	19	4.1%	42	8.7%

Taobao, the largest online shopping platform, has 370 million registered users and 13.5 million active users by the beginning of this year. Average 48,000 products are sold per minute, and the highest total daily trade is 1.9 billion RMB (about 200 million Euro).

# Communication

- Prefer IM (79.4%) to email (51.9%)
- Weibo: micro-blogs (40.2%)
- Internet for work/study

# Interpersonal Communication

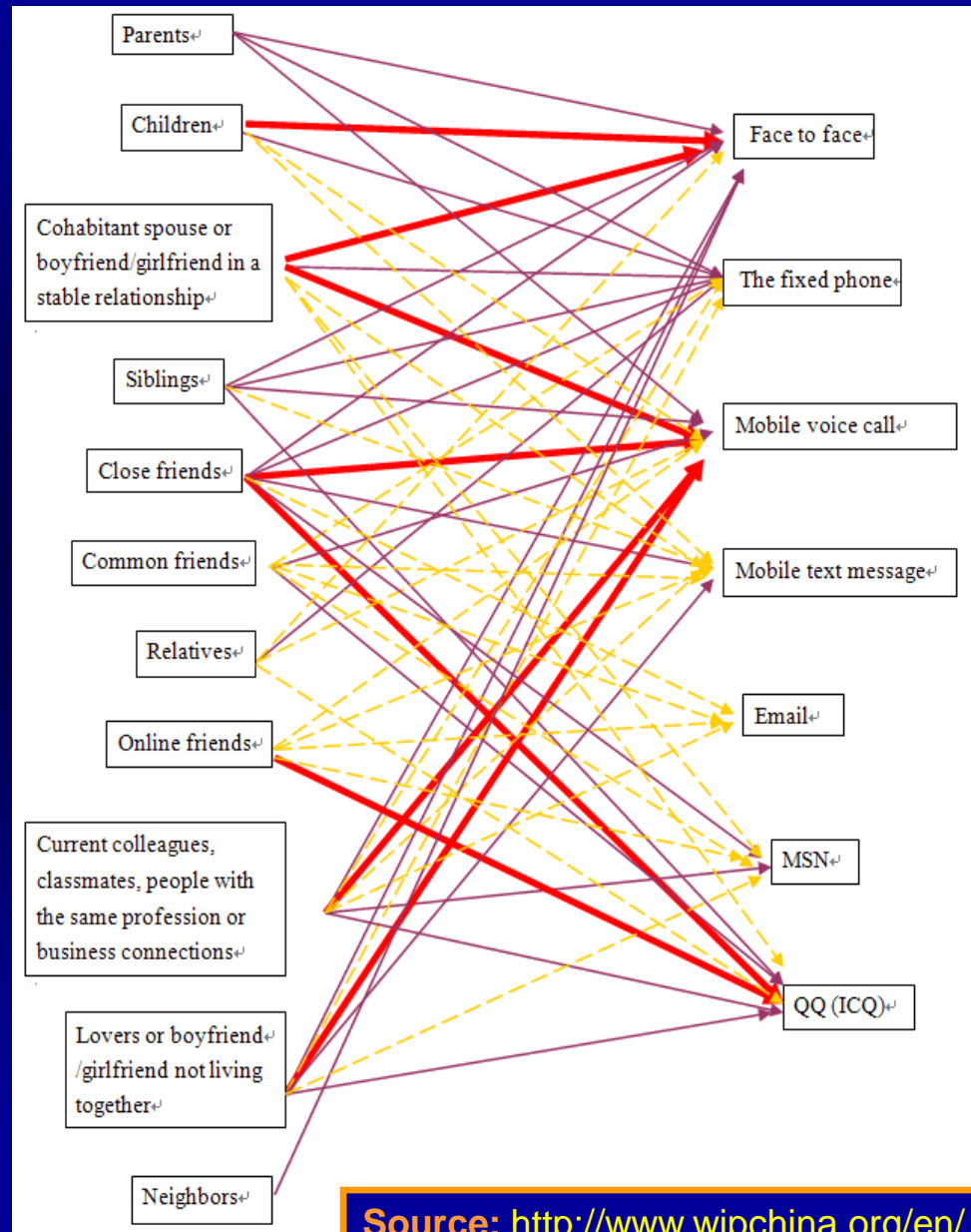
Explanation for the figure:

Heavy use of the particular communication method or medium (higher than **60%**)

Medium use of the particular communication method or medium ( between **36% ~ 60%**)

Low use of the particular communication method or medium ( between **15% ~ 35%**)

- The more close relations, the more likely to use real time and inter-active communications.
- The more close relations, the more likely to use voice call than SMS among mobile phone users.
- Younger people tend to use SMS than older people among mobile phone users.
- More people choose QQ (Chinese company) than MSN.
- Older and better educated people tend to use MSN (secure ) than QQ.



# Blogs and Micro-blogs

Blogs makes individuals Internet content provider, and micro-blogs makes individuals media.

Han Han, a young professional racing car driver, best-selling author, and “50 people that matter 2010 in the world” by *New Statesman*, has 614,000 active fans. He is well-known by keeping to criticize the government on his blog, which has got 497 million hits by Sept.

200 million registered micro-bloggers on Sina.com.

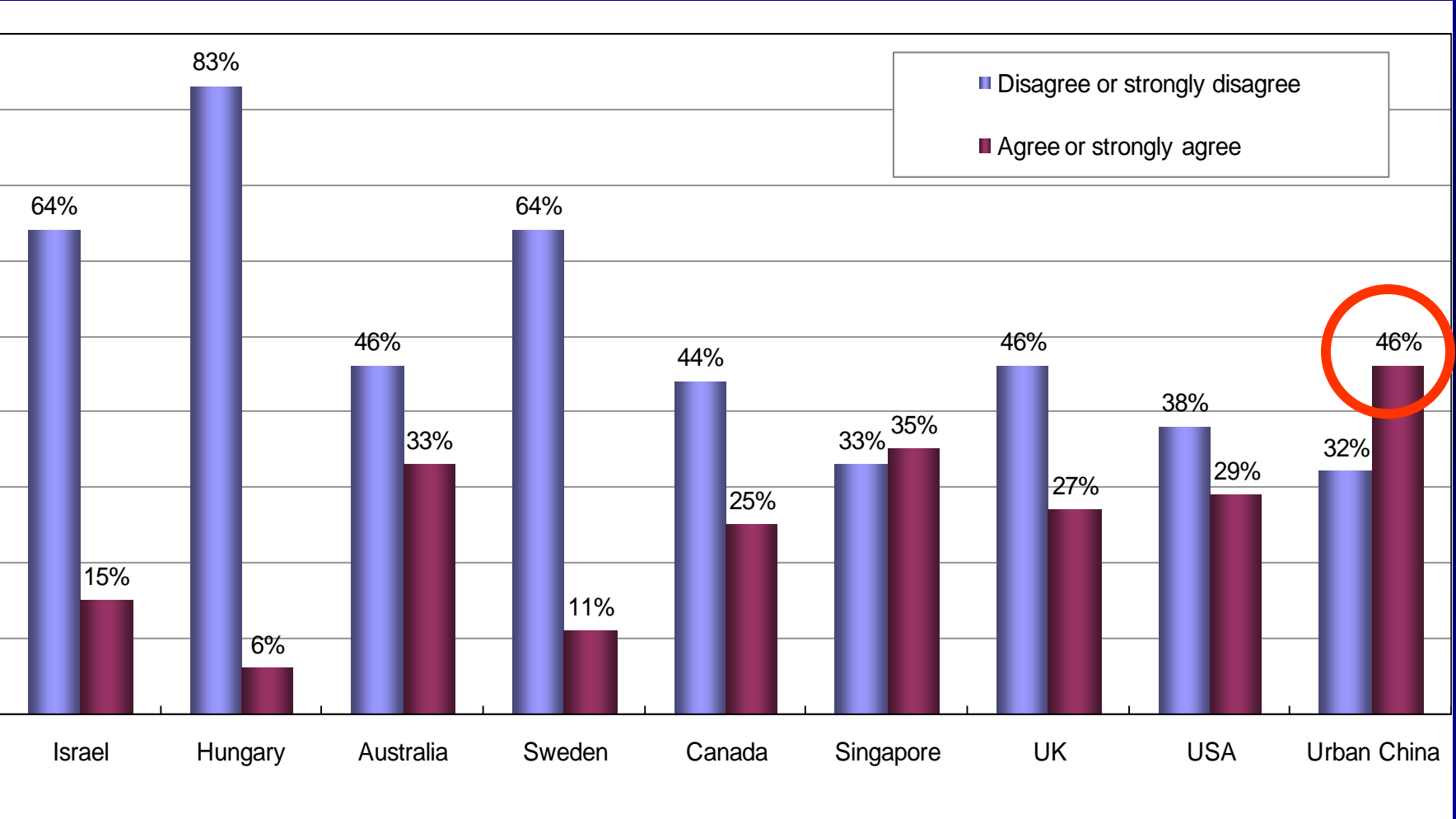
230 million registered micro-bloggers on Tencent.com.

There are 2,400 e-government micro-blogs in China. The best ones are run by “public security departments” (police).

# Public Opinion: Watchdog on government

- 7 minutes before the accident, a local resident [@Smm 苗](#) sent a first micro-blog reporting the high-speed train goes not as fast as usual.
  - 4 minutes after the accident, a passenger [@袁小芄](#) reports: the train is stopped and is hit twice.
  - 13 minutes after the accident, a passenger [@羊圈圈羊](#) asks help. The micro-blog was forwarded more than 100,000 times and the passenger was survived in two hours.
  - 2 hours after the accident, the government reports on the micro-blog that blood is needed. More than 1000 netizens go to the local hospital to contribute.
  - 12 hours after the accident, the micro-blogs about the accident reached 2 million, including 500,000 seeking relatives.
- One train hit another in Wenzhou, at 20:34 July 23, 2011. 40 people dead and more than 200 injured.

By using the Internet, people like you will have more say about what the government does.....



## Conclusion

- The value of the Internet is decided by its size.
- Which Internet you are using?
- Can we make the Internet a larger size?  
Language, politics, religion, culture, etc.



# Thank You!

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