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## **The 451 Group: Enterprise Social Software Sector Remains an Immature Market Despite Hype**

### ***New Report Uncovers Important Trends About Enterprise Investment in Social Software and Identifies Opportunities for Vendors in This Space***

*New York, January 18, 2008* – The 451 Group believes that the use of social software technologies – including blogs, wikis, social bookmarking and tagging, and social networking – is still in its infancy in the enterprise. There is use and interest among IT buyers, but not as much as the hype and excitement in this market warrants. The 451 Group and ChangeWave Research surveyed 2,081 IT and business professionals, and only 24% of respondents currently use social software – an indication of how immature this market still is. These findings are contained in a report released today by New York-based The 451 Group, a technology-industry analyst company focused on the business of enterprise IT innovation.

"Customers are willing to look beyond their installed tools to find new ways to improve communication and collaboration," said Kathleen Reidy, Senior Analyst for Enterprise Software at The 451 Group and author of the report. "Changes to the level of interaction available on the public Web have made blogging, commenting, tagging, and creating and ranking content everyday affairs, and this is changing user expectations of how enterprise applications act. Adoption of these technologies in the enterprise is further blurring the line between consumer and corporate technologies."

Survey data showed that the top drivers for using social software are improved employee collaboration and communication, and improved efficiency and productivity. External collaboration with customers and business partners, an area that has never been well served by collaborative tools, is also a market for social software. Collaboration with business partners and the use of social technologies to build brand loyalty among customers are drivers for those that are further along in using social software. "Using collaborative technology to interact with external parties, or to help customers interact with each other, is essentially a new market, and users may need some guidance on how best to engage," said Reidy.

Analysts at The 451 Group believe that the overall vendor landscape in enterprise social software is in its formative stages, with a good deal of fragmentation. "Large vendors are moving in fast, and are mostly relying on internal development at this point to add social software capabilities to existing or add-on products. M&A could occur for tuck-in technologies or customer bases," added Reidy.

This 30-page report, 'The New Social Order,' was written by Kathleen Reidy and uncovers important trends about what types of enterprises are really investing in blogs, wikis and social networking technologies today, and for what kinds of initiatives. It also finds strong vendor preferences among enterprise users, even though the market is still immature. Findings are analyzed with a specific focus on vendors, investors and IT buying organizations.

#### **Report orders**

To learn more about this report, or to discuss developing a client relationship with The 451 Group, contact Simon Carruthers, vice president of research services, via phone at 212-505-3030 x-103, or via e-mail at: [simon.carruthers@the451group.com](mailto:simon.carruthers@the451group.com). Copies of the report can also be purchased by visiting: <http://store.the451group.com/>.

## **About The 451 Group**

The 451 Group is an independent technology-industry analyst company focused on the business of enterprise IT innovation. The company's analysts provide critical and timely insight into the market and competitive dynamics of innovation in emerging technology segments. Clients of the company – at vendor, investor, service-provider and end-user organizations – rely on 451 insight to support both strategic and tactical decision-making for competitive advantage.

The 451 Group is headquartered in New York, with offices in key locations, including San Francisco, London and Boston. The company also operates Tier 1 Research – an independent division of The 451 Group, headquartered in Minneapolis – which analyzes the financial and industry implications of developments impacting public and private companies within the IT, communications and Internet sectors.

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