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# WEB 2.0: CONCEPTUAL FOUNDATIONS AND MARKETING ISSUES

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## Introduction

The web is fast evolving. Not long ago people could barely interact with the web let alone interact with each other through the web and now, people are not just interacting with each other on the web but also constantly improving the content of the web.

Innovation is the expressway of the web and technology its tool. Web 2.0 no doubt started off as just 'the web'. How it got the name 'Web 2.0' is as a result of an improvement of the first version which is now also named Web 1.0. The term Web 2.0 has no formal or accredited definition but, the term can be useful as an indication of what the web was capable of before and what it is capable of now. In other words, it is useful when mapping its progression along the timeline of innovation.<sup>1</sup>

Marketing has always been about the customer/consumer and the customer is the centre of it all. But the power has not always been with the customer as power of price and choice was always with the owners of the products, the businesses offering products and services. But, there has been a shift in power over what to buy and at what price it is sold. This shift is as a result of ongoing change in the way business is done. Technology is fast paving way and making business more seamless, providing the customer/consumer with more options and the ability to make good choices that bring satisfaction and value.<sup>2</sup> The world wide web was developed as a means or platform to improve communication for everyone and provide information regarding anything possible. This has provided a whole new context to doing business and for the marketers a frontier which can be used to perfect customer relationship and loyalty.

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<sup>1</sup> Jonathan Strickland, (2007). *How Web 2.0 Works*. [online] HowStuffWorks. Available at: <http://computer.howstuffworks.com/web-203.htm> [Accessed 13 Mar. 2016].

<sup>2</sup> Philip Kotler, (2000). *Marketing management Millennium Edition*. 10th ed. Upper Saddle River, NJ: Prentice-Hall, p.1.

## The WEB

Tim Berners-Lee describes the World Wide Web as an information space where people can interact with each other through information provided by people. The main concept of the web is communication. It was invented as a means to foster communication.<sup>3</sup> The initial web, 'web 1.0' was not quite the definition, as communication was one way hence, there was no interaction. Customers could view information but could not respond. A lot of companies such as the dot-coms saw the web or internet as a strategy for making profits rather than seeing it as a tool for making strategic decisions, so they focussed on price and threw away value leading them to loss.<sup>4</sup>

Along came Web 2.0 an improved web service, but no longer to be misunderstood by companies as a strategy but a tool for strategic marketing.

Through the web there has been a shift in power from the control of businesses over to the customer/consumer. Businesses are able to gather information from customers and study their shopping habits to know the kind of products they need.

## More customer power

The previous version of the web 'Web 1.0' was more of a static interface but, not permitting the user or individual to leave comments or have any interaction hence, it was a read only interface, which was not any different from a television.<sup>5</sup> This approach does not leave individuals a choice to decide on their preferences and so the companies were rather pushing products to them.

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<sup>3</sup> developerWorks, (2006). *Interview with Tim Berners-Lee on: Where we have come and Challenges and Opportunities ahead*. [podcast] developerWorks. Available at: <http://www.ibm.com/developerworks/podcast/dwi/cm-int082206txt.html> [Accessed 14 Mar. 2016].

<sup>4</sup> Michael Porter, (2001). *Strategy and the Internet*. [online] Harvard Business Review. Available at: <https://hbr.org/2001/03/strategy-and-the-internet> [Accessed 14 Mar. 2016].

<sup>5</sup> Jonathan Strickland, (2007). *How Web 2.0 Works*. [online] HowStuffWorks. Available at: <http://computer.howstuffworks.com/web-203.htm> [Accessed 13 Mar. 2016].

But with Web 2.0 users are free to interact with services provided them, enabling the company to get information about the customer and improve on service or product also building customer loyalty. A lot of services provided through applications ask for ratings and even extra comments, such as the mobile applications on phones (Apps). The ratings would encourage other customers to download the app. While there are apps that gain recognition for the service they offer, such as Instagram, WhatsApp, Skype, Twitter, to name a few. These apps have provided so much satisfaction that customers/consumers begin to market them hence, customers are the ones evangelizing the apps or service. These are services provided through mobile applications, social media, email platforms, blogs, search engines, podcasts, video hosting sites, gaming sites making the web an interactive global platform. Tim O'Reilly's philosophical take on this phenomenon is 'web democratization', where people access and contribute to the internet<sup>6</sup>. A web of the people, for the people, and by the people.

How this has transformed marketing is quite significant. Web 2.0 has become a tool which the marketer can use to engage the customer and draw as much information from the customer, by allowing the customer to contribute to the service offered by businesses. This gives the customer power of choice or preference because the web provides the leverage for companies both big and small to advertise their products, removing monopoly of market.

Furthermore, interaction with customer/consumer allows companies to understand the need of the customer and channel their services to meet those needs. So the customer has a wide range of options to choose from and at any time can decide to switch between products.

The opinion of the customer on a particular brand or product goes a long way to convince other customers whether or not to purchase that product or service. Hence, the customer provides reviews or comments which either encourage or discourage others from purchasing such a product or service.

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<sup>6</sup> Ibid, P. 3.

An example is Amazon allowing customers to do book reviews which in turn encourage other customers and also provides information to them about the book.

This beats the traditional method of push marketing, where advertisements are done on the television, radio programs, or magazines and newspapers. Because majority of consumers spend most of their time on the web hence, it follows that the best place and time to get their attention is on the web.

Constantinides talks about three dimensions of Web 2.0 according to his proposed definition:

“Web 2.0 is a collection of open source, interactive and user-controlled online expanding the experience, knowledge and market power of the users as participants in business and social processes. Web 2.0 applications support the creation of informal users’ networks facilitating the flow of ideas and knowledge by allowing the generation, dissemination sharing and editing/refining content.”<sup>7</sup>

**The dimensions: The applications types, the social effects and the enabling technologies.**

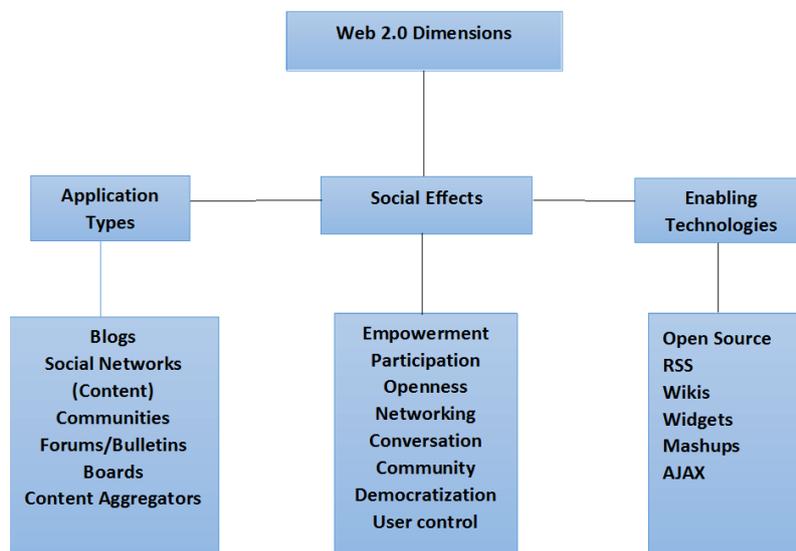


Fig .1 Source: Marketing trends, (Constantinides, 2009)

<sup>7</sup> Efthymios. Constantinides, (2009). *Social Media/Web 2.0 as marketing parameter: An introduction*. [online] Proceedings of 8th international ..., 2009 - marketing-trends-congress. Available at: [http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010\\_fr\\_Constantinides.pdf](http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010_fr_Constantinides.pdf) [Accessed 15 Mar. 2016].

Marketing has become the product. And for businesses to get the attention of the customer they must become the product, because everyone is responsible about how the customer feels about the product. Web 2.0 which Constantinides also refers to as ‘Social media’ provides companies or businesses the platforms they need to win over customers and gain their loyalty.

### How Web 2.0 can be used as a marketing strategy

Constantinides highlights two ways in which Web 2.0 can be used as a marketing tool, the Passive and Active way. This can be summarised in the table below:

Web 2.0 Applications as Marketing tools					
	Passive	Active			
Marketing Objective	Listening in	PR and direct Marketing	Reaching the new Influencers	Personalizing customer experience and products	Tapping Customer Creativity
APPLICATION TYPE					
Web Logs	XXX	XXX	XXX		X
Content/Communities	XX	X		XXX	XXX
Social Networks	X	XX		X	XX
Forums/ Bulletin Boards	XXX	X	X	XX	XXX
Content Aggregators		XXX	XXX		

XXX: Very Suitable, XX: Suitable, X: Suitable sometimes.

Table 2. Web 2.0 as Marketing tools, Source: Marketing trends, (Constantinides, 2009)

The Passive Way is marketers using the social media domain to listen to what people say about the products or services and get their experience from their voice online. Through this, marketers can study trends and also get early complain about products and quickly modify them or pull them off the

market. The customers voice can be heard on blogs, forums, bulletin boards, social networks or online communities.<sup>8</sup>

If this information collected from customers' online voice is thoroughly analysed, quality information can be deduced from it, saving cost and time that would have gone into using traditional market research.<sup>9</sup>

How companies tap customers' voice is by offering their customers the possibility to express their opinion about services and products, such an example is Nokia, using a 'Developer Community'.

The Active way uses Web 2.0 applications such as PR, Direct Marketing, Customer Influence tool and other means of tapping customer creativity and personalizing the customer experience.<sup>10</sup>

**The active way can be carried out in four ways:**

**1. Using Web 2.0 based applications as PR and Direct Marketing tools.**

This method employs businesses to use their own corporate blogs and forums to actively engage the customers. Some of these companies' top executives or CEOs encourage customers to freely express their feelings, ideas and suggestions regarding posting or products and services. Employees are also encouraged to publish content in the corporate blog in some companies. Microsoft began doing this in 2003, entrusting their staff to publish quality content on the company's corporate blog or forum.<sup>11</sup>

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<sup>8</sup> Ibid, p.15.

<sup>9</sup> Ibid, p.15.

<sup>10</sup> Ibid, p. 15.

<sup>11</sup> A. McAfee, "Enterprise 2.0: The Dawn of Emergent Collaboration, MIT Sloan Management Review", in Efthymios Constantinides, (2009). *Social Media/Web 2.0 as marketing parameter: An introduction*. [online] Proceedings of 8th international ..., 2009 - marketing-trends-congress. Available at: [http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010\\_fr\\_Constantinides.pdf](http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010_fr_Constantinides.pdf) [Accessed 15 Mar. 2016].

## **2. Engaging Social media personalities as brand or product advocates**

There are influencers who attract millions of people every day to read their blog post of product reviews. Companies engage them proactively to inform them about the company's products, or market offers, so they could write reviews of them. Because these influencers' reviews attract millions of readers, whatever product they endorse could have impact on adoption by the readers. Usually companies go into working relationship with the leaders of these blogs, so they could review, comment and possibly recommend their products. Such influencers include, engadget.com, gizmodo.com, TechTarget.com, and many others.<sup>12</sup>

## **3. Using Social media for personalizing the customers' experience on products**

In this approach companies try to strengthen ties with customers by creating an online experience for the customers on the company's website by allowing them to create or customize their own page or products with the help of Web 2.0 tools. They allow customer to explore their creative skill.

Secondly companies capitalize on growing customer individualism by creating interactive online applications and tools to allow the customers to fully customize the product they order online. Kleenex allows the customers to redesign the package of the product.<sup>13</sup> Lenovo allows customers to customize their order by specifying what specifications they want the pc to have.

## **4. Engaging the customer as creator of product reviews, advertising concepts and co-producer**

This method of approach employs the use of customer reviews, opinions and, advertisement by peers regarding products, are more valued than that of experts. It is better to get a review from someone who has actually used the product than to trust an experts word on it.<sup>14</sup>

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<sup>12</sup> Constantinides, *Social Media/Web 2.0 as marketing parameter: An introduction*, p.16.

<sup>13</sup> Ibid, p.17.

<sup>14</sup> K.M. Elliott, "Understanding consumer-to-consumer influences on the Web,"; B. Bates et al, "The effect of source credibility on consumers' perceptions of the quality of health information on the Internet", in Efthymios Constantinides, (2009). *Social Media/Web 2.0 as marketing parameter: An introduction*. [online] Proceedings of 8th international ..., 2009 - marketing-trends-congress. Available at: [http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010\\_fr\\_Constantinides.pdf](http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010_fr_Constantinides.pdf) [Accessed 15 Mar. 2016].

59% of web users consider consumer product review.<sup>15</sup> This concept was initiated by Amazon and has been widely applied today. A study of Deloitte Touche USA indicates that 62% of customers read online-generated reviews and 98% of them find them reliable, while 80% of these consumers said that peer reviews have influenced their buying intentions. A Carlson Marketing study states that 85% of consumers would recommend a company they have a trusted relationship with.<sup>16</sup>

## Challenges of Web 2.0

### User Generated Content

User-generated content ranges from graphics to text, allowing users to express creativity and make their impression on most subject-matters. With this online presence, users have been able to initiate or influence social, political, cultural, and economic related content on the web. With such power given to people, issue and challenges are bound to spring up. Though these issue are not uncommon or unknown to man, as the culture behind the web is a western democratic culture which preaches freedom of speech and expression another reason why some countries restrict the use of social media.<sup>17</sup>

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<sup>15</sup> Prospero Technologies LLC, "Social media Survey," in Efthymios. Constantinides, (2009). *Social Media/Web 2.0 as marketing parameter: An introduction*. [online] Proceedings of 8th international ..., 2009 - marketing-trends-congress. Available at: [http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010\\_fr\\_Constantinides.pdf](http://www.marketing-trends-congress.com/sites/default/files/papers/2010/2010_fr_Constantinides.pdf) [Accessed 15 Mar. 2016].

<sup>16</sup> Constantinides, *Social Media/Web 2.0 as marketing parameter: An introduction*, p.18.

<sup>17</sup> C. George, and J. Scerri, (2007). *JILT 2007 (2) - George & Scerri*. [online] Go. warwick.ac.uk. Available at: [http://go.warwick.ac.uk/jilt/2007\\_2/george\\_scerri](http://go.warwick.ac.uk/jilt/2007_2/george_scerri) [Accessed 16 Mar. 2016].

## Intellectual Property

The freedom or right for users to generate their own content has brought along issues of infringement of peoples' intellectual property. A lot of writers, artists, academicians and others post their works online, only to have it used without the proper reference and acknowledgement to the original owners hence, an infringing of copyright. In January, 2007 YouTube was warned by Viacom to take down over a 100,000 works posted on YouTube<sup>18</sup>, later in March 2007, Viacom sued YouTube for \$1bn for allowing the infringement of copyright property<sup>19</sup> and MySpace also has been sued by Universal for making infringement free and easy.<sup>20</sup>

## Privacy

Privacy invasion has become a common occurrence on the web, users post content that may not go well with others thus invading their privacy. Due to freedom of being able to post anything without restrictions or verifications give chance and opportunity to invade other people's privacy with explicit content, or hack into online social account from social networks such as Facebook to get people's data and either use it to threaten them or for identity theft. Countless celebrities have been victims of privacy invasion, where people either physically recorded them doing private things without consent and shared on the web. Several sex videos of celebrities have gone viral and some of them are hard to get red off, because of peer to peer sharing of content.<sup>21</sup>

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<sup>18</sup> 2 DMCA is the US Digital Millennium Copyright Act, in C. George, and J. Scerri, (2007). *JILT 2007 (2) - George & Scerri*. [online] Go. warwick.ac.uk. Available at: [http://go.warwick.ac.uk/jilt/2007\\_2/george\\_scerri](http://go.warwick.ac.uk/jilt/2007_2/george_scerri) [Accessed 16 Mar. 2016].

<sup>19</sup>Viacom's YouTube lawsuit could test limits of DMCA, in C. George, and J. Scerri, (2007). *JILT 2007 (2) - George & Scerri*. [online] Go. warwick.ac.uk. Available at: [http://go.warwick.ac.uk/jilt/2007\\_2/george\\_scerri](http://go.warwick.ac.uk/jilt/2007_2/george_scerri) [Accessed 16 Mar. 2016].

<sup>20</sup> Universal sues video sharing sites, in C. George, and J. Scerri, (2007). *JILT 2007 (2) - George & Scerri*. [online] Go. warwick.ac.uk. Available at: [http://go.warwick.ac.uk/jilt/2007\\_2/george\\_scerri](http://go.warwick.ac.uk/jilt/2007_2/george_scerri) [Accessed 16 Mar. 2016].

<sup>21</sup> George and Scerri, *JILT 2007*, p.6.

## Hate Speech

Hate speech is content that discriminates against other peoples' race, gender, or nationality. These kind of content are not banned or restricted and so are easily made available on the web and some of the content can be really derogatory and rude. for example, the 'God, I hate Arabs'. Such content could raise tension between groups and cause serious friction and hate.<sup>22</sup>

Other challenges with user-generated content include the **defamation** of mostly celebrities of famous people especially through sites that allow user to edit information regarding them. Such sites like Wikipedia have had complaints and issues with people editing information about other people bibliographies and saying things about them that are not true. In other words, saying injurious things about them which could cause damage to their reputation. Also, the of display of **pornographic** content on the web has become quite disturbing. Some sites have age restrictions but there are others that have no restrictions. Sexual content that is un-restricted could be dangerous for children who are also becoming very accustomed to the web. It is very difficult to set control on what children can browse or view, due to the fact that the web has no restrictions.<sup>23</sup>

## Web 3.0 The Semantic Web

The web is on an incremental process of innovation and the first web, Web 1.0 was for viewers to get information but they could not contribute to the content or give feedback or make enquiries. While the Web 2.0 opened the web for viewers to also become users of the web and become a part of the content builders for the web, hence the name Constantinides gave it the 'Social Media' web. But, the web is not stopping there as, Tim Berners-Lee has been working on a new web, Web 3.0, the Semantic Web. This web is targeted to eradicate the challenge of not been able to link data or resources. In other words, this web seeks to be able to help the user kill three birds or more with one stone. So If I

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<sup>22</sup> Ibid, p.6.

<sup>23</sup> Ibid, p.7

intend to go see a movie and realise I am also hungry and specifically want Italian food, I should be able to get these three results in one request on the search engine, instead of having to get the results separately.<sup>24</sup>

## The Trend, The Future and conclusion

Web 1.0 introduced people to available information, Web 2.0 links people to people to share information, and Web 3.0 links information with information to provide people with precise information at any time. The trend of innovation around the web is gearing towards a personalized experience with the web, the internet of things where everything is connected.<sup>25</sup>

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<sup>24</sup> Strickland, J. (2008). *How Web 3.0 Will Work*. [online] HowStuffWorks. Available at: <http://computer.howstuffworks.com/web-304.htm> [Accessed 16 Mar. 2016].

<sup>25</sup> Ibid, p. 5.

