Chapter 117

# The Web 2.0 Trend:
## Implications for the Modern Business

**Michael Dinger**
*Clemson University, USA*

**Varun Grover**
*Clemson University, USA*

## ABSTRACT

*This article introduces and describes the use of Web 2.0 technologies in contemporary business environments. Web 2.0 refers to many current generation internet technologies that are characterized by rich media, a dynamic nature, social networking elements and distributed contributions. The chapter presents three major Web 2.0 archetypes: blogs, wikis and social networking sites. It concludes with a value-oriented framework designed to guide firms in the development of Web 2.0 initiatives.*

## INTRODUCTION

Web 2.0 represents a new wave of technologies that enable high levels of interactivity and participation via the internet. It is an umbrella term that describes a variety of dynamic and community-based web initiatives that place value on the power of distributed knowledge, leverage data, and provide users with rich multimedia experiences (O'Reilly, 2005). For example, Amazon's attempt to create social networks around book readership may be considered a prototypical Web 2.0 initiative. However, there are newer technologies like context-based advertising (e.g., Google AdSense), distributed file sharing (e.g.,

BitTorrent), and user-generated content organization via 'tagging' or 'folksonomies' (O'Reilly, 2005) that truly epitomize the term.

Businesses are beginning to capitalize on this set of technologies in a variety of ways. Many companies are expanding Web 2.0 efforts by capturing customer data and leveraging it to generate instantaneous, custom-tailored customer experiences (Bughin, Chui, & Johnson, 2008). For instance, Amazon uses data captured from site visitors in order to provide targeted product suggestions to regular site visitors. On each product page, Amazon lists products that purchasers of that product also looked at and purchased. Netflix aggregates and analyzes subscriber movie preferences in order to provide accurate movie recommendations. Busi-

nesses can leverage Web 2.0 technologies in order to dynamically cooperate with customers and partners in efforts to generate new design innovations (Brown, 2008). Both online and traditional businesses must understand how to navigate and capitalize on the changing internet terrain to stay competitive in the Web 2.0 era.

## BACKGROUND

Web 2.0 thinking emphasizes the distributed and interactive nature of information technologies. Therefore, the core concept of a web page is altered to allow for distinct interaction from site visitors. This mindset is represented in the way that users can create, remove or edit informational content on wikis, comment on blogs, or drive the content of media-sharing sites like YouTube. The distributed nature of Web 2.0 technologies allows many users to create and participate while needing little technical knowledge.

## Characteristics of Web 2.0

Web 2.0 technologies can be identified by a number of common characteristics. These technologies generally capitalize on the ability of websites to embed rich media, which can enhance user experiences. Web 2.0 initiatives are dynamic in nature, enabling constant change and updates. Also, Web 2.0 technologies regularly include social networking elements which enable users to form connections with one another. Finally, these endeavors are noted for their reliance on the distributed contributions of many participants.

## Rich Media

Rich media is a common characteristic of Web 2.0 technologies. Some Web 2.0 sites are compiled solely of user-generated content, including YouTube (videos) and Flickr (images), but rich media can enhance any user experience. For instance, many news sites, such as CNN.com and ESPN.com, embed video in conjunction with print stories. Similarly, in conjunction with written guides, About.com provides a variety of how-to videos. Furthermore, social networks, such as Facebook, have enabled users to post and store digital images and video.

## Dynamic Nature

The dynamic nature of Web 2.0 technologies is driven by their ability to be quickly changed. A core design element of wikis is the ability to add, remove or change content quickly. On social networking sites, users are able to make changes to their profile with ease. Twitter thrives on constant change and updates. In what might best be described as a micro-blog, Twitter users are able to make regular posts, but such posts can contain a maximum of 140 characters. Due to the dynamic nature of Web 2.0 technologies, companies like Dell can quickly respond to customer complaints and concerns through a corporate blog (en.community.dell.com/blogs/direct2dell/).

## Social Networking Elements

Social networking leverages people-to-people interactions. For example, blog users can form connections to other bloggers. Analysis suggests that users of media sharing websites, specifically YouTube, can engage in social networking activity through the manner in which they manipulate access to their contributed media (Lange, 2007). Finally, social networking platforms can be embedded in a variety of different websites. For instance, ESPN.com has introduced a profile-based initiative called myESPN (myESPN.com). myESPN users can create their own profile, form social connections with other members, customize the manner in which they receive ESPN news, and use their profiles to comment on ESPN.com stories. In an online retail setting, individual online store owners may form connections to one other, thus

## Related Content

When Parameterized Model Driven Development Supports Aspect Based SOA
Valérie Monfortand Slimane Hammoudi (2011). *International Journal of E-Business Research (pp. 44-62).*
www.irma-international.org/article/when-parameterized-model-driven-development/55811

The Impact of the Internet on Marketing Strategy: Revisiting Early Predictions
Kaan Varnali (2010). *International Journal of E-Business Research (pp. 38-51).*
www.irma-international.org/article/impact-internet-marketing-strategy/47015

Research on Food Allergy Information using Smart Mobile Media Devices to Enhance Communication at Restaurants
Mikako Ogawa, Ayaka Tanaka, Keiichi Noda, Ayako Kawaiand Donald L. Amoroso (2012). *International Journal of E-Business Research (pp. 1-17).*
www.irma-international.org/article/research-food-allergy-information-using/68172

Exploring Relationship between Information Systems Strategic Orientation and Small Business Performance
R. Rajendranand K. Vivekanandan (2009). *Electronic Business: Concepts, Methodologies, Tools, and Applications  (pp. 1764-1779).*
www.irma-international.org/chapter/exploring-relationship-between-information-systems/9380

Blockchain Adoption for Provenance and Traceability in the Retail Food Supply Chain: A Consumer Perspective
Nishant Kumar, Kamal Upretiand Divya Mohan (2022). *International Journal of E-Business Research (pp. 1-17).*
www.irma-international.org/article/blockchain-adoption-for-provenance-and-traceability-in-the-retail-food-supply-chain/294110