

Chapter 118

Web 2.0: The Era of User Generated Content on Web Sites

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INTRODUCTION

The Internet has come of age as a global source of information about every topic imaginable. A company like Google has become a household name in Western countries and making use of its internet search engine is so popular that “Googling” has even become a verb in many Western languages. Whether it is for business or private purposes, people worldwide rely on Google to present them relevant information. Even the scientific community is increasingly employing Google’s search engine to find academic articles and other sources of information about the topics they are studying.

Yet, the vast amount of information that is available on the internet is gradually changing in

nature. Initially, information would be uploaded by the administrators of the web site and would then be visible to all visitors of the site. This approach meant that web sites tended to be limited in the amount of content they provided, and that such content was strictly controlled by the administrators. Over time, web sites have granted their users the authority to add information to web pages, and sometimes even to alter existing information. Current examples of such web sites are eBay (auction), Wikipedia (encyclopedia), YouTube (video sharing), LinkedIn (social networking), Blogger (weblogs) and Delicious (social bookmarking).

This development has become known as “Web 2.0”, a term coined by Tim O’Reilly in 2004 (O’Reilly, 2007). Web 2.0 is defined as “the design of systems that harness network effects to get better the more people use them” (O’Reilly, 2006). This

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definition emphasizes the need for the active participation of many users. When few people contribute to a Web 2.0 site like Wikipedia, it will be of little use to people who visit the site. The term Web 2.0 seems to suggest that it represents a new version of the internet, which is not the case. In fact, one of the major criticisms of Web 2.0 is that it is built on the same internet technologies as the earlier version of the web.

So, the most important contribution of Web 2.0 is not in the software but in the information provided on the web sites. The involvement of the internet users in the contents of these web sites has been dubbed “user generated content”, or UGC for short (Williams et al., 2009). The tremendous increase in UGC on the internet has important consequences for users of the internet, as well as companies whose products and services are the object of certain types of UGC. In user generated product and service reviews, potential buyers can read about aspects of products and services that the seller carefully tried to conceal, which can be of tremendous value to these potential buyers. On the other hand, the companies that sell products and services may find that some critical reviewers may simply be mistaken about certain details. It is clear that leading companies are just getting to grips with UGC and its consequences for their business. In the academic community, some interesting and promising research about UGC is slowly emerging.

This chapter reviews the existing scant research by putting it into a framework that is meant to cover the supply and demand for UGC. By doing so, this paper sheds light on an emerging phenomenon that will impact many companies in years to come. The two key objectives of this paper are (i) to look into the role of UGC in purchasing decisions, and (ii) to explain the strategic implications of UGC for online management of service quality.

BACKGROUND

There are currently many web sites that actively involve visitors in the provision of content. The success of these web sites even depends on UGC. A site like eBay is only useful to buyers if sellers offer a large variety of products. Similarly, YouTube can only entertain visitors if there are enough contributors who upload videos in all possible categories.

Yet, the nature of the content offered varies greatly, depending on the type of web site. Content on eBay is of a commercial nature, while content on YouTube is usually not. This issue is related to the motives that people have for putting UGC on a web site. Somebody uploading a video on YouTube may hope that he or she will one day become famous and therefore the video could potentially change the life of the uploader. However, of the millions of videos on YouTube, only very few actually become a real hit. When somebody offers a product for sale on eBay, he or she simply wants to exchange the product for money. There are however motives for contributing that are less tangible. Some people go to great lengths to solve computer problems that have been uploaded by less knowledgeable users. These people put in time and efforts while there is no monetary return of any kind. Apparently such people are driven by motives like a need to help other people, or the reward of public recognition of their IT skills. Borst and Van den Ende (2007) have undertaken research on motives for contributing to UGC web sites.

The differences between the various UGC web sites in terms of the content they offer and the motives contributors have, mean that the field of UGC is rather broad. For that reason, the remainder of this paper will zoom in on a specific type of UGC which consists of user generated product and service reviews. Web sites that provide this kind of UGC enable users to read reviews about products and services like hotels, restaurants, cars, books, DVDs etc. User generated product and

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