

**BUSINESS CHALLENGES TO
HARNESS THE POWER OF WEB 2.0**

SUMMARY

There has been a lot of hype surrounding Web 2.0 ever since the phrase was first coined in 2003. Web 2.0 heralded a new era of the Internet which is more interactive through a range of new technologies letting users create content to share with others. Communities have developed and new communications channels such as blogs (which enable groups of people to contribute their comments), Wikis and online forums (such as Wikipedia) as well as collaborative social networking sites (Facebook and Myspace) now provide the means to share information and create online relationships.

To begin with, marketers and Web professionals did not see what business advantages these new technologies would bring them but now they are keen to leverage the power of Web 2.0 and include it in their online strategies. Companies want to harness these new applications to generate increased volumes of traffic and transactions both on their Web sites and via other channels in a cost-effective and efficient manner.

For any company worth its salt, their Web sites have undergone a thorough transformation, away from being purely informational, as they once were in the early days of the Internet, to being highly interactive and often transactional with the emphasis shifted to the visitors' experience and input. Web 2.0 is giving companies the tools with which to make their Web sites function more effectively and, at the same time deliver real revenue gains.

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1. INTRODUCTION

Web 2.0 refers to the perceived second generation of Web-based communities and hosted services such as social networking, blogs, Wikis, podcasts, mashups (compounding two or more complementary Web functionalities to create a powerful Web application), RSS, content tagging (also known as folksonomy which is a means of classifying and categorizing data on the Web through collaborative efforts from the online community) and other enabling technologies that facilitate collaboration and sharing between users.

The evolution of Internet applications and technologies means businesses need to be agile and flexible to adapt to the change, and adopt Web strategies that are scalable, open and future proof.

According to Forrester¹: "Firms using Web 2.0 technologies are driven by gains in worker efficiency and a fear of competitive pressures. For non-adopters, a perceived lack of business value and priority impedes adoption; however, almost all of the CIOs surveyed recognized Web 2.0 as more than a passing fad."

With this in mind, the challenges for businesses are how to harness Web 2.0 as an opportunity and look at which Web 2.0 tools and features they should adopt to extend the breadth of business processes and bring them increased business.

Web 2.0 tools can create better communication with consumers. This is evident in their behaviour online. Today's consumers are more savvy (about how to use the technology), more vocal (willing to share their opinions) and more engaged online (using Web 2.0 technologies to be heard) than ever before. These behavioural shifts and the increasing sophistication of customers have meant they are more in control than ever before and it is they that choose to buy products and services rather than to be sold them.

It has become increasingly important to focus on the customer; in fact companies are discovering that their customers are demanding some form of direct dialogue with them. Blogs and RSS can be factors in creating loyalty and reducing consumer churn.

For marketers to truly understand and interact with their audiences, they need to put themselves in their customers' shoes and take part in conversations that their audiences have with each other (Mothercare, a leading baby clothing retailer in the UK recently launched www.gurgle.com for this very purpose). Indeed, valuable feedback can influence future product development, create loyalty and increase business.

This white paper looks at the business challenges and drivers for companies to engage with the new applications that Web 2.0 has to offer. We look at how to ensure their online offering reaches their target audiences and, more importantly, develop 'stickiness' to build customer loyalty which encourages them to keep coming back for more. In addition, we look at the collaboration tools that will revolutionise business practices and give companies a deep insight into customer expectations and opinion.

¹ Forrester, March 20, 2007: Efficiency Gains And Competitive Pressures Drive Enterprise Web 2.0 Adoption by G. Oliver Young

2. HOW TO EXPLOIT THE BEST OF WEB 2.0

Marketers want to foster and encourage productive behaviour of their target audiences and the first step in doing this is to generate greater levels of traffic to their sites and dialogue with their consumers. Most large consumer-driven organizations have a major asset: their brand. This recognised brand is protected at all costs and sets it apart from its competition. The brand is used to create traffic to, or in other words, create interest in, their organisation.

The Web is a crucially important medium to see and measure that traffic. From a technological viewpoint, there are various ways to create traffic. On the Internet, the tools of Web 2.0 in social networks, online collaboration, user generated content, email campaigns, Web self service, personalization are all ways to generate interest and loyalty, and create (returning) visitors. Companies are beginning to understand how to gain traction in using social networks (in one month, August 07, more than 1,900 British retailers received traffic from Facebook)².

More and more fashion retailers have set up groups where members discuss subjects from the latest clothes on sale to new store openings. Brands can also take advantage of advertising on the site to interact with users in three different ways, through building pages like any other user, through Social Ads which allow brand messages to be spread virally and through an interface which will gather insight into users' activities. *MySpace* offers SelfServe tools to allow users to select from a number of ad targeting factors like location, demographic and interests.

User generated content can be a contentious area for companies as customers are invited to comment on companies' products. This is a huge challenge for marketers as they are no longer in the driving seat but still need to put their hands on the wheel to steer what people may write about their products especially if comments are at all negative.

Creating an excellent customer experience, where the customer is recognized, gets the service he or she wants, and is handled professionally and without mistakes, is vital to get happy customers to return to your organization.

Once created, visitor traffic needs to be 'converted'. For a consumer site this could mean a visitor to the site clicks an advert, fills out a form or contributes to a blog. For a not-for-profit or government Web site, visitors may download a form, directly donate a sum of money to charity or pay their parking fines. Regardless of the type of organisation, retrieving information about visitors to a site is a valuable way of creating a dialogue. Marketers can tailor content and target it in a personalized way to increase levels of transaction.

² [New Media Age, 13 September 07, Comment by Robin Goad](#)

Web 2.0 gives an organization the opportunity to have a dialogue with its audience and for them to have conversations with each other. During three months of the summer of 2007, Ford sponsored an online sitcom, *Where Are the Joneses?* The programme used a Wiki tool to let the audience help develop the script. Ford supplied the car that the actors drove. Seat developed a successful campaign through seeding racetrack test videos of its latest Leon Cupra model via YouTube. Fiat has put the consumer fully in the driving seat before the launch of its new model. Visitors to the site can

make their own versions of the Fiat 500 online from list of accessories, which they can then compare and chat about. And, as the car becomes available in a country, they can then, the brand hopes, move on to talking about their real 500. This combines user-generated content, social networking and word-of-mouth.

In the next chapter we discuss how a components-based Web architecture facilitates adding Web 2.0 tools to a site quickly and easily.

3. HOW BUSINESSES CAN HARNESS 2.0

Any successful Web strategy should be built on a strong and scalable platform so that companies can be agile in adding functionality to the Web sites. Companies want to be able to pick and choose the elements to build a Web site that best fits their business (see: *GX White Paper: The Power of Components*). Using a components-based Web architecture and infrastructure give companies enormous flexibility and allows companies to experiment with different Web 2.0 tools.

The advent of Web 2.0 represents a fundamental shift towards an open and participatory model for creating content, systems and applications. For companies to introduce the latest and newest concepts and trends they also need to consider accessibility, ease of use and the ability to respond quickly. Another advantage that a components-based architecture has is the integration with other applications.

As today's Web sites become highly sophisticated, dynamic, transactional and personalised, many other processes such as CRM or financial systems, will be running in the background, so it is important that new applications can be added and integrate with

these systems in a logical and stable way. Business agility and flexibility are essential to incorporate new innovations and to have the ability to pick and choose which elements best fit with the company's Internet strategy. The more agile the company the faster it can respond and adapt.

The next chapter explains how the GX WebManager 9 handles adding applications and functionality to a Web site with just one mouse click. No restarting, no upgrades, no technical training required. Web Component Bundles (WCBs) add the extra functionality with the minimum of fuss, and in so doing enhance the Web site visitor experience.

4. GX WEBMANAGER 9: WEB CONTENT BUNDLES AND WEB 2.0

Adding functionality with components. GX WebManager 9 is a completely modular content management solution using WebManager Component Bundles (WCBs) to build extra functionality on a Web site via components which can be installed or removed at will without affecting the underlying architecture. Components are created and licensed to work with the core technology, and are not intended to be used in isolation.

GX has created a marketplace (www.wcmexchange.com) for these components and also certification processes to simplify finding, buying, combining or building the right WCBs for the right solution. GX is not the only developer of these WCBs as its customers, third parties and independent developers can also upload components into the Marketplace and in fact gain economies of scales by offsetting the cost of developing the component by earning income from its sale.

Users of GX's content management solution can download these WCBs which are small, single files and instantaneously add more functionality to their Web sites. User friendly, WCBs can be added, removed, or updated with just a simple press of a button. It is as easy as that. No restarting, no hard- or software upgrades necessary, no technical training required. Dependencies, data conversion and migrations of single WCBs are all supported in the architecture.

An example scenario of how to add a WCB: A shipping company may want to monitor the whereabouts of its fleet at any one time. By adding the Google Maps Component to its Web Content Management solution, a visitor to the site can now easily select a ship, find its live position and specific coordinates, and then download an accompanying map as well as its intended course. Similarly for a company that wants to add blog functionality to their online

presence all they have to do is install the Weblog WCB.

All the company has to do to its Web site is upload a component from the ecosystem marketplace, and with one simple click of the mouse, it can give its visitors an enhanced experience, yet overall nothing has changed elsewhere to affect the underlying system.

Below are some examples of how GX has helped its customers add increased functionality to their Web sites by uploading WCBs. Each of the examples use GX's standard Web Content Management solution combined with some User Generated Content extras.

The Dag.nl is completely personalized for both registered and unregistered visitors. When visiting the site for the first time, an oval appears with a simple question. Based the visitors choice relevant content is displayed without any formal registration.

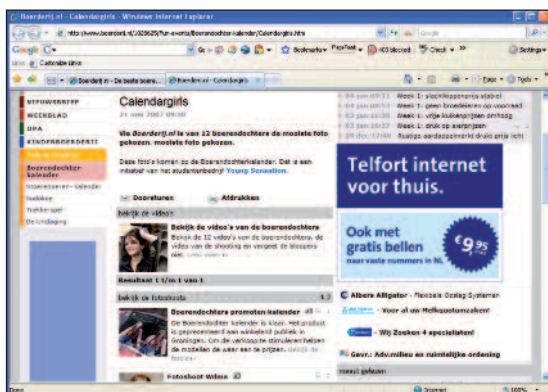


On the *Mijn Dag* area of the Web site, visitors can create a number of settings for further personalized viewing and personal RSS feeds on the Dag site without registration. However once registered a visitor may comment on and rate the content on the site. There is also opportunity to add an opinion on to the Weblog (also added to the site via a WCB).



www.boerderij.nl

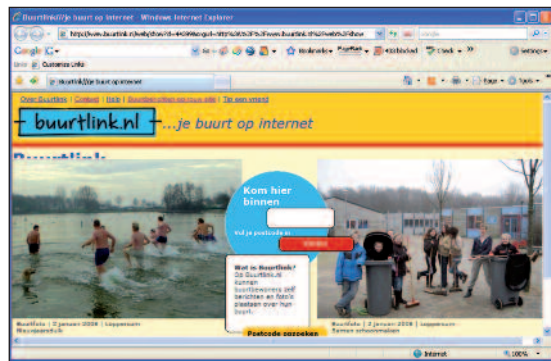
On most pages, registered users can participate in the ranking of content via a voting button per topic. There is a mashup to present real time farmer market information and the possibility to upload your pictures for the, 'Farmer Girl' calendar edition (see image). Elsewhere on the site (Opinie) users can contribute their opinions via a Weblog and they can upload pictures and videos in the Foto en Video section.



www.buurtlink.nl

Buurtlink is website that provides local news and current local information based on a visitor's postal code. It is completely based on Mashups and user generated content, in this way the majority of the content is entered by registered visitors about 'current events' in their neighborhood. To make sure that there is always content your area available relevant news is reused from other sources such as the police, local news organizations, weather forecasters and local government.

For a simple and easy 15 second demonstration of how WCBs work. Go to <http://www.wcmexchange.com/MoreWCMExchange/WCB-demo.htm>.



5. CONCLUSION/SUMMARY

Gaining traction and converting Web site visitors into customers is the end game for many companies. With more demanding and knowledgeable Internet users, organisations need to embrace and deploy the latest technologies to enhance the user experience and keep their interest and loyalty. With GX WebManager 9, companies can add applications and new functionality to a Web site in one easy step. Web 2.0 applications give companies the opportunity to get much closer to their audiences and know much more about them as well as creating a direct dialogue with them. Businesses' agility to adapt to feedback and change is paramount to their success. GX WebManager 9 empowers companies to compete effectively and provides Web 2.0 applications that they can deploy immediately.

6. ABOUT GX

GX is a successful web technology specialist and the largest independent supplier of web content management solutions in the Netherlands.

GX's perceptive view of the market and clear strategy strongly differentiate the company from its competitors.

Vision

The Internet is a mature communications medium that now also offers attractive commercial opportunities. The second Internet revolution, or more accurately evolution, has already started. Less conspicuous than the first, but with far-reaching consequences. The behavior and expectations of consumers who currently use the on-line channel have changed fundamentally. Moreover, today's possibilities encourage and reward the new consumer's changed behavior and expectations. The generation that will flow onto the labor market in a number of years sees the Internet as a channel without limitations and the difference between the traditional consumer and the on-line consumer will soon disappear.

Existing software systems that support business processes and handle transactions are based on internal processes. The gap between consumer expectations and existing business software is becoming increasingly larger and will be more and more difficult to bridge in the future. Software suppliers will need to approach business processes from the opposite direction in order to satisfactorily service the new digital consumer, in other words from the outside in.

Mission

GX's objective is to support organisations and businesses that focus on the modern digital consumer and improve their competitive position by developing products and solutions that support the business processes involved in an appropriate way. Regardless of what our customer's customers wants to do on-line - buy goods, provide information, lodge a complaint, play games, access entertainment, submit an enquiry, participate in on-line activities, etc. - GX, as the leading supplier in the Netherlands, aims to provide the best systems and solutions.

Strategy

GX's strategy is based on the principle of 'Outside in'. An increasing share of business processes is initiated from outside the organisation via the on-line channel.

GX WebManager was specially developed to support processes of this nature. A robust and flexible platform that acts as a stable foundation for the many solution frameworks offered by GX and GX's implementation partners for specific market segments or applications. This approach ensures maximum flexibility and effectiveness in adapting to the continuous stream of new developments in this field and making them available to customers. A natural consequence is that the functionality of GX WebManager will infiltrate ever further into the organisation, but always starting from the outside. Outside in.

7. FURTHER READING

GX Whitepaper: Stable Agility

GX Whitepaper: Power of Components

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