

## Web 2.0

Engaging customer passion

## Summary

The communication channels available through social networking, blogs, customer communities and online interactive environments have given rise to remarkable levels of user involvement and user-generated content. This has resulted in a new Web economy, where content is transformed into passionate customer activity rather than passive browsing behavior.

The real use of any tool lies within your integrated communication plan and your overall marketing mix, not just your internet presence. As such, to choose your tools wisely and thereby your investments, you need to approach your plan using the same logic and careful planning that you use for any type of communication.

This paper examines the ways in which organizations can tap into Web 2.0 interaction as part of the marketing strategy and tactics to create customer engagement by matching your visitors' passion and to figure out the "best fit" for the new opportunities that present themselves.

The key to choosing the best tools to engage your online audience lies in knowing your audience. Participation should be spontaneous and emerge out the value-added that your customers and prospects identify by the type of online interaction you provide.

By selecting the right tools for your particular product, brand or campaign, your organization can fulfill the desire and expectations that customers now have for interaction. In doing so, you can address online visitors in each phase of their buying cycle including awareness, interest, desire, action and satisfaction.

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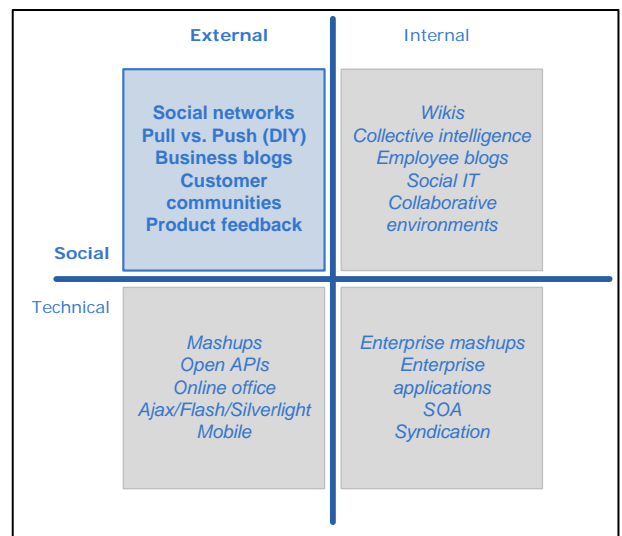
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# 1 Introduction

No doubt, you have heard contradictory messages about Web 2.0 and its role within your organization. These stories can vary from, “it’s the best thing that ever happened and it will transform your organization,” to “it’s just hype, don’t get carried away.”

The key is to differentiate between the hype and the potential. Your involvement in interactive and participatory options on the Web should be based on your business objectives, overall communication plan and marketing strategy, rather than on the tools themselves. These business objectives can range from sharing knowledge inside your organization or streamlining ad-hoc collaboration processes to getting customer input on product development or viral marketing campaigns. However, in the stories surrounding Web 2.0, different business objectives and technologies are mixed together, blurring the real Web 2.0 opportunities.

The diagram<sup>1</sup> on this page divides the Web 2.0 space into four categories based on target audience (internal or external) and the distinction between the technology and the social aspect.



This paper focuses on the external social opportunities presented by Web 2.0. In this case, the communication channels available through social networking, blogs, customer communities and online

interactive environments have given rise to an amazing amount of user involvement and of user generated content. This has resulted in a new Web economy where content is now driven by customer activity rather than passive browsing behavior.

<sup>1</sup> Image derived from Dion Hinchcliffe. “A checkpoint on Web 2.0 in the enterprise” <http://blogs.zdnet.com/Hinchcliffe/?p=130&tag=rbxccnbzd1>, July 26, 2007

Many organizations are still testing the potential of Web 2.0 to meet their business objectives. As long as Web 2.0 is in a testing phase, where the return on investment, opportunities and threats are still under investigation, organizations need to choose their tools by testing, measuring, optimizing and modifying their approaches based on their target audiences.

As with any effective marketing approach, it is critical to know your target audience and to figure out the best way to engage them. As the drill manufacturer said, “*We don’t sell drills. We sell holes.*” It’s about customers’ broader objectives rather than a specific product or service. By engaging your online audiences’ passions, you can provide them with interaction and a way to meet their objectives more easily. In doing so, you can build customer affinity and loyalty.

As indicated in the diagram above, externally facing Web sites provide the following opportunities for Web 2.0:

- Pull business models and do-it-yourself approaches to online content
- Customer self-service
- Social networks
- Customer communities

This paper examines the ways in which organizations can tap into Web 2.0 interaction as part of marketing strategy to create customer engagement. You do so by matching your visitors’ passion to determine the “best fit” for new opportunities.

## 2 Setting the stage

Web 2.0 means many different things to different people depending on their role and objectives. As such, discussions vary from collaborative online development processes, to the advantages of business blogs, to technological perspectives, to data gathering about target audiences.

These varying perspectives may quickly overwhelm marketers who want to take advantage of the trend. A myriad of tools are available including wikis, blogs, RSS, podcasting, user-generated content and so on.

Outside of the technical platforms on which Web interaction is built, Web 2.0 has a social context and a business context that cannot be ignored by marketers.

### 2.1 Social Web

There are many online communities and public forums for interaction. The energy behind personal blogs, forums based on personal interests, and social communities lies in people finding areas of commonality. Topics can cover everything from parenting, to technology, to cooking, to even discussions about Web 2.0. These networks of users are built on “something in common” and the user-generated content reveals itself in photos, videos, story telling, personal journals and more. These communities can be incredibly tight knit and active since they are based on personal passions and interests.

This user-generated content is now standard. It has been hailed as the foundation for true democracy, freedom of expression and as a creative societal model with a global reach. It has essentially created a platform for the amateur enthusiast and the expert alike to participate and contribute.

Furthermore, members of the general public are now fully-fledged participants rather than observers and they expect to participate.

For businesses, the question lies in how to use and build on both the power and loyalty that these spontaneous communities have created to achieve business goals through online interaction.

## 2.2 Business context

When examining case studies, placed advertising on social network sites, analyst reports and online articles, it quickly becomes evident that concrete Web 2.0 marketing strategies are still being tested. Even analysts, such as Gartner, Forrester and McKinsey are actively assessing trends and are just starting to provide recommendations regarding the role of Web 2.0 in the enterprise.

So how do you react to the burgeoning interactive Web? And, even more difficult to answer, how and when should you participate so that you achieve tangible benefits?

Marketing professionals are using the social Web as part of their marketing mix in a few ways:

- As a means of gathering information about user groups
- As a way to convey information through targeted advertising
- By participating in online communities
- By initiating Web 2.0 tools on their own Web sites

Web 2.0 enables organizations to monitor what is happening around their brand, participate in communication networks, have direct contact with customers and provide customers with tools and information that engage them by adding value.

## 3 Adding value

The following section examines some of the benefits of Web 2.0 to business strategy and the ways in which it can be used to engage and provide added value to your online audience. In addition, it provides some examples of SDL Tridion customers who have used Web 2.0 tools to reach their specific audience objectives.

*“... The future is the interpersonal channels. Today 85% of online content is produced by individuals. Brands will never have enough power to control this content. Therefore, they should participate in this movement ...”<sup>2</sup>*

### 3.1 The value of community

Self-organizing user communities can now effectively pull organizations to comply with user demands. In contrast to push models, pull approaches to both product development and customer support acknowledge that existing networks and communities have specific demands and opportunities.

An example of this would be a user community in which active and loyal customers provide each other with expertise and knowledge. These communities can provide organizations with insight into customer best practices and provide customers with interaction with other customers who share their interests. In this way, organizations can tap into the desire and motivation of their customers by identifying the things that result in passionate debate or higher volumes of interaction.

Third-party communities also provide unique marketing opportunities. Targeted advertising based on user profiles, lightly branded games, applications and even sub-communities are used as a way of engaging online audiences in subtle ways. This is often effective as an awareness building exercise within which a community that exists for an entirely different purpose than a specific company, product or service.

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<sup>2</sup> “Les Jeunes et Internet” report, Le Journal du Net, < <http://www.journaldunet.com/dossiers/jeunes/>>



Yamaha Motor Europe allows satisfied customers to tell the stories of their adventures through their “My story” web page. Customers can submit the tale of their adventures along with personal photographs, which are then featured on the Web site. In addition to providing customers with the satisfaction of sharing their experience, it is also likely that after the story is published, they will forward it to their friends and acquaintances.

This personal touch now extends beyond reviews and stories to include advertising contests based on user-generated ads. Frequently these user-generated advertisements have greater acceptance since the general public produces them and often the entertainment value is high due to their unconventional approaches.

These types of user-generated personal stories invite customers to participate. The trick is to find the balance between offering the opportunity for free expression and moderating content, which ensures you have some control over the messages on your site. Nevertheless, the power of these kinds of stories and their ability to engage online audiences is high since, again, they manage to identify and capitalize on the passion of their existing customers.



## Visit Britain

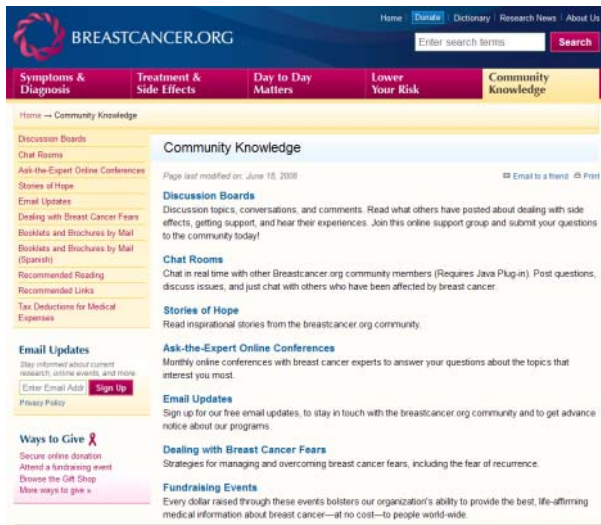
Visit Britain’s “travelers’ tips and tales” provide visitors with a personal touch by allowing travelers to add their own stories and experiences to the corporate site.

It also provides visitors with a direct contact point to other visitor’s experiences. Like any form of third-party endorsement, this reinforces the tourist bureau’s messages. In addition, it provides those who have visited various locations with the opportunity to participate on the site.

### 3.3 The value of collective knowledge

Another area in which businesses are reaping the benefits of online interaction is the support function that user forums frequently provide their members. These kinds of communities can often provide invaluable best-practice advice and trouble-shooting expertise. This provides a support function that can coexist with your customer support offering and can provide a responsive FAQ structure.

The benefit of creating your own user forum (rather than simply relying on external forums) is that you maintain some level of control but also shows that you have direct interest in your customer base. Some organizations have found that customers’ knowledge and experience with products and services is invaluable for generating future product roadmaps. Involving customers directly builds customer loyalty by giving contributors direct interaction with employees in your organization.



## breastcancer.org

An example in which an organization provides a more personal supportive function is that of breastcancer.org.

Their Web site provides those dealing with breast cancer with a number of different options for interaction including discussion boards, chat rooms and stories of hope.

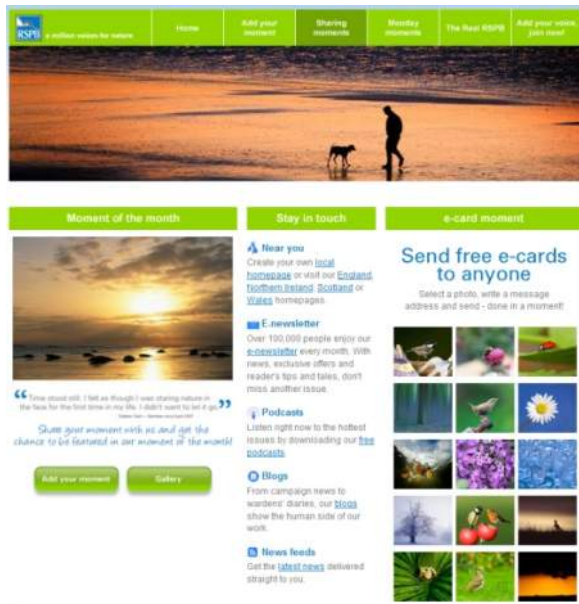
This approach allows the organization to fulfill its mission to “to help women and their loved ones make sense of the complex medical and personal information about breast cancer, so they can make the best decisions for their lives.”

### 3.4 The value of a personal voice

Blogging has been freely available in the public sphere for some time and the growth of business blogs indicates that it is now gaining traction for businesses.

The popularity of blogs is often based on a personal voice and experience. For businesses, a blog can give the organization a personal voice and a face. It allows organizations to establish themselves in subject matter areas that surround their core business. For example, blogs that focus on technology, business strategy or even a single aspect of their offering (e.g. photography, health etc.) are gaining ground, since they frequently provide audiences with non-marketing lingo approaches to the real concerns or interests of customers.

Using a blog, businesses can show their expertise. While the ROI of running a business blog is not yet established, the cost of creating one is relatively very low in comparison to traditional marketing tools. The key is to use a blog to build reputation as a subject matter expert and to interact with customers through the commenting functions.



**RSPB**

The RSPB works to ensure effective bird conservation programs. The heart of this kind of organization is its ability to engage members in actively supporting their cause through financial donations or through active participation.

As such, this type of organization relies on the passion of its members and of their shared experience. The RSPB blog provides its members with updates and success stories about results of recent actions and notifies them of areas in which action is necessary.

## 4 Putting Web 2.0 to work

The key to choosing the best tools to engage your online audience lies in knowing your audience. Participation should be spontaneous and emerge out of the added value that your customers and prospects identify by the type of online interaction you provide.

By selecting the right tools for their particular product, brand or campaign, organizations can fulfill the desire and expectations that customers now have for interaction. In doing so, they can address online visitors in each phase of their buying cycle including awareness, interest, desire, action and satisfaction.

### 4.1 Defining your projects

The primary purpose of any tool you choose is to persuade your audiences in such a way that you affect their behavior and not just their attitudes. In the case of Web 2.0 tools, this is done through interaction. The real use of any tool lies within your integrated communication plan and your overall marketing mix, not just your internet presence. As such, to choose your tools wisely and thereby your investments, you need to approach your plan using the same logic and careful planning that you use for any type of communication.

The following checklist outlines the factors you should consider when selecting Web 2.0 tools:

- What is your main objective for employing interactive and community based tools?
  - To raise the awareness of prospective customers about new or existing products and services
  - To raise interest by demonstrating the features, advantages and benefits of the product
  - To convince customers that the product or service will satisfy their needs
  - To convince customers to act or purchase the product or service
  - To satisfy the customer so that they will become a repeat customer or give referrals for the product
- Who is your target audience, and what are their characteristics? Internet customers often fall into different categories than are defined by traditional

segmentation. In addition to general demographic, socio-economic status and purchasing behavior characteristics, you also need to consider:

- How comfortable are your target audiences with the various tools you can choose from? This factor changes regularly as some audiences are slower to adopt new forms of interaction than others. In this case, it is important to do your homework and stay in touch with user trends.
- What are the objectives of direct contributors (those offering advice) versus those visiting a site to seek advice?
- What kind of Web 2.0 involvement is most likely to achieve the objectives listed above?
- What are the objectives of audiences that are likely to use your products and services? Do they want to improve their skills in a specific area or expand their general knowledge? In this case you are identifying where their motivation and passion lies. This is a key consideration in formulating the way in which you will use a Web 2.0 tool.
- Are your goals long term or short term? The various available Web 2.0 tools you choose from have varying life cycles. Some types of Web 2.0 tools, by their characteristics have longer-term benefits, while others are more appropriate for short-term goals such as a product launch or a one-time only communication task.

## 4.2 Selecting your Web 2.0 marketing mix

This section describes some of the available Web 2.0 tools that organizations have added into their marketing mix in to encourage customer interaction. This list is by no means exhaustive, and additional options and capabilities are emerging on a regular basis. In addition, the effectiveness of many of these tactics is still under investigation. However, it is clear that some tools are more effective for some purposes than others.

Your own analysis will be much more specific and will take into account your organizations' context, existing online and offline activities, industry, current trends and a detailed understanding of your audience characteristics. The following section provides a basic overview of the considerations you need to make when selecting tools.

## Context-sensitive advertising

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<b>Description</b>	Provides information about your company/product/service within a relevant context. This may be related to user profile information or related to the other content on the page.
<b>Objectives</b>	To use the targeted already provided by either user information or by the context of the Web page that the visitor is currently viewing. The main objective is to create awareness about your brand, product or services and to encourage the user to click through to your Web site.
<b>Target audience</b>	Dependant on context. This tool has the advantage of already qualifying the visitors.
<b>Timeline</b>	Can be short-term or long-term depending on the nature of the advertisement.
<b>Risks</b>	Banner blindness and the decreasing effectiveness of advertising due to over saturation.
<b>Maturity</b>	This is a relatively mature form of interaction.

## Corporate blogs and business blogs

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<b>Description</b>	Gives you the opportunity to give your organization a face and a personal voice. Blogs usually also allow for commenting, giving you the opportunity to interact directly with customers about topics that interest them.
<b>Objectives</b>	To engage online audiences topic specific discussions about current trends or ideas and to give your organization a personal and credible public voice about your customers objectives and the ways in which your organization can fulfill these objectives. As such, corporate blogs are often used to convince your customers that your product or service can satisfy their requirements and that your organization offers the expertise that they are looking for. Well-commented blogs encourage readership and provide you with the opportunity for insight into your customers' perspectives and opinions.
<b>Target audience</b>	Existing customers and prospects that have a clear affinity for your message and story.
<b>Timeline</b>	By there very nature, an effective blog is a long-term investment, since readership needs to be generated and encouraged over time. However, once that readership has been gained, you blog can also serve as a good tool to describe your companies vision and goals in a conversational way.
<b>Risks</b>	Control over the content in the business blog and the ways in which you respond to potentially negative commenting through moderation. Consistency, maintenance and ownership of blog content.
<b>Maturity</b>	While some organizations have maintained corporate blogs for some time now, corporate blogs are still not a standard tool. Best-practices for corporate blogs are quickly emerging, as experience is now able to inform the best uses for this tool. However, there are both many documented success stories as well as documented failures of blogs that had to be abandoned for various reasons.

## Customer polls

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<b>Description</b>	Polls allow customers to express their opinions and ideas easily and provide you with valuable information about your online audience. Polls can be everything from a single question with multiple optional answers to more extensive questionnaires.
<b>Objectives</b>	To engage Web site visitors with an interactive element on your Web site and to gather information about your target audiences. Depending on the location of poll, they can be used to engage customers or prospects by asking them to express their opinions.
<b>Target audience</b>	The placement of the poll will determine who your specific target audience is and can be used to target specific audiences with interactive content.
<b>Timeline</b>	Short term. The results will indicate a current trend for Web site visitors only.
<b>Risks</b>	Low risk.
<b>Maturity</b>	Increasingly being adopted as a means of increasing interactivity on Web sites.

## Forums

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<b>Description</b>	Engage customers in an ongoing relationship with others that share their interests. Have also been shown to provide a support function provided by other customers. Online communities build the sense that if they act on their desire and select you, that they will have ongoing support within the context of like-minded users.
<b>Objectives</b>	The primary contributors to forums are frequently existing customers who are able to share their own experiences and expertise about the product or service that an organization offers and thus position themselves as experts. However, a public forum that demonstrates the features, advantages and benefits of your products can also have a positive effect on the decisions made by potential customers.
<b>Target audience</b>	Existing customers and prospects that want to engage in discussion about either your specific offering or specific areas of interest to user groups.
<b>Timeline</b>	Long term.
<b>Risks</b>	Moderation and control over content.
<b>Maturity</b>	This is a mature form of interaction with customers. Strong guidelines already exist for the best practices in using this tool.

## Participation in social networks

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<b>Description</b>	Organizations create pages and profiles specifically for their company or as representatives of their company.
<b>Objectives</b>	To create awareness around their brand and brand values.
<b>Target audience</b>	Largely consumer based.
<b>Timeline</b>	Mid-term (experimentation)
<b>Risks</b>	True participation in a social network as a company representative is met with skepticism if the approach is hard sell.
<b>Maturity</b>	Still in testing phase.

## Send-to-a-friend promotions

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<b>Description</b>	These kind of promotions act much like traditional word-of-mouth promotions with the added benefit that the recipients are not being sold to by a business, but rather a friend is doing them a favor or sharing information with them. This type of tool can be associated with almost any content type including text, images, promotions, videos and so on.
<b>Objectives</b>	To encourage word-of-mouth promotion from visitor to visitor. The objective of this type of tool is to create awareness through buzz marketing.
<b>Target audience</b>	New prospects.
<b>Timeline</b>	Short term.
<b>Risks</b>	Low risk.
<b>Maturity</b>	This is a mature and low-risk approach to spreading awareness.

## Syndicated content and customer newsletters

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<b>Description</b>	Articles, best practice, and download sections of your Web site can be accessed via Real Simple Syndication (RSS), which allows your customers to pull information to them. RSS can also be a great tool for public relations and dissemination of your content to other sites.
<b>Objectives</b>	Newsletter type content that is syndicated can serve a PR role but can also be used in conjunction with blogs or news content on your Web site or the Web sites of others. Your main objective is to make up-to-date “newsworthy” content available to customers, prospects and third-parties who have interest in following updates about your organization, products or services. This tool primarily serves as an awareness-building tool.
<b>Target audience</b>	Those who have interest in accessing your syndicated content.
<b>Timeline</b>	Long term
<b>Risks</b>	Low risk
<b>Maturity</b>	This is a mature and low-risk tactic although business models for syndicating content to external Web sites are still evolving.

## Targeted recommendations

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<b>Description</b>	Based on a customer’s past buying and/or clicking behavior, shows them selections that match their interests. Provides up sell possibilities to customers currently acting on a purchase.
<b>Objectives</b>	Recommendations can initiate a new buying cycle by generating awareness and interest in a product based on information about the visitor.
<b>Target audience</b>	Web site visitors.
<b>Timeline</b>	Short-term
<b>Risks</b>	Internal expertise to properly implement personalization, visitor tracking and dynamic content generation.
<b>Maturity</b>	This is adopted by consumer-based products and is primarily adopted on retail sites.

## User generated content

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<b>Description</b>	Stories, reviews, photos, movies and ratings provided by customers provide credible references by other customers. They allow prospects to relate to the stories provided but also give existing customers with the stage to tell their own story.
<b>Objectives</b>	User generated content both increases customer satisfaction by allowing them to contribute directly to your site, but has the advantage of also creating awareness and desire in prospects through the strong peer-to-peer nature of this kind of product.
<b>Target audience</b>	Both existing customers and prospects.
<b>Timeline</b>	Depends on the nature of the content.
<b>Risks</b>	Lack of control over user input and moderation.
<b>Maturity</b>	This is still growing as a means of engaging customers as organizations are experimenting to see the way in which user-generated content can be controlled and monitored while still providing freedom to those who want to contribute.

## Video buzz marketing

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<b>Description</b>	Videos that are used to generate awareness through buzz marketing. These may include user-generated videos. Online videos are often more extreme than would be used in a traditional channel such as television.
<b>Objectives</b>	To prompt a viral effect whereby the video is unique or funny enough that people will send it to a friend. Often the purpose to reinforce branding or build awareness around a product. The “coolness” factor is often very important.
<b>Target audience</b>	Prospective customers or to build loyalty with existing customers.
<b>Timeline</b>	Frequently short term: for the length of the popularity of the video.
<b>Risks</b>	Risk that the organization is pushing the envelop too far and that some audiences will be put off.
<b>Maturity</b>	Organizations are still experimenting with this tool. It is mostly seen with consumer products.

## Widgets

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<b>Description</b>	On social network sites, widgets are commonly used as a means of distributing games and other applications through visitor profiles. Visitors can select these widgets and add as many or as few as they like.
<b>Objectives</b>	Often the purpose of a widget is to promote light branding or product awareness through an application. These applications are often fun, easy to use and provide the user with the opportunity to add personal preferences of some kind.
<b>Target audience</b>	Online participants in social networks.
<b>Timeline</b>	Medium term. Builds loyalty and provides a way of gathering information about target audiences.
<b>Risks</b>	The widget needs to be consistent with the image/identity of the organization.
<b>Maturity</b>	Organizations are still experimenting with this tool.

### 4.3 In conclusion

Web 2.0 tools can improve your image and identity in the marketplace by allowing you to address customer requirements for information, interaction and support. In addition, these types of tools provide another area of visibility on the Web and can provide a supporting function for your existing campaigns.

As stated, the use of many Web 2.0 tools is still experimental. Organizations are still determining how to capture the passion of their customers and prospects and translate that passion into user-generated content that can drive your business forwards. It is clear that any choice for a Web 2.0 tool needs to support business objectives and need to be selected in a deliberate and purposeful way so that you see clear benefits for your investments.

## 5 About SDL

SDL is the leader in Global Information Management solutions, which provide increased business agility to enterprises by accelerating the delivery of high-quality multilingual content to global markets. The company's integrated Web Content Management, eCommerce, Structured Content and Language Technologies, combined with its Language Services drive down the cost of content creation, management, translation and publishing. SDL solutions increase conversion ratios and customer satisfaction through targeted information that reaches multiple audiences around the world through different channels.

Global industry leaders who rely on SDL include ABN-Amro, Bosch, Canon, CNH, FICO, Hewlett-Packard, KLM, Microsoft, NetApp, Philips, SAP, Sony and Virgin Atlantic. SDL has over 1000 enterprise customers, has deployed over 170,000 software licenses and provides access to on-demand portals for 10 million customers per month. It has a global infrastructure of more than 50 offices in 32 countries. For more information, visit [www.sdl.com](http://www.sdl.com).

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