



Web 2.0:

What is it and What can it do for my Business?

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The Internet has become a vital component of the business environment in the 21st century. Small businesses, in particular, have taken advantage of the Internet to increase their marketing presence, connect with cheaper suppliers, and learn ways to differentiate themselves from their competition. While the majority of small businesses have realized the value a Web site gives them, a new buzz word has been circulating among many users of the Internet—Web 2.0. The term itself looks a little intimidating – and brings about lots of questions. Is it some kind of software application? A new version of the Internet? How much technical knowledge do you need to be able to use it? And, certainly not least, is it useful for my business?

This fact sheet will explore the growing world of Web 2.0 and provide the answers to these questions. It is particularly geared for small businesses that are interested in using technology to promote and improve their business.

What is Web 2.0?

Web 2.0 refers to a Web environment that is interactive in nature. As opposed to traditional Internet sites where viewers simply read through a site and have limited to no input, Web 2.0 sites encourage people to be readers, writers, or contributors. This is accomplished in various ways, but the general idea is to promote communication and collaboration among individuals.

It is important to realize the Web (Internet) is still the same one we've had all along. The term "Web 2.0" simply recognizes that the Internet is evolving. You will still use an Internet browser to visit Web 2.0 sites, but these sites encourage networking and viewer participation, which were not emphasized during the initial "Web 1.0" phase of the Internet. Some features of Web 2.0 include:

- enhanced retail opportunities,
- community loyalty and support,
- dynamic Web features that increase market visibility,
- social networking, and
- professional networking.

As the Internet has progressed, more and more people are becoming "interactive" with their Web experiences. For example,

- 36 percent of online Americans consult Wikipedia (an online encyclopedia to which anyone can contribute);
- 24 percent of teens have a blog or weblog (an online journal);

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- 48 percent of Internet users have been to YouTube or other video-sharing sites;
- 66 percent of Internet users have purchased something online;
- 26 percent of Internet users have participated in an online auction; and
- 81 percent of online Americans use the Internet to research a product they are thinking about buying. (Source: PEW Internet and American Life Project.)

Despite these statistics, a relatively recent survey indicated that most small businesses were not very optimistic about how Web 2.0 tools can help them (Simonds, 2007). As people become increasingly comfortable with these types of online experiences, it makes good business sense to see if they can be utilized to promote and advance your small business – giving you a competitive advantage over other businesses that are not willing to incorporate them.

Figure 1. "Tag Cloud" representing Web 2.0.



An example

Fred runs his own machine shop where he makes custom rifles. He has a "traditional" Web site, which tells a little about his business, offers customers a way to get in touch with him via phone or email, and gives details on some of the products and services he offers. (Note: Information on starting a traditional Web site can be found on Oklahoma State University Extension Fact Sheet AGEC-1008, "Web site Basics for Small Businesses.") While this has served him well, he wants to become more progressive in promoting his business – so he decides to look into what Web 2.0 might be

able to do for him. He finds out many small businesses use a blog to provide updates to their customers about ongoing projects or activities. He realizes many people who might be interested in his rifles enjoy discussing their hobbies on online forums dealing with that very topic. He visits other Web sites where business owners have demonstrated their capabilities with simple YouTube videos that can be created with a typical digital camera. And, he finds out some small businesses have their own social networking page on sites like Facebook or MySpace. More and more businesses are taking advantage of these sites to create contacts for both professional and personal reasons.

So, what does Fred do?

- He sets up his own blog (using a free site such as www.blogger.com), and provides a link to it from his traditional Web site. He dedicates himself to setting aside a few minutes each week to update potential customers about his current projects—complete with pictures—and what rifle shows he will be attending.

- He joins two forums where members are discussing their likes and dislikes about certain types of rifles. He doesn't simply fill the forum with comments about his business, but rather contributes to the overall knowledge of the forum members through his own understanding of rifles. After a few weeks of regularly posting helpful comments, Fred tactfully adds a link to his own Web site in his future comments, and even starts a topic on the forum about what members might like to see on his Web site.

- He gets a friend to help him film a short video of the rifle production process, making sure to highlight the equipment he uses, and has a little fun telling a funny story about building a rifle for someone who turned out to be a celebrity. He then uploads the video to YouTube and embeds the video on his own Web site. He routinely checks back on the video to see if viewers have left him any comments.

- He creates a Facebook page and LinkedIn profile for his business and sends emails to his friends asking them to join his network. He also posts his Facebook and LinkedIn information on the forums he joined, so other members of the forums with Facebook pages can find him that way.

After several weeks of continually updating his blog, providing useful information on the forums, and networking with other professionals and friends on Facebook and LinkedIn, Fred sees a dramatic increase in the number of visits to his Web site, has met over 100 new people interested in the same topic as him, and has gotten lots of leads for more work. His Web 2.0 experience is a huge success!

Where to Start

In order for Web 2.0 to work properly for a business, it needs to be fully meshed with the business' overall approach or plan. For example, a business focused on high levels of service is going to have a different Web 2.0 strategy than one focused on price competition. For most small businesses, the ultimate goal is to increase business levels while maintaining fully satisfied customers. Put a little thought into which of the tools below could be useful for your business. Perhaps more importantly, how much time will using these tools require, and can you make that commitment? For example, writing a blog can be an on-going process that requires a commitment each week or month, while making a video to upload to YouTube

is a short-term project that doesn't require a long-term commitment. While you will need to learn the basics of each type of Web 2.0 tool, if you are comfortable surfing around the Internet and using basic computer programs like Microsoft Office, you shouldn't have any trouble implementing them.

Some Web 2.0 Tools

We break Web 2.0 tools into the following categories for small businesses:

- Market research/social networking,
- Staying in contact,
- Self-promotion, and
- Aggregators.

Market research/social networking

Market research is crucial to building Web site traffic and establishing loyalty among consumers. The basic aim of market research is to discover marketing opportunities, establish marketing plans, and to better understand the purchasing process. Below are some Web sites that can help your business in the area of market research. Some of these sites are social networking sites, such as Facebook, but also have built-in tools specifically for market research. Make the most of these sites to draw in the appropriate customer base.

- www.facebook.com – This site allows a user to enter specific demographic characteristics or keywords for people they want to reach.

- www.myspace.com – Similar to Facebook, this social networking site has more than 100 million members.

- www.linkedin.com – Connect to more than 30 million professionals with name and company information.

- Enthusiast forums [www.theforumfinder.org or similar sites can help you find appropriate forums that are related to your business]. Forums are divided into broad groups that cover a large variety of topics.

- www.infosurv.com – An online survey company that provides surveys for market research and customer satisfaction.

- www.google.com/analytics – Track your referrals/ads/search engines/e-mail promotions using Google Analytics software. The software is free and easy to use, although the user does need some knowledge about html code and how to insert it on their webpage. The resulting statistics and graphs

Figure 2. Screen shot of Facebook.

allow you to determine where your visitors came from, what keywords they used to search for you, and what parts of your Web site are most popular.

Staying in contact

These tools help a small business stay connected with their client base. Blogs, in particular, are becoming very popular ways for a small business owner to let customers know the latest news about their products, services, or planned activities. Other tools include e-mail marketing solutions that allow you to send professional looking newsletters or invitations.

- www.blogger.com – Create a free blog for your business.
- www.typepad.com – This is a more professional blog atmosphere, but there is a monthly charge for this service.
- www.constantcontact.com – A for-pay service that provides professional-looking e-mail marketing templates, online surveys, newsletter templates, coupons, and event invitations.

Figure 3. Screen shot of Blogger.



Self-promotion

“Viral marketing” is the dominant theme when it comes to promoting your business – do it everywhere, all the time! These sites and methods will help your Web site gain popularity, but you may need to spend a little time learning how some of the technologies work.

- www.selfpromotion.com – Submit your Web site to popular search engines.
- Enthusiast forums (found via www.theforumfinder.org or other sources) can be a great way to promote your Web site. Participate and offer advice – and include a link to your Web site in your profile.
- www.youtube.com – Upload videos, embed them in your traditional Web site, allow user comments.
- www.audacity.sourceforge.net – Create and edit audio files with minimal equipment and free software. Upload “podcasts” or embed audio files in your traditional Web site that provide interesting information to potential customers.
- www.website.grader.com – Enter in your Web site and see how you fare! You’ll get a grade (out of 100) and suggestions for how you can improve your Web site’s visibility.

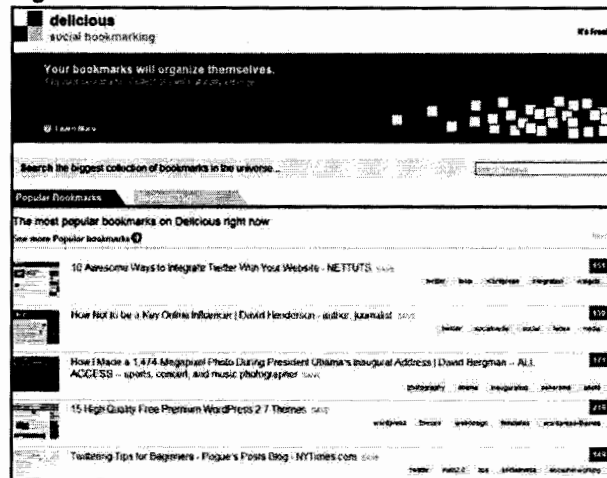
Aggregators

Aggregators help you stay current on information and Web sites relevant to your business. With so many different Web

sites and opportunities to market one’s business (particularly in the world of Web 2.0), it can be difficult to keep up with all of the Web sites, blogs, and information available. Aggregators allow people to share bookmarked sites, gather quick pieces of information about what others are doing, and generate a description of a business in one brief glance.

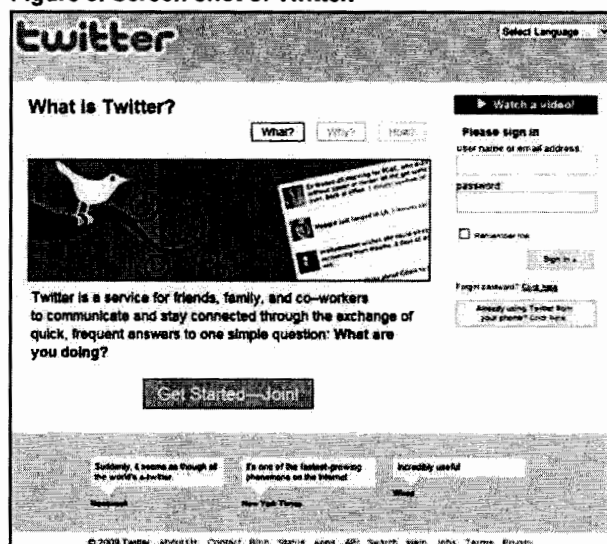
- www.delicious.com – This social bookmarking service allows you to create lists of bookmarks of your favorite Web sites. These bookmarks can be shared with friends, and you can see which sites in your industry are the most popular nationwide. If you can get your site listed here it means lots of people are using it!

Figure 4. Screen shot of Delicious.



- www.twitter.com – Allows you to update what you’re doing at that exact moment and comment on others’ updates as well. It can be useful for friends and co-workers.
- www.tagcrowd.com – Make your own “tag cloud” which tells visitors exactly what your company is about in one quick look. Most tag clouds display keywords that define the company or product in one glance, with more important ones shown in larger or bolder text.

Figure 5. Screen shot of Twitter.



Summary

While Web 2.0 might sound a bit confusing at first, it is really a simple term referring to a new generation of Web sites that promote collaboration. Web 2.0 goes beyond the basic, informative, visual Web sites and promotes an interactive environment where Web site readers can actively contribute. Web 2.0 allows individuals to post reviews, discuss a variety of topics through online forums, share which Web sites they feel are the most useful, and, perhaps most importantly for small businesses, Web 2.0 provides a number of proven methods to promote your product to a larger audience.

There are primarily four different categories of Web 2.0 tools. There are social networking sites that allow you to market your product, make a page for your business, and even research the market and learn more about a specific demographic. Next, there are tools that allow you to stay in contact with your target market. This includes blogs and consumer e-mail or newsletter templates. Although Web 2.0 focuses a lot on interaction, most small business owners still need to have a quality Web site to which they can refer their potential customers. The third category of Web 2.0 tools will "grade" your Web site, offer suggestions for improvement, submit it to various popular search engines, and help you with self-promotion, generally. Finally, there are several aggregators available that will make it easier to keep up with all of the updates to Web sites, customer opinions, and your industry or market in particular.

Web 2.0 can allow a small business owner to target their market, promote their business, keep up with market trends and customer opinions, and find potential customers through various means. Previously, self promotion of a business could be very expensive and have only a limited reach. Web 2.0 allows business owners to get creative at a much lower cost (free, in most cases) and take advantage of different techniques

to target a very large audience. So, get out there and explore some of these sites and techniques – and see if they are a good fit for YOU!

References/Additional Reading

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