

Business Uses for Web 2.0: How Companies Can Help Their Customers and Their Employees While Cutting Costs:

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By Dr. Bill Conerly, author of *Businomics: From the Headlines to Your Bottom Line—How to Profit in Any Economic Cycle*

Most business leaders at non-Internet companies are too busy to pay attention to the latest web trends, but Web 2.0 offers great tools for building better customer relationships, improving their employees' productivity, and cutting costs.

The first generation of the Internet was about web masters posting content on web pages, and web surfers looking at the content. The second generation, which we call Web 2.0, has web surfers providing content, interacting with the site, and interacting with each other. A good example is the book reviews that Amazon users post of that web site. (In fact, why don't you add a short review of my book, *Businomics*, when you have a moment?) Another example is the buyer feedback on Ebay. It really helps other buyers to know what your experience with a seller was. And we can't forget the user-created videos on YouTube, and the social interaction of MySpace and Facebook. These are the best-known Web 2.0 sites, but there are thousands more.

Before we get caught up in gee-whiz web sites, let's review the basics economics of your business.

- You need to find customers
- you have to produce and deliver your products
- you probably need employees
- You also need to buy products from vendors.

And you need to do these things in the context of a cold, cruel, competitive world, where one misstep by you means a profit opportunity for your competitors.

Let's talk about how Web 2.0 can help you. I'm going to spin out some ideas. One or two might apply to your business, but I think it's even more important to use these ideas to start brainstorming.

Have you got an owner's manual for a piece of hardware you sell, or a handbook for using your software, or simply a guide to activities at your rental condo? Consider using a wiki. Wikipedia led the way of user-created information., but the idea is about more than encyclopedias.

I bet that the best users of your product have more knowledge than the technical writer who wrote your manual. User-generated content exploits the knowledge of the power user. Let me give you an example. When the taillight on my car burned out, I bought a replacement bulb and then checked the owner's manual for instructions on how to replace

the bulb. I found what I thought was the module that was supposed to slide out—but it wouldn't slide. Should I try to force it, or was I mis-reading the little diagram in the owner's manual?

You ever been there? Have your customers? Well, I went to the web and found a posting on a forum that said, "You may think you're in the wrong place because it doesn't slide out easily. Here's how to verify that you're in the right place." There was a photo that was a lot more useful than the diagram in the owner's manual. Then the person wrote, "Now, wiggle the unit up and down. Do not try to pry it out with a screwdriver—you can crack the plastic casing, costing you \$200, which I learned the hard way. But keep wiggling up and down and the module will eventually slide out."

That was exactly the information I needed. How come the hot-shot engineers at Honda hadn't told me that? Well, they were so probably so immersed in light modules that they couldn't imagine ANYONE being uncertain about where it sits. And in the brand new cars that they practiced on, the module never sticks. Maybe I'm not supposed to drive the rig over 100,000 miles.

Now let's get back to your business. How do you improve your customers' experience with your product? Start a wiki, using your owner's manual as a starting point.

Encourage users to add their own comments. On Wikipedia, anyone can change the content for most entries, but you may want to review changes before posting them.

There's going to be one wise guy telling people to check the gasoline level by lighting a

match. You may also want to set it up so that user-provided content is in a different color or font, until it's approved by the company.

With user-generated content, your on-line product manual will get better and better, and you can use these improvements for the next printing of your physical manual—or stop providing a physical manual at all. The two best aspects of this idea are, 1) the information is written by people who are very knowledgeable about your product, more knowledgeable than a tech writer is likely to be, and 2) you don't have to pay them to write up your manual!

On top of those two advantages, here's some upside potential: your customers may tell you how to improve your product along the way.

Shifting gears a bit, YouTube has entranced a nation with short videos of dancing, flaming flatulence, and lame family videos. It's a huge phenomenon, because video is a much more engaging medium than print or audio. In the old days—like five years ago—a corporate leader who wanted to deliver a video of his or her vision out to employees had to spend a lot of money on production; then a lot of money on editing, duplication of VHS tapes, then had employees sit around a training room watching a television hooked up to a VCR. Today, the equipment costs less than \$100 if you'll accept moderate quality. Any number of sites can host your video, which means provide a web page from which web surfers can watch it. My own web page has video clips of me giving speeches, to help sell that service. A great use of video was by the CEO of Jet Blue after

last winter's service failures. He produced a very short video apology, posted it on YouTube, and garnered substantial appreciation for his honesty.

How could you use YouTube? You could certainly push videos out to employees and customers. Even better, ask your employees to produce videos on the best—and worst—parts of working for your company. Ask customers for videos illustrating how they use your product or service. You can set up a little interview area in a corner at your annual customer reception.

Every executive regularly communicates with customers, employees and vendors. Put video into the tool box. It won't replace all other media, but in some applications, it's the best tool available.

Here's another part of Web 2.0: social networking. That means a web site that helps people with similar interests get in touch with each other. FaceBook started as a way for college students to connect with one another, but it's now spreading to the general population. The key to Facebook's success outside of colleges is groups. You can form a group, and use Facebook to connect with people who have similar interests.

Do you have employees in different offices who might work smarter if they were in touch with one another? I bet all of your sales assistants across the country would benefit from talking to one another. All the folks working on the IBM account, all the people using Peachtree software, or all of the folks who repair your model 2020 Zoom-master product.

When someone has a question, he or she can post it to the group. Often times, the people who can help with a question are not sitting in the next cubicle, but are in another state somewhere. And it's not just questions. People can post information that they have learned which would be useful to others.

You can also use this social networking approach to build better user groups among your customers.

One of the biggest changes in the last two years has been the falling cost of using Web 2.0. A few years ago you would have paid a web guy \$20,000 to work up a website for group interaction. Today you can set one up for free if you will tolerate ads, or for \$25 a month without ads. It's cheap and easy both.

OK, you say, this Web 2.0 is a cool idea, with plenty of business applications. But what do I do now? Go find your young employees who are hip to new technology. Ignore their tattoos and piercings. Tell them frankly: you're wondering what hot technology the company might be able to use. Ask them about their favorite website, ask them to brainstorm with you. Tell them your top corporate priorities: building customer relationships, finding ways to reduce costs, opening new markets, or whatever is on your list. Just sit and talk.

There are also some very sharp marketing consultants who can help you use these tools.

There's a great new world out there, and you don't have to be a rocket scientist to take advantage of it. Oh, and one more thing: one of competitors will stumble upon something really cool. Let's hope that you beat him to it.

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