

## Changing the face of communications

Web 2.0 – it's a phenomenon that's gripping the world, causing top management worldwide to re-evaluate their marketing strategies and changing the very face of communication. But what exactly is Web 2.0, how does it work and is it catching on as rapidly as media hype suggests?

In simple terms, Web 2.0 is an acceleration of the existing internet. Characterized by a change in the approach to the ways software developers and end-users leverage the internet and defined by interactivity, Web 2.0 facilitates collaboration and sharing between users. From pod casts to wikis, it is a tool that is connecting the world.

In fact, Tim O'Reilly, President and CEO of O'Reilly Media, defines the seven key principles or core competencies of Web 2.0 companies as the following:

- Services, not packaged software, with cost-effective scalability.
- Control over unique, hard-to-recreate data sources that get richer as more people use them.
- Trusting users as co-developers.
- Harnessing collective intelligence.
- Leveraging the long tail through customer self-service.
- Software above the level of a single device.
- User interfaces, development models and business models.

**Among the public, these principles have given way to four over-reaching trends:**

### ***A connected world***

Today, both the internet generation and those who considered themselves internet-illiterate have incorporated the new technology into their lives. Social networking sites have changed the face of communication. Much like an e-mail address was the must-have of yesteryears, an account on Facebook or Orkut is the new 'in'. Facebook, the social networking phenomenon, has gained a staggering 42 million users since its worldwide launch in 2006, dominating conversations globally and YouTube, founded as recently as 2005, attracts about 100 million page views per day.

Instant success has spurred a dotcom type phenomenon – everyone wants a piece of the space. Be it social networking, professional networking, matrimonial or video sites, there are numerous choices for each.

Facebook has kept its market share so far by allowing users to create and upload their own applications – 'I like', 'Buy a Drink', 'Turn into a Vampire'. The challenge now will be for companies to continually innovate to differentiate their offerings from the competition.

### ***Information Uncovered***

Bill O'Reilly once commented that 'Static information will no longer be the King of the net. It will be replaced by collaborative and user-generated content.' Today, his words have hit the mark.

Applications built on the Web 2.0 interface, such as wikis, allow for users to edit and change content. This is leading to a true 'digital democracy' of sorts, helping information flow freely as people communicate and spread ideas to each other, rather than receiving information from a single source.

#### *A new medium for internal communication*

While Web 2.0 has become synonymous with social networking, corporations too are debating its feasibility as an internal communication tool.

With the world becoming increasingly digital, leveraging on-line mediums to promote employee interaction is the flavour of the times. The popularity of CEO Blogs – judging by both the number of companies that have one and the quantity of responses to them – is only increasing and set to grow further.

Social networking sites, such as Facebook, and virtual forums, like Second Life, in particular are emerging as viable routes for online communication. Controlled by a moderator, the dedicated company communities on the site are protected yet open enough to embrace additional networks. In today's tightly networked world and with the rising blurring between social lines and business lines, these networks may well emerge as a better form of engagement.

## ***A new form of marketing***

Web 2.0 is providing companies with the opportunity to reach a wider audience and achieve value propositions that were previously unheard of. It has created a fundamental shift in the manner in which buyers and sellers interact, allowing for one-on-one interaction. Reduced information costs, two-way interactivity and the lack of a time-space barrier understandably explain why companies that opted for the Web route – namely, Amazon.com, e-bay and Yahoo!– have been able to build strong brands in a fraction of the time of traditional companies.

Above all, it is also creating the need for a new approach to marketing. The virtual world of Second Life is a perfect example. Companies are actually sponsoring stores and users are welcoming the chance to spend some of their lin-dollars. Nike and Gatorade, in particular, have created a strong online presence in this forum.

Some may question the viability of such technology-dependant trends in a country like India, but the truth is internet usage is continuing to grow at a slow but steady pace – both in breadth and depth. JuxtConsult's India Online Survey reports a growth of 28 percent from April 2006 to April 2007 in the overall internet-using urban population, reaching 30.32 million. India also adds about 7.5 million cellular phones per month, over 30% of which are web-enabled.

Yet, law makers and governments alike are engaged in continual debates about the increased risks that accompany this expansion of 'freedom'. Giving this virtual world the space to expand is making it difficult to control growth. In the 'real' world, trouble is quickly handled with regulatory means to penalise offender. The question is, in a zone where even jurisdictions are blurred, where and how can these boundaries be drawn? In fact, over the last seven years, there have been no convictions under Section 79 pf the Indian IT Act.

Web 2.0 is a phenomenon that is still being discovered – by creators, users and regulators. There's no doubt, however, that the power of interactivity and the freedom that it has brought to the people worldwide is rapidly changing all the rules of communication and marketing. The question is, what next?



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