

Clues for Facing the Challenge of the Corporate Web 2.0

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Online users have won yet another battle: the head of the news site Digg has finally agreed to publish the code for pirating movies in the high definition video format HD DVD. He did this against the advice of his own lawyers. The news of this code, which had been sent by a user, had initially been eliminated from the forum. This about face proves that Digg is more fearful of a confrontation with its users than of the possible retaliations by AACCS LA, the group that protects the security of HD DVD for companies such as Walt Disney, Microsoft or Sony, among others.

This quick reaction by Digg could be smarter than AACCS LA's strategy, which has been to send letters to various websites in the past few weeks, including Digg, warning them to eliminate the code to crack HD DVD from their sites. This did not do much good: angry users have counter attacked by publishing the code in several ways, from blogs to songs disguised as screen savers and even T-shirts! This is one of the imaginative responses typical of the so called Web 2.0, a somewhat vague concept that can be summarized as "Internet created for and by its users". In other words, the content and dynamics belong to people, not organizations.

This episode shows the impact of Web 2.0 on companies, as it is already creating difficulties for them. On the other hand, it also offers the chance to interact with users, get to know their needs and learn from mistakes. It can help companies to increase customer satisfaction and thus become more profitable. It's obvious that companies cannot refuse to enter into the dynamic of this new phenomenon. They must take on the right philosophy. Instead of silencing users, which is impossible, they need to concentrate on using online tracking systems, to monitor what is said online about a brand, a company or a product. Once they have taken good note of the opinions that are freely expressed by clients, they can learn from them and act accordingly.

Furthermore, they must not fall into the temptation of doing under cover advertising, under the guise of independent opinions. Companies can advertise a product on any number of blogs, but

Highlights

1 Digg is an online service allowing users to post news items from any media source, blog or website. The Digg community vote is what determines the place each news story will occupy.

2 Digg has one million registered users and accounts for nearly 1% of all Web traffic in the United States. Similar services exist in Spain, such as Meneame.net.

3 Digg's fear of facing legal action for publishing the cracked HD DVD code is not unfounded. In 2000, the hacker quarterly 2600 Magazine published the DVD crack and was sued by Universal. The film studio prevailed, as noted in BusinessWeek.

4 AACCS LA was founded by The Walt Disney Company, Microsoft, Panasonic, Warner Bros. Studios, IBM, Intel Corporation, Toshiba and Sony. Its purpose is to preserve the integrity of high-definition video formats HD DVD and Blu-ray.

if the user community discovers that messages are manipulated, public opinion could turn disastrously on the company. This happens on Web 2.0 more often than it might seem.

Another key point is to accept that no one is infallible. If a company wishes to blog to interact with clients, it will sooner or later receive criticism online. Eliminating or disallowing negative comments will only fuel the fire, making users feel censored, discouraging them from participating at all, or staging counterattacks on other sites. In this way, the whole company's image becomes affected.