



Empower Your People with the Remote-Support Competitive Edge

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SaaS and Web 3.0

Pointing the way.

by [Kim Kobza](#)

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How will Web 3.0 enhance the customer relationship in a way that Web 2.0 cannot?

Broadly speaking, we think of Web 2.0 as including a second generation of Internet-based services like social networking sites, wikis, and communications tools that allow individuals to collaborate and share information online in ways previously unavailable.

Media, government, and business are quickly learning that Web 2.0 is creating an expectation of being able to interact with brands and issues that are most important to customers.

But Web 2.0 interactions, while insightful to many companies, do not always allow business to glean the full value from customer interactions. In other words, they do not create the predictability and enduring value that is characteristic of other business processes like traditional CRM.

The reason for this is simple. The raw dialogue that is the byproduct of Web 2.0 technologies often lacks the structure and predictability that creates comfort for customers who would like to be a part of a broader community (a social network), but who may feel threatened or simply inconvenienced by unstructured communications.

Should one have to participate in a blog to express a great product idea or enhancement to service delivery that is important to one's quality of life? Should one have to read through other blog entries to submit a meaningful input, or to submit one's own opinion to scrutiny (and sometimes ridicule) just to share a common experience?

The answer--and the promise of Web 3.0--is no! In Web 3.0, media, government, and business will have the ability to create communities with their customers by using advanced systems that will enable the support of communities that create predictability and structure--much as communities in a physical world. Customers will be able to share all forms of user-generated content--video, documents, text, surveys, images, SMS, and IVR files--collected from all types of devices including computers, PDAs, cell phones, TVs, and devices of the future--and to interact with the community members and sponsoring organization, all with a promise of meaningful, high-value interaction.

Also important, the community sponsors will have the ability to manage all forms of content and to support the customer interactions, all from one platform. They will be able to make solid business decisions based upon accurate data and innovative ideas, and to respond immediately so that they convert the value of community into business value. Web 3.0 will enable media, government, and business to build meaningful, rich communities using a business delivery model that is well known to most businesses today: net-native SaaS. Companies like Salesforce.com, Netsuite, and SAP have paved the way by educating customers to the benefits of outsourcing applications, services, and secured hosting in a bundled offering delivered on an "as needed" basis.

The benefits of an SaaS model are trumpeted as (1) speed to market, (2) cost avoidance in solution development and support, and (3) avoidance of development and adoption risk often associated with more traditional software development initiatives, a high percentage of which often fail. Nowhere are these attributes more relevant than to organizations that desire to build social networks with their customers. Speed is important because most organizations just cannot wait to meet the demands for servicing customer interactions. Failure to act will mean that customers will turn to blogs, emails, wikis, and other forms of interaction as they become increasingly frustrated with an organization's failure or inability to listen.

Cost avoidance in traditional solution development and support is also important in building systems that support large-scale customer networks. "Build your own" is a high-risk proposition in that few companies can accurately prognosticate the future of social networks. What is designed and built today may not serve competitive needs tomorrow. And it is not clear that after spending millions of dollars to build in-house systems, customers and employees alike will adopt the technology. Traditional development is a high-risk, high-cost response to the demand for customer interaction inherent in Web 2.0. But there are important examples where SaaS is already making its mark in the emerging demand for enterprise social networks.

Leading early examples of SaaS applications have emerged in media. Broadcast networks, print, and cable media are all confronted with having to serve large audience demand for video sharing, comment collection and reporting, and mobile dialogue. And they are largely responding. In 2006, ABC's implementation of SaaS-based technology allowed viewers to submit questions for President Bush--via the Web, or even mobile phones if they liked--directly to the network and ABC's staff in turn was able to collect, sort, review, and immediately publish selected user-submitted videos into on-air programming to complement George Stephanopoulos' interview with the president.

Similarly, CBS recently turned to an SaaS-based solution to conduct an audience engagement campaign during Katie Couric's evening news debut, which asked viewers to contribute suggestions for Couric's signature sign-off. In less than 24 hours, more than 40,000 viewers--at a rate of sometimes more than eight per second--responded to the call to action by offering their opinions and feedback online. Networks are learning how to repeat these experiences across news, sports, and entertainment programming on a systematic basis. But like business, they do not have much time to retain competitive positions threatened by communities built on highly available, low-cost Web 2.0 technologies.

Web 3.0 will enable business to quickly embrace scalable, repeatable, and consistent methods of building social networks with customers and to manage those networks. By using SaaS businesses can meet the rising demands for customer interaction in a way that delivers immediate and tangible business value. SaaS is a simple solution to the universal problem of how to bridge the gap between traditional CRM and the demand for social networks created by Web 2.0 technologies in a way that honors the needs of business processes.

About the Author

Kim Kobza is CEO of Neighborhood America. Please visit www.neighborhoodamerica.com.

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