“Nobody Is Going to See Pictures of You in Your PJs on Your Treadmill”

- PRIDE – patients exercise at home and still have a group experience.
- Members’ performance displayed on cell phone.
- Will technology support application?
- Will elderly patients use it?
- Will it increase motivation?
PRIDE Application Prototype
Study Questions

Q1: What is a social media information system (SMIS)?
Q2: How do SMIS advance organizational strategy?
Q3: How do SMIS increase social capital?
Q4: What roles do SMIS play in the hyper-social organization?
Q5: How do (some) companies earn revenue from social media?
Q6: How can organizations manage the risks of social media?
Q7: 2024?
Q1: What Is A Social Media Information System (SMIS)?

• Social media (SM)
  – Use of IT to support content sharing among networks of users
  – Enables communities, tribes, or hives
  – People related by a common interest

• Social media information system (SMIS)
  – Supports sharing of content among networks of users
Social Media Is a Convergence of Disciplines

- Psychology
- Organization Theory
- Sociology
- Marketing
- Computer Science
- MIS
SMIS Organizational Roles
SM User Communities
Social Media Sponsors: Not a Casual Commitment
Social Media Application Providers

• Facebook, Twitter, LinkedIn, Google

• Sponsors might pay a fee, depending on application and what they do with it.
  – Creating a company page is free on Facebook, but
  – Fees are charged to advertise to communities that “Like” that page.

• Custom developed SM for company using SharePoint for wikis, discussion boards, and photo sharing.
## Five Components of SMIS

<table>
<thead>
<tr>
<th>Component</th>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hardware</strong></td>
<td>User</td>
<td>Any user computing device</td>
</tr>
<tr>
<td></td>
<td>SM sponsor</td>
<td>Any user computing device</td>
</tr>
<tr>
<td></td>
<td>Application provider</td>
<td>Elastic, cloud-based servers</td>
</tr>
<tr>
<td><strong>Software</strong></td>
<td>User</td>
<td>Browser, iOS, Android, Windows 8, and other applications</td>
</tr>
<tr>
<td></td>
<td>SM sponsor</td>
<td>Browser, application tools</td>
</tr>
<tr>
<td></td>
<td>Application provider</td>
<td>Application, NoSQL or other DBMS</td>
</tr>
<tr>
<td><strong>Data</strong></td>
<td>User</td>
<td>User-generated content, connection data</td>
</tr>
<tr>
<td></td>
<td>SM sponsor</td>
<td>Sponsor content</td>
</tr>
<tr>
<td></td>
<td>Application provider</td>
<td>Content and connection data storage for rapid retrieval</td>
</tr>
<tr>
<td><strong>Procedures</strong></td>
<td>User</td>
<td>Informal, copy each other</td>
</tr>
<tr>
<td></td>
<td>SM sponsor</td>
<td>Create, manage, remove content; extract value from content and connections; manage risk</td>
</tr>
<tr>
<td></td>
<td>Application provider</td>
<td>Run and maintain application (beyond the scope of this text)</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>User</td>
<td>Adaptive, can be irrational</td>
</tr>
<tr>
<td></td>
<td>SM sponsor</td>
<td>Key users</td>
</tr>
<tr>
<td></td>
<td>Application provider</td>
<td>Staff to run and maintain application (beyond the scope of this text)</td>
</tr>
</tbody>
</table>
SMIS Is Not Free

• Costs to develop, implement, and manage social networking procedures.
• Direct labor costs for employees who contribute to and manage social networking sites.
Q2: How Do SMIS Advance Organizational Strategy?

Hyper-social organization theory

- **Defenders of Belief**
  - Share a common belief.
  - Seek conformity.
  - Want to convince others.
  - Facilitate activities like sales and marketing.
  - Form strong bonds and allegiance to an organization.
Q2: How Do SMIS Advance Organizational Strategy? (cont’d)

• Seekers of the Truth
  – Share common desire to learn something, solve a problem, but not a common solution.
  – Such tribes incredible problem solvers and excel at innovation.
  – Can be useful in customer service activity.
## SM in Value Chain Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Community type</th>
<th>Focus</th>
<th>Dynamic process</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing</td>
<td>Defender of belief</td>
<td>Outward to prospects</td>
<td>Social CRM Peer-to-peer sales</td>
<td>Loss of credibility Bad PR</td>
</tr>
<tr>
<td>Customer service</td>
<td>Seeker of the truth</td>
<td>Outward to customers</td>
<td>Peer-to-peer support</td>
<td>Loss of control</td>
</tr>
<tr>
<td>Inbound logistics</td>
<td>Seeker of the truth</td>
<td>Upstream supply chain providers</td>
<td>Problem solving</td>
<td>Privacy</td>
</tr>
<tr>
<td>Outbound logistics</td>
<td>Seeker of the truth</td>
<td>Downstream supply chain shippers</td>
<td>Problem solving</td>
<td>Privacy</td>
</tr>
<tr>
<td>Manufacturing and operations</td>
<td>Seeker of the truth</td>
<td>Outward for user design; Inward to operations and manufacturing</td>
<td>User-guided design Enterprise 2.0 Knowledge management</td>
<td>Efficiency/effectiveness</td>
</tr>
<tr>
<td>Human resources</td>
<td>Defender of belief</td>
<td>Employment candidates; Employee communications</td>
<td>Employee prospecting, recruiting, and evaluation SharePoint &amp; Enterprise 2.0 for employee-to-employee communication</td>
<td>Error Loss of credibility</td>
</tr>
</tbody>
</table>

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Social Media and the Sales and Marketing Activity

• Relationships between organizations and customers emerge in a dynamic process
• Each customer crafts relationship
• Wikis, blogs, discussion lists, frequently asked questions, sites for user reviews and commentary, other dynamic content
• Customers search content, contribute reviews and commentary, ask questions, create user groups, etc.
Social Media and Customer Service

• Product users help each other solve problems.
• Selling to or through developer networks most successful.
• Primary risk is the loss of control.
  – Seekers of truth will seek truth, even if that means recommending another vendor’s product over yours.
Social Media and Inbound and Outbound Logistics

• Seekers-of-the-truth communities provide better and faster problem solutions to complex supply chain problems.
• Social media fosters content creation and feedback among networks of users that facilitates iteration and feedback needed for problem solving.
• Supply chain problem solving via social media is problem solving in front of your competitors.
Social Media and Manufacturing and Operations

• Crowdsourcing
• **Enterprise 2.0** - enable users to share knowledge and problem-solving techniques.
• **Folksonomy** - emerges from processing of many user tags
• **SLATES**
<table>
<thead>
<tr>
<th>Enterprise 2.0 Component</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>People have more success searching than they do in finding from structured content.</td>
</tr>
<tr>
<td>Links</td>
<td>Links to enterprise resources (like on the Web).</td>
</tr>
<tr>
<td>Authoring</td>
<td>Create enterprise content via blogs, wikis, discussion groups, presentations, etc.</td>
</tr>
<tr>
<td>Tags</td>
<td>Flexible tagging (like Delicious) results in folksonomies of enterprise content.</td>
</tr>
<tr>
<td>Extensions</td>
<td>Using usage patterns to offer enterprise content via tag processing (like the style of Pandora).</td>
</tr>
<tr>
<td>Signals</td>
<td>Pushing enterprise content to users based on subscriptions and alerts.</td>
</tr>
</tbody>
</table>
Social Media and Human Resources

• Employee communications using internal personnel sites
  – Ex: MySite and MyProfile in SharePoint.
• Used for finding employee prospects, recruiting candidates, or candidate evaluation.
• Place for employees to post their expertise.
• Risks:
  – Forming erroneous conclusions about employees.
  – Becoming defender of belief or pushing an unpopular management message.
Q3: How Does SMIS Increase Social Capital?

Types of business capital

- **Physical capital** – produce goods and services (factories, machines, manufacturing equipment).
- **Human capital** – human knowledge and skills investments.
- **Social capital** – social relations with expectation of marketplace returns.
What Is the Value of Social Capital?

• Value of **social capital**
  ➢ Number of relationships, strength of relationships, and resources controlled.

• Information
• Influence
• Social credentials
• Personal reinforcement of professional image or status.
How Do Social Networks Add Value to Businesses?

Progressive organizations:

• Maintain a presence on Facebook, LinkedIn, Twitter, and other SN sites.
• Encourage customers and interested parties to leave comments.
• Risk - excessively critical feedback.
Using Social Networking to Increase the Number of Relationships
Using Social Networks to Increase the Strength of Relationships

Three ways to increase social capital

1. Ask them to do you a favor.
2. Frequent interactions strengthen relationships.
3. Connect with those with more assets.

- **Social Capital**
  
  \[
  \text{Social Capital} = \text{NumberRelationships} \times \text{RelationshipStrength} \times \text{EntityResources}
  \]

- Social capital depreciates, but can be ameliorated by adding something of value to the interaction.
Using MIS InClass Exercise 8: Any Other Kayakers Here at the Grand Canyon?

• Visit www.salesforce.com/chatter to learn Chatter’s features and applications. Using what you learn, state one Chatter application for each of the value chain activities in Figure 8-6.

• From the salesforce.com site, find three interesting Chatter applications other than General Electric’s. Summarize those applications. Classify them in terms of Figure 8-6.
Using the Ethics Guide: Social Marketing? Or Lying?

• How is social networking different in business than in private life?
• Do the ethics vary between private and business use of social networking?
Q4: What Roles Do SMIS Play in the Hyper-Social Organization?

• Hyper-social organization
  – Uses social media to transform interactions with customers, employees, and partners into mutually satisfying relationships with them and their communities.
Four Pillars of the Hyper-Social Organization

- Consumers → Humans
- Market Segments → Tribes
- Channels → Networks
- Structure & Control → Messiness
## SEAMS Dynamic Process Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense</td>
<td>Important communities. What they do, where they hang out, what they care about, how your organization can relate to them.</td>
</tr>
<tr>
<td>Engage</td>
<td>In relationships. Talk <em>with</em>, not to, community members (customers, employees, partners).</td>
</tr>
<tr>
<td>Activate</td>
<td>Connect communities to your internal value chains and processes (Figure 8-6).</td>
</tr>
<tr>
<td>Measure</td>
<td>Success in terms of social capital.</td>
</tr>
<tr>
<td>Story tell</td>
<td>Publicize community successes. Take a backseat role to the community.</td>
</tr>
</tbody>
</table>
# How Can SMIS Foster Hyper-Social Organizations

<table>
<thead>
<tr>
<th>Activity</th>
<th>SMIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense</td>
<td>Reputation management services (e.g., <a href="http://www.reputation.com">www.reputation.com</a>); Twitter, Facebook, LinkedIn, blogs, other</td>
</tr>
<tr>
<td>Engage</td>
<td>Social media; Twitter, Facebook, LinkedIn, blogs, other</td>
</tr>
<tr>
<td>Activate</td>
<td>Integrate SM presence with CRM, ERP, other operational systems SOA useful</td>
</tr>
<tr>
<td>Measure</td>
<td>Social monitoring services (e.g., WebiMax); in-house metrics <strong>Active lurker</strong></td>
</tr>
<tr>
<td>Story tell</td>
<td>Blogs, videos, YouTube, white papers for benefit of SM communities</td>
</tr>
</tbody>
</table>
Q5: How Do (Some) Companies Earn Revenue from Social Media?

• **Web 2.0**
  – Web-delivered services and content paid for by advertising.

• Key Characteristics of Web 2.0
  – **Pay-per-click** revenue model
    ➢ Use increases value
    ➢ Mashups
Does Mobility Reduce Online Ad Revenue?

- Google generated $7 from each smartphone and about $30 from each desktop. (2012)
- Growth is in smartphones
  - 10 billion in next five years
- Average click-through rate of smartphones is 4.12% while PCs is 2.39%.

**Conversion rate**

- Unlikely to spell death of the Web/social media revenue model.
Q6: How Can Organizations Manage The Risks Of Social Media?

• Social media policy
  – Statement that delineates employees’ rights and responsibilities.

• More technical the organization, the more open and lenient its social policies.
Intel Corporation's Three Key Pillars of Social Media Employee Policy

• Transparency and truth

| Disclose | Be transparent—use your real name and employer 
Be truthful—point out if you have a vested interest 
Be yourself—stick to your expertise and write what you know |
|----------|--------------------------------------------------|
| Protect  | Don’t tell secrets 
Don’t slam the competition 
Don’t overshare |
| Use Common Sense | Add value—make your contribution worthwhile 
Keep it cool—don’t inflame or respond to every criticism 
Admit mistakes—be upfront and quick with corrections |
Managing the Risk of User-Generated Content

Problem Sources

• Junk and crackpot contributions
• Inappropriate content
• Unfavorable reviews
• Mutinous movements
Responding to Social Networking Problems

Determine how to deal with problematic content before engaging in social media.

- Leave it?
- Respond to it or let community do it?"
- Delete it? If so, what?

“Never wrestle with a pig; you’ll get dirty and the pig will enjoy it.”
Q7: 2024?

- Vendors lose control of the customer relationships.
- Emergence in the context of management.
  - Employees craft own relationships with employers.
- Employers provide endoskeleton to support work of people on exterior.
Using the Guide: Social Recruiting

- Employees sharing personal information on SN
- Technology blurs line between work life and home life
- Work is portable and always on
- Be careful about what you say
- Work networks are not social networks
• Use communities to locate prospects.
• Get a sense of candidate to find any potential behavior or attitude problems.
• Exposing protected data illegal to use for hiring decisions.
• Treat every candidate the same.
• Join LinkedIn, use Google + circles.
• Keep your personal social data out of any circle publicly accessed.
• Social media is a double-edged sword.
Guide: Developing Your Personal Brand

• College recruiters look for evidence a student has “walked the talk.”

• Social media presence only one component of a professional brand.
  – Traditional sources of personal branding, like personal networks of face-to-face relationships, important.

• Understand importance and value of personal brand.
Active Review

Q1: What is a social media information system (SMIS)?
Q2: How do SMIS advance organizational strategy?
Q3: How do SMIS increase social capital?
Q4: What roles do SMIS play in the hyper-social organization?
Q5: How do (some) companies earn revenue from social media?
Q6: How can organizations manage the risks of social media?
Q7: 2024?
Case Study 8: Sedona Social

• Suppose Sedona Chamber of Commerce hired you as manager of community social media.

• Want you to provide advice and assistance to local businesses in development of social media sites and manage Sedona CoC’s social media presence.

• Begin by making suggestions on ways there SM site could be improved.
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