

WIKIS, TWITTER, AND PREDICTION MARKETS...OH MY! SOCIAL MEDIA IN THE MODERN ORGANIZATION

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IS IT JUST HYPE?

- The Internet and Social Media technologies have become the primary means of communication for young people.
- 55-65 year olds are the fastest growing age group on Facebook.

Barack Obama's Facebook Feed



WHAT'S ALL THE HYPE?

- 96% of Gen Y has joined a social network.
- In 2009, Social Media overtook pornography as the #1 activity on the Internet.
- 1 out of 8 couples married in the past year met via social media.
- Facebook would be the 4th largest country in the world.
- 1 in 6 higher education students are enrolled in online programs.
- Ashton Kutcher and Ellen DeGeneres have more followers on Twitter than the populations of Ireland, Norway, and Panama.

Statistics from Erik Qualman's Book Socialnomics 2009, and various sources.

2

WHAT IS SOCIAL MEDIA?

- Blogs and Microblogs (Twitter)
- Wikis
- Forums
- Reviews and Opinions
- Social Tagging (or social bookmarking)
- User-generated Content Sites
- Social Networks
- Social News
- Prediction Markets
- Virtual Worlds
- Aggregators

5

WHAT'S ALL THE HYPE?

- Adoption Rates of Media Technologies
 - Radio – 50 million users in 38 years
 - Television – 50 million users in 13 years
 - Internet – 50 million users in 4 years
 - Apple iPod – 50 million sold in 3 years
 - Facebook – 100 million users in 9 months
 - iPod Apps – 1 Billion sold in 9 months
- 80% of all Twitter posts are made using mobile devices.
- This year Boston College stopped assigning email addresses to incoming freshmen.

Statistics from Erik Qualman's Book Socialnomics 2009, and various sources.

3

FUNCTIONAL BUSINESS AREAS FOR USING SOCIAL MEDIA

- Sales and Marketing
- Customer Support
- Human Resources
- Research and Development
- Knowledge Management
- Collaboration
- Decision Making

6

SOCIAL MEDIA FOR CUSTOMER SUPPORT

- o Faster connections with customers
- o Wider reach
- o Give customers a way to answer their own questions.
- o Facilitate customers answering each other's questions.

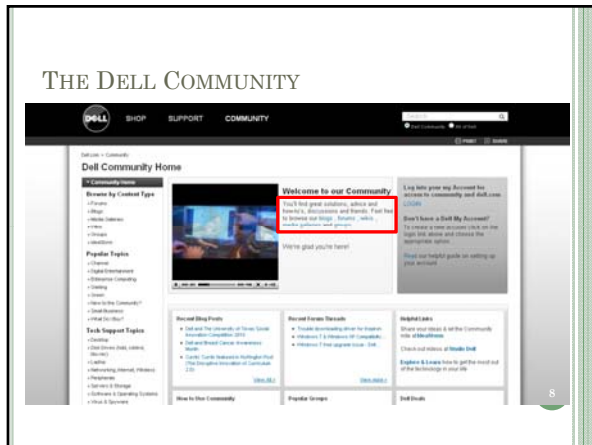
- o Social Media applied correctly can
 - Reduce customer support costs
 - Improving customer support relationships

7

SOCIAL MEDIA FOR HUMAN RESOURCES

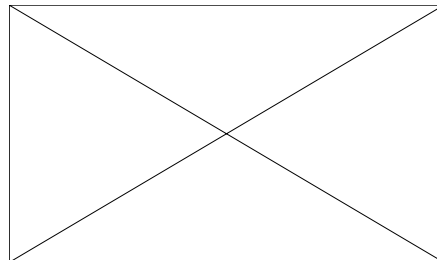
- o According to a CareerBuilder Survey – In 2009, 45% of employers used social networking sites to research candidates, a 23% increase from the previous year.
- o 35% of employers said that what they found caused them not to hire a candidate.

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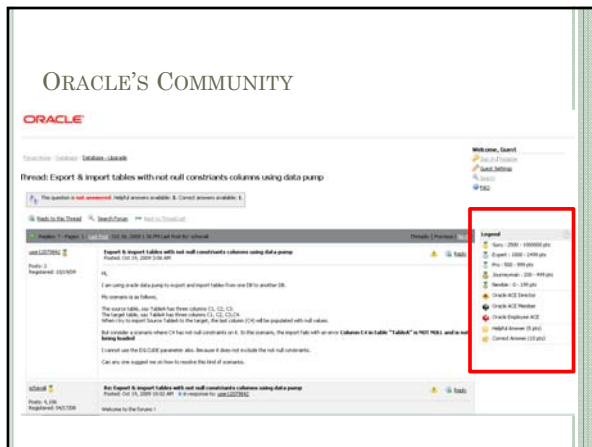


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TWITTER GOT ME FIRED!



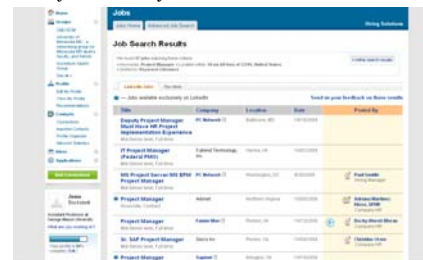
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12

LINKEDIN

- o Professional Social Networks like LinkedIn allow employees to be looking for jobs, without looking like they're on the job market.



HOW COMPANIES USE LINKEDIN IN RECRUITING

- Search for candidates based on qualifications and skills.
 - “Project Management”
 - “Java Programming”
- Review candidate’s network statistics.
 - Number of connections
 - Number of recommendations
 - Use of key words in profile
- Make first contact.
 - Discretely communicate with potential candidates through the network.

13

THE NETFLIX PRIZE



16

SOCIAL MEDIA FOR RESEARCH AND DEVELOPMENT

- Listen to customers and gain insights on potential opportunities for new products and services.
- Outsource product development and design to
 - Research communities
 - Customers
- Test drive new product ideas with customer communities.

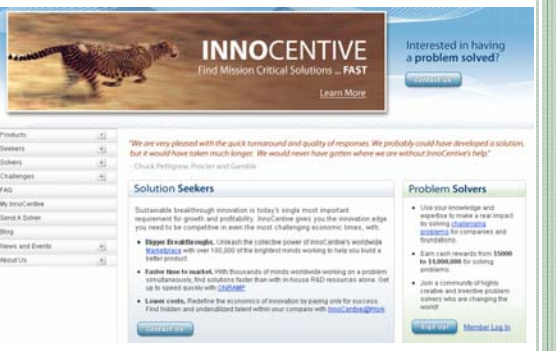
14

LET YOUR CUSTOMERS DESIGN AND PICK YOUR PRODUCTS



17

LET EXPERTS SOLVE YOUR PROBLEMS



18

LET YOUR CUSTOMERS DESIGN THEIR OWN PRODUCTS - FREITAG'S F-CUT



USE THE CROWD TO DO YOUR TEDIOUS TASKS – AMAZON’S MECHANICAL TURK

Mechanical Turk is a marketplace for work.
 We give businesses and developers access to an on-demand, scalable workforce. Workers select from thousands of tasks and work whenever it's convenient.
39,357 HITs available. [View them now.](#)

Make Money by working on HITs

HITs - Human Intelligence Tasks - are individual tasks that you work on. [Find HITs here.](#)

As a Mechanical Turk Worker you:

- Can work from home
- Choose your own work hours
- Get paid for doing good work

[Find HITs now](#)

or [learn more about being a Worker](#)

Get Results from Mechanical Turk Workers

Ask workers to complete HITs - Human Intelligence Tasks - and get results using Mechanical Turk. [Register here.](#)

As a Mechanical Turk Requester you:

- Have access to a global, on-demand, 24 x 7 workforce
- Get thousands of HITs completed in minutes
- Pay only when you're satisfied with the results

[Get started](#)

or [learn more about being a Requester](#)

WHY WIKIS?

- They're easy to use.
 - No programming required
 - Wikis use either simple markup or WYSIWIG
- Boost teamwork by promoting collaboration.
 - Editing requires employees to interact
 - But need incentives
- Wikis are cheap.
 - PBWiki will host a corporate Wiki for ~ \$1000/year
 - How much does Lotus Notes cost?
- De-clutter email and communications.
 - Provides a centralized communication hub
 - That can be instantly updated

SOCIAL MEDIA FOR KNOWLEDGE MANAGEMENT AND COLLABORATION

- Provide employees with tools so they can
 - Find expertise they need
 - Find other employees with similar interests
 - Assist one another in problem solving
 - Communicate more effectively
 - Collaborate effectively across time and geographic constraints
 - Effectively use, manage, and update information assets

COMPANIES USING WIKIS

- Sony uses Wikis to keep executives informed of product developments.
- T-Mobile and Motorola use wikis as continually evolving product user guides.
- IBM's WikiCentral serves as an expert exchange with over 125,000 users
- Microsoft used a wiki to collaborate with partners that wanted to help in documentation for Visual Studio.
- [Wookieepedia](#) ☺

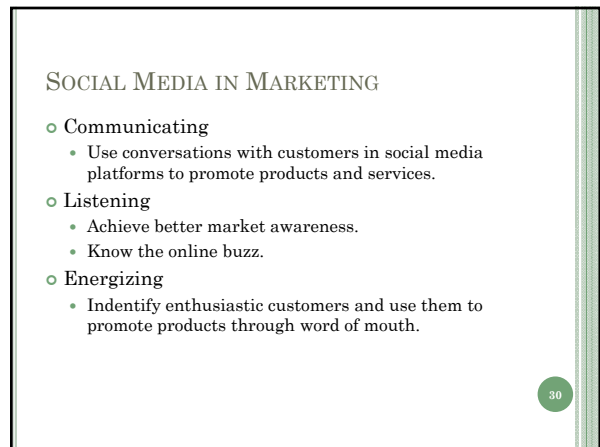
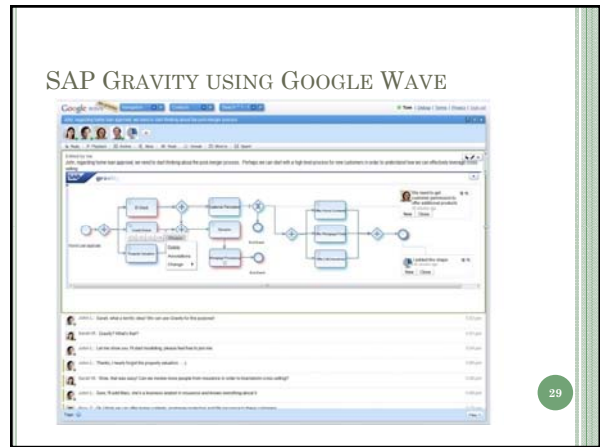
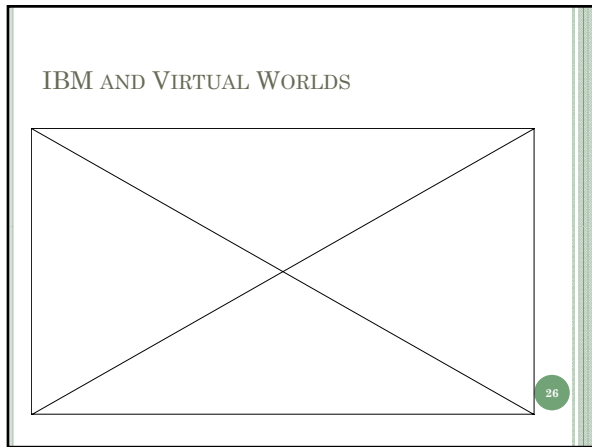
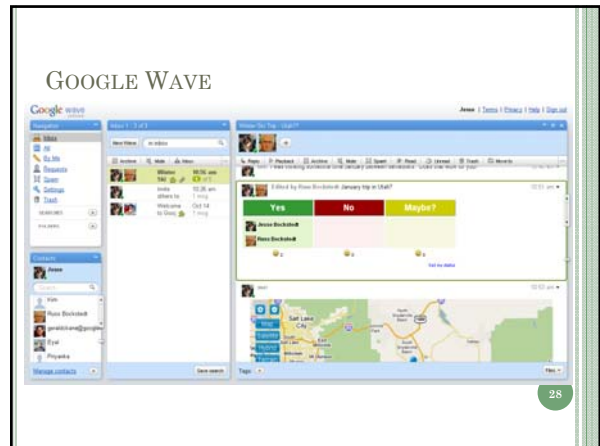
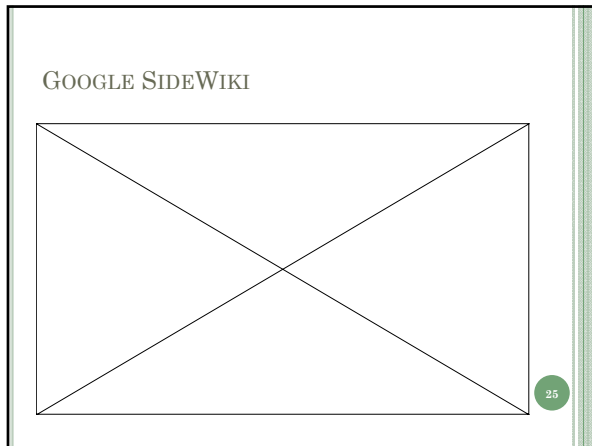
WIKIS

- *Wiki* - A website that allows anyone to easily create and edit pages.
- Applications in a corporate setting
 - Knowledge management
 - Note taking and project documentation
 - Announcements and communications
 - Collaboration portals

SOCIAL BOOKMARKING AND TAGGING

- Share, organize, search, and manage web pages.

- In a corporate setting employees can tag and share relevant information with others.

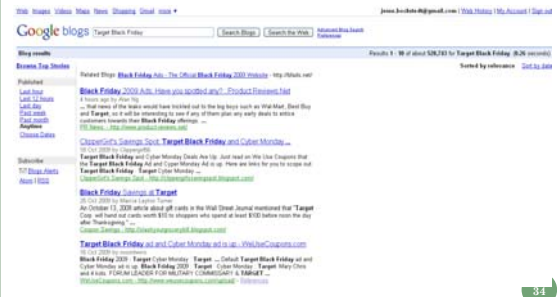


USER GENERATED CONTENT

- o Let your customers be your best advocates and reward them.
- o Word of mouth and friend recommendations are trusted more than advertisements in social media.
- o What motivates customers to participate?
 - Money and prizes
 - Recognition and status
 - Truly caring about a product

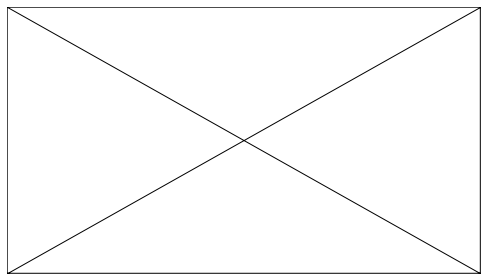
31

GOOGLE BLOG SEARCH



34

CHEVY TAHOE DEBACLE



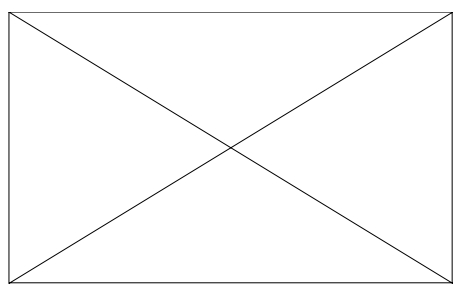
32

AFFILIATES AND WORD OF MOUTH

- o Make it easy for your customers to promote and recommend your products and services online.
 - Affiliate programs
 - Brand Ambassador Campaigns
 - Fan groups on social networks
 - Embeddable widgets and icons for blogs and social network profiles

35

HEINZ \$57K KETCHUP COMMERCIAL CONTEST



38

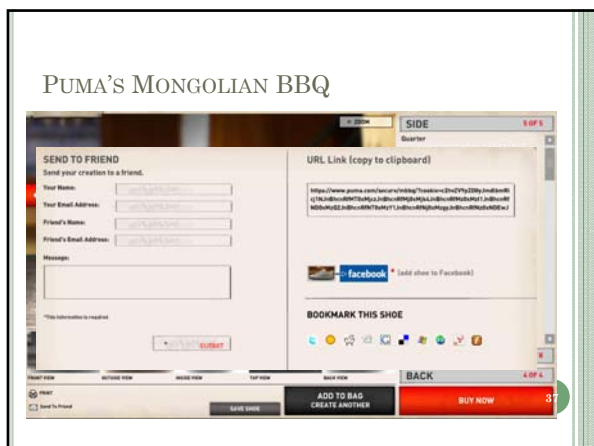
BRAND AMBASSADORS

- o Windows Brand Ambassador Competition



36

PUMA'S MONGOLIAN BBQ



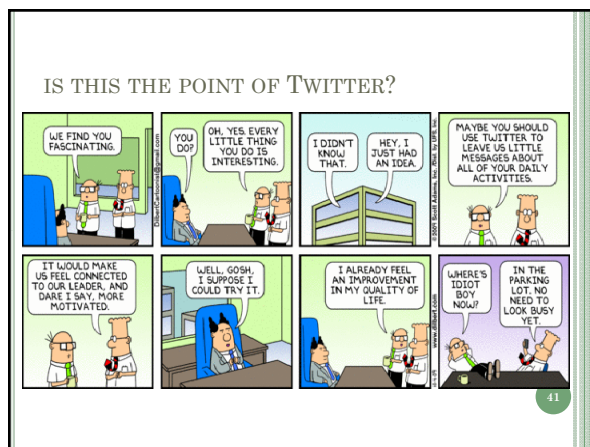
PAPA JOHN'S



LEMONADE STAND AFFILIATE MARKETING



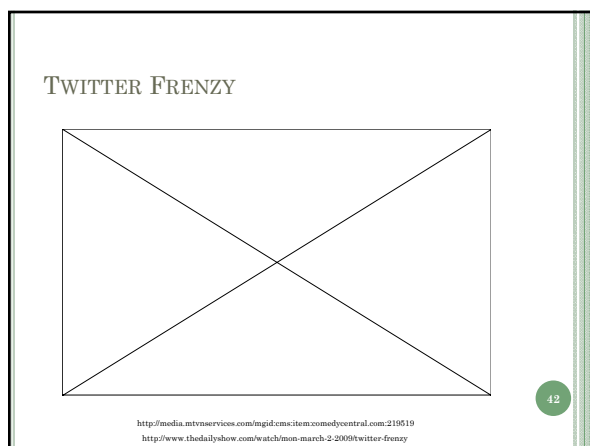
IS THIS THE POINT OF TWITTER?



SOCIAL NETWORKS

- o Know your customers in social networks:
 - Pictures are the killer application of social networks – there are more pictures on Facebook than on Flickr.
 - Women and men use social networks differently
 - o “Women actually say things, guys give reference to other things.”
 - The biggest Facebook usage categories are
 1. Men looking at women they don't know.
 2. Men looking at women they do know.
 Overall, women receive 2/3 of all page views.
 - MySpace users largely populate smaller cities and communities in the south and central U.S.
 - People don't click through advertising on social networks.

TWITTER FRENZY



WHAT CAN BUSINESSES GET OUT OF TWITTER?

- Communicate with Customers
 - Real Time Customer Support
 - Promotions and Deals
 - Marketing relationships
- Share expertise and build reputations
 - <http://twitter.com/Padmasree>
- “Listen” to customers
 - <http://twitter.com/#search?q=“best buy”>
 - <http://www.tweetvolume.com/>
 - <http://twendz.waggenerstrom.com/>
 - <http://www.backtype.com>

43

BEST BUY'S TWELPFORCE ANSWERS QUESTIONS



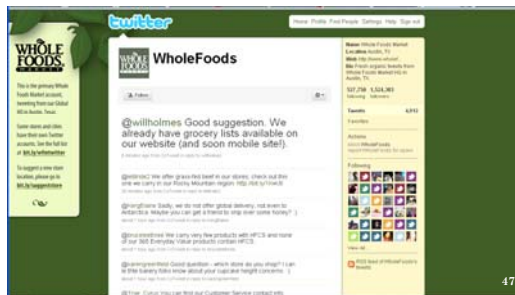
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USING TWITTER TO POST DEALS



44

WHOLE FOODS ASKS QUESTIONS



47

COMCAST'S CUSTOMER SERVICE



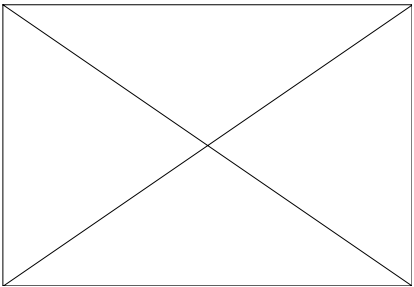
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SOCIAL MEDIA FOR DECISION MAKING AND PREDICTION

- Gain new perspectives on problems.
- Get input for many different people.
- Leverage the “wisdom of crowds” to make predictions.

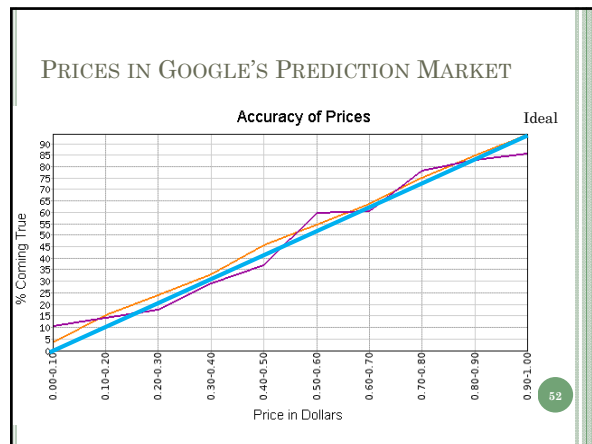
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SOCIAL MEDIA FOR DECISION MAKING WHAT ARE PREDICTION MARKETS?



<http://www.youtube.com/watch?v=QW46V4XNwY>

49

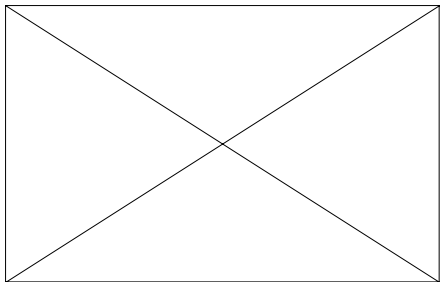


WHY DO THEY WORK SO WELL?

- o Wisdom of Crowds (Surowiecki 2004)
 - Diverse, independent, and decentralized (local) opinions can be aggregated to make very accurate predictions.
 - How fat is that pig? - The average of all the weight predictions is typically very close to the actual weight.
- o Crowd Failures
 - Homogeneous opinions or experiences
 - Participants have less than 50% chance of being right
 - Information cascades and imitation – “Group Think”
 - Emotionally invested participants

50

BEST BUY'S TAGTRADE



<http://www.youtube.com/watch?v=keVL0PkCpaQ>

53

WHY DO THEY WORK SO WELL?

- o Price Mechanism
 - *“The economic problem of society is...the utilization of knowledge which is not given to anyone in its totality. ... We must look at the price system as such a mechanism for communicating information...as a kind of machinery for registering change.”* - Friedrich Hayek 1945
- o Most common approach in prediction markets - contracts pay \$1 and prices reflect the probability that an event will occur
 - “Obama will close Guantanamo Bay in 2009” for \$0.67 - the market thinks there is a 67% chance of the event occurring.
- o Other approaches – indexes (mean values) and spreads (median values).

51

PREDICTION MARKETS IN ORGANIZATIONS

- o Applications
 - Forecasting product launch dates
 - Forecasting usage statistics
 - Predicting sales figures
 - Project estimation
 - Wideband Delphi on steroids
- o Potential Issues?

54

INCENTIVES FOR MARKET PARTICIPATION

- Hard Incentives
 - Money provides real motivation
 - Encourages more attention to trades
 - Intrade users can “win” real money.
- Soft Incentives
 - Some early research indicates that status and “bragging rights” may provide equal motivation and nearly identical levels of accuracy.
 - “I haven’t one the big cash prizes yet but I’m often among the top 10 traders and I wear the t-shirt I won with pride.” Google PM participant¹

55

1. Quote from Harvard Business School Case 9-007-088, Prediction Markets at Google.

POTENTIAL ISSUES WITH SOCIAL MEDIA USE

- Disgruntled employee retaliation
- Intellectual property and security threats
- Copyright issues
- Image and marketing issues

- “You’re paying them to represent your company, and your reputation affects theirs. No company wants a newspaper headline with their name in it because of an embarrassing employee.”

58

PREDICTION MARKET VENDORS AND USERS

- Inking Markets
- NewsFutures
- Crowdcast
- Consensus Point



- See MidasOracle.org as a good reference
- Inking Demo

56

SOCIAL MEDIA POLICY GUIDELINES

- Anchor social media policies to business conduct guidelines.
- Communicate benefits and encourage use of social media in the right context.
- Expect mistakes to happen, and outline a process to deal with them.
- To deal with risks and liability, clearly communicate confidentiality, copyright and intellectual property guidelines.

59

CORPORATE SOCIAL MEDIA POLICY

- US Marines banned from using social media
 “THESE INTERNET SITES IN GENERAL ARE A PROVEN HAVEN FOR MALICIOUS ACTORS AND CONTENT AND ARE PARTICULARLY HIGH RISK DUE TO INFORMATION EXPOSURE, USER GENERATED CONTENT AND TARGETING BY ADVERSARIES... EXAMPLES OF INTERNET SNS SITES INCLUDE FACEBOOK, MYSPACE, AND TWITTER”
- NFL: “...coaches, players and football operations personnel are permitted under league policy and with club permission to use social media on game day during specific time periods before and after games... up to 90 minutes before kickoff and after the game following media interviews.”

57

SOCIAL MEDIA IN THE MODERN ORGANIZATION

Functions	Technologies
Sales and Marketing	Blogs, Communities and Social Networks, User-generated content, Twitter
Customer Support	Twitter, Customer Forums, Wikis
Human Resources	Social Networks, Search
Research and Development	Research and Innovation Communities, web-based tools for consumers
Knowledge Management	Blogs, Wikis, Social Tagging
Collaboration	Wikis, Social Networks, Virtual Worlds
Decision Making	Prediction Markets

60

FURTHER READING

- *Socialnomics* by Eric Qualman, 2009.
- *Infotopia* by Cass Sunstein, 2006.
- *The Wisdom of Crowds* by James Surowiecki, 2004.
- *Here Comes Everybody* by Clay Shirky, 2009.
- *Groundswell: Winning in a World Transformed by Social Technologies* by Charlene Li and Josh Bernoff, 2008.
- “Harnessing the Power of the Oh-So-Social Web,” by Bernoff and Li, *MIT Sloan Management Review* Spring 2009 40(3).