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.
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.

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.
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

FUNCTIONAL BUSINESS AREAS FOR USING SOCIAL MEDIA

- Sales and Marketing
- Customer Support
- Human Resources
- Research and Development
- Knowledge Management
- Collaboration
- Decision Making
SOCIAL MEDIA FOR CUSTOMER SUPPORT

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

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

THE DELL COMMUNITY
According to a CareerBuilder Survey – In 2009, 45% of employers used social networking sites to research candidates, a 23% increase from the previous year.

35% of employers said that what they found caused them not to hire a candidate.
TWITTER GOT ME FIRED!

LINKEDIN

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.

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.
LET EXPERTS SOLVE YOUR PROBLEMS

"We are very pleased with the quick turnaround and quality of responses. We probably could have developed a solution, but it would have taken much longer. We would never have gotten where we are without Innocentive’s help.”
- Chuck Petigru, Proctor and Gamble

THE NETFLIX PRIZE

The Netflix Prize sought to substantially reduce the accuracy of predictions about how much someone is going to enjoy a movie based on their movie preferences.

On September 21, 2009, Netflix announced that $1,000,000 USD had been awarded to a team of researchers who achieved the best predictions on the Netflix Prize Leaderboard. Congratulations to all the winners. We will continue to work on the problem of learning from one’s own preferences. Stay tuned for details on the next contest.
LET YOUR CUSTOMERS DESIGN AND PICK YOUR PRODUCTS

Submit an idea for a chance at fame, friends & TWENTY-FIVE HUNDRED DOLLARS!

Design

- Get your idea ready to be submitted...
- Take a photo of your idea and submit it. Your idea will be submitted for a chance at fame, friends & twenty-five hundred dollars!

Critique

- Answer a few questions to critique your idea...
- Be sure to include your critique with your submission

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

Freitag

ORDER THIS BAG

THE PRICE OF THIS BAG IS $60.00. WE CAN GET IT OUT OF STOCK FOR $10.00.

THE TARP - AVAILABLE IN SIZES

- 200 x 140 cm
- 140 x 100 cm
- 100 x 60 cm

THE PIECES: ORIGAMI

- Gold
- Silver
- Black

CREATED BY: NAM LAM, 2009
USE THE CROWD TO DO YOUR TEDIOUS TASKS – AMAZON’S MECHANICAL TURK

Make Money by working on HITs
HITs - Human Intelligence Tasks - are individual tasks that you work on. Find HITs now.

Get Results from Mechanical Turk Workers
Ask workers to complete HITs - Human Intelligence Tasks - and get results using Mechanical Turk. Register now.

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
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

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
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.
- Wookiepedia 😊

SOCIAL BOOKMARKING AND TAGGING

- Share, organize, search, and manage web pages.
- In a corporate setting employees can tag and share relevant information with others.
SAP GRAVITY USING GOOGLE WAVE

SOCIAL MEDIA IN MARKETING

- Communicating
  - Use conversations with customers in social media platforms to promote products and services.

- Listening
  - Achieve better market awareness.
  - Know the online buzz.

- Energizing
  - Identify enthusiastic customers and use them to promote products through word of mouth.
USER GENERATED CONTENT

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

CHEVY TAHOE DEBACLE
HEINZ $57K KETCHUP COMMERCIAL
CONTEST

GOOGLE BLOG search
AFFILIATES AND WORD OF MOUTH

- 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

BRAND AMBASSADORS

- Windows Brand Ambassador Competition
PUMA’S MONGOLIAN BBQ

LEMONADE STAND AFFILIATE MARKETING

Lemonade.com
SOCIAL NETWORKS

- 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
    - “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.

PAPA JOHN’S
IS THIS THE POINT OF **Twitter**?

**WE FIND YOU FASCINATING**
**YOU DO!**
**OH, YES. EVERY LITTLE THING YOU DO IS INTERESTING.**
**I DIDN'T KNOW THAT.**
**HEY, I JUST HAD AN IDEA.**
**MAYBE YOU SHOULD USE TWITTER TO LEAVE US LITTLE MESSAGES ABOUT ALL OF YOUR DAILY ACTIVITIES.**

**IT WOULD MAKE US FEEL CONNECTED TO OUR LEADERS, AND DARE I SAY, MORE MOTIVATED?**

**WELL, GOSH! I SUPPOSE I COULD TRY IT.**

**I ALREADY FEEL AN IMPROVEMENT IN MY QUALITY OF LIFE.**

**WHERE'S IDIOT BOY NOW? IN THE PARKING LOT. NO NEED TO LOOK BUSY YET.**

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**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.waggeneredstrom.com/
  - http://www.backtype.com

USING TWITTER TO POST DEALS
COMCAST’S CUSTOMER SERVICE

BEST BUY’S TWELPFORCE ANSWERS QUESTIONS
WHOLE FOODS ASKS QUESTIONS

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.
SOCIAL MEDIA FOR DECISION MAKING
WHAT ARE PREDICTION MARKETS?

http://www.youtube.com/watch?v=QW46V4XNwxY

WHY DO THEY WORK SO WELL?

- 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.
  - Crowd Failures
    - Homogeneous opinions or experiences
    - Participants have less than 50% chance of being right
    - Information cascades and imitation – “Group Think”
    - Emotionally invested participants
WHY DO THEY WORK SO WELL?

- 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

- 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.

- Other approaches – indexes (mean values) and spreads (median values).

PRICES IN GOOGLE’S PREDICTION MARKET
BEST BUY’S TAGTRADE

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

PREDICTION MARKETS IN ORGANIZATIONS

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


PREDICTION MARKET VENDORS AND USERS

- Inkling Markets
- NewsFutures
- Crowdcast
- Consensus Point
- See MidasOracle.org as a good reference
- Inkling Demo
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.”

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.”
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.

SOCIAL MEDIA IN THE MODERN ORGANIZATION

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FURTHER READING

- Socialnomics by Eric Qualman, 2009.
- Here Comes Everybody by Clay Shirky, 2009.