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| CHAPTER LEARNING OBJECTIVE QUESTIONS |  |

9-1 What Is a Social Media Information System (SMIS)?

9-2 How Do SMIS Advance Organizational Strategy?

9-3 How Do SMIS Increase Social Capital?

9-4 How Do (Some) Companies Earn Revenue from Social Media?

9-5 How Can Organizations Address SMIS Security Concerns?

9-6 Where Is Social Media Taking Us?

Learning Catalytics™ is a student response tool that helps you generate class discussion, customize your lecture, and promote peer-to-peer learning based on real-time analytics. Learning Catalytics uses students’ smartphones, tablets, or laptops to engage them in more interactive tasks.

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| SO WHAT? |  |

## Enhanced Golf Fan

1. *Sports aren’t the only type of television programming that has benefited from advances in technology. Think about how other types of programming have changed in light of new innovations in hardware, software, mobile devices, and big data.*

Student responses will vary because there are many changes that could be mentioned. Some programs enable viewers to vote on participants in various contest-type shows to help determine who stays and who goes. Some programs have allowed viewers to vote on how story-lines progress during the season. Programming offered by newer content providers, such as Amazon and Netflix, is heavily influenced by the actual viewers’ patterns and preferences, because this data is captured and known to the providers.

1. *Golf and football are two examples of sports that are incorporating data analytics into broadcasts. How could other sports use data analytics to enhance the viewing experience?*

Two sports that seem to have the potential to utilize data analytics into broadcasts are tennis and baseball. Tennis already utilizes graphics to depict a player’s pattern of serve placements. Baseball could do something similar with pitches.

1. *Analytics in sports can clearly enhance sports broadcasts and help coaches. How can access to this type of analysis help current or aspiring athletes?*

Current and aspiring athletes can get much more precise feedback regarding their performance during practices and games. Areas needing improvement can be targeted and improvements noted. Injuries can be reduced or avoided with more focused training and performance monitoring.

1. *What do you think the next great innovation will be in the paradigm of watching sports on television? Will it be based on advances in hardware, software, data, or some other factor?*

Student responses will vary. The augmented reality devices discussed in Chapter 4 may provide new ways of “being at the game” without actually leaving home.

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| COLLABORATION EXERCISE 9 |  |

*Using the collaboration IS you built in Chapter 1 (pages 25–26), collaborate with a group of students to answer the following questions. If you haven’t built your collaboration IS yet, reread Collaboration Exercise 1 and Chapter Extension 10. Meet with your team and build a collaboration IS that uses tools like Google Docs, SharePoint, or other collaboration tools. Do not forget the need for procedures and team training.*

1. *Compare the tech companies’ P/E ratios in Figure 9-10 to the traditional companies’ P/E ratios. Note that some of the tech companies have very high P/E ratios (a low P/E is good, a high P/E is bad). As a group, list the reasons why the tech companies have such high P/E ratios. Are the prices of these stocks justified given the earnings? Why?*

Student groups’ answers will vary. (LO: 2, Learning Outcome: Explain how IS can enhance systems of collaboration and teamwork, AACSB: Analytical Thinking)

1. *Identify public tech stocks you believe are undervalued (not limited to those shown in Figure 9-10). Design an investment portfolio consisting solely of tech stocks that you believe will be profitable. Justify your decision with regards to risk and return on those stocks.*

Student responses will vary—a task to be performed. (LO: 2, Learning Outcome: Explain how IS can enhance systems of collaboration and teamwork, AACSB: Analytical Thinking)

1. *Create a free online portfolio of these stocks (e.g., via Yahoo! Finance) and track its progress. Report on its performance.*

Student responses will vary—a task to be performed. (LO: 3, Learning Outcome: Explain how IS can enhance systems of collaboration and teamwork, AACSB: Analytical Thinking)

1. *Could overvalued tech stocks lead to a dot-com 2.0 crash like the original in 1999–2001? Discuss why this may or may not happen. Summarize your discussion in a couple paragraphs.*

Student opinions may vary. Point out that the first dot-com crash occurred because so much capital had gone into new business ventures that did not have a well-thought-out business model. The ideas were fresh and exciting, but in many cases there was a lot of trouble converting the ideas into a real cash flow. Hopefully those same mistakes will not be made again. (LO: 3, Learning Outcome: Explain how IS can enhance systems of collaboration and teamwork, AACSB: Analytical Thinking)

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| CASE STUDY 9 |  |

## LinkedIn

1. *Why is growing the number of users such an important metric for social media companies? How does Metcalfe’s Law relate to the profitability of social media companies?*

The number of users of a social media site directly contributes to the value of that social media site. Metcalf’s Law states that the social network’s value is directly related to the number of connected users. Therefore, the more users the higher the value of the social network. (LO: 2, Learning Outcome: Discuss the role of information systems in supporting business processes, AACSB: Analytic Skills)

1. *Most social media companies rely on ad revenue as their main source of income. What are other ways that LinkedIn generates income? Why is it important for a company to have multiple ways of generating income?*

LinkedIn offers specialized accounts dedicated to job recruiting as an additional revenue stream. It is important to have a diverse set of revenue streams so that if one stream “dries up” due to competitive pressure, others will still exist. (LO: 4, Learning Outcome: Discuss the role of information systems in supporting business processes, AACSB: Analytic Skills)

1. *Why do recruiters and job seekers like LinkedIn? Explain why an employer may dislike LinkedIn. Is there a strategic disadvantage to having your employees list detailed profiles on LinkedIn?*

Recruiters and job seekers like LinkedIn because of the extensive number of connections that are found. Employers may dislike LinkedIn because it makes it too easy for its employees to look for new opportunities. There is a strategic disadvantage to having your employees list detailed profiles on LinkedIn because those employees may find themselves receiving very desirable job offers. (LO: 3, Learning Outcome: Discuss the role of information systems in supporting business processes, AACSB: Analytic Skills)

1. *LinkedIn targets a specific demographic—working professionals. They tend to be older and better educated. Why might advertisers be more interested in this group over others?*

Advertisers are attracted to audiences who have the resources to purchase the advertised goods and services. An older and more educated audience presumably controls more resources than a young, uneducated audience. (LO: 4, Learning Outcome: Discuss the role of information systems in supporting business processes, AACSB: Analytic Skills)

1. *Microsoft creates software focused on supporting businesses. LinkedIn focuses on creating a platform for business professionals. Does the acquisition of LinkedIn make sense? What type of synergies could come from integrating products from these two companies?*

The synergies discussed in the article involve more seamless integration of the two company’s products, which will add value to LinkedIn and to Microsoft.

(LO: 2, Learning Outcome: Explain how IS can be used to gain and sustain competitive advantage, AACSB: Analytic Skills)

1. *How would the integration of LinkedIn into the Microsoft Office Suite be beneficial?*

If LinkedIn is successfully integrated across the Office Suite, LinkedIn will have greater reach and more frequent contact with end users. Consequently, that could lead to rapid growth of its userbase and its profitability.(LO: 2, Learning Outcome: Explain how IS can be used to gain and sustain competitive advantage, AACSB: Analytic Skills)

1. *How would enabling draft resumes in Microsoft Word to update connected LinkedIn profiles be beneficial?*

Simplifying the process makes it easier for users to create and keep their profiles updated and makes it more likely users will post profiles in the first place. (LO: 2, Learning Outcome: Discuss the role of information systems in supporting business processes, AACSB: Analytic Skills)

1. *Suppose you are advising Microsoft about future acquisitions. Which company would you recommend as a good acquisition? Why?*

Student answers will vary. Look for students to recognize the variety of uses of social media sites and to link the organization’s particular value chain activities to its social media presences. (LO: 2, Learning Outcome: Explain how IS can be used to gain and sustain competitive advantage, AACSB: Analytic Skills)

For an example illustrating the concepts found in this chapter, view the videos in [mymislab.com](http://mymislab.com/).