Social media

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A definition of social media

Social media are Web 2.0 sites, i.e. sites that support any form of sharing of user-generated content by leveraging the social relationships among individuals.

The extent to which social media leverage social relationships can vary from pure sharing of interests (e.g. YouTube channel) to a form of interaction among actual friends (e.g. Facebook).

A wave of social change

There is contamination between real-life social relationships and the networks of relationships on social media:

- social media create new social relationships (e.g. indirect contacts through Linkedyn)
- social media change existing relationships (e.g. dropping a fiancé by changing status on Facebook)
- social media change the time frame of social relations (e.g. keeping track of past work relationships with Linkedyn connections)
- social media reduce the barriers of knowledge sharing (e.g. Slide share) and, thus, reduce the klout of knowledge holders
- overall, social media make social relationships easier, reduce the importance of knowledge holders and increase the importance of content

Content vs. content holders

Since clout on social media depends very much on content, social media tend to care about the quality of content and invest in keeping it clean and dependable (e.g. wikipedia).

In general, if something is on social media, we take it as «true».

In general, the source is not considered enough to guarantee that content is true. People trust social media content thanks to the «wisdom of the crowds». If something is not true, somebody would know it and tell the community.

Classes of social media

1. Content sharing (videos(e.g. Youtube, Vimeo), pictures (e.g. Flickr), music (e.g. Napster) , knowledge (e.g. GoogleDocs, OS), experience (e.g. Yelp, or any feedback system))

2. Social networks (e.g. Facebook, Orkut …)

3. Forums (moderated interactions, netiquette, evolution of bulletin boards and newsgroups, e.g. 4chan.org)

4. Blogs (personal blogs, corporate blogs, news blogs, political blogs, prison blogs …). Platforms: blogspot, wordpress

The crowdsourcing paradigm

Wikipedia – «**Crowdsourcing** is the act of sourcing tasks traditionally performed by specific individuals to a group of people or community (crowd) through an open call.»

Crowdsourcing is a distributed problem-solving and production model.

Why is crowdsourcing powerful?
Because of the **wisdom of the crowd**.

The wisdom of the crowd

Wikipedia – The **wisdom of the crowd** refers to the process of taking into account the collective opinion of a group of individuals rather than a single expert to answer a question.

Historical case:

The classic wisdom-of-the-crowds finding involves point estimation of a continuous quantity. At a 1906 country fair in Plymouth, eight hundred people participated in a contest to estimate the weight of a slaughtered and dressed ox. Statistician Francis Galton observed that the mean of all eight hundred guesses, at 1197 pounds, was closer than any of the individual guesses to the true weight of 1198 pounds. This has contributed to the insight in cognitive science that a crowd's individual judgments can be modeled as a probability distribution of responses with the mean centered near the true mean of the quantity to be estimated.

Crowdsourcing examples

- Amazon Mechanical Turk
- Wikipedia
- crowdSPRING
- Waze
- CloudCrowd
- CrowdFlower
- Kickstarter
- Stardust@home
- Distributed Proofreaders
- Wikimapia
- Threadless
- uTest

- OpenStreetMap
- Innocentive
- Google Answers
- Yahoo! Answers
- Digg
- Reddit
- Foldit
- BlueServo
- Cerberusgame
- Freelancer
- Get a Slogan
- TopCoder
- iStockPhoto

Example – Waze

- www.waze.com
- Born in 2009
- Over 10 M «wazers» in 2011
- Over 25 M traffic reports in 2011
- 4 million hour commuting time saved
- 25 million litre gasoline saved
- Acquired by Google in 2016
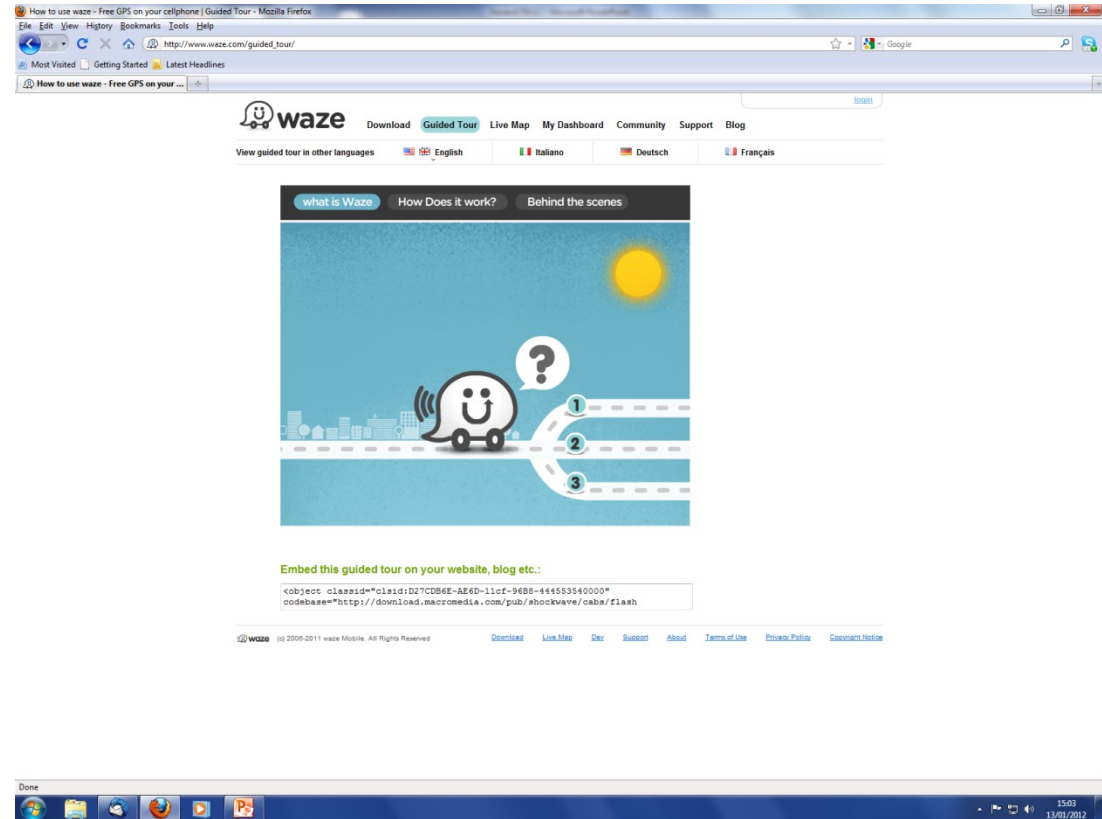
Example – Nike

Nike collects data from thousands of customers' finger taps on their smartphone displays and use it to collectively dictate what merchandise should be stocked in a new concept store in LA.

In this way, they hope to bridge the virtual and physical world.

Co-creation – definition

- Co-creation is a product/service innovation paradigm based on the cooperation between a supplier and the potential customers of the new product/service.

- Cooperation can be:

  - Direct, i.e. customer participation in the innovation process is deliberate (aware) and active.

  - Indirect: innovation occurs by taking advantage of the suggestions, comments, and opinions that customers provide in a variety of ways (call center, corporate site, social media…) without making them explicitly part of the innovation process (and related decision-making tasks).

Co-creation and «listening»

- On social media, customers spontaneously provide suggestions, comments, and opinions.

- Listening can provide indications on all the inputs provided by customers that can be useful for product/service innovation.

- Listening is important in both types of co-creation, direct and indirect.

Direct and indirect co-creation

- There exist success stories of both types of co-creation.

- Usually, indirect co-creation represents the first step (according the the «listen first» principle)

- A broad-range listening, outside of one's own community can help identify a few indirect co-creation initiatives useful to set clear goals for direct co-creation.

Co-creation and crowdsourcing

- Co-creation can be effective by leveraging crowdsourcing.

- There exist successful companies entirely based on co-creation and crowdsourcing (see slide 33).

- When co-creation is aimed at design, it can focus on «influencers»

Example:

Nyden, a new H&M brand, engages with hand-picked "tribe leaders," to "co-create" the clothing range. He comfirmed that the tattoo artist Doctor Woo, who has 1.3 million Instagram followers, as well as the Swedish actress, Noomi Rapace are already on board to work on the new line (Source: Fashionunited).

Main risk of co-creation initiatives

A fundamental risk of co-creation initiatives is to assume that customers will be happy to cooperate and will contribute to the initiative just because they are provided a chance to do so.

Contribution should be encouraged and coordinated with a careful design of co-creation initiatives.

Main design variables of co-creation initiatives

Checklist:
- Participation mechanisms
- Technology platform
- Roles and tasks of community members
- Types of users in the community
- Incentive systems and rewards
- Quality control mechanisms

The traditional marketing paradigm

Marketing is defined as «market orientation». It involves sensing market requirements to respond with organizational flexibility.

Traditionally, the first step of marketing was to make an organization's products and services known to the market, as a necessary action to stimulate feedback. Unfortunately, this communication has been found to be very effective also to drive the market especially through broadcasting. As a consequence, traditional marketing is often equated to advertising and there is always the idea that you can both sense and drive the market.

Broadcasting vs. communication

In broadcasting, one broadcaster makes a content simultaneously available to many listeners (the audience).

In communication, all players are both broadcaster and auditors at different points in time.

Communication involves the ability to «listen». In communication processes, each one of us expects to be listened to at some point in time.
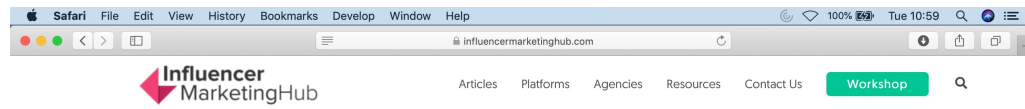
Viral marketing

On social media, marketing is «viral», i.e. it takes advantage of the ability of all users to become broadcaster.

If each of us can broadcast with 500 people simultaneously, in three hops over 100 million users are reached.
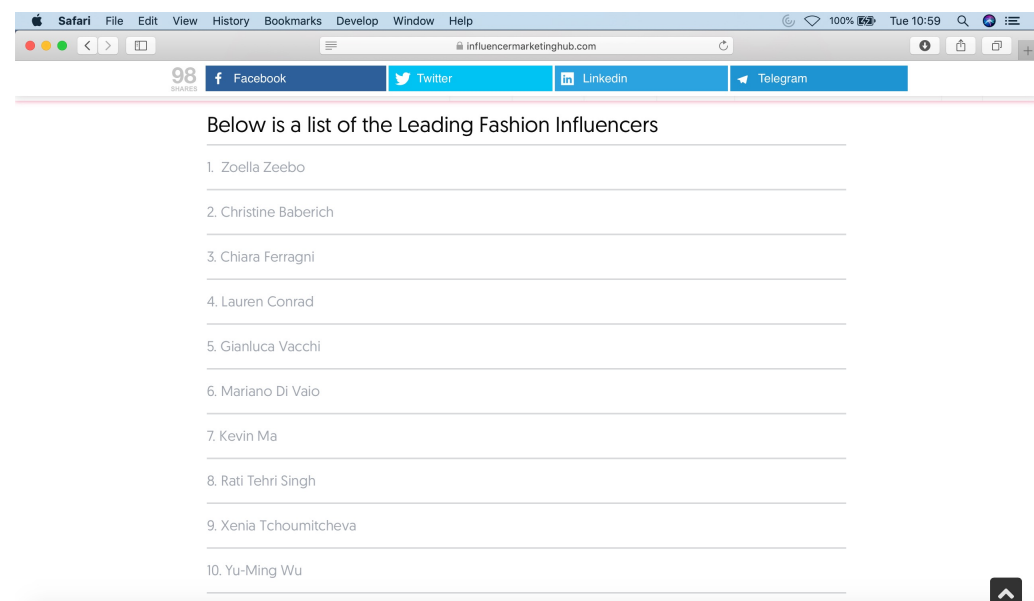
However, people are free to choose whether to broadcast or not at all hops.

Fashion influencers

- They are marketing hubs for word of mouth (*engagement*), https://www.youtube.com/watch?v=nQqY3j8btbI

- They are capable of attracting attention, but this type of attention is quick to get and quick to evaporate (the hype of a post is about half an hour from posting)

- They are more and more organized: see, for example, theinfluencermarketinghub.com

15 Fashion Influencers to Follow

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Below is a list of the Leading Fashion Influencers

1. Zoella Zeebo
2. Christine Baberich
3. Chiara Ferragni
4. Lauren Conrad
5. Gianluca Vacchi
6. Mariano Di Vaio
7. Kevin Ma
8. Rati Tehri Singh
9. Xenia Tchoumitcheva
10. Yu-Ming Wu

Content vs. content holders on Twitter

On traditional media, the number of readers represents a reliable proxy of the influence of articles (and related news, opinions, etc.). Is the number of followers a corresponding reliable proxy of influence on Twitter?
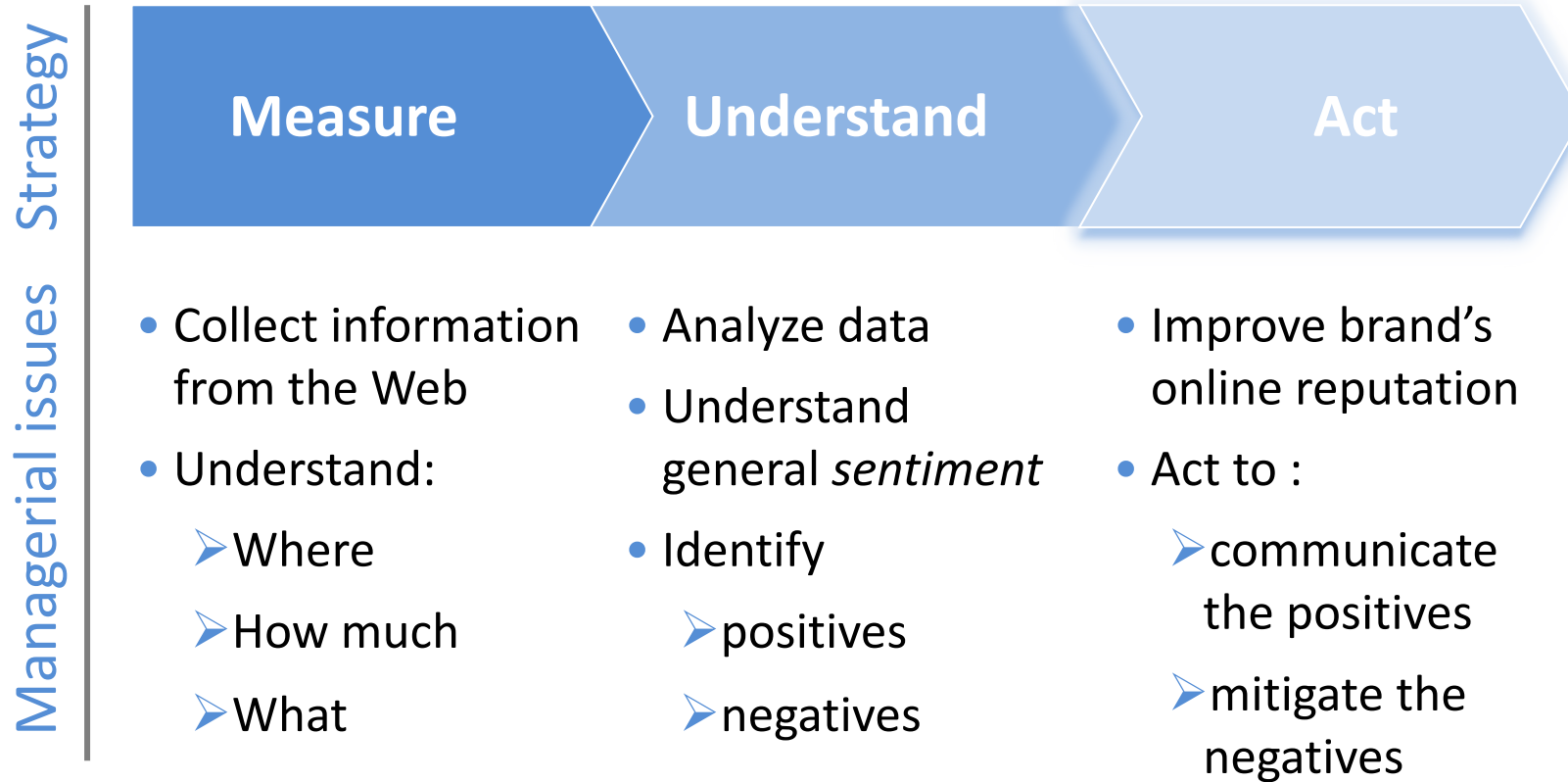
On traditional media, negative news receive more attention than positive news. Is it the same on Twitter?

Findings

- On average, negative tweets seem to be more retweeted than positive ones. However, social networks have a general positive bias.

- However, the dynamics (i.e. speed) of retweeting seem to be independent of the sentiment carried by tweets.

- The volatility of tweets is a critical variable, as 80% of retweeting occurs within the first half an hour from posting.

- Having more followers increases the probability of being retweeted, especially for negative opinions. However, about 40% of retweeting is performed by non followers.

The Process
Strategy to manage a brand's online reputation

Strategy

| Measure | Understand | Act |

Managerial issues

- Collect information from the Web
- Understand:
  - Where
  - How much
  - What

- Analyze data
- Understand general *sentiment*
- Identify
  - positives
  - negatives

- Improve brand's online reputation
- Act to :
  - communicate the positives
  - mitigate the negatives

Starting point of social CRM

Social CRM usually starts in one of the following ways:

- Hosting and supporting a branded or private-label community and providing the surrounding functions
- Monitoring, listening-to and surveying private-label or independent social networks
- Facilitating the sharing of common B2B or B2C contacts through the use of an internal community
- Community product reviews to facilitate the online sales process

Typical social CRM user functionalities

- Discussion forums
- Message boards
- Comments
- Polls and voting
- Surveys
- Reviews
- Ratings
- Chat
- Blogs
- Wikis

- Bookmarking
- Tagging
- Search

Typcal social CRM administrative functionalities

- Moderation

- Reputation management

- Dashboards

- Reports

- Events management

- Privacy management

- Video management

- Outbound campaign functionalities

Social CRM vs. listening platform

- Social CRM performs listening through surveys, direct interaction, manual monitoring (e.g. fan pages)

- Listening should be broader and include posting from non-members of private-label networks (e.g. non-fan)

- Listening should help understand a brand's competitive position, strenghts and weaknesses

- Listening is technically challenging, as it involves the semantic understanding of natural language

Market evolution
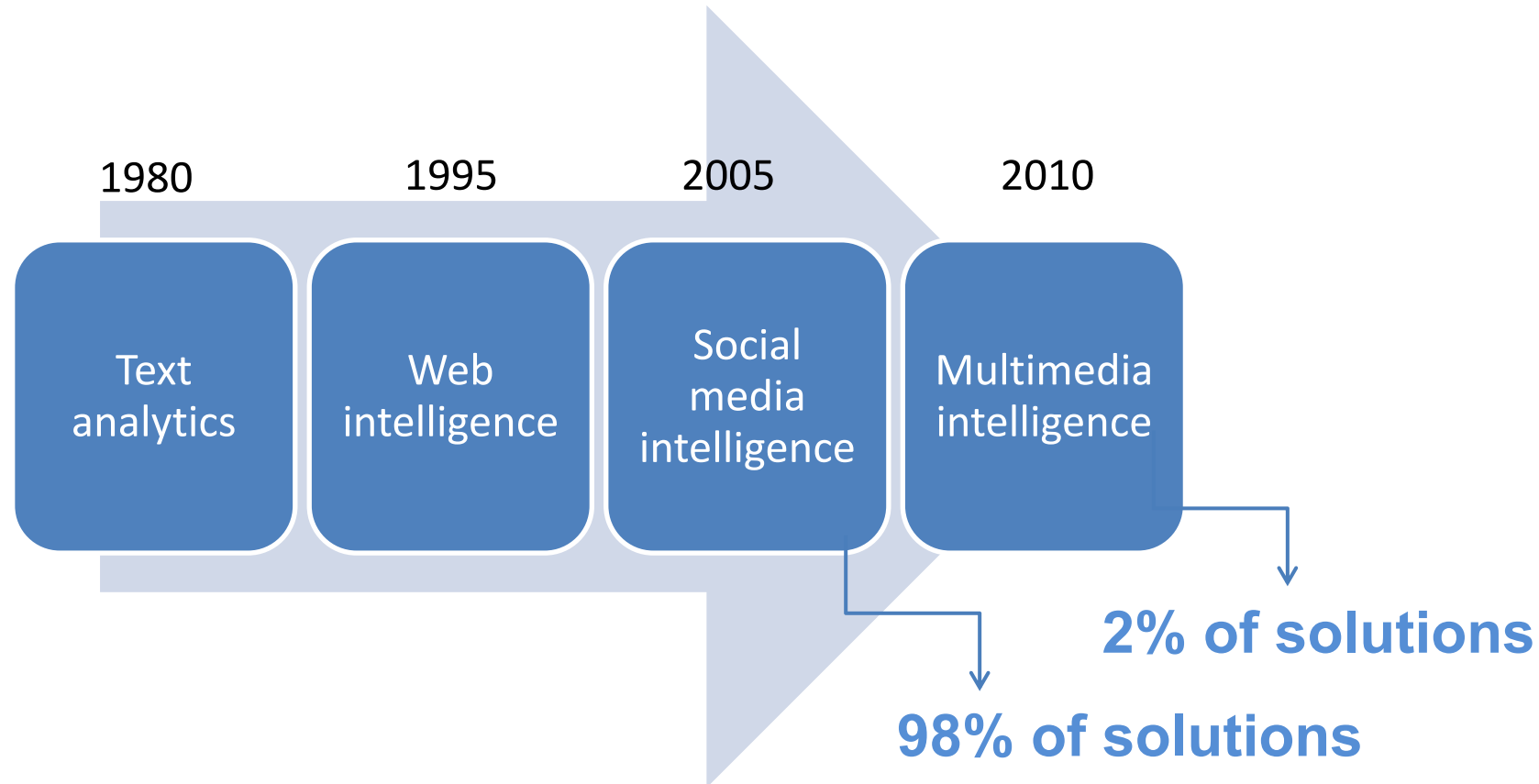
From 2014, traditional software vendors have started to integrate social media intelligence.

Highlights

- All platforms (both syntactic and semantic) have a trial Web version, however in most cases it cannot be downloaded and can be accessed online only upon «appointment»

- 50% of platforms provide consulting services

- Platforms providing consulting have 4X average revenues

- Platforms providing consulting have 4X global (large?) customers

- Semantic platforms have started on average in 2004, 3 years earlier than purely syntactic tecnologies

Data sources

- Most platforms state that they crawl «the Web» or «all the Web»

- They provide a generic list of sources, typically: «blogs, forums, news, social media»

- Most of them (90%+) include Facebook and Twitter among their sources

Quality of results

- Lowering recall is considered an «intelligent» way to increase precision

- Precision is typically 1) not assessed 2) assessed on a single type of analysis

- No platform provides an overall assessment of precision calculated as:

precision on brand identification **✕** precision on categorization **✕** precision on sentiment

Real time services

- 75% of top platforms (Forrester sample) state that their service is real time
- Real time is not defined as an absolute metric, but is intended to be «quasi» real time (below 1 hour)
- Real time is not guaranteed for all sources
- Platforms do not specify whether real time applies to all data or only a subset

Additional functionalities

- 50% of top competitors (Forrester sample) provide analyses on geolocalization
- 50% of top competitors (Forrester sample) provide benchmarking services based on the analysis of leading companies within selected industries

Vertical solutions (industry-specific)

- 50% of top platforms (Forrester sample) state that they provide vertical solutions in multiple industries
- Only 3 platforms specify the industries for which they provide vertical solutions (Nielsen, Attensity, Jdpower→ they are all specialized in market analysis)
- None of them provides benchmarks on the amount of domain knowledge that they embed