

# CHAPTER 8



## Social Computing

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# CHAPTER OUTLINE

1. Web 2.0
  2. Fundamentals of Social Computing in Business
  3. Social Computing in Business: Shopping
  4. Social Computing in Business: Marketing
  5. Social Computing in Business: Customer Relationship Management
  6. Social Computing in Business: Human Resource Management
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# LEARNING OBJECTIVES

1. Describe six Web 2.0 tools and two major types of Web 2.0 sites.
  2. Describe the benefits and risks of social commerce to companies.
  3. Identify the methods used for shopping socially.
  4. Discuss innovative ways to use social networking sites for advertising and market research.
  5. Describe how social computing improves customer service.
  6. Discuss different ways in which human resource managers make use of social computing.
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# 8.1 Web 2.0

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- **Web 2.0**
  - a loose collection of information technologies and applications, plus the Web sites that use them.
  - These Web sites enrich the user experience by encouraging user participation, social interaction, and collaboration.
- **Tagging**
  - a keyword or term that describes a piece of information—for example, a blog, a picture, an article, or a video clip.
  - Tagging allows users to place information in multiple, overlapping associations rather than in rigid categories.
  - Folksonomies
    - user generated classifications that use tags to categorize and retrieve Web pages, photos, videos, and other Web content.
  - Geotagging
    - a specific form of tagging referring to tagging information on maps (example: Google Maps allows users to add pictures and information, such as restaurant or hotel ratings, to maps).

# 8.1 Web 2.0

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- 5 Web 2.0 information technology tools
    - Tagging
    - Really Simple Syndication
    - Blogs
    - Microblogging
    - Wikis
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# 8.1 Web 2.0

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- Tagging

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- Really Simple Syndication (RSS)

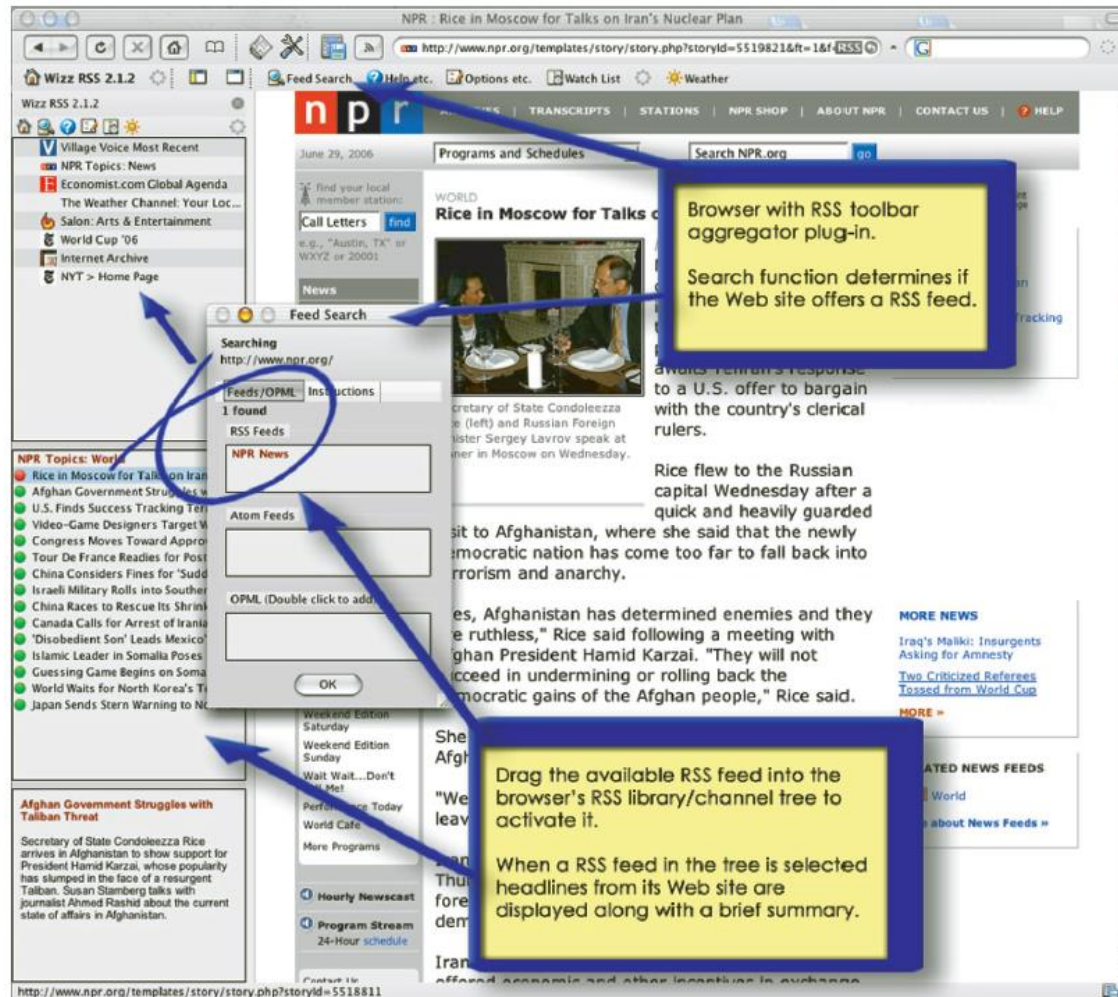
- a Web 2.0 feature that allows you to receive the information you want (customized information), when you want it, without having to surf thousands of Web sites.
  - RSS allows anyone to syndicate (publish) his or her blog, or any other content, to anyone who has an interest in subscribing to it.
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# 8.1 Web 2.0

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- **Blogs**
    - (short for weblog) a personal Web site, open to the public, in which the site creator expresses his or her feelings or opinions via a series of chronological events.
  - **Microblogging:**
    - a form of blogging that allows users to write short messages (or capture an image or embedded video) and publish them (Example: Twitter).
  - **Wiki:**
    - a Web site made up entirely of user generated content (Example: Wikipedia.com).
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# Figure 8.1: Web Site of National Public Radio with RSS Toolbar





# 8.1 Web 2.0 (continued)

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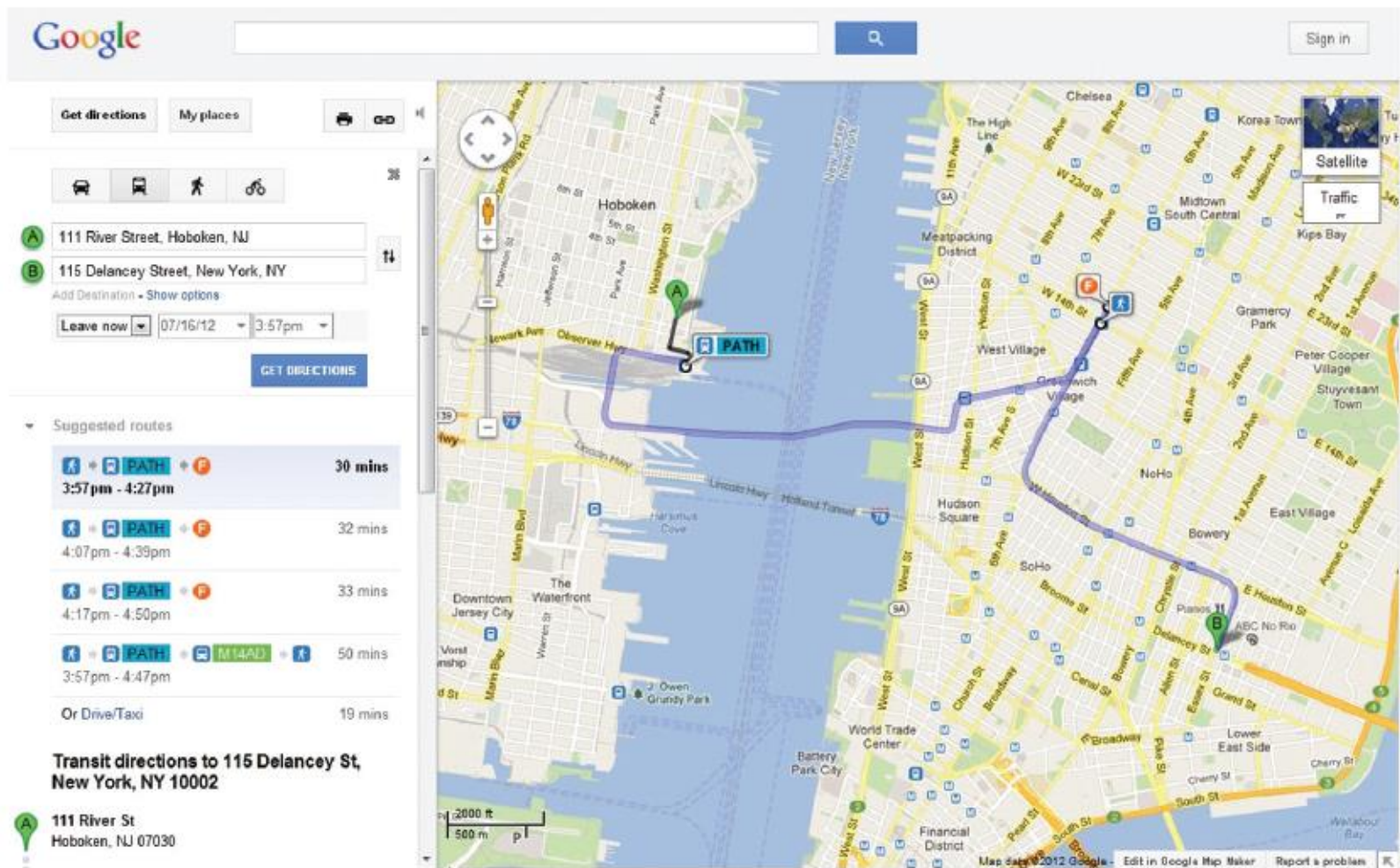
- **Social Network:**
    - a social structure composed of individuals, groups, or organizations linked by values, visions, ideas, financial exchange, friendship, kinship, conflict, or trade.
  - **Social Networking:**
    - refers to activities performed using social software tools (e.g., blogging) or social networking features (e.g., media sharing).
  - **Social Graph:**
    - the map of a single member of a social network comprised of all relevant links or connections among the greater social network.
  - **Social Capital:**
    - refers to the number of connections an individual person has within and between social networks.
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# 8.1 Web 2.0 (continued)

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- **Social Networking Web Sites:**
    - web sites that allow participants to create their own profile page for free allowing them to post blog entries, pictures, video, music and/or share ideas.
  - **Enterprise Social Networks:**
    - business-oriented social networks (public or private) designed to support networking and community building, social collaboration, social publishing, Social intelligence and social analytics.
  - **Mashups:**
    - a Web site that takes different content from a number of other Web sites and mixes them together to create a new kind of content.
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# Figure 8.2: Google Maps is a Classic Example of a Mashup



# 8.1 Categories of Social Networking Web Sites

**Socially oriented:** Socially focused public sites, open to anyone:

- Facebook ([www.facebook.com](http://www.facebook.com))
- Google+ (<https://plus.google.com>)
- Hi5 ([www.hi5.com](http://www.hi5.com))

**Professional networking:** Focused on networking for business professionals:

- LinkedIn ([www.linkedin.com](http://www.linkedin.com))

**Media sharing:**

- *Netcasting* includes podcasting (audio) and videocasting (audio and video). For example, educational institutions use netcasts to provide students with access to lectures, lab demonstrations, and sports events. In 2007, Apple launched iTunes U, which offers free content provided by major U.S. universities such as Stanford and MIT.
- [Web 2.0 media](#) sites allow people to come together and share user-generated digital media, such as pictures, audio, and video:
  - Video (Amazon Video on Demand, YouTube, Hulu, Facebook)
  - Music (Amazon MP3, Last.fm, Rhapsody, Pandora, Facebook, iTunes)
  - Photographs (Photobucket, Flickr, Shutterfly, Picasa, Facebook)

**Communication:**

- Blogs: Blogger, LiveJournal, TypePad, WordPress, Vox, Xanga
- Microblogging/Presence applications: Twitter, Tumblr, Yammer

**Collaboration:** Wikis (Wikimedia, PBworks, Wetpaint)

# 8.1 Categories of Social Networking Web Sites

**Social bookmarking** (or *social tagging*): Focused on helping users store, organize, search, and manage bookmarks of Web pages on the Internet:

- Delicious ([www.delicious.com](http://www.delicious.com))
- StumbleUpon ([www.stumbleupon.com](http://www.stumbleupon.com))
- Google Reader (<http://reader.google.com>)
- CiteULike ([www.citeulike.com](http://www.citeulike.com))

**Social news:** Focused on user-posted news stories that are ranked by popularity based on user voting:

- Digg ([www.digg.com](http://www.digg.com))
- Chime.in (<http://chime.in>)
- Reddit ([www.reddit.com](http://www.reddit.com))

**Events:** Focused on alerts for relevant events, people you know nearby, etc.:

- Eventful ([www.eventful.com](http://www.eventful.com))
- Meetup ([www.meetup.com](http://www.meetup.com))
- Foursquare ([www.foursquare.com](http://www.foursquare.com))

**Virtual meeting place:** Sites that are essentially three-dimensional worlds, built and owned by the residents (the users):

- Second Life ([www.secondlife.com](http://www.secondlife.com))

**Discovery:**

- Foursquare (<http://foursquare.com>) helps its members discover and share information about businesses and attractions around them.

**Online marketplaces for microjobs:** For example, TaskRabbit ([www.taskrabbit.com](http://www.taskrabbit.com)) and Zaarly ([www.zaarly.com](http://www.zaarly.com)) enable people to farm out chores to a growing number of temporary personal assistants. Thousands of unemployed and underemployed workers use these sites. The part-time or full-time tasks are especially popular with stay-at-home moms, retirees, and students. Workers choose their jobs and negotiate their rates.

# 8.2 Fundamentals of Social Computing in Business

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- **Social Commerce**
    - the delivery of electronic commerce activities and transactions through social computing.
    - Social commerce also supports social interactions and user contributions, allowing customers to participate actively in the marketing and selling of products and services in online marketplaces and communities.
    - A few examples of social commerce
      - Disney allows people to book tickets on Facebook without leaving the social network.
      - PepsiCo provides a live notification when its customers are close to physical stores (grocery, restaurants, gas stations) that sell Pepsi products. The company then uses Foursquare to send them coupons and discount information.
      - Mountain Dew attracts video game lovers and sports enthusiasts via Dewmocracy contests. The company also encourages the most dedicated community members to contribute ideas on company products.
      - Levi's advertises on Facebook by enabling consumers to populate a "shopping cart" based on what their friends think they would like.
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# 8.2 Fundamentals of Social Computing in Business

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- Benefits and Risks of Social Commerce
- Collaborative Consumption



# Table 8.2: Potential Benefits of Social Commerce

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## Benefits to customers

- Better and faster vendor responses to complaints, because customers can air their complaints in public (on Twitter, Facebook, and YouTube)
- Customers can assist other customers (e.g., in online forums)
- Customers' expectations can be met more fully and quickly
- Customers can easily search, link, chat, and buy while staying on a social network's page

## Benefits to businesses

- Can test new products and ideas quickly and inexpensively
  - Learn a lot about their customers
  - Identify problems quickly and alleviate customer anger
  - Learn about customers' experiences via rapid feedback
  - Increase sales when customers discuss products positively on social networking site
  - Create more effective marketing campaigns and brand awareness
  - Use low-cost user-generated content, for example, in marketing campaigns
  - Obtain free advertising through viral marketing
  - Identify and reward influential brand advocates
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# Social Commerce: Risks



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- Companies concerned about negative posts
  - 80/20 rule – 80% of content is generated by 20% of users
  - Information Security Concerns
  - Invasion of Privacy
  - Violation of Intellectual Property and Copyright
  - Employees' Reluctance to Participate
  - Data Leakage of Personal Information or Corporate Strategic Information
  - Poor or Biased Quality of User Generated Content
  - Cyberbullying/Cyberstalking and Employee Harassment
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# 8.2 Fundamentals of Social Computing in Business

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- Collaborative Consumption
    - an economic model based on sharing, swapping, trading, or renting products and services, enabling access over ownership.
    - Examples for Collaborative Consumption
      - eBay
      - Zipcar
      - Airbnb
      - Tripadvisor
      - Uber
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# 8.3 Social Computing in Business: Shopping



- **Social Shopping:** a method of electronic commerce that takes all of the key aspects of social networks—friends, groups, voting, comments, discussions, reviews, and others—and focuses them on shopping.
- **Ratings, Reviews, and Recommendations:** are usually available in social shopping and generally come from,
  - (a) Customer ratings and reviews integrated into the vendor's Web page
  - (b) Expert ratings and reviews from an independent authority
  - (c) Sponsored reviews: paid-for reviews
  - (d) Conversational marketing: individuals converse via e-mail, blog, live chat, discussion groups, and tweets.


# 8.3

## Social Computing in Business: Shopping

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- **Group Shopping:**
  - Web sites such as Groupon([www.groupon.com](http://www.groupon.com)) and LivingSocial([www.livingsocial.com](http://www.livingsocial.com)) offer major discounts or special deals during a short time frame.
- **Shopping Communities and Clubs:**
  - host sales for their members that last just a few days and usually feature luxury brands and heavily discounted prices. These clubs tend to be exclusive and help sell luxury items without watering down the brands' images.
  - Examples are Beyond the Rack ([www.beyondtherack.com](http://www.beyondtherack.com)), Gilt Groupe ([www.gilt.com](http://www.gilt.com)), Rue La La ([www.ruelala.com](http://www.ruelala.com)), and One King's Lane ([www.onekingslane.com](http://www.onekingslane.com)).
- **Social Marketplaces and Direct Sales:**
  - act as online intermediaries that harness the power of social networks for introducing, buying, and selling products and services.
  - A social marketplace helps members market their own creations.
  - Etsy ([www.etsy.com](http://www.etsy.com)) is a social marketplace for all handmade or vintage items.

# 8.3 Social Computing in Business: Shopping




- **Peer-to-Peer Shopping Models:**
  - are the high-tech version of oldfashioned bazaars and bartering systems.
  - Individuals use these models to sell, buy, rent, or barter online with other individuals.
- **Collaborative consumption:**
  - peer-to-peer sharing or renting.

# Figure 8.3: Epinions is a Web site that allows customers to rate anything from cars to music.

Cars Books Movies Music Computers & Software Electronics Gifts Home & Garden Kids & Family Office Supply Sports Travel More...

Home > Media > Videos & DVDs > Pinocchio



No image available

### Pinocchio

★★★★☆ 28 consumer reviews | Write a Review

Average Rating: Excellent

5 stars	19
4 stars	7
3 stars	2
2 stars	
1 star	

Ask friends for feedback

#### Where Can I Buy It?

	Smart Buy	Lowest Price	Third Lowest Price
	\$6.99	\$1.99	\$7.95
	<a href="#">See It</a>	<a href="#">See It</a>	<a href="#">See It</a>

[Compare all Prices](#)

[Compare Prices](#) [Read Reviews \(28\)](#) [View Details](#)

#### Highest Rated Review by the Community


**"When You Wish Upon a Star..."**  
★★★★★ Jun 05 '00

Pros: classic with great characters and songs  
Cons: one bad word, but it's used in the other sense

by [billbapoch](#)  
**TOP REVIEWER**  
in Movies

**Summary:** After the astoundingly successful "Snow White and the Seven Dwarfs," the Disney animation crew set to work on Walt Disney's second full-length animated feature. The result was an enduring tale that still inspires people to dare to dream, while reminding ... [read more](#)

[Write a Review](#) Sort by: [Date](#) [Rating](#)



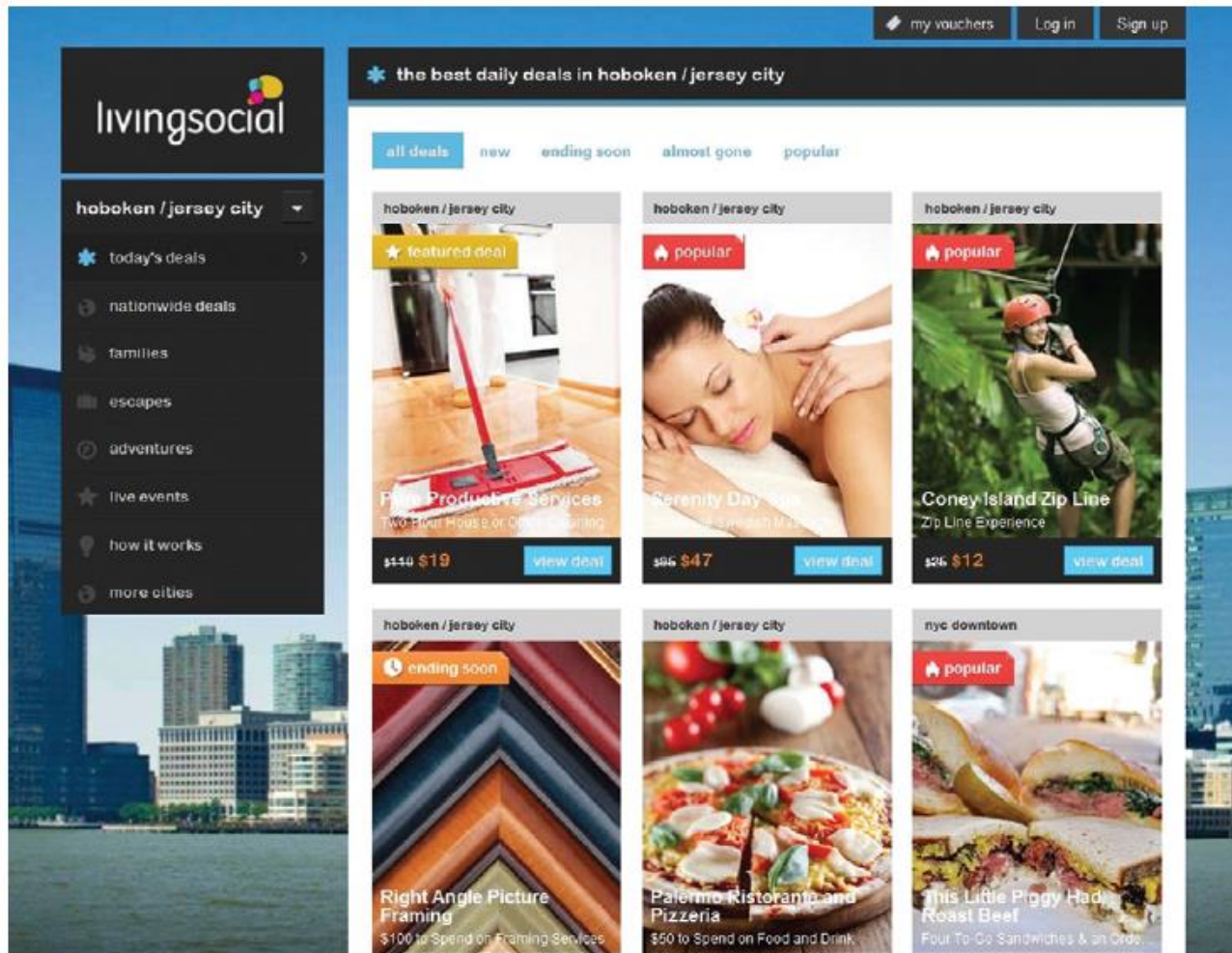
by [dolphinboy](#)

**Very, very good, but not without flaws**  
★★★★☆ Apr 12 '09

Pros: Interesting characters, colorful palette, excellent animation  
Cons: I have a minor quibble with one message portrayed.

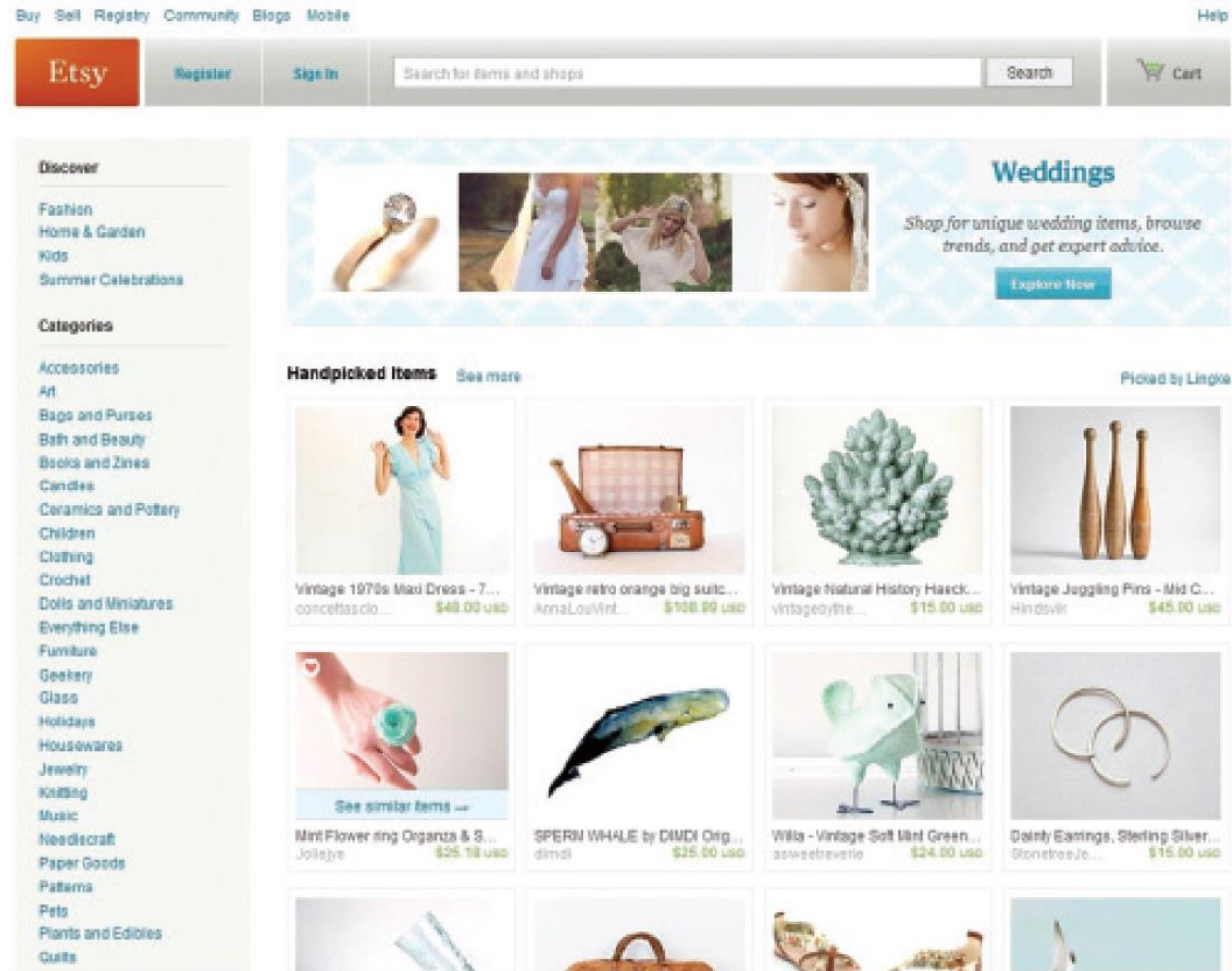
**Summary:** This review is for Disney's seventieth anniversary re-release of their classic telling of the 1883 story by Carlo Collodi. It was actually released on February 7, 1940, making it only sixty-nine years old. This release comes with a DVD version, ... [read more](#)

# Figure 8.4: LivingSocial.com is a Popular Example of a Group Shopping Web Site.



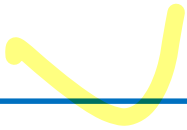


# Figure 8.5: Etsy.com is a Social Marketplace for all Handmade or Vintage Items.





# 8.4 Social Computing in Business: Marketing



- **Social Advertising:**

- refers to the advertising formats that make use of the social context of the user viewing the ad.
- It is the first form of advertising to leverage forms of social influence such as peer pressure and friend recommendations and likes.
- Viral marketing : word-of-mouth advertising

- **Market Research:**

- today members of social media voluntarily provide demographics that help identify and target potential customers.
- Due to the open nature of social networking, merchants can easily find customers, see what they do online, and learn who their friends are.

# Figure 8.6: Customers Share Their Ideas and Feedback with Dell via IdeaStorm.com.

The screenshot displays the Dell IdeaStorm website interface. At the top, the Dell logo is on the left, and navigation links for 'Shop', 'Support', and 'Community' are in the center. On the right, there is a search bar and links for 'Dell Inc.' and 'IdeaStorm'. A large blue banner features the text 'IdeaStorm can help take your idea and turn it into reality.' with a 'SUBMIT YOUR IDEA' button. Below the banner, statistics show 'OVER 17,473 IDEAS SUBMITTED, 757,964+ VOTES, 96,315+ COMMENTS, 510+ IDEAS IMPLEMENTED.' The main navigation bar includes 'IDEAS', 'STORM SESSIONS in progress...', and 'SUBMIT YOUR IDEA'. The 'Featured' section highlights an idea titled 'XPS 13z Memory options' by user 'theEmpiricist', with a cityscape image. The 'Recent Ideas' section shows 'Re-implement AMD Graphics Manual Switching' by 'ViperusVictorus'. The 'Trending Ideas' section features 'PC customization' by 'Tito23p'. On the right, the 'Top Recent Contributors' list includes users like 'badblood', 'phuben', 'winoffice', and 'thebitterssea' with their respective points, ideas, and votes.

**Featured**

**XPS 13z Memory options**

Posted by: theEmpiricist

Why is the new XPS 13z limited to 4GB of memory? If Dell offered it in an 8GB model I would order it...

[Learn More](#)

**Recent Ideas**

**Re-implement AMD Graphics Manual Switching**

Posted by: ViperusVictorus

Status: New

Jul 16, 2012

**Trending Ideas**

**PC customization**

Posted by: Tito23p

Status: Acknowledged

Jun 21, 2012

**Top Recent Contributors**

Contributor	Points	Ideas	Votes	Last Activity
badblood	20755	221	5044	Jul 6, 2012
phuben	15625	359	5501	Feb 3, 2012
winoffice	8017	108	1175	Jul 9, 2012
thebitterssea	6904	16	2102	

# 8.4

## Social Computing in Business: Marketing

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- **Conversational Marketing:**
    - feedback from customers provided to companies through social computing tools (e.g., blogs, wikis, online forums, and social networking sites.)
    - customers are providing much of this feedback to companies voluntarily and for free.
    - Social computing not only generates faster and cheaper results than traditional focus groups but also fosters closer customer relationships.
    - For example, Dell Computer operates a feedback Web site called IdeaStorm that allows customers to suggest and vote on improvements in its offerings
  - **Conducting Market Research Using Social Networking:**
    - Customer sentiment expressed on Facebook, Twitter, LinkedIn and similar sites represent an incredibly valuable source of information for companies allowing them to analyze the data, conduct better advertising campaigns, improve their product design and their service offerings.
    - The monitoring, collection, and analysis of socially generated data, and the resultant strategic decisions are combined in a process known as [social intelligence](#).
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# 8.5

## Social Computing in Business: Customer Relationship Management

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- **How Social Computing Improves Customer Service**
    - Social computing has vastly altered both the expectations of customers and the capabilities of corporations in the area of customer relationship management.
    - Customers are now incredibly empowered as companies closely monitor negative comments and proactively involve customers to resolve problems/issues for improved customer service.
    - Empowered customers know how to use the wisdom and power of crowds and communities to their benefit.
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# 8.6 Social Computing in Business: Human Resource Management

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- **Recruiting:** Both recruiters and job seekers are moving to online social networks as recruiting platforms.
  - **Onboarding:** how new employees acquire the necessary knowledge, skills, and behaviors to become effective members of the organization. Through the use of social media, new hires can learn what to expect in their first few days on the job and find answers to common questions.
  - **Employee Development:** HR professionals are using enterprise social tools such as Chatter, Yammer, and Tibbr to enable, encourage, and promote employee development through relationship building by providing a platform for employees to collaborate on sales opportunities, campaigns, projects as well as simplify workflows and capture new ideas. Elearning and Etraining are employee development tools that can be leveraged through social computing.
  - **Finding a Job:** LinkedIn ([www.linkedin.com](http://www.linkedin.com))
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