

# Social Computing

## Chapter 4

## Contents.....

- › Social Computing (SC):
- › Web 2.0 and 3.0,
- › SC in business-shopping, Marketing, Operational and Analytic CRM, E-business and E-commerce – B2B B2C.
- › Mobile commerce.

# Contents.....



# What's In **IT** For Me?

**ACCT****For the Accounting Major**

Audit teams use social networking technologies internally to stay in touch with team members who are working on multiple projects. These technologies serve as a common channel of communications. For example, an audit team manager can create a group, include his or her team members as subscribers, and then push information regarding projects to all members at once. Externally, these technologies are useful in interfacing with clients and other third parties for whom the firm and its staff provide services.

**FIN****For the Finance Major**

Many of the popular social networking sites have users who subscribe to finance-oriented subgroups. Among these groups are finance professionals who collaborate and share knowledge as well as nonfinancial professionals who are potential clients.

**MKT****For the Marketing Major**

Social computing tools and applications enable marketing professionals to become closer to their customers in a variety of ways, including blogs, wikis, ratings, and recommendations. Marketing professionals now receive almost real-time feedback on products.

**POM****For the Production/Operations Management Major**

Social computing tools and applications allow production personnel to “enlist” business partners and customers in product development activities.

**HRM****For the Human Resource Management Major**

Social networks offer tremendous benefits to human resource professionals. HR personnel can perform a great deal of their recruiting activities by accessing such sites as LinkedIn. They can also check out potential new hires by accessing a large number of social networking sites. Internally, HR personnel can utilize private, internal social networks for employee expertise and experience in order to find the best person for a position or project team.

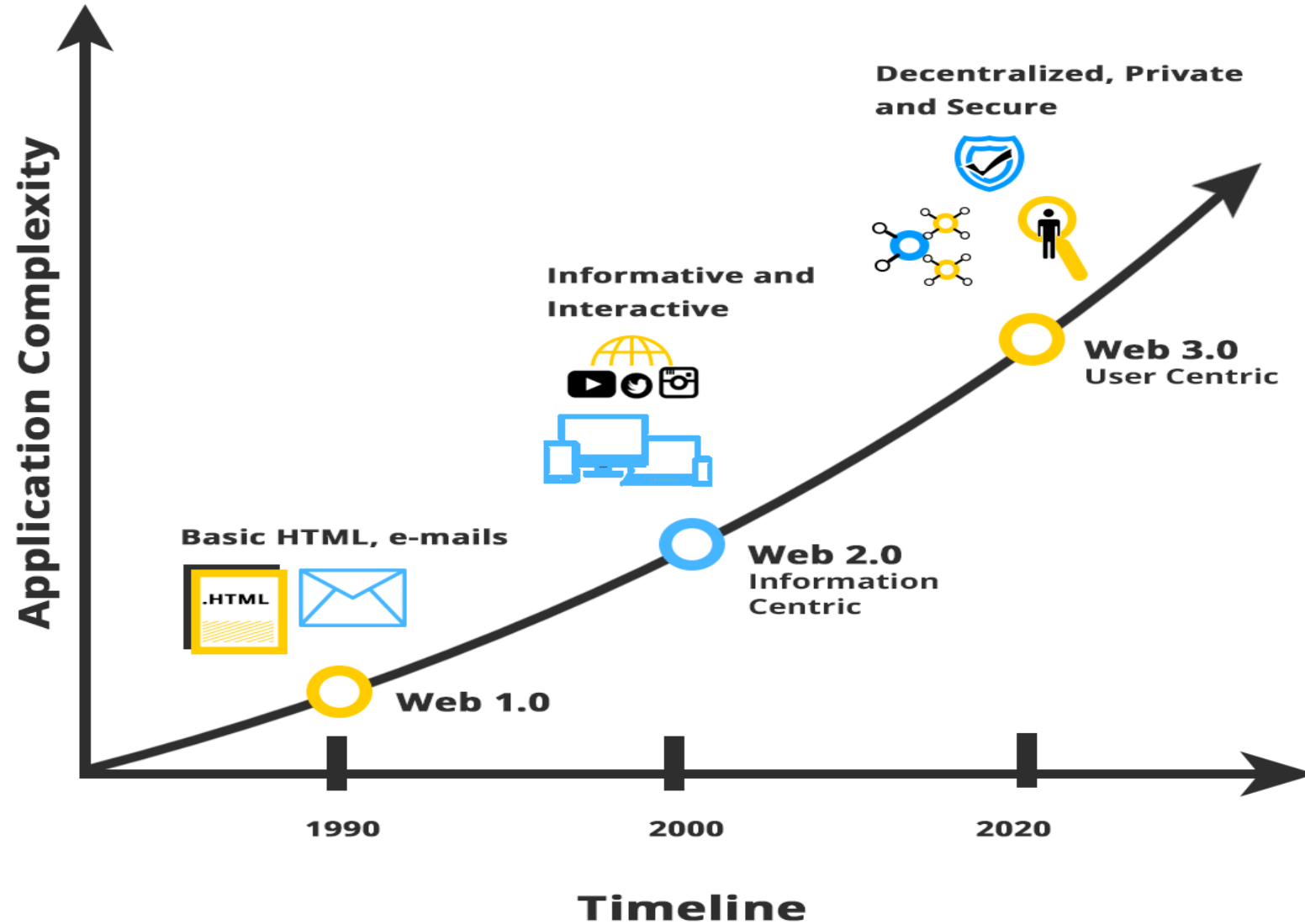
**MIS****For the MIS Major**

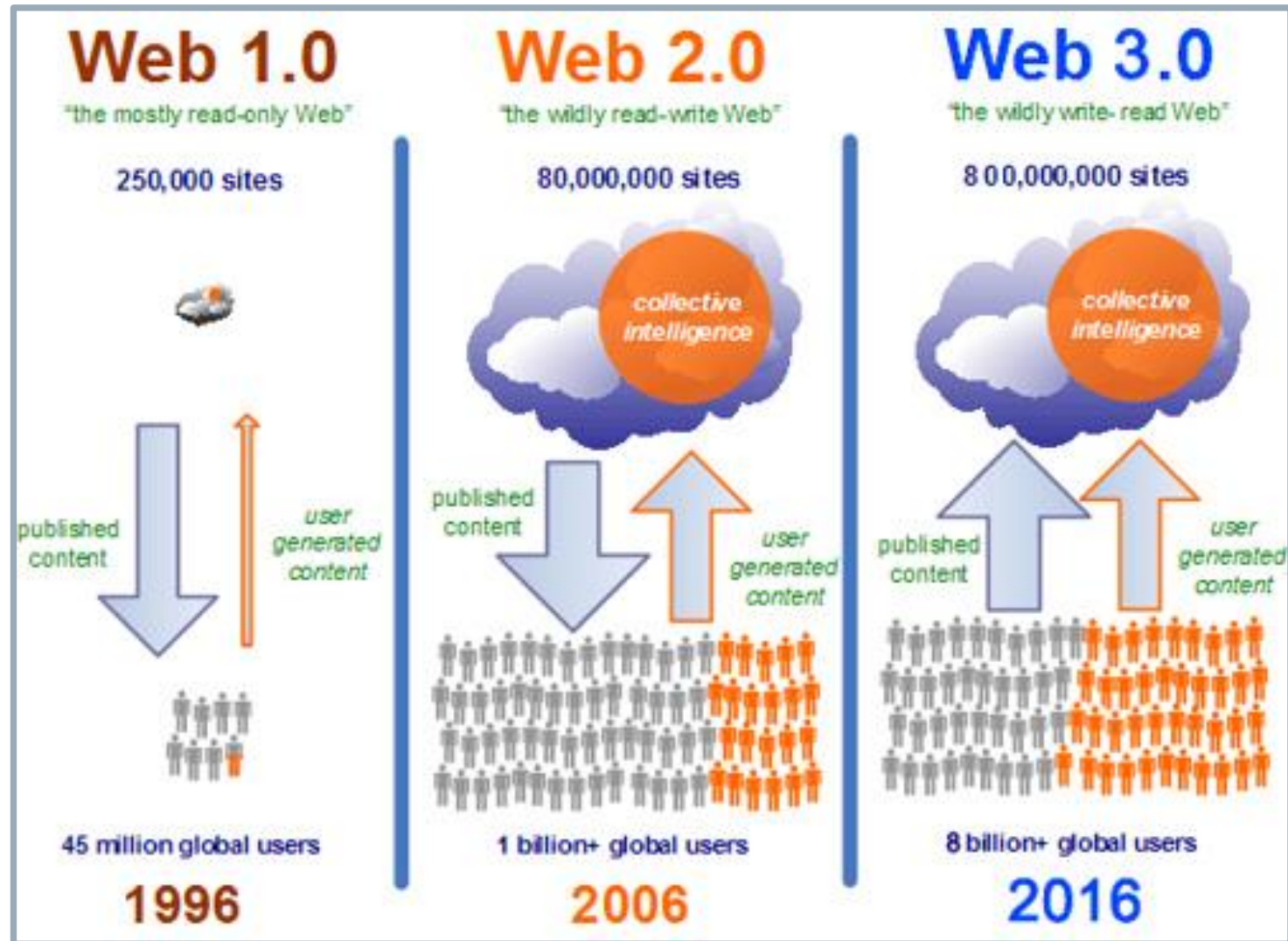
The MIS department is responsible for two aspects of social computing usage: (1) monitoring employee usage of social computing applications while at work, both time and content, and (2) developing private, internal social networks for company employees and then monitoring the content of these networks.

# Web 2.0

- **Web 1.0:** First generation of the Web
  - Focuses on creation and commercialization of the Web
  - minimal interaction[passive] with Web 1.0 sites
- **Web 2.0**
  - A wide collection of information technologies, applications, and the Web sites that use them
  - These Web sites enrich the user experience by encouraging user participation, social interaction, and collaboration

# The History of the Web





# Web 2.0 IT tools

## 1. AJAX

- A Web development technique that enables portions of Web pages to reload with fresh data instead of requiring the entire Web page to reload

## 2. Tagging

- A tag is a keyword or term that describes a piece of information- for example, a blog, a picture, an article, or a video clip.
- Tagging is the basis of folksonomies, which are user-generated classifications that use tags to categorize and retrieve Web pages, photos, videos, and other Web content.
- **Geo-tagging:** Tagging information on maps
- For example, Google Maps allows users to add pictures and information, such as restaurant or hotel ratings, to maps.



## Web 2.0 IT tools contd..

### 3. Really Simple Syndication (RSS)

- › Subscribers receive customized information when they 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.
- › Subscribers receive a notification of the changes and information about the new content

# Web 2.0 IT tools contd..

## 4. Blogs (or weblogs)

- Personal Web sites, open to the public
- The site creator (blogger) expresses his/her feelings or opinions via a series of chronological entries
- **Blogosphere:** Millions of blogs on the Web
- Service providers: [www.blogger.com](http://www.blogger.com)

## 5. Microblogging

- A form of blogging using short messages
- The content of a microblog differs from that of a blog because of the limited space per message (usually up to 140 characters).
- Twitter is a free microblogging service that allows its users to send messages and read other users' messages and updates, known as tweets.
- Businesses also use Twitter to gather real-time market intelligence and customer feedback.

# Web 2.0 IT tools contd..

## 6. Wiki

- › A Website made up entirely of content posted by users
- › Wikis have an “edit” link on each page that allows any user to add, change, or delete material, thus fostering easy collaboration
- › Example: [www.wikipedia.org](http://www.wikipedia.org)
- › There are still major debates over the reliability and accuracy of Wikipedia articles
- › wiki enable companies to collaborate with customers, suppliers, and other business partners on projects

# Web 2.0 IT tools contd..

## 7. Social networking Web sites

- A Web site that supports activities for maintaining social networks
- Allow users to create a profile page, post blogs, and link and media share
- Ex: [www.facebook.com](http://www.facebook.com)

## 8. Enterprise social networks

- Business-oriented social network [www.linkedin.com](http://www.linkedin.com)
- **Corporate social networks:**

Allow employees to establish virtual teams, bring new employees up to speed, improve collaboration.

# Web 2.0 IT tools contd..

## 9. Mashup

- A Web site that takes different content from other Web sites and mixes them together to create a new kind of content.
- User can take a map from Google, add his or her data, and then display a map mashup on his or her Web site that plots crime, cars for sale, or anything else
  - Example: [www.housingmaps.com](http://www.housingmaps.com)

# 1. Fundamentals of Social Computing in Business

- **Social commerce**

- The delivery of electronic commerce activities and transactions through social computing
- Supports social interactions and user contributions
- Ex: allows people to book tickets on Facebook without leaving the social network.

# Benefits of Social Commerce

**TABLE 8.2** Potential Benefits of Social Commerce

## Benefits to Customers

- Better and faster vendor responses to complaints, because customers can air their complaints in public (on Twitter, Facebook, and YouTube) and because of crowdsourcing complaints
- 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 network site
- Create better marketing campaigns and brand awareness
- Use low-cost user-generated content, for example, in marketing campaigns
- Get free advertising through viral marketing
- Identify influential brand advocates and reward them

# Social commerce does involve risks?

Companies that engage in social computing are always concerned with negative posts by disgruntled customers or unethical competitors

Other risks of social computing include the following:

- Information security concerns
- Violation of intellectual property and copyright
- Employees' reluctance to participate
- Data leakage of personal information or corporate strategic information
- Poor or biased quality of users' generated content
- Cyberbullying/cyberstalking and employee harassment



## 2. Social Computing in Business: Shopping

- **Social shopping**

- A type of e-commerce using social networking tools to enhance the shopping experience

**How to shop socially?** convert social media networks into a sales platform.

- **Ratings, reviews, and recommendations**

- from friends, fans, followers, and experienced customers.
- Guide consumers in purchase decisions
- Examples: [www.shopsocially.com](http://www.shopsocially.com)

- **Group shopping**

- Major discounts offered for a short time frame
- special deals (flash sales).

## Social Computing in Business: Shopping

- › **Shoppable Posts and Stories** : This feature enables brands to reduce friction and create a more seamless experience for customers because the entire shopping experience stays within the social media app itself. Customers don't have to open a new app or interrupt what they're doing at all.
- › **Social Commerce Plugins and Apps** : While the big social networks were tinkering away to find the most effective ways to implement social commerce for brands, some third parties launched their own plug-ins and apps to facilitate social shopping in the meantime . e.g. [Soldsie](#)

## Social Shopping contd..

- **Shopping communities and clubs**
  - Offer discounts for club members for limited time without diminishing a brand's image
  - Examples : [www.kaboodle.com](http://www.kaboodle.com) , **Groupon**
- **Social marketplaces and direct sales**
  - **Social marketplaces:** Online intermediaries using social networks for buying and selling products and services
  - A social marketplace helps members market their own creations
  - [www.etsy.com](http://www.etsy.com) is a social marketplace for all handmade or vintage items.

# Social Shopping contd..

## › Peer-to-peer shopping models

- Support bazaar-style and bartering systems
- Individuals use these models to sell, buy, rent, or barter online with other individuals.
- Encourage **collaborative consumption** that is Peer-to-peer sharing or renting
  - These firms help interested parties share cars, clothing, couches, apartments, tools, meals, and even skills
- [www.relayrides.com](http://www.relayrides.com) ,Product-service systems that enable people to share or rent a product (e.g., car sharing)

### 3. Social Computing in Business: Marketing

- **Marketing**
  - A process of building profitable customer relationships by creating value for customers and capturing value in return
- Two main processes: 1. Advertising 2. Market research

# Social Advertising

- **Social advertising**
- Advertisers post ads on all major social networking Web sites paid by advertisers because large number of visitors on social networks
  - Peer pressure, friend recommendations, likes, etc.
- **Viral marketing** (word of mouth advertising)
  - Initiate a marketing campaign by offering something to bloggers

# Innovative ways to advertise in social media.

- › Tweet business success stories to your customers.
- Integrate ads into YouTube videos.
- › Add a Facebook “Like” button with its sponsored story (advertisement) to your product
- › Use a company Facebook page

# Market Research

- **Market research**
  - The open nature of social networking allows merchants to understand, identify, and target potential customers at zero or low cost
- **Conversational marketing trend**
  - Using blogs, wikis, online forums, and social networking sites to collect feedback from customers
- **Social intelligence**
  - Customer activities on social networking sites generate huge amounts of data that must be analyzed
  - A process of monitoring, collecting, and analyzing socially generated data to support strategic decisions



How do companies use social media tools such as Facebook ,Twitter and LinkedIn for market research?

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## 4. Social Computing in Business: Customer Relationship Management

- Social computing helps to improves customer service
- Companies are aware of the effects of negative comments posted by social network members
- Businesses must respond to customers quickly and appropriately
- Thereby giving businesses the opportunity to turn dissatisfied customers into champions for the firm.

## 5. Social Computing in Business: Human Resource Management

- **Recruiting**

- Recruiters scan online social networks, blogs, etc. to find information about potential employees
- Job seekers are more visible to recruiters if they are online and active

- **Training**

- Several companies use virtual worlds for training purposes
- [www.secondlife.com](http://www.secondlife.com)
  - Cisco uses its virtual campus in Second Life for product training and executive briefings
  - IBM runs management and customer interaction training sessions in Second Life

# CHAPTER



## E-Business and E-Commerce

- › Overview of E-Business and E-Commerce
- › Business-to-Consumer (B2C) Electronic Commerce
- › Business-to-Business (B2B) Electronic Commerce
- › Ethical and Legal Issues in E-Business

# Overview of E-Business and E-Commerce

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- › Definitions and Concepts
  - › Types of E-Commerce
  - › Major E-Commerce Mechanisms
  - › Electronic Payment Mechanisms
  - › Benefits and Limitations of E-Commerce
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# Definitions and Concepts

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- › Electronic Commerce (EC or e-commerce)
  - › Electronic Business (e-business)
  - › Brick-and-Mortar Organizations
  - › Virtual (or pure-play) Organizations
  - › Clicks-and-Mortar (or Clicks-and-Bricks)
-



# Types of E-Commerce

- › Business-to-Consumer (B2C)
- › Business-to-Business (B2B)
- › Consumer-to-Consumer (C2C)
- › Business-to-Employee (B2E)
- › E-government
- › Government-to-Citizen (G2C)
- › Government-to-Business (G2B)
- › Mobile Commerce (m-commerce)

Types of e-Commerce			
	Government	Business	Consumer
Government	<b>G2G</b> e.g. Central & State	<b>G2B</b> e-Tenders	<b>G2C</b> Information to Citizens, online forms
Business	<b>B2G</b> e.g. procurement	<b>B2B</b> Covisint.com EDI, B2B	<b>B2C</b> Flipkart.com Radiol.com
Consumer	<b>C2G</b> Online filing of tax returns	<b>C2B</b> Job portals like naukri.com	<b>C2C</b> Facebook.com, Ebay.in, flickr.com

Source: OECD

# Major E-Commerce Mechanisms

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- › Electronic catalogs
- › Electronic auctions
- › E-storefronts
- › E-malls
- › E-marketplaces

# E-Commerce Business Models

Online direct marketing	Manufacturers or retailers sell directly to customers. Very efficient for digital products and services. Can allow for product or service customization ( <a href="http://www.dell.com">www.dell.com</a> )
Electronic tendering system	Businesses request quotes from suppliers. Uses B2B with a reverse auction mechanism
Name-your-own-price	Customers decide how much they are willing to pay. An intermediary tries to match a provider ( <a href="http://www.priceline.com">www.priceline.com</a> )
Find-the-best-price	Customers specify a need; an intermediary compares providers and shows the lowest price. Customers must accept the offer in a short time, or they may lose the deal ( <a href="http://www.hotwire.com">www.hotwire.com</a> )
Affiliate marketing	Vendors ask partners to place logos (or banners) on partner's site. If customers click on logo, go to vendor's site, and make a purchase, then the vendor pays commissions to the partners
Viral marketing	Recipients of your marketing notices send information about your product to their friends

# E-Commerce Business Models (Continued)

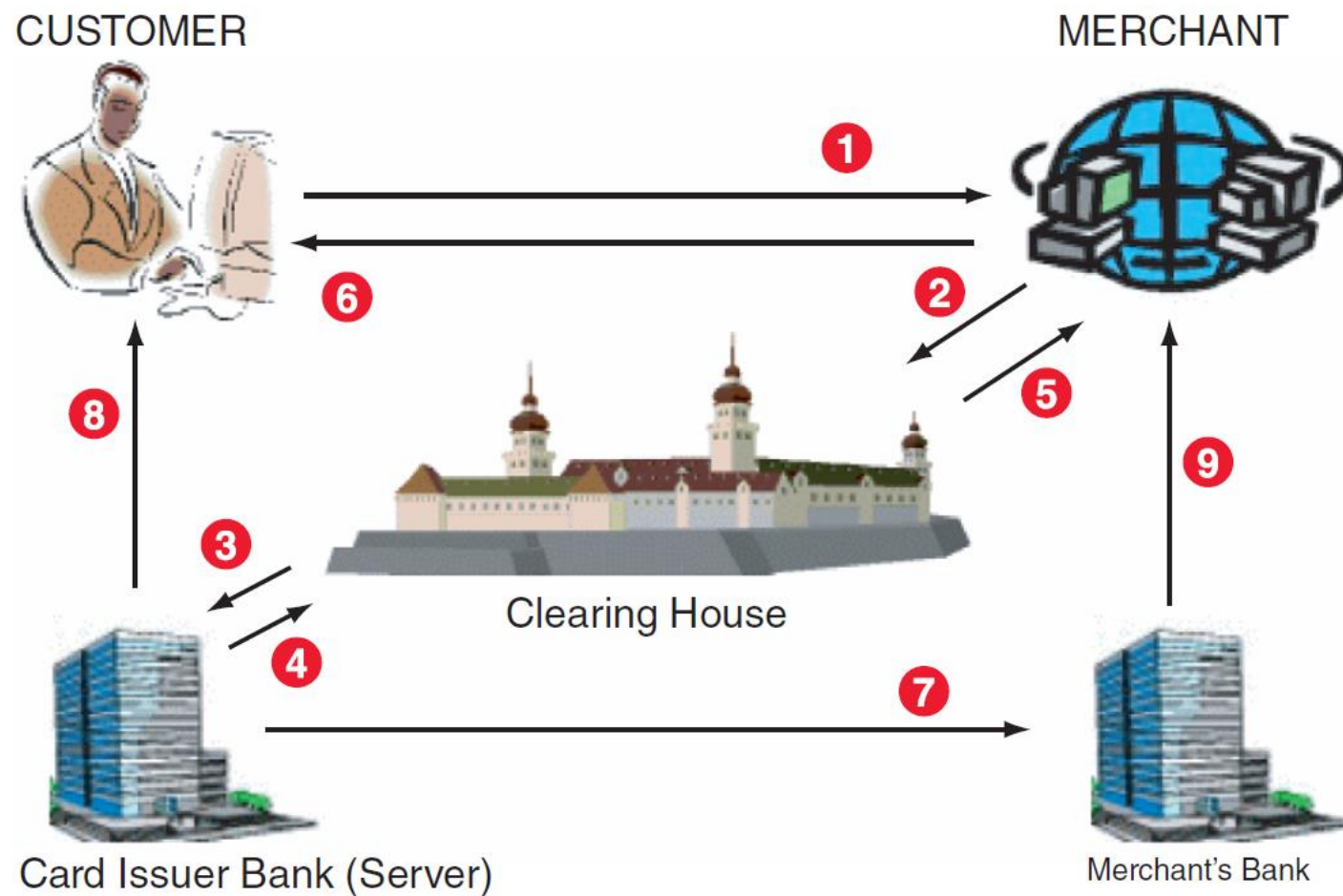
Group purchasing (e-coops)	Small buyers aggregate demand to create a large volume; the group then conducts tendering or negotiates a low price
Online auctions	Companies run auctions of various types on the Internet. Very popular in C2C, but gaining ground in other types of EC as well ( <a href="http://www.ebay.com">www.ebay.com</a> )
Product customization	Customers use the Internet to self-configure products or services. Sellers then price them and fulfill them quickly ( <i>build-to-order</i> ) ( <a href="http://www.jaguar.com">www.jaguar.com</a> )
Electronic marketplaces and exchanges	Transactions are conducted efficiently (more information to buyers and sellers, lower transaction costs) in electronic marketplaces (private or public)
Bartering online	Intermediary administers online exchange of surplus products and/or company receives “points” for its contribution, which it can use to purchase other needed items ( <a href="http://www.bbu.com">www.bbu.com</a> )
Deep discounters	Company offers deep price discounts. Appeals to customers who consider only price in their purchasing decisions ( <a href="http://www.half.com">www.half.com</a> )
Membership	Only members can use the services provided, including access to certain information, conducting trades, etc. ( <a href="http://www.egreetings.com">www.egreetings.com</a> )

# Electronic Payment Mechanisms

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- › Electronic Checks
  - › Electronic Cards
  - › Virtual Credit Cards
  - › Purchasing Cards
  - › Stored-Value Money Cards
  - › Smart Cards
  - › Digital Wallet
  - › Bitcoin
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# How e-credit cards work



# Benefits of E-Commerce

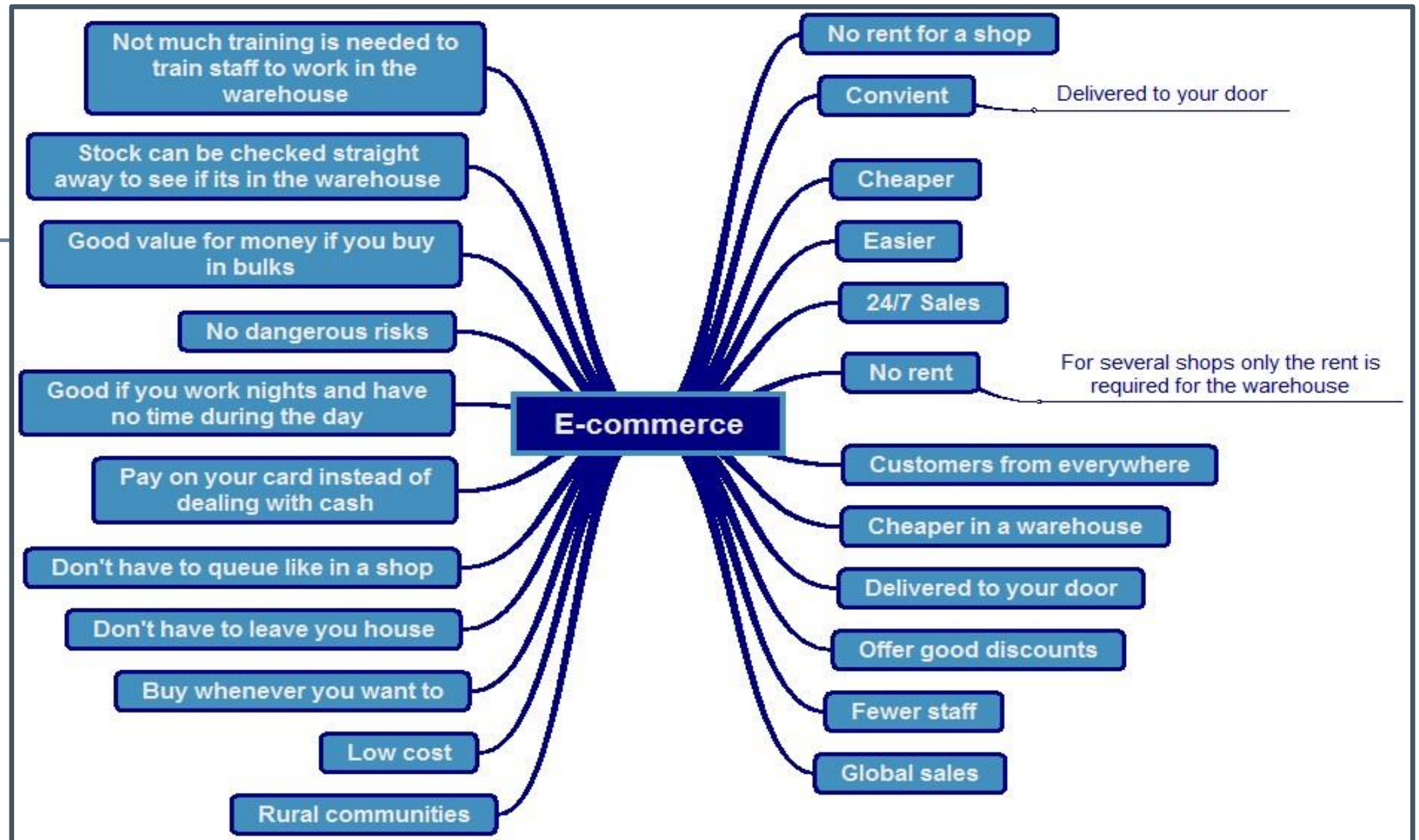
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- › Organization Benefits
- › Customer Benefits
- › Benefits to Society

# Benefits of E-Commerce to organization







# Benefits of E-Commerce to society

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# Limitations of E-Commerce

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- › Technological Limitations :
  - Lack of internet in many places
  - Less trust
  - Security issues for sensitive data
- › Non-technological Limitations
  - Not suitable for perishable product
  - Delivery time
  - Return policies



# Business-to-Consumer (B2C) Electronic Commerce

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- › B2C is more complex than B2B
- › Electronic Storefronts and Malls
- › Electronic Malls
- › Online Service Industries

# Electronic Storefronts and Malls

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- › Electronic Storefront
- › Electronic Mall
- › Two Types of Electronic Malls
  - *referral malls*
  - *direct purchase*

# Online Service Industries

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- › Cyber banking
- › Online Securities Trading
- › The Online Job Market(monster.com, Naukri.com)
- › Travel Services
- › Online Advertising
  - Online Advertising Methods

# Online Advertising

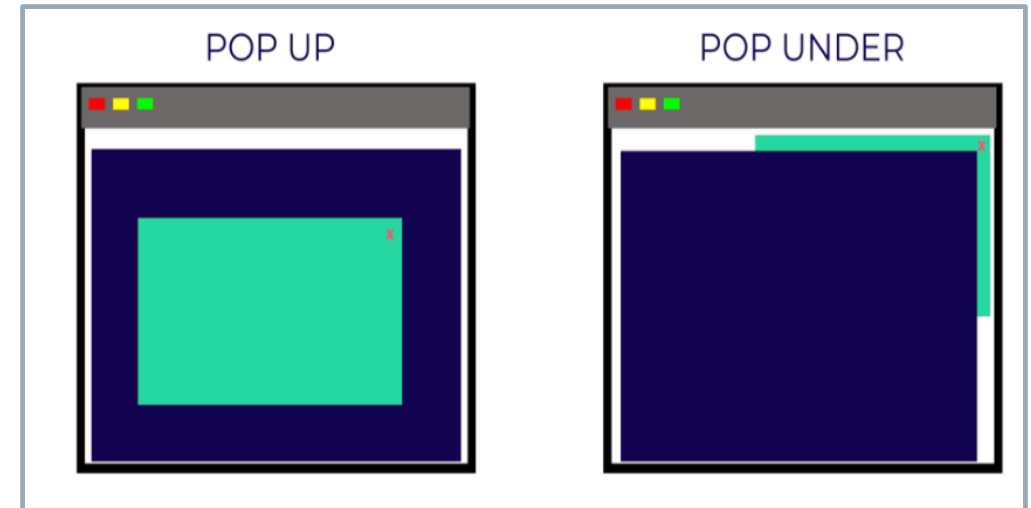
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## **Advantages of Online Advertising:**

- › Updated any time at minimal cost
  - › Reach very large numbers of potential buyers all over the world
  - › Generally cheaper than radio, television, and print ads
  - › Interactive and targeted to specific interest groups and/or individuals
-

# Advertising Methods

- › **Banner Ads**
- › **Pop-Up Ad**
- › **Pop-Under Ad**
- › **Spam**
- › **Permission Marketing**
- › **Viral Marketing**





# Business-to-Business (B2B) Electronic Commerce

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- › Sell-Side Marketplaces
    - Auctions
    - Customization
  - › Buy-Side Marketplaces
    - Procurement
    - Reverse auction
    - Group purchasing
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# Sell-Side Marketplaces

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## **Key Mechanisms:**

- › Forward auctions
- › Customized electronic catalogs for large buyers
- › Third-Party Auction Sites

# Buy-Side Marketplaces

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- › Procurement
  - Purchasing
- › Reverse Auctions
- › E-Procurement
- › Group Purchasing



# Ethical and Legal Issues in E-Business

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- › Ethical Issues
- › Legal and Ethical Issues Specific to E-Commerce

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# Ethical Issues

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- › Threats to Privacy
- › Potential Job Loss

# $\pi$ Legal and Ethical Issues Specific to E-Commerce

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- › Fraud on the Internet
  - majorly finance related
- › Domain Names
  - Competition of domain names
- › Cybersquatting
- › Taxes and Other Fees
- › Copyright

# Fraud on the Internet

- › Stock promoters spread positive false rumors to boost stock prices
- › Selling bogus investments

From: General Banking >  
To: UNCG User >

**Urgent: Your Account Needs Updating**  
Today at 10:05 AM

Good Morning,

Your account needs to be updated immediately. If you have not updated your account before the end of this billing cycle, account maintenance fees totalling \$255 will to applied be your account.

Click [here](#) to log in to your account so that you may update your personal information.

If your a <http://Yourbank.com.23455-23459.com> of the following billing cycle, your account will be termanated and any contents of teh accounts will be yielded to the bank.

You can also be call to us update your informasion on the telephoene at +234 297 555 1165.

-----  
Hoping to serve you better!  
Sincerely,  
Bank Accounts Management Teem

## Creating Urgency

Attackers want to make you panic so that you are more likely to make a mistake.

## Asking for Personal Info

An attacker's goal is to get your personal information like passwords, tax ID numbers and bank account

## Misleading Links

Attackers will disguise links that take you to their sites as links to services you trust. Hover over them to see where they go before you click.

## Spelling and Grammar

Many phishing attempts include poorly written sections and have numerous misspellings.

**From:** eBay Account Security Department **To:**  
**Subject:** Password change required!



### Password change required!

Dear sir,

We recently have determined that different computers have logged onto your eBay account, and multiple password failures were present before the logons. We strongly advise CHANGE YOUR PASSWORD.

If this is not completed by **March 8, 2007**, we will be forced to suspend your account indefinitely, as it may have been used for fraudulent purposes. Thank you for your cooperation.

[Click here to Change Your Password](#)

Thank you for your prompt attention to this matter.

We apologize for any inconvenience.

Thank you for using eBay!

Please do not reply to this e-mail. Mail sent to this address cannot be answered.

**From:** eBay **To:**  
**Subject:** Congrats, Your PowerSeller Membership Has Been Upgraded

Your registered name is included to show this message originated from eBay. [Learn more.](#)



**You're a Gold PowerSeller Now!**

**recognized respected & rewarded**



Dear eBay Member,

Congratulations! You've been on a super sales streak and it's time to recognize your achievements! Your membership has been upgraded to Gold.



Your business is a top priority at eBay and we're standing by to provide the support you need. That's where I come in. I'm Doug Derricott, your dedicated PowerSeller Gold Account Manager. As I learn more about your eBay business, I'm here to serve as a resource for your continued success.

To access your personalized PowerSeller portal page, just click the PowerSeller icon next to your User ID or visit [www.ebay.com/powerseller](http://www.ebay.com/powerseller) and click "Member Sign In." It is your gateway to all the great benefits and services associated with your new status. Once you sign in, you can:

- See your monthly average sales, sold items, and PowerSeller level.
- Get updates on benefits and promotions, events, advanced selling strategies, and guidelines for using the eBay logo and icons.
- Download FREE PowerSeller business card and letterhead templates--print in color or black and white.
- Check requirements for the PowerSeller program and read answers to Frequently Asked Questions about the program and benefits.

Again, congratulations and best wishes for your continued success!

Regards,

Doug Derricott  
Your Gold PowerSeller Account Manager

eBay sent this email to you because you are part of the PowerSeller program. This is a one time communication. There is no need to unsubscribe.

Visit our [Privacy Policy](#) and [User Agreement](#) if you have any questions.

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Designated trademarks and brands are the property of their respective owners.  
eBay and the eBay logo are trademarks of eBay Inc.  
eBay is located at 2145 Hamilton Avenue, San Jose, CA 95125.



• Naomi Surugaba [azlin@moa.gov.my]

Inbox



Actions

Monday, March 10, 2014 1:18 PM

Dear Beloved Friend,

I know this message will come to you as surprised but permit me of my desire to go into business relationship with you.

I am Miss Naomi Surugaba a daughter to late Al-badari Surugaba of Libya whom was murdered during the recent civil war in Libya in March 2011, before his death my late father was a strong supporter and a member of late Moammar Gadhafi Government in Tripoli. Meanwhile before the incident, my late Father came to Cotonou Benin republic with the sum of USD4, 200,000.00 (US\$4.2M) which he deposited in a Bank here in Cotonou Benin Republic West Africa for safe keeping.

I am here seeking for an avenue to transfer the fund to you in only you're reliable and trustworthy person to Investment the fund. I am here in Benin Republic because of the death of my parent's and I want you to help me transfer the fund into your bank account for investment purpose.

Please I will offer you 20% of the total sum of USD4.2M for your assistance. Please I wish to transfer the fund urgently without delay into your account and also wish to relocate to your country due to the poor condition in Benin, as to enable me continue my education as I was a medical student before the sudden death of my parent's. Reply to my alternative email:missnaomisurugaba2@hotmail.com, Your immediate response would be appreciated.

Remain blessed,

Miss Naomi Surugaba.

# Taxes and Other Fees

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1. Federal, state, and local authorities are now scrambling to create some type of taxation policy for e-business within their jurisdictions.
  2. Based on location, should electronic businesses pay business license taxes, franchise fees, gross receipts taxes, excise taxes, privilege taxes, and utility taxes?
  3. How should tax collection be controlled?
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# What are the Types of Taxes that I can Expect?

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- › Value Added Tax

- › Service Tax

- › Sales Tax

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# Which Tax do I Pay as an E-Retailer?

- › The net taxes that will be incurred upon your business will be comprised of both the above taxes, depending upon the business model. As we saw above, if your e-commerce business does not involve you providing ‘goods’ directly to customers, you will be exempt from VAT or sales tax. But it tends to get more complicated in the real world.
- › Here is an example – if you are providing a product, say alarm clocks, for sale online, you will be charged with sales tax. Depending upon whether the buyer and the seller are in the same state or different, intra-state or inter-state sales taxes will be incurred. But, if the seller charges the customer for the delivery of the product, then he/she is also providing a service to the customer and thus, service tax will be levied. Finally, the product itself will also dictate the type of taxes – the taxes on selling a car will be different than taxes on selling the aforementioned alarm clocks.

# Taxability of E-Commerce transaction under GST

- › As per Sec 24(5) read with section 22(6) of the CGST Act, 2017. All e-commerce operator is required to get registration if their total sale exceeds Rs 20,00,000/- in a year.
- › The E-Commerce transaction can happen in two ways
  - First, the seller selling its product through his website. In such a case, the **normal provision of GST** filling would be applicable.
  - Another way, the seller can sell its product through the E-Commerce platform which acts as a link between the seller and buyer, In such a case when operator executes a sell between the buyer and seller, then he is required to deduct tax at source at the rate of 1% of the sale amount before sending the payment to the seller.