

## Contents

<b>Opening Case: Maximizing the Impact of Social Media with a Minimum of Effort in Mortgage Lending</b> .....	326
9.1 <b>Social Business and Social Enterprise</b> .....	327
9.2 <b>Business-Oriented Public Social Networking</b> .....	331
9.3 <b>Enterprise Social Networks</b> .....	332
9.4 <b>Social Network-Based Job Markets</b> .....	337
9.5 <b>Social Entertainment</b> .....	339
9.6 <b>Social Games and Gamification</b> .....	341
9.7 <b>Crowdsourcing and Crowdfunding</b> .....	344
9.8 <b>Social Collaboration (Collaboration 2.0)</b> .....	348
<b>Managerial Issues</b> .....	352
<b>Closing Case: LinkedIn—The Premier Public Business-Oriented Social Network</b> .....	355
<b>References</b> .....	357

## Learning Objectives

Upon completion of this chapter, you will be able to:

1. Understand the concept of the social enterprise and its variants.
2. Describe business-oriented public social networks, their characteristics, and benefits.
3. Describe the major social commerce activities that can be conducted within and by enterprises and the characteristics of such private social networks.
4. Review the social commerce activities and their relationship with e-entertainment and gaming.
5. Describe social gaming and gamification.
6. Define crowdsourcing and describe its use in social commerce.
7. Describe social collaboration and its benefits.
8. Comment on the future of social commerce.

## OPENING CASE

### MAXIMIZING THE IMPACT OF SOCIAL MEDIA WITH A MINIMUM OF EFFORT IN MORTGAGE LENDING

The use of social media has the ability to transform a business and allow it to tap into customers in ways never thought of before. Using public social networks, employees have the ability to communicate in a direct and authentic manner with both customers and potential customers. These efforts can be seen as marketing or customer relationship management, but in either case they break down the walls traditionally in place between a company and the people it serves.

#### The Problem

Unfortunately, using social media is also fraught with potential disadvantages, for both the company that implements it and the employee that is utilizing it. These concerns are detailed by Accenture in their 2015 e-book *A Comprehensive Approach to Managing Social Media Risk and Compliance*. Principal among the concerns are the potential downfalls employees attempting to manage very diverse and potentially busy social media streams (Accenture 2015). This is even more of a concern when the employees are not digital natives, but are beginning to use social media networks later in life (Zur & Zur 2016).

These issues are compounded with the diversity of social media networks. Many companies strive to be active on multiple networks in order to cast a wide net to engage with customers. While this plan sounds good in concept, in execution it increases the workflow for employees and makes it more likely that social media errors or gaffs may occur. While it is possible to be efficient in social media use (see the free e-book from Leaning 2015 “How to Monitor Social Media in Only 10 Minutes a Day”), these practices are not always practical if social media is a primary method of customer interaction.

#### The Mortgage Industry

The desire to connect more authentically with customers and potential customers can be felt within the mortgage loan industry. Over the past several years, there have been many upheavals in the industry related to changes in government regulation as well as internal processes. To remain competitive, many large firms have identified the need to form stronger bonds with customers, and they view social media as an ideal outlet to achieve this goal (Hearsay Social 2016).

RPM Mortgage ([rpm-mtg.com](http://rpm-mtg.com)) is an independently owned and operated residential mortgage lender located in Alamo, California. RPM seeks to provide knowledge and resources to its customers in every transaction and identified social networks as a way to help achieve this goal. RPM faces similar hurdles in the use of social media as other mortgage lenders in the United States.

#### The Solution

Hearsay Social ([hearsaysystems.com](http://hearsaysystems.com)) is a San Francisco-based technology start-up company that provides social media management systems designed to help streamline social interactions with customers. The company’s Predictive Omnichannel Suite ([hearsaysystems.com/product/](http://hearsaysystems.com/product/)) allows the integration of multiple social networks and streams of information. Additionally, the solution uses predictive technology to allow financial service professionals to better deliver content and messages to customers at the time when they are most needed and appropriate. These features are particularly important due to the changes in the overall mortgage market. According to Clara Shih, the CEO and Founder of Hearsay Social, “Digital-native millennials are at the age where they’re purchasing their first homes, representing a huge opportunity that’s at stake for loan officers who aren’t on social media, aren’t appearing in search engine results, and aren’t accessible via email or text” (Shih 2016).

#### The Results

RPM Mortgage was able to adopt the Hearsay Social platform, and the system has allowed them to automate and control their significantly enhanced social media profile. The system has allowed them to connect more consistently with customers at appropriate times to build stronger relationships. The company firmly believes that these efforts have helped to not only

grow their existing business but to forge bonds that will catalyze further transactions when they are needed. For more on how Hearsay Social's system works with RPM Mortgage, see their case study and the video at [hearsaysystems.com/2016/03/digital-technology-transformation-and-adoption-at-rpm-mortgage](https://hearsaysystems.com/2016/03/digital-technology-transformation-and-adoption-at-rpm-mortgage).

Sources: Accenture (2015), Zur & Zur (2016), Shih (2016) and [hearsaysystems.com](https://hearsaysystems.com).

## LESSONS LEARNED FROM THE CASE

Engaging in social media activities can help transform a business and allow them to better connect with customers. This transformation is not always simple and may require the use of supplemental systems that allow for better control of social media activities and timing. The financial services industry in the United States use social media as an important tool to connect with their customer base, and specialized software systems to allow them to do this more efficiently and effectively.

## 9.1 SOCIAL BUSINESS AND SOCIAL ENTERPRISE

A major forthcoming trend in social commerce is its move to the enterprise level. This trend is related to the concept of social business. Let us define both terms.

### Definitions: Social Business and Social Enterprise

The social enterprise concept has several names, definitions and explanations. The concept is sometimes confused with the related concept of social business. Generally, one can distinguish between the two concepts that often are used interchangeably. Let us explain.

#### **Social Business**

A **social business** is a name for a commercial for-profit or nonprofit organization that is designed to achieve some social goal(s), such as improving human well-being, rather than just make a profit. Social Firms UK ([socialfirmsuk.co.uk](https://socialfirmsuk.co.uk)) provides several other definitions (of what they call *social enterprise*). They cite the following UK government definition: "A social enterprise is a business with primarily social objectives whose surpluses are reinvested for that purpose in the business or in the community, rather than being driven by the need to deliver profit to shareholders and owners" (see details at [socialfirmsuk.co.uk/faq/faq-what-social-enterprise-and-what-types-are-there](https://socialfirmsuk.co.uk/faq/faq-what-social-enterprise-and-what-types-are-there)).

In the United States, social businesses are designated as "B Corps." According to [bcorporation.net](https://bcorporation.net), B Corps are "for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency." There is a growing community of more than 1,600 Certified B Corps across 42 countries in 120 industries working to "redefine success in business" (watch the explanation video at [bcorporation.net/what-are-b-corps](https://bcorporation.net/what-are-b-corps)).

[About.com](https://www.about.com) distinguishes between two types of social business: one type that describes companies that "aspire to social purposes more than to profit-making" and a second type that describes companies that "use social media to advance their business objectives." (See [webtrends.about.com/od/web20/a/social-media.htm](https://webtrends.about.com/od/web20/a/social-media.htm).)

The above second type is the basis for the *social enterprise*. In summary, we view a *social business* as one that is built mainly around social objective(s), while a *social enterprise* uses social networking to facilitate its commercial objectives.

A major organization dedicated to social business (referring to itself as "social enterprise") is the *Social Enterprise Alliance* (see [se-alliance.org/what-is-social-enterprise](https://se-alliance.org/what-is-social-enterprise)).

#### **Social Employees**

The successful social business needs to empower their employees (e.g., using IBM Connections). For how it is done in IBM, AT&T, and other large corporations, see Nolinke (2016).

### **The Social Enterprise (Enterprise 2.0)**

**Social enterprise** refers to the use of social media tools and platforms and conducting social networking activities in organizations as its major objectives (World Library 2015).

The concept of the social enterprise has become a buzzword in recent years. For an example, see [innov8social.com/2011/05/5-buzzwords-to-know-in-sustainable](http://innov8social.com/2011/05/5-buzzwords-to-know-in-sustainable). Social enterprise applications are growing rapidly. They appear under different names, mostly as social enterprises and Enterprise 2.0. Enterprise applications are conducted inside enterprises, on companies' private social networks or portals. They also are conducted on public social networks, both pure business-oriented (e.g., LinkedIn), and other networks, mostly Facebook and Twitter. Major applications are recruitment, collaboration, and problem-solving. Enterprise social capabilities facilitate a new type of collaboration, encourage business upgrades, and enable more vendor and customer applications.

Many workers use social media for business purposes at daily. Corporations are rushing to get involved in several innovative ways, as will be described later in this chapter.

For additional definitions, characteristics, and discussion on social enterprise, see [centreforso-cialenterprise.com/what.html](http://centreforso-cialenterprise.com/what.html).

For a comprehensive description, see Ridley-Duff and Bull (2015).

### **More Complex Definitions**

In addition to the above definitions, there are some definitions that are more complex, as illustrated next.

#### **The Social Business Forum's Definition**

The Social Business Forum defines *social business* as “an organization that has put in place the strategies, technologies and processes to systematically engage all the individuals of its ecosystem (employees, customers, partners, suppliers) to maximize the co-created value” (2012.[social-businessforum.com/what-is-social-business](http://social-businessforum.com/what-is-social-business)). The Forum also discusses the implications of this definition and its relevance, across and outside organizations. Note that an efficient creation of value using technology is emphasized.

Six interesting videos are recommended for a better understanding of the concept:

1. “What is Web/Enterprise 2.0” with Andrew McAfee (3:29 minutes) at [youtu.be/6xKSJfQh89k](http://youtu.be/6xKSJfQh89k)
2. “Social PHD Sandy Carter: How Do You Become a Social Business?”(1:05 minutes) at [youtube.com/watch?v=OZy0dNQbotg](http://youtube.com/watch?v=OZy0dNQbotg)
3. “How Do You Become a Social Business?” (3:27 minutes) at [youtube.com/watch?v=3Hov0l7SvAo](http://youtube.com/watch?v=3Hov0l7SvAo)
4. “How to create a successful social enterprise” with Marquis Cabrera at TEDxTeachersCollege (10:33 minutes), at ([youtu.be/M3ff1R2lZFk](http://youtu.be/M3ff1R2lZFk))
5. “Social Business at IBM” – An Interview with Luis Suarez, Social Computing Evangelist (8:50 minutes), at ([youtube.com/watch?v=enudW2gHek0&feature=related](http://youtube.com/watch?v=enudW2gHek0&feature=related))
6. “Enterprise 2.0: The Pros and Cons of Social Media” with Mohammed Alnaqaa (59:40 minutes), at ([youtu.be/RvJ7oxTQaGc](http://youtu.be/RvJ7oxTQaGc))

Notice that our definition of social enterprise is based on the use of social media tools and platforms. A related topic is *business networks*.

### **Business Networks**

Business networks are a core component in the social enterprise. A *business network* refers to a group of people with a professional business relationship; for example, the relationships between sellers and buyers, buyers and suppliers, and professionals and their colleagues. In this chapter, we use the term *buyers* to refer to agents buying something for a business (e.g., a purchasing agent). Such a network of people can form **business social networks**, which are business-oriented networks that are built on social relationships and can exist offline or online. For example, public places, such as airports or golf courses, provide opportunities to make new face-to-face business contacts if an individual has good social skills. Similarly, the Internet is proving to be a good place to network and connect. In this book, we address online networks. The most well-known network is LinkedIn ([linkedin.com](http://linkedin.com)). For a discussion about business social networks, see Krans (2015) and a list of business social networks at [lifewire.com/business-social-networks-3486557](http://lifewire.com/business-social-networks-3486557).

### **Types of Business Social Networks**

There are three major types of business social networks:

- (a) *Public networks*, such as LinkedIn, which are owned and operated by independent companies and are open to anyone for business networking. The networks connect, for example, sellers and buyers or employers and potential employees.
- (b) *Enterprise private networks*, which operate inside companies. These usually restrict membership to employees and sometimes to business partners. An example is USAA that has an internal social network for employees who can ask for help from their peers.
- (c) *Company-owned and company-hosted networks* that are controlled by a company but open to the public, usually for brand-related networking (e.g., Starbucks, Dell Computer).

### **The Benefits and Limitations of Enterprise Social Networking**

Social networking appeals to business users for many reasons. For example, networking makes it easy to find people and discover information about companies, understands the relationships and communication patterns that make a company tick, and creates a common culture across large organizations.

- Improve collaboration inside the enterprise and with business partners
- Facilitate knowledge capture and distribution (increase access to specialized knowledge)
- Build better customer, vendor, and employee relationships
- Facilitate recruiting and employee retention activities
- Increase business and marketing opportunities (e.g., meet new potential business partners and/or customers)
- Reduce operation, communication, and travel costs
- Increase sales and revenue (e.g., more sales leads)
- Improve customer satisfaction
- Reduce marketing and advertising costs
- Reduce other operational costs
- Improve employee and organizational performance
- Foster internal and external relationships
- Collect feedback from employees
- Build an effective workforce
- Improve decision-making capabilities including forecasting
- Find experts and advice (internally and externally)
- Improve customer service and CRM
- Accelerate innovation and competitive advantage

The major reasons an organization becomes a social enterprise are the abilities to:

For details of these and other benefits, see Krans (2015) and section “[Business-Oriented Public Social Networking](#)”.

Enterprises that use social media extensively can reap the benefits found in the previous list and be transformed into social businesses. For details, see [ibm.com/social-business/us/en](http://ibm.com/social-business/us/en). For how to select the best organizational model for a social business, see Terpening (2015).

### **Obstacles and Limitations**

Some limitations, such as security of information and information pollution, slow down the growth of social enterprising. In their e-book *A Comprehensive Approach to Managing Social Media Risk and Compliance*, Accenture (2015) details nine major concerns as social business is implemented in an organization:

1. Improper or under-performing software platform
2. Exposure of organizational weaknesses
3. Data misuse

4. Intellectual property loss
5. Financial loss
6. Privacy violations
7. Brand damage
8. Noncompliance

All of these issues can be overcome, but must be considered as social media is incorporated into a business and social enterprise applications are deployed.

For more details, see [slideshare.net/norwiz/what-is-enterprise-20](http://slideshare.net/norwiz/what-is-enterprise-20).

## How Web 2.0 Tools Are Used by Enterprises

Web 2.0 tools are used in different ways by various corporations. Typical uses are increasing speed of access to knowledge, reducing communication costs, increasing speed of access to internal exports, decreasing travel costs, increasing employee satisfaction, reducing operational costs, reducing time to market for products/services, and increasing the number of successful innovations for new products or services.

Some of the uses outside the enterprises include recruitment, advice in problem-solving, joint design, collaboration on supply chain issues, and marketing communication. For a comprehensive slide presentation on Enterprise 2.0, see [slideshare.net/norwiz/what-is-enterprise-20](http://slideshare.net/norwiz/what-is-enterprise-20). For an e-book, see World Library (2015).

Implementing a firm foundation for the successful use of social media within a business can be problematic. It is very important for businesses to understand all of the potential issues, as well as the necessary steps to the completion of this type of project. Consulting for this type of implementation has become big business, with several firms providing services to businesses that want to jump into the social networking fray. Services can be provided by traditional business consultants, as well as software and service providers.

### Accenture

Accenture ([accenture.com](http://accenture.com)), a traditional business consulting firm, offers a wide variety of services for companies that are interested in integrating social media interaction with their current business operations and customer relationship management activities. While being mindful of the risks, they focus on a three-step process to effectively implementing social media and social media risk management. These areas are:

- **Governance.** Ensuring that structures are in place that allow for defined protocols related to social media use, as well as systems to audit that use and respond to crises.
- **Processes.** Adjusting and developing corporate standards that can be used for social media interactions and risk management evaluation.
- **Systems.** Managing technology and data to mitigate risk in social media as well as optimizing the efficiency of employees.

### Salesforce

Salesforce ([salesforce.com](http://salesforce.com)), a leader in corporate CRM systems, has also developed a framework for companies that wish to implement social media strategies within their existing business structures. Being a software company, Salesforce focuses more on the implementation of these systems and the methods by which they can be optimized to allow the most positive and influential contact with customers and potential customers. When designing and implementation, the company recommends that businesses complete the following four steps first:

- Define the vision of the social media efforts
- Set clear goals for the use of social media that are attainable
- Define the purpose and types of activities that will be undertaken
- Establish a social task force to guide the implementation and evaluation

After these initial steps are completed, Salesforce follows an implementation plan that is meant to use their proprietary systems to help expand the customer relationship, facilitate greater collaboration, build deeper relationships, and allow for information gathering through both private and public networks.

For more information on both approaches, download the implementation guides for each provider. Accenture's *A Comprehensive Approach to Managing Social Media Risk and Compliance* (2015) is available at [accenture.com/t20150523T022413\\_\\_w\\_\\_us-en/\\_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub\\_1/accenture-comprehensive-approach-managing-social-media-risk-compliance.pdf](http://accenture.com/t20150523T022413__w__us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_1/accenture-comprehensive-approach-managing-social-media-risk-compliance.pdf), while Salesforce's (2014) *The Little Blue Book of Social Transformation* Salesforce is available at [secure2.sfdcstatic.com/assets/pdf/misc/Salesforce\\_ebook.pdf](http://secure2.sfdcstatic.com/assets/pdf/misc/Salesforce_ebook.pdf).

---

## SECTION 9.1 REVIEW QUESTIONS

1. Define social business and relate it to the social enterprise.
2. How does IBM define social business?
3. What is a business network?
4. List five reasons why organizations want to become social enterprises.
5. Why are there various approaches to implementing social media systems in businesses?

---

## 9.2 BUSINESS-ORIENTED PUBLIC SOCIAL NETWORKING

Social networking activities are conducted in both public and/or private social networking sites. For example, LinkedIn is a business-oriented public network, whereas Facebook is primarily a public social network used for socially oriented activities. Facebook, however, allows its members to conduct business-oriented activities. “My Starbucks Idea” ([mystarbucksidea.force.com](http://mystarbucksidea.force.com)) is an example of a company-hosted social network that is open to the public. In this section, we will concentrate on public social networks.

The following are some examples of business-oriented public social networks.

- **Google+.** Google+ (“one Google account for everything”), which began operating in 2011, designated itself as a business-oriented social network. In its fourth year of operation, it has over 1.1 million users. For an overview, see [socialmediatoday.com/content/google-overview-breaking-through-misconceptions](http://socialmediatoday.com/content/google-overview-breaking-through-misconceptions).
- **LinkedIn.** Referred to as the premier business-oriented network, LinkedIn ([linkedin.com](http://linkedin.com)) is known as the most popular network for business, as illustrated in the closing case of this chapter. For an overview, see [lifewire.com/what-is-linkedin-3486382](http://lifewire.com/what-is-linkedin-3486382). Also see the infographic at [blog.hoot-suite.com/social-network-for-work](http://blog.hoot-suite.com/social-network-for-work).

LinkedIn shows content and provides customer service in a multitude of languages, including English, Spanish, French, and Tagalog, among others, with a plan for considering other languages in the future.

Several other networks similar to LinkedIn are Wealink ([wealink.com](http://wealink.com)) in China, Rediff ([rediff.com](http://rediff.com)) in India, International High Potential Network (iHipo) ([ihipo.com](http://ihipo.com)) in Sweden, and Moikrug (My Circle) ([moikrug.ru](http://moikrug.ru)) in Russia.

There are many public business-oriented networks that focus on specific industries or types of professional specialties; one example is the Network of Entrepreneurial Women ([networkwomen.org](http://networkwomen.org)).

### Example: Could Facebook Be a Business Network Too?

Facebook has been primarily designed to be a personal social network, allowing friends and acquaintances to share information and news. This is different than a purely business Network such as LinkedIn that is designed around professional networking with profile presentations very similar to a resume. But many use Facebook for business tasks (Turner 2016). Some use Facebook for professional networking while others may use it to search for jobs. The reason for this crossover is the critical mass of users on Facebook and individuals' decreasing sensitivity to mixing work and personal lives (especially among millennials). With these activities in mind, some have wondered if Facebook truly can be used as a business network.

While the number of users and specific features related to job search certainly indicate that it could be, other factors are weight against it (Vahl 2015). The design of the system is not meant to showcase professional skills in the same way that other networks such as LinkedIn are. Additionally, some users are concerned about the bleed-over between personal activities and professional activities. Privacy also plays into this concern as well. Supporting more business network features would be possible for Facebook, but does not appear to be the current strategic direction the company is moving in. That being said, only time will tell if Facebook chooses to expand into this complementary yet contradictory direction.

## Entrepreneur Networks

Some business-oriented public networks concentrate on entrepreneurial activities. A few examples are listed next.

Gottlieb (2015) lists 42 social networks for entrepreneurs. Here are some more in detail:

- **Startup Nation** ([startupnation.com](http://startupnation.com)). Participants in this community of start-up owners and experts are helping people start and operate new businesses. Sharing knowledge and ideas is the main objective.
- **Entrepreneur Connect** ([econnect.entrepreneur.com](http://econnect.entrepreneur.com)). From the company that produces Entrepreneur Magazine, this social network was created specifically for entrepreneurs and small business owners and allows them to leverage relationships with service providers, suppliers, advisers, and colleagues.
- **Biznik** ([biznik.com](http://biznik.com)). Biznik is a community of entrepreneurs and small business owners dedicated to helping each other by sharing ideas and knowledge. Their motto is “collaboration beats the competition” (see [biznik.com/articles/collaboration-beats-the-competition](http://biznik.com/articles/collaboration-beats-the-competition)). According to [biznik.com](http://biznik.com), their policy is that members must use their real names on the site and Biznik supplements its interactions with face-to-face meetings.
- **EFactor** ([efactor.com](http://efactor.com)). The world’s largest network of entrepreneurs (over 1 million members in 222 countries across 240 industries) provides members with people, tools, marketing, and expertise to succeed and make real, trustworthy, and lasting connections (2011 data). Members connect with like-minded people and with investors.
- **Inspiration Station** ([inspiration.entrepreneur.com](http://inspiration.entrepreneur.com)). Inspiration Station is one of the best portals for small businesses and start-ups. It not only has a lot of useful information for business owners, it has a great community for you to take advantage of, and to connect with fellow business owners from around the globe.

For how social entrepreneurship works, see Martin et al. (2015) and the video “What is a social entrepreneur?” at [youtu.be/bWXdYN0dlc](https://youtu.be/bWXdYN0dlc).

---

## SECTION 9.2 REVIEW QUESTIONS

1. Distinguish between private and public business-oriented networks.
2. List and briefly describe public business-oriented networks.
3. Define entrepreneur networks and list two examples.
4. Why do some many business social networks exist?

---

## 9.3 ENTERPRISE SOCIAL NETWORKS

An increasing number of companies have created their own in-house, enterprise social networks. Some of these networks can be private, developed for use only by their employees, former employees, and business partners. Others are open to the public, although these are mostly used by their customers. Many networks are now utilizing a hybrid format, with much of the system only available in-house, but with some customer service functions available publicly. Additionally, many of these systems connect to other social media networks such as LinkedIn and Facebook to increase their functionality and audience. Private networks are considered to be secured (“behind the firewall”) and are often referred to as *corporate social networks*. Such networks come in several formats, depending on their purpose, the industry, the country, and so forth. For the evolution of the networked enterprise, see Bughin (2015) and Krans (2015).

## Taxonomy of Social Enterprise Applications

The following terms are frequently used in enterprise networking. Most will be discussed in this chapter.

1. **Networking and community building.** Conducting networking and community building involving employees, executives, business partners, and customers.
2. **Crowdsourcing.** Gathering ideas, insights, and feedback from crowds (e.g., employees, customers, and business partners; see section “[Business-Oriented Public Social Networking](#)”). Salesforce Success Community ([success.salesforce.com](#)) and My Starbucks Idea ([mystarbucksidea.force.com](#)) are examples.
3. **Social collaboration.** Collaborative work and problem-solving using wikis, blogs, instant messaging, voice and video chat, collaborative office documents, and other special purpose Web-based collaboration platforms such as Laboranova ([laboranova.com](#)) and WebEx ([webex.com](#)).
4. **Social publishing.** This is the creation of user-generated content in the enterprise, which is accessible to all (e.g., [slideshare.net](#) and [youtube.com](#)).
5. **Social views and feedback.** Getting feedback and opinions from the enterprise’s internal and external communities on specific issues.

### Characteristics of Enterprise Social Networks

Enterprise social networks, like any social network, enable employees to create profiles and interact with one another. By encouraging interactions among members, a company can foster collaboration and teamwork and increase employee satisfaction. For more benefits, see [zdnnet.com/blog/hinchcliffe](#) and the SocialCast video “Why Companies Need Enterprise Social Networking” at [youtu.be/xxHJLXXAask](#).

For additional information, see the *International Journal of Social and Humanistic Computing* [inderscience.com/jhome.php?jcode=ijshc](#). For additional tips and sources, see [socialcast.com](#).

### An Example of a Private Enterprise Network

Many corporations maintain private enterprise social networks. Examples include Starbucks’ hosted enterprise network and Sony’s and iRobot’s hosted enterprise social networks. Many other companies also have enterprise networks of all kinds. Here is an example of another private network:

#### Example: IBM’S Business and Professional Community

The Greater IBM Connection ([ibm.com/ibm/greateribm](#)) is an internal social networking site that gives IBM employees and former IBMers a rich connection to the people with whom they work, on both a personal and a professional level. The network helps employees make new connections, track current friends and coworkers, and renew contacts with people they have worked with in the past, including retirees. When employees join the network, they get a profile page. They can use the status message field and the free-form “MyIBM” section on their profile page to let other people at IBM know where they are, what they are doing, and even what they are thinking. By 2017, about 500,000 IBMers were connected to one another using IBM Connections platform.

Employees can also use the network to post photos, create lists, and organize events. If users are hosting an event, they can create an event page on the network and invite people to attend. The page can also be a place to spread the buzz about the event and get people talking about it through the comments feature.

In addition to the social goal, the network team created the site to help IBM employees meet the challenge of building professional relationships that are vital to working in large, distributed enterprises. The network can help IBM employees discover people with common interests or the right skills for a project. Learning more about someone—personally and professionally—facilitates making contacts and might entice people to learn about the ongoing projects and activities of other people. This network can also provide valuable insights for managers evaluating employees for promotion.

The IBM network is related to IBM’s social business Innovation Projects, cited later in this chapter. It is also related to *IBM’s Connections*, the company’s social software platform.

Note: Gartner Inc. named IBM a leader for social software in 2015.

## How Enterprise Social Networking Helps Employees and Organizations

Enterprise social networking can help employees in one or more of the following ways:

1. **Quick access to knowledge, knowhow, and “know-who.”** As people list their skills, expertise, and experience, enterprise social networks can help simplify the job of locating people with specified knowledge and skills.
2. **Expansion of social connections and broadening of affiliations.** Enterprise social networks help managers and professionals to know people better by interacting with them in online communities and by keeping up with their personal information. Such interaction and information about others can decrease the social distance in a company.
3. **Self-branding.** People can become creative in building their profiles the way they want to be known. It helps them promote their personal brand within the corporation.
4. **Referrals, testimonials, and benchmarking.** Enterprise social networks can help employees prepare and display referrals and testimonials about their work and also benchmark them with their colleagues.

### Benefits to Organizations

The benefits to organizations, as well as to employees, were presented in section “[Social Business and Social Enterprise](#)”. In addition, the benefits to employees can develop into benefits to organizations in the long run. For additional insights, see Alex Hannant’s TEDx presentation “Why social enterprise is a good idea, and how we can get more of it” at [youtu.be/Kx9tizvS8NY](https://youtu.be/Kx9tizvS8NY).

### Support Services for Enterprise Social Networks

Businesses can use a variety of services and vendors to support their social networking. Three examples are as follows.

#### Example 1: Tibbr

Tibbr ([tibco.com](http://tibco.com)) is an enterprise social collaboration platform that creates a joint workspace that enables discussion, task management, content, and personal contacts. The suite of tools are designed to help individuals within an organization communicate easily and openly with each other and also reach out to the company’s customers and business partners. The platform accomplishes this by a combination of Web- and mobile-based applications. The system also allows for a number of integrations with other social tools such as Facebook, Twitter, LinkedIn, WebEx, Google Drive, Skype, and SharePoint. In 2017, Tibbr had over 6 million users in 100 countries worldwide active on the platform. For more information, visit [tibco.com/products/tibbr](http://tibco.com/products/tibbr) or watch the video at [vimeo.com/video/80391600](https://vimeo.com/video/80391600).

#### Example 2: Socialtext

Socialtext ([socialtext.com](http://socialtext.com)) is a vendor of enterprise social software, providing an integrated suite of Web-based applications including social media tools and platforms. The company also provides Web security services. Businesses can benefit by keeping employees connected to the enterprise strategy and operations. For details, see [socialtext.com/about](http://socialtext.com/about).

#### Example 3: Yammer—A Collaboration Platform

Yammer, Inc. ([yammer.com](http://yammer.com)), is a Microsoft company. According to its website, Yammer is a private social network that helps employees collaborate across departments, locations, and business apps in over 500,000 companies (in 2016). Yammer brings together people for conversations, content, and business data in a single location. With Yammer, you can easily stay connected to coworkers and information, collaborate with team members, and make an impact at work. It is used for communication and collaboration within organizations or between organizational members and predesignated groups.

## Key Features

Yammer's social networks allow users to (compiled from [about.yammer.com](http://about.yammer.com)):

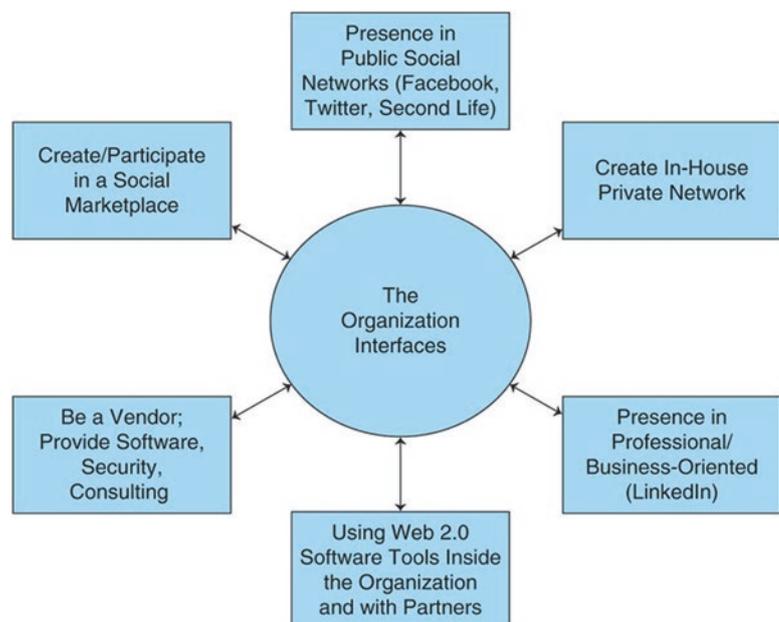
- **Converse using enterprise microblogging.** Start a conversation, read posts, and actively collaborate with coworkers in real time using microblogging.
- **Create profiles.** Report your expertise, work experience, and contact information. You can upload photos, images, and documents. This will help you share information with others and become easier to find.
- **Manage groups.** Create new groups or join private or public groups and then discuss issues or collaborate with the group members. (Discover and join groups, invite team members to join, and start collaborating.)
- **Conduct secure and private messaging.** Create a private dialog with one or multiple coworkers, similar to what you can do on Facebook. Secure the messages with Yammer's security features.
- **Create external networks.** Create external networks for working with business partners.
- **Create a company directory.** Create a directory of all employees.
- **Archive knowledge.** Archive all online conversations to be fully searchable.
- **Use administrative tools.** Keep the Yammer network running smoothly with a suite of features built to increase managerial control.
- **Employ tagging.** Tag the content and message in the company's network to make content easy to search for and to organize.
- **Integrate applications.** Install third-party applications into Yammer to increase the functionality of the company's network.
- **Deploy mobile capabilities.** Connect to the company's network from anywhere, at any time. Download free iPhone, Blackberry, Android, and Windows Mobile applications.

You can view a short video on how to use Yammer at [youtu.be/Fz5yi4Cyj5o](http://youtu.be/Fz5yi4Cyj5o). Note that in 2017 Microsoft is planning to change Yammer and roll its functionality into its Office360 product. For details see Buckley (2015).

## How Companies Interface with Social Networking

Enterprises can interface with public and/or private social networks in several ways. The major interfaces, which are shown in Fig. 9.1, are described next.

**Fig. 9.1** The major interfaces with social networking



- Use existing public social networks, such as Facebook and LinkedIn, to create pages and microcommunities, advertise products or services, and post requests for advice, job openings, and so forth.
- Create an in-house private social network and then use it for communication and collaboration among employees and retirees or with outsiders (e.g., customers, suppliers, designers). Employees can create virtual rooms in their company's social networks where they can deploy applications to share information or to collaborate.
- Conduct business activities in a business-oriented or professional social network (e.g., LinkedIn or Sermo).
- Create services for social networks, such as software development, security, consulting services, and more (e.g., Oracle, IBM, Microsoft).
- Use Web 2.0 software tools, mostly blogs, wikis, workspaces, microblogging (Twitter), VOIP communication, and team rooms, and create innovative applications for both internal and external users.
- Create and/or participate in a social marketplace (such as Fotolia; **us.fotolia.com**; now an Adobe company).

### **Integration with Other Tools**

Many systems are now highly dependent on integration with other social networks to provide a portion of their functionality. The determination of how much integration is needed is a function of both the capabilities of the enterprise social network software itself, and management decisions about how private or public the network itself should be.

Many networks allow integration to a large number of social media systems, and these systems are used to help grow the audience that is available to corporate users. In some cases these integrations are customer-facing and meant to facilitate customer interaction and support. Examples of these types of integrations would be with Facebook, Instagram, and Twitter. Other integrations are meant to augment the feature set of the enterprise social network itself. In many cases these integrations are used to add functionality to the system it would not otherwise exist or that would not be as ubiquitous. Examples include using WebEx for voice and video chat and using Google Drive for document storage and sharing.

### **Patterns and Speed of Adoption**

The growth of enterprise social networks has slowed since their initial introduction, but much of this is due to saturation within businesses. In many cases the question is not if social enterprise networks being used but how are they being used and to what extent. Bughin (2015) from McKinsey & Company noted at as early as 2008 two thirds of companies they tracked used some sort of this technology but that diffusion within the company was very low with only 20% of employees actively using the system. This observation is confirmed by Li (2015), who notes that networks need to have critical mass to achieve acceptance in organizations.

Overtime, this diffusion has grown as additional features, and integrations have been added into the system, especially those that allow for communication to outside networks such as Facebook and LinkedIn. Evaluation further shows that enterprise social networks did act as a “copycat” to public social networks by adopting many of their features and technologies after they were proven in the public space and us taking on a much faster adoption curve.

When additional options of specific social media technologies are taken into consideration as seen in the McKinsey & Company report, we can see that some technologies are more popular in the corporate space than others. For example, video sharing had a very quick initial adoption until it plateaued. By contrast both blogs and integration to other social networks have had steady adoption curves with no apparent plateau.

Future growth of these networks will be largely dependent not on corporate acceptance but on tools and features that businesses can leverage to increase their efficiency and provide enhanced customer service.

---

## **SECTION 9.3 REVIEW QUESTIONS**

1. Define enterprise (private) social networks.
2. List the major characteristics of enterprise social networks.
3. Describe the enterprise social network within IBM.

4. List the benefits to organizations.
5. Describe Yammer and identify its connections with social networks.
6. List the different ways that companies interface with social networking.
7. What tools and features drive usage of enterprise social networks?
8. Why would enterprise social networks integrate with public social networks?

---

## 9.4 SOCIAL NETWORK-BASED JOB MARKETS

A major enterprise area of activity in social networks, private and public, relates to job seeking and recruitment.

### Social Recruiting

Finding qualified employees in certain fields may be a difficult task. To accomplish this task, companies pay considerable fees to executive recruiters or third-party online companies.

If job seekers are online and active in their search and in posting their résumés, there is a good chance that they will be discovered by recruiters. In addition, many so-called passive job seekers are employed and are not actively looking for a new job. Therefore, it is important that both active and passive job seekers maintain a *profile* online that present them in a positive light, especially on LinkedIn and Facebook.

Both recruiters and job seekers are moving to a new recruiting platform—the online social networks—mostly LinkedIn, Facebook, and Twitter (e.g., using TwitJobSearch; [twitjobsearch.com](http://twitjobsearch.com)), a job search engine that allows employers to post job ads on Twitter). Enterprise recruiters are scanning online social networks, blogs, and other sources to identify and find information about potential employees. This transition is especially important as the methods for recruitment change. Today, studies estimate that as many as 85% of all positions are filled through networking instead of more traditional processes (see [linkedin.com/pulse/new-survey-reveals-85-all-jobs-filled-via-networking-lou-adler](http://linkedin.com/pulse/new-survey-reveals-85-all-jobs-filled-via-networking-lou-adler)). In this environment, it is critical for both recruiters and applicants to be active in the ecosystem (social networks) where decisions are being made.

Clearly, the electronic job market has benefits, but it can also create high turnover costs for employers by facilitating employees' movements to look for better jobs. This is compounded by millennials proclivity to change jobs more frequently than prior generations. In addition, finding candidates online is more complicated than most people think, mostly due to the large number of résumés available in social media sites. To facilitate recruitment, top recruiters are using electronic aids, like interviewing candidates by video from remote locations. Recruiters use social media tools and multiple social networking sites to find candidates faster. Some recruiters send Facebook “friend” invitations to candidates whom they have interviewed. However, this can be a controversial practice due to ethical implications. Recruiters are also using social networks and other online tools to vet potential hires.

Facebook has many features that help people find jobs (see [jobcast.net](http://jobcast.net) for jobseekers and employers to connect; Social Jobs Partnership ([facebook.com/socialjobs](http://facebook.com/socialjobs)), a collaboration between Facebook and the US Department of Labor).

LinkedIn provides a similar service. LinkedIn's search engine can help employers quickly find an appropriate candidate. For finding employees (jobs) in other countries, one can use LinkedIn or Xing ([xing.com](http://xing.com)). An interesting global recruiting community is EURES ([ec.europa.eu/eures](http://ec.europa.eu/eures)), which specializes in online recruiting in Europe. LinkedIn has also recently launched a mobile app aimed at first-time job seekers in colleges and universities.

Lately, there has been an increased use of mobile recruiting tools in general and Twitter and LinkedIn in particular, as aids for people who are searching for jobs. The following are possible activities:

- Search for posted positions
- Follow job search experts
- Follow and read about people in your field
- Engage, communicate with people, and ask for help
- Evaluate hiring companies through their social media accounts
- Connect with people at your target companies to evaluate the company or ask for referrals

For a slideshow showing how using social media can help you land a new job, see [money.usnews.com/money/careers/slideshows/10-ways-social-media-can-help-you-land-a-job](http://money.usnews.com/money/careers/slideshows/10-ways-social-media-can-help-you-land-a-job). For details on which networks to use, see [thebalance.com/best-social-media-sites-for-job-searching-2062617](http://thebalance.com/best-social-media-sites-for-job-searching-2062617).

## Recruiting and Job Searching Using Social Networks

Most public social networks, especially those that are business-oriented, facilitate recruiting and job finding. For example, recruiting is a major activity at LinkedIn and was the driver for the site's development (see closing case to this chapter). To be competitive, companies must also look at the global market for talents. Luckily, they can use global social networking sites to find them. Large companies are using their in-house social networks to find in-house talents for vacant positions. Furthermore, some claim that social media significantly changed the hiring process (e.g., see Huff 2014). For how to use social media to impress recruiters, see Thomas (2016).

According to a Jobvite survey on social recruiting [jobvite.com/wp-content/uploads/2016/09/RecruiterNation2016.pdf](http://jobvite.com/wp-content/uploads/2016/09/RecruiterNation2016.pdf), 95% of companies use, or plan to use, social media to recruit and hire new employees, with 87% of recruiters find LinkedIn most effective when vetting candidates during the hiring process. Recruiters also use Facebook (43%), Twitter (22%), Blogs (11%), YouTube (6%), and Snapchat (3%). Conversely, 67% of job seekers use Facebook in their job search. Additionally, 45% of recruiters have mobile career sites. See [jobvite.com/wp-content/uploads/2016/09/RecruiterNation2016.pdf](http://jobvite.com/wp-content/uploads/2016/09/RecruiterNation2016.pdf).

As described earlier, LinkedIn, Facebook, Google+, and Craigslist provide job listings, in competition with nonsocial networks online recruiters such as Monster. Several other social networks offer job listings as well.

Note that, while over 90% of recruiters use social networks while seeking and researching qualified candidates, nearly 69% have rejected candidates due to the content posted on their social networking sites. It is important for jobs seekers to keep their social media personal information secure (or as private as possible). Another issue for employed candidates is that many times employers have discovered through social networks that their employees are looking for a job elsewhere. For recruiting via gamification, see Zielinski (2015). For a current guide to job searching with social media, see Deligiannis (2017).

Note to job seekers: It is important you write your Internet profile in a correct way. For suggestions how to do it and what not to do, see Bernstein (2015).

## Virtual Job Fairs and Recruiting Events

Virtual job fairs are other new strategies for quickly finding qualified candidates at a reduced cost. These are done using special vendor sites (e.g., [on24.com](http://on24.com), [expos2.com](http://expos2.com), and [brazencareerlist.com](http://brazencareerlist.com)) or employers' websites.

The following are few examples:

- IBM needed qualified employees for leadership positions in Africa. To quickly attract qualified employees, it used ON24 to conduct a job fair. For the complete story, see [on24.com/case-studies/ibm-job-fair](http://on24.com/case-studies/ibm-job-fair).
- P&G of Western Europe conducts annual virtual recruiting conferences using INXPO platform. The event is successful and it is used as a model for other European companies. For a complete description, see [inxpo.com/assets/pdfs/CS\\_P&G.pdf](http://inxpo.com/assets/pdfs/CS_P&G.pdf).
- The state of Michigan periodically conducts virtual career fairs where job seekers and recruiters meet online. The latest one was held in November 2015. For details, see [michiganvirtualcareerfair.com](http://michiganvirtualcareerfair.com).

## Training Employees

Several companies use enterprise social networking, for training purposes. Black & Decker is using user-generated videos posted on YouTube to help users of its products. These videos help reduce training time.

## Social Network Privacy and Job Search

While social media is seen as a boon too many job seekers, others worry about their privacy as they use systems that may have been designed for friendly interaction in a business environment. Many Facebook users have found that potential employers not only check references but also check Facebook accounts to better understand the temperament and history of an applicant (see [huffingtonpost.com/2013/06/28/facebook-posts-employers\\_n\\_3517130.html](http://huffingtonpost.com/2013/06/28/facebook-posts-employers_n_3517130.html)). Other users are simply concerned that their personal details be visible to recruiters, whether it is part of the selection process or not.

Many employment consultants recommend that job applicants evaluate their public social media presence and determine if anything available could cast them in a bad light during interviews or job selection. If that is the case, they recommend scrubbing or disabling social media content and features that could give this impression (Walker 2015). Others simply recommend that users accept the fact that nothing online can be truly private and that they should always be thinking of their reputation when they post to any publicly available network (Davidson 2014).

For more information on how social media could hurt your job search, see [forbes.com/sites/jacquelynsmith/2013/04/16/how-social-media-can-help-or-hurt-your-job-search/#3b272a5b24fd](http://forbes.com/sites/jacquelynsmith/2013/04/16/how-social-media-can-help-or-hurt-your-job-search/#3b272a5b24fd), and for information on how to protect your Facebook account, see [breakingnews.ie/discover/5-easy-ways-to-make-your-facebook-account-more-private-634953.html](http://breakingnews.ie/discover/5-easy-ways-to-make-your-facebook-account-more-private-634953.html).

---

## REVIEW QUESTIONS FOR SECTION 9.4

1. List the benefits of social networking to job seekers.
2. List the benefits to corporate recruiters.
3. What special services are provided by social networks such as LinkedIn?
4. Describe virtual job fairs.
5. Why would applicants be concerned about their privacy when engaging in online job seeking?

---

## 9.5 SOCIAL ENTERTAINMENT

The rich media capabilities of Web 2.0 technologies, the ability to engage millions of people who congregate in social networks and who are interested in online entertainment, the availability of innovative social media tools, and the creative and collaborative nature of Web 2.0 all facilitate social entertainment (e.g., *Carpool Karaoke with Adele* was YouTube's most watched video in 2016). Web 2.0 tools also are aiding in the proliferation of on-demand entertainment. The most well-known entertainment application is streaming music (e.g., iTunes; [apple.com/itunes](http://apple.com/itunes)). Also popular are Spotify, Pandora, and Google's All Access ([play.google.com/about/music](http://play.google.com/about/music)) and Amazon's Prime Music ([www.amazon.com/PrimeMusic](http://www.amazon.com/PrimeMusic)). The trend today is to stream music on-demand usually for free or with a monthly/annual subscription, which gives listeners the ability to enjoy whatever they want, whenever they want. Jurgensen (2014) provides a comprehensive coverage of digital music today and tomorrow, including information about providers and about. Finally, Facebook and Twitter entered this area. This section describes some of the entertainment-centered social networks, as well as other issues related to entertainment in social commerce.

### Entertainment and Social Networks

A large number of social networks are fully or partially dedicated to entertainment. Well-known examples in 2016 are Vimeo, Netflix, Vudo, and Amazon Prime Video. The following are representative examples of the use of Web 2.0 applications for entertainment.

#### **Mixi**

In Japan, Mixi, Inc. ([mixi.com](http://mixi.com)) is a highly visited social networking service even though users must be invited to join. Mixi's goal is to allow users to build friendships with other users who share common interests. The site has about 27 million members and over 1 million small communities of friends and interests. Mixi is going global, while Facebook is overtaking it in Japan.

#### **Last.fm**

Last.fm ([last.fm](http://last.fm)) is not just an Internet radio station. It is considered an online music catalog with free music streaming, videos, lyrics, etc. It also recommends music to its listeners. Musical profiles are constructed when users listen to a personal music collection with a Last.fm plug-in or when they listen to the Last.fm Internet radio service. As of 2017, regular membership is free; premium membership is \$3 per month. The site, which operates in 12 major languages (as of 2017), won the Digital Music Award for Best Music Community Site in 2006.

## **Pandora**

Similar to Last.fm, Pandora ([pandora.com](http://pandora.com)) is a site for music lovers. It mostly acts as a personal radio. The site is based on user-centered music recommendations. Pandora can create a personalized “radio station” based on a user’s search for a particular artist, song, or genre.

## **Amazon’s Prime Music**

This service allows users to stream a wide catalog of music to a variety of devices that are connected to the Internet. These can include Wi-Fi-enabled MP3 players, smartphones, tablets, and Amazon’s own ecosystem. Prime Music is configured in two tiers of service. Customers who have an Amazon Prime account can access a large array of free music that they are able to stream. Customers who want an expanded catalog can choose to pay a monthly or annual fee for access to this expanded music listing. This includes a significant increase in the number of available songs, including many that are not available on other streaming services (see [amazon.com/PrimeMusic](http://amazon.com/PrimeMusic)).

## **Web Series and Streaming Movies**

Web series are similar to episodic series on TV (e.g., soap operas). The number of Web series is increasing, and some are already available on DVD. Examples include *Stranger Things*, *House of Cards*, and *Mozart in the Park*. For more about Web series and other examples, see [webserieschannel.com/web-series-101](http://webserieschannel.com/web-series-101) and [geekwire.com/2016/amazon-netflix-challenge-major-tv-networks-in-spending-on-original-shows-study-says](http://geekwire.com/2016/amazon-netflix-challenge-major-tv-networks-in-spending-on-original-shows-study-says).

## **Hulu**

Hulu ([hulu.com](http://hulu.com)) offers advertisement-supported streaming on-demand videos of TV shows and movies from NBC, Fox, Disney (including ABC programs), and other networks and studios. While Amazon and Netflix are the largest streaming providers ([geekwire.com/2016/study-amazon-video-now-third-largest-streaming-service-behind-netflix-youtube](http://geekwire.com/2016/study-amazon-video-now-third-largest-streaming-service-behind-netflix-youtube)), Hulu has a unique niche in offering current broadcast content. Due to copyright laws, Hulu offers videos only to users in the United States and a few other countries. Hulu provides video in Flash Video format. In addition, Hulu offers some TV shows and movies in high definition in a manner similar to Google Sites, Fox Interactive Media, and Yahoo! Sites. Users can manually share videos they like on their Facebook pages by using the “Facebook” button. It is not necessary to connect their Hulu and Facebook accounts to do this. Hulu is one of the most popular Internet video sites (see [screencrush.com/nielsen-streaming-data-hulu-netflix](http://screencrush.com/nielsen-streaming-data-hulu-netflix)). Hulu offers some of its services free, supported by advertising. It also offers Hulu Plus, which includes premium shows and the ability to watch on more devices for a monthly fee of \$7.99. This service, however, also features limited advertising. Like other streaming services, Hulu is also beginning to create original content (see [comingsoon.net/tv/features/695179-the-10-best-hulu-original-series](http://comingsoon.net/tv/features/695179-the-10-best-hulu-original-series)). For more about their offerings and difference between Hulu and Hulu Plus, click on the “frequently asked questions” tab at [hulu.com/plus](http://hulu.com/plus).

Advertising and subscriptions are the primary social commerce business models for most streaming entertainment sites.

## **Funny-or-Die and Cracked.com**

According to their website, Funny or Die ([funnyordie.com](http://funnyordie.com)) is a comedy video website created by actor and comedian Will Ferrell, among others. Unlike other viral video sites, members of Funny or Die are encouraged to vote on videos that they view. If they think the video is funny, viewers cast a vote for “Funny.” The video then gets a score of the total percentage of people who voted the video “Funny.” If the video receives an 80% or greater “Funny” rating after 100,000 views, it gets an “Immortal” ranking. If the video receives a 20% or less “Funny” rating after 1,000 views, it “dies” and is relegated to the Crypt section of the site.

Cracked.com, another humor website (which includes videos), also uses crowdsourcing to solicit material from the Internet crowd.

## **Multimedia Presentation and Sharing Sites**

Multimedia sharing can be done in several ways, and its purpose is entertainment, advertising, training, and socialization. The following are some representative types of sharing and companies in each area:

- **Photography and art sharing.** Flickr, Instagram, Picasa, SmugMug, Photobucket, Imgur
- **Video sharing.** YouTube, Vimeo, Metacafe, Openfilm, Japan's Niconico ([nicovideo.jp](http://nicovideo.jp); now available in English as well)
- **Livecasting.** Twitch.tv, Livestream, Skype, Ustream, Facebook
- **Mobile social networks:** Path, Liveme, Vine
- **Music and audio sharing.** ccMixer, FreeSound, Last.fm, MySpace, Reverb-Nation, The Hype Machine ([hypem.com/popular](http://hypem.com/popular))
- **Presentation sharing.** SlideSnack, SlideShare, authorSTREAM, SlideBoom
- **Virtual worlds.** Second Life, The Sims, Activeworlds, IMVU
- **Game sharing.** Miniclip, Kongregate, Techcult, GameTap

Note that many of these have some features of social networks; therefore, they may be referred to as such. In addition, most of these generate revenue from advertising and/or subscriptions, including from mobile devices. For more, see Accenture Consulting at [accenture.com/us-en/industry/media-entertainment/Pages/media-entertainment-index.aspx](http://accenture.com/us-en/industry/media-entertainment/Pages/media-entertainment-index.aspx).

---

## SECTION 9.5 REVIEW QUESTIONS

1. Relate social networks to streaming music.
2. Describe the ways you can watch videos on the Web (streaming videos on-demand).
3. Describe some of the multimedia presentation sites.

---

## 9.6 SOCIAL GAMES AND GAMIFICATION

A **social game** is a video multiplayer game played on the Internet, mostly in social networks or in virtual worlds. Gamers can play against computers or against each other. Many social games are “massively” multiplayer online games (known as MMOG or MMO), which are capable of supporting hundreds to many thousands of players simultaneously. MMOG players can compete, collaborate, or just interact with other players around the globe. Many game consoles, including the PSP, PlayStation, Xbox, Nintendo, and Wii, can be played on the Internet. Additionally, mobile devices and smartphones based on such operating systems as Android, iOS, and Windows Mobile are seeing an increase in the number of MMO available games. Social games are very popular.

### Games on Social Networks

A **social network game** is a video game that is played in social networks and usually involves multiplayer. Social (network) games may have little or nothing to do with how *social* the games are played. However, some games have social elements such as educating the public, gift-giving, and helping other or sharing playing strategies.

For a game to be more social, it should facilitate and encourage engagement and communication about the environment outside the game, run on or integrated with a social network, and use that network to enhance game play between players.

#### Example: Popular Games on Facebook

Players can choose from several thousands of games on Facebook. Some games are played by 50–150 million people each. The most popular games each attract tens of millions of players. Facebook's list of popular games for October 2016 includes Candy Crush Saga (most popular in 2016), Clash of Clans, Candy Crush Soda Saga, Farm Heroes Saga, 8 Ball Pool, and Criminal case. (See [statista.com/statistics/267003/most-popular-social-games-on-facebook-based-on-daily-active-users](http://statista.com/statistics/267003/most-popular-social-games-on-facebook-based-on-daily-active-users).)

Representative major Facebook developers for games are King, Zynga, Social Point, and Pretty Simple. Note that there is a trend to play more casino-type games. To enhance the game experience, some platforms utilize the players' social graphs. To learn more about social games, go to [museumstuff.com/learn/topics/Social\\_network\\_game](http://museumstuff.com/learn/topics/Social_network_game).

## The Business Aspects of Social Games

To understand the variety of games and their properties and commercial possibilities, we suggest you watch the video “Social Media Games: Worldwide Gamification Is the New Paradigm for Life and Business” at [youtube.com/watch?v=xCWsgBHY\\_VU](https://www.youtube.com/watch?v=xCWsgBHY_VU). The video presents opportunities for advertising, marketing, and training, among others. Also, visit the site of Zynga ([zynga.com](http://zynga.com)), a major vendor in the field.

For the relationship between YouTube and gamers, see Hutchinson (2015).

---

### CASE 9.1: EC APPLICATION POKÉMON GO

Pokémon GO ([pokemongo.com](http://pokemongo.com)) is a mobile game that is designed around physical locations and actions that users must take to play the game. Pokémon is a popular franchise of “pocket monsters” that can be collected and used to interact with other players through battles. The original game and subsequent television show are popular in the 1990s but maintain their cachet today.

The game is a mobile app that is available for both Apple’s iOS and Android. It is free to play but also includes in-game purchases. The game uses the GPS system in the phone and augmented reality to allow you to find and capture Pokémon characters. Capturing characters requires physical actions that can include both walking and running after the characters. Pokémon can be found at a wide variety of physical locations and the search for these characters can lead users to a variety of odd places. Users enjoy the game because it’s tie in with the classic series, as well as the augmented reality of using the mobile device (Lee 2016). Detail guides on how to be successful in the game are also available (see [primagames.com/games/pokemon-go/coverage/pokemon-go-guide-and-tips-legendary-pokemon-gym-combat-strategies](http://primagames.com/games/pokemon-go/coverage/pokemon-go-guide-and-tips-legendary-pokemon-gym-combat-strategies)).

Augmented reality is an important component of the game, as it displays the fictional character in a real location using the camera on a mobile device as well as the games software. This gives the impression that its character may be in front of you through augmented reality, when it is not actually there. Pokémon GO is the first large-scale implementation of augmented reality that has become very successful in the United States (see Anderton 2016 and the infographic at [forbes.com/sites/kevinanderton/2016/11/14/augmented-reality-the-future-and-pokemon-go-infographic/#53a8a5344e66](http://forbes.com/sites/kevinanderton/2016/11/14/augmented-reality-the-future-and-pokemon-go-infographic/#53a8a5344e66)).

The game is not without its detractors and disadvantages. Individuals playing the game may become caught up in the augmented reality and hurt themselves as they move about the physical world. Individuals may also venture into areas that they do not belong such as private property while playing the game. There have been many reports of gamers being hurt or even killed playing the game (Bowerman 2016).

The business aspects of the game are also very interesting; in the period during its initial launch the game enjoyed a very steep adoption curve as a significant number of users began using the game during a very short period of time. During this initial high adoption phase, the game was able to generate a huge amount of in-game purchases. At the height of its popularity, the game had an estimated 7.5 million downloads and an average daily revenue of \$1.6 million. From this revenue, some estimated that the value of the game was over \$3.65 billion (Kelly 2016). Unfortunately, this level of use, spending, and valuation has not kept pace, as the number of users of the game has dropped precipitously since its initial launch.

During the height of its popularity, many businesses looked for ways to capitalize on the phenomenon, including potential joint ventures with the company in order to place Pokémon characters at their business locations to generate foot traffic.

Pokémon GO has had a very interesting run of popularity and is an excellent example of both augmented reality technologies and social gaming and social commerce.

**Sources:** Lee (2016), Anderton (2016) and Kelly (2016).

### Questions

1. Why were users so infatuated with Pokémon GO?
2. How is this game an example of augmented reality?
3. How is this game an example of social commerce?
4. Why do you think the game did not retain its initial popularity?

## Educational Social Games

Games can also be educational as the following examples show. Environmental apps for adults and kids (e.g., for tablets) can be found at [ecogamer.org/environmental-games](http://ecogamer.org/environmental-games).

### Example 1: Pollution Reduction Game

The Philippine-made Facebook game called *Alter Space* aims to educate the people on how to reduce pollution. Specifically, it educates the players about the concepts of carbon footprints and cleaner energy and how people can help achieve a cleaner world (inactive now).

### Example 2: Economic and Finance Game—Empire Avenue

Empire Avenue ([empireavenue.com](http://empireavenue.com)) is a social media stock market simulation game where individuals and businesses buy and sell virtual shares from each other. The shares can be of individuals, companies, etc. The share price is based on the shares' trading activity coupled with the players' influence on the major social networks. The trading is done with reward points called *Eaves* and *Veas*. In the game, there are financial data and decision-making capabilities about dividends, number of shares outstanding, and share prices, to name just a few. Empire has many variables within the game. The reward points can also be used as virtual currency to play the Social Market game. Players can interact via popular social networks (e.g., Facebook, Twitter, and Instagram) across the Web. The more social the player is, the more virtual currency the player will earn, and the bigger the player's Empire will become. Several major brands are already using this site (e.g., Toyota, AT&T, Audi, and Ford). For details, see Empire Avenue at [businessgrow.com/2014/01/08/how-empire-avenue-crushed-my-soul](http://businessgrow.com/2014/01/08/how-empire-avenue-crushed-my-soul).

## Gamers Helped Scientists

For decades, scientists were unable to unfold the chemical chain of an enzyme of an AIDS-like virus. However, researchers at the University of Washington turned Foldit, a “fun for purpose” program created by the university, which transfers scientific problems into competitive computer games.

The gamers were divided into groups and were challenged to compete by using their problem-solving skills to build 3D models of a protein that scientists had been unable to find for years. The players solved the chemical chain problem accurately in just 3 weeks. (See [balita.com/online-gamers-crack-aids-enzyme-puzzle](http://balita.com/online-gamers-crack-aids-enzyme-puzzle).) For more about Foldit (“Solve Puzzles for Science”), see [fold.it/portal](http://fold.it/portal).

## Gamification

Some social games are designed so that players will connect with vendors or brands in the game environments. This is only one aspect of **gamification**, which refers to the introduction of gaming into social networking. Gamification can also be viewed as the introduction of social networking activities into online games. Our interest is in those applications that are related to social commerce and e-commerce. For more definitions and limitations, see the Gamification Wiki ([gamification.org](http://gamification.org)) and Harrison (2014).

Social activities are not new to online gaming. For example, players collectively agree to the rules of the games. Also, gamers need trust between the players. What is new here is the integration of traditional multiplayer games and social networking. Given that so many people play online games, it is not surprising that vendors are encouraging players (e.g., via rewards) to engage in desired behavior (e.g., problem-solving or collaboration). Vendors also use games as advertising platforms. For a gamification framework, see Chou (2015) and his TED talk ([youtu.be/v5Qjuegtiye](http://youtu.be/v5Qjuegtiye)).

According to Findlay (2016) and Florentine (2014), companies can use gamification to create winning social customer experiences such as increasing loyalty, building trust, accelerating innovation, providing brand engagement, and increasing relevant knowledge. For how to use gamification to engage employees, see White (2016).

For commercial possibilities and strategies of social games and gamification, see Burke (2014).

For additional information, you can download the e-book titled *The Essential Social Playbook: 8 Steps to Turn Social into Sales* at [powerreviews.com/assets/new/ebooks/powerreviewsestential-social-playbook.pdf](http://powerreviews.com/assets/new/ebooks/powerreviewsestential-social-playbook.pdf) and also consider attending Yu-kai Chou's free 21-day gamification course at [join.yukaichou.com/21-day-gamification-course](http://join.yukaichou.com/21-day-gamification-course).

## SECTION 9.6 REVIEW QUESTIONS

1. Describe online games.
2. Describe games in social networks.
3. Discuss the business aspects of social games.
4. What is gamification? Relate it to social commerce.

---

## 9.7 CROWDSOURCING AND CROWDFUNDING

Both crowdfunding and crowdsourcing draw on the idea of the “wisdom of crowds” that a large group may be able to find solutions to a problem that individuals are not able to determine. One major applications of crowdsourcing is the facilitation of problem-solving.

### Crowdsourcing as a Distributed Problem-Solving Enabler

Crowdsourcing actually describes a set of tools, concepts, and methodologies that deal with the process of outsourcing work, including problem-solving and idea generation to a *community* of potential solvers known as the “crowd.”

More than just brainstorming or ideation, crowdsourcing uses proven techniques to focus on the crowd’s innovation, creativity, and problem-solving capacity on topics of vital interest to the host organization. An overview of crowdsourcing is provided in Jeff Howe’s video titled “Crowdsourcing” (3:20 minutes) at [youtube.com/watch?v=F0-UtNg3ots](https://www.youtube.com/watch?v=F0-UtNg3ots) and [crowdsourcing.org](http://crowdsourcing.org) and in Zoref (2015). Also watch the video “Crowdsourcing As a Model for Problem Solving” (6.1 minutes) at [youtube.com/watch?v=hLGhKyjJ8Xo](https://www.youtube.com/watch?v=hLGhKyjJ8Xo).

### Crowdsourcing Models

Howe (2008) has classified applications of crowdsourcing into functional models, and these distinctions are still being utilized (Reffell 2016). The following four categories described are:

1. **Collective intelligence (or wisdom).** Here, people are solving problems and providing new insights and ideas leading to product, process, or service innovations.
2. **Crowd creation.** Here, people are creating various types of content and sharing it with others (paid or for free). The content may be used for problem-solving, advertising, or knowledge accumulation. This can be done by splitting large tasks into small segments (e.g., contributing content to create the Wikipedia).
3. **Crowd voting.** Here, people are giving their opinions and ratings on ideas, products, or services, as well as evaluating and filtering information presented to them. An example would be voting on American Idol.
4. **Crowd support and funding.** Here, people are contributing and supporting endeavors for social causes, which might include volunteering their effort and time, offering donations, and microfinancing.

Chaordix Inc. ([chaordix.com](http://chaordix.com)) classifies crowdsourcing into the following three models:

1. **Secretive.** Individuals submit ideas, and the winner is selected by the company. Ideas are not visible to all participants.
2. **Collaborative.** Individuals submit ideas, the crowd evaluates the ideas, and the crowd picks the winners. Ideas are visible to all participants.
3. **Panel selects.** Individuals submit ideas, the crowd evolves ideas, a panel selects finalists, and the crowd votes for the winner.

A *crowdsortium* is a community of industry practitioners whose mission is to advance the crowdsourcing industry through best practices and education (see [crowdsortium.org](http://crowdsortium.org)).

These theories have been tested and can be applied into real-world business models. In his book *The Business Idea Factory: A World-Class System for Creating Successful Business Ideas*, Sedniev (2016) details systems and processes that

can be used to generate business and social ideas that can be successful. The author argues that by using the wisdom of crowds in research supported methodologies, that effective models can be identified.

Crowdsourcing also has the potential to be a problem-solving mechanism for governments and nonprofit use via community participation. Urban and transit planning are prime areas for crowdsourcing. One project used crowdsourcing to encourage public participation in the planning process for the Salt Lake City transit system. Another notable application of crowdsourcing to government problem-solving is the Peer to Patent Community Patent Review project for the US Patent and Trademark Office (see [peertopatent.org](http://peertopatent.org)). For more details and examples of crowdsourcing in the public sector, see Brabham (2015), and in law in Finland see the video at [youtu.be/wIHMmhngqrq4](http://youtu.be/wIHMmhngqrq4).

Progressive companies and organizations now recognize the value of tapping into the wisdom of the crowd to capture the best answers and the most innovative ideas.

Crowdsourcing can be used for many purposes. For an overview, see Zoref (2015).

## The Process of Crowdsourcing

The process of crowdsourcing differs from application to application depending on the models of the specific problem to be solved and the method used. However, the following steps exist in most enterprise applications, even though the details of the execution differ. The major steps are based on the generic process are:

1. Identify the task (problem) you want to investigate or accomplish.
2. Select the target crowd.
3. Broadcast the task to the crowd (frequently to an unidentified crowd in an open call, as Starbucks and Dell do).
4. Engage the crowd in accomplishing the task (e.g., idea generation).
5. Collect the user-generated content. (This may include a submission of solutions, voting, new ideas, etc.)
6. Evaluate the quality of submitted material—by the management that initiated the request, by experts, or by the crowd.
7. Accept or reject a solution.
8. Compensate the crowd.

For a more detail, see Cancialosi (2015) and the video “Crowdsourcing intelligence: - the right crowd, the right process” at [youtu.be/KcbTDhhceaU](http://youtu.be/KcbTDhhceaU).

## Successfully Deployed Crowdsourcing Systems: Some Representative Examples

The following are some representative examples of implemented crowdsourcing systems.

- **Dell’s IdeaStorm** ([ideastorm.com](http://ideastorm.com)) enables customers to vote on Dell’s product features they prefer, including new ones. Dell is using a technically oriented crowd, such as the Linux ([linux.org](http://linux.org)) community. The crowd submits ideas and sometimes members of the community vote on them.
- **Procter & Gamble’s** researchers post their problems at [innocentive.com](http://innocentive.com), and at [ninesigma.com](http://ninesigma.com), offering cash rewards to problem solvers. P&G uses other crowdsourcing service providers such as [yourencore.com](http://yourencore.com).
- **Amazon Mechanical Turk** ([mturk.com](http://mturk.com)) is a marketplace for distributing large-scale work that requires human intelligence. It is limited to large tasks that can be divided (known as HITs—human intelligence tasks) and is posted by companies that need assistance. Then, Amazon arranges workers (the “Mechanical Turk Workers”), each of whom is allocated a small subtask and is paid when the work is completed. For details see [mturk.com](http://mturk.com).
- **Facebook** ([facebook.com](http://facebook.com)) used crowdsourcing to translate its site into more than 65 different languages. The completion of the English to French translated by over 4,000 volunteers only took 1 day; however, Facebook had to hire a team of professional translators to oversee the whole crowdsourcing process to ensure that the resulting translations were accurate.

- **McDonald's Burger Builder** ([mcdonalds.com](http://mcdonalds.com)), a well-known US fast food chain, created a system that allowed customers to customize hamburgers and toppings. Customers were then able to vote on their favorite combinations. The winning burgers were released in select locations, along with details about their creators.
- **Frito-Lay** ([fritolay.com](http://fritolay.com)) used crowdsourcing for designing a successful annual Super Bowl advertising campaign.
- **Wikipedia** ([wikipedia.org](http://wikipedia.org)) is considered by many to be the “granddaddy” of crowdsourcing and is certainly the world's largest crowdsourcing project.

## CASE 9.2: EC APPLICATION KICKSTARTER

Kickstarter ([kickstarter.com](http://kickstarter.com)) is a popular crowdfunding site that allows individuals to market their ideas for products and then have those products funded by potential or future buyers. The premise behind Kickstarter is that individual creativity will generate new and unique ideas and that funding by the community will allow those ideas to come to fruition. Kickstarter is different than other crowdfunding sites, such as GoFundMe, in that they do not allow fundraising for charity.

Users who are interested in creating a Kickstarter can register a project on the website and provide as much detail as they would like. Users then indicate the amount of support that would be needed to fund the idea and an indication of what potential reward from that funding is available. For example, Kickstarter is often used to develop new products, and individuals who fund at a certain level are generally promised one of those products after it goes into production (Kickstarter, n.d.).

Kickstarter's Revenue model is straightforward in that they take 5% of all fees collected by creators. Additionally, if fees are paid by credit card, the credit card processing company will take an additional 3–5%. But if an inventor does not reach the required funding level, then no fees are charged.

Kickstarter has been very popular since its inception and has helped to create a number of very innovative and interesting products.

1. Vue Smart glasses (smart glasses)
2. Kingdom Death: Monster 1.5 (a board game)
3. Fidget Cube (a toy)

For more, see a listing of completed products at [digitaltrends.com/cool-tech/best-kickstarters-2016](http://digitaltrends.com/cool-tech/best-kickstarters-2016).

Unfortunately, the history of the site has not always been positive. There have been several Kickstarter projects that were never fully developed and really end product released to funders. This is always a disappointment to backers, and in some cases users felt that the creators had scammed them, meaning that they had never intended to actually develop a product. For examples, see [digitaltrends.com/cool-tech/biggest-kickstarter-and-indiegogo-scams](http://digitaltrends.com/cool-tech/biggest-kickstarter-and-indiegogo-scams). In order to avoid this type of issue, Kickstarter has become more explicit on the types of projects that it will accept and the lack of guarantees that the company provides to backers. Backers are also more familiar with the possibility of scams or failed projects due to the recent press (Nanalyze 2016).

For videos on how to use Kickstarter, see [youtu.be/MXKEccRiMeQ](https://youtu.be/MXKEccRiMeQ) and [youtu.be/tpy3pWye5Rg](https://youtu.be/tpy3pWye5Rg)

Sources: Nanalyze (2016) and [kickstarter.com](http://kickstarter.com).

## Questions

1. How can an inventor list of project on Kickstarter?
2. What is Kickstarter's business model?
3. How can backers avoid scams on Kickstarter?
4. Find a product on Kickstarter and discuss why it appeals to you.

## Tools for Crowdsourcing

To launch crowdsourcing initiatives, businesses and developers can make use of crowdsourcing tools and platforms, such as NineSigma, InnoCentive, YourEncore, yet2, UserVoice, Get Satisfaction, and IdeaScale.

### Example: Crowdsourcing Software Development with Topcoder

Topcoder ([www.topcoder](http://www.topcoder.com)) is a company that engages a community of over 1 million design and technology experts to help businesses complete their software development projects faster, with better quality and more innovation. Businesses interested in working with Topcoder submit ideas and goals to the network. A coach from the system curates those ideas and then generates challenges for the Topcoder network. Typically projects are broken down into many small components to make both understanding and idea generation easier. These challenges are then released to Topcoder's network. Developers who are interested in participating in the challenge examine the specifications and submit ideas for the most efficient and innovative methods to solve the problems. The coach and sponsor business then select the best ideas. Solutions for all components are aggregated and developed. The Topcoder system uses both crowdsourcing and gamification in its challenges. For more information, see the explanation video at [youtu.be/Qc\\_PcN6ECjg](https://youtu.be/Qc_PcN6ECjg) or whitepapers at [topcoder.com/research/](http://topcoder.com/research/).

### Crowdfunding and Kickstarter

Raising funds from the crowd for different purposes is gaining popularity with several start-ups operating in this area. A notable company is Kickstarter. For how they help small businesses, see the video at [youtube.com/watch?v=xudOhEYIwyU](https://youtube.com/watch?v=xudOhEYIwyU).

### Examples of Crowdfunding

An increased number of start-ups are using crowdfunding to raise funds for their businesses. Here are four examples:

- Filmmaker Zach Braff used Kickstarter to raise money for his film (watch the video “Zach Braff Uses Kickstarter to Get Money for Next Film” (0:51 minutes) at [youtube.com/watch?v=CIyJtcxjWhw](https://youtube.com/watch?v=CIyJtcxjWhw)).
- Zach Danger Brown collected over \$52,000 on Kickstarter in July 2014 for his “potato salad” idea. For details, see Root (2014) and a video about how the collection went global at [abcnews.go.com/GMA/video/zach-danger-browns-potato-salad-kickstarter-global-24464503](http://abcnews.go.com/GMA/video/zach-danger-browns-potato-salad-kickstarter-global-24464503).
- The digital music phenomenon, Kawehi, is raising money via Kickstarter to promote her music projects in Hawaii. For details, see Russo (2014).
- Next Thing Co. raised \$700,000 from 15,000 people, using Kickstarter in May 2015. The company boasted to produce \$9 computer. For details see della Cava (2015).

For eight successful Kickstarter campaigns, see Serino (2015). For a crowdfunding strategy guide, see Stegmaier (2015). For tools for crowdfunding, see Roth (2016).

### Example: Innovation Excellence—A Marketplace for Crowdsourcing

According to its website, Innovation Excellence ([innovationexcellence.com](http://innovationexcellence.com)) is a multinational social marketplace with about 1,000,000 registered experts in more than 170 countries. As a problem-solving individual or research organization, one can create a profile, make professional contacts, and connect with colleagues (for a fee), peers, and friends. If you are a problem solver and only want to solve problems on Innovation Excellence, you choose what information you want to disclose and decide who can see it. In Innovation Excellence, users can share activities with their contacts on other social networks. You can develop your own networks or join one of the many networks that already exist on Innovation Excellence. Users can meet with people who share their interests and follow their friends' activities. After seeing what their friends are working on, people can decide to either compete or collaborate with their friends on problem-solving.

For more information, download the State of Crowdsourcing in 2016 report from [innovationexcellence.com/blog/2016/10/17/the-state-of-crowdsourcing-in-2016](http://innovationexcellence.com/blog/2016/10/17/the-state-of-crowdsourcing-in-2016).

## SECTION 9.7 REVIEW QUESTIONS

1. Define crowdsourcing.
2. List the seven crowdsourcing models.
3. List the major steps of the crowdsourcing process.
4. What are the capabilities of Kickstarter and Innovation Excellence?

---

## 9.8 SOCIAL COLLABORATION (COLLABORATION 2.0)

One of the major applications of Web 2.0 and social media in the enterprise is in the area of collaboration. Some even equate Web 2.0 with enterprise collaboration. Social collaboration is used for many purposes, an important one being product design.

### Essentials of Social Collaboration

Collaboration in business can be defined as *people working with other people toward a common outcome or goal*. For many images of social collaboration, search Google for “images of social collaboration.”

**Social collaboration** refers to people’s collaboration within and between communities enabled by social media tools and platforms. The processes help people interact and share information to achieve a common goal. It is also known as *Collaboration 2.0*. Collaboration 2.0 is recognized as a major element in social business that can provide considerable benefits. For implementation of social collaboration, see Dalbec (2016). For a comprehensive report including benefits and lessons learned, see Avanade (2013).

### Social Collaboration (Collaboration 2.0)

Collaboration drives business value up by enabling people to work together more efficiently. Wikis and other social software tools can be used effectively by all types and sizes of enterprises for a wide range of tasks and activities. Collaboration helps with solving business problems and uncovering new opportunities, especially with the help of social media tools (see details at Morgan 2014). Collaboration in social networking is done both internally, among employees from different units working in virtual teams, and externally, when working with suppliers, customers, and other business partners. In fact, surveys have shown that employees desire this type of interaction and that social networks that do not focus on social functions or achieve critical masses of engaged users do not thrive (Li 2015). For example, collaboration occurs in forums and other types of groups and by using wikis and blogs. For the benefits of social collaboration, see Buckley (2015). For the use of Collaboration 2.0 in the enterprise, see Turban et al. (2016), and for guidelines for enabling collaboration, see Bratteteig (2016).

Social collaboration has several dimensions as illustrated in Fig. 9.2.

Some believe that in the future, people will use mostly Web 2.0 tools, rather than e-mail, for collaboration. For a discussion, see [thefutureorganization.com](http://thefutureorganization.com) and “Will Generation Z be the death of email?” at [4thoffice.com/blog/?p=142](http://4thoffice.com/blog/?p=142).

A large number of Web 2.0 tools are used to support social collaboration. The support is given to idea sharing, communication, working together on the same documents, and more. The Web 2.0 tools range from wikis to virtual worlds. For the success story of Walgreens, see [rightpoint.com/case-studies/Walgreens](http://rightpoint.com/case-studies/Walgreens). Barr (2017) describes the uses of webinars within enterprise social networks for internal collaboration in his video presentation at [highq.com/resources/webinars/four-use-cases-collaboration-software-corporates-webinar](http://highq.com/resources/webinars/four-use-cases-collaboration-software-corporates-webinar).

The development of tools, philosophies, and procedures of social media support for collaboration allows employees and managers to engage much more fully in the collaboration process. Furthermore, social collaboration has improved the organizational culture.

Social collaboration is supported mainly by:

- Wikis, blogs, and microblogging (e.g., Twitter)
- Collaborative communities (forums and discussion groups)
- Early vintage Web 2.0 technologies
- Crowdsourcing
- Integrations with public networks (e.g., LinkedIn)
- Other tools (e.g., Yammer)

**Fig. 9.2** The various dimensions of social collaboration



Most collaboration software vendors are adding Web 2.0 tools to their collaboration suites (e.g., Binfire, Podio Unily, etc.).

### **Using Blogs and Wikis Inside the Enterprise**

Blogs and wikis are used within enterprises. The use of these tools is expanding rapidly. Companies use blogs and wikis for the following activities:

- Project collaboration and communication
- Process and procedure documentation
- Knowledge sharing and knowledge management
- FAQs
- E-learning and e-training
- Forums for new ideas
- Corporate-specific dynamic glossary and terminology
- Collaboration with customers

As you can see, most of the activities in the previous list relate to collaboration. For additional information, see [zdnet.com/blog/hinchcliffe](http://zdnet.com/blog/hinchcliffe) (several blogs).

### **Using Twitter to Support Collaboration**

Twitter already is used extensively in the enterprise to support collaboration. Twitter is used extensively for interaction with customers and prospects as well as for conducting market research.

### **Using LinkedIn to Support Collaboration**

Due to its wide audience, LinkedIn is a natural addition to business collaboration plans. Many professionals are already members, and the network's tools makes it easy to find colleagues within the system. LinkedIn is often integrated into private collaboration networks.

### **The Role of Mobile Commerce in Social Collaboration**

Mobile commerce is growing very rapidly. Most enterprise social applications can be done on wireless devices. This is particularly true for communication and collaboration. For a list of popular collaboration mobile apps, see [pastemagazine.com/articles/2016/03/stay-in-the-know-with-these-10-collaboration-apps.html](http://pastemagazine.com/articles/2016/03/stay-in-the-know-with-these-10-collaboration-apps.html).

### **Questions and Answers in Social Networks**

In a Q&A “answer” function individuals and companies can post questions. For example, in LinkedIn community, go to the Help Forum and use the posting module on your home page to ask your network a question, and the community usually will provide you with answers. You can also ask a question on the “share box” on the home page. Many other professional networks and their internal groups provide advice and supporting material for helping in decision-making. These services can be either paid or for free. For example, according to the medical social network, “Sermo” ([sermo.com](http://sermo.com); “Social Media Meets Healthcare”), a large online community exclusive to physicians, has an app that allows physicians to author and discuss urgent and interesting patient cases from any Web- or mobile-enabled device, and based on market tests, be almost assured feedback from multiple colleagues. Typical questions and responses include requested/suggested diagnoses and treatments with the best insights often resulting from collaboration among the doctors. (see [sermo.com/news/press-releases/54](http://sermo.com/news/press-releases/54)).

### **Suites of Tools for Social Collaboration**

Several companies offer suites of social collaboration tools, either as stand-alone products or as added tools in existing collaboration suites.

#### **Example 1: IBM Connections**

IBM Connections provides tools such as forums, wikis, and blogs and new capabilities like advanced social analytics, which enable users to expand their network of connections and engagement. For details, see press release “IBM Launches New Software and Social Business Consulting Services” at [ibm.com/press/us/en/pressrelease/32949.wss](http://ibm.com/press/us/en/pressrelease/32949.wss).

You can download many free white papers at the IBM Jam Events page ([collaborationjam.com](http://collaborationjam.com)). IBM has about 20,000 internal blogs (used by over 100,000 people), over 70,000 members are in SocialBlue (an internal clone of Facebook), 350,000 members are on LinkedIn (January 2016), and over 500,000 are participants in crowdsourcing. Today these numbers are probably larger. IBM also provides the tools needed to support innovation.

#### **Example 2: Cisco WebEx Meeting Center (Formerly Cisco Quad)**

Cisco WebEx, according to Cisco's website, is an enterprise collaboration platform, which is designed for today's workforce. It is characterized by social, mobile, visual, and virtual features. WebEx connects people to the information and expertise they need, when they need it. Knowledge and ideas are easily shared across the enterprise, and teams collaborate across geographical and organizational boundaries. For details, see [webex.com/products/enterprise\\_meeting.html](http://webex.com/products/enterprise_meeting.html).

WebEx Meetings is a universal app available for all major smartphones and tablets. For other WebEx social features, see [webex.com/products/web-conferencing/mobile.html](http://webex.com/products/web-conferencing/mobile.html).

#### **Example 3: Smartsheet to Manage Projects**

Smartsheet ([Smartsheet.com](http://Smartsheet.com)) is a web-based tool that allows teams to plan and manage projects collaboratively. The system allows teams to set up Gantt charts and other project management templates to better understand the process flow and schedules needed to complete company initiatives. Because the system is Web-based, teams can collaborate on the creation of these documents, as well as seeing updates when they are made. The system additionally allows resources, people, or systems to be assigned to projects. Team members can set permissions on files so some users may add and edit content, while others may only view content. The system was designed to be as easy to use as a spreadsheet, and in 2014, the application won “Best Business App of 2014” by Evernote's Platform Awards. For more information see the how to videos at [smartsheet.com/videos/how-to-use-smartsheet](http://smartsheet.com/videos/how-to-use-smartsheet).

For a list of vendors, the tools they use, the type of collaboration/communication supported and the benefits of social collaboration, see Buckley (2015) and [capterra.com/collaboration-software](http://capterra.com/collaboration-software).

## The Future of Social Commerce

In determining justification and strategy of social commerce, we need to look into the future. Many researchers and consultants are speculating on the future (e.g., [slideshare.net/YairCarmell/e-commerce-trendsesenglish?related=3](http://slideshare.net/YairCarmell/e-commerce-trendsesenglish?related=3)). The predictions are diverse, ranging from “SC will dominate EC” to “it is a buzz word and will disappear soon.” See Gebauer (2015) for 132 case studies, both successes and failures. Given the popularity of Facebook, Twitter, Pinterest, YouTube, social games, social shopping, and social advertising, it is difficult to side with the pessimistic predictions. In fact it appears that the growth of social commerce is inextricably linked to these networks. Social commerce provides the business case to justify many of these services (see the infographic by Forte 2016). It looks as if mobile social commerce will be a major area of EC growth. Also, several of the social shopping and social collaboration models could be very successful. In the enterprise area, there is a trend to have a “social as a service” rather than as an application approach (due to the influence of cloud computing).

The future of social commerce depends largely on social media trends. Social commerce is anchored to these trends and technologies and should continue to grow as they do (Walker 2016). For some 2017 trends, see Rohampton (2017) and Holmes (2017).

### Conclusion: IBM’s Watson and Social Commerce

There are many opinions on what the future of SC will be. Instead of presenting them, we decided to end this chapter by looking at IBM’s Watson supercomputer. In February 2011, IBM’s Watson won a *Jeopardy* 8-day tournament against two world champions. This was a great achievement for what IBM calls Social Business and Smart Computing. Aided by intelligent systems such as IBM’s Pure Systems, Watson will be able to do much more. According to [research.ibm.com/smarterplanet/us/en/ibm](http://research.ibm.com/smarterplanet/us/en/ibm), Watson may assist people in the following social commerce-related tasks:

- **Personal investment advisor.** There is no need to conduct research any longer. All you have to do is to state your investment goals and Watson will make recommendations after checking all the needed input data. Given what goals you have, Watson can figure out what you need, recommending what stocks to buy or sell. Upon your approval, Watson can complete the deal for you.
- **Language translator.** In EC we sometimes need language translation for introducing websites to people who understand other languages, in order to exploit global opportunities. We need it also for translating a natural human language to a language that a computer can understand. Today’s automatic machine translation is not optimal, but it is improving. Computer systems, such as IBM’s Watson, have powerful natural language processors that are getting even better with time and thus provide better machine translation.
- **Customer service.** Providing technical support is critical for success. Watson’s intelligence will enable automatic guides for people who need help, taking them through all the necessary steps. The service will be consistent, top quality, and available in real time.
- **Q&A service.** Watson will provide the best answers to any business, medical, legal, or personal question you have. It can answer any question and subsequent sub-questions.
- **Matchmaking.** Watson can match sellers and buyers, products and markets, job seekers and job offers, partners to bartering, P2P lending participants, or any other match you can think of. For example, Watson will be able to find you a partner who will fit your stated goals. IBM’s Watson is related to IBM’s Smarter planet activities (see [ibm.com/smarterplanet/us/en/](http://ibm.com/smarterplanet/us/en/)).

---

## SECTION 9.8 REVIEW QUESTIONS

1. Define social collaboration.
2. List and describe the major benefits of social collaboration briefly.
3. List social collaboration tools.
4. What are the major points related to the future of social commerce?

## MANAGERIAL ISSUES

Some managerial issues related to this chapter are as follows:

1. **What are some of the ethical issues that may be involved in deploying social commerce?** Using social commerce can lead to several ethical issues such as privacy and accountability. In addition, mistakes can cause harm to users as well as to the company. Another important ethical issue is human judgment, which is frequently a key factor in social commerce. Human judgment may be subjective or corrupt, and therefore, it may lead to unethical consequences. Companies should provide an ethical code for system builders and users. There are ethical issues related to the implementation of idea generation and other problem-solving-related considerations. One issue to consider is whether an organization should employ productivity-saving devices that are not ethical. Another ethical issue is the use of knowledge extracted from people in crowdsourcing. A further related issue is whether a company should compensate an employee when others use knowledge that he or she contributed. This issue is related to the motivation issue. It also is related to privacy. Should people be informed as to who contributed certain knowledge?
2. **How should we deal with social commerce risks?** There are several possible risks in implementing social commerce, depending on the applications. For example, to protect the security of the SC open source system, you need to consult your internal security experts, and you may need some outside legal advice. There is also the risk of information pollution and biased or falsified user-generated content. You may also need to use a consultant for large projects to examine and evaluate the associated risks. Weighing the benefits of social media against security and other potential risks is a major strategy issue.
3. **Can we recruit using social media?** Many businesses can use social media as a method to recruit and seek referrals for open positions. This requires adjustments in the HR function as well as clear policies for current employees.
4. **Should we move to be a social business?** It depends on the estimated costs and benefits. Also, it is possible to introduce some, but not all, features of social enterprise. For example, using crowdsourcing can be very beneficial. Social collaboration may be cost-effective as well.
5. **What about a private, in-house social network?** Such a venture may bring many benefits, and it can be combined with internal activities of crowdsourcing, as well as with social collaboration with business partners. Most successful in-house networks are used for idea generation, internal collaboration, recruitment, and public relations.
6. **Shall we try gamification?** In most cases it is wise to wait and see the results of other companies. The deployment requires skilled employees. In certain applications the reward can be large. But in most cases we are not sure at this time. As one says: “Try it, you make like it.”
7. **Can we use crowdsourcing?** Business may look at the possibility of using crowdsourcing as the concepts begin to mature. Tools can be used to generate or validate ideas, while support companies like Topcoder can assist in application development.

---

## SUMMARY

In this chapter, you learned about the following EC issues as they relate to the chapter’s learning objectives:

1. **The social enterprise.** Conducting social networking activities in the enterprise can result in substantial benefits. Two types of business social networks exist, public and private. The private network is company owned; it may have restricted access, or it may be open to the public. The public network (e.g., LinkedIn) is used mainly for recruiting, connections, collaboration, and marketing communication. The private, in-house social enterprise uses Collaboration 2.0, social CRM, social marketing media, and more. You can even “spy” on your competitors (see [entrepreneur.com/article/229350](http://entrepreneur.com/article/229350)). All this translates to improved relationships with employees, customers, and business partners. Significant cost reduction, productivity increase, and competitive advantage can be achieved as well.
2. **Business-oriented public social networks.** Following the successful examples of LinkedIn and Xing, many public business-oriented networks were created. Applications vary from recruiting to market research and advertising. One major activity in public networks is external collaboration. Several entrepreneurship networks also exist.
3. **Social networking to find a job.** Networking is still the predominate method of finding a position. Social media can make this processes easier by placing recruiters and applicants together. Both groups use these technologies extensively.
4. **Major enterprise social commerce activities.** Currently, collaboration and communication, as well as community building, are the major activities. In addition, problem-solving via idea generation and finding expertise are becoming more

and more important. Related to this is knowledge creation and management. Companies recruit, train, and conduct other HRM activities in enterprise networks. Several companies also use the enterprise social network for interactions with customers, suppliers, and other business partners.

5. **Social commerce, entertainment, and gaming.** Rich media, user-created content, and groups and subgroups with common interests have opened many possibilities for a second generation of online entertainment. Add to this the wireless revolution and the increased capabilities in mobile devices to support Web 2.0 tools and social networking activities, and you will discover a new and exciting world of online entertainment ranging from music and videos to comedy.
6. **Social gaming and gamification.** Many Internet-based games include some social activities. Players collectively agree to the rules and act as community members. Companies such as King and Zynga create the games which are played on Facebook and other social networks. This is one aspect of gamification. Another aspect is the introduction of social media into games.
7. **Crowdsourcing and social networking.** Crowdsourcing in the enterprise is used mostly for idea generation, voting, and problem identification. Content creation and updating projects, such as volunteers translating the Facebook website to French and German, falls into this category. Crowdfunding is an application for raising funds only from a large number of people. The concept is maturing, but users are wary of scams.
8. **Social collaboration.** Many see social collaboration (Collaboration 2.0) as the major activity that social media supports. Activities supported range from joint design to problem-solving.
9. **The future of social commerce.** The general consensus is social commerce will grow rapidly; but some disagree. Most agree that social networking will continue to expand through both market acceptance and new technologies and that social commerce will be tied to this grow as the business model that supports them.

---

## KEY TERMS

Business social networks  
 Gamification  
 Social business  
 Social collaboration (Collaboration 2.0)  
 Social enterprise  
 Social game  
 Social network game

---

## DISCUSSION QUESTIONS

1. How do public business-oriented networks and private enterprise social networks differ?
2. Discuss the role of crowdsourcing in idea generation and in other enterprise activities.
3. Corporate social networking: booster or time waster? What are the pitfalls of enterprise social networking? Discuss.
4. How can crowdsourcing reduce risks to inventors? To merchants?
5. What are some of the risks companies may face if they decide to use public social networks?
6. Review the features of Socialtext ([socialtext.com](http://socialtext.com)). Discuss how you would make use of this platform in a small enterprise in retail, manufacturing, or financial services.
7. Discuss how social collaboration can support commercial activities.
8. Why are social games so popular?
9. How can gamification be used in business?
10. Compare and contrast social collaboration and crowdsourcing.
11. What will derive social commerce growth in the future?

---

## TOPICS FOR CLASS DISCUSSION AND DEBATES

1. Debate: Should a crowd have professional knowledge of the task it has been given or not?
2. Some claim that using social collaboration may be slow and ineffective. Others disagree. Debate the issue.
3. Idea generation by the employees or customers using crowdsourcing is becoming popular. However, some say it is only an electronic suggestion box. Others disagree. Discuss.

4. Enter [quara.com](http://quara.com) and ask for the benefits and limitations of social enterprises. Write a report.
5. Debate: Should companies build in-house social networks for external activities (e.g., marketing, CRM) or use existing public social networks?
6. Examine the Candy Crush Saga game. Why the game is so popular? Are there any social elements there?
7. Why does one need a special entrepreneur network? What features make it effective?
8. What are some of the risks companies may face if they decide to use public social networks?
9. Review the features of Socialtext ([socialtext.com](http://socialtext.com)). Discuss how you would make use of this platform in a small enterprise in (a) retail, (b) manufacturing, and (c) financial services.
10. Would you use [monster.com](http://monster.com), [linkedin.com](http://linkedin.com), or [facebook.com](http://facebook.com) for recruiting top managers, or would you rather use a traditional agency? Why?
11. Crowdfunding is becoming very popular. Find recent information about its success. What are some of the implementation challenges?

---

## INTERNET EXERCISES

1. Enter [xing.com](http://xing.com) and [linkedin.com](http://linkedin.com) and compare their functionalities (capabilities). Also, enter [youtube.com/watch?v=pBAGhmYMG0M](http://youtube.com/watch?v=pBAGhmYMG0M) and view the video “Ryze Business Networking Tutorial” (7:20 minutes). Compare Ryze’s capabilities with those of LinkedIn.com. Write a report.
2. Enter [pandora.com](http://pandora.com). Find out how you can create and share music with friends.
3. Check several crowdfunding sites such as Kickstarter and Indiegogo and compare their processes. Find information about crowdfunding in China. Can it be a \$50 billion by 2025? Write a report.
4. Post a question on [quara.com](http://quara.com) about the future of social commerce. Summarize the answers and comment.
5. Enter [innocentive.com](http://innocentive.com). Describe how this site works. List their major products and services. Identify benefits and challenges.
6. Enter [hulu.com/plus](http://hulu.com/plus). Why is it an online entertainment service? What are the benefits to viewers? Compare this site to [hbogo.com](http://hbogo.com).
7. Enter [gaiaonline.com](http://gaiaonline.com) and find all socially oriented activities. Write a report.
8. Enter the [yammer.com](http://yammer.com) and find information related to enterprise applications of social commerce technologies. Write a report.
9. Enter [brazencareerist.com/company](http://brazencareerist.com/company) check the services Brazen provides. Compare services to the virtual event hosted at [expos2.com](http://expos2.com).
10. Compare what [jobserve.com](http://jobserve.com) and [aspireme-diagroup.net](http://aspireme-diagroup.net) offer regarding solutions for recruitment. Differentiate services to employees from services to employers. Write a report.
11. Identify a difficult business problem. Post the problem on [linkedin.com](http://linkedin.com) and [answers.com](http://answers.com). Summarize the results or offers you received to solve the problem.
12. Enter [huddle.com](http://huddle.com) and take the interactive demo (registration required). Also, view the video on the main page. Write a report on social collaboration activities.
13. Enter [kickstarter.com](http://kickstarter.com) and examine the available products. Select one that you feel will be produced and another that will not be. Defend your reasoning.
14. Enter [topcoder.com](http://topcoder.com) and examine how a coding challenge is offered. Find an example of a successful collaboration. Write a report.

---

## TEAM ASSIGNMENTS AND PROJECTS

1. Assignment for the Opening Case
 

Read the opening case and answer the following questions:

  - (a) How can social media allow companies to better connect with customers?
  - (b) Why can the use of social media be problematic for a company? For an employee?
  - (c) Why would a company want to forge a stronger bond with customers?
  - (d) How does the Hearsay Social platform work?
  - (e) View the video case study at [hearsaysystems.com/2016/03/digital-technology-transformation-and-adoption-at-rpm-mortgage](http://hearsaysystems.com/2016/03/digital-technology-transformation-and-adoption-at-rpm-mortgage). What part of the system was most beneficial for RPM Mortgage?

2. The crowdsourcing model works with designers, like this: (1) A company outlines an area for which they need a design. (2) The company turns the design outline into a competition (e.g., among experts, among amateurs, or between amateur and professional designers). (3) A winner is selected by management, consultants, or by the crowd. This is done at little cost.
  - (a) If this model becomes widespread, how will it affect the design industry?
  - (b) What is the purpose of the competition?
  - (c) Some believe that amateurs can do the best job. Others disagree. Find information and discuss.
  - (d) Compare this situation to the Polyvore model. Discuss.
3. Some consider gamification to be a major social commerce technology of the future. Enter [badgeville.com/wiki/External\\_Resources](http://badgeville.com/wiki/External_Resources). Find additional resources. Write a report on the existing and potential applications of gamification in e-commerce and social commerce.
4. All students register as members at LinkedIn.
  - (a) Each team member joins two LinkedIn groups and observes their activities.
  - (b) All join the EC group: (group-digest@LinkedIn.com). Follow some of the discussions there. Have a joint class presentation on the value of groups at LinkedIn.
5. Check the competition in the area of streaming music services (e.g., check Spotify, Amazon, Apple, Google, etc.). Write a report.
6. Yammer, Huddle, Chatter, and Jive Software are cloud-based social networking services. They are considered very useful, replacing traditional enterprise tools. Investigate the issue and write a report.
7. Enter [hearsaysystem.com](http://hearsaysystem.com) and examine their product offerings. Compare the different features in different vertical markets. Write a report.

---

## CLOSING CASE: LINKEDIN—THE PREMIER PUBLIC BUSINESS-ORIENTED SOCIAL NETWORK

Let us look at LinkedIn ([linkedin.com](http://linkedin.com)), the world's largest professional network. LinkedIn is a global business-oriented social networking site (has offered in 23 languages), used mainly for professional networking. By January 2016, it had about 414 million registered users spanning 200 countries and territories. By the end of 2016 there were 2.2 million different groups, each with a special interest. LinkedIn can be used to find jobs, people, potential clients, service providers, subject experts, and other business opportunities. The company became profitable in 2010 with revenue approaching \$3 billion in 2016. The company filed for an initial public offering in January 2011, and its stock is one of the best performing on the stock market. A major objective of LinkedIn is to allow registered users to maintain a list of professional contacts (see [en.wikipedia.org/wiki/LinkedIn](http://en.wikipedia.org/wiki/LinkedIn)), i.e., people with whom they have a relationship. The people in each person's network are called *connections*. Users can invite anyone, whether he or she is a LinkedIn user or not, to become a connection. When people join LinkedIn, they create a profile that summarizes their professional accomplishments. This profile makes it easier to be found by recruiters, former colleagues, and others. Members can also meet new people and find opportunities for collaboration and marketing. For 2016 statistics about LinkedIn, see [expandedramblings.com/index.php/by-the-numbers-a-few-important-linkedin-stats](http://expandedramblings.com/index.php/by-the-numbers-a-few-important-linkedin-stats).

LinkedIn is based on the concept of “degrees of connections.” A *contact network* consists of a user's direct connections (called first-degree connections), people connected to their first-degree connections (called second-degree connections), and people connected to the second-degree connections (called third-degree connections). Degree “icons” appear next to a contact's name. The contact network makes it possible for a professional to gain an introduction, through a mutual, trusted contact, to someone he or she wishes to know. LinkedIn's administrators themselves are also members and have hundreds of connections each (see Elad 2016 and [linkedin.com](http://linkedin.com)).

The “gated-access approach,” where contact with any professional requires either a preexisting relationship or the intervention of a mutual contact, is intended to build trust among the site's users.

The searchable LinkedIn groups feature allows users to establish new business relationships by joining alumni, industry, professional, or other relevant groups.

LinkedIn is especially useful in helping job seekers and employers find one another. According to Ahmad (2014), 94% of all US recruiters use LinkedIn to examine potential candidates. Job seekers can list their résumés, search for open positions, check companies' profiles, and even review the profiles of the hiring managers. Applicants can also discover connections

with existing contacts (people) who can introduce them to a specific hiring manager. They can even see who has viewed their profiles. For details see [linkedin.com/company/linkedin/careers](https://www.linkedin.com/company/linkedin/careers) and [linkedin.com/directory/job](https://www.linkedin.com/directory/job). For a LinkedIn guide for job searchers, see Boone (2015).

Companies can use the site to post available jobs and find and recruit employees, especially those who may not actively be searching for a new position.

## Smart Ways to Use LinkedIn

LinkedIn is known mostly as a platform for recruitment, job searches, and making connections. However, there are many opportunities in the network for marketing, advertising, sales, and more (e.g., see Cole 2015). Members can ask others to write recommendations (endorsements) for them. For a list of opportunities, see [linkedinintelligence.com/smart-ways-to-use-linkedin](https://www.linkedinintelligence.com/smart-ways-to-use-linkedin).

In lieu of LinkedIn Answers that was discontinued in 2013, a new service is available, per [help.linkedin.com/app/answers/detail/a\\_id/35227](https://help.linkedin.com/app/answers/detail/a_id/35227).

In 2011, LinkedIn launched LinkedIn “Ads.” Ads, which is their version of Google’s AdWords, is a self-service, text-based advertising product that allows advertisers to reach a targeted professional audience of their choosing (see their FAQ’s at [help.linkedin.com/app/answers/detail/a\\_id/1015](https://help.linkedin.com/app/answers/detail/a_id/1015)). For a comparison between Ads and AdWords, see [shoutex.com/linkedin-directads-vs-google-adwords-2](https://shoutex.com/linkedin-directads-vs-google-adwords-2).

According to Ahmad (2014), LinkedIn has three times higher “visitor-to-lead” conversion rate than Facebook and Twitter.

As of 2014, LinkedIn can provide job matching to positions available, by using a computer algorithm that determines potential employee’s fitness to potential jobs.

LinkedIn can also be used for several marketing strategies such as creating special groups to promote interest in events, purchasing paid media space, and seeing what your competitors are doing (e.g., [linkedin.com/about-us](https://www.linkedin.com/about-us)). Note that about 75% of LinkedIn members are located outside the United States. For example, many users are in Brazil, India, the United Kingdom, and France. Over 1.5 million teachers are on LinkedIn and use the site for educational purposes.

As previously mentioned, LinkedIn is a public company. It was an instant success, as the share price almost tripled the first day of trading. In contrast, shares of Monster, a major online recruiting company, plunged more than 60% during 2011, mainly due to investors’ fear that LinkedIn would take business away from Monster.

LinkedIn constantly adds capabilities to its site. For example, in 2014, the company launched features that help increase local relevance.

## Mobile Applications

A mobile version of LinkedIn, launched in February 2008, offers access to most features in the site by using mobile devices. The mobile service is supported in many languages, including Chinese, English, French, German, Japanese, and Spanish (for mobile devices and supported languages, see [help.linkedin.com/app/answers/detail/a\\_id/999](https://help.linkedin.com/app/answers/detail/a_id/999)).

## The Future of LinkedIn

LinkedIn continues its aggressive growth in both number of users and features offered. In late 2016, LinkedIn was acquired by Microsoft Corporation. The two companies feel that they will be able to leverage their combined user bases as well as product functionality to continue to grow business social networking for the enterprise (see [wsj.com/articles/microsoft-closes-acquisition-of-linkedin-1481215151](https://www.wsj.com/articles/microsoft-closes-acquisition-of-linkedin-1481215151)).

LinkedIn is also continuing to expand its recruiting activities, with a dramatic expansion into the higher education market. In 2016, the company launched a new initiative to bring college students into the network with the promise of special tools to allow them to apply for positions and be noticed by recruiters (see [university.linkedin.com](https://www.university.linkedin.com)).

## Some Resources for LinkedIn

The following are some useful resources on LinkedIn: [blog.linkedin.com](https://blog.linkedin.com), [mylinkedinpow-erforum.com](https://mylinkedinpow-erforum.com), and [linkedin.com/search](https://www.linkedin.com/search).

For LinkedIn success stories, see Elad (2016) and [cbsnews.com/news/linkedin-5-job-search-success-stories](https://www.cbsnews.com/news/linkedin-5-job-search-success-stories)

**Sources:** Based upon Elad (2016), Ahmad (2014), Bernstein (2015), [en.wikipedia.org/wiki/LinkedIn](https://en.wikipedia.org/wiki/LinkedIn), and [press.linkedin.com/about-linkedin](https://press.linkedin.com/about-linkedin) (both accessed March 2016).

## Questions

1. Enter [linkedin.com](https://www.linkedin.com) and explore the site. Why do you think the site is so successful?
2. What features are related to recruiting and job search?
3. Conduct an investigation to find the company's revenue sources. Prepare a list.
4. Several companies have attempted to clone LinkedIn with little success. Why do you think LinkedIn is dominating?
5. Join the group called "eMarketing Association Network" on LinkedIn (free; it is a private group so you must request to join), and observe their group's activities regarding social media and commerce for 1 week. Write a report.
6. Research the issue of falsified profiles on LinkedIn.

## REFERENCES

- Accenture. *A Comprehensive Approach to Managing Social Media Risk and Compliance*. Accenture, 2015. [accenture.com/t20150523T022413\\_w\\_us-en/\\_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub\\_1/accenture-comprehensive-approach-managing-social-media-risk-compliance.pdf](https://www.accenture.com/t20150523T022413_w_us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_1/accenture-comprehensive-approach-managing-social-media-risk-compliance.pdf) (accessed January 2017).
- Anderton, K. "Augmented Reality, the Future, and Pokemon Go." *Forbes*, November 14, 2016. [forbes.com/sites/kevinanderton/2016/11/14/augmented-reality-the-future-and-pokemon-go-infographic/#53a8a5344e66](https://www.forbes.com/sites/kevinanderton/2016/11/14/augmented-reality-the-future-and-pokemon-go-infographic/#53a8a5344e66) (accessed January 2017).
- Ahmad, I. "How to Boost LinkedIn Engagement [Infographic]." *Social Media Today*, January 3, 2014.
- Avanade. "Achieving Social Collaboration Success." A white paper from Accenture and Microsoft, 2013. [avanade.com/~media/documents/enterprise-social-collaboration-pov.pdf](https://www.avanade.com/~media/documents/enterprise-social-collaboration-pov.pdf) (accessed January 2017).
- Barr, S. "The Four Core Use Cases of Collaboration Software for Corporates." HighQ, 2017. [highq.com/resources/webinars/four-use-cases-collaboration-software-corporates-webinar](https://www.highq.com/resources/webinars/four-use-cases-collaboration-software-corporates-webinar) (accessed January 2017).
- Bernstein, B. *How to Write a KILLER LinkedIn Profile... and 18 Mistakes to Avoid*. Madison, WI: The Essay Expert, 2015.
- Boone, R.S. *LinkedIn: Guide To Making Your LinkedIn Profile Awesome: 25 Powerful Hacks for Your LinkedIn Profile to Attract Recruiters and Employers (Career Search... Profile, LinkedIn Makeover, Career Search)*. Kindle edition. Seattle, WA: Amazon Digital Services, 2015.
- Bowerman, M. "Man Killed While Playing 'Pokemon Go' at San Francisco Park." *USA Today*, August 8, 2016. [usatoday.com/story/news/nation-now/2016/08/08/man-killed-playing-pokemon-san-francisco-aquatic-park/88384200](https://www.usatoday.com/story/news/nation-now/2016/08/08/man-killed-playing-pokemon-san-francisco-aquatic-park/88384200) (accessed January 2017).
- Brabham, D. *Crowdsourcing in the Public Sector*. Kindle Edition. Seattle, WA: Amazon Digital Services, 2015.
- Bratteteig, T. *Disentangling Participation: Power and Decision-making in Participatory Design*. New York: Springer, 2016.
- Buckley, C. "Understanding the Business Benefits of Social Collaboration." *Beezy, Business Culture*, September 2015.
- Bughin, J. "Taking the Measure of the Networked Enterprise." *McKinsey Quarterly*, October 2015. [mckinsey.com/business-functions/digital-mckinsey/our-insights/taking-the-measure-of-the-networked-enterprise](https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/taking-the-measure-of-the-networked-enterprise) (accessed January 2017).
- Burke, B. *Gamify: How Gamification Motivates People to Do Extraordinary Things*. New York: Bibliomotion, 2014.
- Cancialosi, C. "Crowdsourcing: Your Key To A More Effective, Engaged Organization?" *Forbes*, August 31, 2015. [forbes.com/sites/chrisancialosi/2015/08/03/crowdsourcing-your-key-to-a-more-effective-engaged-organization/#3f59f167193e](https://www.forbes.com/sites/chrisancialosi/2015/08/03/crowdsourcing-your-key-to-a-more-effective-engaged-organization/#3f59f167193e) (accessed January 2017).
- Chou, Y. *Actionable Gamification: Beyond Points, Badges, and Leaderboards*, Kindle Edition. Seattle, WA: Octalysis Media, 2015.
- Cole, D. *Go From Zero to Hero on LinkedIn: Jump Start Your Prospecting Success in as Little as 7 Days*. Kindle Edition. Seattle, WA: Amazon Digital Services, 2015.
- della Cava, M. "\$9 Computer Killing it on Kickstarter." *USA Today*, May 11, 2015.
- Dalbec, B. "The Benefits of Internal Social Media? Engaged Employees" APCO, January, 25, 2016. [apcoworldwide.com/blog/detail/apcoforum/2016/01/25/the-benefits-of-internal-social-media-engaged-employees](https://www.apcoworldwide.com/blog/detail/apcoforum/2016/01/25/the-benefits-of-internal-social-media-engaged-employees) (accessed January 2017).
- Davidson, J. "The 7 Social Media Mistakes Most Likely to Cost You a Job." *Time*, October 16, 2014. [time.com/money/3510967/jobvite-social-media-profiles-job-applicants](https://www.time.com/money/3510967/jobvite-social-media-profiles-job-applicants) (accessed January 2017).
- Deligiannis, N. "How to Use Social Media to Enhance Your Job Search in 2017." Hays Recruiting, January 25, 2017. [social.hays.com/2017/01/25/how-to-use-social-media-to-enhance-your-2017-job-search](https://www.social.hays.com/2017/01/25/how-to-use-social-media-to-enhance-your-2017-job-search) (accessed January 2017).
- Elad, J. *LinkedIn for Dummies*. Hoboken, NJ: Wiley & Sons, 2016.
- Findlay, J. "How Gamification Enhances the Customer Experience." CMS Wire, September 30, 2016. [cmswire.com/customer-experience/how-gamification-enhances-the-customer-experience/](https://www.cmswire.com/customer-experience/how-gamification-enhances-the-customer-experience/) (accessed January 2017).
- Florentine, S. "How Gamification Makes Customer Services Fun." *Computer World*, March 3, 2014.
- Forte, D. "The Evolution and Future of Social Commerce." Multichannel Merchant, September 20, 2016. [multichannelmerchant.com/infographics/evolution-future-social-commerce-20092016](https://www.multichannelmerchant.com/infographics/evolution-future-social-commerce-20092016) (accessed January 2017).
- Gebauer, S. "132 Social Media Case Studies—Successes and Failures." *The Social MS*, April 2015. [blog.thesocialms.com/132-social-media-case-studies-successes-and-failures](https://www.blog.thesocialms.com/132-social-media-case-studies-successes-and-failures) (accessed January 2017).
- Gottlieb, M. "42 Leading Social Networking Sites for Business Professionals and Entrepreneurs You May Not Know." *LinkedIn Pulse*, April 25, 2015.
- Harrison, L. *Gamification for Business*. New York, NY: Motivational Press, 2014.

- Hearsay Social. "Hearsay Social Empowers Mortgage Lenders and Loan Officers to Maximize Referrals and Compliantly Engage Clients Across Digital Channels." Hearsay Systems, April 4, 2016. [hearsaysystems.com/hs-press/hearsay-social-empowers-mortgage-lenders-and-loan-officers-to-maximize-referrals-and-compliantly-engage-clients-across-digital-channels](https://hearsaysystems.com/hs-press/hearsay-social-empowers-mortgage-lenders-and-loan-officers-to-maximize-referrals-and-compliantly-engage-clients-across-digital-channels) (accessed January 2017).
- Holmes, R. "Top 5 Social Media Trends for Businesses in 2017." Hootsuite. January 3, 2017. [blog.hootsuite.com/social-media-trends-2017](http://blog.hootsuite.com/social-media-trends-2017) (accessed January 2017).
- Howe, J. *Crowdsourcing: Why the Power of the Crowd Is Driving the Future of Business*. New York: Crown Business, 2008.
- Huff, T. "How Social Media Changed the Hiring Process." August 10, 2014. [socialmediatoday.com/content/how-social-media-changed-hiring-process](http://socialmediatoday.com/content/how-social-media-changed-hiring-process) (accessed January 2017).
- Hutchinson, A. "Why YouTube is Seeking to Win over Gamers with YouTube Gaming." *Social Media Today*, June 16, 2015.
- Jurgensen, J. "An Ode to Joyful Streaming." *The Wall Street Journal*, January 4–5, 2014.
- Kelly, H. "Pokemon Go breaks Apple download records." CNN Tech, July 22, 2016. [money.cnn.com/2016/07/22/technology/pokemon-go-apple-download-records/?iid=EL](http://money.cnn.com/2016/07/22/technology/pokemon-go-apple-download-records/?iid=EL) (accessed January 2017).
- Kickstarter. "Kickstarter Basics." Undated. [kickstarter.com/help/faq/kickstarter-basics](http://kickstarter.com/help/faq/kickstarter-basics) (accessed January 2017).
- Krans, J. "The Intelligent Networked Enterprise: New Paradigm for the Digital Age." Ascent, July 15, 2015. [ascent.atos.net/intelligent-networked-enterprise-new-paradigm-digital-age](http://ascent.atos.net/intelligent-networked-enterprise-new-paradigm-digital-age) (accessed January 2017).
- Leaning, B. "How to Monitor Social Media in Only 10 Minutes a Day." Hubspot, January 8, 2015. [blog.hubspot.com/marketing/monitor-social-media-effectively#sm.001ai11nzh0xf7611rs1x190h6plu](http://blog.hubspot.com/marketing/monitor-social-media-effectively#sm.001ai11nzh0xf7611rs1x190h6plu) (accessed January 2017).
- Lee, S. "What Is Pokémon Go and Why Is Everyone Talking About It?" Lifehacker, July 11, 2016. [lifehacker.com/what-is-pokemon-go-and-why-is-everyone-talking-about-it-1783420761](http://lifehacker.com/what-is-pokemon-go-and-why-is-everyone-talking-about-it-1783420761) (accessed January 2017).
- Li, C. "Why No One Uses the Corporate Social Network." *Harvard Business Review*, April 25, 2015. [hbr.org/2015/04/why-no-one-uses-the-corporate-social-network](http://hbr.org/2015/04/why-no-one-uses-the-corporate-social-network). (accessed January 2017).
- Martin, R. L. et al. *Getting Beyond Better: How Social Entrepreneurship Works*. Boston: Harvard Business Review, 2015.
- Morgan, J. *The Future of Work: Attract New Talent, Build Better Leaders, and Create a Competitive Organization*. New York: McGraw-Hill, 2014.
- Nanalyze. "How Easy Is It to Run Scams on Kickstarter?" Nanalyze, June 9, 2016. [nanalyze.com/2016/06/kickstarter-scams](http://nanalyze.com/2016/06/kickstarter-scams) (accessed January 2017).
- Nolinske, T. "Social Networks Benefit Employees and Customers." National Business Research Institute, 2016. [nbrii.com/employee-survey-white-papers/social-networks-benefit-employees-and-customers](http://nbrii.com/employee-survey-white-papers/social-networks-benefit-employees-and-customers) (accessed January 2017).
- Reffell, C. "Diverse Crowdfunding Models Across Sectors Highlighted at CSW Europe 2016." *CrowdsourcingWeek.org*, December 7, 2016. [crowdsourcingweek.com/blog/crowdfunding-models-energy-sustainability-innovation](http://crowdsourcingweek.com/blog/crowdfunding-models-energy-sustainability-innovation). (accessed March 2017).
- Ridley-Duff, R. and M. Bull. *Understanding Social Enterprise: Theory and Practice*, 2<sup>nd</sup> edition. Thousand Oaks, CA: Sage Publications, 2015.
- Rohampton, J. "5 Social Media Trends That Will Dominate 2017." *Forbes*, January 3, 2017. [forbes.com/sites/jimmyrohampton/2017/01/03/5-social-media-trends-that-will-dominate-2017](http://forbes.com/sites/jimmyrohampton/2017/01/03/5-social-media-trends-that-will-dominate-2017) (accessed January 2017).
- Root, A. "Potato Salad Tops \$50k in Pledges." July 8, 2014. [crowdsourcing.org/editorial/potato-salad-tops-50k-in-pledges/32674](http://crowdsourcing.org/editorial/potato-salad-tops-50k-in-pledges/32674) (accessed January 2017).
- Roth, J. *Crowdfunding: How to Raise Money for your Startup and Other Projects! (Crowdfunding, Funding, Raise, Business, Money, Startup, Guide, Capital)*. Publisher: John Roth, 2016.
- Russo, J. "Talking Story with Kawehi on Her Upcoming Hawaii Tour." July 1, 2014. [mauitime.com/2014/07/01/talking-story-with-kawehi-on-her-upcoming-hawaii-tour](http://mauitime.com/2014/07/01/talking-story-with-kawehi-on-her-upcoming-hawaii-tour) (accessed January 2017).
- Salesforce. *The Little Blue Book of Social Transformation* Salesforce, 2014. [salesforce.com/form/conf/social-enterprise-bluebook.jsp](http://salesforce.com/form/conf/social-enterprise-bluebook.jsp) (accessed January 2017).
- Serino, L. "8 Kickstarter Campaigns that Nailed It (and How You Can, Too)." *ECommerceFuel*, May 29, 2015. [ecommercefuel.com/kickstarter-campaign-tips](http://ecommercefuel.com/kickstarter-campaign-tips) (accessed January 2017).
- Sedniev, A. *The Business Idea Factory: A World-Class System for Creating Successful Business Ideas*. Kindle edition. Seattle, WA: Amazon Digital Services, 2016.
- Shih, C. "Empowering Mortgage Lenders and Loan Officers to Thrive in the Digital Era." Hearsay Systems, April 4, 2016. [hearsaysystems.com/2016/04/empowering-mortgage-lenders-and-loan-officers-to-thrive-in-the-digital-era](https://hearsaysystems.com/2016/04/empowering-mortgage-lenders-and-loan-officers-to-thrive-in-the-digital-era) (accessed January 2017).
- Stegmaier, J. *A Crowdfunder's Strategy Guide: Build a Better Business by Building Community*. Oakland, CA: Berrett-Koehler Pub., 2015.
- Terpening, E. "How to Choose the Best Organizational Model for Social Business." *Altimeter Group*, September 2015.
- Thomas, S. "2016 Best Career Apps and Websites to Land Your Dream Job." *Huffington Post*, February 3, 2016. [huffingtonpost.com/sherri-thomas/2016-best-career-apps-and\\_b\\_9125474.html](http://huffingtonpost.com/sherri-thomas/2016-best-career-apps-and_b_9125474.html) (accessed January 2017).
- Turban, E. et al. *Social Commerce*. New York: Springer 2016.
- Turner, A. "20 Social Networking Sites for Business Professionals." SitePoint, July 27, 2016. [sitepoint.com/social-networking-sites-for-business](http://sitepoint.com/social-networking-sites-for-business) (accessed January 2017).
- Vahl, A. "How to Network with Facebook Groups." *Social Media Examiner*, January 19, 2015. [socialmediaexaminer.com/network-with-facebook-groups](http://socialmediaexaminer.com/network-with-facebook-groups) (accessed January 2017).
- Walker, R. "Protecting Privacy in a Job Search." *New York Times*, January 24, 2015. [nytimes.com/2015/01/25/business/protecting-privacy-in-job-search.html?\\_r=0](http://nytimes.com/2015/01/25/business/protecting-privacy-in-job-search.html?_r=0) (accessed January 2017).
- Walker, T. "The Future of Advertising Is Native Social Commerce." Hubspot, February 25, 2016. [blog.hubspot.com/marketing/future-of-advertising-native-social-commerce#sm.001ai11nzh0xf7611rs1x190h6plu](http://blog.hubspot.com/marketing/future-of-advertising-native-social-commerce#sm.001ai11nzh0xf7611rs1x190h6plu) (accessed January 2017).
- White, S. "How to Use Gamification to Improve Employee Engagement." *CIO.com*, November 23, 2016. [cio.com/article/3143955/gamification-how-to-use-gamification-to-improve-employee-engagement.html](http://cio.com/article/3143955/gamification-how-to-use-gamification-to-improve-employee-engagement.html). (accessed January 2017).
- World Library. *Social Enterprise Handbook*. (e-book), World Public Library, 2015. [worldlibrary.org/articles/Social\\_enterprise](http://worldlibrary.org/articles/Social_enterprise) (accessed January 2017).
- Zielinski, D. "The Gamification of Recruitment" *SHRM*, November 1, 2015. [shrm.org/hr-today/news/hr-magazine/pages/1115-gamification-recruitment.aspx](http://shrm.org/hr-today/news/hr-magazine/pages/1115-gamification-recruitment.aspx) (accessed January 2017).
- Zoref, L. *Mindsharing: The Art of Crowdsourcing Everything*. New York, NY: Portfolio, 2015.
- Zur, O. & Zur, A. (2016): "On Digital Immigrants and Digital Natives: How the Digital Divide Affects Families, Educational Institutions, and the Workplace." Zur Institute – Online. 2016. [zurinstitute.com/digital\\_divide.html](http://zurinstitute.com/digital_divide.html) (accessed January 2017).