

Chapter 2

Whole Enterprise Social Media for Business Performance

Peter Carr

Abstract Whole Enterprise Social Media can be used to achieve substantial business performance improvements. While most organisations have begun their use of social media in marketing and sales, its application elsewhere in the organisation is also of value. The use of social media in other organisational areas is discussed, and examples of successful application are provided in employee involvement, customer engagement, product development and design and supply chain management. The use of performance metrics and their relationship to overall business objectives is described, and guidance is given on its application. The examples are derived from case studies written by participants in the University of Waterloo's Social Media for Business Performance online certificate programme and contained in the publically accessible online case study archive.

Keywords Social media • University of Waterloo • Business performance

2.1 Introduction

This chapter discusses the impact that social media can have in the whole enterprise. Thus far, many organisations have utilised social media in their sales and marketing activities, and some are recognising its value elsewhere in the organisation and realising the benefits. This chapter is intended to help more organisations do that.

The concept of Whole Enterprise Social Media is explained first, and then the Social Media for Business Performance programme and archive (which this chapter references frequently) is introduced. The application of social media in a range of organisational areas is then considered, with examples of this application included.

P. Carr (✉)

University of Waterloo, 200 University Avenue West, Waterloo, ON, Canada N2L 3G1

e-mail: pdcarr@engmail.uwaterloo.ca

Measurement and management of Whole Enterprise Social Media performance is considered, and some guidance is provided on the strategic management of implementation.

2.2 Whole Enterprise Social Media

To date, social media activity in organisations has largely been focussed on marketing and sales, especially in the relationship between retailers and their customers. Some organisations have been using social media in other areas, some of which are described in further detail in this article. There is growing understanding that social media has a contribution to make to organisational performance more widely. This wider contribution is known as Whole Enterprise Social Media.

The application of social media within organisations requires an understanding of the key performance factors in various organisational functions (and these will vary between organisations) and the activities which will lead to improved factor performance. Only then is it useful to consider the impact that social media can have and how this can be realised.

In future sections the factors that are commonly important in organisational performance in selected organisational areas are outlined, and the role that social media can play here is considered. It is not intended that this be a blueprint for others—conditions will vary—but it is hoped that it will help others consider appropriate use of social media to improve performance in their own organisation.

This chapter draws on the Social Media for Business Performance archive which provides many examples of the application of social media in the areas discussed here.

2.3 The Social Media for Business Performance Programme and Archive

In 2011 the University of Waterloo began offering its online Social Media for Business Performance Certificate programme. The programme is intended to develop skills and knowledge in the use of Whole Enterprise Social Media. Participants develop understanding of the use of social media in the whole enterprise through the course content and through course-based research on and engagement with organisations that are using social media beyond the sales and marketing functions. The participants have now developed over 1000 case studies for the Social Media for Business Performance archive which is publically accessible on the internet and has received over 250,000 views to date.

References to the archive are included in this chapter. The archive is accessible at <http://smbp.uwaterloo.ca/>.

In the following sections, we consider the impact of social media in a range of organisational areas.

2.4 Employee Involvement

2.4.1 Social Media Application

Human resources theory on employee motivation has discussed the value of employee involvement in organisations for many years. The human relations school of researchers (e.g. see McGregor, 1960) argued that employee involvement in their organisations could contribute to organisational performance. This is well established today in the curriculums of business schools and features in most teaching of human resource management.

The role that social media might play in employee involvement is suggested by the human resources literature, which emphasises various aspects of employee involvement which may contribute to performance. Recent research looks at a number of areas that may indicate areas of fruitful application for organisations. Kattenbach and O'Reilly (2011) suggest that globalisation has made it more difficult for organisations to involve employees as competition has intensified, and organisations have become larger and more complex. Kleinknecht (2015) looks at the value of employee involvement in corporate governance, while Booth (1988) argues that there is a positive relationship between employee involvement and company share prices. Involvement in work-centred teams and in corporate decisions has a greater impact on job satisfaction than pay according to Carr and Mellizo (2013), while Kim, MacDuffie and Pil (2010) provide evidence that suggests involvement at all company levels can benefit corporate performance.

The evidence for employee involvement resulting in improved performance is strong. Social media has been used to enable participation in many aspects of modern life, including as consumers and citizens, where increased access to organisations that provide products or services is common and where political participation has been enabled. Social media has also been used in organisations to enable greater employee participation. Case studies that illustrate this are cited in the next section. This activity is consistent with, and sometimes inspired by, the human relations research. Researchers continue to create better understanding of this area and provide guidance on areas where involvement may be especially beneficial in organisations.

2.4.2 Examples from the Archive

Belu (2015) describes activity at Christie Digital where an internal blog called the Innovation Café is used to encourage employee participation and develop a community of innovative thinkers. The site is accessible in all of Christie's 18 offices

worldwide. Employees submit ideas and comment on ideas submitted by others. The blog activity is integrated with physical activity in Christie's locations to encourage participation.

Gardiner (2015a) describes employee involvement utilising the Igloo internal social platform. Social media is used for internal collaboration, where internal news and information are shared, project collaboration takes place and resources are shared by employee teams. Opinions, ideas and concerns are expressed, and the organisation believes that boundaries created by organisational silos are challenged.

SAP's use of internal consultation is discussed by Chatterjee (2015). He describes how a cloud-based portal, SAP Jam, enables employees to collaborate on a range of topics that focus on SAP products. The portal is used for departmental collaboration and is available on employees' mobile devices.

2.5 Customer Engagement

2.5.1 Social Media Application

Customer engagement exploits the long-term value of customers. It is based on the idea that focusing efforts on an immediate sale may not be the best way to create an ongoing sales relationship with the customer. Rather, engagement over time may create a stronger relationship with greater organisational benefits. For most businesses today, creating this ongoing relationship, in which multiple sales are made, is part of their business strategy.

The Marketing Science Institute (MSI), which supports research in marketing and customer engagement, defines customer engagement as "Customers' behavioural manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers". Thus customer engagement is not how customers feel about the brand but rather it is about what they do, or how they act (customer behavioural manifestations), not limited to the immediate purchasing process (beyond purchase), as a result of the benefits they expect to receive in return (motivational drivers).

Customer engagement recognises that buyers' actions related to the organisation are important that they will influence business performance. For example, customers who are loyal to a brand may advocate for the brand within their network. "Word of mouth" (telling other people) is a well-known benefit of customer engagement, and one used well before the onset of social media. It is possible to influence customer engagement with effective social media management. Customer behaviour has changed significantly in the past decade. Traditional advertising is less effective, organisations find it harder to control their messages, consumers have a stronger voice and presence in the market and the Internet has led to greater competition and weaker brand loyalty.

However, more opportunities exist today to create positive engagement activities using social media than have existed in the past. Using social media for customer

engagement allows organisations to communicate with customers inside the market, enabling the organisations to participate in and influence the conversation around their brand. Effective customer engagement strengthens brand loyalty and influences the actions of consumers in their marketplace discussions and purchasing behaviour.

2.5.2 Examples from the Archive

The use of social media for customer engagement by Frank and Oak is discussed by Landry (2015). Frank and Oak are a Montreal-based menswear brand that is popular with those aged 20–35. In a novel campaign, they encouraged customers to vote on the location of new pop-up stores. Then, the most popular selections became the locations of actual stores. Their campaign generated 500,000 viewers, 2200 new followers and 15,000 participants in the store location selection process.

Customer engagement is valuable in establishing a continuing relationship between organisations and their clients or customers. Vaishnav (2015) discusses the value of the data that will be generated by this engagement and how organisations can use that data to improve their organisational performance. Julie's case study of the social media activity at Oracle will be useful for other organisations.

Starbucks are known for their customer engagement activity, and there are numerous examples of their campaigns on the SMBP website. Marquis (2016) argues that they have created an extraordinary customer experience with their My Starbucks Idea website. The site receives product ideas from customers, and customers share, discuss and vote for their favourite products.

2.6 Product Development and Design

2.6.1 Social Media Application

The Product Development and Management Association defines product development as “The overall process of strategy, organization, concept generation, product and marketing plan creation and evaluation, and commercialization of a new product” (Kahn, 2013, p. 462).

Social media is impacting product development in each of the areas described above through the following factors:

- Product development speed is impacted by the ease of connectivity between organisations and consumers. Identifying potential customers and engaging with them is easier and faster than it ever has been before, which can dramatically accelerate the product development process.

- The cost of product development can also be significantly reduced through the use of social media. In the past, physical surveys (e.g. through phone calls or focus groups) were time-consuming and expensive. Online survey tools and conference technology make surveying customers much cheaper. Social media also enables more effective group working, both internally and with external partners, which can improve the collaboration needed to develop designs and create products or services.
- The quality of products, based on knowledge of customer requirements, can also be improved. Knowledge of customer requirements can come from online customer engagement, and it is increasingly benefitting from social media data analysis. Organisations hold large volumes of social media data internally, based on their own social media activity, and can also obtain data from other organisations, including social media providers such as Facebook, Google, Twitter, etc. Analysing these data allows products to be based on more intensive market research than was possible before.
- Product introductions can also be better managed with social media. Social media data analysis can assist the design of marketing campaigns to better identify target markets and craft messages that will appeal to them. It can also provide rapid feedback on market response, allow marketing messages to be changed where needed and minimise the brand impact of a negative new product perception.

Social media is having a profound impact on product development and design, and it offers the potential to significantly improve organisational performance across the range of product development performance factors.

2.6.2 Examples from the Archive

Pearson's (2015) case study looks at NASA's use of crowdsourcing to generate ideas for their work, such as designs for a 3-D printable container that could be used in zero gravity for astronauts at the International Space Station. NASA have created a concept that they call SOLVE which uses their website, Facebook and Twitter to challenge academics, enthusiasts and the scientific community to suggest ideas that they feel will be useful. SOLVE provides ideas for NASA and also creates a continuing relationship with NASA's target supporter community.

Dell's use of social media listening and how it drives their product development is described by Capling (2015). Dell's Social Media Listening and Command Centre is used to undertake their social media listening activity which has influenced almost 500 products so far. These have included the backlit keyboard, rack mounted blade workstations and the option to include Linux in their software pre-installation.

Diesbourg (2015) describes how Banana Republic developed their Vision Critical community of 50,000 customers who provide feedback about products, stores and marketing. Questionnaires are sent to the community on a monthly basis, and the information gathered is then incorporated in Banana Republic's marketing campaigns and product offerings.

2.7 Supply Chain Management

2.7.1 *Social Media Application*

Supply chains are all of the organisations, people and processes involved in the sourcing, creation, distribution and consumption of a product or service. Supply chain management (SCM) is the effective design, operation and improvement of this network of organisations and people that can exist on a global basis.

Social media can be used in many aspects of the supply chain. The main areas are in data mining (gathering data that can be used for better supply chain planning and control), data sharing (sharing internal supply chain data amongst supply chain partners to enable better decision-making and improvements activity) and supply chain collaboration (enabling supply chain partners to work together more effectively).

Data mining is the process of accessing and analysing usually large volumes of data. Social media has created high volumes of data on customers and also on matters related to your supply chain. Early knowledge of customer product or service perceptions can allow you to address issues or take advantage of opportunities more quickly. Knowledge of potential supply disruptions due to global political, environmental or economic events can be gained earlier and enable responses to be better planned and more effective.

Data sharing between supply chain partners is now easier than it has ever been. Organisational information systems often collect extensive amounts of data that can be used throughout the supply chain. For example, sharing of inventory data can improve scheduling of downstream operations and enable better coordination of transportation and distribution.

Collaboration using social communication technologies enables members of the supply chain to work better together, coordinating their operational activities and making improvements. This collaboration can involve people at all levels of the organisations involved. Organisational leaders can work together at a strategic level, while employees at lower levels can coordinate their efforts to achieve supply chain performance goals.

2.7.2 *Examples from the Archive*

Lau (2016) discusses Ikea's use of social media in their supply chain. Ikea is known for their supply chain management—it is widely seen as having been a critical factor in their international success in the furniture and homeware market. Ikea's Listening Hub is focussed on listening to customers who are talking about Ikea online and using this intelligence to guide their supply chain activity. It provides valuable information on future trends in product demand and so enables Ikea to better plan production and delivery schedules.

Taylor (2015) describes the use of social media in Dairy Queen's supply chain. This ice cream vendor with locations across North America uses social media to integrate sales and marketing activities with their supply chain management. Alignment of sales and marketing information with the supply of product to their stores is undertaken using two systems (Instill and ITrade). This system connects suppliers with franchisees, suppliers and their head office. Their system is mobile enabled to allow users to access information and communicate with others via their smartphone.

General Electric use social media extensively in their manufacturing supply chain as described by Montpetit (2015). Helene describes a number of GE initiatives, including GE Colab which links together GE's 115,000 employees.

2.8 Metrics for Enterprise-Wide Social Media

2.8.1 *Social Media Application*

Organisations use performance measurement to understand how their organisation is performing and to provide information that will guide activity in order to improve it. These measures should be related to the overall goals and objectives of the organisation. For example, a car company may have a target of producing a high-quality car and so wish to measure the number of defects that are found when the customer receives their new car. This would then inform efforts to reduce these. Often, organisations will have many measures that will be used in many parts of the organisation which are aligned with the overall organisational objectives.

As we consider the metrics that will be used in social media activities in organisations, it will be important to apply these metrics in ways that will best guide the progress towards organisational goals. That means that there will be a need to carefully consider the metrics that will measure the social media usage in each area.

The starting point for all metrics is the goals of the organisation. The metrics that are identified for each area of the organisation stem from these goals. Social media metrics should be carefully aligned with the organisational goals, driving social media behaviour that will contribute to these goals' achievement.

Most of the work that has been done on social media metrics is focussed on their use in pursuit of an organisation's marketing goals as that has been the most popular area for social media usage. The term "vanity metrics" is used to refer to metrics that are not useful—that do not aid decisions on what should be done in the future—and many metrics used in organisations today can be described as vanity metrics.

In an enterprise-wide social media strategy, there should be a link between the business objectives and the organisational metrics that are used for improving organisational performance. The social media tactics should be designed to support these business objectives, and social media metrics should assist with the management of the social media tactics. Over time the social media tactics can be tracked and reviewed alongside the organisational metrics to better understand the relation-

ship between them. Once this link is understood, greater confidence can be put in the influence that the social media metrics indicate that the social media tactics are having on business objectives.

In addition to understanding the impact that social media is having internally, social media metrics can also include tracking of social media activity externally. For example, supply chain activity may be intended to get an organisation's product to market more quickly and at a lower cost, but what is the impact in terms of how customers now perceive the product? Has the increased speed been recognised by the customer as something that they value, which is creating a higher level of customer engagement and resulting in increased sales? There are a number of tools which allow organisations to track the impact of their social media activity and more are appearing all of the time.

2.8.2 Examples from the Archive

Lupton (2015) discusses Tripcentral's use of social media performance measurement in their customer engagement activity. Tripcentral is a travel company located in Southern Ontario, and their social media activity is designed to encourage customers to blog about their holidays on the Tripcentral blog. Metrics analysing the new traffic that the blog posts bring to the site as well as the new engagements with customers that result are used to assess the impact that this activity is having on the business.

Motorola's use of social media metrics is the subject of Gardiner's (2015b) case study. She describes how social media is used by Motorola to improve performance in their supply chain which they say has reduced sourcing lead time by 40 %, release of orders to customers by 67 %, time to market by 35 % and reduced the company's supply chain carbon footprint by 60 %.

British retailer Marks and Spencer uses social media extensively in their employee involvement. Cress (2015) reports that metrics have been used to monitor the success of this activity and that in February of 2015, it was reported that there were now 15,000 people using their internal social media network, who had posted 63,000 messages, and had generated 112,000 likes and uploaded 18,000 pictures.

2.9 Strategy Formulation and Integration

Applying social media on an enterprise-wide basis requires careful planning to ensure that it is aligned with overall organisational objectives. It is important that the activities that are undertaken in each organisational area are aligned with each other and designed to contribute to organisational goals. A careful planning process is necessary to develop this.

The starting point for planning of social media strategy is the organisational goals. These enable organisational social media objectives for each organisational area to

be established—goals that are based on an understanding of how social media can contribute to organisational performance. Once these goals are established, social media tactics can be determined which contribute to the achievement of the goals. Finally, metrics can be identified which monitor progress (as described above).

The planning process should involve people throughout the organisation. The value of this involvement was introduced in this article, and social media will facilitate this involvement—it will enable plans to be shared throughout the organisation and comment to be made from everyone. Managers should remain responsible for development of plans and their implementation and accountable to organisational leaders for their delivery.

2.10 Conclusion

This chapter has discussed the impact that social media can have on whole enterprise performance. It has been supported by examples from the Social Media for Business Performance archive that provides publically accessible case studies on how organisations are using social media in many aspects of their work and achieving substantial performance benefits.

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