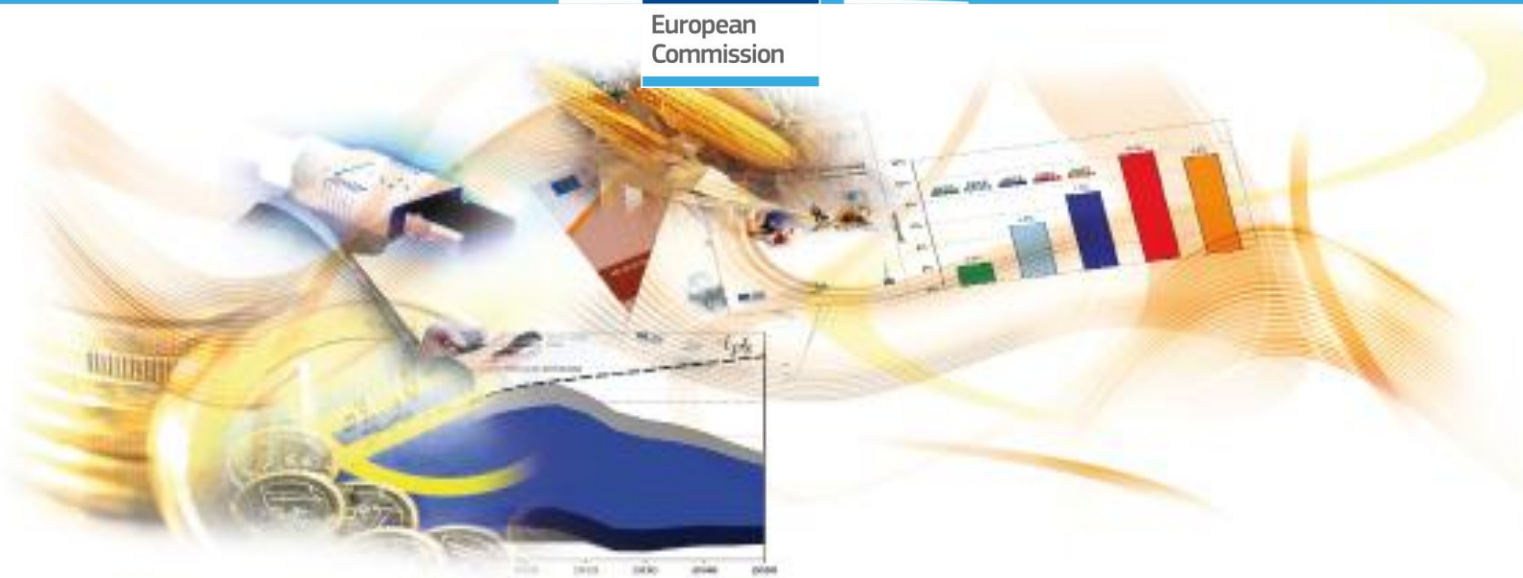




European
Commission



J R C T E C H N I C A L R E P O R T S

Assessing the Benefits of Social Networks for Organizations

Report on the first phase of the
SEA-SoNS Project

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Table of Contents

Executive Summary	3
Appendix A: Background Document for the Scoping Workshop on assessing the Benefits of Social Networking and Social Media Technologies for European Organisations	5
A.1 Introduction.....	5
A.2 Policy and research background.....	5
A.3 Technologies, platforms and European users.....	6
A.4 Adoption and use of social networking and social media technologies by organizations.....	8
A.4.1 Public sector organizations: How different are they?.....	9
A.5 Potential benefits of Enterprise 2.0.....	10
A.6 Challenges and risks.....	11
Appendix B: List of Social Media Companies and Participating Stakeholders	13
B.1 Scoping workshop attendees:	13
B.2 Interviewees:	13
B.3 Stakeholders animated online:	13
Appendix C: Minutes of the Scoping Workshop on assessing the Benefits of Social Networking and Social Media Technologies for European Organisations	15
C.1 Scope and objectives of the SEA-SoNS project:.....	15
C.2 Evidence of organizations' use of social networking and social media platforms:.....	16
C2.1 Benefits, challenges and motivations.....	16
C2.2 Innovation, data and open government	17
C.3 On the 'animator' and how best to grow the community	17
C.4 Follow-up actions	18
Appendix D: SEA-SoNS Stakeholder Interviews	19
D.1 Round 1:	19
D.2 Technology and business models.....	19
D.3 Benefits.....	20
D.4 Barriers.....	20
D.5 Best practices.....	21
D.6 Policy	22
D.7 Round 2:.....	22
D.7.1 Media Strategy Consultancy	22
D.7.2 Design Firm.....	23
D.7.3 Coffee company.....	23
D.7.4 Sports Clothing Manufacturer	24

Appendix E: Benefits	26
E.1 Benefits from Internal Use of Social Media/Social Networking.....	26
E.2 Benefits from External use of Social Media/Social Networking.....	26
E.3 Common Barriers to Internal and External Use of Social Media/Social Networking.....	27
E.4 Barriers to Internal Use of Social Media/Social Networking.....	28
E.5 Barriers to External Use of Social Media/Social Networking.....	28
E.6 Best Practices for Internal Use of Social Media/Social Networking	28
E.7 Best Practices for External Use of Social Media/Social Networking.....	29

Executive Summary

The first phase of the SEA-SoNS ("Assessing the Benefits of Social Networks on Organizations") project aimed to analyse the current market situation for a limited number of social media stakeholders, to identify and analyse best practices for these selected stakeholders, and to define and prioritise relevant policy options. It was observed that while social media technologies present several potential benefits to organisations, there are considerable challenges and bottlenecks affecting adoption that may warrant policy intervention. To accomplish the objective of developing suitable policy options, the project undertook a range of research and data collection activities, including:

- An exhaustive and critical review of the academic, business and policy literature on the organisational use of social networking tools and social media platforms, as well as regular engagement with academic experts in this area.
- A scoping workshop hosted in Brussels in March 2012, at which the IPTS engaged various stakeholders and social media experts to identify and prioritise the major opportunities and challenges for organizational adoption and deployment of social networking and social media platforms.
- Ten semi-structured interviews with both technology providers (supply side) and organisational adopters (demand side), to understand and assess their perspectives on the organisational benefits of social technologies, the attendant challenges, best practices, and the wider policy environment.
- An online 'animation' of stakeholders whereby a larger number of users and experts (n=50) were able to reflect on the main benefits and bottlenecks as regards business and public administration use of social technologies, and to feed these insights into our parallel research activities.
- A brainstorming workshop in early June 2012, held in Seville, the main objective of which was to distil and synthesize the most important benefits, challenges, best practices, and policy options that emerged from the literature review, stakeholder interviews, and online stakeholder animation.
- A presentation at the Digital Agenda Assembly (DAA) 2012 that summarised our research to date and focused mainly on policy options for Europe in the area of small and medium-sized enterprise (SME) adoption of social media technologies – and, in particular, how these technologies can help to facilitate economic growth and job creation.

This deliverable (Deliverable 1) captures the main outputs of these activities as listed in the project's Technical Specifications. The Annexes are ordered as follows:

- Annex A is the background document produced for the initial scoping workshop to begin assessing the organisational benefits of social networking and social media technologies for European organisations. It includes the results of the initial literature review. Its purpose was to provide background on these issues and a common language for constructive discussion and debate at the workshop.
- Annex B provides a list of the stakeholders that were engaged during phase 1 of this project, including the attendees of the initial scoping workshop in March 2012, the interviewees engaged throughout May 2012, and the stakeholders that participated in the online animation.
- Annex C provides the minutes from the March workshop in Brussels.
- Annex D contains extracts, summaries, and analyses of the semi-structured interviews with social media stakeholders.
- Annex E contains the lists of criteria for the benefits from internal **and** external use of social networking and social media tools, the barriers that are common across internal and

external uses as well as those that are specific to internal and external applications, and the best practices that have emerged from internal and external use of social technologies – these lists were synthesised at the July workshop in Seville.

- Summary report of the discussion resulting from the online stakeholder animation (published separately to this report and available at: <http://is.jrc.ec.europa.eu/pages/TFS/documents/ECStakeholderAnimationFinalReport.pdf>).
- IPTS PowerPoint presentation delivered at the social media workshop of the DAA in June 2012 (published separately to this report and available at: http://is.jrc.ec.europa.eu/pages/TFS/documents/DAA_2012_IPTS.pdf).

Over the course of phase 1, it became apparent that one particular area deserving of increased research and policy attention was the relative lack of adoption of social networking and social media tools by smaller organisations across Europe. SMEs are a vital part of the European economy and it is believed that their adoption and use of these tools may enable them to be more competitive by facilitating greater communication and collaboration, and to help them grow their businesses by reaching out to new markets. Yet considerable challenges face these kinds of organisation in terms of their adoption and deployment of these tools, including a relative lack of awareness, resource constraints, risks concerns, and regulatory uncertainty. Policy action may be necessary to address these challenges. We considered some of these barriers in our presentation at the DAA and offered some potential policy actions, including:

- Tapping into existing funding streams to devise programmes for SMEs to make better use of social media tools
- Creating training and support programmes in conjunction with professional organisations to promote social media use amongst SMEs
- Developing an interactive online forum for SMEs to share their ‘social’ experiences and to seek advice from other organisations
- Introducing a programme to place young, tech-savvy graduates in SMEs to help them with their social media strategies (‘Erasmus meets the R&D voucher system’)
- Providing clarity (e.g. through guidelines) regarding how existing regulations (cloud, data protection, IP, advertising standards, etc.) impact on organisational use of social media tools
- Encouraging universities to offer more web entrepreneurship curricula, including material on social media.

In phase 2, the SEA-SoNS project will expand and focus its research in the area of SME uptake and use of social technologies by surveying relevant organisations on these issues. We also aim to conduct further interviews with stakeholders from the SME social media community.

Appendix A: Background Document for the Scoping Workshop on assessing the Benefits of Social Networking and Social Media Technologies for European Organisations

A.1 Introduction

New social networking and social media technologies are widely believed to offer business and governmental organizations a powerful means to improve their communications, processes and, ultimately, performance.¹ Popular business and technology journals are especially optimistic about the positive impacts that these technologies will have on the organizations that adopt them.² But these potential benefits are not well understood, partly due to the lack of empirical research on organizations' use of the technologies and platforms that underlie social networking and social media. "It is still early days in terms of available management research on so-called 'Enterprise 2.0' experiences", say Hertogh and colleagues.³ The same could be said about policy research in this area.

The potential risks and challenges of the use of social networking and social media platforms by organizations must also be delineated and addressed. The European Commission wants to establish a better understanding of how industry and public administration are using—and may in future use—social networking and social media technologies to achieve business aims, in order to develop policy options to catalyze their adoption by European organisations. This document provides some background on these issues and a common language for constructive discussion and debate at the scoping workshop. The overall objective of the workshop is to identify and prioritize the major opportunities and challenges for organizational adoption and deployment of social networking and social media platforms.

A.2 Policy and research background

If Europe is to achieve a decade of smarter, greener and more inclusive growth, as outlined in its "Europe 2020"⁴ strategy, it will need to unleash all the potential afforded by information and communications technology (ICT). The European Union is aware of this and has included a specific action point in its flagship initiative on all matters ICT: the Digital Agenda for Europe (DAE).⁵

ICTs constitute a growing, R&D-intensive sector of the economy. But they also facilitate growth in other sectors of the economy. You do not need to be in an ICT sector to benefit from advances in such technology. ICT empowers businesses and helps them grow. While this is true for all kinds of companies, its effect is most dramatic on small and medium-sized enterprises (SMEs). ICT challenges established economies of scale by offering SMEs the opportunity to reach beyond their borders, to reach a larger audience in a more targeted way, to link across countries, to have more streamlined and effective means of production, and so forth. Without fully capturing the benefits of ICT, European SMEs stand little chance of developing and competing in the global marketplace.

In particular, the impact of the Internet on the EU's economic growth and job creation is set to increase over the next years. Above all, the web is expected to have an impact on both jobs creation and a more efficient use of resources. Eventually, the web will help bridge the whole EU society to the digital world bringing about 'digital living'. The DAE, which includes more than 100 distinct

¹ 'Business Impact of Web 2.0 Technologies', S. Andriole, Communications of the ACM, 53(12): 67-79, December 2010.

² See, for example, 'Business starts to take Web 2.0 tools seriously', J. Twentyman, Financial Times, Digital Business, 28 January 2009.

³ 'Governing Web 2.0', S. Hertogh, S. Viaene & G. Dedene, Communications of the ACM, 54(3): 124-130, March 2011.

⁴ http://ec.europa.eu/europe2020/tools/flagship-initiatives/index_en.htm

⁵ http://ec.europa.eu/information_society/digital-agenda/index_en.htm

actions⁶, calls for the Commission to reinforce the activities bringing together stakeholders around common research agendas. In particular, DAE Action 54 aims to 'work with stakeholders to develop a new generation of web-based applications and services, including for multilingual content and services, by supporting standards and open platforms and by enhancing the quality of services delivered through EU-funded programmes'. In essence, Action 54 of the DAE calls for action at the EU level to find a common ground to enable web-based companies in Europe, and in particular European SMEs offering services through social networking sites, to become leaders in their segment.

Recognizing the importance of the strategic use of social networking and social media to Europe's economy, there will be a session dedicated to these very issues at the Digital Agenda Assembly in June 2012. This session will bring together practical experiences and insights from the world of social media, and aims to establish stakeholder commitments for jobs and growth.

A.3 Technologies, platforms and European users

Web 2.0 has grown especially important over the past 5-10 years. Blogs, wikis, Really Simple Syndication (RSS), social networking sites and social media are just some of the technologies that have flourished during the popularization of the web. The Commission is particularly interested in organizations' use of social networking and social media technologies, partly because of their capacity to facilitate communication and collaboration within and across user communities, including business enterprises and public sector institutions. Social networking and social media technologies are also interesting because of their potential to provide additional value beyond traditional e-commerce activities due to their ability to enable the formation "virtual customer environments".⁷

We understand social networking technologies as applications that allow users to create profiles within a bounded system and maintain lists of other users and organizations with which they share a connection, in order to view and traverse these connections.⁸ Similarly, social media technologies are applications that facilitate communication and social interactions amongst users and organizations, and which build on the creation and exchange of user-generated content.⁹ Some argue that the value of these technologies should be judged, not just by the content they generate and gather, but by the new social connections they facilitate.¹⁰

More than being simple tools, these technologies are now being described in terms of "platforms" because they allow users and third parties to design and deploy their own applications (for example, through the use of application programming interfaces (known as APIs)). Beyond this technical understanding of platforms, one may also understand social networking and social media as platforms in the figurative sense, insofar as they provide people and organizations a foundation or basis from which to pursue further achievements.¹¹

Furthermore, the web and social media have been vital resources for the implementation and success of many social entrepreneurship ideas and applications. These ways of communication and interaction allow ideas to be shared among broader and various audiences, promote the chances of these ideas to be funded by any interested investor as well as the expansion of the stakeholders'

⁶ http://ec.europa.eu/information_society/newsroom/cf/pillar.cfm?pillar_id=43&pillar=Digital_Single_Market

⁷ 'How Large U.S. Companies Can Use Twitter and Other Social Media to Gain Business Value', M.J. Culnan, P.J. McHugh & J.I. Zubillaga, *MIS Quarterly Executive*, 9(4), December 2010.

⁸ 'Social Networking Sites: Definition, History and Scholarship', D. Boyd & N.B. Ellison, *Journal of Computer-Mediated Communication*, 13: 210-230, 2008.

⁹ 'Users of the world, unite! The challenges and opportunities of Social Media', A.M. Kaplan & M. Haenlein, *Business Horizon*, 53: 59-68, 2010.

¹⁰ 'Shattering the Myths about Enterprise 2.0', A.P. McAfee, *Harvard Business Review*: 1-6, November 2009.

¹¹ 'The Politics of 'Platforms'', T. Gillespie, *New Media & Society*, 12(3): 347-364, 2010.

network around these ideas, and even make possible the achievement of their objectives with little or no start-up capital.¹²

Europe's current position in the supply and development of social networking and social media platforms is rather weak. Although usage is almost as high in Europe as it is in the US, about two-thirds of the platforms are provided by US companies; this includes the number of firms in Europe, their share of revenues and the number of employees. The EU is also lagging behind the US when comparing innovation indicators in this area such as patents, venture capital offered and R&D expenditure. This situation is unlikely to change in the mid-term future. However, there are some niches in Europe, mainly due to cultural or linguistic differences, where European companies may become competitive. Finally, mobile social networking and social media is yet another area where the EU could establish leadership.

There are notable differences in the geographical use of social networking and social media technologies amongst EU Member States; Internet users in Germany (37%) are less likely to visit social networking sites than any of their EU neighbours, while Hungarians, Latvians, Maltese, Irish, Slovaks and Cypriots are heavy users (between 66% and 80%). The more widespread the Internet grows, the more Internet users also use social networking; however, there is also a generational split as younger people (i.e. digital natives) use the Internet less outside social networking sites in all Member States, while older people who use social networking sites are practically the same as the percentage of Internet users. This generational split may be set at 40 years of age, as the [40-54] age group tend to act more like the 55+ age group while the [25-39] age group tend to act more like the [15-24] age group.¹³ These differences have import on the effective deployment and uptake of social networking and social media by business and public sector organizations.

Discussion questions:

- When is it best to use pre-existing social networking and social media platforms (such as Facebook or Twitter) for business purposes, and under what circumstance should organizations develop and implement purpose-built technologies for communication and collaboration?
- What are the benefits and risks to European organizations of using proprietary v. more 'open source' platforms?
- How does the new technological environment in which 'smart' mobile technologies are being widely adopted change the dynamics of organizations' use of social networking and social media platforms?
- Where is the technological innovation in this space coming from?
- What incentives are in place to encourage European organizations to innovate in the areas of social networking and social media?
- How, and to what extent, do language barriers prevent wider adoption and usage the technologies? How may these be overcome?

¹² http://blogs.ec.europa.eu/digital-agenda/oi_startup-european-commission-crowd-sources-ideas-on-how-to-support-web-entrepreneurs/

¹³ 'Pan-European survey of practices, attitudes and policy preferences as regards personal identity data management', W. Lusoli, M. Bacigalupo, F. Lupiañez, N. Andrade, S. Monteleone & I. Maghiros, European Commission, Joint Research Centre, Institute for Prospective Technological Studies, 2012 (forthcoming).

A.4 Adoption and use of social networking and social media technologies by organizations

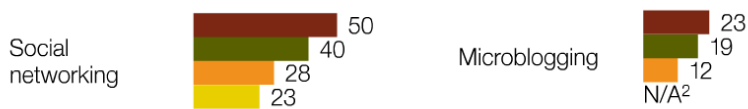
A recent McKinsey study surveyed organizations¹⁴ on how they use "social tools and technologies", which include social networking and social media technologies.¹⁵ The survey showed that business use of these platforms has increased steadily since 2008 (when McKinsey first started quizzing companies on these issues). Likewise, business use of "microblogging" tools (such as Twitter, the popular social media platform) has increased.¹⁶ Figure 1 depicts these rising adoption rates amongst those organizations surveyed, with over 50% of respondents now using social networking technologies in some fashion.

Figure 1:

% of respondents¹ whose companies use each technology

■ 2011, n = 4,261
 ■ 2010, n = 3,249
 ■ 2009, n = 1,695
 ■ 2008, n = 1,988

Social tools and technologies currently used by companies



¹ Respondents who answered "don't know" are not shown.

² Microblogging was not offered as a technology in the 2008 survey.

Another study (published in December 2010) noted that, on average, each of the Fortune 500 companies has adopted more than one social media platform.¹⁷ This figure is likely to have increased since the research was published.

Beyond figures on adoption, the McKinsey survey also explored *how* companies are using these technologies. The survey found that, while the uses of social networking technologies vary fairly widely, they are mostly applied in externally focused processes such as gathering market intelligence and supporting marketing efforts. Internal use of these technologies appears to be less common among those companies surveyed.

¹⁴ Including technology and telecommunications companies; business, legal, and professional service providers; public administration bodies; pharmaceutical companies; retailers; transportation companies; health care and social service providers; manufacturers; financial service providers; and energy companies.

¹⁵ The study does not specify the geographical whereabouts of these organizations, but it is safe to assume that some of them have a European presence.

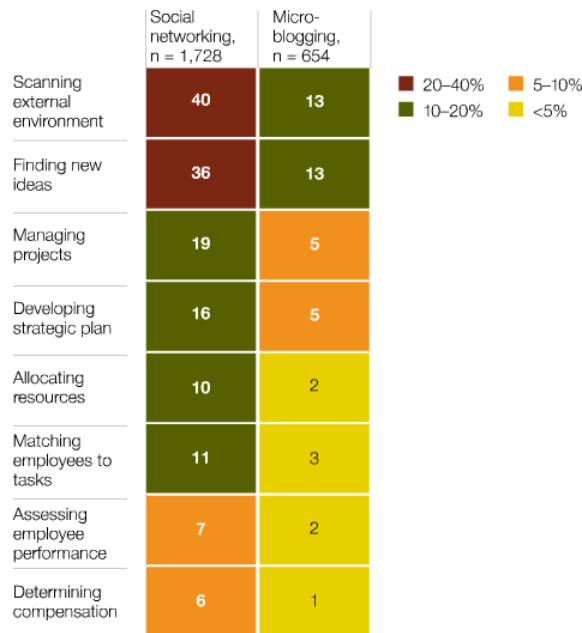
¹⁶ 'How social technologies are extending the organization', J. Bughin, A.H. Byers & M. Chui, McKinsey Quarterly, November 2011.

¹⁷ 'How Large U.S. Companies Can Use Twitter and Other Social Media to Gain Business Value', M.J. Culnan, P.J. McHugh & J.I. Zubillaga, MIS Quarterly Executive, 9(4), December 2010.

Figure 2:

% of respondents¹ whose companies use at least 1 social technology in given process

How companies are using social technologies



Discussion questions:

- What are the best ways to measure adoption and use of these platforms?
- What are the best sources of data and how accessible are they?
- Who should monitor these developments?
- Is there consensus on assessment criteria?

A.4.1 Public sector organizations: How different are they?

An area in which the potential of social networking and social media technologies is deemed very high is that of online public services. Although over the last decade, EU governments have invested heavily in ICT-enabled public services and despite the emergence of a multitude of social networking and social media services, the take-up has been relatively low and the anticipated transformation of the administration not as extensive as predicted.¹⁸ Thus the relevance of social networking use in addressing emerging challenges in new models of governance, participatory mechanisms and on issues related to public service delivery is increasing.¹⁹ In addition, policies for social inclusion recognize the importance of SNS in promoting skills acquisition, finding jobs, social mobility, social innovation and fighting poverty.²⁰

¹⁸ 'Web 2.0 in Government: Why and How? D. Osimo: EUR 23358 EN, 2008.

¹⁹ 'The potential disruptive impact of Internet2 based technologies', C. Pascu, D. Osimo, M. Ulbrich, G. Turlea & J.C. Burgelman, First Monday 12(3), 2007.

²⁰ 'The socio-economic impact of social computing: Proceedings of a validation and policy options workshop', Y. Punie (Editor): EUR 23531 EN, 2008.

Discussion questions:

- What are the *most important* business uses of social networking and social media platforms?
- How does the adoption and use of these platforms differ between the private and public sectors?
- What public sector transactions would benefit most from the implementation of social networking and social media?
- What differences exist across industries (e.g. manufacturing versus consumer goods)?
- Are new market entrants more likely to pursue social networking and social media platforms (if so, why?), or are well-entrenched companies now equally likely to leverage social technologies?

A.5 Potential benefits of Enterprise 2.0

Business use of web 2.0 technologies such as social networking and social media is sometimes referred to as "Enterprise 2.0",²¹ defined as an organization's use of 'emergent social software platforms' to pursue its goals.²² A review of the literature on organizational uptake and use of these platforms yields a number of potential benefits, which may be broadly classified in terms of a) employee uses of the technologies, b) customer engagement activities, and c) external partner activities.

Benefits to **employees** (i.e. internal operations):

- Speedier access to organizational knowledge (i.e. improved knowledge management)
- Speedier access to internal expertise
- Greater collaboration opportunities – Enterprise 2.0 may deliver value by helping close colleagues work better, but some argue that the platforms should instead be configured and governed so that greater interpersonal ties can be nurtured with *co-workers with whom employees are not already collaborating*
- Reduced internal communication costs
- Improved training processes
- Improved recruitment of new employees.

Benefits in terms of **customer** engagement (i.e. customer relationship management):

- More effective branding,²³ stronger brand loyalty,²⁴ and improved marketing, including stronger customer dialog,²⁵
- Ability to mine and analyze customer data more effectively,
- Ability to personalize marketing activities based on customer interests,
- Improved customer service and support,
- Better product development (as social networking and social media platforms can encourage customers to submit and vote on new product ideas),

²¹ 'Enterprise 2.0: The Dawn of Emergent Collaboration', A.P. McAfee, MIT Sloan Management Review, 47(3): 21-28, Spring 2006.

²² 'Shattering the Myths about Enterprise 2.0', A.P. McAfee, Harvard Business Review: 1-6, November 2009.

²³ 'The One Thing You Must Get Right When Building a Brand', P. Barwise & S. Meehan, Harvard Business Review: 80-84, December 2010.

²⁴ 'The Value of a Facebook Fan: An Empirical Review', Syncapse, 2010.

²⁵ 'Social Media and Customer Dialog Management at Starbucks', J. Gallaughier & S. Ransbotham, MIS Quarterly Executive, 9(4): 197-212, December 2010.

- Increased customer satisfaction,
- Reduced marketing costs.

Benefits to **external partners** (including suppliers and other business partners):

- Speedier access to external knowledge and improved information sharing,
- Reduced external communication costs,
- Improved collaboration and innovation opportunities,
- Exploiting new marketing opportunities.

Importantly, the value of enterprise use of social networking is determined—not by the platforms themselves—but by *how* they are harnessed to create value for the organization.²⁶ Therefore, one outstanding issue involves identifying the circumstances under which business and public administration organizations are able to adopt social networking and social media platforms to improve internal and external communications, processes, and organizational performance. Another issue relates to how we measure the benefits of these platforms. Should benefits be calculated strictly in monetary terms, or should organizations use them to develop intangible assets such as human, organizational, and information capital, which isn't easily measured?

Discussion questions:

- In what circumstances can the benefits outlined above be achieved?
- Are certain kinds of benefit (e.g. internal, external or CRM-related) more easily attainable than others?
- What are the best metrics for calculating the organizational benefits of social networking and social media platforms?
- What is the real value of the perceived benefits of social networking and social media technologies if, ultimately, they are universally adopted by organizations within a market sector?

A.6 Challenges and risks

Despite the promising potential benefits to organizations using social networking and social media technology, there are considerable challenges and risks that must be addressed. Some of those identified in the literature are:

- Organizations (especially public administration bodies) are very often structured hierarchically. Social networking and social media platforms may clash with these organizational structures.
- There may also be clashes between new social technologies and the norms of behaviour and levels of accountability and control that pre-exist the technology's introduction.
- Once a decision to adopt a new social networking or social media technology has been made, organizations must address the governance issues that accompany the platforms: who is allowed to participate, what are the usage rules, what new company policies need to be developed, etc.?

²⁶ Harnessing the Power of the Crowds with Corporate Social Networking' How IBM does it', A. Majchrzak, L. Cherbakov, & B. Ives, MIS Quarterly Executive, 8(2): 103-198, June 2009.

- There are continued fears that employees in organizations that choose to adopt the technologies will become distracted by social networking and social media, and as a result be less productive at work.
- Employers may be worried about their employees posting hateful, inappropriate or critical material on a public-facing social network.
- There are outstanding concerns regarding the loss of commercially sensitive and private data on these systems, as well as data ownership (in the case of companies using platforms that are owned by third-parties, which are very often not based in Europe).
- A passive rollout strategy is risky;²⁷ organizations could consider introducing explicit recognition programs to incentivize employee use of the platforms. Organizational leaders could demonstrate the importance of these platforms by choosing to use the systems themselves.²⁸
- Companies might want to adopt the latest platform just because it's fashionable to do so – yet such an approach doesn't ensure a smart implementation.

Discussion questions:

- Are the risks to organizational adoption and use of social networking and social media technologies mostly theoretical?²⁹
- Are there certain types of industry or organization that are especially prone to risk in terms of the adoption and use of these technologies?
- Which of the risks associated with social networking and social media platforms could be addressed through EU policy?

²⁷ 'Shattering the Myths about Enterprise 2.0', A.P. McAfee, Harvard Business Review: 1-6, November 2009.

²⁸ Cf. 'Best Buy's CEO on Learning to Love Social Media', B.J. Dunn, Harvard Business Review: 43-48, December 2010.

²⁹ As McAfee argues in 'Shattering the Myths about Enterprise 2.0'

Appendix B: List of Social Media Companies and Participating Stakeholders³⁰

B.1 Scoping workshop attendees:

- Managers from various consulting companies
- Vice president of a measurement company
- Researchers from various European universities and research centres
- CEO of a media production
- CEO of a software company

B.2 Interviewees:

- Representatives from enterprise social software technology providers
- The Deputy Director of Digital Engagement at Government Digital Services
- A Marketing Manager of a media strategy consultancy,
- A Web Development Manager of a design firm,
- The Loyalty and Web Sales Manager of an Italian coffee company,
- The Head of Collaboration and Knowledge Management at a sports clothing manufacturer.

B.3 Stakeholders animated online:

Most active stakeholders included:

- A director of an oil and gas company
- A project leader of a consulting company
- A senior telecom executive,
- A consultant of a financial services company Executives of high tech vendors
- Senior executives of SMEs in the sector of digital services
- Executives from public administration and firms offering services to public administrations

³⁰ Note that some of these stakeholders and experts have participated in more than one activity (e.g., attendees from the scoping workshop were invited to join the online stakeholder animation)

Appendix C: Minutes of the Scoping Workshop on assessing the Benefits of Social Networking and Social Media Technologies for European Organisations

JRC/J03 and DG INFSO/D2 organized a workshop in Brussels on March 20, 2012, in the framework of the SEA-SoNS (Socio-Economic Assessment of the Benefits of Social Networks for Organizations) project. The overall aim of the meeting was to identify and prioritize the potential benefits and challenges facing European organizations that may want to adopt and use social networking (SN) tools and social media (SM), and to plan the next phases of the research. The meeting was attended by external experts on organizational use of these technologies, including technology companies (software, content and infrastructure providers), consultants and researchers, as well as several representatives from DG INFSO.

This document summarizes the main outcomes and feedback from the event. It is structured around 3 major areas of discussion: expert feedback on the scope and objectives of the project; evidence of and insights regarding the adoption and use of platforms; and how best to grow the community in conjunction with the 'animator'.

C.1 Scope and objectives of the SEA-SoNS project:

The workshop participants confirmed the value of the research project and the need to identify and prioritize the potential and actual benefits and challenges of the organizational use of SN and SM technologies. (There was debate about whether SN and SM are too dissimilar to treat together, but it was agreed that there is some convergence and that social networking tools are incorporating many SM elements. However, the research project may want to separate and handle these differently.)

The group noted a lack of research and scientific evidence about the topic and agreed that policy-makers need access to sound data if they are to formulate sound policies. In particular, the level of penetration of these technologies, especially across SMEs, is not very well-understood. Likewise, indicators for measuring the use of SM by organizations are hard to come by and require development. Cost-benefit studies are also lacking.

One participant noted that measuring adoption is not simply about calculating the number of clicks, page views or conversations on a site or platform. It is about analyzing the business value that SN and SM technologies create. For example, if only 20% of employees are using a platform but it generates 45% of operational efficiencies in a certain domain, then that is far more useful than having 80% adoption and no tangible value at all.

Several attendees stressed that the scope of the research itself is quite wide and that the project ought to focus on certain strategic areas, such as SME use of SN and SM platforms, or perhaps public sector uptake and use. Other initiatives funded by the Commission are targeting ways of stimulating an environment for entrepreneurs and start-ups, which is a top policy priority. As a result, the SEA-SoNS project could focus on other issues. Others observed that the project's focus on organizational issues meant that it would likely ignore individual citizen or consumer perspectives.

It was also noted that, considering the nature of the topic under study and the fast pace with which online media technologies are evolving, there is a risk that the data gleaned from the research will be out of date before the study ends (in 1½ years' time). It was suggested that JRC-IPTS release the results sooner, perhaps incrementally.

C.2 Evidence of organizations' use of social networking and social media platforms:

There were extensive discussions about how various types of organization and industry are using new media technologies, including SN and SM, to achieve their business objectives. The attendant risks and challenges were also widely discussed. During these conversations there was an important distinction made between internal use of the platforms versus external use of SN and SM. One participant noted that organizations need to be 'social inside' before they are 'social outside'.

C2.1 Benefits, challenges and motivations

Experts stressed that among the potential organizational benefits of using SN and SM are: creating new efficiencies within the enterprise, focusing more on people (both customers and citizens), speeding up innovation (i.e., 'open innovation') as well as creating new services that did not previously exist, improving services and products, and delivering better and more efficient public services (in the case of government use of the technologies). The challenges include capturing and demonstrating—in a repeatable and formal way—the value of these technologies, a fragmented technology market, the dominance of non-European products and platforms, and choosing between proprietary and more 'open' technologies. For example, the presentation by Nielsen illustrated the overwhelming popularity of Facebook relative to 'European' SN and SM services.

There were several conversations about the motivations and reasons for organizations to invest in the technologies. It was noted that companies need to understand the marketplace before taking any decisions. Any plan to use a SN or SM technology ought to address a real business or societal problem and not be pursued just because it's fashionable. Participants discussed the extent to which organizational use of SN and SM technologies is simply about enhancing advertising and marketing (this speaks to the important distinction between internal and external applications of the technology, and whether the technologies can be used to achieve organizational efficiencies). There appeared to be agreement that these technologies have a clear role to play in better understanding customer preferences.

A contribution from the CEO of an enterprise social software provider described three examples of effective organizational use of social networking. One case is a France-based social networking site (sponsored by Dell) that helps underprivileged youth find internships by bringing companies together with these young people. The second is an initiative (also French) that brings unemployed people together with citizens who are willing and able to mentor them, in order to help them get back into the job market. The third example is a social networking platform initiated by freelance journalists to help them sell ideas for stories, particularly from disaster areas where news agencies may not have an established presence. The examples resonated with the participants particularly because they were community-based initiatives that had gained support from large companies.

There was a discussion concerning when organizations should leverage a pre-existing platform and when it is best to purpose-build. One participant noted that cost and scale will be the main drivers. Small organisations often cannot afford to custom build their own solutions; conversely, large corporations (e.g., 65,000+ people) at some point need to decide whether to pay millions in annual licensing fees or spend a smaller sum to build their own system to their own specifications, while owning the intellectual property and not paying annual license fees. Regarding adoption and use by smaller organizations, some participants argued that SMEs will only use tools that are free. Convincing them to pay for platforms is difficult. Some believed that SMEs are naturally risk-averse and would therefore require incentives to invest in tailored platforms unless they presented clear and obvious benefits to the organization, or if they were provided with financial support to leverage SN and SM tools. The group agreed that there needs to be further research on the effort that is required to setup and use these platforms.

Organizational challenges to adoption and effective use were a recurring theme. One contributor noted the difficulties that organizations face within the 'bring your own device' work culture in which employees want to use their own mobile phones and related technologies in the workplace.

Among other challenges, there are considerable identity management issues at play. Others noted the implications for work practices when (already busy and overworked) employees are encouraged (if not required) to use new SN and SM tools. Moreover, the question of where the SN/SM function resides within the organization is not trivial. Discussants noted that some organizations assign the responsibility to the IT division, whereas elsewhere it is the responsibility of Public Relations or Communications. This ownership decision will affect how the tools are used and their overall effectiveness in helping firms achieve strategic business objectives.

Other challenges included problems involved in integrating different tools that are used in the same organization, as well as data portability (meaning whether organizations are able to transfer their data from one platform to another if they decide to change technology providers). There was also a discussion on the role of the 'cloud' and whether a 'European cloud' may be necessary to help to resolve the complex regulatory issues related to data protection.

C2.2 Innovation, data and open government

The group also discussed innovation cycles. Decades ago, new IT was developed by the military, then adopted by businesses, and later on commercialized for consumer use. But this process has changed. New SN and SM technologies were first developed for consumers, and now they're being adopted and used by organizations. So, in a way, the process has reversed. One expert noted that it is important to distinguish between bottom-up versus top-down innovation. Often, employees begin using the tools on their own, without having been instructed by their superiors to do so.

Another important theme that emerged was 'data'. There were several conversations about the concepts of 'open data' and 'big data', and how organizations can benefit from these technological trends. The possibilities for organizations to exploit data are numerous, and include the release of data held by governments. There is also the data that is generated by social media apps, which offers considerable potential value to organizations. Though, as organizations adopt and use these platforms, one thing that needs to be considered is what kind of access they have to the data generated. Proprietary platforms may not offer full access and so the benefits may be limited. The participants generally agreed that economic and social value could be delivered by unlocking these data for the public good.

A final topic of conversation was government use of SM and SN. Governments often lag behind with the use of new technologies, but in the US and the UK at least the government is pressing ahead. President Obama's open government initiative has impressed many experts. The current government digital service and the open data projects in the UK are another example. The exploitation of open data is an important aspect of future government decision-making and accountability. But there are risks. Noteworthy are privacy, and whether citizens should own the value of their data (data ownership issues). Moreover, government bodies may not have the relevant in-house expertise to effectively make use of SN and SM tools.

C.3 On the 'animator' and how best to grow the community

In response to our open questions about stakeholder engagement and expanding the group with the assistance of the animator, the SEA-SoNS project was encouraged to raise awareness by going where the conversations are already happening: for example, engaging the platforms already being set up for the Digital Agenda; or reaching out to chambers of commerce at the local level to identify the SMEs that are making the most innovative use of SN and SM. There were also suggestions to engage local and national decision-makers.

There were concerns that stakeholders may lose interest in the project and won't actively participate, making it important to think together with the animator on how to come up with engagement strategies for these groups. As mentioned, part of this related to the quite diverse group with diverse interests and focus areas. One member of the workshop suggested providing incentives to participants, for example by giving special visibility to the most active members (e.g., by featuring them on the Digital Agenda website).

C.4 Follow-up actions

Over the coming weeks the SEA-SoNS project will select the 'animator' based on a competitive tender and begin growing the stakeholder community. JRC-IPTS will also begin interviewing experts that were identified during the workshop, through its research so far and based on stakeholder recommendations.

Appendix D: SEA-SoNS Stakeholder Interviews

D.1 Round 1:

From 14-18 May 2012 I visited London, UK to conduct interviews with social media stakeholders for the SEA-SoNS project. These interviews were held primarily with representatives from enterprise social software technology providers

While in London, I also met with the Deputy Director of Digital Engagement at Government Digital Services—a team within the Cabinet Office tasked with transforming government digital services.

This document summarizes the important discussions and major findings from these interviews. These notes are structured around 5 major dimensions of the research project: technology and business models, benefits, barriers, best practices and policy considerations.

D.2 Technology and business models

As the majority of my interviews were with companies that provide social software solutions, there was considerable discussion about the technologies and business models underlying social software provision.

Social software varies widely in terms of its functionality and intended applications. Providers were keen to note the importance differences between social tools for improved inter- and/or intra-organisational communication and those for collaboration and innovation management. They also distinguished between 'applications' and 'platforms'. Some were keen to point out that not all social software is 'really social'. Microsoft's SharePoint, for example, is often criticised in these terms.

One interviewee described social media tools as B2C applications, whereas enterprise social networking tools were said to be of a different kind, supporting organisational communication, knowledge sharing and collaboration. One interviewee put it another way: E-mail and social media are about communication. Collaboration tools are about achieving 'outputs' in the form of documents, products, etc.

Providers explained that more and more organisations are considering the need for a 'social strategy'. 'Social' is quickly becoming the norm and, increasingly, it is mobile. The tools are being integrated into work processes in such a way that they will soon no longer be viewed as separate. Social software "shouldn't be something you have to log into". An interviewee called this 'contextual collaboration'.

More than one interviewee claimed that the intranet/extranet distinction has become a dead concept.

The business models underlying social software provision are also different: Yammer is a '*freemium*' model. It is free to use and organisations may opt to pay for support services and some extra bells and whistles (i.e. additional functionality). These different business models have important implications on adoption.

The tools that are doing best on the market (such as Yammer) 'look and feel' like Facebook. There's an intuitive logic to how people interact with the interface. This is a double-edge sword. While it eases user adoption and use, it also lends itself to negative interpretations about social software being a distraction and potentially a time-waster.

The future of social software is in the cloud as a software-as-a-service model. That was made very clear to me. It's cheaper, easier for organisations to maintain and more flexible. From a technology provider perspective, cloud-based software benefits from the ability to learn from user interactions with software (unlike older software models). But it brings with it challenges for organisations (reviewed below).

Many interviewees said that enterprise social software will unlikely replace e-mail entirely, but the aim is to integrate e-mail and social tools better so as to reduce the number of communication channels that employees rely on.

D.3 Benefits

Most of the interviewees reiterated the potential benefits of enterprise social software that we identified in the literature review. These include sharing information (communication), removing communication barriers, enabling new kinds of conversation ('surfacing' certain aspects of the business, as one interview put it), finding expertise, increasing the reach of the organisation, and enhancing existing processes.

Social software is also extensible to outside the organisation, allowing partners, suppliers, alumni and others to be a part of an 'extended' organisation.

I appreciated this comment from one of the interviewees: Social software usually isn't mission critical but it can help productivity.

One interviewee noted that networking is a natural activity for humans but over time organisations have become bureaucratically structured. Social networking technologies thus help to "re-humanize" the enterprise.

The demand for many of these tools is coming from the workforce itself – people want to use social tools and organisations need to confront this reality.

One of the interviewees says the most impressive uses of social software are coming from the professional service industries, which are often about producing and sharing intellectual capital.

The Deputy Director of Digital Engagement at Government Digital Services said that the benefits for the public sector use of social media include greater transparency in government, improved accountability, 'cognitive outsourcing', and connecting with experts and what she called the '*goverati*' – that is, people with first-hand knowledge of how the government operates, who understand how to use social software to accomplish a variety of government missions, and who want to use that knowledge for the benefit of all.

D.4 Barriers

Interviewees identified the following barriers to organisational adoption and use of social software tools:

- Lack of awareness among businesses regarding why and how the technologies are used; lack of understanding of the tools and what they're good for.
- Negative preconceptions about 'social tools (e.g. that they're mostly about procrastination) – apparently this is still a big problem in France and Germany. This is especially the case for tools that look and feel like popular consumer-brand services (like Facebook).
- Conservative organisational cultures, along with national cultures.
- One interviewee noted that organisational hierarchies are also a barrier. That middle management is used to serving as an institutional gatekeeper and may feel threatened by tools that 'flatten' the organisation. But he pointed out that it is a fight that they will ultimately lose, especially as digital natives begin entering organisations with expectations of using the technologies.
- A recurring point was that if an organisation doesn't give social software a use, then it won't be used – it needs to be tied to an organisation's business aims and goals. It needs a purpose.
- Another problem is the lack of interoperability across different applications and platforms. Open APIs help to solve part of this problem, but open standards are likely needed in the long-term. Most platforms don't provide public-facing APIs. More open standardisation is not a trivial issue, as it requires cooperation amongst otherwise competing providers.

- The interviewee from the UK government made a very interesting point about organisations needing to recognise "when risk is risk". Her point was that many organisations (including government agencies) are unnecessarily risk adverse and that this needs to change.
- Although SMEs are "inherently more social", the major barrier to adoption is likely price. One interviewee said that to resolve the problem of low SME adoption of social software, he wouldn't offer a different technology. Instead he'd adjust the pricing model or, perhaps, offer a broader, generic package with more functionality that fits different SMEs' needs.
- It was explained that while to date the focus has been on enterprises, it isn't the case that the tools don't fit SMEs. Value can be derived in different ways. For example, small companies can reduce duplication of effort if they communicate with one another using social tools – especially highly mobile team, like small consultancies. One interviewee sees the SME market as the next big opportunity.
- It was also noted that there may be a perception problem amongst SMEs ("we're too small for these tools"), but this may be misguided.
- There was general agreement that the public and private sectors really aren't that different in terms of their adoption of internal-facing communication and collaboration tools. In fact, in some respects the public sector is a leading adopter of the tools in the social software community for its many public sector clients). In the UK, for example, shared services models have been adopted to reduce technology costs. Cloud-based social software provides these costs savings (minimal maintenance costs).
- Another real barrier to adoption is existing regulation – that is, whether the sector or industry is subject to extra laws and rules regarding data security (e.g. financial services, pharmaceuticals), and thus less willing to take risks.

By far, the **cloud** was the most repeatedly mentioned barrier to the adoption of social software tools. Providers noted that organisations have (often incorrect, but perhaps not always) preconceptions of the cloud and whether it is 'legal' to use for software-as-a-service type distribution models. Potential adopters are worried about where data is stored, the data protection implications of data storage in foreign jurisdictions, confidentiality issues, and security as well (a more technical concern)

D.5 Best practices

Interviewees repeatedly stressed that organisations adopting social software tools need a business case in mind before they make any decisions about what technologies to pursue. Blind, non-strategic adoption of the technologies is a recipe for disappointment, if not failure.

Executive sponsorship and participation are also important. To encourage employees to use, and thus make the most of social tools, the C-suite within organisations must get on board by openly supporting the use of the technologies, as well as by using them themselves. This is leading by example.

An interviewee explained that successful organisational use of these tools is multi-step process. First you need to give the technology a business use ("what's in it for me"). Then an organisation must focus on getting people on the network. Mandating use hasn't worked – voluntary adoption is key. People must want to use the tools. Then it's about turning adopters into savvy users. Once that is achieved, then the goal is to think in about how to integrate the tools into more complex business processes such that they support the more challenging use cases.

Several interviewees said that geographically dispersed teams benefit most from social software tools.

As an aside, a few interviewees pointed out that, in future, digital natives will expect to be using these tools as they enter the workforce. They won't accept using Microsoft and BlackBerry technologies (as these are part of an "ancient culture").

A huge factor, and one which often goes unremarked, is which part of the organisations hosts the social software project. There's no one-size-fits-all solution to this but the experiences of providers shows that the IT department may not be the best home. ("IT wants to control not facilitate.")

One interviewee even noted that as cloud-based social software provision becomes the norm, IT departments within organisations will become less of a service provider and more of a service broker. Interestingly, banks are known to have the largest IT departments compared to other businesses. This goes some way to explaining their reluctance to use social technologies.

D.6 Policy

There was resounding consensus among technology providers that there needs to be much more regulatory certainty about the cloud in Europe. Individual Member States are saying and doing different things, which breeds confusion in the market. Interviewees believe the Commission needs to take a stronger position. One interviewee noted that any policy-making around cloud regulation would require input from the technology industry. 'Don't go at it alone.' Another said that much more needs to be done about educating decision-makers within organisations about what's permissible in terms of using the cloud for software provision and data storage, and what isn't.

It was mentioned that Commission needs to consider new, agile policy processes to deal with fast-moving technology policy issues.

The Commission, and in particular its public leaders, should be actively using these tools so that they better understand their benefits and limitations.

One interviewee mooted the idea of providing subsidies to SMEs to use these tools, or perhaps working with select providers to offer low-cost (or maybe even free) tools to smaller organisations. That said, many tools are already free (such as Yammer). This issue requires more careful consideration. What business models would best support SME adoption of social collaboration tools?

One interviewee said that the Commission could publicly recognise innovative organisational uses of these tools.

More generally, interviewees said European policy needs to support and incentivise technological innovation through tax incentives, labour law reform (they need to be able to flexibly hire and let go of people), more technology hubs and centres of expertise ("innovation zones in every European city, not just London and Berlin"), exploring how to strengthen Europe's venture capital system, and encouraging leading European universities to focus on teaching and promoting entrepreneurship.

D.7 Round 2:

From 23-25 May 2012, I visited Bergamo, Italy and Herzogenaurach, Germany to conduct a second round of interviews with social media stakeholders for the SEA-SoNS project. These interviews were held with large and small organisations that are currently implementing social media and social networking systems for both internal and external (customer-facing) purposes, or planning to do so.

The interviewees were:

- A Marketing Manager at a media strategy consultancy,
- A Web Development Manager at a design firm,
- The Loyalty and Web Sales Manager at an Italian coffee company,
- The Head of Collaboration and Knowledge Management at a sports clothing manufacturer.

This mission report summarizes the important discussions and major findings from these interviews.

D.7.1 Media Strategy Consultancy

This is a marketing strategy and consulting firm with many clients in Italy. They are currently helping these clients develop social media strategies, focusing particularly on consumer-facing tools. Their perspective on the state of adoption in Italy was interesting. They remarked that social

networking and social media are quickly becoming big issues for businesses in Italy. They think this is because Italy is a trend-obsessed country and these tools are now in fashion. Until now the organizational culture in Italy meant that companies viewed these tools as risky, so adoption has been limited. But this is changing.

A very valuable contribution to the discussion was made around policy options in this area. This company believes that one way of helping smaller business in Italy with the adoption and use of these tools is to work with the professional associations that represent different sectors and industries to promote and encourage social media strategies and to train the organisations in how to use the tools effectively.

Another interesting point was that small companies in Italy continue to struggle to develop their business internationally. So the problem of developing successful e-commerce strategies isn't unique to social media.

They also suggested that the Commission could provide some sort of best practice guidelines for the use of the tools, which address concerns about liability (in the case of someone misspeaking or misrepresenting a company) and the blurring distinction between our professional and private identities on these platforms.

D.7.2 Design Firm

This firm is an Italian design company. They are pursuing a revamped e-commerce strategy, including several social media components. The aim is to increase the reach of their e-commerce platform, to engage more people in physical shops through the use of social media, and to enlarge their brand in East Asia (specifically China and Korea).

Its representative noted that one of the problems with social media is that they present too many different potential goals for companies to pursue. This is daunting for smaller companies.

He also noted that it has traditionally been a very vertically organized company. And that it's 'difficult to be social outside unless a company is first social inside'. He remarked that this may require a new generation of younger employees at the company.

One of the most interesting parts of the conversation with this firm was about the prospect of using social media to crowdsource product design and innovation. He said that they were not ready to open up to the public in this way. This is not just a problem of expertise and knowing how to do good design, but also an issue related to understanding trends in different markets. They rely on a select group of people in different countries to inform the company about what designs will fit the local market. Sometimes they produce items that they know won't sell well because they want to experiment. But he did note that one should "never say never" regarding the crowdsourcing approach to product design.

One outstanding policy concern for companies like this relates to intellectual property (IP) and copyright issues. These companies fear that the designs will be infringed upon as social media use increases. They want to be able to use these tools in a way that protects their images and brand.

D.7.3 Coffee company

The coffee equipment manufacturer, admitted that their social networking and social media strategy was fairly underdeveloped. They have two Facebook pages, one of which was originally created by a fan of their products and has since been taken over by the company. They don't use Twitter (for reasons that the interviewee wasn't able to explain).

The reasons for firm's low adoption and use of the tools relates to a lack resources (there's no one whose job is devoted to managing its social media presence – someone within communications spends around 10% of her time monitoring the Facebook pages). Their representative also noted a lack of internal organization and standard methods for engaging these platforms.

That said, they understand the benefits in using them and claim to be experiencing some of the benefits, including an increase in brand awareness, greater interest in their products from online

merchants, and an increase in sales. Notably, they pointed out that social media permits them to communicate directly with their end-consumers. (Previously their main relationships were with merchants.)

The most intriguing conversation revolved around ways of encouraging companies like this coffee company to do more with these platforms. An interviewee said that, instead of encouraging these companies to lead in the space, it's better to tell them that everyone else is already doing it and that they are being left behind. It should not be about highlight innovation (which may be viewed as risky) but instead about showcasing what other companies are doing.

D.7.4 Sports Clothing Manufacturer

Following these interviews in Bergamo, I then travelled to Herzogenaurach to meet with the Head of Collaboration and Knowledge Management at this company. We spent half a day at the company's campus discussing the state of the art in organisational use of social media and the different initiatives that the company has going on.

Among their different projects, they are trialling a customized version of SharePoint, starting with its marketing department. The customization involves NewsGator social networking plug-ins and an interface designed by IDEO. They have chosen SharePoint (rather than another platform) because it is more compatible with their pre-existing Microsoft environment. They also need to ensure that the technology can scale, as it is a large company (with over 40,000 employees). The aim of the project is to eventually replace the various company intranets and reduce e-mail loads. Because it is based in Germany, a country in which privacy and data protection are particularly prevalent, the trial is being developed with both the data protection teams and the works council.

It has also created a social media expert group with other large companies in the region, which are all trying to solve similar problems around internal uses of social tools. They have made a conscious decision to exclude representatives from IT departments from this group, as they believe it is important for members of the business to set the agenda, and not IT thinkers. The Head of Collaboration and Knowledge Management was also keen to point out that traditional (i.e. newsletter-based) corporate communication is becoming irrelevant as social channels grow dominant.

Much of what they are doing around social media relates to its 'corporate university' concept. The new Learning Management Systems will sit behind the SharePoint site. The idea is that social interface will be the entry point for all firm's systems. There is also an 'Ask the Management' forum in which employees can send anonymous questions to the C-Suite, including the CEO, and get a reply within 24 hours. I was told this forum has proven a huge success.

The representative saw the main business cases for social tools as including better collaboration and knowledge management, creating efficiencies in business processes (e.g. reducing e-mail and opening up conversations), and tearing down organisational barriers. He identified the main barriers and challenges as follows: budgeting and ownership (which part of the organization oversees the project?) and compromises during roll-out.

Concerning best practices, believes that organizations must have the right attitude about letting go and losing control through the adoption of social tools. He also stressed the idea of 'failing fast' and in a positive way. For example, building a social software tool over three years and then watching it fail can be very tough for an organisation.

Finally, the interviewee pointed to different actions that policy makers may take to encourage the adoption of social software by European organisations:

- Help companies in Europe feel more comfortable about the privacy, security and IP implications of social media,
- Help organisations find solutions "instead of creating problems" – he said the "biggest enemies" of these projects are works council and data protection lawyers – through positive frameworks and less restrictions and compliance burdens,

- Positive recommendations that explain how social media tools can help firms,
- Promoting social media related jobs (e.g. community managers).

Appendix E: Benefits

E.1 Benefits from Internal Use of Social Media/Social Networking

Knowledge Management, Knowledge Sharing, Learning

- Better access to knowledge
- Easier information sharing
- Easier access to the expertise of others
- Improving information sharing
- Improving the way people are learning on the job (v. pure class room based training)

Breaking Silos, Flatter Organisations (Hierarchies) --> Organisational Redesign

- Better access to senior management
- Better connected departments and practices globally
- Enabling new kinds of conversation ('surfacing parts of the business')
- Improving internal communications

Better Collaboration, New Way of Working

- Improved collaboration across office and company boundaries
- Improved idea generation
- Sourcing new ideas (from both within and outside the business)
- Supporting innovation processes
- Extending the enterprise

Humanising the Organisation, "Soft Management"

- Enhanced employee engagement
- Improved client intimacy

Efficiencies; Working in a more effective way

- Reduced duplication of effort
- Decrease in internal email

E.2 Benefits from External use of Social Media/Social Networking

Insights, Intelligence, Analytics, Big Data

- Enhanced customer insights
- Intelligence about competition and market
- Monitoring online communities (to avoid 'marketing myopia')

Open Innovation, Crowd-sourcing

- Increased innovation
- 'Open innovation'
- Refining existing products and services
- Creating and supporting virtual communities

Customer Intimacy, More Personal Interactions, Fostering Customer Engagement

- Increased customer loyalty
- Enhanced customer care
- Fostering customer engagement (through, for example, coupons and contests)
- Social media reintroduces two-way conversation between customer and organisation

More Effective Marketing and Communication; Creating New Market Opportunities

- More effective marketing
- Increased brand awareness
- Developing new communication channels

Recruitment; Labour Market

- More effective recruitment

E.3 Common Barriers to Internal and External Use of Social Media/Social Networking

Organisation, Culture

- Restrictions linked to internal organisation
- Cultural issues (e.g. reservations to share in the open or alter others' work)
- Challenges linked to organisation's size and scale
- Pre-existing organisational cultures and hierarchies
- Risk aversion ('Organisations needs to understand when risk is risk.')
- Size complex (e.g. SMEs believing that they're too small for social tools)

Regulatory Environment

- Cloud
- Data protection and information security concerns
- Intellectual Property
- Regulated sectors face additional hurdles

Infrastructure

- Lack of interoperability

Overcoming Lack of Awareness and Negative Preconceptions

- Difficulty in demonstrating impact/benefits to the organisation
- Demonstrating the benefits of using social networking sites to users (including difficulty demonstrating return on investment; measuring results)
- Negative preconception of social tools (distraction; lack of management understanding)
- Lack of internal buy-in for social media
- Fears around accountability and control
- Lack of awareness

Resource Constraints

- Financial resources (Costs beyond 'freemium' services)
- Effort and resourcing
- Too many competing priorities

E.4 Barriers to Internal Use of Social Media/Social Networking

Overcoming Negative Preconceptions

- Perceived threats to productivity

Infrastructure

- Legacy technology infrastructure in large organisations (competing technologies existing within the organisation)

Organisation, Culture

- Restrictions linked to internal organisation
- Organisation has strong hierarchy

E.5 Barriers to External Use of Social Media/Social Networking

Information Overload

- Cutting through the noisy environment of the social media world

E.6 Best Practices for Internal Use of Social Media/Social Networking

General

- Getting leadership buy-in and participation
- Successful adoption requires leadership (C-level) support and use (i.e. leading by example)
- Investing time and resources in community management

Project Start

- Linking technology with business strategy
- Tailoring technology solution to specific organisational needs
- Naming the tool to avoid association with a specific technology
- Focusing on key use cases and pain points
- First identify a business case and understand how social technologies address the problem

Initial Roll-Out/Pilots

- Developing a strategy for introduction/roll-out
- Hand holding new users (including training, help)
- - Demonstrating individual value to users
- Cultivating super-users
- Integrating the new social tool with key applications (e.g. calendar, e-mail)
- Integrate social software into the organisation's daily workflow
- Promote voluntary adoption as opposed to mandating use

Organisation-wide Roll-Out / "New Way of Working"

- Approaching the change as a journey
- Nudging people away from e-mail use
- Setting content to auto-expire after a set amount of time
- Provide incentives to employees to encourage engagement and sharing

E.7 Best Practices for External Use of Social Media/Social Networking

Phase 1: Passive Listening and Understanding, Governance and Setup, Strategy Definition

- Regularly listening to customer insights (through online monitoring and online communities)
- Having a clear engagement strategy in place linked to the organisation's business goals
- Respecting customers' information and privacy
- Helping employees become brand advocates through resources such as social media guidelines
- Measuring effectiveness of social media initiatives --> What does success look like?
- Using custom built technology for specific initiatives

Phase 2: Actively engaging with Stakeholders, Content Creation

- Making it easy for people to share content across social media channels (i.e. social referral strategy)
- Supporting initiatives with community management
- Turning customers into advocates through advocacy programmes and initiatives
- Having real, personal interactions over social channels and avoiding corporate messages
- Selling directly on social channels (i.e. social commerce)
- Using coupons, vouchers and sweepstakes to drive social sales

European Commission

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Title: Assessing the Benefits of Social Networks for Organizations: Report on the First Phase of the SEA-SoNS Project

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Abstract

The first phase of the SEA-SoNS ("Assessing the Benefits of Social Networks on Organizations") project aimed to analyse the current market situation for a limited number of social media stakeholders, to identify and analyse best practices for these selected stakeholders, and to define and prioritise relevant policy options. It was observed that while social media technologies present several potential benefits to organisations, there are considerable challenges and bottlenecks affecting adoption that may warrant policy intervention. To accomplish the objective of developing suitable policy options, the project undertook a range of research and data collection activities, including:

- An exhaustive and critical review of the academic, business and policy literature on the organisational use of social networking tools and social media platforms, as well as regular engagement with academic experts in this area
- A scoping workshop hosted in Brussels in March 2012, at which the IPTS engaged various stakeholders and social media experts to identify and prioritise the major opportunities and challenges for organizational adoption and deployment of social networking and social media platforms
- Ten semi-structured interviews with both technology providers (supply side) and organisational adopters (demand side), to understand and assess their perspectives on the organisational benefits of social technologies, the attendant challenges, best practices, and the wider policy environment
- An online 'animation' of stakeholders whereby a larger number of users and experts (n=50) were able to reflect on the main benefits and bottlenecks as regards business and public administration use of social technologies, and to feed these insights into our parallel research activities
- A brainstorming workshop in early June 2012, held in Seville, the main objective of which was to distil and synthesise the most important benefits, challenges, best practices, and policy options that emerged from the literature review, stakeholder interviews, and online stakeholder animation
- A presentation at the Digital Agenda Assembly (DAA) 2012 that summarised our research to date and focused mainly on policy options for Europe in the area of small and medium-sized enterprise (SME) adoption of social media technologies – and, in particular, how these technologies can help to facilitate economic growth and job creation

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