Social Media Marketing
社群網路行銷

社群網路商業模式 (Business Models of Social Media)

Min-Yuh Day
戴敏育
Assistant Professor
專任助理教授

Dept. of Information Management, Tamkang University
淡江大學 資訊管理學系

http://mail.tku.edu.tw/myday/
2014-02-24
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<td>103/05/05</td>
<td>行動 APP 行銷 (Mobile Apps Marketing)</td>
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<td>社群網路評量指標 (Social Media Metrics)</td>
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Understanding Business Model

• Business Model
• Revenue Model
• Business Strategy
• Business Strategy and Information System Alignment
Value
Business Model

Key Partners

6

Key Activities

7

Key Resources

Value Proposition

4

Customer Relationships

1

Customer Segments

3

Channels

5

Revenue Streams

9

Cost Structure

8

Business

• “the activity of providing goods and services involving financial, commercial and industrial aspects.” (WordNet 2.0)
Model

• “a simplified description and representation of a complex entity or process.” (WordNet 2.0)
Business Model

• A business model is a conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm.

• Therefore we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and with which financial consequences.

Source: (Ostenwalder, Pigneur and Tucci, 2005)
E-commerce

Business Models

1. Portal
2. E-tailer
3. Content Provider
4. Transaction Broker
5. Market Creator
6. Service Provider
7. Community Provider

E-commerce

Revenue Models

1. Advertising
2. Sales
3. Subscription
4. Free/Freemium
5. Transaction Fee
6. Affiliate

Types of E-commerce

1. Business-to-consumer (B2C)

2. Business-to-business (B2B)

3. Consumer-to-consumer (C2C)

4. Mobile commerce (m-commerce)

Definition of Business Model

A business model describes the **rationale** of how an **organization** creates, delivers, and captures **value**.

Business Model Canvas

https://www.youtube.com/watch?v=QoAOzMTLP5s
Business Model Canvas

https://www.youtube.com/watch?v=QoAOzMTLP5s
Business Model Canvas Explained

Source: http://www.youtube.com/watch?v=QoAOzMTLP5s
The 9 Building Blocks of Business Model

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Proposition</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
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<table>
<thead>
<tr>
<th>Key Resources</th>
<th>Channels</th>
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<table>
<thead>
<tr>
<th>Cost Structure</th>
<th>Revenue Streams</th>
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<tr>
<td>9</td>
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</tbody>
</table>

The 9 Building Blocks of Business Model

1. Customer Segments

Defines the different groups of people or organizations an enterprise aims to reach and serve

2. Value Propositions

Describes the bundle of products and services that create value for a specific Customer Segment

3. Channels

Describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition

4. Customer Relationships

Describes the types of relationships a company establishes with specific Customer Segments

5. Revenue Streams

Represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)

6. Key Resources

Describes the most important assets required to make a business model work

7. Key Activities

Describes the most important things a company must do to make its business model work

8. Key Partnerships

Describes the network of suppliers and partners that make the business model work

9. Cost Structure

Describes all costs incurred to operate a business model

The 9 Building Blocks of Business Model

1. Customer Segments
   – An organization serves one or several Customer Segments.

2. Value Propositions
   – It seeks to solve customer problems and satisfy customer needs with value propositions.

3. Channels
   – Value propositions are delivered to customers through communication, distribution, and sales Channels.

4. Customer Relationships
   – Customer relationships are established and maintained with each Customer Segment.

5. Revenue Streams
   – Revenue streams result from value propositions successfully offered to customers.

6. Key Resources
   – Key resources are the assets required to offer and deliver the previously described elements...

7. Key Activities
   – ...by performing a number of Key Activities.

8. Key Partnerships
   – Some activities are outsourced and some resources are acquired outside the enterprise.

9. Cost Structure
   – The business model elements result in the cost structure.

Business Model

- Key Partners
- Key Activities
- Key Resources
- Value Proposition
- Customer Relationships
- Channels
- Customer Segments
- Cost Structure
- Revenue Streams

Business Model Generation

Business Model Generation

THE CANVAS OF BUSINESS MODEL GENERATION

Production and Logistics
Anything beyond content creation is outsourced to readily available service providers.

Differentiation
An entirely different format, business model, and story for the book makes it stand out in a crowded market.

Community
The book is co-created with practitioners from around the world who feel ownership thanks to attribution as contributing co-authors.

Buyers
Paying customers are not only readers, but co-creators and companies that want customized books for their employees and clients.

THE MOVEMENT (DESIGN)
NING PLATFORM
AMAZON.COM
3RD PARTY LOGISTICS COMPANY
PUBLISHERS

CONTENT PRODUCTION
HUB MANAGEMENT
GUERRILLA MARKETING AND WORD-OF-MOUTH
LOGISTICS AND SHIPPING

CONTENT PRODUCTION
HUB MANAGEMENT
GUERRILLA MARKETING AND WORD-OF-MOUTH
LOGISTICS AND SHIPPING

BLOG AND VISIBILITY ON THE WEB
BUSINESS MODEL HUB
POWERFUL METHODOLOGY

VISUAL, PRACTICAL, AND BEAUTIFUL HANDBOOK FOR BUSINESS MODEL INNOVATORS
CO-CREATION OF A POTENTIAL BESTSELLER
PERSONALIZED BOOKS FOR COMPANIES AND THEIR CUSTOMERS

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VISIONARIES, GAME CHANGERS, AND CHALLENGERS
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HUB MEMBERS
WORD-OF-MOUTH
1) BUSINESSMODEL-GENERATION.COM
2) AMAZON.COM
3) BOOK STORES
INTERMEDIATION THROUGH PUBLISHERS

DESIGN
CONTENT PRODUCTION
PRINTING
DISTRIBUTION

HUB MEMBERSHIP FEES
ADVANCE & POST-PUBLICATION SALES
FREE GIVE AWAY CANVAS SECTION
FEES FOR CUSTOMIZED VERSIONS
ROYALTIES FROM PUBLISHERS

Revenues
The book was financed through advanced sales and fees paid by co-creators. Additional revenues come from customized versions for companies and their clients.

Reach
A mix of direct and indirect Channels and a phased approach optimizes reach and margins. The story of the book lends itself well to viral marketing and word-of-mouth promotion.

**Twitter Business Model**

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Relationships</th>
<th>Customer Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search Vendors</td>
<td>Platform Development</td>
<td>Stay connected</td>
<td>Channels</td>
<td>Users</td>
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<tr>
<td>Device Vendors</td>
<td></td>
<td>News/Events</td>
<td></td>
<td>Enterprises</td>
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<tr>
<td>Media companies</td>
<td>School.com Platform</td>
<td>Targeted Marketing</td>
<td></td>
<td>Developers</td>
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<tr>
<td>Mobile Operators</td>
<td></td>
<td>Twitter Apps</td>
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</tbody>
</table>

**Key Resources**

- Twitter.com Platform
- Twitter Apps

**Channels**

- Website, Desktop Apps, Mobile Apps, SMS
- Twitter API

**Cost Structure**

- Employees
- Servers

**Revenue Streams**

- Licensing Data Streams
- Promoted Accounts
- Promoted Tweets
- Promoted Trends
- Analytics

# Google Business Model

## Key Partners
- Distribution Partners
- Open Handset Alliance
- OEMs (for Chrome OS devices)

## Key Activities
- R&D – Build New Products, Improve Existing products
- Manage Massive IT Infrastructure

## Key Resources
- Datacenters
- IPs, Brand

## Value Propositions
- Web Search, Gmail, Google+
- Targeted Ads using Adwords (CPC)
- Extend Ad campaigns using Adsense
- Display Advertising Mgmt Services
- OS and Platforms – Android, Chrome OS
- Hosted web-based Google Apps

## Relationships
- Automation (where possible)
- Dedicated Sales for large accounts
- Global Sales and Support Teams
- Multi-product Sales force

## Channels
- Mobile device owners
- Developers
- Enterprises

## Customer Segments
- Internet Users
- Advertisers, Ad Agencies
- Google Network Members

## Cost Structure
- Traffic Acquisition Costs
- R&D Costs (mainly personnel)
- Data center operations
- S&M, G&A

## Revenue Streams
- Ad Revenues – Google websites
- Ad Revenues – Google n/w websites
- Enterprise Product Sales
- Free

### Business Model of Banking companies

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
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<th>Customer Segments</th>
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<td>Branch Operations</td>
<td>Deposit Products (Lower Interest Rates)</td>
<td>Personal Assistance</td>
<td>Retail and Corporate Customers (Depositors)</td>
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<tr>
<td>Technology vendors</td>
<td>Call center operations</td>
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<td>Automation where possible</td>
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<tr>
<td>Regulatory Agencies</td>
<td>IT Operations</td>
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<td></td>
<td>Key Resources</td>
<td>Loan Products (Higher Interest Rates)</td>
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<td>Retail and Corporate Customers (Borrowers)</td>
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<td>Physical and IT Infrastructure</td>
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<td>Loan Assets</td>
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### Cost Structure

- Interest Expenses
- Channel Costs

### Revenue Streams

- Interest Income
- Fee Income

# VISA – Leader in Global Payments Industry

<table>
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<tr>
<th>Key Partners</th>
<th>Key Activities</th>
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<tr>
<td>Technology Alliances</td>
<td>Payments Network Management</td>
<td>Payment Product Platforms for card programs and cashless payments</td>
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<td>Financial Institutions (Issuers)</td>
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<td>Transaction Processing</td>
<td>Convenience, Security, Rewards associated with card payments</td>
<td>Channels</td>
<td>Financial Institutions (Acquirers)</td>
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<td>Value-added Services</td>
<td>Improved Sales, Customer Convenience</td>
<td>Sponsorships (FIFA World Cup, Olympics)</td>
<td>Card Holders</td>
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<td><strong>Key Resources</strong></td>
<td></td>
<td>TV ads, Tradeshows, Conferences</td>
<td>Merchants</td>
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<td>Payment Products Platform</td>
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<td>VISA Brand</td>
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</table>

### Cost Structure
- Personnel
- Network, EDP, & Communications
- Brand Promotion
- Litigations Provision

### Revenue Streams
- Services Revenues
- Data Processing Revenues
- International Revenues

## Occurrences of the Term "Business Model" in Scholarly Reviewed Journals

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Source: (Ostenwalder, Pigneur and Tucci, 2005)
Business Model Concept Hierarchy

Source: (Ostenwalder, Pigneur and Tucci, 2005)
EVOLUTION OF THE BUSINESS MODEL CONCEPT

Source: (Ostenwalder, Pigneur and Tucci, 2005)
Business Model vs. Business Process Model

• Business Model
  – a view of the firm's logic for creating and commercializing value

• Business process model
  – how a business case is implemented in processes

Source: (Ostenwalder, Pigneur and Tucci, 2005)
Business model vs. Strategy

• Business models
  – a system that shows how the pieces of a business fit together.
  – an abstraction of a firm's strategy

• Strategy
  – includes competition

Source: (Ostenwalder, Pigneur and Tucci, 2005)
Implementing Business Models

- **Design Business Model**: Management defines and designs a business concept that responds to market circumstances.
- **Finance Business Model**: Management works out a financial structure for the business model (e.g., internal funding, venture capital, stock).
- **Implement Business Model**: The business model is implemented into business structure, business processes and

Source: (Ostenwalder, Pigneur and Tucci, 2005)
The Business Model's Place in the Firm

Source: (Ostenwalder, Pigneur and Tucci, 2005)
# Nine Business Model Building Blocks

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Business Model Building Block</th>
<th>Description</th>
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<tbody>
<tr>
<td>Product</td>
<td>Value Proposition</td>
<td>Gives an overall view of a company's bundle of products and services.</td>
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<tr>
<td>Customer Interface</td>
<td>Target Customer</td>
<td>Describes the segments of customers a company wants to offer value to.</td>
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<tr>
<td></td>
<td>Distribution Channel</td>
<td>Describes the various means of the company to get in touch with its customers.</td>
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<tr>
<td></td>
<td>Relationship</td>
<td>Explains the kind of links a company establishes between itself and its different customer segments.</td>
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<td>Infrastructure Management</td>
<td>Value Configuration</td>
<td>Describes the arrangement of activities and resources.</td>
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<td>Core Competency</td>
<td>Outlines the competencies necessary to execute the company's business model.</td>
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<tr>
<td></td>
<td>Partner Network</td>
<td>Portrays the network of cooperative agreements with other companies necessary to efficiently offer and commercialize value.</td>
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<tr>
<td>Financial Aspects</td>
<td>Cost Structure</td>
<td>Sums up the monetary consequences of the means employed in the business model.</td>
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<tr>
<td></td>
<td>Revenue Model</td>
<td>Describes the way a company makes money through a variety of revenue flows.</td>
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Source: (Ostenwalder, Pigneur and Tucci, 2005)
## Domains Addressed in Business Models

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<td>Value Model</td>
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<td>Market Segment</td>
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<td>e3-value configuration</td>
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<td>b-webs</td>
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<td>Actors</td>
<td>sustainability (team-up strategy)</td>
<td>b-webs</td>
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<td><strong>Cost Structure</strong></td>
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<td>cost structure</td>
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<td>value exchange</td>
<td>pricing, revenue source</td>
<td>pricing model, revenue model</td>
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</tr>
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</table>

Source: (Ostenwalder, Pigneur and Tucci, 2005)
## Domains Addressed in Business Models (cont.)

<table>
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</thead>
<tbody>
<tr>
<td><strong>Value Proposition</strong></td>
<td>Product/market scope</td>
<td>Value stream</td>
<td>Value proposition</td>
<td>What does the customer value?</td>
<td>Transaction component</td>
<td>Product and Services offered</td>
<td>Value proposition, assumed value</td>
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<td><strong>Target Customer</strong></td>
<td>Market scope</td>
<td>Market segment</td>
<td>Who is the customer?</td>
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<td>Market opportunity</td>
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<td>How do we make money in this business</td>
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Source: (Ostenwalder, Pigneur and Tucci, 2005)
Planning, Changing and Implementing Business Models

The management analyzes the current business model's adequacy to environmental pressures and designs a new business model. The new business model becomes a goal to achieve and guides planning, change and implementation.

Source: (Ostenwalder, Pigneur and Tucci, 2005)
Business Strategy and Information Systems Alignment

Managers are aware of the use of Information Systems to realize goals, exploit opportunities and obtain competitive advantage.

Information Systems support the company's business model and are targeted on areas that are critical to successful business performance.

Source: (Ostenwalder, Pigneur and Tucci, 2005)
Business and IT/IS Alignment

Source: (Ostenwalder, Pigneur and Tucci, 2005)
# Infrastructure Alignment

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Adapted from Weill and Vitale [2002]

Source: (Ostenwalder, Pigneur and Tucci, 2005)
## Application Portfolio Management

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*Adapted from Ward [1988]*

Source: (Ostenwalder, Pigneur and Tucci, 2005)
## Business Models and Goals for Requirements Engineering

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Source: (Ostenwalder, Pigneur and Tucci, 2005)
Business Model and Balanced Scorecard

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Adapted from Kaplan and Norton [1992]

Source: (Ostenwalder, Pigneur and Tucci, 2005)
Impact of Social Media
Social Media Affects Business Functions Differently

• Legal
• Finance

• R&D
• Supply Chain

• IT
• Sales
• Marketing
• Service
• Human Resources

Social Media Management Framework

Social Media Management Framework

Culture
- Habits and behaviors
- Ways of working
- Subcultures

Context
- Business environment and objectives
- Regulatory environment

Process

- **Leadership**: Degree to which leadership for social media decisions is formalized and accountability for business outcomes is clear

- **Alignment**: Degree of alignment between various agendas to ensure resources and funds are appropriately allocated
People

- **Training and Development:** Adequacy and accessibility of training and professional development
- **Leverage:** Extent to which best practices are identified, shared and utilized
- **Roles:** Clarity and adequacy of roles and responsibilities

Policies

• **Clarity:**
  Degree to which policies clarify boundaries for employees

• **Empowerment:**
  Degree to which policies empower employees to achieve business outcomes, consistent with the cultural, regulatory and business realities

• **Differentiation:**
  Degree to which policies support differentiation of the organization in the market

Social Media Management Framework

Metrics

- **Resource Management:**
  Level of visibility into the efficient utilization of social media assets (people and technology) and level of efficiency achieved

- **Performance Management:**
  Degree to which results are measured and behavior rewarded for success or failure in achieving performance targets

- **Financial Management:**
  Level to which costs are tracked and controlled, and the degree of ownership by the business for social media costs

References


