USING SOCIAL MEDIA TO INNOVATE IN BUSINESS OPERATION

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ABSTRACT

Nowadays, there are more than 2 billion users have social media accounts, and the numbers are still increasing. Organizations are using social media to implement marketing activities, sales, customer service or R&D. Because of environment change frequently, companies are more difficult to keep competitiveness. However, the way to keep competitiveness is keep innovation. Based on social media infrastructure and innovation need, some of companies are also built own social media platform to keep innovation and to establish competitiveness. In literature review, most of papers are mentioned about companies using social media in marketing way not on innovation activities. So this paper tries to find how organizations can use social media to drive innovation.

This research applies the meta-analysis to explore the company using social media to drive innovation. In the beginning, we collect related literature wildly, including master and Ph.D. thesis, papers, research institute report, conference published papers and so on. Following steps are analyzing all data and organizing valuable information.

The expected findings of this research are new concept of Social media using, the new way of innovation, the drive factors of customers involve, facilitating product/service.

Conclusions are summarized as follows: key factors of operation social media, implementing social media to drive innovation, developing new open innovation way, applicability of firms using different social media. Expecting to provide some valued factors for firms to finding proper way to using social media innovation.

KEYWORDS: Social Media, Innovation, Open Innovation, Face book, Social Media Platform

INTRODUCTION

BACKGROUND, OBJECTIVES AND GOALS

Research Motivation：The Mania of Social Media

Nowadays, Social media is more popular than the generation before. Market leader Face book was the first social network to surpass 1.4 billion registered accounts. The number of worldwide users is expected to reach some 2.5 billion by 2018. (Statistics.com, 2015). In the meantime, Deloitte points out the same fact, "*Face book enables significant global economic activity by helping to unlock new opportunities through connecting people and business, lowering barriers to marketing, and stimulating innovation*"(Deloitte UK, 2015). This study reveals many important information, not only Face book becomes the most popular social media in our life, it also changes our imagination with the business. From now on, it's a new age for our life and social media, we use Face book to understand reality, to connect with our friends, and to express our life per days.

But what makes it possible? Social media is totally new domain to our commercial society. Compared to the past 10 to 15 years, social media is still like legend of Pandora's Box, but now it always happens in western society, and even bursts into international frontier - to cyber society. Unfortunately, the Pandora's Box still has been sealed mythologically in Taiwan's research and school, few studies describe "it", but the truth is - social media makes extensive transformation of our world, thus the Social media attracts my academic interest so much - How's it going?

Research Question：Prometheus' Fire

In order to picture what social media really is, and describe it more accurately. I try to do many researches and discuss in three different perspectives. First, according to the social history theory, many experiences reveal a new technology and innovation is used by society, not because its convenience, but its "station". What does it mean? It means the most important thing is the basic foundation and structure of society. In other words, society, not only invents new technology, but also the society needs this technology! Second, even the society needs this technology, but it doesn't mean all kinds of social media (Face book, twitter, Line, Instagram, LinkedIn, etc.) have the same effect to people, but does it have any clue to make a paten or a model? Finally, if we can really make a model, then we could discover and figure out how to use the social media system in industry, company, our life.

Today, companies are using social media to do marketing, customer service sales, etc. (Aichner, Tomas; Jacb, Frank, 2015) But why makes social media so much potential for business activity? Although it still applies for some business successfully, but not all the business fit well in this Social media system. However, the Social media system just like Prometheus' fire makes our world totally different, but the question is - it's really inevitable or not?

In sun, there are three perspectives to study. First, why make social media so much potential? What's its social condition? Second, which one is the most popular and potential social media in our contemporary society? Does it have any rule or model? Third, how to improve the social skill and use social media system to the company? In the meantime, how can organizations use social media to drive innovation?

Research Meaning (Contribution) ：Social Media Area

The meaning of this research is twofold. The first is to study the change of society, and figure out how social media work in our life. Why social media success so fast and make a big wave into the world? My assumption is Rome wasn't built in a day. Face book is one of the most effective social media in our life, we need to study social media deeper, and more strive to explain why social media is so effective. The second is to understand the function of social media, and analyze the significant company's example for case study. As far as I concern, I thought now it's a new age of social media, it's a new production and management relation for our businesses and companies. The most important thing is to picture what the social media is, and figure out how to apply in our society more effectively.

I believe if companies understand the relationships between social media, customer and company goal, it will create more valuable innovation in products and services. For product and service receiver, they can via social media platform to create social identification, and expression the eager of brand favor.

METHODS

To outline my study argument, research method describes study process briefly, which including data source, materials, case studies, my study approach and so on.

This research applies the meta-analysis to explore the company using social media to drive innovation. My study approach focuses on the function and utility of social media, and also concern about the change of social structure. In the beginning, we collect related literature wildly, including master and Ph.D. theses, papers, research institute reports, conference published papers. In this part, I strive to define and to classify social media, and picture its functions. The Following steps are analyzing all data and organizing valuable information. In order to understand the social media model or pattern, we will re-construct the social meaning of media. Finally, analyzing case studies.

RESULTS

Social media are everywhere, almost every person have more than one account, more than one platform, even the company has its account. Therefore, understanding what is social media on important. The definition of social media is: *a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content.* (Kaplan & Haenlein, 2010) We should understand what type of social we involved.

One of distinguishing way is using social presence and self-presentation level to a type of social media like blogs, social networking site, virtual social worlds, collaborative projects, content communities and virtual game world. (Kaplan & Haenlein, 2010) The other distinguishing way is using the function to building blocks of social media: identity, conversations, sharing, presence, relationships, reputation and groups.(Kietzmann, Hermkens, McCarthy, & Silvestre, 2011) After comprehensive social media concept, we should understand what the relationship between business and social media. Kietzmann and co-author give a guideline which helping firms to develop a social media strategy for monitoring, understanding, and responding. (Kietzmann et al., 2011)

But if companies want to involve innovation to business operation, understanding what type of innovation has is essential. Henry Chesbrough separates innovation into Closed innovation and Open innovation part. Closed innovation means companies using internal innovation source (human resource, intellectual property, etc.), to innovate products and services. Open innovation means company aid external source into the internal innovation process, and let ideas become commercial value to market. (Chesbrough, 2006) Crowd sourcing is a new way to implement open innovation. The concept comes from outsourcing, but its outsourcing to the crowd. The most important of crowd sourcing is "the *use of the open call format and the large network of potential laborers". (Howe, 2006)*

Basic on social media researches and innovation researches, do any researches are talking two of dimensions to illustrate company using social media to drive innovation on business operation? One of research is trying to find out the potential of using social media to drive innovation in business-to-business companies.(Hannu K et al., 2010) This research survey 122 Finnish companies and suggest companies should recognize the gap between potential of social media and social media usage in both B2B companies. The result shows half or more respondents are not utilizing social media in innovation, lack of understand the possibility of social media in innovation, hard to evaluate financial gains of social media, difficulties to drive new mental models and drill needed for the adoption.

Sigala's((Marianna Sigala, 2012) research is finding how online customer's interaction and dialogues in company's new service development. Author via netnograghy reveal five finding: *service experiences and usages help in idea generation, the variety of roles assumed by customers enable them in idea generation, heterogeneous customer groups enrich C2C interactions and boost idea generation, customer familiarity/knowledge with service context does not influence idea generation, staff's interventions facilitated idea generation processes.* Author stand in an investigator position to observe mystarbucksidea.com for new service development.

CONCULSIONS

Above researches are good at a specific area, but those researches did not clarify map how did company using social to drive innovation. One of the article mention usage challenge via survey companies' internal persons. (Hannu K et al., 2010) This research finding more than half of the internal employees and managers are disagreeing social media can improve business activities. The most reason for adopting social media in innovation challenge is lack understanding of the possibilities of social media in innovation.

Bradley and McDonald's research find that more than 50 present of the company holding a negative attitude to access social media. (McDonald, n.d., 2013) Those attitudes include fear and hesitating. But their also discovering some company has good results when using social media.

Some company using social media to drive well innovation activities, but the most important is how to drive people bring ideas to this platform. How to maintain this social media platform to keep running? Moreover, how to overcome the fear attitude form company inside? There are four key success factors we discovered: Brand loyalty, attractive interaction, operation frequently, integrates ideas into internal business process.

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