



Customer co-creation projects and social media: The case of Barilla of Italy

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Abstract This article investigates a social media-enabled, customer co-creation project that employs front-end innovation (FEI) at a well-known, large-scale food manufacturer. It sheds light on the role of social media technology in transforming the characteristics of FEI in terms of boundaries and knowledge distance. What type of exploratory or exploitative innovation ideas does a project of this sort enable? How did the project evolve? What lessons can be learned from this project? A longitudinal case study of Barilla was carried out through two rounds of interviews with marketing, business development and innovation, and digital communication managers. The evidence gathered highlights the emergent evolution of this customer co-creation project from an initial stage of idea exploitation to a more complex and fruitful stage in which both exploitation and exploration were simultaneously accomplished.

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1. The rise of co-creation and the managerial challenge

Firms rarely innovate alone. Innovation represents an interactive relationship between producers, users, and other actors. These two statements characterize our current understanding of the innovation process (Piller, Ihl, & Vossen, 2010). The term 'open innovation' has recently been used to

illustrate a system whereby innovation is not performed solely within a firm but rather is undertaken cooperatively to include external players (Chesbrough, 2003). Based on the idea that customers represent a fundamental source of knowledge for innovation, 'customer co-creation' defines an approach to innovation via which customers take an active part in designing new offerings. [For extended reviews of customers' active role in the innovation process, see Baldwin & von Hippel, 2011.]

The term co-creation is not new, but it is now receiving more attention by both practitioners and scholars. This amplified attention is largely driven by ever-increasing use of the Internet and social media tools as companies endeavor to differentiate

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themselves from competitors. Innovation is even more critical in a context of prolonged economic volatility. Therefore, to help management and organizations improve their innovative capabilities, co-creation and social media for innovation deserve further attention; several questions remain open in these fields, and their possible integration is invoked (Barczak, 2012). Managers face the following practical challenges:

- To what extent can customers be creative?
- What tools and processes enable effective co-creation efforts with customers?
- What strategies are effective in using social media for innovation?
- What types of social media work best for a specific innovation effort (i.e., incremental, really new, or radical)?

This article investigates a customer co-creation project employing front-end innovation (FEI), enabled by social media, in a large Italian food manufacturer, Barilla. From this investigation, we offer practitioners in managerial positions a unique perspective. Managers often focus on choosing the right social media tool to carry out a certain activity. However, the decision is not fixed: the project is a dynamic situation in which the customer, the firm, and the platform mutually interact, thus causing the project to change over time (Martini, Massa, & Testa, 2013). The case of Barilla invites decision makers to focus on what types of ideas—exploitative and/or exploratory—can be gathered with a specific tool and how a project can change over time.

2. Customers, FEI, and social media

The FEI process centers on two essential activities: (1) generating novel concepts and ideas and (2) selecting specific concepts and ideas to be pursued further (O'Hern & Rindfleisch, 2009). Generating ideas is a more open and creative task; thus, it allows a greater degree of freedom than selecting from a predefined set of ideas. A firm's main challenge is how to incentivize users to share their innovative ideas. Some companies promise cash rewards or licensing contracts for innovative ideas, while others build on non-monetary acknowledgments, peer or company recognition, and a pride-of-authorship effect. Companies often provide rewards or recognition only to the best submissions, thus employing a

competitive mechanism to foster and encourage user innovation (Piller & Walcher, 2006). The nature of competition should encourage more or better users to participate, as it should inspire their creativity and increase the quality of submissions.

Literature contributions often refer to idea screening and evaluation as a means for companies to identify and select ideas with the highest potential. Idea-screening methods generally involve customers participating in evaluations while management has the final word. Because the number of ideas has the potential to be very large, the challenge is to find an efficient method for selecting the best ideas. Toubia and Florès (2007) describe several idea-screening algorithms that perform this selection adaptively based on previous consumers' evaluations.

2.1. Customer co-creation and social media

For some time, market researchers have tried to tackle the issue of co-creation by developing focus groups or in-context scenarios (e.g., in home, in shop) that enable them to closely observe consumer behavior. The goal of this observation is to gain a deeper understanding of consumer behavior; however, a number of scholars raise doubts regarding such methods' ability to generate radical innovation. There always seems to be a clear delineation between the roles of researchers, marketers, product/brand developers, and designers and the role of the consumer. In addition to conventional methods, many companies are starting to adopt social media to develop co-creation initiatives (Burghin, Hung Byers, & Chui, 2011). We define 'social media' as a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and allow the creation/exchange of user-generated content (Kaplan & Haenlein, 2010).

Social media represents a new trend, as it changes the rules of communication with customers by allowing firms to engage in timely and direct end-consumer contact at a relatively low cost and higher efficiency levels than with more traditional communication tools. In the realm of customer co-creation, the use of social media represents a great opportunity for company management. It shortens the distance between the company and users, thereby increasing and strengthening user involvement and engagement in the innovation process (Piller, Vossen, & Ihl, 2012). Indeed, using different contact channels can be a worthwhile and profitable strategy for firms that wish to be active wherever their customers are present, thus becoming part of

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