



Research Area
Technology,
Innovation, Marketing,
Entrepreneurship



Social Media: Reshaping the Way We Innovate?

In the last decade social media has rapidly become a ubiquitous presence in our daily work and social lives. Sharing information, generating digital content, collaborating and establishing interpersonal connections have become common place activities. The phenomenal rise in social networking has empowered people democratizing the way in which we communicate on a global scale.

For decades, product developers have attempted to understand and get closer to their customers through the use of traditional research techniques such as focus groups and surveys. Now through social media platforms, innovators have the opportunity to engage in truly networked conversations. Social media has also become an important new source of data and business intelligence, offering new opportunities to 'open up' the innovation process. In turn, companies like Starbucks, GE, Phillips, Dell and Tesla are profiting from utilizing social media for their innovation process.

However, while this transformation is exhilarating, it brings with it a whole host of new challenges. To date, our research indicates that many firms do not have the requisite skills and capabilities to take advantage of these new opportunities. In a recent empirical study we found that using social media can even harm the performance of an innovating firm. Anticipating these challenges, some companies are already curtailing their social media efforts, just as some firms are starting to see tangible benefits.

If social media has the potential to reshape the way in which we work and innovate, then it is important to understand under which conditions these technologies are impacting the innovation process and their effect on performance. In particular, the talk will explore:

- What factors are driving the link between innovation performance and social media usage?
- Is a new NPD process required?
- What new firm capabilities are required to capture and organize and analyze this new data source?

The talk is based on two forthcoming papers:

*The Impact of Social Media Tools for NPD Practice: An Evaluation of the PDMA Comparative Performance Assessment Study. **Journal of Product Innovation Management (JPIM)**. Conditionally accepted. (with Deborah Roberts and Dirk Lüttgens)*

*Using Social Media for Innovation: Choosing the Right Camp? **MIT Sloan Management Review**. 57 (2016) 3 (Spring): forthcoming (with Deborah Roberts)*

Speaker bio:

Prof. Frank Piller (<http://tim.rwth-aachen.de/piller>) is a professor of management at RWTH Aachen University, where he heads the Technology & Innovation Management Group and is the academic director of the EMBA program. He also is a co-founder of the MIT Smart Customization Group. His research interests include open and user innovation, mass customization, managing disruptive innovation, and implications of new information technologies for new product development.

Frank's research has been published in Journal of Product Innovation Management, R&D Management, Academy of Management Perspectives, Journal of Operations Management, MIT Sloan Management Review, amongst others. Complementing his academic life, Frank serves as a director or advisor to several companies in domains like 3D printing, open innovation, body scanning, and innovation advisory.