Does Social Media Really Help? 
From Customer Involvement to New Product Success

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ABSTRACT

This paper intends to understand whether social media helps new product success in the context of customer involvement. The authors present a debate about the opportunities and challenges of using social media in new product development (NPD). Through a critical literature review, a conceptual model with a moderation effect is presented. The review is mainly derived from 286 relevant papers published in top-ranked journals between 2005 and 2014. The results suggest that while social media provides an effective and efficient method for collecting information and knowledge about customers’ expectations and experiences, it does not necessarily always lead to NPD success. The study shows that hidden customer needs, an advanced evaluation tool, the huge amount of information and a firm’s absorptive capacity challenge the use of social media.

KEYWORDS
Customer Involvement, Incremental and Radical NPD, New Product Development (NPD), Opportunities and Challenges, Social Media

INTRODUCTION

In the past twenty years, the advance of information technology (IT) tools and services has infused the use of social media into the new product development (NPD) process (Kenly and Poston, 2010; Carlson, 2012). The purpose of this paper is to understand whether social media helps NPD success in the context of customer involvement. Today, globalisation and the increasing speed of business force firms to continuously innovate and develop new products to ensure long term competitiveness. A continuous stream of ideas has been recognised as essential fuel for NPD (Reid and de Brentani 2004). There is clear evidence that customers play an important role in all stages of NPD from idea generation and concepts through development and design to testing and market launch (Dahan Hauser 2002; von Hippel and Katz 2002; Franke and Shah 2003). Today, the use of social media brings the NPD process into another arena. However, evidence of the association between the use of social media and NPD is mixed. The majority (e.g. Colliander and Dahlen 2011; Corstjens and Umblijis 2012; Ernst, Brem and Voigt 2013) reports that to engage customers through social media positively impacts on NPD success. This contrasts with others (e.g. Bartl, Füller, Mühlbacher and Ernst 2012; Haavisto 2014) who show that customer involvement and the use of social media are not necessarily always beneficial to NPD performance. We argue that it is crucial for managers to look closely at the usage of social media in the NPD process. We therefore critically review the existing literature and provide a conceptual framework for future research.

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Before our review, it is necessary to define clearly the ‘social media’ we study in this paper. The internet provides companies with an increased ability for making contact outside the company. There are various ways of using the internet for NPD and research and development (R&D), including online/ virtual communities (discussion forums, blogs) and social networking websites. Web 2.0 technology is an important technology that supports online interaction and serves as a dynamic portal for actors to share information and collaborate with each other (Adebanjo and Michaelides 2010). More importantly, these portals ensure a mutual platform for customers to learn from each other (Franke, Keinz and Schreier 2008). Throughout this paper, we use ‘social media’ to refer to these mediums. All the studies cited in this paper use these platforms to refer to similar and common functions in social media in order to provide interactive communications between their users. It is noteworthy that, in this paper, we divide NPD into two categories. Incremental NPD concerns minor changes and modifications to products and technologies, whereas radical NPD represents major departures from existing capabilities in the firm and constitutes the basis for completely new products and services (see Garcia and Calantone 2002). It is argued that incremental NPD improvements may benefit significantly from user feedback while this feedback has little relevance in the case of radical NPD (Kelly et al. 2013). This difference in nature between these two NPD types suggests divergent roles for customer inputs in NPD. The involvement of customers in incremental NPD through social media is the main topic of this paper. We focus on firms identifying market needs, determining previously unmet customer needs, and adopting the expectations and needs of customers in the manufacturing and launching of a product, as well as attributing necessary features to the product. Interactive communication platforms, like social media channels, have become an important way of contacting customers during the innovation process of companies. The success of the knowledge exchange created by online social portals in relation to innovation and NPD is an important topic for the literature. Appendix one provides the definition of important terms that we use in this paper.

This paper is structured as below. Next section details the research method we used. It then presents a literature review on customers and NPD before our critical review of the use of social media and the opportunities and challenges to NPD. This paper concludes with a summary of theoretical and practical implications, the limitations and the directions for future research.

**RESEARCH METHOD**


Data collection was conducted through the Electronic Database of Ebsco Business Source. The publication timeframe was determined as 2005 – 2014. In addition to the Ebsco Database, Google Scholar was used to reach Technovation, Journal of Operations Management, Industrial Marketing Management, Journal of Business Research, International Journal of Operations and Production Management, and Production Planning and Control since they could not be accessed through Ebsco Business Source. Also, Google Scholar was used for those years of the publications (especially 2013 and 2014) where access is limited because of a 12- or 18-month delay due to publisher restrictions for EBSCO, such as *Journal of Product Innovation Management, Journal of Marketing Management, RandD Management, International Journal of Production Research and Production and Operations Management.*
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