Social Media Utilization for the Service Innovation: Case Study of Danish Companies

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ABSTRACT
This article describes how more and more enterprises are represented on online social networks. A significant number of these enterprises are uncertain as to why they are present on the social technologies, while others have a clear strategy. These strategies include getting closer to the customers for new innovation and service creation. This article looks into how innovation takes place for enterprises using Facebook as their channel for starting service innovation in the meetings between the enterprise and the customer as part of their strategy to getting closer to the customers. The article takes a theoretical look on service innovation in the ICT service encounter, where the ICT relation is based on social media. Two Danish cases are presented (a bank and a mobile service provider) focusing on their use of Facebook in their ideation and innovation processes. Interviews and monitoring of Facebook activities are used as data sources to understand the ideation and innovation processes of the cases.

KEYWORDS
Bank, Idea Box, Mobile Service Provider, Service Innovation Service Encounter, Social Media

INTRODUCTION
Within the last years, the use of online social technologies for ideation–collection, generation and solicitation of ideas from the users/customers has become a new way of creating a relationship with the users of Facebook and a new possibility for the enterprises for involving their “likers” in innovation processes for new services and products (Li and Bernoff, 2011). Even though many enterprises experiment with the social technologies, there are at the same time expectations to the involvement in the social technologies: in Denmark, around 90% of enterprises using social technologies expect that they will gain in this interaction (Social Media Factbook, 2011). Around 1/3 of enterprises on social technologies already now experience raised inspiration for product development, better customer feedback and increased knowledge about trends (Ibid).

For years, Denmark has been one of the nations with most Facebook users. In 2009, Denmark was number 1 in the number of Facebook profiles per inhabitants and an effective of one third of the Danish inhabitants on Facebook (Insights, 2017). In 2017, there are more than 3 million Facebook users out of a population of a little more than 5.4 million inhabitants (Ibid).
Innovations happening through social technologies, as a theme, are covered scantily in the literature. A significant part of the literature looks into the general understanding of the innovations taking place in the enterprise. Alam (2006) and Sundbo (1997) describe innovation taking its departure in the service encounter where the meeting is based on a face-to-face meeting. Blogs have been used in several cases as the founding technology to facilitate the innovation in the service encounter (see for example Nicolajsen et al., 2010). Henten (2011), however, discusses the innovations from the ICT based service encounter and provides a taxonomy for the customer employee interaction, where two of the interaction modes are based on the ICT meeting; interaction taking place through telephone services, e-mailing or e-commerce portals; or the interaction taking place through open source software and online social networks such as YouTube, Facebook and Twitter. The innovation processes taking place for the ICT-based service encounter using the social technologies as a basis are described in books about social technologies as more experience based guidelines (see Shih, 2011; Li and Bernoff, 2011).

This paper focuses on the ideation and potential for service innovation, which takes place in the ICT meeting between the service encounter and the user; more specifically in the ICT based service encounter where Facebook is used as the ICT technology. The purpose of the paper is to identify challenges for ideation and innovation in the ICT meeting between enterprise and customer as a part of ongoing work on general research of the innovations taking place in the service encounter.

Two Danish case studies are analysed to study the ideation for the ICT service encounter meeting. The two companies are a large Danish bank and a mobile service provider. These companies have both been (Danish) front-runners in using online social technologies for ideation and for new service and product innovation.

The content of the paper is as follows: Section 2 provides an overview of service innovation in a social technology context. Ideation and ideation processes based on social technologies will also be discussed. In section 3, the methodology for the paper is outlined. In section 4, the case studies of the bank and the mobile service provider are presented focusing on the different ideation processes using Facebook as the ICT platform. A discussion is presented in section 5, while the conclusions are given in section 6.

**LITERATURE REVIEW**

**The ICT-Based Service Encounter and Innovations**

The meeting between the customer and the enterprise can take place either through face-to-face meeting or through the ICT meeting (Henten, 2011). The following section discusses the innovation challenges and possibilities for the ICT based service encounter, as well as the innovation process focusing on the ideation as a central element for innovation. The ICT based service encounter concept is defined by Henten (2011) as: “the meeting between the service provider/employee and the customer/user” where ICT is the communication tool. This definition is also used throughout this paper.

Description and understanding of innovations from the ICT-based service encounter is not covered much as a theme in literature (Henten, 2011). Henten (2011) refers to Sundbo (1997), Sundbo and Gallouj (2000), and Alam (2002) for other contributors discussing the ICT based service encounter. These contributions describe the internal and external elements having an impact on the innovation processes as well as the user involvement and how to improve this perspective.

The involvement of users in innovation processes is a well-established research theme. Edvardsson et al. (2006) offer a full book on different perspectives of user involvement in service innovation, arguing on the benefits and challenges of doing so. However, only few publications focus on the involvement of social media in this process. Nicolajsen et al. (2010) describe the user involvement using blogs as technology for innovations in the ICT-based service encounter. Other similar contributions can be found in Jeppesen and Molin (2003) describing how Lego Mindstorms (online game) involve
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