Chapter 18
The Transformative Effect of Social Media: Revolutionizing Business Models of Mass Production to Individual Production by the Masses

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ABSTRACT

Over the last decade, digital technology in general and social media in particular, has changed the way people interact and communicate. Current day marketers have embraced the technological tools to socialise with the customer but those tools are now spreading across e-business and breaking down the traditional business walls. It is argued in this chapter that social media is now transforming into a wider ‘social business’ concept with marketing being just one element of the potential social relationship between business and consumer. Using the emergence of 3D printing as an example, this chapter highlights how the consumer is not only gaining the power of voice, but also the power of production. It discusses the potential effects on future commercial revenue streams and what business needs to do today to protect their economic value and business model of tomorrow. It argues that this transformative technology should not be seen as a threat to business but an opportunity to create a revolutionary social business model with the customer.

INTRODUCTION

When the forerunner of the Internet was born, the goal was protection, securing information from military attack through the distribution of data across many computers. When Tim Berners-Lee developed the World Wide Web he replaced this goal of protecting data packets with a web of information, so that ‘any person could share information with anyone else, anywhere’ (Berners-Lee, 2010). There was no major risk to the business value creation model rather an opportunity for the creation of a further channel to market.
The Transformative Effect of Social Media

However, the emergence of social media technology over the last decade has established a new closer relationship between business and customers. Although Beer and Burrows (2007) talk of changing relations between production and consumption of Internet content, these are in relation to the marketing strategies of companies, not the value creation model itself. In effect in creating digital interfaces, it has created the opportunity of ‘mass communication at an individual level’, termed the power of the voice (Levine et al., 2000).

This chapter will argue that the next technological evolution has an even greater potential to destroy the wall between the consumer and business. The epochs of business models have already come through the Iron Age, the Renaissance, the Industrial Revolutions, the computer age, and now there is potentially one of social business.

Social media has created digital interfaces, strengthened not just by accessibility but also through conversations. However these added social elements have centered on communication and collaborative tools, creating a socialization of the business relationship, which can be defined as the first step on the way to a truly social business model. This transformation to a social relationship has brought risks, but the risks have been more cultural rather than legal or ethical; the risks have not challenged the very foundations of the traditional business model, but rather the architectural style of doing business. This next social business transformation could shake the very foundations of the traditional business model itself, however for those who recognize the move from social marketing to social business early, then the next stage could be the biggest opportunity of all.

There are many technological advances that could be used as a way of illustrating the move to a social business model. 3D printing has been chosen, as it is an existing and proven technology, which is now capable of socializing the business process to an even greater level. It is a technology which may be less researched or understood but could it could be the most revolutionary of all. It will be used as an example of how the customer will need to be incorporated into a ‘social business model’ because the very essence of traditional value creation is under threat. The challenge for business is not how to prevent it from happening, but how to make value creation work over the next decade.

The aim of this chapter is to start a discussion on how to evolve to this social business model. It will provide insights into what is creating this change and how business can embrace this new social model; one that creates opportunities for both the individual and the businesses. In summary, using the example of 3D printing as a technology that enables social production, the goal of this chapter will be to highlight:

- The challenge to future revenue streams through social production.
- Discuss what businesses need to think about today, to protect their value of tomorrow, including how this technology can be used internally to reduce outsourcing processes.
- Highlight ways of creating a social business model with the customer being part of the financial model.
- How to learn from how social media has transformed the marketing and customer service process and apply to this new transformative technology.
- Highlight legal changes required to balance the relationship between sharing of intellectual property for societal benefits whilst maintaining corporate ownership and financial benefit for the reinvestment in future ideas for the good of society.