

Leveraging Social Media for Product Development

CEOs can collaborate with customers and enhance new product development through social media using CARE framework

CEOs have been slow to leverage social media. Companies like Best Buy (a specialty & discount retailer of consumer electronics) Encyclopedia of Britannica, Kodak and Borders (international book and music retailer based in US) have destroyed value by ignoring social media while Nike and Doritos have taken advantage.

Marketers need to constantly innovate and come up with new products or improved versions of the existing product to meet the demands of modern customers. The **development of new products** is fraught with risks and should be done with lot of care. Companies have to carefully organize the new product development process.

English Wikipedia has destroyed the value of Encyclopedia Britannica in terms of accuracy, references and overall judgement.* Digital age has diluted the value of Kodak's Print photography

NIKE is able to leverage social media by making its product 'wristband' part of social life especially among runners to monitor weight loss. Doritos (a brand of chips from Frito-Lay, Food Company) empowers customers to upload their own Doritos ads to air in Super Bowl social media campaign

While operational excellence is necessary, using social media to foster interaction, understand, draw from and share with customers can lead to better design and delivery.

Social media can help connect to networks, many of whom want to be heard, they have potential to speak on the organization behalf

What can CEOs do? They can CARE,

- **Create:** encourage companies to create networks
- **Add:** let networks add competencies, insights to company challenges
- **Reduce:** reduce internal focus
- **Eliminate:** eliminate the fear of social media

Topic	Course
New Product development: New Product Development: Unit: 13.5	Marketing management

Source: Barry Libert's Four Steps for Harnessing the Power of Social Media, *knowledge@wharton*, July 18, 2012 & *<http://blog.wikimedia.org/2012/08/02/seven-years-after-nature-pilot-study-compares-wikipedia-favorably-to-other-encyclopedias-in-three-languages/>