

## **Report to the Sten A Olsson's Foundation for Science and Culture**

We received a scholarship for the purpose of travelling to The Netherlands in order to gather parts of our empirical data to the master thesis we have been writing during the spring 2012. Below is a short report of our trip to the Netherlands and our results.

### **Conducting the Thesis**

When looking for a suitable thesis subject, our program coordinator Rick Middel offered us to be a part of his research group which has connections to HAN University in The Netherlands, where several researchers are working within this group. The Dutch researchers came into our thesis process in an early stage and we have had several meetings with them via Skype through which we have received valuable feedback and hence they have been a vital resource throughout the process. Thanks to the scholarship, in the beginning of May we were able to travel to the Netherlands and gather more empirics for our study through an additional five interviews.

While in the Netherlands, we began our trip by visiting HAN University in Arnhem where the research group is situated. We were provided a tour of the school and we met the researchers who we had previously met in Sweden to discuss how the thesis was progressing. During our stay, we visited five Dutch companies in total which all had some kind of connection to the research group. The companies were of varying sizes, working within different industries and were spread out in the southern part of the Netherlands which resulted in a lot of driving between the different companies and our established home base in Arnhem.

We deem the visit in the Netherlands as a part of our project which has added a significant value to our final thesis and our results, but we also believe that the visit has enhanced the relation between our institution and the HAN University. Hopefully this is something that future thesis writers can benefit and build further on in the years to come.

### **Results**

Our thesis concerns how companies can utilize social media in their product development process in order to interact with customers and thereby gaining vital feedback and information from the market. Social media is a relatively new tool which can make the interaction between the company and customer easier. The fact that companies are interacting with customers is not new, it is sometimes done in order to receive information from the market about different product attributes or to receive knowledge about customer preferences. Though, the usage of social media as the tool to facilitate the interaction between company and customer is not yet widely adopted. A general definition of social media is often expressed as building upon the two concepts of Web 2.0 and all its applications (i.e. the Internet as we know it today) and UGC; User Generated Content (i.e. multiple users should be able to contribute with content, e.g. text and/or media). Typical examples of social media is Facebook, LinkedIn and Youtube, but also custom made platforms for interaction between a company and manually invited customers could be defined as social media interaction.

The general result and conclusion we reached in our study is that use of social media within product development is as of now not adopted at all; none of the interviewed companies are using social media in their product development process to interact with their customers.

Though, a few companies are interacting with customers in the product development process, but then most often in a face to face setting. We find these results somewhat surprising since we initially thought that we would encounter at least a few companies using social media for the purpose of product development. In theory the relevance and benefits of social media is evident but in practice it is clearly not utilized. Due to these findings, we have divided our results upon possible causes/challenges as to why the interviewed companies are not using social media, and also potential reasons/benefits which the companies perceive from using social media more extensively in the future.

The most significant barriers (and thereby causes to the virtually non-existent social media usage) expressed by the interviewed companies are foremost related to the following challenges; (1) *Security issues*; sensitive information may leak out to competitors, (2) *Lack of resources* (financial, human, time) in order to communicate with the customers through social media, and (3) the *difficulty to identify and realize the potential gains* from social media. This is connected to the fact that social media is relatively new as a tool within product development with few existing case examples of best practices.

Though, some potential benefits of interacting with the customers within product development through social media were identified. The most significant benefits we identified from the interviewed companies were; (1) social media is an *efficient and convenient tool* to handle communication with customers, and (2) the *possibility to reach a large number of customers through already established platforms*. These results may depend on the fact that a majority of the customers have relatively few customers which in turn may be the result of that the studied companies are selling to other companies and not the end customer. Thus, the need to use special tools, as social media, for customer interaction is not necessary.

To conclude; there are several of the interviewed companies who perceive a certain potential of using social media within their product development more extensively in the future, but the majority of the respondents are quite hesitant also to an increased usage even in the upcoming years. This is highly related to the fact that the potential gains (i.e. monetary) are not sufficiently evident in comparison with the challenges, which in turn may be related to the lack of best practice case examples of successful companies who currently use social media within product development.

For the full list of results and conclusions, we refer to the attached final version of our master thesis.