IMPACT OF CUSTOMER CO-CREATION THROUGH SOCIAL MEDIA IN INDIA.

Mr Nandan R Naresh

Designation:- Assistant Professor

Mailing:- #31 JohnBullStreet, Viveknagar Post Bangalore 560047

Abstract:

Social media has become a platform for a variety of internet applications that allow users to create content and interact with each other. This interaction has totally changed the course of business over the years; customer needs and customer feedback are obtained easily through the social media platform. To combat the recent changes in business and its tryst with social media, companies have started to co-create content with their users and industry influencers to survive and grow in the market. Co-creation helps in establishing strong communication among customer and companies which is believed to be central to the success of an existing or new product and service. The present paper intends to analyze the impact of customer co-creation in social media platform in India. This paper also tries to find the importance of customer co-creation in the current environment.

Keywords: Co-creation, Social Media, Communication, Internet & Customer

INTRODUCTION

Enabled with the development of technologies a large number of products and services are developed with the help of independent actors. With the current evolving Internet enabled trend of Web 2.0 it has become much easier for these autonomous actors to get involved in the product development activities. Social networking has become a massive part of our life, using networking sites such as Facebook, Twitter and etc have become a routine in our daily life. It has never been easier to connect with people than as it s right now, thanks to our networking sites. This connectivity has enabled tremendous growth of business and its related activities. Also Social Media channels provide quick and fast communication opportunities for people in this current era. On the other hand Consumer co-creation is a collaborative activity in which consumers actively contribute and/or select the content of a new product or service offering, and where all active parties create and extract value from the collaboration. Consumer co-creation also happens for existing products and services, through which consumers provide valuable input for the enhancement of product and services.
Broadly speaking there are 2 types of consumer co-creation that happens, in the first phase consumer co-creation centers on new product and services. In this first phase consumer ideas, views, needs, tastes and preferences are obtained for new product development. The second phase concerns the marketing communications of the consumer co-created new products and services and the non-participating consumers’ responses to these. More specifically, customer co-creation can be defined as an active, creative, and social process, based on collaboration between manufacturers and customers. The idea of co-creation is to actively involve customers in the design or development of future offerings, often with the help of many tools. Due to the widespread consumer education programs and availability of latest technology, consumers are becoming empowered day by day. With this power each consumer has developed the willingness to choose what he wants and vote or block products and services in the market. On the other side, for firms the advent of web 2.0 has enabled pervasive connectivity and direct interaction possibilities with individual customers and between customers themselves and suppliers. Looking at customers as individuals and proactively developing products to cater to them at the price they are willing to pay and the schedules that they are willing to wait is an opportunity which enables firms to win over competition and grow in any kind of market situation. Customer co-creation is a multifaceted phenomenon where new understandings of open innovation with the customers are brought to light. Virtual communities or Internet based customer communities differ in structure and extensity of social ties whereas virtual communities mainly share common knowledge and enthusiasm about certain domains and certain products. Various stakeholders play different kinds of roles in bringing a product to light and enriching a business potential. Among them customer is a very important stakeholder, customers importance should be perceived by understanding the role that he plays in product development. A product or service is mainly designed for its end user and the involvement of the end user will surely bring great development. At the same time the dimensions, attitudes and behavioral aspects of customers should be taken into consideration before proceeding with the customer co-creation. Many attempts of customer involvement have failed sighting the reasons of poor co-ordination, inappropriate sessions, nepotism and etc. Having said of certain pros and cons of customer co-creation, still we can easily tell that customer co-creation cannot be ignored or avoided. This paper is focused on enumerating the importance of customer co-creation, the impact of customer co-creation and its need in the present business situation.

**OBJECTIVES**

- To analyze the concept of customer co-creation in Social Media.
- To understand the importance & value of customer feedback in Social Media.
- To understand the importance of customer participation in product development.
To analyze the Impact of Customer Co-creation through Social Media.

RESEARCH METHODOLOGY

Researchers have used both primary and secondary data that has been collected through structured questionnaire, articles, journals and various websites respectively. Descriptive research design has been employed for the present study. Primary data has been collected from the people in and around Bangalore City. The sample size being 118 respondents, Percentage analysis has been deployed to analyze and present the data.

FINDINGS OF THE STUDY

- SOCIAL MEDIA USAGE: Through the survey we could find that nearly 50.6% use Social media frequently in a day, this is a result of emerging technology. Currently most of the people in India, especially people living in urban and semi-urban parts of the country use smart phones and the availability of cheap high speed internet has made citizens convert to netizens. Moreover people find social media as a best place to interact and spend more time. The below graph clearly states the level of social media users in a day.

  ![Social Media Usage Graph]

- CUSTOMER PREFERENCE: Over the evolution of web 2.0, more number of people have started spending more time on social media. An ideal marketer will always search for customers in the place where they spend more time, like wise it is evident that current marketers have also focused on social media customers and as a result of this we can find that customers prefer to buy products in online than in retail stores. Again the type of products is to be considered, but broadly speaking we can find that most of the products are available online and the dependency on consumers over online products have grown day by day.
CUSTOMER FEEDBACK: Growth of Internet and customers dependency on Internet has created a good market for many products. Social media has made the world small and has given the opportunity for people to engage in conversation easily. Netizens have used this opportunity to share their feedback with peer customers about new products and services, existing goods and services and their need for future products. Firms have also found that social media is an easy tool where word of web is emerging, valuable feedback of customers motivate others to go for the products. Through this survey we can clearly come to conclusion that most of the respondents do share their feedback and experiences when required.

TRUST ON PEER CUSTOMER FEEDBACK: Customers feedback has been taken more valuable by peer customers more than the organizations and firms. In the current scenario, customers use peer review before going ahead and buying any product. The level of trust has certainly increased over the years, where customers have started depending on the experiences of their peers; in our survey we can that on a rating scale of 1 being Highly trustable and 5 being Highly Distrust. We can find majority of the respondents do trust peer reviews and feedbacks.
PRODUCT DEVELOPMENT & CUSTOMER PARTICIPATION: It is actually the belief that can make wonders; customers should have the trust that their words are going to bring change and improvement. If only this trust is there, customers will be welcomed to give their feedback and share their experience. Customers sincerely hope and have confidence that they matter a lot in shaping a product. In our survey we can find that when 1 being Highly helpful in Product Development and 5 being not helpful at all, most of the respondents agree and believe that their participation plays high importance in shaping the product.

DO YOU FEEL CONSUMER PARTICIPATION WILL HELP IN PRODUCT DEVELOPMENT?

MANAGEMENT RESPONSIVENESS: Entrusting more on the concept of trust, it is also necessary to understand the perception of customer about how their feedback is valued. At times in social media we can find extreme customers, some may be very emotional, some customers can be very arrogant, some even might show their loyalty, what so ever be the kind of the customer there responses are going significantly affect the business.
This question in our survey was to understand how customers perceive about their feedback and level of response by the manufacturer for the feedback, on a scale where 1 being Good and 5 being Bad we can find a moderate response with good scores.

WHAT IS YOUR TRUST LEVEL ON PEER CUSTOMERS FEEDBACK AND REVIEWS ABOUT PRODUCTS?

![Bar Chart]

IMPACT OF CUSTOMER CO-CREATION

- **BRAND CREATION**: Customer co-creation is one essential element that helps firms to reach out to the customers and it helps customers to understand their importance in product development. Firms are able to gain customer confidence and thus co-creation becomes one good tool in taking the company and its products amidst the crowd. Further on when customer gets to know about the need and their participation level this in turn leads to brand creation for the companies and also help in brand awareness for the companies.

- **PRODUCT DEVELOPMENT**: Every product is designed and developed to facilitate its end user, and when end user gets involved and participates in this product development that will definitely be a boon to the company as well as the customer. Many firms depend totally on market survey for product development and designing, but they forget to initiate customer involvement which would leave the product get its best shape.

- **COMPETITIVE ADVANTAGE**: Customer co-creation is one best way which will give value addition to a firm and enable to gain competitive advantage in any kind of marketing atmosphere. Customer participation will surely make way to a new kind of ideas and perspectives which may actually help in overcoming the prevailing competition with more product specifications.
CUSTOMER EDUCATION: Co-creation is one best way to educate customers on products and its value. Many firms have adopted this strategy to reach out and in turn they also get educated through valuable customer feedback. Organizations which intend to create Brand Equity, try to use this concept and create consumer awareness with the customers. On the whole when consumers are getting to know about different kinds & types of products, usage of products themselves through a lot of awareness programs, it becomes an opportunity and advantage for firms to educate customers about their own products & services and educate them through all right means.

EXPANSION OF MARKET: When firms venture into new markets and try in exploring it, there the concept of co-creation helps them to a very great extent. Every firms try to use the opportunity in expanding their market and go for the new, but at these cases it becomes very difficult to understand the needs and course of market. Thus consumer co-creation serves the purpose by facilitating firms on these scenarios.

CONCLUSION

Every firm anticipates developing good relationship with their customers, but the effort that they contribute to the same is very less. Co-creation is one of the best way through which they can bridge the gap between customers and company. Currently there is a voluntary activity that has been in progress, where customers themselves come forward to interact with the firms and with their peers. This spirit of customers should be positively used by organizations, which can enable them to establish brand and gain competitive advantage. At the same time customers are highly responsible to give valuable and authentic feedback with due integrity, individual responsibility and care towards products and services should be understood before suggestions are passed. There is also a high chance of risk with this concept of co-creation; such risks should be kept in mind before initiating co-creation in social media.

REFERENCES

