

# Harnessing the power of social media

**F**OR the last several years, social or new media has been all the rage. While such broad announcements today are commonplace, just a few facts will illustrate how pervasive and important social media has become to both individuals and organisations. According to recent reports from companies such as IBM, Facebook and Google:

- A new person begins using the Internet once every eight seconds.
- Facebook has 1.31 billion users.
- New social media users are increasingly accessing social media via mobile phone.
- By 2015, more than half of the world's Internet users will reside in the Asia Pacific.
- China has the world's largest Internet community with more than 618 million users.
- WeChat, the popular social media platform in China, has 355 million active users.

Given these numbers, it should be no surprise that organisations are investing in their online media properties. But, while a firm's Facebook page or e-commerce presence in WeChat may be important to customers, are there other advantages that businesses can find with

## The trick is in using it to grow business

social media?

The answer is yes. First, social media offers an opportunity to harness what has been called the power of crowds. To illustrate, Unilever engages in purpose-driven Open Innovation by inviting anyone to contribute to the company's sustainable living objectives by submitting "a new formula, a new technique, new packaging or a fresh design solution".

In a second example of how small acts submitted by the crowd can lead to big business outcomes, Singaporean film-maker Tan Siok Siok created a full-length documentary by crowd-sourcing contributions directly from Twitter users. The same technique could be applied, for example, to new product or service ideas.

The power of crowd-sourcing comes from the network. Bigger, broader networks tend to offer an organisation greater diversity of ideas and contributions. Smaller networks of like-minded people inside an organisation tend to be more homogeneous. Additionally, people are often willing to make a small contribution where larger requests are of-

ten met with a frown.

Crowd-sourcing, in effect, involves a large number of people each making a small contribution. Social media channels such as Twitter are proving to be an excellent platform for triggering such crowd responses.

Second, social channels are also changing the nature of internal employee and B2B communications. This is often called Enterprise 2.0. Platforms such as Chatter, offered by Salesforce, function quite similarly to Facebook and are an affordable, reliable and cost-effective means of communicating.

The real value of bringing social channels into the organisation, via Enterprise 2.0, is the ability to innovate business processes and find advantage. A 2010 study by McKinsey reports that organisations adopting social channels for internal use experienced faster response times from internal experts, reduced communication costs, reduced travel costs and improved stakeholder satisfaction.

The question today, therefore, is not whether or not an organisation has a Facebook page. The question today is whether or not the firm is discovering how to use social channels to

innovate, improve its business processes and make communications more effective.

Having a Facebook page is no longer enough. Today the online game is increasingly about finding measurable business advantage. For many firms, social media offers a viable, important and often untapped platform for discovering that advantage. The challenge, then, is to take those first steps until you begin finding the formula that works for your business.

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