

Social network, knowledge management and innovation at unilever

[Technology](#), [Innovation](#)



INTRODUCTION

Unilever is an Anglo-Dutch multinational consumer goods company. Its products include foods, beverages, cleaning agents and personal care products. With over 400 brands sold in more than 190 countries, it is one of the world's leading suppliers of fast-moving consumer goods (Unilever, 2013). Such a global organisation needs to remain innovative so as to maintain its competitive advantage.

The social dynamics model (which analyses four steps- capacity building, pilot mode, integration mode and leverage mode) would be used would be used in this report to show howsocial media can be developed and integrated into Unilever and ultimately how innovation can be utilised.

USE OF SOCIAL MEDIA IN UNILEVER

Social media is defined as “ a group of Internet-based applications that build on the ideological and technological foundations of Web 2. 0, and that allow the creation and exchange of User Generated Content” (Kaplan and Haenlein, 2010, p. 61).

Social media has been asserted to be a source of new profits though access to new markets, a more engaged workforce and improved customer relations (Mangold and Faulds, 2009; Waters et al. 2009). The implementation of social media within the organization is viewed as a way to leverage organizational knowledge and improve knowledge management initiatives (Barbagallo, 2011). Unilever utilises the social network platforms of Facebook, Twitter and LinkedIn and YouTube. Their Facebook page is used to

share recipes, run adverts, and get feedback on products and other relevant information from customers.

With their Twitter account, they are able to share news about programmes in different countries and engage on topics about business, marketing and sustainability. There are several LinkedIn profiles to suit the needs of their stakeholders such as alumni and management trainees. The YouTube account is for careers purposes only and there are no much subscribers. YouTube is a platform that Unilever still needs to exploit as they can post videos and use it for mass campaigns and adverts as well as receiving comments from customers which can be a source of useful information.

Havas EHS also connected Unilever brands with consumers using social media by developing a global consumer data strategy (Unilever, 2012). Social media enables companies to talk to their customers, it enables customers to talk to one another and it also enables customers to talk to companies (Mangold and Faulds, 2009). Social networks like Twitter and LinkedIn could help the company to maintain their awareness of current business trends and innovative ideas (Jarahi and Sawyer, 2013). There is the need for Unilever to integrate social media with other traditional media like television.

Furthermore, to effectively exploit social media, the company needs interactivetechnologyand marketing skills (Penny Power, n. d.).

ORGANISATIONAL LEARNING AND KNOWLEDGE MANAGEMENT

Organisational learning is “ the process of change in individual and shared thought and action, which is affected by and embedded in the institutions of the organisation (Vera and Crossan, 2005, p. 123). Organisational learning system is rooted in human resources, structure, process, policy and culture. The process of organisation learning takes place through nine steps (Lytras et al, 2008).

The first and second are discovery and innovation which involves building up a system enabling it to make the right choices among innovative ideas. The third step is selecting process and activities so a better decision can be made. These three steps of learning involve changing one’s perception and thinking but learning also includes changing behaviour which leads to the fourth step which is executing ideas which were discovered. The fifth step is transferring the experience and ideas achieved by the team/departments to the rest of the organisation.

In reflecting, which is the sixth step, the organisation learns from past experience both good and bad. There is the need for the organisation to acquire knowledge from outside environment and build its knowledge base and also contribute by sharing knowledge with its business partners; these constitute the seventh and eighth step. Finally, as the organisation continues in its learning process, there is the need to build an organisational memory so that learning can be constantly upgraded and to avoid loss.

This is also consistent with the seminal work by Huber (1991) who elaborates four constructs linked to organisational learning-knowledge acquisition (the process by which knowledge is obtained), information distribution (process by which information from different sources is shared and thereby leads to new information or understanding), information interpretation (process by which information that has been distributed is commonly understood) and organisation memory (means by which knowledge is stored for future use). Knowledge can be considered as information which has been acted upon; it adds understanding and retention to knowledge.

Our perceptions of knowledge are based on our ontological and epistemological beliefs about reality (Jashapara, 2010). There are two types of knowledge -descriptive knowledge which is the knowledge of things and productive knowledge which is the knowledge of changes in things. Knowledge is the application of expertise, it can be manipulated i. e. it can be stored and replenished and it can also influence action (Hemsley and Mason, 2013). It is therefore imperative to understand how this knowledge can be used in achieving the goals of the organisation. This therefore leads us to the concept of knowledge management.

Knowledge management is the process of generating, acquiring and using knowledge to improve the performance of organisations; thus it is understood to be ' managed learning' (Vera and Crossan, 2005). Knowledge management is not a technology but a consolidation of strategy, technology and people (Mullins, 1999). The business strategy of an organisation must reflect the requirement to capture knowledge. Knowledge exists in people,

not technology; technology helps to retain knowledge but it cannot create it. Transforming information into knowledge requires classification, analysis and synthesis of the information.

The knowledge which has been captured should then be effectively communicated. In reality, knowledge cannot actually be captured; it is the information which has been captured that is easily transformed into the knowledge (Mullins, 1999). Managing knowledge effectively involves the protection, leverage and accumulation of new knowledge. The resource based view of the firm attributes the competitive advantage of the firm to the unique knowledge it has over its competitors (Barney, 1991). According to Chakravarthy et al (2012), two broad types of knowledge often trigger a firm's competitive advantage-resource conversion and market positioning.

Resource conversion knowledge refers to the capability of a firm to use common resources to create unique products through innovation. The patents, copyrights and trade secrets that a firm owns are the most conveyed aspects of its resource conversion knowledge (Friedman et al, 1991). Market positioning knowledge is the ability of a firm to see opportunities in its environment and avoid threats. An organisation like Unilever may not have access to any special information over its competitors but may be able to see patterns in information that others are unable to.

Social media can be of great value to Unilever as it would enable them capture new knowledge from internal and external sources such as employees and customers on the platform of social networks. This knowledge can then be applied to solving problems. Knowledge may be

valued in groups based on its usefulness in achieving the group goals. Unique knowledge gained from social media is useful in the attainment of the groups or departments' goals. This ultimately leads to a learning organisation which imitable knowledge which then becomes a source of competitive advantage (see figure 1). pic] Figure 1 Link between social media and knowledge management. (Source: Value tensions, 2012). Unilever has a knowledge management group which promotes it as a learning organisation in which activities are integrated. The company focuses on contributions towards its strategic goals and objectives through the creation, sharing, acquisition, capturing and transfer of knowledge (Unilever, 2013). Their knowledge management database is provided by Astute Solutions RealDialog. It has proved effective in their customer centre nsuring that end users receive current, high quality information; it also maintains and updates information for multiple touch points and end users (Astute Solutions, 2010).

EXPLOITATION OF INNOVATION AT UNILEVER

The social dynamics model can provide an understanding of how innovation can be utilised in Unilever. The first phase is the Capacity building which involves setting up extensive internal and external audit. In carrying out this audit, an environment scan would have to be conducted to know what is being said about the company and its brands, how employees use social media to promote the interests of the organisation.

Organising training programs to enlighten staff on social media, also creating a platform where employees can share knowledge. Employees should be provided with access to social networks so they can communicate effectively

with customers. As part of adapting the overall HR strategy, there is the need to hire people based on the social capital they possess as a result of their influence level and network. It is important to recruit people who are open to change and are customer-friendly. Unilever can do utilise LinkedIn as it supports expert locating practices through its communities and profile search (Jarahi and Sawyer, 2013).

Pilot mode-The purpose of this phase is to have projects that can implement social media in a structural way. This would involve setting up a centre of excellence which would gather knowledge, guide pilot projects and provide internal consultancy and support local and regional teams. They have to determine the strategy for incorporating social media within the organisation. For a global company like Unilever, this centre would be implemented on three levels. The first is on a global level where the centre supports the regional and local teams as well as reports to the board.

On a regional level, each region would have a mediator between the global strategy and local implementations. On a local level, the teams would be responsible for the translation of the approach to the languages. They would in turn report to the regional representatives. Integration mode- In this phase the knowledge acquired and any new beliefs are integrated into the heart of the organisation. In order to make use of all the opportunities that social media brings, there is the need to ensure the employees and customers are happy.

There is the need to co-create using social media and online communities as it is crucial to the development of new products and services. Unilever

currently does this particularly in their use of open innovation. However, it is advisable that they opt for an incremental co-creation which implies that they have to start in closed community to enable the organisation to see how things work, sharing insights about certain products or experiences and ask collaborators to search for solutions and ideas based on that and co-create with their biggest fans.

Unilever did this by publishing a list of 'wants'-areas in which they need solutions. These are opened up to the global audience through social media (Unilever, 2013). To excel in social media, there is the need for the right content strategy to be developed. This should be done on four levels - content around the different products and brands, content about the different categories the company is in, content about the company in the form of compelling stories worth sharing and content about the advancements and future of the industry.

Unilever has the right content strategy on their website but there is the need to have the right content particularly as it relates to content about the company and their future outlook. Leverage Mode- In this phase, the company is ready to take full advantage of the new philosophy. It is vital to leverage on marketing as information is spread quickly and new target groups can be reached. It is useful for Unilever to assign someone to be an internal trend watcher who is able to spot changes in the field of social media. This ensures that the company moves faster than its competitors.

Substantial gains could arise from additional applications, particularly in marketing and sales, where a company like Unilever spends an average of

15 to 20 per cent of their revenues. They can do this by substituting insights from extensive online communities for more traditional marketing panels and focus groups. Interactive product campaigns that deploy social technologies can increase the productivity of advertising expenditures by as much as 30 to 60 per cent. New, collaborative forms of engagement with customers too can improve product development, both in speed and level of understanding (Bughin, Chui and Manyika, 2012).

Unilever partnered with an agency called ' We are social' to create a society for lovers of their products, enabling the company to organise product launch mainly through effective social media marketing and communications. Through a campaign program, bloggers were able to vote on the design of a Unilever brand-' Marmite' (Moseley, 2012). Unilever Vietnam also partnered with Jana to create social media focus groups to generate brand awareness of its Clear shampoo line. They were thus able to leverage on the knowledge gained from social media (Jana, 2012).

Unilever's innovation is becoming a competitive strength and is critical to their growth. They try to understand what their customers want, relating with them to understand their diverse tastes, needs and market trends and ultimately developing new products and improving tried and tested brand, enabling customer-led innovation. They also have partnerships with suppliers and investors, thus encouraging open innovation which is a system where people can come up with ways to improve existing products and create new ones through designs and technologies.

Social media hastens the open innovation process and offers the foundation for engagement, enabling effective co-creation with the partners (Unilever, 2013). Unilever also has a new business unit (NBU) which exploits innovation around its core competencies. There is also a Unilever Corporate Ventures (UCV) group which explores opportunities outside the core categories. It identifies technology assets inside and outside the company that inspires new businesses (Decter, Mathe and Garner, n. d.). Unilever invests around 2.5% of its annual turnover in R &D, continuous product innovations and filing of patents each year.

It takes learning and knowledge seriously and believes that transferring this knowledge into its products and services is a key source of competitive advantage (Unilever, 2013). Unilever partnered with Siemens to create a global specification management system that serves as the first major component of its Product Life Cycle Management (PLM) technology. Innovation is therefore not limited to its products, they extend to design processes and package design (Siemens, 2011).

CONCLUSION

Innovations require a communication/learning channel that facilitates easy sharing of knowledge which can be transferred using social media.

Applying the social dynamics model to Unilever should have a positive impact on their customer, suppliers, employees and eventually the shareholders. As long as organisations continue to tap into the information which is continuously diffused through the social media, they would become

learning organisations and can leverage on the acquired knowledge to be innovative.

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