How Finnair Socialized Customers for Service Co-Creation with Social Media

Firms are increasingly using social media to establish online communities where customers and other community members co-create new solutions. We describe how Finland’s national airline, Finnair, succeeded in co-creating service ideas by using a variety of social media technologies and “socialization tactics” to help ensure that community members identified with the company’s image and engaged in dialogs that were aligned with both company and customer needs.1,2

Sirkka L. Jarvenpaa
University of Texas-Austin (U.S.)

Virpi Kristiina Tuunainen
Aalto University School of Business (Finland)

The Challenge of Open Co-Creation with Social Media

Companies are turning to open innovation to differentiate and customize their services and products and to offer greater variety and choice. Open co-creation involves generating and exploiting input beyond the company boundaries, characterized by unprecedented transparency and Internet-enabled access.3 Companies often start their open co-creation journey by “working closely with customers to develop new solutions” through an iterative process; the customer is engaged and tacit knowledge is exchanged reciprocally between the firm and the customer. However, when co-creation takes place in open, online communities, not just existing customers but anyone with Internet access attracted to the site becomes a community member4 who can contribute and benefit from the contributions.

Social media technologies (SMTs), which include Facebook, Twitter and blogs, have opened up and transformed the scale of service innovation by enabling large-scale, crowd-sourcing initiatives and innovation contests. However, to empower individuals to participate in co-creation, they have to be “socialized” to identify with the firm, understand their role, and have

---

1 Christina Soh is the accepting senior editor for this article.
2 In January 2012 and 2013, parts of the Finnair story were presented at the Hawaii International Conference on Systems Sciences. We thank Rachel Lim for her very able research assistance. Support for this research was provided in part by TEKES Finland to the first author. We are also grateful for the outstanding support that we received from our Finnair contacts.
5 Following Butler and Wang, we refer to members as “individuals who are able, through some process, to read and contribute messages to the community discussion.” Butler, B. S. and Wang, X. “The Cross-Purposes of Cross Posting: Boundary Reshaping Behavior in Online Discussion Communities,” Information Systems Research (23:3), 2012, pp. 993-1010.
the necessary level and form of engagement. Even customers who regularly use or consume a firm's offerings do not necessarily link their personal identities to the company's brand and are not necessarily willing to spend their time in the firm's online communities.

Further, even when the company gains the necessary identification and engagement from community members, the outcome might not include meaningful ideas that are valuable to the firm and its customers. One company reported receiving thousands of R&D ideas yearly from its open innovation initiatives, but it could not identify a single one that had an effect on the company's activities. Companies can also experience backlashes and outright failures as well. For example, Samsung received bad publicity from its attempt to coerce Indian bloggers into acting as Samsung brand ambassadors. In the hospitality industry, customers have caused irreparable damage to brands with inappropriate and at times unjustified negative comments posted online.

To avoid these sorts of problems and to generate dialogs that are aligned with both company and customer needs, a firm needs a socialization strategy that harnesses customer identification and the sense of partnership with the company.

Two Types of Tactics for a Customer Socialization Strategy

The tactics used to carry out a firm's customer socialization strategy range from highly institutionalized (structured and collective) to individualized (unstructured and differentiated). Institutionalized tactics operate in push mode (from the company to the online community); individualized tactics operate in pull mode (see Figure 1).

With institutionalized push tactics, the firm aims to convey to heterogeneous Internet users uniform messages of what the organization stands for, the roles of online community members and what is expected of them. Institutionalized tactics often follow formal relationships, and have a fixed sequence and a defined timetable (e.g., a training program or a marketing campaign with start and end dates). These tactics promote direct interaction with the firm—for instance, through a company website. The company is in strict control of what information is presented and at what predetermined intervals. Socially oriented institutionalized tactics can also involve company-appointed agents, such as salespeople, brand ambassadors or community managers. The goal is to create common and standardized experiences that are interpreted and responded to in largely uniform ways.

By contrast, individualized pull tactics foster diversity in the views about the company and the company's expectations, with community members playing varied roles. Individualized tactics operate in pull mode (from the online community to the company). The tactics do not aim to dictate or structure these views; instead, they aim to engage and empower community members to develop and express their own views. This approach can lead to rich, diverse, and sometimes unpredictable outcomes.

Figure 1: Push of Institutionalized and Pull of Institutionalized Socialization Tactics

---


9 Customer socialization borrows from organizational socialization: how individuals enter a new organization and deal with uncertainties that it presents. Technology and communication processes affect socialization.

tactics are informal and address the unique needs of heterogeneous individuals, for example through a company’s Facebook page. They promote peer-to-peer interactions and varied experiences, and have open timetables and no prespecified sequences.

The differences between the institutionalized and individualized socialization tactics are summarized in Table 1.

In internal organizational settings, the use of SMTs is mostly associated with individualized employee socialization experiences. However, even when employees are using these tools, the informality of social media, their pervasiveness and their spontaneity can challenge the organization’s ability to configure and control the communication message. In customer-related settings, individualized customer socialization tactics will likely promote divergent innovative activities, but leave to chance how well these innovative activities meet the needs of the firm. Without some means of coordination and control, a firm’s SMT initiatives can be disjointed, and it may fail to capture important learnings.

Prior SMT studies have assumed an already socialized customer who is familiar with the firm and identifies with it. Hence, very little is known about open co-creation with customers and other community members who are not already well socialized with the firm. Our objective in this article is to illustrate how a mix of the two types of socialization tactics—institutionalized and individualized—enabled Finnair, a national airline, to create an environment that motivated customers and other online community members to actively engage in effective dialog with the company. The SMT-enabled co-creation resulted in almost 300 new service ideas aligned with both company and customer needs.

<table>
<thead>
<tr>
<th>Table 1: Socialization Tactics to Enable Co-Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dimension</strong></td>
</tr>
<tr>
<td>Orientation</td>
</tr>
<tr>
<td>Interaction direction</td>
</tr>
<tr>
<td>Timescale</td>
</tr>
<tr>
<td>Boundary-spanning</td>
</tr>
</tbody>
</table>

Finnair’s Socialization for Service Co-Creation

Finnair is the world’s oldest, midsize, partly state-controlled airline with a unionized labor force. Like similar enterprises around the world, its high fixed costs and organizational structures impede its ability to respond in agile ways to external disturbances, such as terrorism, weather, overcapacity and rapidly rising fuel costs. In addition, the entry of low-cost short-haul competitors has eroded its traditional home-base advantage. Many regional state-owned airlines have merged or gone bankrupt. Finnair has remained independent but faces enormous financial pressures and scarce resources.

Finnair does have a geographic advantage: Its hub is in Helsinki, Finland, which provides one of the fastest routes between Europe and Asia. The company’s strategy has focused on long-haul Asian routes and the business class customer segment. But even in this segment, the company has faced growing pressures. For example, the volatile global economy creates sharp demand and price fluctuations.

The company’s long-term survival depends on a stronger global presence. With a small home-country market (Finland’s population is approximately 5.5 million), Finnair needs a compelling service proposition to create awareness among other nationalities, persuading them to overcome a preference to fly with their national airlines. Although Finnair is ranked

---

consistently among the top airlines in customer service, as a manager explained, “The Finnair brand is largely unknown in many European markets and unheard of in remote markets, such as India, China, Korea and Japan.”

Finnair’s goals for service innovation were to renew its brand and co-create new services. Its socialization strategy involved implementing multiple and repetitive individualized and institutionalized socialization tactics to achieve its co-creation goals. We describe below the SMT socialization initiatives Finnair took, and the timeline of the initiatives is summarized in Figure 2. (The research method we used to gather the information on Finnair’s socialization initiatives is described in the Appendix.)

“Feeling Finnair” Through SMTs

To improve global recognition of the Finnair brand, the airline encouraged customers and potential customers to “Feel Finnair,” particularly in the growing Asia-Europe market. The company embarked on its image renewal with the Rethink Quality campaign (see Figure 3). The campaign presented Finnair as “A boutique alternative to the larger European airlines” for the quality-conscious traveler between Europe and Asia that could deliver customers “Peace of mind.” The goal of the campaign was to increase customer engagement; the firm thus began encouraging discussions among customers and potential customers on the quality of air travel, which it hoped would lead to co-innovation of new services.

Customer engagement became the centerpiece of the Rethink Quality campaign. According to a senior manager, “The key to delivering quality is to innovate and act together with the customer.” “Feeling Finnair” was to involve all phases of the customer relationship—the consumption of Finnair services on land and in the air (e.g., airport lounge iPad services, onboard services, flight-specific social networking). The challenge was to get air travelers who were not even aware of Finnair’s existence (particularly Asian travelers, as well as travelers outside Nordic countries) to engage in discussions about the quality of air travel and, in the process, disseminate information about Finnair’s quality offerings. SMTs became key tools.

Early Experiments with the “Finnair Runway” and “Departure 2093” Blogs

The first SMT socialization initiatives used institutionalized push tactics. The “Finnair Runway” blog was started in early 2009 and included contributions from pilots, members of the executive team, production managers, cabin attendants, maintenance managers, customer managers and many others. This initiative was followed by the “Departure 2093” blog also launched in 2009 as part of Finnair’s 85th anniversary celebration. This blog created five visions of flying 85 years in the future.13

As is characteristic of institutionalized tactics, both of these blogs focused on conveying Finnair’s values and goals, with prespecified launch and end dates for the campaign and with Finnair in control of the sequence of information. These initiatives conveyed Finnair’s high-quality values, fresh approaches to customer service and design creativity, while simultaneously reminding

---

customers of Finnair’s long history, reliability and adherence to tradition in its customer service.

“Departure 2093” envisioned flying in 2093 to be “popular, ecological, an adventure, good business and personal” (see Figure 4). More than a million people visited the “Departure 2093” site. The campaign succeeded in expanding Finnair’s digital footprint and in gaining attention, interest and word-of-mouth business in international markets.

Figure 4: One of the Departure 2093 Visions

Illustrator: Kauko Helavuo

Assessing the Results of the Early Blog Experiments. The “Finnair Runway” and “Departure 2093” blogs did not generate the type and quantity of dialog Finnair expected. Although the blogs made the content visible and persistent, it could not be edited, and online visitors rarely made any comments. Moreover, visitors could not personally connect with Finnair employees and did not collectively identify with their peers on some common cause that would have promoted interaction. Hence, the institutionalized push socialization tactic did not promote dialog and input. In other words, the blogs did not result in any co-creation.

Using Facebook to Support Customer Interactions

Finnair’s presence on Facebook followed the two blog initiatives, and a Twitter account was established in early 2010. The head of public relations and corporate communications championed the launch of the Finnair Facebook page and insisted that all company board members use Facebook. With this strategy, the company gradually shifted to SMTs that relinquished some control to the customer and introduced more individualized socialization tactics.

The individualized tactics leveraging Facebook occurred initially in the context of service delivery rather than service idea generation. Finnair set up a 24/7 Facebook support staff that rapidly responded to queries. Interactions were informal, individualized and without a formal sequence or timetable. Customers could also interact with each other, enabling peer support and social approval. For example, the Finnair Facebook page was in constant use during the weeks of the Icelandic volcano eruptions in 2010. It was also a critical source for information during a few labor strikes, providing up-to-date information on delayed and cancelled flights. During the “ash weeks” of the volcano, a customer posted a question: “Is Finnair offering a bus back to Helsinki from Berlin?” A reply arrived six minutes later from another customer who had information on a Finnair bus from Berlin to Helsinki via Tallinn. Customers could use the Facebook page to assess whether their contributions were seen as valuable. The peer-to-peer communication created a sense of community and caused customers to collectively identify with the company.

However, with time, Facebook use expanded to support both individualized and institutionalized tactics. Finnair’s Facebook users posted more individualized experiences, and Finnair delivered more standardized institutionalized experiences—for example, through product development surveys using Facebook (e.g., “Tell us about your best ever flying experience”). The firm also ran contests on the Facebook website (supported with YouTube videos) relating to its new routes. It created competitions based on “fun facts” or trivia related to Finnair or the destination, where a winner could win airline tickets and vouchers for amenities.

Assessing the Results of Facebook Customer Interactions. The blogs and Facebook page communicated Finnair’s new image and enabled real-time interaction between customers and the company. Thus SMTs were no longer used just to convey structured and uniform messages, but also to generate informal, unstructured and peer-based communication. SMTs now supported the seemingly contradictory individualized and institutionalized socialization tactics.

Although these SMTs enabled greater exposure of the Finnair brand, they did not produce the
much-anticipated discussions on air travel quality—i.e., they did not engender co-creation. As is typical with Facebook communities, the company's posts received more "likes" than comments, except in situations caused by external events, such as weather.

The First Quality Hunters Campaign

The next SMT initiative, called the Quality Hunters (QH) campaign, deployed an institutionalized tactic of customer socialization. This two-month campaign involved hiring "socialization agents" who spanned the boundary between Finnair and online community members. Their role was to stimulate discussion and dialog about travel and the co-creation of ideas. The QH campaign was a variation of the 2009 "Best job in the world" campaign initiated in Australia by Queensland Tourism at the Great Barrier Reef. The QH campaign offered a job so interesting and attractive that a great number of people applied, and an even greater number followed the news updates online. Indeed, about 300,000 people visited the Finnair website to view the advertisement about "a dream job." The local and regional press covered the QH initiative, as did online media in different countries.

The recruitment campaign for the QHs was open for a month and generated 5,300 applications from 90 countries. Eventually, four applicants were selected, two male and two female, all from outside Finland. This strategic move was intended to help Finnair increase awareness of the company outside its home country.

With this formal, planned and institutionalized socialization tactic, the four QHs became the voice for Finnair in cultivating online discussion. For two months, they traveled to key Finnair destinations "in search of quality." They shared their thoughts and adventures with the public through personal blogs on the Rethink Quality website,14 and they generated conversations with customers relating to quality.

During the two months of travel, QHs were paid and, to improve Finnair's service proposition, were called "independent advisors appointed by Finnair." They had the freedom to write whatever they liked, positive or negative. Although most of their blogs were positive, the QHs identified a few problematic areas: "I've blogged about the food I've been served on some of the flights I've been on. And I've blogged about something you can hardly call food ..." At no time during the process did Finnair interfere with the QHs' blogs—not even to make comments. A manager explained, "Open discussion was the only option. ... What might be a challenge for Finnair does not interest the customer. S/he is only interested in getting service that suits her/him."

Assessing the Results of the First QH Campaign. Although more than half a million visitors viewed the QH blogs during the two-month campaign, most of the visitors were passive and never contributed to the community. In fact, the overall amount of discussion, and even the number of individual comments to the blogs (altogether about 1,200 comments to a total 350 blog posts) was, according to a Finnair manager, "not that great." Moreover, the blogs generated little actual dialog, particularly from community members outside Finland. As a consequence, the strategic aims of the campaign were not achieved: there was neither any intensive discussion on quality that led to co-creation nor a significant increase in global awareness.

Although Finnair's hands-off policy with the QH blogs created "a very authentic feeling," this approach made it less likely that the QHs would focus on Finnair's goals. The QHs evidently saw themselves as "quality controllers." This perspective is seen in a comment by one QH who—in response to a comment on her blog—stated that "the role of the Quality Hunters is just to make these deficiencies transparent and to encourage Finnair to look into the problems we encountered and to take the appropriate steps to make the system better." As quality controllers, they instilled shared values about quality in the global air travel community. This shared value strengthened the community's collective identification with quality issues but did not generate active dialog with the community that resulted in concrete service improvement proposals on which Finnair could act. In the words of a Finnair manager, "Nothing really new was learnt, nothing that we hadn't already heard through our other customer feedback channels." Nevertheless, the campaign did offer much intangible benefit and created "a lot of positive vibrations" internally. The first QH campaign had a positive effect on opening conversations and welcoming the QHs' frank, and at times negative,

14 http://media.finnair.com/Rethink/quality/index.html
feedback on the company. Overall, the initiative was viewed as an important learning experience to the company and contributed to the decision to launch “Quality Hunters Season 2” the following year.

The Second Quality Hunters Campaign

The goal of Quality Hunters Season 2 (QH2) remained to increase new customers’ awareness in markets outside Finland by presenting Finnair as the “most innovative and convenient way to travel between Asia and Europe.” To ensure QH2 was an improvement on the first QH campaign, it was designed to address the entire service experience of an individual traveler, beginning with planning to board, continuing with in-flight services and ending with deplaning: “… It is not just about a super-efficient airport and the shortest possible route … [We are] searching for ideas large and small to make traveling convenient, pleasant and hassle-free.” The campaign also had a very concrete goal for service innovation, articulated by a Finnair manager: “Twenty-five great ideas are being sought—even 10 nice ideas from QH Season 2 would be great.”

Seven new QHs—several of whom had never flown with Finnair before—were selected from over 2,000 applicants to serve as “independent advisors” to Finnair for the duration of QH2. Again, they were hired as Finnair employees to span the boundary between the company and online community members to promote discussion on the quality of air travel and to encourage the co-creation of service ideas. Over a period of five weeks, these seven QHs made 171 flights to 36 different airports.

This time around, Finnair did not give the QHs complete freedom on the topics of their blogs. Even though the company did not intervene with their blogs, each QH was assigned a specific topic, which included “On the move,” “Socializing,” “Entertainment,” “Shopping,” “Food and Drink,” “Services” and “Business Class.” The pre-assigned topics were expected to result in more focused blogging, to allow for better idea generation and to identify “ingenious ideas for improving the overall travel experience.” Compared with the first QH campaign, the timetable and sequence of the blogs were more influenced by Finnair and by the public relations firm that interfaced with the QHs.

Furthermore, this time the company allocated a dedicated resource—a social media manager who had recently joined the company. This manager took an active, complementary role in driving traffic to the QH2 website through Facebook and Twitter and engaging with and encouraging followers to participate. In the words of the social media manager, “Some sort of … feeding must be continuous, so that the community remains active and the discussion continues around the right topics.” Opinion leaders with wide Twitter networks of their own were identified and invited to participate in the QH2 discussions. The company and its public relations firm orchestrated the timetable and sequence of invited Twitter messages and invited blogs. The social media manager acted as a community moderator and a community participant who bridged the different SMTs. She continuously monitored, steered and executed corrective actions if needed.

Midway through the campaign, Finnair, the seven QHs and a popular vote selected an eighth QH to travel to two destinations within one week. To promote interactivity and discussion on the QH website (as opposed to sporadic and random comments), the intention to select an eighth QH was announced at the beginning of the campaign. The selection was based on who was active on the QH2 website in commenting and contributing to valuable idea generation. As a socialization tactic, the selection of the eighth QH combined both institutionalized and individualized tactics.

To stimulate new service ideas throughout QH2, QHs were instructed to end their blogs with probing questions. For example, in a blog titled “My painful bus ride to HEL,” one QH asked: “What about you guys? Have you experienced similar problems with airport buses around the world? And what types of travelers are you? Do you leave for the airport well ahead of time, or trek there at the last minute, when even a minor change in the bus schedule or a traffic problem can cause you to miss your flight?” The community offered articulate thoughts: “I think the first airline/airport that is able to coordinate across the travel modes and harmonize operations with other travel services will be really changing the experience and take out a lot of the obstacles we as travelers face the moment we head for the airport.” Compared with the first QH campaign, QH2 was characterized by a much higher

15 http://qualityhunters2.com/
How Finnair Socialized Customers for Service Co-Creation with Social Media

level of interactivity, as community members offered support for, reflected on, reacted to and commented on the experiences and communications of both the QHs and the other community members.

Throughout the QH2 campaign, both the QHs and community members had opportunities to submit their new service ideas. Of the 260 co-created ideas, "environmentally friendly meat-free Monday" and "airport book swap" were voted as the public's favorite ideas for Finnair and Helsinki Airport to implement. In mid-2012, Finnair introduced the eco-friendly book swap at Helsinki Airport (see Figure 5) so that passengers could trade second-hand books—"a book-swapping station which will give passengers the opportunity to drop off books they've finished reading, making them available for other readers passing through the airport."

The idea that received the most votes, "meat-free Monday," evolved within Finnair to a plan to "offer the best vegetarian in-flight meal ever—and not just on Mondays!" In summer 2012, Finnair announced "the hunt for the best vegetarian onboard meal ever" on the QH2 website and invited community members to send recipes, pictures and stories to be "pinned" on Pinterest, a virtual pinboard. Altogether, 90 pictures or "pins" were shared at the "Best Vegetarian Meal Quest" pinboard. Many suggested vegetable curry, and a group of Finnair staff members selected this meal after tasting "about a hundred in-flight veggie meal choices devised by our caterers." In early November 2012, Finnair started serving "a vegetarian option on all long-haul economy flights, whenever there is an option available."

Assessing the Results of the Second QH Campaign. Compared to the first QH initiative, QH2 produced fewer "likes" to the blogs but generated many more comments (e.g., the post about an airport bus received only one like but 23 comments). The QHs used both individualized and institutionalized tactics. First, the QHs as socialization agents created rather uniform experiences through their blogs (i.e., the institutionalized tactic), but the individualized interaction with QHs fostered interpersonal relationships with community members. The online members addressed the QHs by their first names, and they also engaged in interactions with each other.

By the end of QH2, the website had received 243,000 visits from 190,000 unique visitors. More than 9 million people communicated via Twitter (4,217 total tweets and 1,110 followers), and the site received more than 600 global media hits. As one QH noted, "Now a lot of people recognize the name Finnair, I would think, [since] all of us were promoting it on Facebook." Overall, QH2 was successful in terms of co-creation.

An unexpected outcome of QH2 was the keen wish of the most active followers to keep the community alive. The social media manager estimated that about 50 to 60 individuals remained highly active throughout the campaign. These active participants announced their
willingness to continue and also offered ideas on how to keep the community going. "We could not have guessed that out of the Quality Hunters program such a committed community would arise, offering feedback on a daily basis," remarked a Finnair manager.

**The Quality Hunters 2013 Initiative**

During Spring 2013, Finnair built on the active online community that formed around the two earlier QH initiatives and launched QH 2013. According to a Finnair manager, the aim of this initiative is "to identify the key moments that can either make or break a journey and seek out practical ways of improving the travel experience."

In this community-driven service development initiative, the members of the community were invited to share their views and experiences and to identify points of improvement, under the themes of "At home," "At the airport," "On board," "On arrival" and one more theme yet to be decided. The discussions were primarily conducted on the QH Twitter channel, blog and Facebook page. The online community was used to identify active members for five different weekend workshops in Helsinki where they joined employees of Finnair and Helsinki Airport. The most promising ideas were selected to be critiqued, refined and developed further for implementation. At the time of writing this article, it was too early to assess the results of QH 2013, though it did result in substantial amounts of co-creation.

**Developing Internal Capabilities with SMT-Enabled Co-Creation**

The external co-creation initiatives were accompanied by internal company changes, particularly in terms of a more outward-looking company culture. The SMT support staff answered questions 24 hours a day, seven days a week. Finnair employees who were not interfacing with customers via SMTs could still follow the QH blogs and interactive discussions and learn first-hand about the expectations of current and potential customers. Nearly all Finnair employees participated in programs and workshops as part of a service identity renewal program. As the company reconstructed its global image, the service identity renewal mobilized employees to reconsider the firm's entire customer service process. Internally, "Peace of mind" was portrayed as the ultimate purpose and character of the "Finnair way of doing things," and this translated into concepts of employee presence, permission to act and individuality. Employees were charged with delighting the customers and being flexible, as long as safety and security were maintained.

Varied uses of SMTs have been important in making Finnair more open and communications more outward-focused. SMTs have become important channels for employees to communicate with customers and potential customers. However, SMTs and the external co-creation initiatives also led to internal changes, particularly in terms of culture change. In late 2011, Finnair created a new position, Vice President of Customer Experience Design, with the position holder specializing in service design. According to the new VP, the creation of this role was seen as a big internal change, moving the company from functional silos to managing the entire, holistic customer service process. SMTs were harnessed for enhancing internal identity, sharing values and building collegiality.

Flight attendants and other employees engaged in impromptu campaigns, including flash mobs. Visible changes emerged in the service culture, as employees embraced more open, collegial and transparent communication. Co-creation demanded openness, transparency and a smooth flow of communication as customers were listened to and responses to their ideas were formulated.

**Lessons Learned**

The Finnair case highlights the challenges faced by a firm in a traditional service industry (i.e., air travel) as it attempts to use SMTs for open service co-creation and shows how the firm overcame the challenges. Based on Finnair’s experience, we offer five lessons for other businesses on using SMTs for open co-creation. Although some of Finnair’s most successful

---

17 [http://www.qualityhunters.com](http://www.qualityhunters.com)

18 Wikipedia defines a flash mob (or flashmob) as "a group of people who assemble suddenly in a place, perform an unusual and seemingly pointless act for a brief time, then disperse, often for the purposes of entertainment, satire and artistic expression. Flash mobs are organized via telecommunications, social media or viral emails."
activities were focused on co-creation of service ideas with members beyond organizational boundaries, we believe the lessons are not limited for idea co-creation but apply more generally to service co-creation.

1. Stay Focused on Long-Term Goals During Shorter-Term Initiatives

Open co-creation requires a vision that transcends any particular initiative and captures what the firm hopes to accomplish in the long run. Goals can and should be ambitious, but some also need to be specific. For Finnair, trying to reach the millions of Asian travelers who had never heard of the firm was a long-term, ambitious goal that could only be achieved in smaller, incremental steps. Setting specific interim goals, such as the number of service ideas to be generated, was critical—although it was neither an unambiguous goal nor an easy task.

2. Experiment with Multiple SMTs

A particular SMT can work for one purpose for a while, and another one can focus on something else, but what needs to be accomplished is continuously in flux. Finnair learned through its numerous experiments with SMTs that a single SMT will not stimulate customer participation and co-creation. Facebook proved a useful tool as a fast and highly individualized channel for interfacing simultaneously with a variety of community members, while also allowing members to interact with each other—but Facebook did not encourage co-creation. The use of Twitter in QH2 was much more influential than anticipated, driving traffic to the QH blogs and enabling greater reach than was possible with the blogs and Facebook alone. Blogs remained the core technology throughout most of Finnair’s initiatives.

Because of Finnair’s financial situation, there were limited resources available for experimenting with SMTs, but all of the initiatives were focused on the future. Gaining momentum toward the ultimate goal was deemed more important than trying to refine—with limited resources—the use of any particular SMT. The extent to which socialization and co-creation using SMTs eventually affected Finnair’s strategic goal of increasing its presence and revenues in the Asian market is impossible to isolate from the effect of all the combined SMT, marketing, public relations and communications efforts. Nevertheless, the multiple SMTs and experiments helped the company—in the midst of great turmoil in the industry—to keep the focus on the long-term goal.

3. Build Community and Relational Identification with the SMT Followers

Building identification takes repeated experiments that strive to connect customers and potential customers with the company, both collectively with a common cause and relationally at the interpersonal level. Institutionalized socialization tactics with the early blogs conveyed Finnair’s values. The first QH campaign succeeded in fostering a sense of community among the SMT followers, yet no co-creation resulted. The first campaign reinforced an existing weakness. Customers rarely feel passionate about products or services that aren’t seen as having a strong brand image, such as air travel; hence, a sense of community and collectively identifying with the company were not enough to create commitment for co-creation. In QH2, more specific bonds were forged between Finnair and the online followers of the campaign, through the QHs, as company agents or quasi-employees, promoting a collective identification with the company. Hence, the company amplified the advantage of QHs. To promote co-creation, community members had to identify both collectively (with a common cause) and relationally (linking them to the Quality Hunters).

4. Use Both Institutionalized and Individualized Socialization Tactics

With individualized socialization tactics, the customer is, by and large, in charge of the interaction, whereas with institutionalized tactics, control over the message remains primarily with the firm. Using only institutionalized tactics with the early blogs created a void in the sense that the much-hoped-for interactions with the customers were not realized. And the separate uses of individualized and institutionalized tactics with Facebook also created a void by not stimulating online discussion. However, the different uses of these two types of tactics for customer service during
How Finnair Socialized Customers for Service Co-Creation with Social Media

How Finnair Socialized Customers for Service Co-Creation with Social Media

...crises and for product development surveys did result in benefits in service delivery and in communicating the new image of Finnair.

With the QH initiatives, a balance was struck and the void was addressed by using both institutionalized and individualized socialization tactics. The second cohort of QHs excelled in their dual role as brand/service ambassadors and as flying customers of Finnair and Helsinki Airport. By stepping into the shoes of a customer, they engaged community members as fellow travelers in discussions about the strengths and weaknesses of the company. Moreover, as Finnair quasi-employees, the QHs initiated new service ideas that could be evaluated and further developed by the community. This was accomplished in the QH2 program with a mix of institutionalized and individualized tactics, leveraging different objectives in complementary ways. Collaborative control ensured that customers were in charge of much of the content, but Finnair maintained control over the configuration and timescales of the initiatives.

5. Reinforce and Leverage External Co-Creation Initiatives with Internal Changes

The experiences of Finnair illustrate that external SMT initiatives can favorably support internal culture change. In Finnair, external SMT initiatives were accompanied by internal programs that helped to break down the long-standing civil-servant-entitlement culture and to spawn and develop a more entrepreneurial spirit.

The first QH campaign was primarily managed by the public relations firm, and Finnair maintained a hands-off stance. In contrast, the company leveraged the learnings from the first initiative and adopted a more hands-on approach with QH2, with a better understanding of how to achieve a balance. After the QH2 campaign, the managers responsible stressed the importance of the executive principle of collaborative control in terms of sufficient resourcing, monitoring and, when needed, swift corrective actions. This collaborative principle helped Finnair to manage the whole innovation value chain and to leverage the idea generation process for new services. Internal culture changes also allowed for an idea from an online community to be refined further internally. Openness about the internal processes was critical to generating further excitement when the refined idea was reintroduced to the community for its input. Thus a virtual iterative and ongoing cycle can be created by weaving together external co-creation with internal development.

Finally, while the actual use of SMTs took place at the customer front-end and at the middle-management level of the company, the vision that guided the rationale of socialization in each initiative was established by the executives.

Concluding Comments

This article provides insights into how a firm can use SMTs for external co-creation. The combined use of institutionalized and individualized socialization tactics allows the firm to lay the groundwork for a multi-directional dialog and for productive, open service co-creation. Finnair’s experience with SMTs was far from accomplishing “watersheds of attitude and change,” as portrayed by the hype in business and popular literature. Rather, the journey toward service co-creation was long and incremental. SMTs are neither a driver nor a facilitator—a false dichotomy—but instead are an amplifier. SMTs amplify both an organization’s weaknesses and its strengths in customer and community interaction, as well as in innovation. Hence, deploying SMTs for service co-creation requires organizations to engage in parallel activities to fundamentally strengthen their weaknesses and leverage their strengths.

19 Earlier research has found that many external innovation efforts have failed because they have been piecemeal; see, e.g., Linder, J. C., Jarvenpaa, S. L. and Davenport, T. H. “Toward an Innovation Sourcing Strategy,” MIT Sloan Management Review (44:4), 2003, pp. 43-49; and Hansen, M. T. and Birkinshaw, J. “The Innovation Value Chain,” Harvard Business Review (85:6), 2007, pp. 121-130.
How Finnair Socialized Customers for Service Co-Creation with Social Media

Appendix: Research Methods

The Finnair case is based on a variety of sources—primarily semi-structured interviews with key Finnair informants and detailed analyses of the company’s hosted online communities.

We conducted interviews with Finnair executives and managers between October 2010 and November 2012, mostly face-to-face, but some also by phone. Two researchers participated in all the interviews, which were recorded and later transcribed. The executives and managers most vital to our investigation were interviewed several times throughout the two Quality Hunters campaigns. To get a better picture of how the initiatives were designed and executed, we also interviewed some of those involved in the campaigns at Helsinki Airport and representatives of the PR company (Millton) and the marketing and advertising company (Sek & Grey). To enhance our understanding of the extent and challenges of SMT use in the travel and tourism industry, we also talked with several Finnish travel industry experts, as well as with two social media managers at SAS—another major airline operating in the Nordic area.

To understand the different socialization tactics and how they allowed customers to identify with the company at different levels and how they facilitated co-creation activities, we monitored and observed Finnair’s different social media platforms. These included the Quality Hunters online communities, the company’s blog sites, its Facebook and Twitter accounts, and the YouTube and Pinterest channels.

Most importantly, the two Quality Hunters campaigns were analyzed with the help of a research assistant. All the blog postings by the Quality Hunters (about 300 in each campaign) were downloaded, including the “likes” and comments (over 1,000 each) made by the community members. This data provided us with a deeper understanding of the nature of the interactions between the company, the socialization agents and the community members.

We also met with some of the Quality Hunters, attended a press release event organized by Finnair, conducted a small-scale survey among QH2 community members and followed students working on Finnair- and QH2-related assignments. We also reviewed materials pertaining to Finnair and the airline industry generally from publicly available sources, such as newspapers, business periodicals and company and industry websites.

Altogether, the range of complementary sources of evidence helped to build a full and accurate picture of Finnair’s social media initiatives and their influences—or lack of influence—on customer co-creation.

About the Authors

Sirkka L. Jarvenpaa
Sirkka L. Jarvenpaa (Sirkka.Jarvenpaa@mccombs.utexas.edu) is the James Bayless/Rauscher Pierce Refsnes Chair in Business Administration at the McCombs School of Business, University of Texas at Austin where she is the director of the Center for Business, Technology, and Law. She currently serves as the Director of Information Management Program at McCombs School of Business.

Virpi Kristiina Tuunainen
Virpi Kristiina Tuunainen (Virpi.Tuunainen@aalto.fi) is Professor of Information Systems Science at the Department of Information and Service Economy of Aalto University School of Business (Helsinki, Finland). She also serves as the Director of Aalto University Service Factory.