

CO-CREATING INSIGHTS

PUTTING THE CUSTOMER AT THE HEART OF YOUR BUSINESS

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INTRODUCTION

At the 58th annual ESOMAR Congress, Graeme Trayner¹ accused the research industry of a failure to adapt and change with the times. He said “smart organisations across different sectors are seeing the benefits of giving up control and benefiting from people’s creativity – but the market research industry has largely yet to make the leap into the world of open source”.

This failing has as much to do with process as to do with the way the market research industry looks at people. People, to many researchers, are respondents; car crash dummies, there only to test things; individuals with little or no social interaction; segments, demographics, and potential customers. For traditional research, seeing people only as “respondents” or “customers” frames the process and methodology used to gain insight – a model that is based on command and control where the respondent’s relationship with the research team is a dependent one and where there are no relationships between respondents. As Trayner pointed out, “research approaches are often based on outmoded notions of command & control, which afflict other parts of the marketing and communications industry. Too often we like to see ourselves as a noble elite of Brahmins who are there to help the simple and uncertain consumer understand what he wants and needs”. He argued that in the search for deeper and richer insights into consumer behaviour the industry needed to change. Three years on that argument for change is even more compelling, because just as the market research industry is playing catch up with its use and understanding of web 2.0, things are changing again.

THE DEATH OF THE RESPONDENT

Jeff Howe, in his recent book “How the Power of the Crowd is Driving the Future of Business, tells an interesting story about a young man called Nick Monu. Monu is a 22 year old second-year student at Brown University studying medicine. To pay for his way through college he has turned his other passion, photography (something he considers to be only a hobby), into a revenue source that earns him \$10,000 per month. He is part of a 50,000 strong community of mostly amateur photographers called *istockphoto*. Giorgia Sgarretta is another “amateur”, only her passion is science. Sgarretta, a 34 year old Italian house Mum, spends her evenings in her makeshift laboratory in the attic after her daughter and husband have gone to bed. She is part of a community of 140,000 “scientists” from more than 170 countries called *Innocentive*. She has just helped Procter & Gamble invent a type of dye that turned dishwasher blue after the correct amount of detergent had been added. P&G have just filed a patent referencing her and her discovery. Although these are just two examples there are lots of “Monus” and “Sgarrettas” who are coming together to perform tasks, usually for little or no money, that were once the sole remit of employees. The same dynamics of cheap production costs, a surplus of underemployed talent and creativity and the rise of on-line communities (made possible by web 2.0) has given rise to what Howe has termed “Crowdsourcing”. He says that in the 20th century we grew accustomed to the notion that ideas came from specifically gifted people working in special places; the writer in the garret, the artist in the studio; the boffin in the lab. Crowdsourcing

turns on the presumption that we are all creators – artists, scientists, architects and designers, in any combination or any order. It holds the promise to unleash the latent potential of the individual to excel at more than one vocation and to explore new avenues for creative expression. In this new world human beings can be seen as “people” rather than respondents; people who want to have important and meaningful relationships with each other and increasingly with companies, products and brands. People who have emotions, passions and skills and want to share them. People who thrive on interaction with each other as part of communities. Toffler² said way back in 1980, “People don’t want to consume passively; they’d rather participate in the development and creation of products meaningful to them”.

CONTENT CREATORS

Even though this prediction was made nearly 30 years ago, a study in 2005 called “Teen Content Creators and Consumers” by the Pew Internet & American Life Project³ shows Toffler had a point. Its findings, which drew little attention at the time, were extraordinary: there were more teens creating content for the internet than there were teens merely consuming it. Its 2007 report shows that content creation by teenagers continues to grow, with 64% of online teenagers ages 12 to 17 years engaging in at least one type of content creation, up from 57% of online teens in 2004.⁴

The survey found that content creation is not just about sharing creative output; it is also about participating in conversations fuelled by that content. Nearly half (47%) of online teens have posted photos where others can see them, and 89% of those teens who post photos say that people comment on the images at least “some of the time.” There is now a subset of teens who are super-communicators – teens who have a host of technology options for dealing with family and friends, including traditional landline phones, cell phones, texting, social network sites, instant messaging, and email. They represent about 28% of the entire teen population. Overall E-marketer projects that the number of US user generated content creators will rise from 77 million

to 108 million by 2012.⁵ More and more people are and will be donating their leisure hours to the cause of co-creation with others – they are contributing their excess capacity or “spare cycles”, as Howe calls it, to indulge in something they love to do.

THE DEMOCRATISATION OF INNOVATION

It is not easy to quantify the extent to which these “non professionals” are contributing to the economy. If they are not contributing that much then do we need to show them that much interest? Eric Von Hippel, Professor of Management at MIT’s Sloan School, thinks we should.⁶ He believes that if you could measure it, the amount of innovation driven by key consumers, or ‘leading-edge users’ as he calls them, is far greater than the volume of new ideas produced by corporations. He cites that the most effective and well-known user-centred innovation involves collaboration among many widely-distributed contributors via the internet. He focuses on the rise of ‘open source’ software as an example to highlight how global communities of skilled and intelligent consumers collaborate to find better solutions and are prepared to reveal and share their innovations to achieve their goal. In an article last year in the *Financial Times* he said “the rise of user-driven innovation is about the democratisation of innovation – an act of economic empowerment. Boosting economic empowerment is a powerful way of boosting growth”. It is something that large corporations such as Procter & Gamble have already signed up to. With the launch of its “Connect & Develop” division, the CEO of P&G, A.G Lafley, issued an ambitious challenge to his employees: Open up.⁷ Tear down the walls not just between internal insight, brand and R&D teams, but also remove the barriers between the company, its consumers and suppliers. When he took over only 15% of its new products and innovations came from outside the business – now it exceeds over 50%. In his book *The Game Changer*, he says “P&G has about 8,500 researchers; and we figured there are another 1.5 million similar researchers with pertinent areas of expertise. Why not pick their brains?”

THE RISE OF “PRO-AMS”

P&G have recognised together with others like them that the balance of power between the “professionals”, the “experts” or “elite Brahmins” and consumers and ordinary people, the mass market, has fundamentally changed. There are a confluence of factors to explain this “democratisation of creativity and opinion”. The first is to do with the internet which has made it possible for people from a diverse range of backgrounds, passions and skills to come together to share stuff with each other and do so quickly and easily. These on-line communities are providing the context and structure within which “work” can be done. They are proving in many cases to offer a better framework than the workplace or a corporation. The second relates to the over-education of the middle classes – more and more high school children are going on to university and then graduating with degrees that are not used in the work place. At the same time the market place requires ever greater degrees of specialization. This leaves people feeling over-educated and under fulfilled, forcing many to perform their most meaningful, rewarding work outside of the office and in their free time. We have unwittingly trained the unprofessional to compete on an almost equal footing with the experts. Charles Leadbeater and Paul Miller in their book *The Pro Am Revolution: How Enthusiasts Are Changing Our Economy and Society* – calls them the Pro-Ams – amateurs who work to professional standards.⁸

“DUMB EXPERTS”

Other societal changes have affected the way people consume media and advertising, influencing the decisions they make about what they buy and do. There are now so many more touch-points between brands and consumers and the relationships that are built form over a longer period of time. People are now able to find advertising they want to watch on *YouTube*, they are exposed to advertising and branding every time they visit a company website. People generally are far more used to getting information and content when and where they want it rather than when it is given to them. As we

know, there is far more interaction between brands and consumers than ever before and increasingly the flow of information runs in both directions. Similarly, people are relying much more on interactions between themselves and other people like themselves to make decisions about what they buy and do. The days when information and opinion about products and services and culture and society were handed down by one expert point of view to many have long gone.

This may be a good or bad thing, but it is the reality of the world we live in. Increasingly, the power of the crowd, of the mass market, to influence opinion and decisions is upon us. People take their opinions not just from the article written in the newspaper, but from the comments appended to them. People make decisions about where to go on holiday or where to stay not just from an ‘expert’ travel agent, but from comments on *Trip Advisor* or *Lonely Planet* websites where users give their own ratings and opinions. People logging on to Amazon to buy books or music can base decisions on ratings given by previous readers or users, and these have substantial influence on what people ultimately buy and use. In many cases people don’t have to be that knowledgeable; just being part of a community gives as much weight to their opinion as a “dumb expert” as it does to a professional one. A later example in this paper shows just how powerful the opinion of crowds can be in terms of perceptions of a brand or product. This power can be unleashed in either negative or positive ways, and smart brands will both manage and control that power to enhance their bottom line. The most dangerous thing to do is to ignore it.

THE FIVE KEY PRINCIPLES

If we accept then that the consumer world researchers operate in is changing again, how should the industry respond? Is it simply about using new web 2.0 tools to do research in the same way? Or does it require a more fundamental shift in the way researchers see the world; their role and the role consumers can play within it? Do we genuinely accept, for example, that consumers can play a much greater role in the way insights are

PART 2 / INSIGHT CO-CREATION

uncovered and ideas are formed? And if so, then what should we be doing to embrace this and how should we do it?

We have pulled together our own thoughts to help researchers and brands develop new methodologies to answer these questions and embark on this important journey. An important first step was the commitment we made to building our own collaboration communities, namely Headbox (for young people) and Mindbubble (for women) based on some of the principles already outlined in this paper (see figure 1). The five most important principles and those that are key to finding a new way of working with people in a research context are as follows:

1. Take a consumer-centric approach to finding the right people to work with on projects.
2. Step back as researchers – see your role more as facilitators and observers.
3. Enable research participants to interact both freely with one another and directly with clients.
4. Build projects that allow researchers and brands to develop a continuous relationship with participants.
5. Encourage an open source mentality within your company.

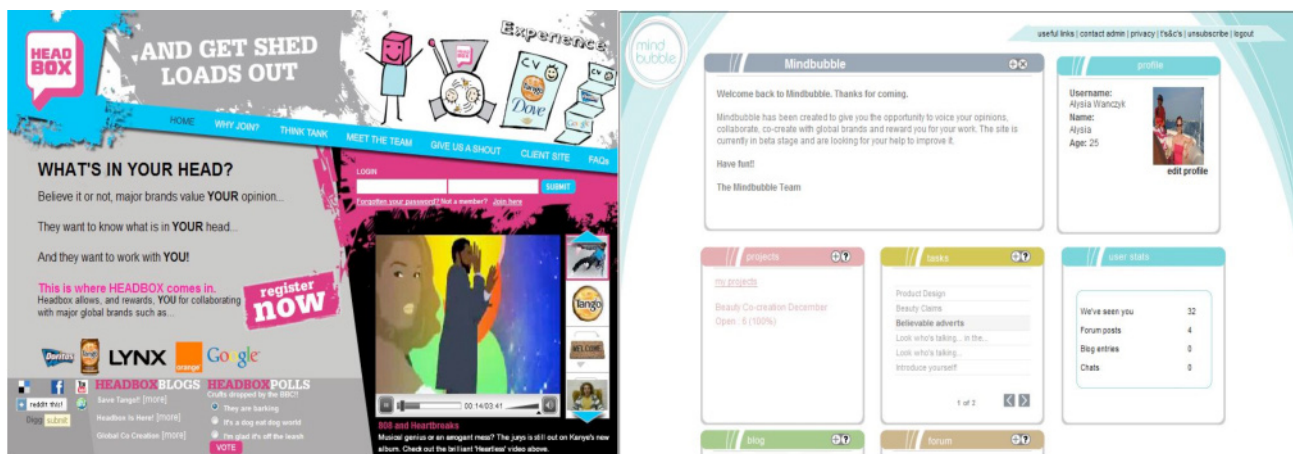
In many ways the last of these is the hardest to achieve since it often involves culture change within organisations

that are used to being spoon-fed research data, or paying lip-service to the idea of being a consumer-driven organisation. However, it is the first principle that is the most fundamental as it requires researchers to change the way they look at consumers – seeing them not as potential customers only there to buy something from a brand but as *people* who want to have a *relationship* with a brand.

THE NEW INFLUENCER INDEX

With a study conducted in Headbox we have devised an approach that will help brands make this important mental shift. We came up with an Influencer Index which was based *not* on how consumers influence each other but on their potential/desire/skill set to *influence* brands. We started from the simple belief that the influence of individuals varies by passion area (which we termed for the purposes of the research “category”) and that no one is an influencer across all categories. We think that people are much *more* likely to copy, ask, or take advice from someone they believe has passion and authority in a particular area. The five key categories we concentrated on were identified from our 2007 Tech Tribe Report⁹ (our annual in-depth study on Britain’s 16-25-year-old audience) which showed high levels of word-of-mouth activity in the categories of personal care, mobile phones, technology, music and fashion.

FIGURE 1 HEADBOX AND MINDBUBBLE COLLABORATION COMMUNITIES



PART 2 / INSIGHT CO-CREATION

In order to help us identify the key influencers we calculated an influencer score for each Headbox member. First we gave them a core influencer score based on their personality type, behaviour and size of social network. Then we gave them a score based on their involvement and passion for each of the above categories. The two scores were multiplied to give an overall influencer score for each category.

Those whose score fell into the top 15% were seen as key influencers and they stand out from their peers in a number of ways. Maybe, as expected, they absorb information from a wide variety of sources and are therefore more likely to be conduits for ideas to jump from one area to another – they like to meet and talk to different types of people and have lots of different passions and interests. They are also out there taking a lead and acting as a focal point in their social groups, being twice as likely to head up more than three groups on Facebook. They are also very sociable, giving them the potential not only to spread ideas amongst lots of people but also through diverse groups of people – they are three times as likely to have more than 300 friends on Facebook.¹⁰

UNDERSTANDING YOUR “ADFLUENTIALS”

We then overlaid our influencer index with models of brand affinity in order to allow companies to find the ‘sweet spot’ of consumers – passionate and networked consumers who are willing to play a role in influencing a brand (see figure 2). We called this group “The Adfluentials”¹¹ – people who have the passion and the brand connection to work with you and influence what you do; have the skills to do so (are “Pro-Ams”) and who also have the networks to offer the greatest potential to involve their peers and friends in their activity. Brands need to do more to understand who their “Adfluentials” are so that they can bring them into their world and work with them. To find them, brands simply need to open up to a diverse background of people and give them the opportunity to do different things. Dell computers have done this, to their credit, with the launch of *Direct2 Dell* and *Idea Storm*.¹² Their journey has been an interesting one because of where and how it started. In 2005 Jeff Jarvis, a blogger, started writing negatively about Dell. This very quickly turned into a campaign against the company whereby thousands of customers who, like Jarvis, were fed up with Dell’s products and service came together to vent their frustration and anger as part of “Dell HELL” (see figure 3).

FIGURE 2
THE CONSUMER SWEET SPOT

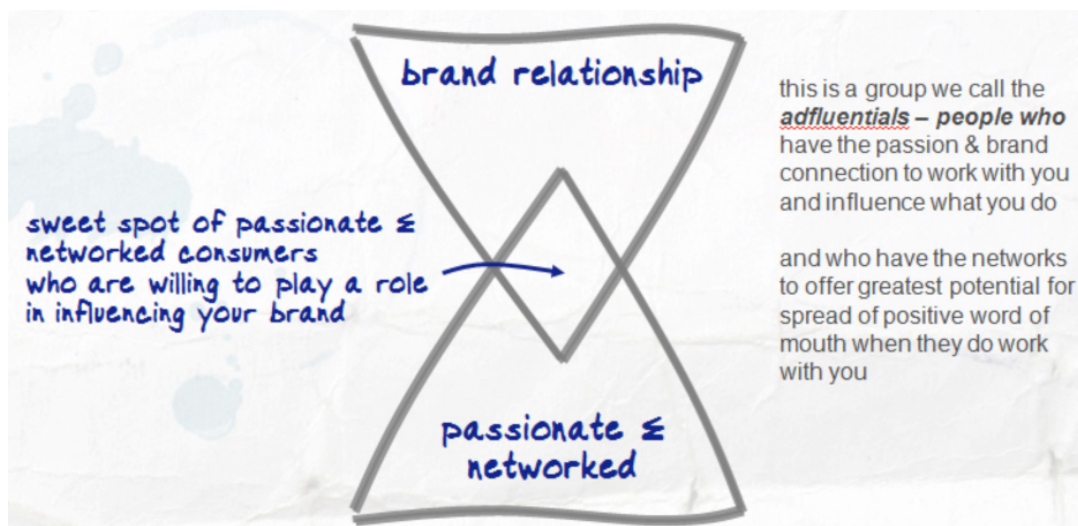
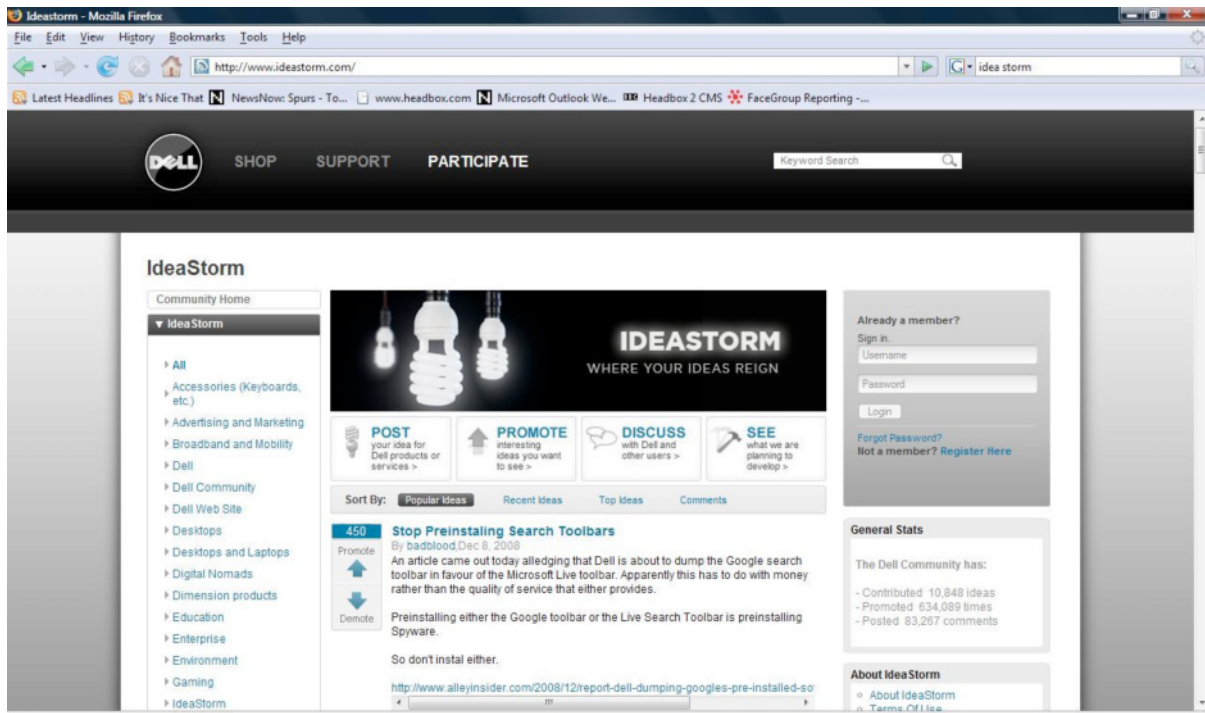


FIGURE 3
DELL IDEA STORM



It culminated at a conference in Japan when, after Dell computers caught fire and exploded, the company tried to spin a story that it was a one off – unfortunately consumers around the world did not believe it particularly as it became clear there had been many other similar instances. This was the low point for Dell with 49% of the blogging community writing negatively about the business. Dell responded to this barrage by taking the bold step of opening up its business completely to the power of its consumers. They engaged with and listened to experts; the blogging community and consumers from all over the world by launching its own blog Direct2Dell and an open on-line innovation space called Idea Storm. In 2008 Direct2Dell ranks 700 on technorati, among the highest corporate blogs with five million unique views per month, and 7,000 ideas have been submitted to Idea Storm. Dell has shown that opening up to adfluentials can have a huge influence on what you do and how you do it across many aspects of the company.

SEGMENTING PEOPLE AND RELATIONSHIPS

We think it is important for brands to use this interaction and engagement with “adfluentials” to go a step further and develop a new segmentation model – one that is based on looking at consumers as *people* who want to have a deeper and more meaningful *relationship* with you (see figure 4). This new relationship is not only framed by what consumers tell you or what you ask them but by their real behaviour and actions; by the way in which they interact with the brand and other consumers and by what they do, ask and say to each other. It quickly reveals that there are all sorts of consumers with different levels of passion, interaction and sizes of network. Their desire to do things with the brand varies, so they need to be engaged with differently. We have started to develop our own customer pyramid to help brands look at potential consumers in this way. There will always be people whose relationship with a brand is based purely on their consumption of it.

PART 2 / INSIGHT CO-CREATION

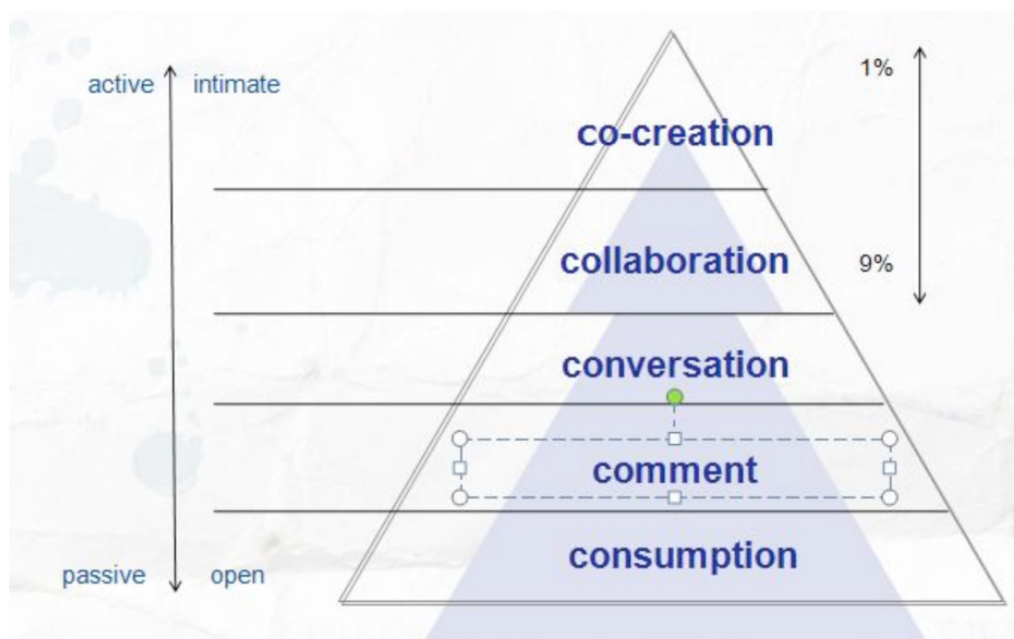
But as we have seen earlier in the paper, increasingly consumers are interacting with brands by posting comments on a website, engaging in conversation with others in and around the brand or contributing some of their own content. With crowdsourcing the levels of interaction become more intimate to the point where consumers are co-creating with you or collaborating with other consumers in deeper and more meaningful ways, usually to help find a better solution, product or way of working. Brands will need to understand these multi levels of relationships so that they can service them in the most appropriate and engaging way.

FORTUNATE ACCIDENTS

Working with the right people is one thing, but finding the right ways to work with them is just as important. Probably the most significant principle that underpins our view of new ways of working with consumers is that interaction between people – whether consumers or brand owners – is absolutely vital. Fostering and participating in conversations between people is fundamental to the idea of co-creating insights and innovation. This is important in a number of different

ways. Firstly it mirrors the way that we generally live as human beings – we are, after all, social animals. Secondly, it reflects the way we increasingly consume media and make decisions about what we buy, read, watch, and do. Thirdly it allows for a different kind of research landscape, one which subverts the traditional question and answer format – a relatively unfamiliar form of human communication and interaction – and replaces it with something far more natural and intuitive. In this world consumers are encouraged to talk to each other rather than to researchers, opinions are offered, agreed with, disputed, challenged and developed. By working in a more natural communication mode we hear views expressed in real voices, and more importantly we end up discussing things and asking questions we didn't even know existed or that we wanted to ask. This can lead to some "fortunate accidents" – insights that you have stumbled upon almost by chance. It is a reasonably good principle – though not always true – that if you know what question to ask you probably have a pretty good idea of what the answer is or might be. The mantra is simple: stop asking questions and start listening to conversations.

FIGURE 4
SEGMENTING "PEOPLE AND RELATIONSHIPS"



TIME MEANS MONEY

Of course, this all requires time and space to allow people to talk to each other and for brands to get involved in the conversation. We need time to build trust between people, and we need time to respond to and build on what people are saying. Crucially we need to accept that if consumers are going to become more equal partners in our approach to generating insight and innovation we need to build more continuous relationships with the people we are working with. This might mean spending two days working with consumers face to face or it can mean spending months or years working with particular communities of people. This is not about gathering a snapshot of opinion in a focus group or a hurriedly captured set of answers through a survey (as valuable as those methods remain), this is about working with people who are giving you the best of themselves, who move along the learning curve with you, who come to establish a relationship based on trust. All of these things require time.

TAKING A STEP BACK

Just as we ask clients to take a more open-source mentality to the way they approach insight work, so we as researchers need to take a different role. It means taking a step back ourselves and acting more as facilitators and enablers of direct contact between brands and consumers. We need to be provokers of debate, conduits for information, encouraging consumers and brands to think for themselves and to think and act together. This does not mean that the day of the debrief is dead, or that there is no place for insightful, objective, inspirational guidance from researchers. Instead it means that we need to see ourselves more as part of a triangular relationship between brands, people and researchers rather than a linear one where we stand between clients and consumers.

We have found that by helping brands adopt a new way of working with consumers – whether it is getting them to think about them differently; allowing them to interact with each other; giving them more time and space or taking a step back – that there is now a great

opportunity to do many more different and interesting things with consumers. Brands now have the license to try more fluid, dynamic and flexible ways of working with them whether it is to produce better insights, better innovation or help spread word of mouth. Following is just one example of how one of our clients has embraced these new approaches and the different outputs they have been able to achieve.

NEW SOLUTIONS TO OLD PROBLEMS

A major food and drinks company knew that they were having problems recruiting teenagers to their brands but had no real sense of what the problems were or what the solutions might be. They had conducted lots of traditional research in the past but felt that they needed a new approach to really take them to the heart of the teenage world. Here, the key principles we outlined above were brought to life through a four-stage process that fundamentally challenged the way this company thought about teenagers and the very way that they approached the insight development process.

Firstly we built a community of 100 teenagers (see figure 5) that worked together with the brand over a period of six weeks. They were given the tools to bring their own world and experiences onto the site and crucially to talk to each other around various topics that were set for them. Allowing teens to talk to each other rather than responding to researchers yielded a huge amount of richness in terms of language and tone of voice, as well as real honesty in terms of their attitudes to the brand and the category. Further, having six weeks to work with the teenagers meant that we were able to listen to the conversations they were having and to develop an entire second phase of projects and discussion topics that were vital in terms of understanding the real issues behind the brand's particular problems with this audience. This time also allowed us to build commitment and engagement from the consumer point of view. Rather than seeing the project as something they were involved in to earn a bit of spare money, it became an active part of their lives. When, in this context, we asked the teens

to come up with their own ideas to help bring them closer to the brand, the sheer scale and scope of their creativity really came to the fore and we were inundated with incredible brand plans, packaging ideas, new products, ad campaigns and even a song.

Integral to this process is the 24/7 access stakeholders have to the community and the fact that they are able to either talk directly to members or just listen in to the conversations and suggest further areas for exploration. As the teens brought their worlds and experiences to life on the site through videos, photos and diaries, these client teams were able to immerse themselves thoroughly in a teen world. Crucially, as we got teens to film themselves going on shopping trips in the category and upload clips to the site, key stakeholders had those teen worlds and experiences brought straight to their desktops, enabling huge buy-in, rapid decision-making and genuine empathy with the teen world.

CO-CREATING WITH YOUR “ADFLUENTIALS”

Following the online community phase we took 16 creative teens into a two-day workshop working alongside six clients from different parts of the brand’s business and associated agencies (see figure 6). This workshop focused on generating specific and concrete solutions to help the company recruit teens to their brands. Importantly, the starting points and indeed the entire purpose of this workshop was guided by the insights and learning gathered through the community. While initially we had thought that the workshop might focus on making existing brand assets work harder, in the end it was focused on providing solutions to far more fundamental problems than had previously been imagined. Again, the key principles outlined above guide the way we approach this kind of work. Our thinking on “the adfluentials” and “relationship” segmentation modelling is imperative in terms of finding the people who are engaged enough with the category to really care and also in terms of finding a spectrum of attitudes towards the brand in question – from those who love it to those that hate it.

FIGURE 5
FOOD AND DRINK COMMUNITY

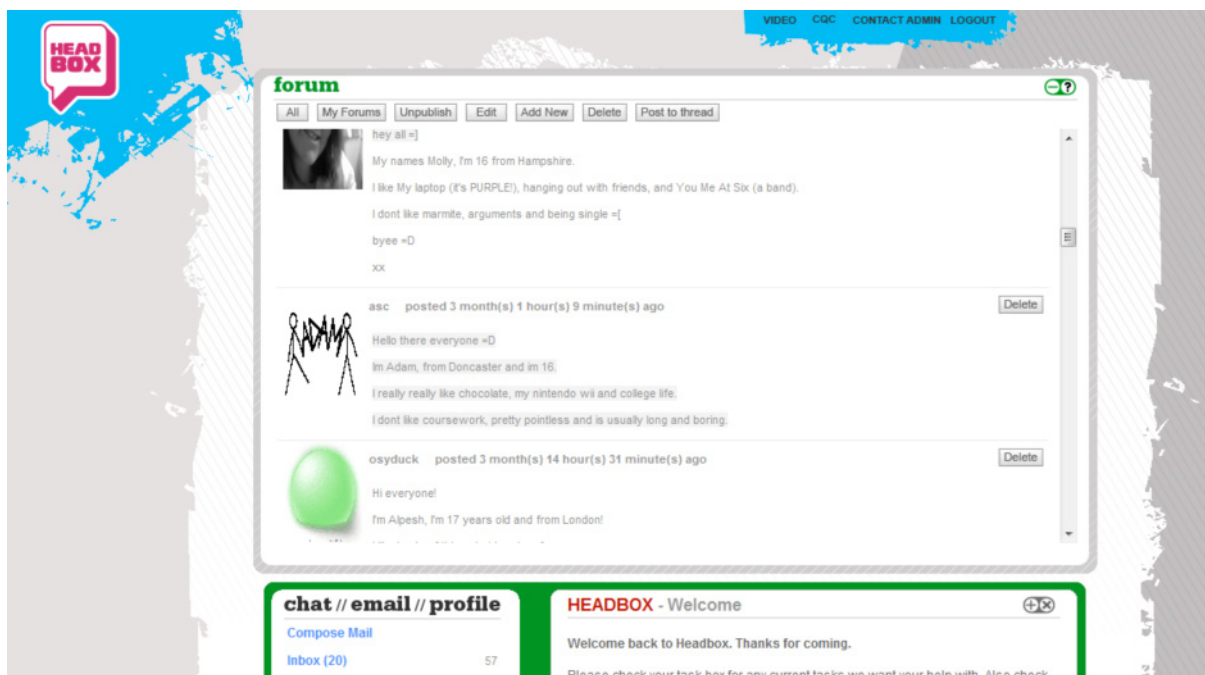


FIGURE 6
FOOD AND DRINK CO-CREATION



Spending two days working directly with (and not just listening to) the target audience represents a huge time commitment on the part of very busy clients, but it is a crucial investment in the future of their brand. This investment of time not only yields huge empathy with the target audience but allows conversations about solutions to grow and flourish over time, as good ideas rise to the surface, are continually picked up and supported and taken through to fruition. Following the workshop, we took many of the ideas back into the original community to refine and develop, allowing them to give their input and feel part of an ongoing journey, and in 2009 the client has committed to working with teens on an ongoing basis – continuing conversations and interactions between the consumers themselves and between the teens and the brand.

This whole process required commitment on behalf of the client, both in terms of making the leap to consider a different kind of research but also in terms of engaging with the community we built and allowing it to influence

their thinking as well as simply putting the time in to fulfil their part of this new co-creative process. Having a brave client always helps to begin with, but once they began to interact with the teens, the process became entirely natural and started to feel less like research (i.e. work) and more like real life (i.e. fun).

CONCLUSION

Consumers' desire to be listened to and involved more directly in what a brand does and says means that now, more than ever, there is a great opportunity to market *with* consumers rather than *at* them. The world of research needs to embrace this and help brands do more to understand who their empowered consumers or "adfluentials" are. This requires researchers to take a different view on the world, where consumers are not seen as passive respondents or customers who just want to buy stuff but as *people* who want to have more active and equal *relationships* with brands. Making this mental shift alongside the other four principles

– taking a step back; enabling more interaction between consumers and brands; building on-going relationships with consumers; encouraging an open source mentality – can take the role of research to a different place within an organisation. Researchers can suddenly become the real champions of consumer involvement, as well as the key drivers for it within a company. This will undoubtedly mean taking on the responsibility of not just encouraging companies to open up to consumers but also generating new ideas, methodologies and tools to help make this happen. By becoming the gatekeeper to co-creating and crowdsourcing with consumers – letting consumers really influence what a brand or company does – researchers will transform their role into a more strategic, interesting and valuable one. What they do, say and think within a more creative and interactive consumer process will allow them to see a real world that goes beyond just talking about insights and concepts.

Footnotes

1. G. Trayner (2005). Open Source Thinking: From Passive Consumers to Active Creators. Proceedings of the 58th Annual ESOMAR Congress, Cannes, 18th – 21st September
2. See Jeff Howe's "How the Power of the Crowd is Driving the Future of Business"
3. See Teen Content Creators & Consumers at http://www.pewinternet.org/PPF/r/166/report_display.asp
4. See "Teens & Social Media Report" at <http://www.pewinternet.org/topics.asp?page=2&C=1>
5. See E- Marketer Report "User Generated Content: In Pursuit of Ad Dollars, April 2008"
6. See Eric Von Hippel's article in the Financial Times "Users are transforming innovation"
7. See Eureka Democracy by Peter Day 11th October 2007 http://www.bbc.co.uk/radio4/news/inbusiness/inbusiness_20071011.shtml
8. See Jeff Howe's "How the Power of the Crowd is Driving the Future of Business"
9. See Face's Tech Tribe Report 2007 at www.facegroup.co.uk
10. See The Influencer Index Report at www.facegroup.co.uk
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