COLLABORATION AND CO-CREATION FOR BRAND INNOVATION By Andrew Welch: Y&R SA's CEO

Monday, 30 July 2012

Brand communication has evolved from one-to-many and one-to-one-to-many - what's been dubbed a 'trialogue', with consumers accessing and sharing brand information, using a multitude of online platforms to engage brands and each other in community forums.

What's more, consumption is no longer limited to simply purchasing a product or service, but has become a way to interrogate and comment about the purchase itself. Society is more outspoken about how brands can add value to them, and as a result, many companies are opening themselves up to collaborating and co-creating solutions with their consumers in order to deliver a better value.

We are all familiar with the term 'collaboration'. Simply put, it's about working together, especially in a joint intellectual effort. And 'co-creation'? Doing the above in creative manner – what is also known as 'collaborative creation'. It therefore demands we open ourselves up to new ideas, accept new norms, embrace new ways of seeing the world and, sometimes quite courageously, take comfort in the road less traveled.

In a book entitled, 'The Future of Competition: co-creating unique value with customers', co-creation is described as "viewing markets as forums for organisations and active customers to share, combine and renew each other's resources and capabilities in order to create value through new forms of interaction and learning. It differs greatly from the traditional 'active firm/ passive consumer' construct of the past."

A brand's future value, it could be argued, lies principally in the community it creates. More than 50% of Fortune 500 companies have made co-creation through community sourcing an integral part of their innovation strategy. Bizarrely, there are more than 440 communities dealing with, say, the issue around sunless tanning, while the lumber jack online communities forum consists of 6,722 members contributing over 0.5 million posts. And, would you believe, the underarm deodorant community is one of the fastest growing communities online, contesting for most effective stain remover solutions... What's more, research shows that during a contest, on average each idea proposed is shared eight times on Facebook, with an average user having approximately 150 friends.

Shared networks, virtual marketing techniques, and blogs develop deeper relationships that reinforce brand loyalty and can ultimately drive growth. These platforms help companies challenge traditional approaches to market research that measure 'customer satisfaction' from a rear-window perspective, and get them to look forward instead.

Companies that have embraced the concept of 'co-creation' and have been successful include the likes of Nike, Hallmark, P&G, Dell, Mozilla, etc. When IBM hosted an Innovation Jam, which linked 140,000 employees for innovation sessions, they received more than 46,000 ideas within a single year. Dell IdeaStorm and My Starbucks Idea have been an excellent source of innovation, too.

When launching a co-creation initiative, it's important to be aware of the common pitfalls that can result in failure:

- Don't make your community too big, too fast
- Don't underestimate the work required in keeping an online community energized
- Don't present co-created ideas to a design team as a fait accompli nothing will alienate the team faster
- Don't run a 'make us an ad' campaign this is not co-creation
- Don't criticize stupid-sounding ideas

On the flip side, consider these pointers for success:

- Forget what you know about recruiting people for research. Co-creators look for rejecters, extreme users, hackers and bloggers
- Have an open mind, and be creative about whom you bring in as a possible co-creator (right people, right questions)
- Co-creation works best when you build a strong community. People share ideas, build on each others' work, critique, praise, and compete
- Ask your co-creators to create people. Make them as real as possible, with pictures, life stories, lifestyle images
- Don't expect a big 'a-ha' moments
- Get your top people involved in the workshops

Despite every organization's best efforts best efforts, there is a fundamental truth that needs to be confronted: you can never employ *all* the bright minds. So alternative forms of sourcing for bright ideas need to be considered. To some degree, 'co-creation' means 'letting go to take control', which is not easy or comfortable. Brands that embrace co-creation need to be prepared to open the doors and invite consumers in, listen, experiment and be guided by the community whilst accepting a significant change in company culture as a result.

/ENDS.

Word count: 708 On behalf of: Y&R SA Contact: Michelle Cavé, PR Director Tel: +2711 797 6300/18 Email: <u>michelle_cave@za.yr.com</u>