

# Brand development for customer co-creation

## The Problem

Traditional marketing and branding approaches are less effective. They are less relevant for many consumers and more expensive for firms.

## How to respond?

- Push harder
- “Tune up” existing marketing and CRM efforts
- Seek out new forms of customer engagement to harness the competencies and knowledge held by customers
- Recognise that marketing and brand managers must develop new competencies (and mindsets) to engage the customer in ways that create mutual value

## The Influences

- The changing role and skills of individual customers
- The growth of personalised and experiential based value
- Growing customisation options surrounding products
- The rise of the active and networked customer, individually and in communities of creation
- Greater choice and declining brand loyalty
- Growing firm recognition of two mantras:
  - “If only we knew what our customers knew”
  - “If only we could do what our customers can do”

## The barriers?

- A cultural challenge
  - re-thinking the role of the customer
  - “brand narcissism”
  - The ways that firms perceive their customers
- Knowing what and not what to share with customers
- Limited potential of existing CRM and automated marketing systems
- The competency challenge (see research problem box below)

## Potential responses identified

- Give customers “open-source” access to the brand to contribute to its design and meaning
- Connect with and support brand advocates
- Let-go of brand control
- Stage brand events and experiences
- Select customers with specific competencies and willingness to co-create or engage
- Devise new incentives for co-creative customers
- Encourage more open employee-customer engagement
- Place the highest value on customer interaction and dialogue
- Adopt a “customer success” perspective to learn about real customer outcomes
- Give customers a co-creation toolkit
- Strengthen customer co-learning linkages, e.g. Amazon recommendation engine
- Set-up mutual and closely-integrated innovation practices
- Build platforms for “communities of creation” to develop

## Tools and options for co-creation and customer knowledge sharing

- Weblogs
- Choiceboards
- Discussion Forums
- Innomediaries
- Brand events
- Intelligent agent software
- Knowledge created as a by-product of personalised value extraction
- Open-ended customer interaction in contact centres, e.g. HP
- Devices that spread buzz
- Online self-developing customer knowledge bases

## Value benefits arising from co-creation

- 1. Customer value**
  - Superior and more relevant brands, customised products, services and marketing - which when combined, deliver a personalised customer experience
- 2. Firm value**
  - Superior marketing and brand performance
  - Improved innovation and growth performance
  - **Improved customer knowledge assets**
  - Improved brand and marketing competencies
  - Reduced marketing costs
  - Greater profit
  - Customers can induce strategy-making processes in the firm

## The research problem

- What are these brand development competencies and how are they developed?
- What are the customer competencies and how can the firm “help” customers develop them?
- How do firms let go of their control mindset to partner with customers? What are the motivational and cognitive barriers?
- What are the implications for traditional marketing approaches?
- Most co-creation research focuses on the competencies firms need to acquire to collaborate with customers during the product development process NOT marketing and branding competencies
- BUT do co-creation of products, processes, brands and marketing all combine to deliver a superior brand experience - linked to trust, authenticity, integrity - all of which deliver foundations for relationships and commitment
- Most marketing and branding studies do not reference customer competence and co-creation
- What lessons can be drawn from the product development literature (e.g. open source co-creation)
- In what contexts are co-creation approaches most / least relevant?
- Are there different styles of co-creation for marketing and branding?