



Research In Business: Co-creation – How to innovate with consumers

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The advent of Web 2.0 heralds a great opportunity for companies who trust their customers to bring them into the innovation process. The arrival of Myspace, Facebook, Bebo and now Twitter has given consumers the confidence and the ability to take more control of the relationship they have with brands.

Changing consumer landscape

Consumers now have the tools to create their own content and share it - even their own advertisements - and so re-shape what the brand means to them and how it is communicated. Apple tapped into this when they launched the Apple IPOD Touch with an advertisement that had already been created by a Leeds University student, Nick Haley, who had posted it on YouTube. It is the increase in this type of consumer involvement that has given rise to the term 'empowered consumers', a new breed of customer who have a strong belief not just in their own voice but in their own creativity, ideas and self-expression. It is coming to the point, says Mark Earls author of *Herd*, that it is no longer about what your brand does to the consumer but what consumers are doing to and with your brand.

The democratisation of innovation

Eric Von Hippel, a Professor of Management at MIT's Sloan School thinks consumers are doing more with your brand than we may think especially when it comes to innovation. 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 focuses on the rise of 'open source' software as an example. It is something that large corporations such as Unilever have already signed up to.

The Rise of "Pro-Ams"

Unilever have recognised together with other companies that the balance of power between the "professionals" or "experts" and consumers, ordinary people, the mass market has fundamentally changed. Aside from Web 2.0 one of the other main reasons is the over education of the middle classes – more and more people have degrees that are now 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.

Some important questions

If we accept then that social media has changed the consumer world researchers operate in then how should the industry respond. Is it simply about applying new web 2.0 tools to do research in the same old 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.

Segmenting people & relationships

To start to answer these questions we think it is important for researchers to be doing more to help brands find their 1%ers or “Adfluentials” - consumers 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. It is by understanding the “adfluentials” that we can 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 your brand. It quickly reveals that there are all sorts of consumers with different levels of passion, interaction and sizes of network. Their desire to *influence* you varies, so they need to be engaged with differently.

The rise of Crowdsourcing

One way of engaging with them is through Crowdsourcing - the act of a company taking a function once performed by employees and outsourcing it to a large community of people in the form of an open brief. Procter & Gamble, Nike, Best Buy, Threadless and Starbucks have all created digital platforms that allow customers to help them create new products and messages. More recently Unilever have created a stir in the UK with their brand Peperami by sacking their advertising agency Lowe in favour of crowdsourcing.

Dell’s Story

Dell computers have done this to their credit with the launch of *Direct2 Dell* and *Idea Storm*. Their journey has been an interesting one because they managed to turn “Dell HELL” – the massive frustration and anger their consumers felt about the product and brand in 2005 – into something consumers felt much more positive about in 2008. 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 7000 ideas have been submitted to Idea Storm.

Co-creating with leading edge consumers

It is co-creation though that takes consumer involvement to another level. This can take place in on-line communities or offline in workshops or both. It is through our co-creation communities for young people namely Headbox and for women aged 25-50, namely Mindbubble that we have been helping Unilever to co-create a range of new products. Last year we completed a co-creation programme for the 2010 Lynx/Axe variant. Using our Helix Co-creation process, 16 headboxers (members of Headbox) designed the name tagline, product look and feel and for the first time in the history of perfume and in Unilever’s history, co-created the fragrance.

Co-creating Axe/Lynx’s 2010 Variant

The journey started in New York with a 3-day co-creation programme where the young headboxers worked directly with the Axe Insight and Brand teams, the Creative Director and

Planners of the advertising agency, the fragrance house and fragrance experts and finished with final presentations to senior Unilever stakeholders - and all done in just 5 weeks. It quickly became clear that by co-creating this initiative with a group of guys that they were able to take the brief to a different level. As David Cousino the Global CMI Director for Deodorants said "When we gave them a fragrance one on one we were really expecting it to be a warm up exercise for these guys but what we found is that they loved it - they loved learning about how a fragrance worked and they used that learning throughout the entire co-creation process". It was a surprise to many of the client stakeholders how right on these guys were about a number of different things; in that they saw information that we don't think we would ever have seen. As Cousino went on to say "co-creation allowed us to see something that we would not have landed on". Another important benefit was the speed of the process – in co-creation we started in July and by the middle of August we had the chosen concept. It underlined to everyone that building an innovation pipeline can not only be fun and inclusive, but also quick - something companies currently struggle with.

Some significant lessons

As with all new approaches though there are some significant lessons that we have learned along the way. The first is that when you are bringing leading edge consumers together with brands it is vital to have a coherent and well structured process that gets the best out of your combined creativity so that it delivers better outputs (than you are seeing with your current processes) that go on to test well. The second is that within this structure it is important to have a mix of online and offline methodologies because they produce more ideas of better quality. And finally the role of the consumer is critical; treating them as active equals in this process and giving them as much responsibility with direct involvement throughout the entire process.

Research 3.0

If through social media and web 2.0 we are able to involve consumers in more exciting and different ways both through mass collaboration and intimate co-creation while at the same time find ways of accumulating robust qualitative data from the web, then research has an exciting future ahead of it. It will herald a new era – Research 3.0.