

# Can we learn together?

## Co-creating with consumers

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The ability to innovate is a fundamental marketing activity, yet it remains a precarious one for many marketers. Market learning is frequently viewed as a precursor to successful innovation, but the traditional methods of market learning are increasingly coming under scrutiny. Advances that have been made in data collection and analysis techniques are being eroded by the effect of fragmenting markets, shortening product life cycles and the emergence of the marketing-literate consumer. An emerging theme in the marketing literature is the need to include and embrace the consumer as a co-developer in the process.

This paper examines a novel approach to actively engaging the consumer in the innovation process within fmcg markets. It reports on a 'consumers as innovators', or 'co-developers', workshop, which explores consumers' perceptions of the innovation process and advocates the need for new methods of market learning. Finally, the authors conclude by reflecting on the implications of this co-development approach for the innovation process, marketers and the role of service agencies.

### **Introduction**

Marketing success is contingent upon the adoption of innovations, new products, services, processes and ideas. In turn this is dependent upon consumers' acceptance and perceptions of an innovation. Traditionally, the consumer is treated as a 'passive' player in the marketing process or, at best, a 'pseudo partner' within a relationship marketing context. It is, therefore, not surprising that innovation remains a high-risk activity and is notorious for its high rates of failure. Thus, a new approach to innovation appears pertinent, one that 'actively' includes the consumer in the marketing and product innovation process.

A new approach of co-development, or working together with consumers as partners in the product innovation process, is surfacing as a

common theme in both the innovation and marketing literatures. The former is distinguished by calls to integrate the consumer into the innovation network and the need for a 'user and practice'-centred approach to innovation, while the latter is characterised by a group of marketing academics who have embraced a postmodern interpretation of events. In their view the postmodern self is characterised through the process of consumption. Viewed from this perspective, innovation is positioned as being about the creation of new meanings as well as material artefacts. This then places the consumer in a pivotal role in the innovation process as it is the consumer who invents the product through his/her attribution of meanings.

This paper reviews current thinking in both domains and, against this background, reports on a novel co-development workshop with representatives of three global fast-moving consumer goods (fmcg) companies and a group of consumers. A summary of the findings of the workshop is presented, together with the implications for theory and management practice. These findings advocate the need to extend the reach of market learning techniques as a prerequisite to improving the innovation process, also to actively engage today's active and IT-enabled consumer as part of the learning network. This will have implications for the role of service agencies, who frequently work with clients in this process.

## **The innovation landscape**

Market learning, understanding current and latent user needs is central to the innovation process. The ability to innovate and the ideas that advance its development are highly prized within organisations, as innovation is often regarded as the key to corporate success (Schumpeter 1942; Porter 1990). Thus, to consider innovation it is apt to define what is meant by the term. Derived from the Latin '*innovare*', meaning to renew or alter, innovation is essentially concerned with change along one of the following dimensions:

- the introduction of a new good, including the modification of an existing good
- the introduction of a new product or marketing process
- the opening up of a new market/market segment
- the introduction of new distribution channels
- the creation of a new business model/organisational form.

A further dimension of change is the degree of novelty involved in the innovation. Novelty is reflected in the innovation's degree of newness, to both the firm and the marketplace. The Booz, Allen and Hamilton (1982) taxonomy is a depiction and an oft-quoted example of this. According to Tidd *et al.* (2001) a consequence of the different dimensions of newness is the need for different types of market learning and managerial processes for both novel and routine innovation projects. They continue by advocating the need for firms to manage both the steady-state 'doing what they already do better' kind of innovation and the radically new innovations.

Paradoxically, during a time when the innovation agenda is in its ascendancy, the innovation landscape lies strewn with unsuccessful endeavours. According to Tidd *et al.* (2001), an estimated 38% of all new products fail to progress from ideation to the marketplace, and it is claimed that in the consumer goods market an average of 40% of all new products fail after launch (Jain 2001). Intellectually, managers are conscious of the impact of innovation on profitability and the wider marketplace, but for many it remains an elusive goal. This would indicate that a new approach to innovation is pertinent.

Doyle and Bridgewater (1988) believe innovation presents a significant opportunity to bring consumers' perceptions of value into the marketing innovation process: innovation is 'about new solutions, which offer value to customers' (Doyle & Bridgewater 1988). Investigations into the success factors for innovation commonly highlight the commercial importance of delivering unique benefits to the customer (Cooper 1993; Piercy 2002). Moreover, the evidence suggests that the creation of 'unique' customer benefits involves an understanding of what product or service elements actually provide added value for both parties.

Dougherty (1992) argues that, to be successful, what is required is a process of 'market-technology' linking. The advantage of maintaining a close marketing/design interface is substantiated in a number of studies (e.g. Hart 1993). In other words, both authors argue that competitive edge and innovation success can be gained by joining market knowledge together with technological know-how. Baker (2003) reinforces this point by emphasising the need for market insight to define value from the consumer's perspective. Only then can a powerful bond between consumer and brand be created.

## **Collaborative innovation**

The arithmetic of collaboration,  $1 + 1 + 1 = 5$ , is well understood within business-to-business (B2B) markets where co-development is an established business practice. Yet it remains a relatively unexplored and radical concept within business-to-consumer (B2C) markets. As marketing success is contingent upon the adoption of innovations and new ideas, it would appear beneficial to encourage the active participation of the consumer in the innovation process. Indeed, there is an emerging view (Prahalad & Ramaswamy 2000) that organisations should extend their search for competencies by co-opting consumer competence as a competitive strategy. Thomke and von Hippel (2002) have also discussed the advantages of a 'customers as innovators' approach, and have suggested the exploration of this concept within B2C markets.

Part of the underlying logic for this type of collaboration is the potential to promote divergent thinking and to spark creativity, leading to the creation of new knowledge. As Amabile (1996) states, innovation begins with creative ideas and when previously unconnected bodies of knowledge are connected. It also occurs when the mental models that managers possess are questioned, and a challenge is posed to the status quo. Furthermore, there is also evidence to suggest that everyone has the latent capability for creative thinking (Kirton 1984). A recent study (Kristensson *et al.* 2004), which examined the benefits of user involvement in the innovation process, found that ordinary users generated more original and valuable ideas.

Including the consumer in the innovation process may at first appear counter-intuitive to many marketing managers. This is because, through the adoption of traditional methods of consumer inquiry, the consumer is often relegated to the role of 'validator'. In the case of the radical or discontinuous innovation process, it is often argued (e.g. Christensen 1997) that consumers are constrained by their own real-world experience and, as such, can provide only incremental ideas. However, the concept of co-development challenges this frequently expressed opinion. Through the process of co-development, needs that are difficult to detect, that are tacit rather than espoused by the user, may be uncovered. Information about user needs is then combined with information about the companies' capabilities, helping to build feasibility into the innovation process. The role of the consumer is elevated from that of 'validator' to that of co-developer, and a creator of value in the innovation process. Similar themes have been explored by a number of authors who support a postmodern interpretation of events.

## **The postmodern condition**

The postmodern era (Firat & Venkatesh 1995) refers to the changing economic, social and cultural conditions within Europe. It has become synonymous with a 'consumer society' (Baudrillard 1988) and is characterised by a move from a production-driven to a consumption-led economy. Here value is not created in exchange value, as economists claim, but during consumption in sign value (Baudrillard 1988). Thus, consumption becomes a value-creating process, which defines not only the identity of the consumer, but also the nature of what has to be produced.

The postmodern era is an age dominated by the media (Firat & Venkatesh 1995), where signs and the flow of images create meaning. Another important feature is the widespread use of electronic communication, propagating the rise of the demanding, IT-enabled consumer. It is no longer a time of information asymmetry; consumers can now price and rank alternatives. Their ability to assess value in consumption is much keener than in the past. We are beginning to witness a move from a 'passive' to an 'active' consumer (Pralhad & Ramaswamy 2000). Yet, arguably, the marketing and innovation processes of many organisations remain set in the era of mass production. At best, marketers have attempted to develop a relationship marketing strategy (Christopher *et al.* 1991; Gronroos 2002) re-conceptualising marketing as a relational rather than a transactional process. However, as Fournier *et al.* (1998) succinctly point out, relationship marketing appears all 'one way', where consumers become the recipients of unwelcome marketing communications.

In attempting to move beyond the pseudo-intimacy of the relationship marketing approach it is necessary to recognise the ascendancy of the consumer in any commercial alliance. If we are to bring the consumer into the innovation equation we first need to recognise both sides of this equation. In the postmodern era consumers are more demanding, cynical and marketing-savvy (Brown 1995); they demand their right to be heard and to participate (Zuboff & Maxmin 2002). This desire for involvement is arguably symptomatic of the postmodern condition. Thus, notionally, the concept of co-development appears to offer the opportunity to relate to the consumer on an equal level. It enables organisations to learn from and with consumers in the context of contemporary consumption. As this study focuses on consumers, this gives rise to the emergence of 'consumers as innovators', moving beyond the original notion of 'customers as innovators' first articulated by Thomke and von Hippel (2002).

## **Consumption as discourse**

A number of postmodern marketing academics (Firat & Venkatesh 1993; Firat *et al.* 1995) have offered a broader perspective of co-development. They have suggested that in a 'consumer society' consumption becomes the dominant form of discourse. The consumer is seen to be commandeering the privileged status usually attributed to the producer. Firat *et al.* (1995) look at the emergence of 'customising' consumers, who examine market offerings and create customised experiences for themselves. As a result of this, the authors advocate that marketers should open up more of their processes to consumer participation. This calls for greater participation and is supported by Szmigin (2003, p. 185), who asserts that 'innovation is for consumers as much as for companies. Consumers developing new and better ways of doing things need to be embraced pro-actively as a real opportunity to firms rather than seen as a threat.'

Finally, when summarising the postmodern condition, Brown (1995) argues that it is essentially 'a crisis of representation, where the old certitudes of rationality, objectivity and progress have been challenged'. This raises a further challenge for consumer researchers and marketers involved in the innovation process. As the traditional methods of consumer research and consumer involvement in the innovation process do not appear to be working, a new approach seems pertinent. The interpretive postmodernists advocate plurality in research methodology, and a deeper understanding of the context of consumption. Co-development in the innovation process may notionally offer a novel approach to improving the success rate of innovation, but work in this area tends to be of a conceptual nature. The 'consumers as innovators' experiment outlined below aims to bring to the debate some empirical findings based on the result of a collaborative approach that involved bringing together diverse types of people – practitioners, consultants and academics – with consumers.

## **Methodology**

The main focus of the research is one of theory building, with an emphasis on understanding and the development of meaning. An interpretivist qualitative research approach has been used that, according to Carson *et al.* (2001, p. 5) takes into account multiple realities, different actors' perspectives and the involvement of the researcher. It emphasises the importance of involvement and the 'interpretative process'.

**Table 1** Consumer profiles

Name	Gender	Age	Working status	Profession	Social status of head of household
Sheila	Female	55+	Retired	Chartered accountant	B
Anne	Female	52	Working	Bookkeeper	B
Sue	Female	45	Working	Importer	B
David	Male	22	Student	Business technology	B
Ben	Male	20	Working	Real estate	C1
Alice	Female	19	Student	Art and design	C1

Consistent with the concept of the consumer as an ‘active’ participant (Prahalad & Ramaswamy 2000) in the innovation process, a collaborative one-day workshop design was adopted. Participants included consumers, and representatives from the marketing and innovation teams of three global fmcg companies. These companies were selected in part for their willingness and ability to experiment with new methods of generating consumer insight. The consumers were selected on the basis that they had previous experience of participating in market research (half had taken part in focus groups or in-depth interviews, and half had some experience of workshop-style interactions). Finally, we recruited to maximise diversity of backgrounds in the consumer sample, to optimise the group for creativity and problem-solving. The consumers’ profiles are shown in Table 1.

The main objective of the session was to explore the following questions.

1. How can consumers be better integrated into the innovation process?
2. What are consumers’ perceptions of involvement in the innovation process?
3. What are consumers’ perceptions of market learning techniques?
4. What are consumers’ perceptions of innovation (in terms of what they value and how these perceptions may differ from those of client companies)?

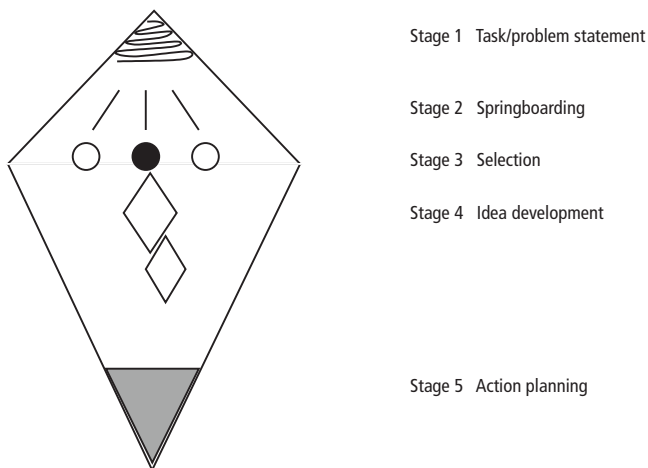
In order to counter the argument presented by Christensen (1997), that consumers are constrained by their own life experience, collaborative creative problem-solving around the first question (the main task of the workshop) represented a major component of the workshop. Through this mechanism consumers are provided with the means to speculate about the

future and to contextualise their thoughts on the basis of possible alternative scenarios that they have automatically internalised through the co-creation process. Before reviewing the operational structure of the workshop it is worth explaining the basic theoretical underpinnings of the Synectics Creative Problem-solving model, which is the key enabling feature of the process.

The word Synectics is derived from Greek, and means the joining together of different, apparently irrelevant, elements (Gordon 1961, p. 3). Synectics is also an operational concept of human creativity, which works through the integration of diverse individuals into problem-solving groups. Hence it provides a suitable framework for the integration of the consumer into our workshop experiment, and the innovation process more generally. Further details of the theoretical underpinnings of the approach can be found in Gordon (1961), while more recent developments and further detail on the operational applications can be found in Prince (1970), Ceserani and Greatwood (1995) and Ceserani (2003).

An overview of the Synectics Creative Problem-solving model is shown in Figure 1.

Working from top to bottom, the model essentially passes through the five stages of: problem statement; creative thinking (springboarding); selection based on novelty and intrigue; idea development (to build feasibility into the ideas); and action planning.



**Figure 1** Synectics Creative Problem-solving model: overview

The operational version of the model includes three further steps and is shown in Figure 2. The first of these additional steps is pre-briefing, which enables the group to be prepared to work effectively together. The second is the addition of discussion sections to enable contextualised discussion of the research questions in addition to the creative problem-solving component.

Pre-briefing was conducted in separate fmcg producer/consumer groups so that each group of participants could be allocated a task to complete when they first met individuals from the other group. Here, participants in the fmcg team were briefed to find out basic information about previous experience in the innovation process from an individual consumer. Consumers were briefed to find out basic personal information about client participants (such as their jobs and life values) to help build rapport and establish the clients as equal participants rather than solely as questioners. This preliminary information was debriefed in the first discussion section. Otherwise a pre-briefing covers similar areas: open-mindedness

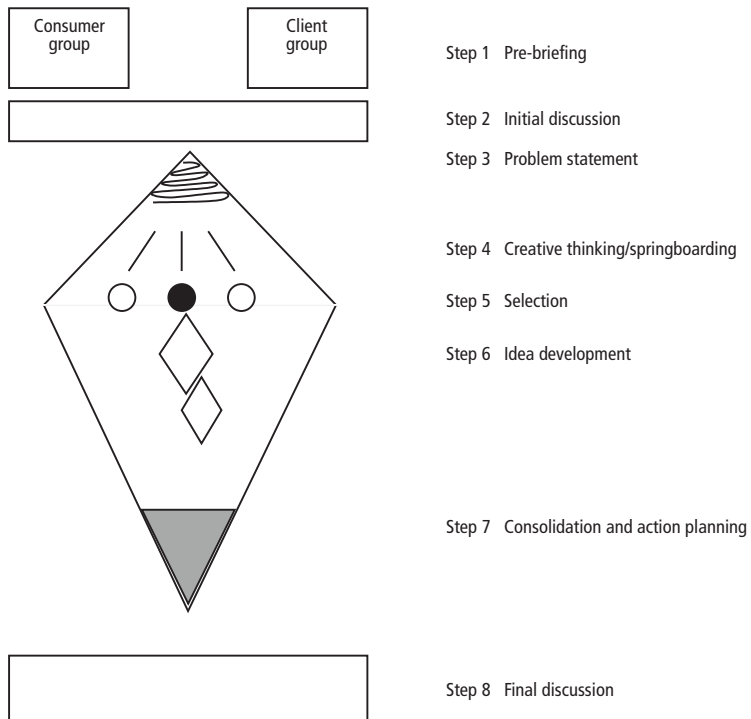


Figure 2 Operational version of Synectics model used in experiment

exercises, connection-making skills and creative tools (e.g. in/out listening, see Ceserani 2003, p. 126). The main research task is briefly introduced in step 3 according to the framework identified in Ceserani and Greatwood (1995, pp. 22–72). Two mixed teams are then facilitated to generate speculative thinking using several of the operational creative mechanisms identified by Gordon (1961, p. 56) – for example, symbolic analogy (using collages) and fantasy analogy. This process is generally described in Synectics as springboarding (see Ceserani & Greatwood 1995, p. 74). Essentially, participants offer speculative ideas about the task framed as wishes ('I wish ...') or reframed tasks ('How to ...') and with the facilitators running additional creative exercises from time to time to keep the thinking fresh.

At the selection stage, one of the authors identified areas to pursue for further development, selecting those generated in the workshop that had a high degree of newness and intrigue. At this stage, the commercial feasibility of these ideas was not considered so as not to confine the selection to a particular context. The development stage then offered an opportunity to work with the selected ideas, modifying and sometimes transforming them, retaining their newness and intrigue, but building some feasibility into the implementation.

## **Analysis and interpretation**

Throughout the day, the ideas and comments generated were documented both verbally and pictorially. In addition, the workshop was videotaped to provide triangulation in sources of evidence. In the final stage of the workshop the day's findings were discussed and confirmed by the participants.

Following the workshop, the authors transcribed the notes made during the creative-thinking/idea-generation stage, and all ideas, regardless of practicality, were documented. The ideas from the selection and development stages (stages 6 and 7) were also recorded and transcribed. The pictorial and conceptual models developed by the whole group were likewise documented and reviewed. To manage the complexity and the amount of data collected, the authors followed a system of coding and classification developed by Radnor (2002). The transcribed field notes were reviewed separately by the authors and associated researchers in order to code the events. The data were analysed using both themes developed from the literature and were then interpreted against each of the

four research objectives. The research findings are discussed in the following section.

## **Findings and discussion**

Throughout the workshop the consumers and fmcg producers were focused on the main task of how better to integrate the consumer into the innovation process, which formed the first research objective. Because no kudos or prestige was associated with working on a well-known product or brand the research was not encumbered by brand affiliation and concentrated solely on consumer involvement in the innovation process. Moreover, the research highlighted that involvement in the process was more important to the consumers than working on an interesting product or brand. When exploring the question of how better to integrate consumers into the innovation process three concepts emerged at the idea-development stage. The consumers' vision of future involvement is highlighted in the subsequent concepts.

### *A consumer vision of future involvement*

Creative problem-solving around the main research question 'How to better involve consumers in the innovation process' yielded 102 'beginning ideas' of which three were fully worked up into concepts in mixed consumer/client teams. These three worked-up concepts are described in outline below.

#### *Concept 1: Time travel to the future*

This concept described a mechanism whereby consumers could themselves be immersed in the leading edge of life and technology with a white space at the centre where they would be involved in creative problem-solving to make the bridge between future opportunities and their own needs (see Figure 3 overleaf).

#### *Concept 2: 'People teach'*

This concept described a 'consumer university' in which consumers would be the 'lecturers' and clients the students. There would be a mix of lectures, live issues, workshops, labs and an ideas library all in a structured learning environment.

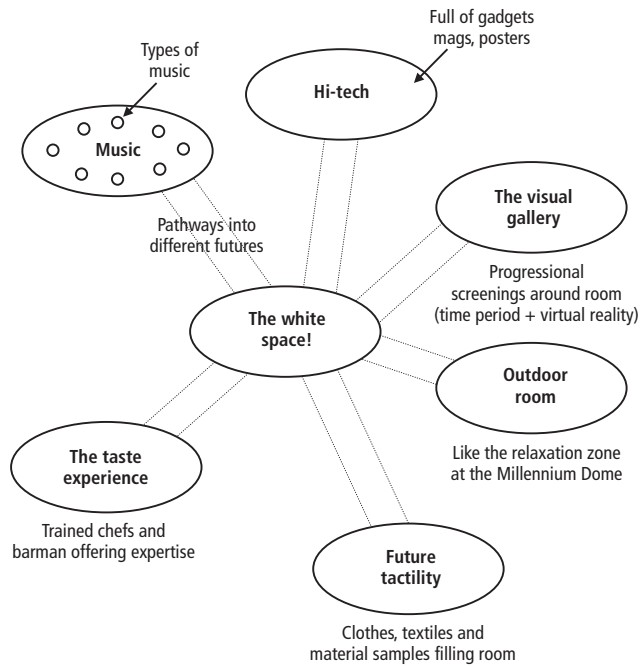


Figure 3

### *Concept 3: 'Club lifestyle'*

The third concept is essentially a rethink of the store loyalty card concept – enabled by smartcard technology, where consumers sign up to a membership card that monitors all of their purchases and, importantly, invites them to participate in the evolution of products that are relevant to them in informal face-to-face forums.

Despite the very limited duration of the workshop in which to develop these ideas, the concepts generated indicate that it is quite possible for consumers to imagine a future outside their current world-view when offered the right tools, climate and process. This is contrary to the position taken by other researchers (e.g. Christensen 1997).

The nature of the concepts generated in the workshop also supports the view that there is a strong latent desire in consumers to be involved at the very heart of the innovation process (rather than to be a validator after the event). We see, for example, that in the first concept (Figure 3), the 'white space' for consumers to generate ideas is located at the centre of their visual representation of the idea.

In the second concept we see a radical rethink of the relationship between consumer and marketer, with consumers suggesting an effective role reversal where they lead us (as lecturers) and clients as receivers of their wisdom (as students). This concept resonates with Firat and Venkatesh's (1995) suggestion that consumers are demanding a role in production, and that marketers should encourage active consumer participation in their marketing processes.

In the third concept we see the modification of an existing concept to redefine the consumer as an active participant in the innovation process rather than simply as a source of data. The loyalty card scheme in its current form allows companies to monitor customer transactions and, in so doing, to build up patterns of consumer buying behaviour. However, the use or misuse of loyalty cards has been criticised by marketing observer Alan Mitchell (2001, p. 67), who states that 'The language is that of relationship and dialogue but the content is still all one way and instrumental. The company is still doing the marketing to and at the customer ...'. The Club lifestyle concept developed during the workshop promotes a more symbiotic exchange of information, as advocated by Mitchell (2001) and enhances the role of the consumer. Although exploratory, these three concepts do imply that a more radical departure from the standard questionnaire and focus group may be needed if consumers are to be successfully integrated into the innovation process.

Further analysis of the resultant data against each of the four research objectives revealed the following main themes. They are reported against the perceptions of consumer involvement; perceptions of market learning techniques; and perceptions of consumer integration in the innovation process.

## **Perceptions of consumer involvement**

### *'Consumers as validators'*

It was strongly felt by the participating consumers and fmcg producers that within the product innovation process consumers are often being used only as 'validators' of a product concept. An example of this is the standard focus group interview where consumers are shown a concept or prototype that has been developed after the decision to innovate has been made. Research that is conducted after a decision has been made is disparagingly referred to by Day (1994) as 'security blanket research'. The prevalence of this type of practice was confirmed by the fmcg producers

who acknowledged that, within their organisations, the decision to innovate had often been taken before any contact had been made with consumers.

### *'Faceless entities'*

Despite the evolution in the relationship marketing concept (Christopher *et al.* 1991), the participating consumers complained that with traditional methods of marketing research the brand owners appeared to be 'faceless entities', and this made it difficult for them to form any kind of bond with supplier organisations. These findings fit with Sheth and Parvatiyar's (1995) observation that, 'when producers and consumers deal directly with each other, there is a greater potential for emotional bonding than transcends economic exchange'.

### *A breakdown in trust*

Connecting with the notion of 'faceless entities' was the consumers' declaration of mistrust of governments, banks and brand owners. In particular, there was a lack of trust surrounding food producers. According to Wilmott and Nelson (2003, p. 44) this is the popularly held view; the authors proceed to cite a recent (2003) MORI poll in Great Britain, which shows that consumer trust in organisations has changed little since 1983, but what these findings reveal is that the difference lies in relationships with institutions. The relationship between consumer and institution or professional is no longer one of deference. This was subtly revealed in the manner in which the consumers interacted with the fmcg producers throughout the workshop. Also, in linking the concept of trust to innovation and brand development, trusted brands (Wilmott & Nelson 2003) and solution providers (Mitchell 2001) will become increasingly important, and our research substantiates this.

### *Drowning in choice*

During the workshop the consumers expressed disquiet at the number of product and service options that were available to them as it added to their level of confusion. The rising level of 'individualism' depicted by the postmodern authors (Firat & Venkatesh 1995) contributes to this proliferation of products and services. In addition, supply-side factors, globalisation and flexible manufacturing have also contributed to this

condition.

All participants, regardless of age or gender, felt under time pressure, and that the pace of change in their lives was increasing. Both groups found the pace of change both exhilarating and frightening. There was agreement that an understanding of this feeling needs to be fused into the innovation process and the subsequent consumer offer.

## **Perceptions of market learning techniques**

### *'Focus groups are passé'*

Both the fmcg producers and the consumers expressed the view that focus groups are becoming tired and outmoded. The fmcg producers felt that it is becoming more difficult to recruit consumers to take part in focus groups. In addition, a global brand manager complained that 'smart consumers know the rules of the game'. This highlights the fact that today's consumers are more marketing literate. It also reflects Brown's (2004) claim that marketing executives are 'cognizant that consumers are cognizant of them'.

In contrast, the consumers regarded focus groups as just a 'quick and easy way of making money', but also complained that the process felt incomplete. The consumers felt that in a traditional focus group-type research setting they did not have enough time to evaluate a topic/product and reflect upon its impact on their lifestyles. This often left them feeling frustrated and dissatisfied.

### *'Old techniques; old answers'*

There was congruence in the view expressed by Hamel (2000, p. 149) that 'you can't use an old map to find a new land', and that the old techniques would not promote radical innovation. However, as incremental types of innovation are also necessary – for example, to extend a product's life cycle – it was felt that the old techniques still had some value. The fmcg producers felt that quantitative techniques are well-respected methods, and 'much liked by the finance department', but raised some concern that their adoption is often driven by research from the United States and not from Europe. Those in the consumer group were more scathing in their assessment, particularly regarding the use of questionnaires. There was a strong aversion to the 'tick box' approach that is often employed in surveys and questionnaires used in consumer research.

## **Perceptions of innovation**

Throughout the research, the consumers' perceptions of innovation were explored and the findings presented to the fmcg brand owners. The findings highlighted a major discrepancy between what consumers view as innovation and what the fmcg producers perceive to be innovations.

In terms of the consumers' perceptions of innovation, it was clearly detectable that the consumer participants did not recognise fmcg products as innovations, nor could they distinguish between a product and a marketing innovation. Innovations that were consistently identified were mobile phones, the internet and digital cameras. This finding supports Piercy's view (2002, p. 289) that 'producers tend to think of innovation as what they have tweaked in the product or done to the process, but if you look at what actually works ... real innovation as defined by the customer, is something that makes a big difference to them ...'.

## **Innovation is for consumers**

These findings also lend some support to the view expressed by Szmigin (2003), that innovation is for consumers as much as for companies. The marketplace belongs to consumers, and consumers developing new ways of doing things need to be embraced as an opportunity rather than viewed as a threat. However, traditional marketing models are based on the assumption that it is the marketer who controls the marketplace, and are based on the premise that marketing firms decide what products and services should be provided. Thus, there needs to be a shift in the producers' mindset to recognise that the consumer is no longer a passive player in the process, and to act upon the opportunities that this presents.

## **Perceptions of consumer integration**

### *A desire for involvement*

The attitudes and behaviours displayed by the consumers participating in the workshop illustrated their desire and willingness to be involved in the process. Throughout the duration of the workshop, the consumers were vociferous, articulate and keen to express their opinions. This desire for involvement is arguably symptomatic of the postmodern condition. It relates to what Zuboff and Maxmin (2002) describe as the emergence of

a 'new society of individuals'; here postmodern values are described as being the desire for participation and self-expression.

### **A consensus for co-development**

When exploring how companies could better integrate consumers into the innovation process, traditional methods of research and involvement were compared to the creative problem-solving approach that was used in this study. Included in the definition of traditional methods of research are focus groups and quantitative methods of data collection and analysis. The following are the views most frequently expressed both by the consumers and the fmcg producers respectively.

#### *Co-development: consumers as equals*

The co-development experiment provided some support for the recognition of the consumer as an active participant in the marketing and innovation process. The consumer participants appreciated meeting the clients face to face and working with them as equals. Through participation they started to feel a sense of ownership in the development of the project/organisation.

The fmcg brand owners were surprised at the high level of engagement that had taken place during the project. They also recognised the benefits of treating the consumers as equals as a method of promoting creativity and generating deeper insights. There was a general consensus that the consumer workshop experiment and the collaborative method of working had allowed creativity to flourish in a structured manner.

#### *An increase in the use of technology*

Interconnectedness brings the world to the door, and greater power to the consumer. It was evident from the research that new ways to engage and connect with the consumer are needed. Some of the fmcg producers taking part in the research are only just starting to experiment with methods of IT-consumer interaction, and are not yet at the stage proposed by Thomke and von Hippel (2002) of having the 'right tool kit' to tap into customer innovation.

## **A critique of the workshop methodology**

Clearly the collaborative workshop methodology proved to address many of the issues raised in integrating the consumer into the innovation process. However, the approach is not a panacea for all innovation tasks and there remain a number of issues it is not able to address fully. We therefore offer a brief discussion of the key limitations of the approach, along with opportunities for further development.

While the workshop approach is able to integrate a few consumers into the innovation process, its reach is clearly limited. For integration to become the dominant source of innovation, inspiration and development, a different operationalisation of the approach would be needed. Some of the emerging web-enabled research tools move part way towards doing this, but for the most part have not managed to capture the benefits of real-time creative idea generation and face-to-face interaction with client teams. We believe the opportunity exists here for a new 'groupware' solution that could enable this kind of interaction with a much broader base of consumers.

The second key limitation is the investment of time required by client teams to participate in this style of interaction. The workshop approach requires an equal number of managers as consumers and, when applied commercially, generally lasts for two days at a time. The broader context of the market research industry is one in which research agencies actually add their value by executing and analysing consumer interactions for clients. In a sense, agencies exist not only to provide specialist knowledge, but to save clients time. As a result client company structures are leaner and the time required to interact directly with consumers presents a significant barrier for many. This perhaps helps explain the apparent paradox that client organisations continue to press the research industry to 'add more value through thoughtful analysis', while the research community itself continuously pushes to get clients more involved with the consumer.

Finally, we turn our attention to the methodological caveats of the workshop approach itself. The first is the issue of acclimatisation, where consumers become so immersed in the client issues that they lose their ability to be a valuable 'outside' creative resource. To a certain extent this can be mitigated by running additional creative exercises during the workshop. However, our experience is that two days focused on a particular client task is the maximum length of time before consumers lose

their objective position. Second, there is the issue of enabling the consumer and client groups to understand each other, particularly if the subject matter is very technical (for example, in the medical arena). In some circumstances this can be overcome with additional training time (both with the client team, to simplify its language, and the consumer team, to familiarise its members with the basics of the subject matter).

## **Conclusions**

The importance of market learning is well recognised (Kohli & Jaworski 1990; Day 1994) but translating this learning into successful innovations appears problematic. As most companies have access to the same tools and techniques, these methods are less likely to confer competitive advantage. Regarding market learning techniques, marketers should be concerned at the tentative conclusion that focus groups 'are now passé' and that 'old techniques simply give old answers'. New methods of market learning need to be adopted.

Our research suggests that both market learning and the innovation process should be viewed as an iterative, networked activity with consumers, organisations and academia working together. The fmcg producers that took part in the workshop expressed the view that market learning could be enhanced through collaboration. Indeed, one of the companies taking part has already started to experiment with this process of co-development as a method of integrating user insight into its innovation process.

In conclusion, this paper advocates the need for a redefinition of the producer–consumer relationship that needs to be expanded to embrace today's active consumer. Both producer and consumer need to be seen as partners in the same process. For research and service agencies, there are opportunities to be explored in shifting away from being gatekeepers to becoming facilitators of such learning for client organisations. Here, two main issues emerge that warrant further research. First, what does this approach mean for research agencies as their role moves from that of gatekeeper to facilitator? Second, how can this collaborative approach best be implemented? Which consumers should be chosen as partners and what are the choice criteria? This exploratory piece of research and the resultant findings highlight the importance of addressing these issues and the scope for further research in these areas.

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