

## CMO STRATEGY

Edited by Jennifer Rooney, [jrooney@adage.com](mailto:jrooney@adage.com)

# LET CONSUMERS CONTROL MORE THAN JUST ADS

**DIRECT INVOLVEMENT:** Innovative marketers invite consumers to guide business strategy

By DIANE HESSAN

stop selling consumers short. They want to do more than create ads for you.

The latest wisdom of the crowds is that it's a good idea to ask consumers to create ads they think will appeal to other people like them. Is it smart to allow everyday people to vote on which ads should be aired? Sure. Will more companies copy this year's Super Bowl do-it-yourself ad promotions? No doubt. Does this trend show that marketers have turned the corner and put customers at the center of their marketing strategies? No way.

Let's not kid ourselves about the value of consumer-generated ads. The consumer-in-control movement isn't just about developing new ways to create ads, as fun as that may be. The real deal is that consumers want to have a say about everything from a company's overall direction to its products and services—how they should fit into their lives; how they're designed and packaged; where they can buy them; and, yes, even how they should be advertised. In other words, what consumers are screaming for is the desire to help companies make decisions, not just ads.

Some of today's most successful brands are letting consumers do this.

For Frito-Lay, consumer-generated ads are simply the most publicly visible evidence of a customer-centered marketing strategy. For almost two years, the snack-food maker has continuously consulted with consumers in online communities about a whole range of topics. Plus, by listening to how people in these communities interact with one another every day, Frito-Lay has a better view of how its brand fits into the bigger context of consumers' lives.



To develop its new Aloft brand, expected to launch in 2008, Starwood Hotels and Resorts Worldwide invited hundreds of travel-savvy consumers to join a private online community dedicated to helping the company reimagine the hotel experience. Over the past several months, these consumers have advised Starwood on how to make the hotel experience different and fun compared with the all-too-typical concrete-and-polyester hotel experience, what to name the new brand, what services to include, the design and style of the space and furnishings, how to introduce the concept, and even what they think of the Aloft prototype in the virtual world Second Life.

GlaxoSmithKline has been listening for more than a year to a community of women struggling with weight issues in order to better understand how to develop and market its first weight-loss pill, expected to be introduced this year. The women have shared their struggles with one another and Glaxo, and they've offered input into everything from packaging to where to place in-store marketing.

To hone its digital-photography business, Hewlett-Packard connects every day with 300 digital-photography enthusiasts who act as a virtual digital-photography advisory board, sharing opinions, experiences, frustrations and ideas with one another—and with hundreds of HP employees responsible for this business area. HP believes that being able to

interact with a private group of trusted consumers any time of any day gives it a sounding board to use to make more decisions more quickly and keeps it grounded in what's most relevant and important to consumers.

## Consumers want to have a say about everything from a company's overall direction to its products and services

A tighter and more substantive connection with consumers also makes economic sense. A recent Booz Allen Hamilton study, "Smart Spenders: The Global Innovation 1,000," found that although research-and-development spending by these companies last year rose more than \$20 billion, a group of "high-leverage innovators," including Caterpillar, Christian Dior, Apple, GlaxoSmithKline and Google, spend far less than their competitors on research and development—and consistently outperform their rivals.

What sets these innovators apart? "High-leverage innovators listen closely to their customers across the entire innovation cycle. Companies such as Stryker and Black & Decker design their innovation strategy around a keen understanding of their end customers' needs," according to the study. And they don't do it in a

traditional market-research silo: These high achievers have in common a focus on building multifunctional, companywide capabilities.

Online customer communities are central to creating innovative products and customer experiences, according to best-selling business writer Patricia Seybold in her book "Outside Innovation: How Your Customers Will Co-Design Your Company's Future." "The only way organizations can break out of the pack is to open up their business to passionate customers and welcome them into every aspect of product, service and customer experience design," Ms. Seybold says.

So as the buzz about consumer-generated ads continues, remember that these spots aren't the Next Big Thing in marketing. Consumers want more. They want to be more directly involved in providing advice that will lead to better products and overall brand experiences, and they want to be heard. This, not just ads, is the heart of today's consumer-in-control marketing movement.

### DIANE HESSAN



President & CEO of Communispace, a fast-growing social-networking company based in Watertown, Massachusetts.  
[www.communispace.com](http://www.communispace.com)

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