

Brands And Consumers Create Value Together

Contributed by eMarketer
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Collaborating from idea generation to customer service

In today's participatory culture, customers want meaningful relationships with the brands they care about. Innovative companies are rising to the challenge, realizing that customer collaboration is vital to keeping a competitive edge.

"Co-creation begins with focusing on customers," said Jeffrey Grau, eMarketer principal analyst and author of the new report, "How Brands Co-Create Value with Customers." "Companies tend to take an inside-out approach to co-creation; those that take an outside-in approach, by listening to and observing customers, are in a position to discover ways to create mutual value."

Customer co-creation initiatives generally focus on the early product development stages, as seen in a 2011 Frost & Sullivan survey mainly of B2B technology companies. Idea generation was the most common application of crowdsourcing.

Many companies tend to restrict their co-creation activities to discrete moments in the product life cycle, from product creation and refinement through the end of the sales cycle. Each touchpoint is a chance for customers to build community and brand loyalty.

At later stages of the product life cycle companies can harness the power of co-creation to help customers make greater use of their products or services. Companies like Apple, Dell and Intuit, for example, have large, active communities where customers can ask product questions and find answers to problems.

This provides a direct benefit to users who need help with a question, but it also builds community among power users or brand advocates who want to be part of a community responding to issues.

Respondents to the December 2010 "Social Customer Engagement Index" from The Social Customer and Society of Consumer Affairs Professionals revealed that Facebook and Twitter were the most effective customer service channels for engaging customers.

The reason these sites were most frequently picked is probably due to the fact that many problems can be addressed in short messages. To provide a deeper level of customer support, however, companies still rely on company-owned networks that allow for more substantive interactions.

The full report, "How Brands Co-Create Value with Customers" also answers these key questions:

How are brands co-creating value with customers?
What are the benefits of co-creation for different stakeholders?
What is the role of social media in customer co-creation?

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