Managing the Creative Consumer Conundrum

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Consumers who generate or transform proprietary offerings present a paradox. They can threaten intellectual property and revenue, but also serve as a source of valuable brand, product and business ideas. Thus, managing creative consumers demands shifts in the mindsets and business models involving how firms create and capture value. In this presentation, we define the concept of creative consumer, develop a typology of firms’ stances toward this phenomenon, and examine the steps involved in the approach and management of consumer creation. Our contributions are based on a study of marketing managers and their current handling of consumers in the content-creation space.

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SESSION OVERVIEW

Many studies have discussed how consumers create brand meaning in order to make sense of and align the product/service within their lives (Fournier 1998; Ritsin and Elliot 1999). Besides these negotiation and (re)interpretation roles, recent studies have exposed consumer’s ability to create original content for the brand. Although we have long noted a penchant for advertising parodies that make mockery of a brand and brand bricolage by counter-consumers (Handlerman 1999), the recent trend is for brand-supportive activities that mimic marketing messages and strategies. Such content creation capabilities of brand community members sharing a passion and ethos for the brand have been especially noted (Brown, Kozinets and Sherry 2003; Schau and Muniz 2006). The “creative consumer” actively participates in the customization of product features and designs (von Hippel 1986, Moreau and Dahl 2005), refinements to packaging, and the generation of branded communications (Ives 2004). Web-based technologies that enable the creation and dissemination of branded content have fueled the creative consumer trend. Per media pundits, the ascendance of empowered and passionate consumers as brand creators is a marketplace reality that transforms the discipline of brand marketing at its core (Flight 2005).

Practitioners have been quick to recognize the likely power and benefits of consumer-created content. Interest in citizen marketing that takes the form of advertising message creation—so-called “homebrew ads”, “folk ads”, VCAMs (viewer-contributed advertising messages), or more generally, “open source” branding—has been especially strong. Most recently, mass market manufacturers Frito-Lay, Unilever, and Chevrolet have taken gambles in this arena by airing consumer-generated ads (CGAs) on the 2007 Superbowl and Academy Awards. Most firms, however, remain wary of the risk-reward trade-offs involved with consumer-generated content. Chevrolet’s Spring 2006 campaign as a CGA first-mover gave a significant cause for concern, when invited consumers created anti-Chevy ads showcasing Tahoe’s destructive role in the environment. While some firms now include token amounts of consumer-authored content in their own advertising, and others pursue controlled CGA experiments via venues such as Gore’s CurrentTV, the full strategic leverage of consumer-generated content as an integral and systematic part of brand strategy has yet to be obtained. 

Inarguably, management indecision centers on reservations concerning the nature and effectiveness of consumer-generated branded content, and uncertainty concerning the best tactics for this new phenomenon. For example, CGA presents a role reversal of sorts in the process of advertising creation and consumption. Consumers—who were once conceived as receivers of company-created messages, or, more recently, as active translators and co-creators of the meanings that these messages contain—now serve a new function as self-motivated originators of advertising content. Firm roles, too, are shifted. Firms are now becoming facilitators of the creation and/or dissemination of consumer-created messages. They are involved in filtering and selecting nationally-exposed CGAs. They are even becoming consumers of CGA content itself. Although potentially attractive and beneficial to business, these marketplace shifts bring new concerns and questions. Does CGA present a fundamentally different advertising paradigm, or does it operate to persuade in much the same way that fifty years of research on company-sponsored advertising has exposed? Do CGAs even possess the benefits of authenticity, credibility, and insight that managers assume they hold? How can a firm best design a CGA campaign to control the risk/reward tradeoff, assuming that company involvement does not deny the very benefits of CGA? Without a solid base of research, the rules of engagement in the new terrain of consumer-created content remain unknown.

This session addresses the pressing need for research on consumer-generated content by presenting three completed empirical investigations along three complementary perspectives. The paper by Schau and Muniz considers consumer content creators and the products of their efforts as the units of analysis. Leveraging netnographic information from the Firefox user community, Schau and Muniz ask: are consumers capable of creating branded content that resembles—in form, function, quality/professionalism, and intent—what we know of as traditional company created brand artifacts? The second paper by Brunel, Fournier and colleagues concerns viewers’ responses to consumer-generated ads. Their multi-method inquiry includes (1) an experiment to contrast the effects of advertisements identified either as having been created by consumers or companies, and (2) a qualitative analysis of posted viewer responses to milestone CGAs (e.g., Superbowl and Academy Awards 2007) to probe persuasion processes in a natural viewing environment. Research by Berthon and Pitt provides an important third perspective: that of the firm as a potential collaborator in the process of consumer-generated content. A survey of 178 marketing managers illuminates practitioner awareness of, attitudes toward, and actions concerning the creation of message content by consumers. The authors developed a typology of firm stances on consumer-generated content in order to guide marketing strategy and research.

Our session closes with integrative comments and facilitation of audience participation from our discussant, John Deighton. Deighton offers invaluable perspective on the emergent CGA phenomenon through his experiences not only as editor of JCR, but also through his involvement in the development of cases on leader companies in the CGA space.

Collectively, the first-ever empirical investigations of CGA presented in this session, as extended through discussant and audience comments, provide not only a holistic perspective on the phenomenon, but a contextual one that considers synergies between and divergences from traditional advertising concepts and frames. It is our hope that these empirical studies provide some stakes in the ground that can service and guide future consumer research on CGAs.

EXTENDED ABSTRACTS

“Share the Brand: Communally-embedded Consumer Generated Content”
Hope Jensen Schau, University of Arizona
Albert M. Muniz, Jr., DePaul University

Studies have demonstrated that members of brand communities can create extensive brand content (Brown, Kozinets and Sherry 2003) and that the ascendancy of communally-embedded, empowered consumers is now a marketplace reality (Flight 2005).
Although several marketers have played lip-service to the idea of consumer-generated messages, and a number have included token amounts of user-authored content in advertising campaigns, few have made extensive efforts to include consumer-created content in their advertising strategies and campaigns. Part of the problem may center on uncertainty concerning the professionalism of the resulting advertising. Indeed, little work has examined how successful consumers can be in their advertising creation endeavors. In other words, what is the quality of consumer-generated content (CGC)? Are consumers capable of creating content that resembles, in form, function and intent, advertising? Can CGC rival and/or exceed the quality of firm produced brand content? Does CGC gain new persuasive traction simply by being consumer-created? Do the ideals of brand content shift with the emergence of consumer-generated brand content? Can CGC be successfully integrated into larger firm objectives, where brand content is harmoniously co-produced, as recommended by proponents of the new service-dominant logic (Vargo and Lusch 2004)?

In order to assess these issues, we investigate consumer-generated, commercially-centered artifacts in two brand communities and compare them to existing firm-produced brand content. We conducted a netnographic study (Kozinets 2002) of the Jones Soda and Mozilla Firefox brand communities. We employ naturalistic and participant observation within these communities, close examination of consumer-generated artifacts, careful scrutiny of current firm-authored brand content, and depth interviews with community members and firm employees regarding brand content, brand positioning and CGC as an element of the brand strategy. Jones Soda relies heavily upon its community of loyal users for the creation of branding content. From product innovations (flavors) to packaging (labels, cap quotes), promotions (stickers, web content, price points) and advertising, Jones Soda gives its 12-24 year old target consumers considerable input into the brand’s attributes and personality (Underwood 2005). Mozilla’s Firefox is an open-source web browser. It, too, relies entirely upon users for innovations, modification and promotion. Firefox users are encouraged to be evangelical and to get users of other browsers to switch to Firefox. As part of these efforts, consumers are encouraged to create short television-commercial-length videos.

We find the Jones Soda and Mozilla Firefox communities possess the three markers of brand community identified by Muniz and O’Guinn (2001) and provide ample room for personal transformation and consumer empowerment. Our data demonstrate effective consumer-generated communications for both brands that are collectively created, disseminated and distilled within a strong consumer controlled brand community. The data reveal much about consumer-to-consumer communications, including consumers’ sophistication and agility in mimicking the conventions of advertising in order to invest brands with the meanings they seek. We find consumers quite adept at appropriating and mimicking the styles, tropes, logic and grammar of advertising. Consumers in both communities demonstrate mastery of intertextuality (O’Donohoe 1997) by utilizing the permeable boundaries between advertising and other cultural texts via their appropriation of content from those texts. They demonstrate mastery of polysemy (Kates and Goh 2003; Ritson and Elliott 1999), creating artifacts with different meanings for different groups. The consumers also demonstrate a grasp of the importance of oppositional brand loyalty (Muniz and O’Guinn 2001), crafting advertising like objects that play up intra-brand rivalries. Both Jones Soda and Mozilla Firefox recognize the potential of CGC and actively leverage their loyal, evangelical users to create artifacts that are woven into the fabric of their strategy for the brand.

In conclusion, this study demonstrates that consumers can mimic the conventions of advertising and produce consumer generated ads comparable to those produced by professionals. Owing to cheaper desktop audio, video and animation software, consumers can easily create promotional content that rivals that which is produced professionally. Moreover, via the Internet, such creations can be quickly and inexpensively shared with a multitude of others. Consumers, especially those who are members of brand communities, are more than able to be skillful, proficient and prolific in the creation of vigilant advertising content. Likewise, our findings show that some firms successfully outsource brand content and persuasive marketing communications to their consumers, harnessing these efforts toward long-term marketing objectives. There is no reason to doubt that the practice of utilizing consumers as both operant and operand resources in this way will spread. These findings have important, perhaps revolutionary, implications for advertising theory and practice.

“Consuming the Consumer-Generated Ad”
Frédéric Brunel, Boston University
Susan Fournier, Boston University
Ben Lawrence, Boston University
Courtney Guzman, Boston University
Eliza Papavassileiou, Boston University

Although decades of research have yielded significant knowledge regarding consumers’ responses to ads designed by firms or their agencies (Vakratsas and Ambler 1999), little is known about the emergent phenomenon of consumer generated advertisements (CGAs). In this presentation, we report on two studies designed to investigate viewers’ reactions to CGAs. We seek to understand if and how consumers’ responses to CGAs compare to those for company/agency produced ads. Specifically, our research informs three goals.

First, we explore whether CGAs present advantages as branded communications. Based on media pundits’ opinions and case studies of CGA lead-user companies, we argue that viewers will have more favorable reactions towards ads which are identified as CGAs versus those identified as having agencies/firms as the source. Second, we study the processes that cause CGAs to be received more favorably. We investigate the roles of credibility and viewer involvement and predict that CGAs are more persuasive due to increased credibility and involvement with these ads. Third, we augment our understanding of the micro-psychological processes that explain reactions to CGAs through a holistic exploration within the natural viewing environment. We study the social discourse around the creation and use of CGAs in the commercial space. Our first two goals are informed through a laboratory experiment; our third leverages qualitative analyses of a series of field events.

For the experiment, we first identified a brand -Toyota Yaris- for which consumers had created ads and for which the target audience was aligned with our student respondents. Thirty Yaris CGAs were reviewed along two dimensions known to affect advertising response: executional quality and information content (Mitchell, 1986). Based on assessments by four judges, we selected four 30-seconds CGAs with varying (high vs. low) levels of executional quality and information content. In a controlled pretest where the source of the ad was not identified, 119 undergraduates viewed these ads and completed a battery of ad-response measures. Results confirmed our 2 by 2 factorial design: two ads with high brand information content and two with low content (F,4,119=20.48, p<.000), and two ads with perceived executional quality and two with low (F,4,119=6.70, p<.000). The main experiment involved a 2 (high-low information content) by 2 (high-low executional qual-
ity) by 2 (source condition: ad identified as created by a consumer versus by the firm/ad agency) between subjects design. Two hundred and eight undergraduates provided a series of reactions to and evaluations of these ads.

Results confirmed our hypotheses, with one exception. As expected, CGAs were more persuasive: attitude toward the brand was higher when the ads were identified as CGAs (F1, 208=5.37, p<.05). Further, there was a significant interaction of information content and ad source (F1, 208=5.72, p<.05): when information content was high, consumers’ attitudes toward the brand were higher if the source of the ad was identified as CGA. This result suggests that viewers in the CGA condition were more engaged in the experience and processed more advertising message claims. Indeed, additional analyses showed that viewers’ attitudes towards and involvement with the ad resulted from a significant 3-way interaction between the experimental factors. In particular, we found that viewers’ involvement was greatest in the experimental conditions in which we found higher attitudes for the brand. This result pattern confirms our hypotheses concerning the added persuasiveness of CGAs, and the enhanced involvement that drives their effectiveness. We also found consistent result patterns for additional dependent measures, including motivations for social networking around the ad (e.g., saving the ad, forwarding it to friends) as well as behavioral intentions (e.g., seeking more product information or considering it for purchase). Finally, contrary to expectations, credibility was not a significant factor in explaining responses to CGAs.

In part two of our research, we sought a deeper, more natural, and holistic understanding of the processes underlying CGAs’ effects. We studied (1) milestone CGAs created in response to company-sponsored competitions for the Super Bowl 2007 (Frito-Lay Doritos, Chevrolet HHR, and NFL) and the 2007 Academy Awards (Unilever’s Dove Cream Oil contest winner and two finalists), and (2) CGAs created organically by evangelists for four community-intensive brands (Harley Davidson, iPod, Facebook and VW). Traditional company ads in these venues were also used as benchmarks. Our research pursued a multi-pronged analytic approach deriving grounded themes from analyses: viewer comments posted on Youtube.com, uncutvideo.aol.com, and company contest sites; secondary research surrounding the details of CGA contests; and interviews with CGA creators.

Our research revealed a key and previously unidentified driver of consumer response to CGAs: the professional skills of CGA creators versus their perceived authenticity as brand consumers. We found dramatic differences in viewer responses for “crowd-sourced” versus “authentic” CGAs. Responses to crowd-sourced CGAs mirrored those for “typical company ads,” and focused on entertainment value, positive attitudes toward the advertising, and judgments of executional quality. Responses to “authentic” CGAs, in contrast, were driven by interdependent conversational activities among viewers: consumer-to-consumer conversations and one-to-one messages to and among ad creators that at times constituted overt relationship advances. These conversations created a multifaceted engagement experience consisting of viewer involvement, ad involvement, creator involvement, brand involvement, contest process involvement, emotional engagement, and cognitive elaboration of the messaging. Responses to authentic CGAs also appear driven by brand characteristics, notably the brand’s capability for and support of a strong community base. This study stresses the complexity of the CGA setting that must be accommodated in future research, and helps illuminate the processes underlying the effects of different “forms” of CGAs.

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Creative consumers represent an intriguing paradox for business. On the one hand they can be a black hole for future revenues, with breaches of copyright and intellectual property, while on the other hand they represent a potential gold mine for generating brand, product and business ideas. This duality poses a fundamental challenge to traditional consumer management processes. In order to create and capture value from creative consumers, firms need to adapt their mindsets and business models, and implement new strategies that accommodate and leverage the brand marketing artifacts generated by consumers in the field.

Although the pace and importance of consumer creation is fueled by the new networked economy and thus accelerating overall, the notion of consumers creating marketing artifacts has a long and illustrious history. The automobile serves as an excellent example of a product which, since its inception, has lived in a generally symbiotic relationship with creative consumers. The early Model T Ford was regularly adapted by farmers as a power source for driving generators, mills and lathes (Nye, 1998). Yet, although the phenomenon is old, it has received limited inspection by consumer researchers and leaders in the business press. Only recently has the phenomenon received focused attention in the management literature. For example, Mollick (2005) refers to creative consumers as “underground innovators”. He provides an excellent framework that helps researchers and managers alike understand and categorize creative individuals. Unfortunately, the framework leaves us guessing about what management should do to approach and manage creative consumers—apart from encouraging them to perform.

In consumer research, there exists a long stream of research that has focused on consumer creativity, beginning with the work of Hirschman (1980) who defined it as problem-solving capability applied toward consumption-related problems. The focus of consumer researchers has tended to be on the behavioral traits of creative consumers, and especially the factors that influence the process of consumer creativity. For example, Moreau and Dahl (2005) studied, in an experimental setting, how input and time constraints influence the ways in which consumers process information during a creative task, and how those processes, in turn, influence the creativity of the solution. Also using experiments, Burroughs and Mick (2004) investigated the antecedents and consequences of creativity in a consumption context. Their findings suggest that both situational factors (i.e. time constraints, situational involvement) and person factors (i.e. locus of control, metaphoric thinking ability) affect creative consumption, and that there exists an interaction between these constructs as well. These research efforts are laudable, yet they shed little light on what managers should be doing to become aware of content generated by creative customers, how they should feel towards it, and what actions they should embark on to either encourage or discourage it for value creation and capture by the firm.

In this presentation, we define the concept of creative consumer, develop a typology of firms’ standpoints toward this phenomenon, and examine the steps that are involved in the approach and management of creations by consumers. Our theoretical developments and considerations build from empirical results of research conducted among 178 marketing managers (representing a 30% response rate) concerning their handling of creative customers.

We define the creative consumer as an individual or group who generates branded content through creation, adaptation, modification, or transformation of proprietary offerings (such as products/
services and ad messages). We emphasize that creative consumers are different from ‘lead users’ (von Hippel, 1986), with creative consumers comprising a more general category of innovators than the lead user group.

Having defined and differentiated creative consumers, we develop a typology of firms’ stances to the phenomenon. The typology is based upon managers’ attitudes about and actions towards consumer-generated innovation in their businesses, as derived from factor analyses. Attitude toward consumer innovation concerns the firm’s espoused policy or philosophy towards the phenomenon in principle; it can range from positive to negative. The espoused philosophy typically reflects the mental mindset of top management, but can also range from a subtle form of politicking to poor organizational communication. Action on consumer innovation comprises what a firm does once the phenomenon has actually been detected. This can range from active to passive. Based on our research, these dimensions yield four distinct stances: resist, discourage, encourage and enable. For example, some firms see creative consumers as threatening and try to prevent them from innovating with their products and brands; others see creative consumers as an opportunity and actively facilitate creativity efforts on their part.

We consider implications of our typological model for corporate strategy, and empirically derive, via factor analysis, a three-step approach for dealing with creative consumers: awareness, attitude and action. Overall, results indicate a relatively low level of awareness of creative consumer activity concerning the brand, a generally negative attitude toward the process, and a passive tendency towards incorporating the products of creative consumers into brand and marketing plans. More sophisticated analyses reveal the relationship between awareness, strategic stance, and firm performance, and the role that market turbulence plays as a moderator of responses in this realm. Our presentation concludes with a discussion of avenues for future consumer research.

REFERENCES