



## Social Marketing: How Companies Are Generating Value from Customer Input

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Fansumers, viral videos and social computing -- these are just some of the many buzzwords pinging around the marketing world today. Making sense of them is not easy, since new practices evolve rapidly and often overlap with one another. Indeed, according to Wharton marketing professor [Christophe Van den Bulte](#), many may be nothing more than marketing gimmicks.

But the concept behind the buzzwords is clear: Online technologies allow customers to communicate in new ways with one another, and companies must decide whether to ignore, co-opt or dive into these new waters of interactivity. "Consumers want to feel they are being heard, and they love having an impact on the future development of products. To the extent that they can air grievances, or understand the company's position, that can be beneficial for the company itself," says [Jonah Berger](#), Wharton marketing professor.

Jeremiah Owyang, senior analyst at Forrester Research, a Cambridge, Ma.-based technology and market research firm, points to several companies that have led the way in embracing change. Southwest Airlines, for example, has a blog where customers can not only comment but also have their own postings published, notes Owyang, who blogs at [web-strategist.com](http://web-strategist.com).

Another "case study," says Owyang, is Dell. After "the blogging community had revolted" against the company's products, Dell "figured out that power had shifted. Dell embraced its customers, and now it listens to them."

For evidence, Owyang points not only to Dell's corporate blog, [Direct2Dell.com](http://Direct2Dell.com), but also to the online platform [IdeaStorm.com](http://IdeaStorm.com), where customers make suggestions to Dell and then vote on one another's ideas. As a result of customer feedback on IdeaStorm earlier this year, Dell started offering Linux-based Ubuntu operating systems, rather than that of their longstanding partner, Microsoft, on some of its desktop and notebook products. It's an example of how customers can shape the product development process.

Interacting directly with customers, through blogs and other online venues, can have two payoffs for a company, says Van den Bulte. "One, it is a market research tool; you can tap into your customers and find out what their concerns and objectives are. Two, you can profile your company as one that is working *with* customers, not just one that is only trying to influence their purchasing decisions."

### Models, Monkeys, and Knitting Little Hats

YouTube and other video sharing sites have given rise to the idea of the viral video -- some visual snippet so funny or compelling that people pass it on to one another electronically. While some of the most popular viral videos have been non-commercial (like the [Evolution of Dance](#) video, now viewed more than 65 million times on YouTube), marketers have been working hard to use online video channels to quickly and cheaply reach a mass audience.

Berger describes how Dove, a Unilever-owned brand of soap and hygiene products, released a thought-provoking mini-film, "[evolution](#)," that went viral over the past year, getting almost 5.5 million views on YouTube as of early December 2007. The video spot, which lasts only one minute and 14 seconds, is a time-lapse photography view of how a plain-looking model becomes a sexy billboard face, thanks to an army of make-up artists and doctoring on PhotoShop. The video, which ends with the comment, "No wonder our perception of beauty is distorted," is part of Dove's Campaign for Real Beauty, which includes advertising, websites, billboards, real-world events and a charitable Self-Esteem Fund, according to Kathy O'Brien, Dove's marketing director.



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The campaign video has been successful in "starting a dialogue about beauty that Dove is a part of," says Berger. "It's about more than hawking soap."

This soft-pedaling of the brand is part of what Van den Bulte sees as a trend toward brand engagement. "Marketers right now are talking about becoming a meaningful part of customers' lives and less of an in-your-face presence."

A similar type of thinking guided the creation of CareerBuilder.com's [Monk-e-Mail](#) website, where users can send custom email messages through comically serious talking monkeys. Since the service launched in January 2006, more than 115 million Monk-e-Mails have been sent, according to Jennifer Sullivan Grasz, senior director for corporate communications at the Chicago-based CareerBuilder.

The Monk-e-Mail site did have a small CareerBuilder logo, but, as Richard Castellini, vice president of consumer marketing at the company, says: "To effectively encourage the viral nature we needed to keep the overt branding as minimal as possible. Making a viral campaign too commercial can limit potential pass-alongs. Part of the success of the overall campaign [was its] adaptability to whatever the consumer wanted."

But successful viral marketing campaigns are not limited to online venues only. The best uses of social media, says Owyang, happen "both online and in the real world. What happens online and offline should echo one another." He points to a small London-based company, [Innocent Drinks](#), that each year asks customers to knit tiny hats, which are then placed on its bottled juice products. When customers buy these hatted drinks, 50 pence (about US\$1.00) is donated to a charity providing warm clothes for senior citizens.

The campaign "went completely viral across Europe" this year, says Owyang. In 2007, more than 400,000 hats were sent in, while customers posted photos through photo sharing site Flickr and met up through online communities. When customers reach this level of enthusiasm about, and involvement, with a brand, they are sometimes called "fansumers," a term Jack Schofield, the computer editor at *The Guardian* newspaper, defined on his technology blog as "the sort of people who buy products as a way of making statements about themselves."

### **Growing a Thick Skin**

Innocent Drinks' user-friendly website now invites customers to submit cartoon illustrations, one of which will eventually grace the packaging of a new drink for kids (the winning illustrator will receive a year's supply of smoothies.) Asking customers to get directly involved with creating advertisements spots -- as Converse, the shoe company, and Heinz Ketchup have successfully done -- or other content is an increasingly popular strategy used by companies, sometimes called "co-creation."

This year, for example, Sprint Nextel and Suave, another Unilever brand, teamed up to solicit funny motherhood stories online from women, the best of which were produced into a series of "webisodes," starring a well-known comedic actress and cross-promoted on "The Ellen DeGeneres Show." The advertising trade magazine *AdWeek* described the campaign, "[In The MotherHood](#)," as surprisingly successful, drawing in tens of thousands of participating women.

"What we ended up building was not just entertainment, but also an area where mothers can dialogue with each other," said Ted Moon, director of digital marketing at Sprint Nextel, at an October summit on new media organized by iFOCOS, a Reston, Va.-based media think tank. "Being associated with bringing that [service] to a group that obviously had an unmet need for online community provided great gains for us as a company," he noted.

But that's not always the case. In conjunction with a marketing campaign through the Fox reality show "The Apprentice" last spring, Chevrolet invited online users to mix their own commercials about the Chevy Tahoe. *Wired* magazine reported that the four-week contest drew more than 30,000 entries, most of them flattering, but a handful of environmentally minded users created ads harshly critical of SUVs ("Global warming isn't a pretty SUV ad," says one.) And because Chevy allowed users to export their videos to external channels like YouTube, those satires will remain available for public viewing long after the official campaign has ended.

While some marketing-watchers decreed this effort a flop -- what company wants to host attack ads on its own site? -- Charlene Li, vice president and principal analyst at Forrester, who has studied GM's use of social media, said the effort was actually a sign of strength.

"If you're going to participate as a marketer in the social computing arena, you've got to have thick skin and be ready to engage in the messy world of your customers' opinions," wrote Li on her blog at Forrester in April 2006. "Marketers that have the guts to turn over their brand to the public will in the end win over their customers." Similarly, Chrysler won praise from online users when it created an entire website, [chryslerlabortalks07.com](http://chryslerlabortalks07.com), to inform the public about its dispute this year with the United Auto Workers.

On the flip side, companies that try to exploit social media tools without allowing for authentic interaction have received a cold reception, according to Christopher Carfi, founding CEO of Cerado, a Half Moon Bay, Calif.-based "customer engagement" service company. When Captain Morgan Rum, owned by multinational distiller Diageo, launched a blog by the fictional character Captain Morgan, "it was absolutely ridiculed" by bloggers and other online citizens, he says. "Organizations that have the guts to let individuals say what they are thinking, even when it's critical, have fared much better than those who create fake personas to blog the party line," says Carfi.

### **Metrics and the Development of an Industry**

With this increasing number of corporate forays into social marketing, one of the hottest topics right now is how the success of such campaigns can be measured. "Lots of companies are chasing the question of metrics," says Wharton's Berger. "Even the impact of regular advertising is not always easy to quantify, so when you have these broader campaigns with more diffuse effects, it becomes even more difficult."

The success of Dove's Campaign for Real Beauty, for example, is measured in ways that combine the quantitative and the qualitative, according to O'Brien, Dove's marketing director. More than 4.5 million people "have visited [campaignforrealbeauty.com](http://campaignforrealbeauty.com) and shared words of encouragement supporting the efforts to widen the narrow definition of beauty," she wrote in an e-mail interview.

Paula Amunátegui Perelló, project manager for new media at Switzerland-based General Motors Europe, recently helped launch the company's Social Media Newsroom, which allows online users to comment on and share news releases with a host of web tools. "In an era of citizen journalism, in which everyone has the power to communicate, the boundaries between the journalist and the consumer are blurring. We have to broaden our audience to include the consumer," she says.

When it comes to measuring impact, Amunátegui Perelló adds, "traditional metrics won't do." Because the newsroom stresses interactivity, simply looking at the number of people who visit the website is insufficient. Instead of a defined set of metrics, her team looks at how many blogs link to the site, how many people subscribe to the site's content or watch its videos, and the number and quality of comments posted directly on the site. "It's a set of variables, not just one," she notes.

The question of how to measure success will become further refined as companies develop a better sense of what exactly they want from social media, according to Matthew Peters, co-founder of the Weston, Ma.-based Pandemic Labs, which specializes in creating viral marketing campaigns.

"People come to us saying, 'I hear viral video is cool. How do we do it?' That's funny, because if a company wanted to do a TV campaign, they wouldn't walk into [advertising agency] Ogilvy and say, 'TV is cool. How do we do it?'" The first question companies should ask themselves, says Peters, is, "'What do I want to accomplish from this form of marketing?' If you're a non-profit who wants to drive an unprecedented number of people to a website to raise awareness and money for a cause, then you have a very different goal than a company that wants to strengthen its brand image. The metrics for both would be different."

### **Not a Revolution**

Many marketing professionals and analysts are insisting that a new era of customer-company relations has dawned. "Brands are not in control any longer, and those that let go and put the power in the hands of the user will do well," says Forrester's Owyang.

But Wharton's Van den Bulte sounds a note of skepticism when the revolutionary trumpet is blown by marketing service providers, because "they tend to exaggerate the extent of the changes. Yes, there is much more information flow among consumers, and not all of them beat the same drum as the companies, so firms have lost power. Living in denial is not going to be healthy. On the other hand, totally surrendering and letting go of all control may be too much," he says. "I think firms need to find a balance."

Indeed, as social marketing loses some of its novelty, it will simply become another aspect of marketing, says Peters of Pandemic Labs. "If Nike has a new shoe it wants to market, it will have a TV commercial, radio spots, ads in magazines and interactive destination websites about running. There is no reason those channels should be thought of as separate."

Says Amunátegui Perelló in reference to GM Europe's adoption of new media: "It's a slow process, not a revolution. We have to have a discerning approach, and not just grab every new tool that comes our way. But we recognize that social media is no longer a fad. It is a larger evolution of society."

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