



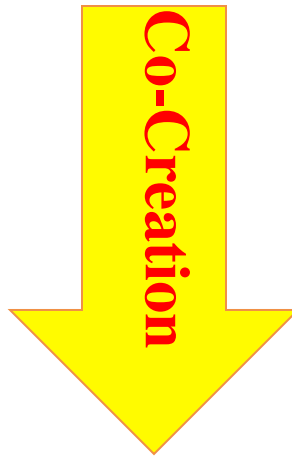
# **Building the Brand Together: Co-creating Value with Digital Media**

Renée Richardson Gosline  
MIT Sloan School of Management

December 7, 2016

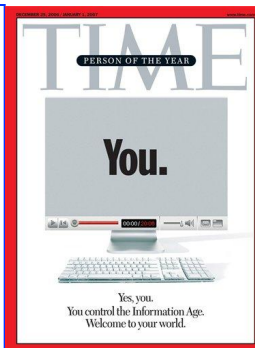


# Consumers are Not Passive, but Co-Creators of the Brand Experience



Marketer Control





Consumer Control



# Firm Perspective:

## Scary to abdicate control, but...

Digitally-enabled firms can analyze value chain for **information** extraction and **participation** to improve resource allocation and satisfaction.

R&D	Production	Logistics	Marketing	Sales	Service	Use
						



# Consumer Perspective:

Choice is mediated by technology... but we cannot forget the human behavioral element.





CMO Network / #BigData



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The Little Black Book of Billionaire Secrets

# Are Big Data, Predictive Analytics And Social Media Getting In The Way Of Basic Marketing?



**Kimberly A. Whitler**, CONTRIBUTOR

*I cover business and career challenges that contemporary CMOs face.* [FULL BIO](#) ▾

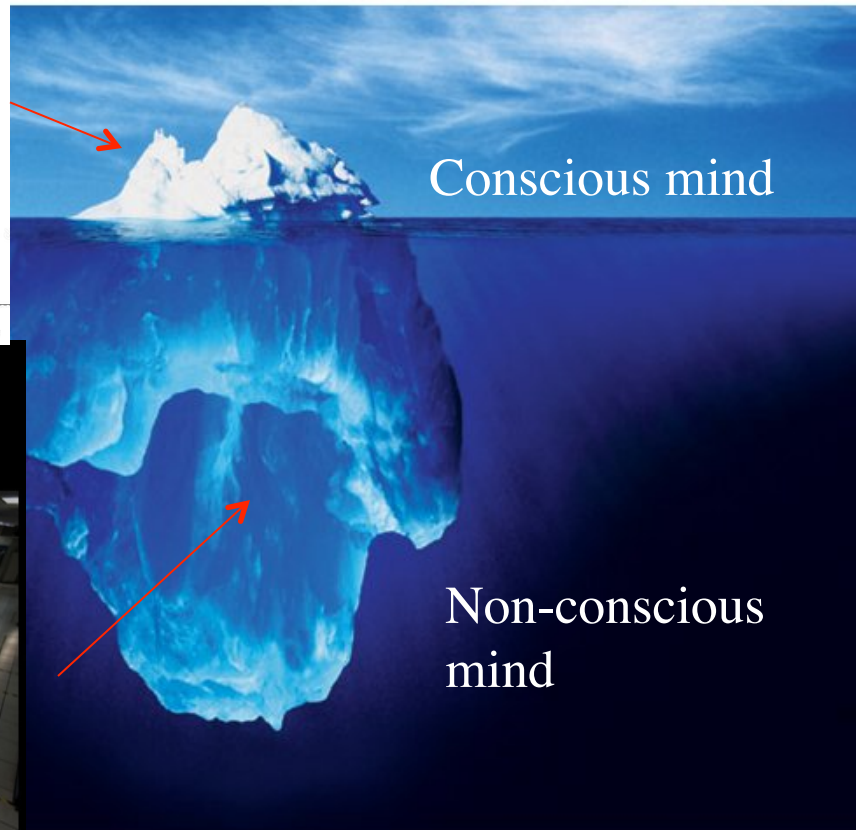
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# Behavioral Science

People make decisions using heuristics; “nudges” influence.



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**Heuristics are prone to bias.**





# DCX → Participation & Information

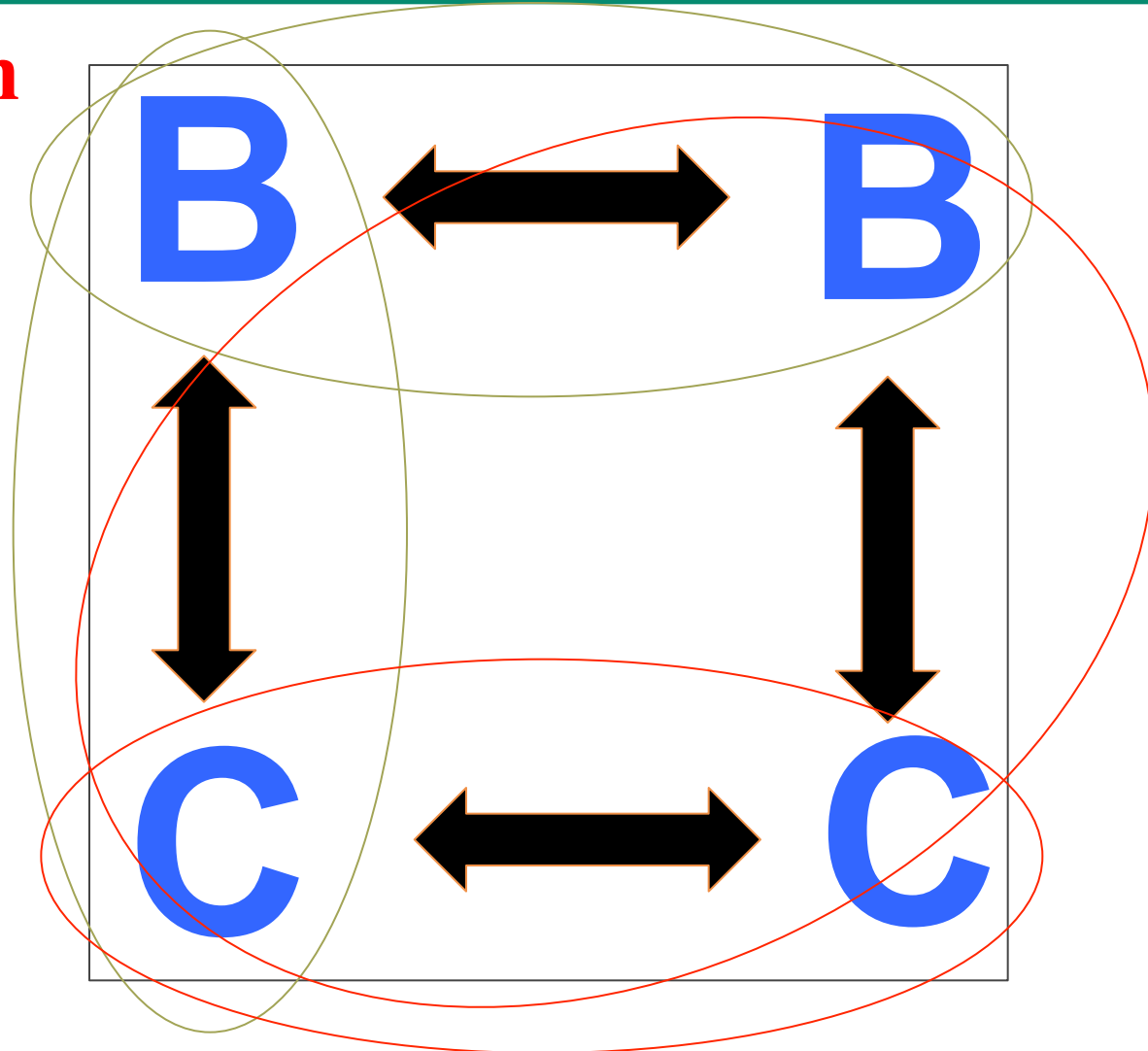
- Exchange Touchpoints Affect the Experience



**What does this mean for consumer behavior  
in a DCX world?**

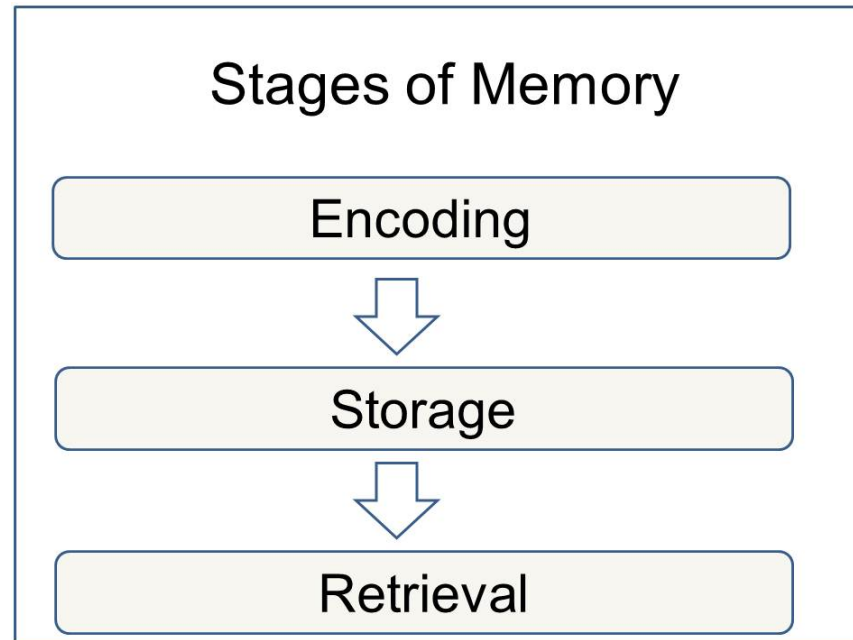
# Information Sharing & Preference

## Flow of Information in DCX



# Information → Narrative Structure

## *Consideration Sets*



Our experimental results across three brands (BMW, GM, and Suruga Bank), and over 10,000 respondents indicated an average of **20% improvement** in consideration when consumer-based storytelling is employed.

# “My Dream” (with Suruga’s Help)

## Context

## Authorship

1.



### X2: Authorship:

“This video was made by...”

1. Suruga
2. Consumer

### X1: Medium:

1. Big B: Suruga Website
2. little b: YouTube Channel:
  - Suruga Channel
  - “Real Estate Investment Channel”

2.



N=1240



# Stimulus: “My Twin”



## Jeff's BMWStory

“When I was around 3 or 4 years old, my parents started to tell me that I had a twin. It took me a while to realize they were referring to the family car.”

"The month that I was born, my parent bought a 318i. Anticipating the birth of their first child, they wanted a car that was safe and reliable, yet also state of the art in engineering."

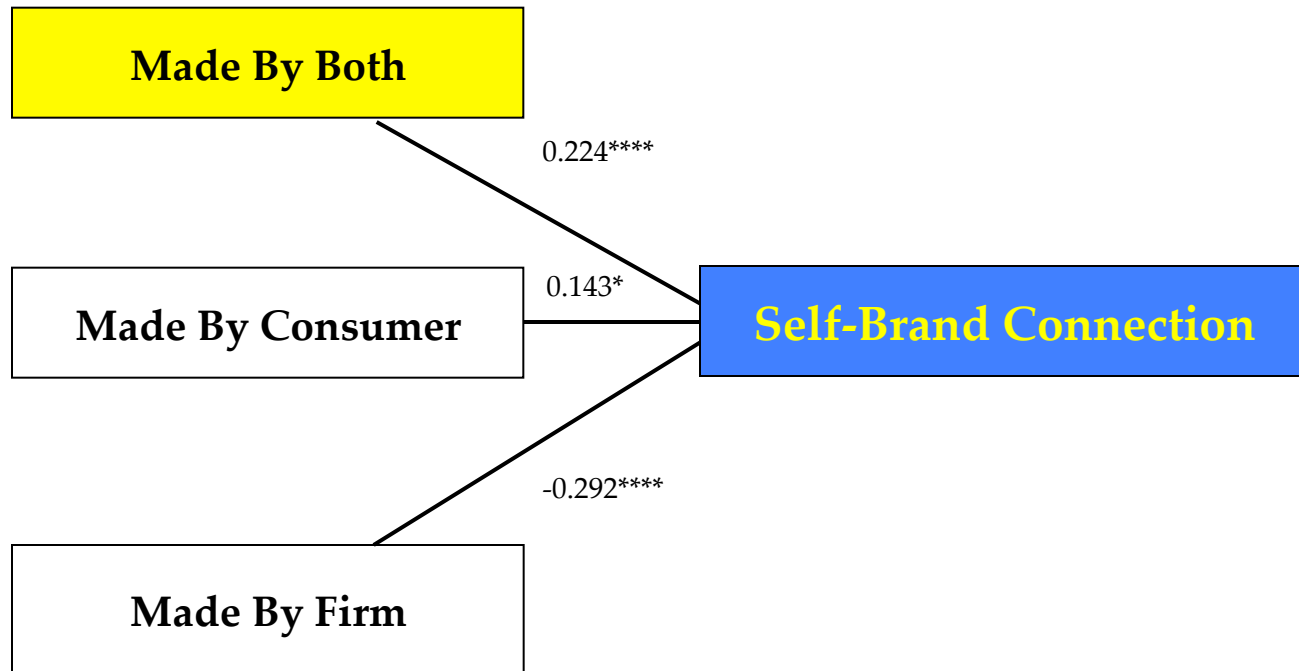
"Many years would pass, and the car kept on going strong (as well as the joke). And as I started approaching legal driving age, I of course began bugging my folks to let me drive my "twin" car, which I soon named Seth."

"They reluctantly agreed, and the rest is history. This car has been through homecoming dances, moves to college, graduations, first dates, you name it."

"I'm Jeff, and I'm happy to introduce my twin, Seth. Seth and I are inseparable, and I don't see that changing anytime soon."

This story was generally well received (mean=6/7 video rating).

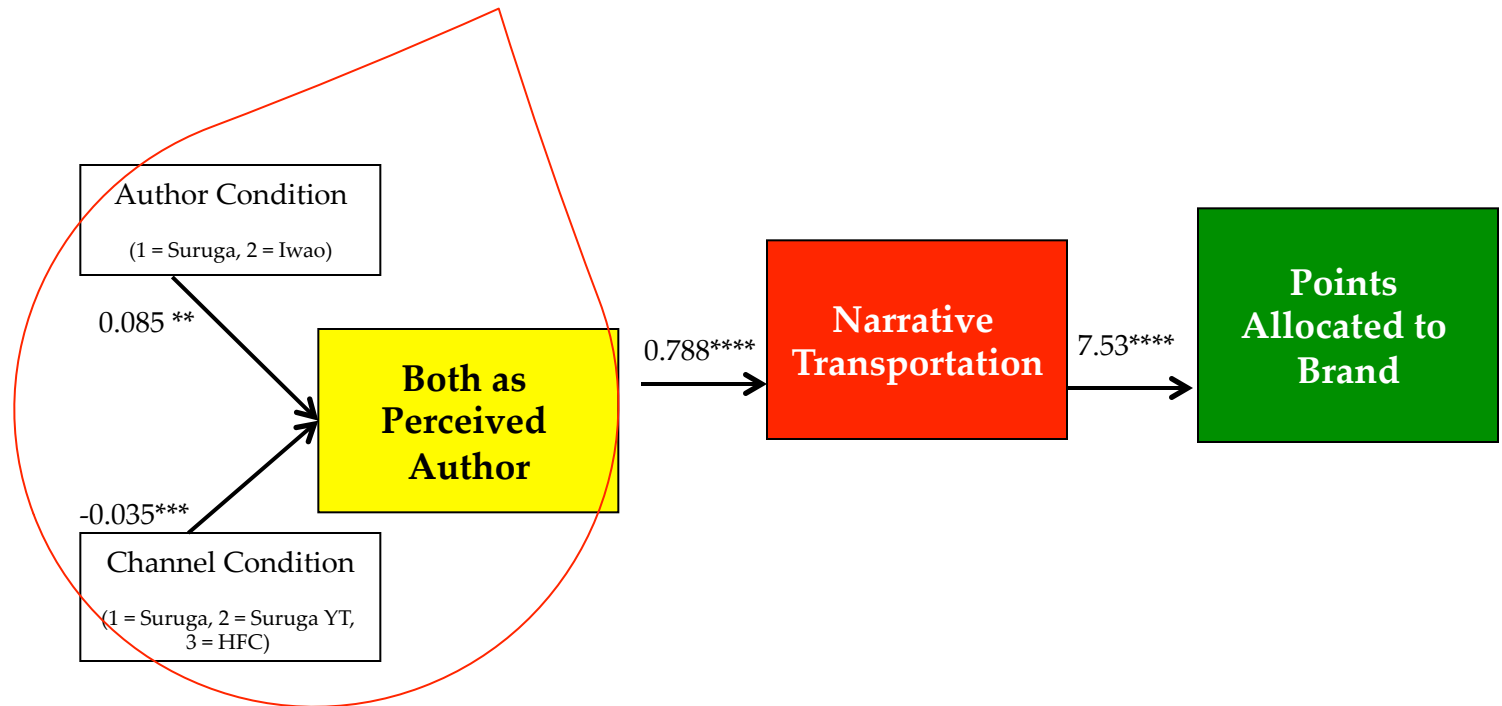
# Findings (Pre-Post): Co-Creation Creates Connections



Note \* =  $p < 0.10$ , \*\* =  $p < 0.05$ , \*\*\* =  $p < 0.01$ , \*\*\*\* =  $p < 0.001$

# Findings: The Power of Co-Created Stories

Brand Site + Consumer → Perceived Co-Creation → Consideration



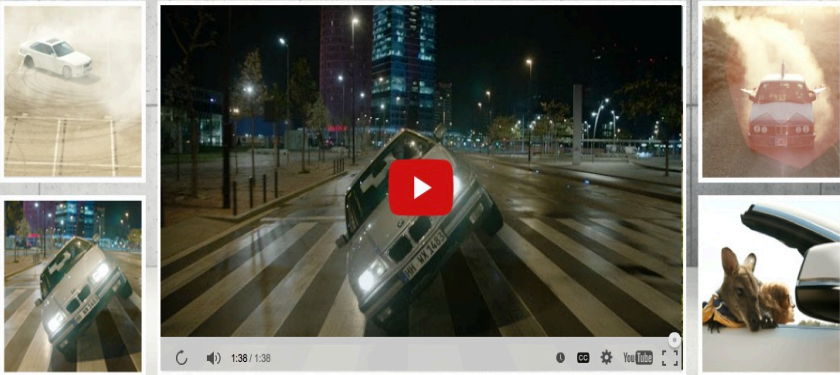
RMSEA = 0.068, SRMR = 0.042

Note \* =  $p < 0.10$ , \*\* =  $p < 0.05$ , \*\*\* =  $p < 0.01$ , \*\*\*\* =  $p < 0.001$

# Application: #BMWStories

› To the BMW website

The International BMW website  
BMW  
Sheer Driving Pleasure



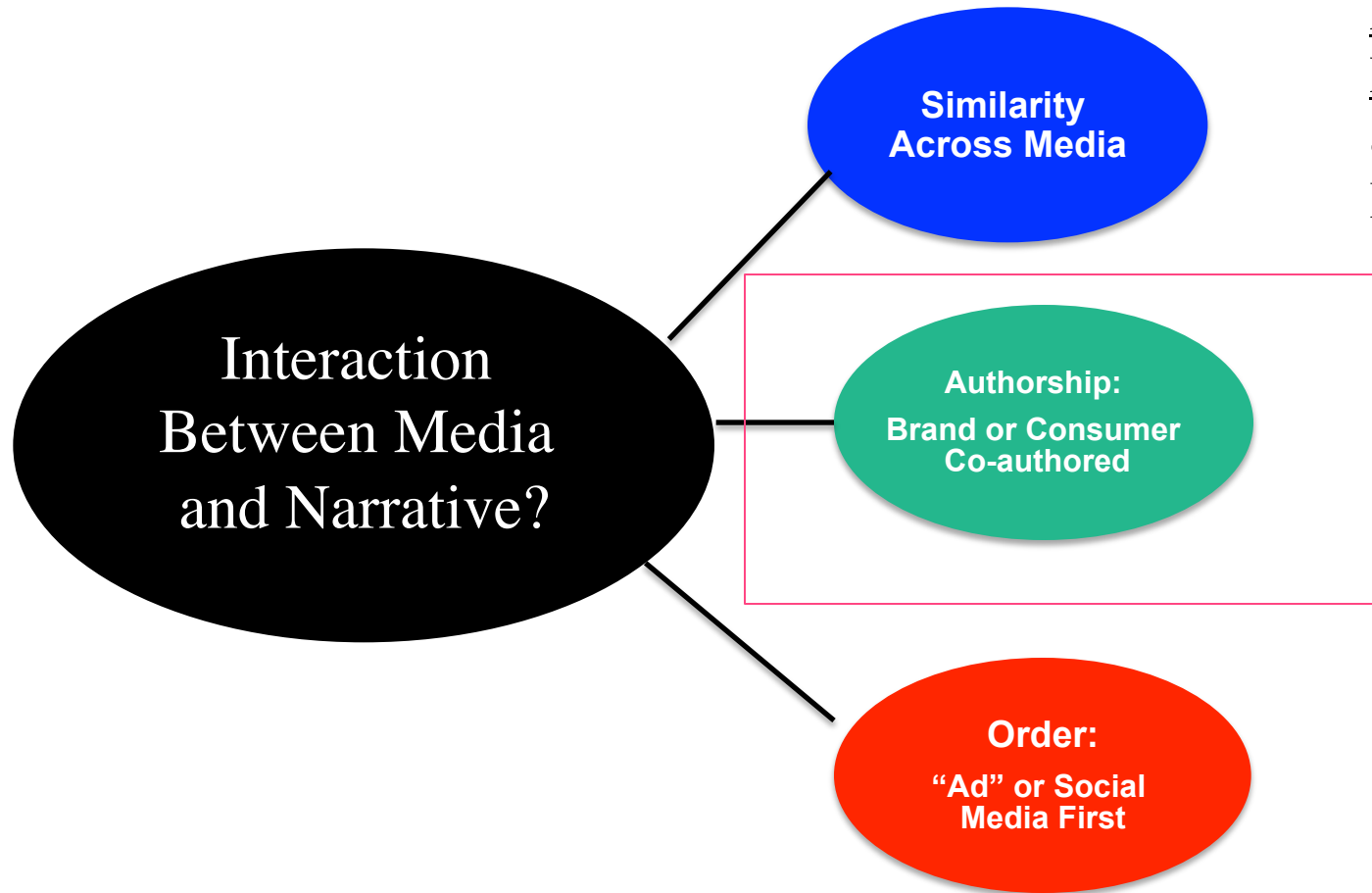
**#BMWstories**

Each and every BMW is associated with individual experiences. Here you can find out more about other people's BMW stories. Or become part of this special driving pleasure and tell us about your own personal BMW experience.

Scroll to discover more

FAST COMPANY

# In the Digital Ecosystem, when does $1 + 1 > 2$ ?



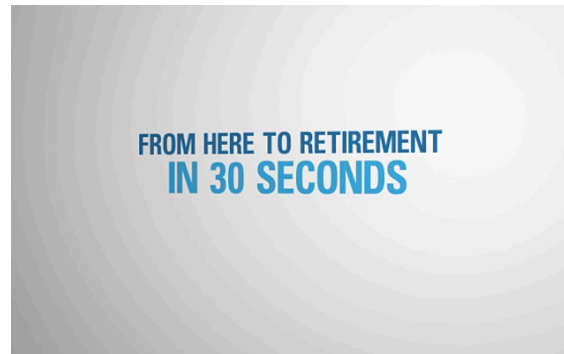
Field  
Experiment: TV  
& Social Media  
Interaction

# Media Mixes

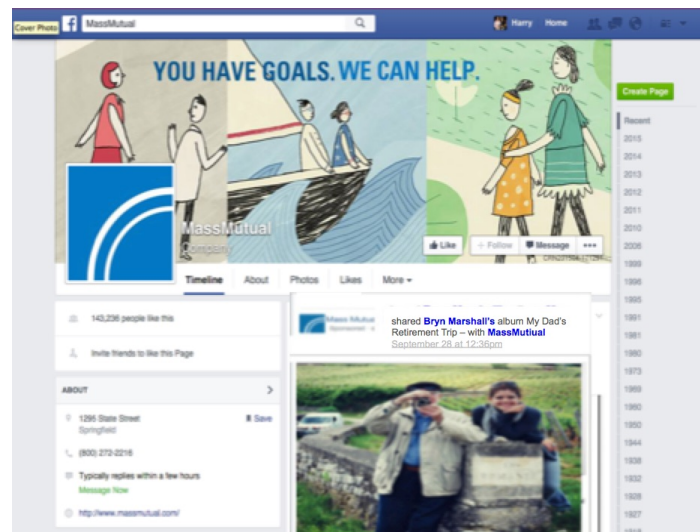
## Tide



## MassMutual Flipbook

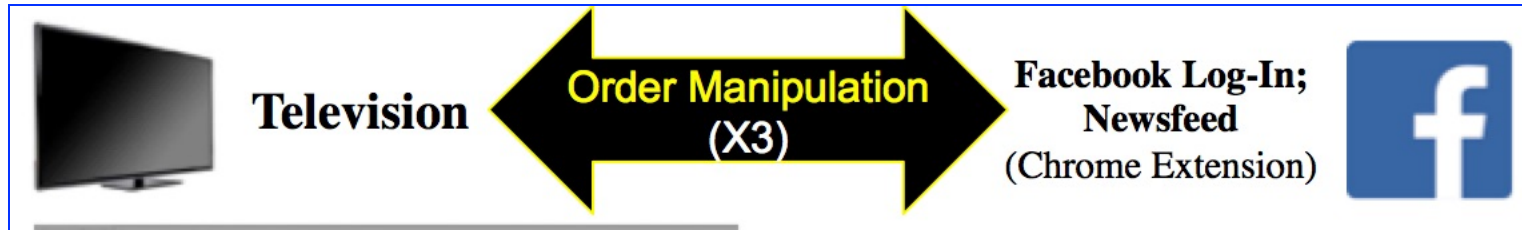


## Duracell





# Co-Authorship Increases Consideration



Facebook Manipulation	Mean Likelihood of Consideration
<u>Co-created Narrative</u>	14.389**
Brand-authored Narrative	11.279
Identical "Matched Luggage"	11.881
Current FB	11.602

Among those familiar with the brand (n=2085)  
Total Experiment N=4000; \*\*\* p<.001; \*\*p<.05

# Applications

## Weight Watchers



## TD Bank



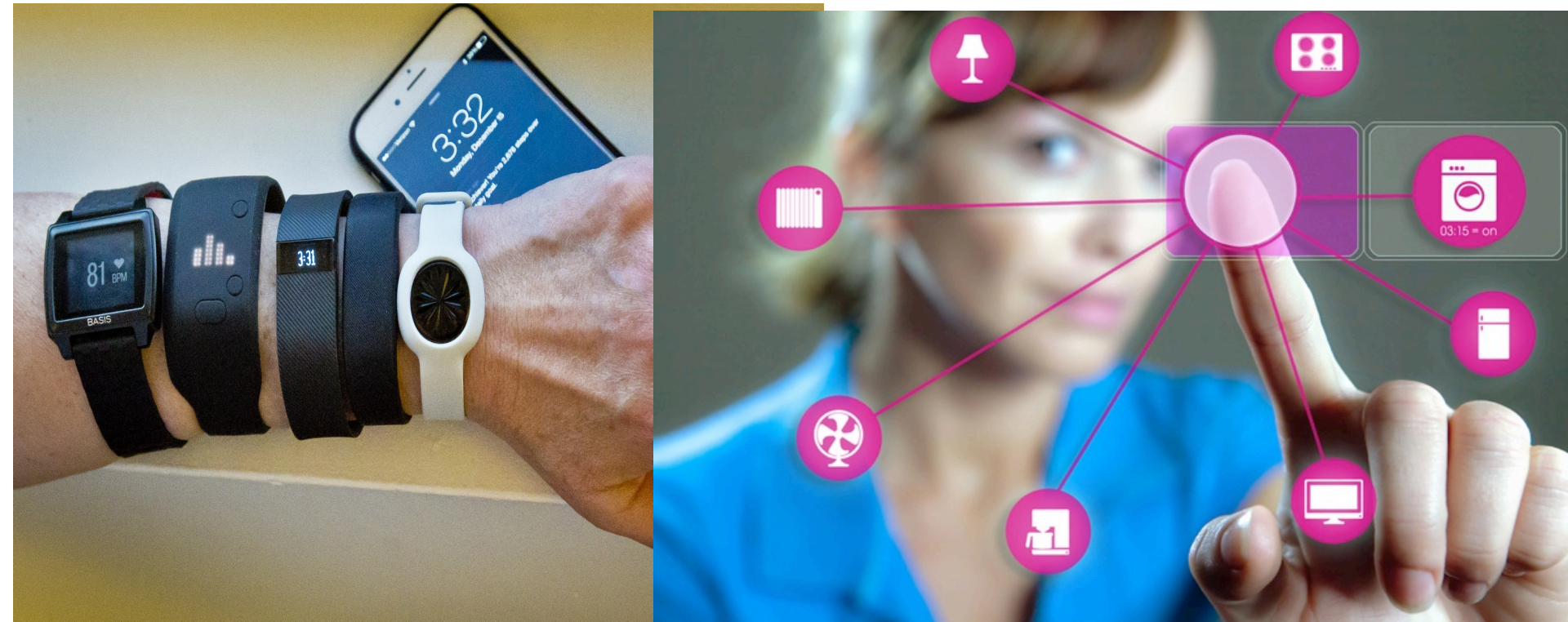


# Executive Summary

- The customer's **perception of exchange value** (what I received for what I gave up) affects judgment.
  - Learn from **experiments** at touchpoints.
- As you design the **Digital Customer Experience (DCX)**, look throughout the value chain for “win-win” opportunities.
- **Stories** are powerful behavioral stimulus, but don't fear lack of complete control over content.
  - Perceived **co-creation** (even on brand site) is beneficial.

**Looking Ahead...**

# Nudge Opportunities Abound in the IoT: New Touchpoints



*What behavioral nudges can we leverage to improve the customer experience?*

# Ad Morphing Has Presented Insights for Digital Media.

Visual-NoDetails-Print



Verbal-NoDetails-Print



Visual-Details-Print



Visual-Details-Web



Verbal-Details-Web



- Match ads to cognitive style
- Real time experimentation, learning
- Not who to target, but how to talk to them



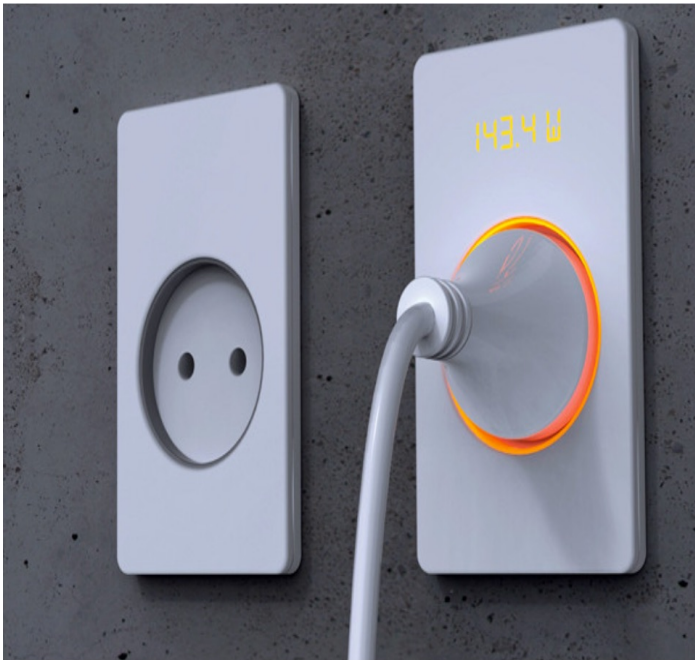
# Methodology: Facial Emotion Technology

Can emotional “matching” between consumer state and content affect behavior?





# The Future: Information & Participation Exchange



## Consumer:

- When is it judged as Exploitative vs. Innovative?

## Firm:

- When can it be Leveraged vs. Wasteful?

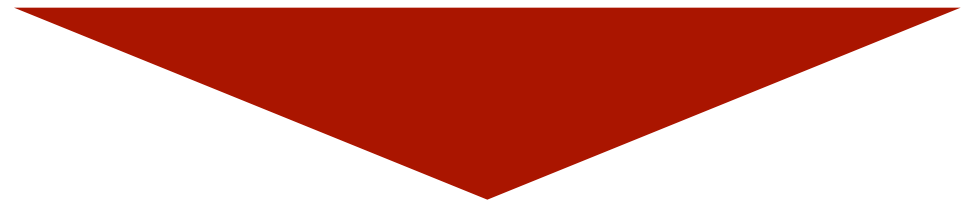
# Health Behavior



1 *Participation Value:*



2 *Information Value:*



**“Win-Win”  
Equilibrium**

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**More to come... thank you.**

**Renée Richardson Gosline**  
 **@reneegosline**