

Message to Starbucks: Consumer idea generation is not one-size-fits-all

September 23 2015



Listen up, Dell and Starbucks and all the other companies that turn to consumers for new ideas about products and services. There's a better way to pry good ideas out of your customers than through the same old standard online platforms—you know, the ones that provide all users with access to other users' ideas and that group ideas into categories such as "Products" and "Experience." As a new study in the *Journal of*



Marketing suggests, that one-size-fits-all approach may be counterproductive. According to the study, online idea-generation platforms should instead tailor themselves to the industry-specific knowledge of the customer.

"Our research is among the first to explore how those platforms can enhance consumer performance by deviating from the standard structure," write the authors of the study, Lan Luo (University of Southern California) and Olivier Toubia (Columbia University). "Consumers who have a lot of knowledge about a particular area of an industry, for instance, generate better ideas when they are not immediately shown other consumers' ideas."

The authors wanted to find out if the knowledge a participant had about a given technology or product or service—the participant's "domain-specific" knowledge—was important when it came to the design of the idea-generating platform. To find out, they conducted two experiments. The first asked participants to suggest ways to apply a new technology known as EasyCode, better known now as QR codes. The second asked consumers to submit ideas for improving the consumer experience in fast food restaurants, personal banking, movie theaters, and social media platforms.

The study is the first to show empirically that the interplay of platform design and consumer knowledge matters. Providing concrete cues such as access to other consumers' ideas is extremely beneficial for consumers with little domain-specific knowledge. Consumers with a lot of domain-specific knowledge, however, benefit more from breaking the idea-generating process into subtasks, or what the authors call "problem decomposition."

"The best design is one that takes advantage of high-knowledge consumers, and that is a design that uses problem decomposition very



explicitly and in which other <u>consumers' ideas</u> are not shown," Luo and Toubia write.

More information: Lan Luo and Olivier Toubia. "ImprovingOnline Idea Generation Platforms and Customizing the Task Structure on theBasis of Consumers' Domain-Specific Knowledge." Forthcoming in the *Journal of Marketing*: dx.doi.org/10.1509/jm.13.0212

Provided by American Marketing Association

Citation: Message to Starbucks: Consumer idea generation is not one-size-fits-all (2015, September 23) retrieved 23 April 2024 from https://phys.org/news/2015-09-message-starbucks-consumer-idea-one-size-fits-all.html

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