

The common wisdom about marketing cocreated innovations is wrong

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Researchers from the University of Hong Kong, University of Tennessee, University of British Columbia, and Arizona State University published a new paper in the *Journal of Marketing* that seeks the optimal



strategy for communicating the value of cocreated innovations in order to drive consumer purchase and acceptance in the marketplace.

The study forthcoming in the July issue of the *Journal of Marketing*, titled "Successfully Communicating a Cocreated Innovation," is authored by Helen Si Wang, Charles Noble, Darren Dahl, and Sungho Park.

Online platforms make it easy and inexpensive for companies to run contests, gather customers' ideas, and commercialize the most promising ideas into finished products. This is a key reason cocreation has been adopted as a key innovation strategy by nearly 78% of large companies. Thus far, however, the strategy has yielded disappointing results. One of the most heralded cocreation firms, Quirky, withdrew 70% of its 500-plus cocreated innovations between 2009 and 2014 because of stagnant sales and filed for bankruptcy thereafter. And at Apple's App Store, 80% of the apps do not generate enough revenue to survive for more than a few months.

Is the cocreation model a legitimate strategy to drive innovation and adoption of resulting products—or is it flawed by design? Marketing communications is often regarded as one of the major influences on innovation adoption and creators typically take two approaches to marketing new products. They either share a consumer creation or genesis story (also called user-generated content or UGC) or use more traditional, firm-generated content (FGC) that often stresses a feature's products and benefits. This research shows that it is wise to combine these strategies but with an interesting twist on conventional advertising wisdom.

When sharing a genesis story, creators tend to take one of two tacks: 1) an approach-oriented message about how they achieved new or desired outcomes; or 2) an avoidance-oriented message that promises to help users avoid unpleasant or undesirable outcomes they themselves



experienced. Advertising best practice stresses that a firm should use consistent messaging to communicate with customers.

This practice does not hold up to scrutiny in the area of co-created products, however. Instead, the researchers found that a mixed or "mismatch" communication strategy works best to speed individual and mass consumer adoption. A mismatch communication strategy means that if the product creator's claim is approach-oriented, the firm should use an avoidance-oriented and vice versa.

As an example, for the cocreated Starbucks Doubleshot Energy Mexican Mocha Coffee Drink, the creators' authentic message was approachoriented and focused on "Embracing winter... fueling me with all of the winter warmth and energy I want." When the researchers combined this with an avoidance firm message, "What the world can't miss this winter... say bye-bye to the winter chill and blues" to make a mismatch strategy, adoption levels increased compared to when the approach firm message was used—"What the world desires this winter... makes you embrace all the winter warmth and joy."

Key findings from five studies include:

- Products using a mismatch strategy were adopted 56.1% of the time compared to 26.3% of those using matching communication strategies.
- This approach works best with low-expertise consumers who reference their own life stories when buying and using goods. High-expertise consumers are less motivated by this approach.
- Firms using a mismatch communication <u>strategy</u> are 10% more likely to experience early takeoff, which is critical to the mass adoption of the <u>innovation</u>.

"This research offers important implications for managers and



companies seeking to leverage the creative power of the crowd in developing innovations," says Wang. Noble adds, "Our findings challenge the conventional wisdom in many marketing campaigns. If you want takeoff, mismatch your message with the innovator creator's message."

More information: Helen Si Wang et al, Successfully Communicating a Cocreated Innovation, *Journal of Marketing* (2019). <u>DOI:</u> <u>10.1177/0022242919841039</u>

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