



## **Best Practice Guide to Co-creation**

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**In association with Bulbshare**

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## Co-creation: The future for brands

*“The co-creation process gives voices to real people, empowering them to create richer brand experiences and develop products and services that better resonate with themselves and their peers.”*

Co-creation is the future for brands. As audiences increasingly seek two-way conversations, collaboration and the opportunity to create their own content, brands must adapt to survive. The smart ones are those that are prepared to shift the balance of power: democratise, give audiences a say, realise they need to put consumers at the heart of their brand. The brands that will own the future, are those that co-create.

In an age when audiences are increasingly cynical towards brands, trust, authenticity and transparency are all key. Co-creation is the most direct way of achieving this. For a more savvy, entrepreneurial generation of consumers – with the technology at their fingertips to connect to brands when and where they want to – the brands to trust, the brands to love, the brands to recommend to friends are those that treat them not as customers, but as colleagues and collaborators.



Co-creation is about leveraging the voices, ideas and opinions of real people in order to create better products and services, as well as brands that are more in touch with their customers. Done right, it reduces the distance between company and consumer, drives brand loyalty and reduces the cost and risk linked to new product development.

In Bulbshare's exclusive co-creation survey, carried out with over 300 representatives from within brands and organisations and over 500 members of the public, 81% of our respondents said that brands that collaborate with their customers are more authentic, 86% of people said brands that co-create are more trustworthy, and 79% of people felt that being involved in a brand's online community would make them feel more involved with that brand.

## A new era

This is the era of co-creation. Consumer attitudes have changed and marketing messages that seek to interrupt and sell rather than interact and engage are falling on deaf ears. According to the Harvard Business Review 2017, 'trust in brands is an all time low'. There are currently 200 million users of ad-blockers worldwide, according to Business Insider, and 33% of online ads don't generate awareness or drive any lift in purchase intent (Nielsen 2016).

*Co-creation is all about that one, very simple idea: that working together is better.*

A direct reaction to this trend, co-creation doesn't treat customers as mere consumers - it allows them to add value by putting them at the core of the business. Modern audiences are no longer passive, they are active creators of content and insight with the ability to promote, market and advertise your brand on the most public and affective of forums - so why not leverage that power? Co-creation is all about that one, very simple idea: that working together is better.

The thought that when we collaborate, when we listen to each other, when we embody a community spirit, we'll create something far better than if we don't listen, if we work in silos, if we resist the collaborative process. It goes beyond asymmetrical relationships where a brand sits on the one side and the user or customer on the other. It's about acknowledging that all parties bring different expertise to the process, and that these different forms of expertise are of equal value and fundamental to this collaboration.

Many forward-thinking brands are already reaping the benefits of co-creation (see our Co-creation in practice section on page 17), but while most companies consider themselves to be customer-focused, the vast majority are still yet to fully understand the importance of being truly collaborative. In our co-creation brand survey, 69% of respondents from within brands said they considered their company to be extremely customer-centric, and 69% said they think they know what their customers really think about their brand. Yet 77% of respondents from our consumer survey said they felt that brands do not listen to their feedback, opinions and ideas - presenting

a stark contrast between brand perception around customer connection and the reality of how consumers really feel about their interactions and experiences with brands.

## A force for good

Co-creation turns your customers into stakeholders, marketers and creative partners. Blurring the lines between creator and consumer and empowering people to influence the decisions their favourite brands make doesn't just lead to customer-centric products and services, it also has the potential to transform brands into a force for good in the world. And as they begin to understand the power of listening to their audiences, we'll increasingly see brands that care, brands with a conscience and brands with a level of transparency that was previously unheard of.



*Co-creation brands are outperforming their competitors - with a return four times higher.*

The remarkable shift that Paul Polman has taken across the portfolio of Unilever brands is a case in point and one that signifies that this isn't just a periphery fad – he's made it central to the brand story of a corporate giant. Better still, it's contributing to the bottom line. According to the Unilever Sustainable Living Plan (USLP) annual progress report, about half of Unilever's growth in 2016 came from its sustainable living brands, which grew 30% faster than the rest of the company's business.

The recent Iris Participation brand index report also recognised that those companies putting 'customer participation' or co-creation at the core of their brand offer are not only increasing workforce retention, they're also outperforming competitors with a return four times higher than that of the bottom 20 brands.

## Tech-enabled

As ever, technology has also been a driving force behind the growth of co-creation. The advent of big data, alongside the evolution of social media and mobile technology has enabled new

levels of brand-consumer connectivity and inspired heightened audience expectation around how brands behave. Social media opened the door to facilitating two-way conversations and interactions between brand and consumer, but, with 65% of people from our survey saying they do not feel that social media is a place where they can truly say what they think, it no longer provides a deep enough level of insight. For those that want to go beyond social media, co-creation tech is already out there: solutions that allow brands to connect with their audiences on-the-move, gaining valuable consumer insights and feedback, creative ideas and user-generated content - just like Bulbshare.

These platforms create closed communities of targeted consumer groups, then let brands share questions, ideas and briefs to a specific community, getting responses from people they value and trust. While this kind of activity has existed for a long time via social media, the new wave of co-creation technology marks a transformative shift in how brands can connect directly with their audiences in a private, targeted space. Despite the availability of this technology, our survey shows that many brands remain unaware of its existence. While 88% of our respondents agreed that collaborating with their customers drives revenue, 64% cited 'lack of budget' as a barrier, 44% cited 'lack of capability' and 33% said that 'lack of technology' prevents them from properly connecting to and collaborating with their customers.

## Generation co-creation



In recent years, the rise of a newly empowered, entrepreneurial and media savvy generation of consumers has meant brands have no choice but to co-create. Gen Z has its finger on the pulse when it comes to social media brand marketing, and with mounting pressure being placed on businesses to reinvent themselves for the Snapchat generation, brands must leverage those expertise if they're to create meaning with a generation of which 77% are more likely to buy



through peer to peer recommendations (Nielsen 2016), as opposed to traditional marketing messages. Make no mistake, co-creation is being driven by consumers, not brands.

*This is a massive new consumer group that doesn't like being advertised to.*

The role of the brand must shift to become that of a conversation facilitator, rather than a conversation leader; they must listen rather than speak and be prepared to be guided by the behaviours of their young audiences. Gen Z (sometimes called 'Generation Me') has grown up with the ability to broadcast its voice and opinion to thousands of followers and friends on social media, and brands must take heed of this. This is a massive new consumer group that doesn't like being advertised to and that won't tolerate being told what to think. Rather, they expect to dictate - or, at the very least, take part in the conversation.

Results from our survey suggest that brands are aware of this shift and that they believe they are doing everything they can to properly connect to this new generation: 94% of our respondents from within brands said that understanding their customers is 'extremely' or 'very' important to their overall business performance, 75% said they believe their brand has a genuine connection with its customers, and 63% rate their organisation as 'best in class' or 'really good' at understanding customer needs in order to shape business strategy. But despite this, 65% of people we spoke to said they don't feel at all connected to the brands they use, and 60% of people do not think that brands care what about their customers' opinions.

## Co-creation: The opportunity

Essentially, co-creation is a brand's gateway to creating better and more relevant products, services and campaigns. Companies that co-create display trust, authenticity, respect and openness, gain loyal brand evangelists and are seen as democratic and progressive - while at the same time driving increased customer connection, increasing sales and reducing product development risk. Research firm Nielsen tells us that businesses with customer communities at their core display a 33% bigger growth rate than their peers, while industry news website Business Insider cites a 19% increase on customer spend when people join an organisation's online community, and confirms that 97% of marketers agree online customer communities improve business.

*Now is the time to co-create...*

Our co-creation white guide includes: insight from key experts; the findings of our brand and customer poll; case studies on the brands and organisations that are pioneering audience collaboration; Bulbshare's unique co-creation model; and a step-by-step toolkit on how to best build co-creation into your business operations. Now is the time to leverage the power of your customers, now is the time to co-create.



# Bulbshare co-creation toolkit

## Core principles

1 Utilise technology that facilitates audience collaboration and co-creation. Social media is no longer the only platform on which to connect with consumers; co-creation specific tech is out there, and it will make the co-creation process easier, more efficient and more effective.

2 Empower and democratise. Set creative challenges to your audience communities and create campaigns that both inspire and empower people to get involved and have a say. Encourage your audiences to get onboard by really communicating how much their ideas and opinions matter to your brand.

3 Engage with the right communities that have knowledge and experience of the products and services that you want to gain insight or content around. Connecting to targeted groups of people that actually use those products and services will gain far more relevant and valuable feedback.

## Understand your audience

4 Be transparent. Invite your audience into the heart of your brand by being honest and open about the decisions you make and the way you operate. Transparency builds authenticity and

trust, and should be a key part of defining not just how you communicate with your customers, but with your employees as well.

**5** Be 360 in your approach, conducting customer-led insight and journey mapping around every part of your business in order to define a blueprint for processes and customer experience. CX should be central to how your brand is run and should be defined by direct customer feedback.

## Ideate and collaborate with your audience

**6** Involve your audiences in a constant conversation, gaining insights, feedback and ideas relating to every product and service you launch – and engaging them at every stage of the decision-making process. Customer contributors are motivated by immediate and constant feedback, so ensure you have teams in place to respond to every piece of customer feedback.

**7** Leverage the power of peer-to-peer. Create communities which allow your audiences to like, comment on, share and validate each other's ideas about your brand. Better ideas come from community collaboration.

## Create with your audience

**8** Act on feedback and implement customer ideas into the way you run your brand or develop your products and services. If the insight, feedback and content generated from your engagement mechanic is actually taken onboard, people will see that you are serious about listening to them and democratising your business.

**9** Work together on creative products. Employ mechanics that allow you to review ideas that your customers submit, make comments on them then invite your customers to develop those ideas further. In this way, you are acting as a creative director to your team of customer creatives.

## Advocate through audience

**10** Don't limit co-creation to just problem solving or new product definition; use it to define how your brand grows and the new markets it grows into. Co-creation can come to define your brand identity, being part of its brand positioning and marketing strategy. Just as you involve your customer communities with product development, you should allow them shape your brand strategy and positioning - which will lead to deeper, more far-reaching brand advocacy.





## About Bulbshare

*Bulbshare are a co-creation content agency. They are driven by the belief that through harnessing the power of real people to shape their experiences, they can create better brands and better institutions that are more firmly rooted in the interests of the audiences they seek to serve. Bulbshare brings you closer to your customers than ever before – allowing you to understand exactly what they want from your brand. Building online communities that enable conversations, collaboration and co-creation, Bulbshare is the next step in consumer-brand connectivity.*

*For more information please visit <https://bulbshare.com>*



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