

# ENGAGING THE NEW CONSUMER

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## PREFACE

With new consumerism and new technology, Engagement Marketing is changing the way brands connect with consumers. Marketers in Asia will increasingly need to provide mechanisms where consumers can interact with their brand. New Consumerism is evolving in Asia; though this is more evident outside corporate communications than within it. As with communication campaigns, research will also need to move to more authentic interactions, and look to develop more adult to adult relationships to co create the emerging brand relationship.

## INTRODUCTION

*"For the times they are a-changin'"* Bob Dylan

Brands constantly need to evolve their expression to connect to changing wants and needs of consumers. Current signs of change include:

- pole dancing classes promoted in Singapore as an alternative to aerobics;
- *China Idol* provides not only allows the audience to vote, but the winner is a surprise to the judges;
- There are more mobile phones than television sets in Asia;
- Samsung releases a mobile phone with a 10-megapixel camera phone with an optical zoom lens. It also works as a satellite TV receiver, a Chinese and Korean electronic dictionary, a personal media player, a file viewer, and a removable storage device. The gadget has 80 MB of internal memory, an external memory slot, and a Bluetooth function that lets users send photos via wireless connection to their printers;
- Mixi in Japan (a social networking site) is invitation-

only and receives 750 million hits per month from PC users, and nearly two billion hits from Japanese accessing the service on their mobile phones;

- *Time* announces that You is the Person of the Year;
- It doesn't cover the world's most advanced digital community – Cyworld of South Korean which combines MySpace, Flickr, Second Life, YouTube, blogging, eBay, Amazon, Facebook, etc.;
- Adage chooses the consumer as the agency of the year;
- The Wii outsells Playstation not on technological performance but because of its capacity for engagement.

## WHAT IS ENGAGEMENT?

*"In the '50s and '60s, copy testing was mainly about recall – and then in the '70s and '80s, they were talking about persuasion, and in the '90s it was about liking – getting the consumer to like the advertisement. Now it's got to be about engagement."* Mike Hess, Director of Global Research and Communication Insights, OMD

### Engagement as a topic

Engagement has become a buzz word over the last eighteen months. Google records over nine million entries for Engagement Marketing and it has its own entry in Wikipedia. It has appeared in ESOMAR conferences, been the focus of ARF workgroups, and the discussion of both bloggers and marketing press.

### Change is not new to marketing

In 1999, Mary Goodyear developed the concept of "consumerisation", which she defines as "the growing sophistication of the 'dialogue' between the marketer and consumer". Goodyear proposed that marketing in different sectors and in different cultures changes over

time in a consistent and predictable way.<sup>1</sup> The primary catalysts for change are the level of competition in the market and the empowerment of the consumer. She predicted both the rise of post-modern marketing, as well as the post materialist consumer.

### What is different about this wave of change?

Two mega trends that have and continue to shape this evolution:

1. Mass culture is giving way to new consumerism, or put more simply, the rise of the savvy, more demanding consumer – a consumer who expects more, especially more accountability, more realness and more individualized service.
2. Secondly the exponential growth of more digital and probably more importantly, personal media... Technology is accelerating and transforming change in marketing with the fragmentation of media, advertising and research, triggering new terminology, debates and tools. Technology is enabling a new level of social networking which extend from YouTube where consumers are networking together, to MMOGs (Massively Multiplayer Online Games) where World of Warcraft, Lineage, Counterstrike, etc. have millions of active users. World of Warcraft and Second Life have triggered discussion of what this new emerging virtual communities means for business. Game concepts (like rewards, immersion, reputation) are impacting business, and phrases like “Game Elicitation Methods” are entering the market research vocabulary.

### The problems with definitions

As marketers globally are looking to create dialogue with consumers, there is discussion in advertising and research circles of the meaning and measurement of “engagement”. The Association of National Advertisers (ANA), the American Association of Advertising Agencies (AAAA) and the Advertising Research Foundation (ARF) came together to define engagement in 2006 as:

*“Turning on a prospect to a brand idea enhanced by the surrounding context”*

(Capture the turned on part here via stimulating co-creation, more personal, deeper brand meaning).

Bloggers headlined in response to the definition with “Emperor’s new clothes”, “arf-cant-define-engagement-we-gave-it-a-shot”. One year on and there is continued debate over separating content from delivery, little agreement on measurement; different media channels conduct research to assert their medium as primary for engagement (TV, print, radio), and a few UK brand planners are now recommending discarding engagement in favour for enthusiasm.

### How TNS define Engagement

*“Engagement is about connecting consumers and brands in a way that allows for a two-way experience. This ‘new’ model of communications is based upon a simple human truth that consumers’ time and attention must be earned and rewarded.”*

We believe it is about connecting consumers and brands in a way that allows for a two-way experience. The key aspect of engagement is dialogue. Increasingly it is less about the one-way intrusive way of talking to consumers and expecting them to listen – rather people want conversations and to be treated as adults in their interaction with brands and their messages.

Underlying all, consumers expect their time and attention to be earned and rewarded.

While there is polarisation in the marketing community about Engagement Marketing (from being merely a new spin on IMC to the “silver bullet” for all the problems of interruption marketing), what Engagement Marketing does acknowledge is the importance of giving people the opportunity for participation. Critically this involves both content and delivery (multiple media channels).

*“Web 2.2 is all about interacting and engaging with people.”* Paul Marsden

## WHAT DOES ENGAGEMENT MARKETING LOOK LIKE?

Some brands are learning how to create two-way experiences, and how to earn and reward consumer's time and involvement. The team TNS have identified five ways that brands can engage consumers:

### 1. **Co creation, which is built upon the concept of some kind of consumer co-authorship with the brand owner.**

Marketers need to accept that consumers want a greater level of involvement in defining brands, rather than simply accepting that marketers define brands for them. Technology and consumer-saviness has fueled this desire, meaning marketers have to accept that they can no longer dominate the communications dialogue, rather they have to accept that consumers can shape and even create aspects of 'their' brand (concepts such as *co-creation* and 'brand accomplices' need to be considered). As co creation evolves, authorship becomes more rewarding. Both Intel and Netflix have recently promised a USD one million prize to customers who come up with winning innovations.<sup>2</sup>

Examples of co-authorship include 'leaked' ads like the 'banned' X-Box 360 ad, the M&Ms color vote, and the Doritos "Crash the Super Bowl" contest at Superbowl XLI. They solicited "fan created" commercials, and are now allowing the general public to vote on five finalists, the winner of which will be aired during the Super Bowl; the *Converse gallery* where the public makes 24-second films about their sneakers.

Lego allows programmers to interact with its toy robot and develop it as a community at Mindstorm. The TiVo community has 65,000 members of a self-organized TiVo Community where a forum has traded ideas on 'how to convince friends and family to buy a TiVo'. Within the gaming arena communities modify games (e.g., new items, weapons, characters, enemies, models, modes, textures, levels, and story lines); or create new games. Other examples include BBC, Nike iD, and Amazon (which could be considered the world's biggest book club).

Procter & Gamble launched a dedicated Connect + Develop program with the goal of having at least 50% of its new products derived from ideas generated by non-employee experts.

*"Our vision is simple. We want P&G to be known as the company that collaborates - inside and out - better than any other company in the world. I want us to be the absolute best at spotting, developing and leveraging relationships with best-in-class partners in every part of our business. In fact, I want P&G to be a magnet for the best-in-class. The company you most want to work with because you know a partnership with P&G will be more rewarding than any other option available to you."*<sup>3</sup>

Within Asia, South Korea's mobile carrier KTF held a contest to design new cell phones based on a "Cell Phone of Sensibility" theme and Muji sponsored an international design competition on the theme Sumi. Muji received 4758 works from 52 countries around the world.

### 2. **If not going all the way to co-creation then providing consumers with the opportunity to interact with brands is a key mechanic.**

The Burger King subservient chicken website is possibly the best known global example of interaction in a communications touchpoint.

Retail is one space in Asia where brands are looking to interact with consumers via pop up retail. Venue VBOX in Singapore is a portable store in a shipping container and which can be set up temporarily. The VBOX comes self-contained and equipped with an iMac and iPod HiFi. The VBOX has housed fashion collections from Prada, Puma, magazines, books and Motorola phones.

### 3. **Engagement requires thinking about brands as experiences, rather than simply products or services (the ability for consumers to experience and participate in defining brands becomes even more important).**

This implies considering how consumers can participate across campaign touchpoints. Examples include Nike Run London and Innocent Smoothies Fruitstock, but

equally the CK product placement in the movie *The Island* and the Guinness Marketing team in the UK writing their own Blog site. The Coke Show asked people to submit videos plugging the drink. They launched an online music hub for teens as part of Coca-Cola Live 06, which already has more than 38,000 registered users who interact via chat rooms and forums. In support of its Unsigned Band Competition, Coca-Cola also secured a deal with MySpace to help profile unsigned bands on the site.

#### **4. Content creation with the express purpose of viral usage**

Typically this is often elaborate TV advertising as much of it is video-based content. Back in 2000/2001, BMW did some pure branding by developing BMW Films – online-only shorts supported by other media. The efforts saw stellar results.<sup>4</sup> Engagement involves an element of creating ‘social currency’ – in particular, the use/presence of technology can exponentially spread a message as the brand is picked up and spread by consumers (concepts such as *fame*, *connection* and *buzz* become important measures). If the campaign is able to be distributed, is there something worth copying and how would it be spread? Examples include the number of people downloading the Carlton Big ad, the 42 Below vodka marketing campaigns to the Ford Fusion flash concerts in the USA and the original Hotmail viral launch.

#### **5. Content as entertainment, information and amplification**

Content in a range of forms enables brands to play a role by tapping into the consumer’s social network. Increasingly brands will need to care about the things consumers care about to play a credible role in the social network (either implicitly or explicitly).

Entertainment as such is a key precursor to amplifying. That is, if people don’t find it entertaining then you won’t get the pass on and word of mouth effects. This is a combination of how and what brands are increasingly requiring from their communication these days. *What* they are looking for is amplification of their message through talkability, PR and pass-on; and *how* is through

entertainment values, or relevant information, which significant amounts of communication material now have as an objective – message content often being secondary.

San Francisco-based Bebo, the largest social networking site in the UK, Ireland, and New Zealand, has found a way to balance the new online youth communities with advertising in what it calls “engagement marketing”. Brands like Coca-Cola are giving users branded content to help them personalize their profiles and homepages, creating a new wave of brand communication spread virally through friends. “Bebo users are becoming brand advocates, by attaching viral skins or movie trailers. With one click it’s on your homepage for every friend to see,” says Jim Scheinman. Beyond-the-banner opportunities like the Coke video game and the Cars movie trailer—two of Bebo’s most-watched videos—are examples of sponsored campaigns that are being proliferated globally through social networking sites. “*What makes social software like blogs and wikis significant is their “bottom-up” nature: they support the desire of individuals to affiliate with others; the notion of individual choice; people affiliate with others out of personal choice.*” Christopher Sessums<sup>5</sup>

#### **Social networking goes mobile**

DoCoMo and other mobile-phone operators, such as KDDI (KDDIF) and Softbank (SFTBF), are hooking up with popular social-network sites to allow users to blog or upload photos from their cell phones. Young people spread celebrity gossip with their phones. American youth-oriented Amp’d Mobile discussed what the youth do with their phones and has introduced as its corporate objective “Amp’d makes you somebody people want to talk to”. DoCoMo is also working with Intel on new “open-domain” technology specs that will allow future mobile-phone users to create their own operating systems and original browser menus, or load up more sophisticated game software on their handsets.

#### **The relevance of Engagement for Asia**

Global companies are rolling out initiatives which create new experiences and expectations here in Asia. This can be seen with campaigns such as RED and Dove. We

can also see the impact of what is commonly termed “Internet 2.0 sites” which includes Cyworld, eBay, YouTube, Flickr, Wikipedia... no brand image, but a lot of enthusiasm. Within Asia we can consider Korea which is a global leader with a dynamic gaming, blogging, mobile phone and youth culture scene. In a country of 45 million there are between five to six million blogs. There are approximately 10 million Hompys (a derivative of home page) or personal home pages with photo albums, guest books, avatars, background skins, and background music. Companies make money selling background music and items for hompy pages. Whenever you visit a friend’s virtual room, when you step into the room, you can be greeted with the welcome song. Each time the welcoming song plays, the subscriber is charged about 50 cents. CyWorld sells six million songs per month. Most of the posts are focused on photos and one-line comments on the pages of friends. They are generally closed communities and are focused more on real-time presence-like communication rather than diary or dialog. These create walled gardens of users.

Korean television is also interactive. Consumers can click on an item appearing on a television show and go through to a website for purchase. It’s digital, interactive. Korea also has a very developed site for citizen journalism, *OhmyNews*. *OhmyNews* is an edited news website with droves of citizen journalists who submit articles. They have courses in writing for the citizen journalists, tip jars that people can pay them through, editors to help with the important stories, and influence and visibility and offline community activities. It is rewarding for the citizens. *OhMyNews* pays 20,000 Korean won for a story published on its main page. A story published in a section (at the top) yields 10,000 Korean won.

An example of an engaging campaign developed in Asia that targets individualism is the campaign for The Manhattan Card. Standard Chartered Bank had been looking at targeting a new and emerging Asian consumer – one who is smart, globally connected and looking for brands that speak to them in a relevant way. The TBWA and

Standard Chartered Bank identified they needed to be particularly relevant to an audience that “wants it” and we created a host of popular events such as launch parties at exclusive clubs and venues, Sand Challenges, skydiving brand evangelists and card enrollers on Segways.<sup>6</sup>

### **What Asian consumers want from their brands?**

Qualitative research conducted by TNS on the topic of Engagement with consumers in Korea, Hong Kong and Singapore show similar results – emergence of a more savvy consumer who has increasing expectations of advertising.

In Korea we are seeing some of the elements of engagement marketing develop with the emergence of new media, and clients are experimenting with other forms of media.

There is a growing use of viral marketing and growing expectations of the new Korean consumer. Elements they found engaging include humor (e.g. twist at the end); unexpected, clever and witty (playing with words and situations); being inspired (what I want to be, what I want to pursue); humanism (issues of public interest, patriotism, and emotional appeal) and a desire for involvement (via storytelling, serial episodes). An example of an engaging campaign is the Sky advertisement where a young man demonstrates the wide screen effect through a unique dancing style. Korean consumers noted approvingly:

- It focuses on conveying one specific function of the phone;
- A metaphorical and creative way of presenting the main function with the human body;
- It’s different: ‘Play is different’/ Just like ‘Sky’;
- A creative expression about cell phone functions that follows a consistent slogan.

The impact of the advertising campaign included not only a message about the ability to downloading the music to their cellular phone, but also people imitating the comical dancing on the dance floors of Seoul.

In Hong Kong we found young consumers in Hong Kong tend to be passive viewers who believed that advertising should be direct and easy to understand, as they were too busy to spend time analyzing what the ads were about. They welcomed ads to be creative but would not want to spend too much effort to think about the message behind as they did not see how they could benefit from doing so. Similar to the consumers in Korea, engaging advertising is often fun (e.g. through the use of animation) and engaging advertising often did have strong narrative features.

Hence, engagement marketing should focus on the degree of relevancy of the ads to the Hong Kong youngsters. The use of interactive ads was just one of the means to connect to the young consumers. Emphasis should be placed on exploring what is considered relevant to the target group and use the shortest time to capture their attention and communicate the message across. It was important for marketers to bear in mind that consumers were impatient, so doing the basics right was actually becoming more important than it had ever been.

Jay Chow's One2Free CM series were spontaneously mentioned and well-received. They would pay attention to the ads but would not actively participate in them, so these ads served the purpose to catch consumers' attention but were unable to motivate involvement in the creative design.

Singapore consumers are more likely to interact with advertising compared to Hong Kong consumers. Again humor and entertaining storylines came up as strong features, but the consumers asked for less direct ads as "direct ads kill the fun". An example from Singapore of engaging advertising is a Fed Ex advertisement where FedEx staff formed a human bridge to allow their delivery man to cross the river. Consumers liked the creative execution, noting it is a creative spin to ads for the conventionally dull parcel delivery industry, and it gains attention.<sup>7</sup>

### Different for different countries

Global communications have always had to adopt and adapt to local market communications. Navjeet Bawa and Punita Gandhi, in their paper "Adapting global com-

munication to Asian markets",<sup>8</sup> noted "*while there is increasing homogenization of media and communication channels has led to the subsequent unification of content and format of messages across the globe, there are certain robust value systems, certain basic source codes of behavior that continue to have meaning across Asian sub-cultures.*

Overall we are seeing a shift in Asia where consumers are moving to a different relationship with brands – from parent-child to an adult-adult relationship. Engagement happens in very different degrees across Asia and engagement "wants" are manifested in different ways in different countries. For China in some categories this is a highly individualized expression – an accelerating market where status and expression are interlinked. In Singapore, the experience needed to deliver engagement in and of itself, and we are seeing a greater emphasis on the real. Consumers want to connect with themselves, more real, more meaningful (and closer to a western notion of Engagement). However, increasingly consumers are more likely to bond with brands that understand their hope, dreams and aspirations. However, with a more savvy consumer, and with many product categories increasingly commoditized, it's not enough to say that you understand ... however clever the execution. You increasingly have to demonstrate it. New, different, innovative and thoughtful means of engagement provide the opportunity to do that.

### Engagement Marketing is therefore changing marketing in three ways:

Technology is changing the *where* and *when* we can advertise to consumers and it will only continue to change.

- Internet – people can create content, start movements and 'infect' millions;
- Time shifting – iPod taught people to listen and watch content in their own time.

Companies are changing *how* they talk to consumers:

- Marketers are looking to find 'moments' and places when consumers naturally interact with brands. The retail channel is increasingly being seen as a media channel.

PART 3 / NEW METHODOLOGIES FOR NEW NEEDS

- More feedback opportunities are being built into communications.
- Trickle down talk to the few to reach the many approaches are being adopted.
- In agencies there is discussion of the rise of concepts like transmedia planning. This is a move from the 360 model with one idea iterated several ways to a model where individual pieces work in different ways but are still held together by a strategic direction. Social networking is not inherent to the 360 model; and increasingly engagement campaigns need to ask questions like, “How can I provoke or facilitate conversations? How can I feed communities?”

Now expecting a different *what* from the consumer:

- Brands are becoming entertainers, content creators, facilitators and experiences; means marketers are looking for consumers to show signs of engagement such as word of mouth, brand momentum and interaction.

**WHO DO WE START THE DIALOGUE WITH ... HERE IN ASIA?**

*“Asia is not going to be civilized after the methods of the West. There is too much Asia, and she is too old.”*  
Rudyard Kipling

A number of companies these days are trying to develop relationships with their customers, whereby they don't just advertise at them; they try and develop a two-way communication with them; whether it be allowing their customers to 'talk' to people associated with the company on their websites, or even in some instances allowing their customers to create ads for them. Not surprisingly one of the aspects behind this is that people trust people and not brands or the internet per se. Engagement marketing often picks up on this truism to amplify its messaging through viral pass on of communications.

**Global discussion on topic of the new consumer**

Implicit in discussion of Engagement is the idea of a “new consumer” who is more demanding. As Goodyear predicted, the balance of power is irrevocably shifting

from Producer/Supplier to the Consumer. Our new consumers are actively involved and vocal and a significant evolution on the naïve, passive consumers those early exponents of mass-marketing relied upon. However, not all consumers are equal when it comes to determining the future course of a market and brands within it, as some consumers will be more influential than others. Futurists have a raft of books: *'Next'* and *'The New Wave'* and *'Tomorrow's Consumer'*. Once again there is a focus on the “new consumer”, particularly with the explosion in social media. Trendwatching has talked about Generation C = New Consumer, the new consumer, who creates his or her own playground, own comfort zone, own universe. It's the 'empowered' and 'better informed' and 'switched on' consumer ... aided by an online, low cost, creativity-hugging revolution that's still in its infancy, young and old (but particularly young) consumers now weave webs of unrivaled connectivity and relish instant knowledge gratification. They exercise total control over creative collections, including their own creative assets, assume different identities in cyberspace at a whim, wallow in DIY / customization / personalization / co-creation to make companies deliver whatever and whenever, on their own terms. And it's not all about Adidas, Levi's and online travel. It's about philanthropy, developing nations, education, and health and leveling out some of the inequalities of this world.

The “New Consumer” is discussed by Michael Silverstein, who in retail is both trading up at Victoria's Secret and Panera and is also going on treasure hunts at Costco and Home Depot. They are often getting as much emotional satisfaction in the discount stores as in the luxury stores. This same trend is evident in Asia – the consumer who buys a store label kitchen roll and LV bag. So the same consumer displays extreme price sensitivity for one product (normally functional products of low perceived differentiation) and an extraordinary premium for another product (mostly a visible consumption product or a product of high perceived differentiation).

In *The Soul of the New Consumer*, David Lewis discusses how the needs and wants of people are conforming to technological and social change. In the evolving

marketplace, people seek time, trust, and authenticity. These New Consumers are found among all ages; ethnic and income groups characteristically are individualistic, involved, independent and generally well informed. What they look for is products and services that are original, innovative and distinctive; and increasingly are well-informed, empowered and marketing-savvy. When they discover something new that meets their needs, they not only show loyalty, but will actively engage in advocating it to others.

### **How is this new consumer different from early adopter?**

Geoffrey Moore studied the psychology of these segments and showed that Early Adopters play a pivotal role in helping a new product to 'take off'.

- Early Adopters help to sell the new product to the Early Majority.
- Late Majority and Laggards follow later.
- If the Early Adopters lose interest, the opportunity is lost.

Early Adopters are those people who are the quickest to take up new products. The problem is that early adopters very often are also early abandoners. Their interest is often a passing whim, based on novelty value. The risk is that they can be as much fad creators as trend creators. The challenge is to identify trend-setters and trends that have more permanent worth.

### **Introduce the concept of Future Shapers**

After some 14,000 interviews and some five years in the development process we have identified seven traits of these new consumers. We have identified five traits that set them apart from early adopters in particular. In fact much of our early work came about from being unhappy with the early adoption model – it tends to identify young, fickle consumers who equally are early abandoners. So while influential Early Adopter are curious, open Minded and are advocates; the five differentiating traits of new consumerism are:

- Value authenticity and originality
- Well-informed and involved

- Individualistic
- Time poor
- Socially responsible

### **Future Shapers**

So early adoption plus new consumerism gives us groupings which range from Future Shapers (the key movers and shakers who will most influence the future direction of a market); Future Makers (while not quite so leading-edge are critical in turning new ideas into mainstream opportunities); and Today Consumers represent the 'average' consumer of today while Yesterday and Yesteryear Consumers are the followers of the market, engrained in established behavior and slow to change.

### **Engagement Marketing and Future Shapers - The sustainable growth engine of brands**

We are particularly interested from an engagement marketing perspective in the top group – the 10% of so of consumers in any one market that are the future shapers. These are the consumers that will lead and talk about brands. These consumers drive product adoption, try new products and are also strong advocates and ultimately lead to profitability. Future shapers are proving to be the lifeblood of the market – essential to long-term brand survival and sustainable, profitable growth.

### **Is this new consumer relevant to marketers in Asia Pacific?**

In Asia Pacific we are witness to the rapid growth in particular markets which is creating a new buzz around the concept of "Asia". In the technology sector, Asian consumers are especially savvy and are early adopters of new devices and platforms:

- Mobile phone rate of replacement
- Imode in Japan
- Cyworld in Korea

New consumerism in Asia is possibly developing in a different way. Marketing models have presumed a western evolution, and we are seeing hyperconsumption in the west which absorbs and integrates more and

more spheres of social life and which encourages individuals to consume for their own personal pleasure rather than to enhance their social status. Status and social networks play a different role outside the western sphere. More critically, Asian consumers are leapfrogging expected postmodern stages of development to early evidence of postmaterialist strategies.

### How is new consumerism different in Asia Pacific?

The role and influence of Asia's collectivist values would lead us to expect that there are three pillars of the five for new consumerism that we would expect some differences in Asia – authenticity, individualism and social responsibility. Based on Generic FutureView™ model data from Korea and Australia, both conducted using CATI, we found three key elements of new Consumerism to be more prevalent amongst Australians than Koreans – Authenticity (57% vs. 33%), Individualism (52% vs. 42%) and Social Responsibility (75% vs. 36%). However, the desire to be informed (69% vs. 39%) and the degree of curiosity (32% vs. 15%) about new products/services is much greater amongst the Korean population compared to Australians. We believe this is influenced by Asia's collectivist values.

*Informed & Curious:* There is a desire to be constantly updated, modern and keeping up with the trend. This is driven by a fear of being perceived as old fashioned and outdated if one does not keep up with the latest trends, eventually being seen as the odd one out. In Hong Kong, the ownership of the latest mobile phones with the newest features is seen as an appeal. Consumers may not use the features, but the sheer ownership of the latest mobile phone is seen as key to convey a modern and trendy impression. More importantly, it makes them feel they are connected to their peers and well accepted in their social circles. It is not to say that Asian consumers totally ignore the following characteristics, but they are at this point in time relatively less prominent compared to the West.

*Individualism.* Outwardly, Asian consumers are still very much influenced by group norms where collectivism is still very much a characteristic exhibited by consumers

in social environment. However, there seems to be a rise in individualism at the personal space level where consumers create and customize their own blog space to display their individual style and personality. We can see both the role of social identity in Asia and the development of individualism in specific categories such as the mobile phone category. We still see a high degree of social reference in the purchase of mobile phones, particularly in China. In the decision making process the need to ensure that a phone says the right thing about them before others is still a stronger influence than how it meets their internal emotional needs. Marketing tactics therefore include the use of celebrities for phones like the RZR to ensure they are seen as appropriate markers of social identity. But we can also see a shift to more personal expression. Mobile users in South Korea are using their phones to write music, create new game characters, and design games by using simple software. We are seeing consumers express this in the form of placing personal photos as their wallpaper on their mobile phone. e.g., their child's picture, friend's photo or any interesting picture just to add a touch of individualism. Marketing legitimizes that "I" deserve this reward.

This compares to our research in Australia (and New Zealand as well), where there is a countertrend. There is growing evidence of a trend towards collectivism – a shift to community participation to reconnect with people in response to a sense of isolation, and 'we need to pull together to make it through the coming difficult times'. This is expressed most strongly in the area of environmental issues, but also the strong shift to the user pays philosophy and people's understanding that this leaves a gap within society that is not acceptable. Moreover, there is a continuing influence of Asian philosophy within Australia and New Zealand across areas of spirituality, food philosophy, and mental health.

*Social responsibility* This not as prevalent across Asia compared to the Western markets. This is not to say that Asians accept companies who are unethical in their business dealings. In consumers' choice of brands, being

strongly socially responsible does not give a company a substantial differential advantage over another. However, if a company is known to be unethical in its business dealings, Asian consumers are quick to discredit the brand. Recent examples include SK II in China. Consumers are determined to get the best out of the companies – and pounce on any lapse. Coke and Pepsi have been targets of active consumerism in India.

*Authenticity:* The role of authenticity is complex in Asia and at its simplest can be seen to be less important to new consumers in Asia. This does not mean that Asian Future Shapers support fakes, but they do not necessarily need to buy the original version of a product as there is usually easier acceptance of fakes. People may not say they will – but some will do it in reality because of price. They like the design and be seen using with a famous brand but at a fraction of the price. It is purely out of societal pressure, a need to possess a piece of the brand, to be in the trend (afraid to be left behind even though they cannot afford it). Asian consumers are open and supportive of follower brands which manage to replicate similar features of a product, but do it better than the original pioneering brand.

We can see further complexity in the fmcg category of carbonated soft drinks. Research we have conducted in the Hong Kong market illustrates the continuing success of classic CSD brands in Asia compared to western markets. The ‘traditional’ CSD brands, e.g. Coke, retain greater relevance than they do in most western cultures – and this is reflected in ‘future needs’ being more configured around full flavoured, intense product experience whereas in the west we are definitely moving towards a lighter, less intense and notably healthier desired product experience. So ... perhaps Authenticity is finding a different expression in Hong Kong (Coke = The Real Thing) while in the west we’re moving towards Authenticity being expressed as a need for Realness (e.g. water, fruit smoothies), not Artificial. This is perhaps more about style of authenticity sought, more than the magnitude.

When we looked at the different groups in Asia and emerging media, we see Future Shapers as a critical segment. The growing reach and increasing importance in role an internet plays in people’s lives have lead to the emergence of various information channels that consumers’ use when checking on products and services. Brand websites (25% completely trust among Future Shapers in four countries in Asia) have emerged as a key source of credible information where consumers increasingly want to find out more about the brands and services they use, but are also being able to interact and be more heavily involved to enjoy a greater level of brand experience. Consumer opinions expressed online on blogs (18% completely trust among Future Shapers) have also become a recent key trend. Hobbyist blog sites have been set up on various topics where consumers are free to express and read up about other fellow users’ opinions and experiences on products and services. This indicates, beyond objective facts and figures, that consumers are looking to read real life experiences of other consumers as a reliable source of information.

#### WHAT IS ENGAGING RESEARCH?

This new paradigm of Engagement Marketing has implications not only for communications but also for research.

#### Who should we be researching?

We should not just be talking to mainstream consumers, and early adopters; but looking for consumers who are not only future oriented but are sustainable targets for brand growth and initiatives. Marketers will increasingly want to research consumers who will lead the growth in the category. Future shapers yield the following differences

- Curious by nature: Open-minded to new ideas, welcoming of change;
- Advocates of new ideas: They spread the word to others;
- Passionate Experts: Involved in the category – expert in the category.

The benefits include that marketers are able to tap into consumers who are already “engaged” in their category; these consumers also offer creative leads for the future; and they provide more sustainable ideas for growth. In qualitative research we have found future shapers to be more aware of and able to articulate both product limitations and their own expectations.

### **Where and When – More technology and in situ research**

There is a global trend to more in-home research, point of purchase research; using technology to observe consumers in more naturalistic and authentic consumption and decision making aspects of the brand experience.

Increasingly researchers are interacting with people in the online world, e.g. using blogs and chat rooms to conduct research. More technology and in situ research opportunities are available as people use and interact with these new media channels. For us that has meant in the last 12 months we have been successfully using blogs and chat rooms to conduct research.

### **How – Opportunities to interact and talk**

Research is bringing *co-creation* to the marketer. Products are increasingly an artefact around which compelling individual experiences are created. There has been much debate around the “ask – answer” model of qualitative research drawn from clinical psychology. As clients look to become more “intimate” with their consumers – what role is there for people behind the glass? And how are respondents looking to be engaged by market researchers? Therefore it is less about the consumer as a passive recipient of projective techniques (with an implicit parent-child relationship contract); and more about researching in a transparent way (moving to an adult-adult contract). Implications include:

- Creative research where consumers create in ways comfortable to them rather than to clients and researchers;

- Talking to them about ways they prefer to experience research. For example, feedback from online bulletin boards yielded the following from a respondent; *“This method of interacting is really good, you get time to think about your answer, read other people’s and think about that too. I’ve participated in group discussions and there’s always one who dominates the discussion. I’m a quiet person so in this forum I’ve been able to really think about things and not been under pressure at all.”*

There are more opportunities to interact and talk with people beyond what happens in the focus group. We can understand stickiness through ‘talkability call backs’. For example exploring npd concepts and ads in groups and then phoning people back to understand if and what they are talking to others about from the research. What is sticky and what language do they use?

### **What – New measures to assess new outputs**

Not only is the definition of Engagement in flux – but there is a lack of consensus on the currency of Engagement. Different measures are being developed by clients, media organisations and agencies. For marketers wanting their brands to connect with consumers – this implies not only an overt response but also an ongoing emotional relationship. While the agenda has shifted from the emphasis on emotion, an emotional connection is a pre-requisite to engagement.

Different clients have different needs and it is critical to build appropriate measures for marketing tasks and media. As Engagement Marketing evolves; it is likely that brands might well start having different conversations with different consumers. As mentioned previously – this is an evolution away from the 360 model of communications planning.

For some clients Engagement Marketing management happens at a micro level – which is driven by a need to understand the role and contribution of specific campaign elements. Emerging media tools look at media consumption tailored to the activity and understanding the nature and impact of its influence. For other clients Engagement Marketing management is driven at a macro

level, which is less concerned about understanding each element, and more about are we getting what we wanted; thereby more focused on the idea as well as the response.

Great brands don't live in the past. They also don't just stay fresh and relevant for today. Great brands are future focused. TNS calls such traction 'brand momentum'. Momentum is owned by the consumer ... they ultimately determine whether it is positive or negative. It is a dynamic concept, which is more forward thinking than measures such as market share, which are about today. Brand momentum is about tomorrow – where our brand is likely to go. All brands need to be perceived by consumers as having brand momentum. For brand leaders, it is about remaining relevant and innovative; whilst for 'challenger brands' it is about being noticed and heard above the noise of cluttered categories of brands. Brand momentum is an early indicator of the stature of a brand. We have identified four areas that need to be measured to really assess momentum: brand buzz, brand leadership, popularity and personality. There are also some other early indicator measures such as the ratio of top of mind to spontaneous awareness.

Brand momentum enables clients to understand how they can connect to the future shapers in their category – and to tailor measurement mechanisms by intention (e.g. viral response, popularity, etc).

**Panels as potential paradigm shifting that encompasses all of the above**

As marketing has moved from the era of interruption or mass marketing to permission marketing or one-to-one marketing and now to engagement marketing, research has followed suit. Research has witnessed that interruption is increasingly inefficient with declining response rates for CATI or F2F research. Permission research, through online panels, has addressed this issue. Now the challenge is to move towards engagement research. This enables clients to gather information about values and needs of target groups via more sophisticated means, e.g. the P+G website [www.pcavote.com](http://www.pcavote.com) where consumers can pick favourite performers,

and Capessa.yahoo.com, a community where women can share inspiration stories from which P+G hopes to learn more about female interests and product needs. Proprietary panels are a unique platform to deliver insights and engagement research in a continuous fashion, and to provide the ability to do advanced analytics and link databases. It is the unique opportunity provided by emerging technology to combine the benefits of classic quantitative research with a more in-depth view provided by immersing ourselves in people's lives. A panel implies a more longitudinal ongoing relationship. Finally, the panel is the ultimate crowd wisdom where clients can access individuals whose independent knowledge is aggregated in some way, not morphed into a consensus result.

*“The companies that survive longest are the ones that work out what they uniquely can give to the world, not just growth or money but their excellence, their respect for others, or their ability to make people happy. Some call those things a soul.”* Charles Handy

**FINALE**

As the effects of Engagement Marketing ripple through society, the implications are not restricted to marketed. The experience and connectedness consumers quest for in Second Life has relevance to organizational life. We can predict that the internal corporate world may be less disconnected from the outside marketing/communications world. As we build authentic experiences for clients; we will also be doing two other things:

- More effectively engage our client stakeholders;
- Engaging our own employees who are future shapers.

The children who are growing up with Cyworld, Bebo, My Space will be bringing their experience of networks to work with them. We will look for “flow” both in our working and experiential worlds defined by Csikszentmihalyi as having the following characteristics:

1. There is a heightened concentration and focus, involving all one's senses.
2. One's sense of time is altered.

3. One is touched emotionally.
4. The process is unique for the individual and has intrinsic value.
5. There is contact with the 'raw' stuff, the real thing.
6. One does something and undergoes something.
7. There is a sense of playfulness.
8. One has a feeling of having control of the situation.
9. There is a balance between the challenge and one's own capacities.
10. There is a clear goal.

With the continued evolution of markets, it is clear that twentieth century paradigms of advertising are unlikely to be as effective for much of the forthcoming decades. The continued debate about how to measure engagement (or even Rupert Murdoch's stated concerns over Google as a money making model) is an indication of a shift in the marketing landscape. What is clear is that we will need to provide insights into how brands can interact with consumers in a way that allows for a two-way experience, and continuing to recognize how we might earn and reward consumers' time and attention. There are different ways that brands can engage consumers (from entertainment elements to information elements); and the role and relevance of these will depend on both the category and the stature and relevance of a brand. As researchers, however, it is our ability to engage with consumers who will shape the future of a category that is going to be increasingly pertinent to the future of our clients. It is also increasingly clear that this future shaper engagement will be both online and offline – and developing past the web 1.0 ways of interaction we have now. We look forward to a second life of market research.

#### Footnotes

1. In 1999 Mary Goodyear, in her paper "The Evolution of Marketing", developed the concept of "consumerisation", which she defines as "the growing sophistication of the 'dialogue' between the marketer and consumer". Goodyear proposed that marketing in different sectors and in different cultures changes over time in a consistent and predictable way.

The primary catalysts for change are the level of competition in the market and the empowerment of the consumer. She proposed six stages – and at each stage of consumerisation, the dynamics of the market changes and the marketing task changes with it. New strategies are required in order to influence consumer behaviour or attitudes. Of particular interest are stages 5 and 6, a post-modern marketing as well as CRM stage.

As consumers experience growing awareness and understanding of brands, of marketing and of advertising, this can often turn to cynicism as the consumer becomes aware of the attempts being made to manipulate their behaviours and feelings. This is the post-modern consumer. The post-modern consumer is sufficiently brand and ad 'savvy' that they will see through the conventions and devices designed to persuade them. Post Modern Marketing (Stage 5) recognises that brands have complex identities and must play many roles. It acknowledges the consumers' advertising/marketing literacy and works with it to give pleasure, to surprise and to challenge as appropriate. Advertising is often more about demonstrating a shared view of the world or a way of thinking, using humour, fantasy, social comment, sometimes plain direct honesty, rather than expressing an explicit message. It is not about persuasion, but about taking a stand and respecting the viewer's decision to take it or leave it.

An important facet of the post modern consumer is the growing awareness of the behaviours and policies behind the brand name. While some reject brands outright (which we see in the significant growth of own-label products in certain markets), others use their power and their wallets to punish or reward brands and companies they feel strongly about. Companies have been forced – primarily by the media and the accessibility of information via the internet – to become more transparent about their activities and this has given the consumer even more power.

These attitudes develop into Post Material Marketing (CRM), which Goodyear hypothesises is Stage 6 of marketing evolution. The cynical, brand-weary consumer is acutely aware of the overarching problems the world faces – Third World poverty, environmental degradation, etc.

The consumer is also aware of the decline in government funds allocated to solving these problems and the growing power of the

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private sector. CRM (also referred to Spiritual or Ethical Branding) links a company or brand to a relevant cause to form a partnership of mutual benefit to the company, the cause and the consumer. Advertising is idealistic and brands reflect the values of the cause. (Rosie Hawkins, Lee Ryan; *There's Something About Mary*)

2. As part of the Intel Core Processor Challenge, Intel will award up to \$1 million in prizes to the PC OEMs or ODMs that create and build the most innovative system designs featuring Intel® Core™2 Duo processors in an Intel® Viiv™ technology-based PC. (www.Intel.com)

Netflix is all about connecting people to the movies they love. To help customers find those movies, we've developed our world-class movie recommendation system: Cinematch<sup>SM</sup>. Its job is to predict whether someone will enjoy a movie based on how much they liked or disliked other movies. We use those predictions to make personal movie recommendations based on each customer's unique tastes. While Cinematch is doing pretty well, it can always be made better. The Netflix Prize seeks to substantially improve the accuracy of predictions about how much someone is going to love a movie based on their movie preferences. Improve it enough and you win one (or more) prizes. Winning the Netflix Prize improves our ability to connect people to the movies they love. (www.Netflix.com).

3. (<http://pg.t2h.yet2.com/t2h/page/homepage>)

4. As BMW sliced and diced its market further, an interesting statistic surfaced: Roughly 85% of BMW purchasers used the Internet before purchasing a BMW. BMW assembled a cast of A-list directors and actors, and developed scripts within the basic framework of having a central character that helped people through difficult circumstances using deft driving skills – in a BMW. The car became the star. Each director who chose a script was then given complete creative control over content and direction, something they would be hard-pressed to find in Hollywood, and something that BMW ordinarily wouldn't allow if filming a traditional advertisement. Never before (or since) had an automotive company taken such a strong stance to drive consumers to the Web, and the results are compelling. More than 10 million films have been viewed from BMWFilms.com. Nearly two million people registered on the site, with 60% of those registrants opting to receive more information via e-mail. An astonishing 94% of registrants recommended films to others, seeding the viral campaign, and more than 40,000 people voluntarily responded to a survey. Visiting the site now, one is able to enter a contest to win the M5 used in "The Star," the short film that was directed by Guy Ritchie starring Madonna.

5. The Magazine of Online Media, Marketing and Advertising

6. [www.tbwa.com](http://www.tbwa.com)

7. [http://youtube.com/watch?v=\\_8tk\\_I8-HP8](http://youtube.com/watch?v=_8tk_I8-HP8)

8. Navjeet Bawa and Punita Gandhi, in their paper "Adapting global communication to Asian markets", noted "*while there is increasing homogenisation of media and communication channels has led to the subsequent unification of content and format of messages across the globe, there are certain robust value systems, certain basic source codes of behavior that continue to have meaning across Asian sub-cultures.*" The authors identified three fundamental Cultural Constructs that govern expression across Asian cultures: *Role Ideals* (in Asian societies, the roles that a person plays are usually more important than the person himself/herself.); *Code of Order/ Harmony* (collective harmony is important to Asians, and keeping harmonious relations with all is desirable, thus there is a need for people to continuously reinforce each other positively., with resistance towards voicing one's true feelings if there is a possibility of hurting the other person by doing so); and *Moral Code* (in order to live up to the role ideals as defined by collectivist Asian societies and to promote/maintain harmony in relationships, Asian cultures are guided by very strict moral codes of conduct. There are 'correct' forms of behavior for various situations, e.g. self restraint; male/female interaction, wealth and success.

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