

Getting Engaged

What do CMOs of leading companies think of consumer engagement? How do they define it for their businesses? What are they doing to build and maintain it? Is it a more effective strategy than the traditional approach to the marketing mix? How do they know if it's working? **INTERVIEW BY GORDON WYNER**

As a strategy, engagement places a high priority on direct and continuous involvement with the customer as the way to succeed in business. It generates substantial information about consumers, with the insights gained enabling companies to further marketing goals.

This contrasts with the traditional sequence of activities that includes research into the consumer's needs, development of concepts and offers, and then a rollout to the market. Although both visions can be heavily data and information driven, they value and use various types of data quite differently.

Not surprisingly, consumer engagement means different things to different companies, and there doesn't seem to be a common thread that points to how companies of a certain type adopt and implement the concept in their organizations.

Paul Alexander, senior vice president of Communications for Liberty Mutual Insurance, defines engagement as "getting consumers to think about your brand from both the right and left side of the brain. So many times we think of the functional, but we know that 90% of the time it's emotional. Can you get consumers to think about the brand both functionally and emotion-

ally and get the right balance?" The starting point for marketing strategy then, is to understand and acknowledge how people think and act based on scientific research about how the mind works (i.e., neuroscience).

For David Oksman, head of marketing for Life is good, the "biggest issue is about deep meaningful relationships that go beyond the product you are selling them. It's not just about making T-shirts, but around the message we want to provide to them through all the media vehicles that Life is good has."

When discussing consumer engagement he barely mentions the physical product. "We are currently at 1.4 million fans on Facebook and adding 5,000-7,000 per day. The real depth of engagement is in the commenting and the community that is happening around it. I'd be just as happy with 1,000 people who are as engaged as the 1.4 million. On Twitter, we're in a real rapid growth phase. It took us about 2 years to get to 100,000 and about 45 more days to get to 130,000."

For the Boston Red Sox baseball club, engagement is a state of mind. Senior Vice President of Marketing and Brand Development Adam Grossman says: "For us, it all translates into 'top



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These conversations took place at the Boston AMA chapter's CMO Roundtable, on May 26, 2012, moderated by David Rich (pictured above), the senior vice president of strategy and planning, worldwide at George P. Johnson Experience Marketing, and from a follow-up by Gordon Wyner.

of mind, all the time.' We have that. In Miami [in previous work with the Miami Dolphins football club], it was a different environment because we were going through a very difficult time on the field. We got into a situation in balancing the emotional and rational for fans, where it was a very rational purchase for a ticket for the stadium to spend the day. When you are in the rational position for a sports team you are in trouble. In that case, it doesn't matter where you are on the fan affinity line.

"The communication tools have proliferated, and we want Red Sox fans to know that we are at their level and are going to them. We're not asking them to come to us. We help them connect with the players, with the ballpark experience. With our regional marketing activities and social media, we want to connect with all of them whether they are a mile away or 3,000 miles away."

Steven Robins, chief marketing officer for Vision Care at Bausch & Lomb, says: "For an established brand of very functional products, the challenge can be very different. The brand must embrace the legacy, but act in new ways to achieve engagement. The Bausch & Lomb brand goes beyond vision care, to pharmaceuticals and surgical products, but the way most people know us for 158 years is vision care. The brand leaders for these other divisions and me are responsible for driving overall Bausch & Lomb awareness.

"In vision care, how do you change the conversation from a functional one to elements of the lifestyle and what people are actually looking for out of their vision. Our products enable vision. The challenge is moving, through insight, beyond what is rational."

How Do You Create Engagement?

Property and casualty insurance presents some

SPOTLIGHT

unique communication issues, since it's not something consumers routinely want to talk about. Having worked at Procter & Gamble and The Campbell Soup Company before Liberty Mutual Insurance, Alexander found the contrast insightful.

"In foods, the fundamental emotion is positive. In insurance, the fundamental emotion is negative to neutral, at best. For marketers, the challenge is

"The Responsibility Project is almost 4 years old and getting about 27 million unique visitors to the website. Liberty built its brand based on brand character, with the 'pay-it-forward' advertising. The Responsibility Project was chosen next, and we've been working on that constantly over the last four years as an adjunct to the advertising."

"Liberty Mutual's responsibility position-



KNIGHTS OF THE ROUNDTABLE: CMOs Paul Alexander, Steven Robins, David Oksman and Adam Grossman, along with moderator David Rich, (left to right) discuss how they each define consumer engagement for their businesses, including its efficacy as a strategy, how to build and sustain it, and how to know when, and if, it's working.

to understand what the core emotion in your category is. Are you bringing people from negative to neutral? In insurance, people just fundamentally want not to be in an accident, not to be hurt or die. Humor is used so much to get over that negative emotion."

For a long time, the carriers used the traditional approach to advertising. Then one group of competitors started communicating kid to kid (e.g., Geico and Progressive) and another continued to communicate in a paternalistic way, father to child (e.g., "Like a good neighbor" or "You're in good hands."), Alexander explains. "What Liberty Mutual figured out was that there's room for an adult-to-adult conversation. Our responsibility theme plays well on the adult-to-adult plane.

ing came from looking at the intersection of our creed, and a consumer insight that 90% of people think they are more responsible than their neighbor. It's statistically impossible, but an insight. We don't build the business unless we give people the intellectual alibi to buy the brand. Consumers make decisions based on emotion, but don't want to feel stupid. They need the alibi, so they can feel smart. If we don't do both, our business doesn't grow."

Building loyalty to the Boston Red Sox involves several distinct constituencies with different needs and ways of accessing the team. "Early on, we prided ourselves as a national team with a national following," Grossman says. "How are we engaging these people from Los Angeles?

We partnered with Major League Baseball on an Internet capability, even before social media. Now the question is how does the brand resonate in social media within and outside the market?

"Kid Nation is a huge opportunity we haven't tapped into yet. We need to segment the market further. Sports teams have not always been in the forefront of this type of approach. The mentality has been to think that if you win the World

world needed a superhero whose disposition set him apart. They started drawing graphics of the character Jake on the wall, and their friends would write messages on the pictures. They simplified the message to "life is good" and started selling it on T-shirts.

Originally they just celebrated the simple things, like having fun in the city. Oksman explains, "They learned from their community that



SET THE STAGE: The moderator, David Rich, painted the following picture for attendees of the CMO Roundtable: "Engagement marketing isn't about doing away with current brand strategy and tactics. Rather, a focus on engagement is more about prioritizing what's important about marketing. It's a way of thinking about reach, conversion and loyalty that takes into account both quantitative numbers, like impact on sales, and qualitative factors, like how a brand can inspire unwavering loyalty even as competitive options spring up."

Series, the fans will come, but we need to segment and understand them better. The team on the field has had a great 10 years of winning. But realistically, there are cycles to team performance that are hard to anticipate.

"In the future," he adds, "the team will be considering using more analytics to support marketing. Top management has a history of using data and analytics to drive the baseball side of the business, which should facilitate the adoption of marketing analytics."

The Life is good brand was built by two brothers who were looking for a "canvas" for a good message. They viewed the media as negative and a creator of fear in the marketplace. The

their message really resonated on a deeper emotional level, 'I've been through something really difficult and your message helped me through it.' Optimism was a tool people could have in their belt. Before social networks, this was a way to say 'like.'

The concept is about living your life open-minded, like when you were a kid. There are no obstacles, just opportunity. The brand is about helping people to open up, create relationships and connect with other people. From that, came our social mission, which is really to help kids to overcome poverty, violence and illness. We think of engagement: Spreading optimism and helping kids is what we do. We just happen to do it

SPOTLIGHT

through selling apparel and hats, and potentially other things down the road.”

In complex product categories, the skills needed to encourage engagement may be highly specialized. Bausch & Lomb has a history of technical expertise, which can be leveraged. Robins notes that although some competitors, like Johnson & Johnson, are big spenders on consumer advertising, “Bausch & Lomb differentiates in the optical community through optics and design (i.e., our product). That works well until you have a long period of time during which you haven’t innovated, because you’ve turned things over to the scientists who don’t let something out the door until it’s perfect.

“We changed the name of research and development into development and research to make our point. We adopted the approach to creating products through ‘bio-inspiration.’ This actually reverse engineers a natural process to get a consumer benefit. We went into how does the eye keep itself clean and moist, and found a lens care solution that does that.

“We own a brand called Renu and there’s a temptation to line extend since we all know building a brand is expensive. Instead, we invented Biotrue two years ago. It actually feels different in your hand. We gave eye doctors and students at a major convention a small bottle to try. They talked about what they saw and how it works, but also how it feels in their hands. We have made the tactile, touching the product, a core piece of the launch of Biotrue around the world.

“In first six months, we grew to five times the size of the last launch in the category. A large part of the success is finding different ways of getting the physical product, not just the package, into their hands. People believe it more once they’ve touched it. Many brands make the mistake of telling consumers how the product is made. If the product doesn’t feel different, it doesn’t give them a reason to believe. How you made the sausage isn’t as important as how it tastes.

“We’ve got good ROI,” Robins continues. “Knowing that we have smaller budgets than

competitors, we partnered with retailers. We conducted massive touch-and-feel sampling programs at Target and Costco. Costco took Biotrue on day one, because we said we’d do product demos as support. Our pack size is two 16-ounce bottles. Upon feeling a tiny amount of this on their hands, they committed to purchasing 32 ounces. Without seeing their doctors in advance, consumers committed to three months of product.”

Does Engagement Work?

Sometimes strategies don’t work in the market, even when carefully planned. How do companies know if engagement is effective for achieving business goals?

“When I joined Liberty Mutual,” Alexander says, “I was happy to see, and jumped on the bandwagon for, marketing mix modeling. It was not because the measurements are perfect. All models are wrong; some are useful. The beauty of it is that it gets all the right people around the table to agree on the inputs. Once you do that you can get the right folks to change it quickly if something needs to be changed.

“The problem with mix modeling is that it’s a look back, not forward. It rewards what you’ve done. It doesn’t tell you about social and other new things. You must find some ways to understand the impact of new media, and bolt on these effects to your mix model. Then you can have your cake and eat it too. Without this, you will be questioned about one or the other.”

Oksman explains, “When you don’t have a marketing department for 16 out of your 18 years in business, you get very good at listening. The customer is a partner of the organization.

“I have a social pulse report every Monday. We’re driving double-digit traffic from Facebook and Twitter to our Web business, and we never say ‘buy now.’ We are about the emotional engagement and the graphics. The consumers tell us what products they want. They tell us about problems with products. All the answers are right in the community.”

“We leverage channels for listening and



THE BIG PICTURE: The four CMOs spoke about engagement as, "putting rational hard numbers and the emotional brand connection on equal footing in order to make smarter decisions about how to go to market. It does this by requiring brands to think up mechanisms by which people can participate and act within the brand story, creating a sense of ownership and investment in the outcome," David Rich explains. Engagement means different things to different companies and people, as shown in the above graphic recording.

feeding back to organization (i.e., by building traffic to the website). Then there are intangibles like ratings and returns. We can share product that's coming out in spring 2013, and show a graphic online and get instant feedback. We've always learned directly from the consumer. That's not going to change.

"We put brand lovers first, before any other research. We put them first, because if we build those relationships, they will spend more, spread the word, connect with people and bring new people into the community."

Grossman says, "We are in the process of revamping our structure for measuring and evaluating marketing. The challenge is to put all the ingredients together: experience at the ballpark, online, on TV and so forth. Players weren't

on Twitter five years ago. From a marketing standpoint, it's amazing. From a public relations standpoint, it's sometimes amazing, and often jaw dropping. It's a delicate balance. Every Monday, we review the 'pulse of the Red Sox Nation.' How many calls? Who is happy, who is not? But we're only taking half the pulse. We need the full picture from the hundreds of thousands of fans who are giving instantaneous feedback on their experiences."

All these CMOs have a vision of how to actively engage with consumers in new ways. Very different types of metrics are required to assess performance, since the engagement activities are so different. And all of the organizations require substantial resources to ensure that strategies stay on track going forward. **MM**