

Branding in the collaboration economy

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Social networking has changed advertising from a broadcast to a more integrated model that's hinged on a conversation with customers.

There was a time when advertising agencies existed in ivory towers and created brands, logos and slogans and sent them out broadcast style into the world. But that was so long ago it almost seems like a fairy tale, says Oresti Patricios, CEO of Ornico. "The ubiquity of social and mobile networks is such an entrenched part of our lives that it is almost impossible to think of what life was like without them," says Patricios.

The broadcast model is dead

"There was an era where branding was done in a manner that was almost aloof to customers. It is now almost an anomaly for us to hear the words of advertising great David Ogilvy who said 'The consumer is your wife' during the era Ogilvy built Ogilvy & Mather in the fifties, sixties and seventies. Brands were the invention of admen who were almost divorced from those revenue generating units that were referred to as 'consumers'. Nowadays of course consumers, brands and marketers are connected in an exciting conversation through social networks where the power is no longer wrested in the hands of the admen, but in the say so of the 'consumer'."

Patricios says that the effect of social networks is that people with buying power have organised themselves into groups that make their voices heard when they love or hate things. "The incredible linking capacity of social networks has seen people congregate around areas of like interest which includes finding online homes around the brands that people love. Typically people crowd around brands like Woolworths which has a Facebook page online that has close on 70,000 fans. In the absence of an 'official' brand presence on Facebook or Twitter people will simply create their own," says Patricios.

Ornico's CEO says that this has given rise to a collaboration economy where the people formerly known as consumers are now been seen by pioneering marketers as co-creators. "This has become well accepted in the world of products where the likes of NIKEiD and Converse enable people to custom make their own shoes. Where this becomes a lot trickier is in that domain fiercely held onto by brand managers and advertising agencies, the sacred ground of brand construction which is all about creation, altering or refreshing a brand."

Customers want to participate in branding

Patricios says that this is because creating or refreshing a brand is the 'Holy Grail'. It is the very reason for an advertising or brand agency's existence. Relinquishing power to the people at this level may be akin to handing the keys to the kingdom over to companies or demystifying branding in an age where crowdsourcing and social networks have somewhat diminished agencies. This could be a difficult pill to swallow for agencies that have been 'downgraded' in that they mostly consort with marketing directors or brand managers and no longer the CEO and whose revenues are being eroded by specialist digital marketing companies.

"The reluctance to collaborate with a brand's audience on logo changes, brand changes or branding refinements is creating a blind spot that could hurt brands," says Patricios who adds that a good case study for marketers wanting to understand this phenomenon can be found with Gap, the distinctive clothing brand that's built up incredible customer loyalty to become an iconic symbol in the US where it is the biggest clothing company on the continent.

Gap has grown huge market share, but maintaining it has not come without struggle. The brand started out forty years ago and focussed on younger generations, hence the name Gap which alludes to the generation gap. The clothing brand

started to struggle in the early 2000's when it reported losses for the first time. The big drive for Gap at that time was to focus on cost cutting and to look at mechanisms for increasing revenues.

Of course the internet proved a major boon for the company because it could market and merchandise directly to consumers and so Gap soon became a frontrunner in ecommerce and online marketing. "What Gap did by embracing the internet and then social media is to create a paradigm for communicating with the people who support it. It was effectively saying that it was hip to this new social media and to what it means to truly embrace digital," says Patricios. "The result is that Gap created an online presence that is world leading, and has a strong social presence which one can see by its Facebook page that has over 1,358 million fans. However when Gap decided to change its logo late last year it showed that while it had embraced social media it didn't quite get it."

Gap committed the cardinal digital sin

The millions of fans and customers who gravitate around Gap's Facebook page and buy from their online mall were in for a rude awakening when one morning they went online and found that their beloved brand had changed. There was no pomp, ceremony or notification, simply a new brand logo that was a lot starker, cleaner and which greeted the customers as they went online.

"Gap had built an online home for millions of customers, and created a network of more than a million others on Facebook. Changing their logo without even consulting or communicating to these people must have felt like a slap in the face," says Patricios.

"What social networking does is to create a sense of belonging and contribution, so when you have fierce loyalty and involvement with a brand as a consumer you almost feel like you have contributed to its success, which of course is a very valid feeling. The other aspect of social networks is that it lays down the intent for collaboration. What brands say when they go online and create customer 'homes' on Facebook is that they care enough to reach out and connect with customers and that they want customer involvement and participation. It's a contradiction to do this and then operate on the very workings of a brand behind closed doors, away from the social web."

Patricios says this is akin to talking the talk, but not walking the walk. "Given the strong presence that Gap created online they shouldn't have been surprised by the slew of derision and overwhelming reaction that they received from customers online and particularly on Gap's Facebook page. By inviting people to be a part of the brand and then by ignoring them when it came to changing a key brand construct Gap created the feelings of rejection and disdain people felt."

Excluding customers is ignoring them

There was nothing wrong with the new logo according to Patricios. He says the issue was one of ignoring customers and excluding them from a participatory process that Gap itself initiated. "If Gap had taken their customers along on the brand recreation journey there was a good chance that the new logo would have been welcomed." The outcome was a massive outcry that saw Gap declare that they would consider consumers in the redesign and then witnessed the company reverting to the old logo.

"Gone are the days where advertising agencies and marketers call the shots. We have truly entered that democratic age where customers own the brand. This democracy is heightened by brands who have embraced social media and the new collaboration economy is all about co-creation, conversation and consultation. This means embracing an intent to share, inviting participation and engaging in a conversation that you can't always control, which is scary for marketers. However in the collaboration economy ignoring consumer simply won't work. If Gap shows us anything it is that consumers want to be involved in the brands they feel they own."

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