

DEEP DIVES

with Olson Zaltman Associates



Above: A consumer's digital image of their thoughts and feelings about online social networking.

FEBRUARY 2011

FEATURED ARTICLE SOCIAL MEDIA

One of the fastest-growing trends worldwide, online social networking has complex roots deeper than one might think.

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Joe Plummer dissects a new book on marketing in the networked era.

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A look at the rise of collaborative consumption.

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Take a peek inside Pittsburgh's new Consol Energy Center.

What do Social Media Users and Cavemen Have in Common?

A ZMET Study on Social Media

by Haley Ghislain, Research Associate

You know a medium is big when Justin Timberlake stars in a movie about it (and millions around the world show up to watch). By now, the influence that social networking has had over culture and—consequently—over branding has become all but undeniable. Yet, in the scramble to understand what social networking means for marketing, it seems many have skipped the first step: Understanding what it means to consumers. In search of much-needed perspective, researchers at Olson Zaltman Associates and TMRC collaborated for an international investigation into the user's deep emotional experience with social networking.

The Process

Together with TMRC Research & Strategy, China and the University of Hamburg, Germany, we conducted 28 in-depth, one-on-one interviews in the United States, China and Germany. In typical ZMET® fashion, researchers presented participants with homework approximately one week prior to their

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Note from the Editors

Technology continues to transform the way we think about communities. Today it is easy to collaborate with geographically-dispersed people, to sell our products and services in a global market, and to chat instantly with friends many time zones away.

In this issue of *Deep Dives*, we take a closer look at our networked world, as we examine what networks mean to people and how they are changing the nature of marketing. We review two new books on the topic and also discuss ZMET research into the emotionality of social networking.

In addition, we have news from ZMET Global Partner TMRC, and we mark the opening of a new arena for the Pittsburgh Penguins, who used ZMET to understand what it means to be a hockey fan.

Katja Bressette and James Forr
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We're Flattered, But...

A note from Gerald Zaltman, Ph.D, and Jerry Olson, Ph.D, OZA Founding Partners

The proper use of any qualitative or quantitative method for understanding consumers requires both practiced skill and a thorough understanding of the method's underlying science. Most people in marketing grasp this and act accordingly. They know that imitating the outward elements of a process without a deep comprehension of its foundations and sufficient experience with its use is likely to send a client down the wrong road -- just as watching a skilled athlete or a highly trained surgeon in action is insufficient to become one.

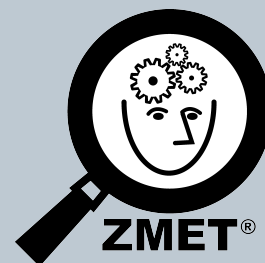
ZMET draws on a number of procedures, each of which is rooted in multiple disciplines such as anthropology, cognitive science, neuroscience, and linguistics, and uses current advances in those disciplines to tap into many facets of consumer thinking. Furthermore, those same scientific foundations are used to structure and guide the data analysis and develop strategic recommendations.

Since deep thinking to improve both top and bottom lines requires time, our process is quite labor intensive. It also requires extensive training and constant updating to use ZMET in ways that produce valid, reliable, and actionable results. Our investment in staff training involves a very thorough initial training over several months, outside experts, formal knowledge sharing sessions regarding ZMET enhancements, reviews of scientific advancements, and on going feedback. OZA is unique in having the accumulated expertise to use ZMET correctly. This expertise arises partly from experiences with very diverse applications (many hundreds of studies in nearly 40 nations) starting in the early 1990's at Harvard's Mind of the Market Laboratory.

The good news is that most firms engaged in market research based consulting embrace this same position. They are attentive to the need to root research and practice in the best available science and to apply that same science in making thoughtful use of consumer insights.

The not-so-good news, which is increasingly brought to our attention, is that some firms and individuals claim to do ZMET or ZMET-like research and do so in ways that are less than helpful to clients. Sometimes this is in direct violation of the U.S. patent and even confidentiality agreements in some cases. Their clients will share their disappointment with us and occasionally share the results obtained, which are indeed disappointing and misleading. ZMET, of course, is not the only method to be imitated inappropriately and we know other leading firms share our concerns that imitation may be flattering but also damaging to clients.

There are many capable organizations doing high quality research. OZA and its global partners are hardly unique in that regard. To make sure you are using such firms, be certain that researchers and consultants can explain in detail the scientific bases for what they do, have highly trained personnel, and invest the time required for deep and productive thinking. The creation of satisfied consumers, to paraphrase Peter Drucker a bit, demands thinking that leads and not thinking that imitates.



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scheduled interviews. The assignment: to collect 4-6 images that represented their thoughts and feelings about social networking.

In the interviews that followed, researchers met one-on-one with participants to discuss their images and what they meant in terms of social networking. As always, we asked open-ended questions and a variety of probing techniques to dig deep into the consumer experience. During the analysis, the deeper meanings of users' storytelling and imagery emerged, revealing a new side of social networking, and a story that began a very, *very* long time ago.

The Results

To users in all three countries, social networking is a lot like the ancient art of storytelling that took place around the crowded hearths of our earliest ancestors. Like tale-swapping around the fire, social networking offers people a chance to gather and relax, listen and laugh, and share their experiences; it offers new ways of seeing the world, opportunities to experience vicariously adventures few have taken, and a means by which individuals may win praise, gain respect, and greatest of all, feel loved. Unfortunately, neither social networking nor ancient storytelling offers *anything* without a catch...

In order to connect with others and win praise, storytellers must expose themselves to the judgmental scrutiny of communities—from hunts to kills, kindergarten to college, business meetings to bar crawls. Within this audience, one is liable to find elders and children, aunts and uncles, colleagues, lovers and a vast array of semi-cordial acquaintances – all of whom have gathered 'round to witness the telling of but one very personal tale.

For users of social media, this is the most salient source of anxiety: the inability to control which parts of the

story reach which clusters, and the secret criticism that may ensue. It is the incessant scrutiny from people with whom users are acquainted that causes many to second-guess their sharing, and to wonder if the opportunity for sharing is worth the risk of their reputation.

According to users, the majority of people in their networks, though classified as friends, are not necessarily people who they want to share every detail of their lives with. In many cases, users only “confirmed” the friendship because they felt impolite doing otherwise:



"The guy in the costume is someone's profile and the animals around him are his friends. The skunks are a little farther away but they are peering in. The rabbits are your close friends. You welcome them. You don't want the skunks to come too close, but you still let them in."

Still, others admit they themselves have sent friend requests whimsically in their initial hurry to grow their networks—only to discover later the implications of inviting pseudo-friends to spy on their every move.

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OZA FILES

News from the Crossroads of Marketing and Science

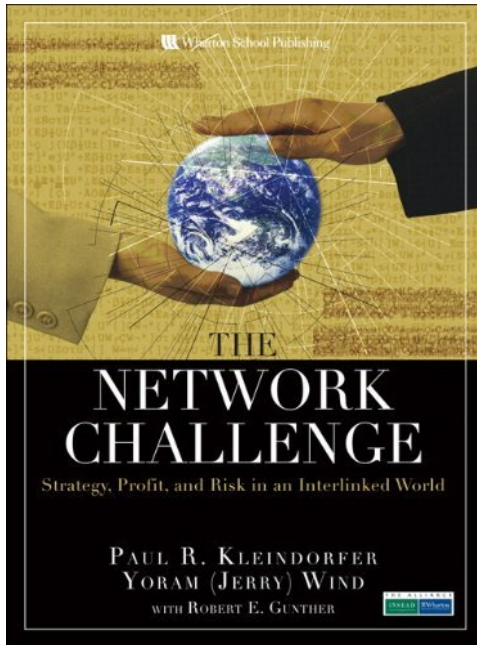
<http://olsonzaltman.com/files>

Check out OZA's official blog, where Elizabeth Carger and James Forr discuss marketing issues in the news and new research into the science of consumer behavior.

New Thinking About Networks

A Review of *The Network Challenge* by Paul Kleindorfer and Yoram (Jerry) Wind

by Joe Plummer, OZA Senior Advisor



When someone says “network,” what pops into your head, NBC or Facebook? Often the association is generational – NBC if you are in the TV generation and Facebook if you are in the PC generation. Kleindorfer and Wind’s book is about networks at a strategic level, specifically a new required core competency – the need to create, participate in, and manage technical and human “networks.”

In academic parlance (and this is an academic book) a major paradigm shift is occurring worldwide:

“This new participation [in networks] has reached a tipping point where new forms of mass collaboration are changing how goods and services are invented, produced, marketed, and distributed on a global basis. This change represents far reaching opportunities for every company and every person who gets connected.”

The authors point out that in 2008 eBay’s annual revenue was \$59 billion, nearly as much as Target’s revenue, which was \$61 billion! The book examines this paradigm shift through a variety of perspectives with each chapter like a journal article written by an expert in that topic.

There are four chapters with potential value to marketers, consumer researchers, and advertising professionals that I will highlight in this review. For me, these are Chapter 1: “The Network Imperative,” Chapter 5: “Social Networks,” Chapter 14: “Leveraging Consumer Networks,” and Chapter 18: “Managing the Hyper Networked Instant messaging Generation in the Workforce.”

In the lead chapter, Kleindorfer and Wind touch upon the diverse academic fields concerned with network structure, strategies, and behavior, including topics like biology, infectious diseases, criminal networks, and telecommunications. Today networks are central to all activity, but especially business. The more global the business, the more central networks are to success. The authors highlight far-sighted firms that create brand relationships through the use of networks, word-of-mouth marketing models and social networks. This is a jolt to companies with a short-term transaction focus and those with command and control hierarchies:

“As the world becomes more networked, the competencies that are important are not so much the ones the company owns as the ones it can connect to.”

The metaphor shift used by the authors is a shift from a symphony orchestra led by a conductor to the metaphor of a jazz quintet, highlighting collaboration and improvisation in a network age.

In the chapter on social networks, authors Dawn Iocobucci and James Salter discuss how researchers studying criminal networks and the spread of infectious diseases laid the groundwork for us to understand today’s social networks – Facebook, LinkedIn, and the biggest of all, Bandu in China:

“Criminology has found the social network perspective to be useful given the propensity of bad guys to hang out with bad guys.”

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The Network Challenge △ continued from page 4

The primary value of this chapter is that it helps us realize that with all the click-based databases available, there is scant public research to help marketers understand the character of different networks, the character of the actors, the uses and gratifications of participation, and very little on brand messages appearing in social networks. The authors also discuss privacy and the emergence of the “flogging” of products, which contrasts with transparent, authentic, and symbolic conversation at the heart of social networks.

Christopher Van den Bulte and Stefan Wyunts discuss how marketers need to change their relationship with customers in a networked age:

“Smart marketers are increasingly exploiting opportunities to create more engagement and two-way communication – use of blogs, discussion groups, and other communities to monitor sentiment about brands.”

The other interesting perspective in this chapter is on the topic of opinion leaders or “Influentials.” The authors touch on many misconceptions about Influentials, but the most valuable one for marketers to avoid is the misconception of generalized opinion leaders:

“A person might be a leader in one category or even several related categories, but will not have expertise or source credibility to act as an information leader across the board.”

The fourth chapter of interest to marketers, consumer researchers, and advertising professionals is on managing younger employees in the organization who are members

of the “IM Generation.” While the majority of this chapter deals with managing or relating to younger employees, there is a core insight about the IM Generation that has value to marketers in social networks:

“Networks become a means for validating self and for achieving recognition among a group that matters to that person. This is an engaging pattern of relating self to network that resonates with the IM Generation. They want to be linked, and at the same time they want individual credit. Facebook does that by focusing on the minutiae of the person’s life while providing links to an expanding network.”

If you are looking for an easy-to-read, dramatized version of networks in the spirit of Gladwell’s *Tipping Point* or *Blink*, avoid *The Network Challenge*. It is, however, an expansive, rigorous, and rich book with insights about networks in our emerging 21st century world written by experts with surprisingly little jargon and academic minutiae.

Most of all this book on networks helps redress the imbalance in the discussion of emerging technologies in popular media by stressing the need for marketers, consumer researchers, and advertising professionals to understand and study the people side as much as, if not more than, the technology side.

Joseph Plummer is a Senior Advisor at OZA and Adjunct Professor at Columbia Business School. He has had a long career in advertising, including serving as EVP at McCann Worldgroup.

ZMET Global Partner News

TMRC has launched its new Consumer Voices blog. It includes four areas of discussion: Consumer Psychology / Brands & Consumers / Trends & Social / Ads & Minds: www.tmrcresearch.com/consumer-voices

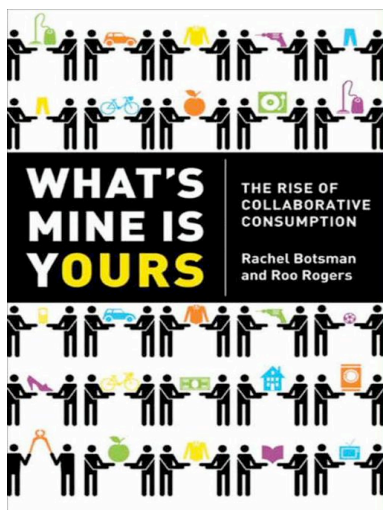
TMRC’s Consumer voices blog focuses on China, Thailand, and India, but also features guest bloggers from the ZMET Global Network who contribute news and stories from other markets around the world.

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A New Kind of Consumption

A Review of *What's Mine is Yours*, by Rachel Botsman and Roo Rogers

by James Forr, Director, OZA



Hell is a laundromat. Drab and loud, seats like concrete, and reading material guaranteed to be at least ten months out of date. Plus, not all of us are totally comfortable sorting our underwear in front of strangers.

Then I made a trip to the Czech Republic where I encountered something I hadn't seen before – a combination laundromat and bar. Drop off your clothes with the bartender, grab a beer or two, listen to a band, watch some sports on the TV, and a couple hours later everything is washed, dried, and folded for you. Suddenly, the idea of sharing a washing machine with everyone else in the neighborhood didn't seem like such a terrible idea.

Using a laundromat is an example of what authors Rachel Botsman and Roo Rogers call collaborative consumption. It is hardly a new idea. People have been sharing, bartering, and lending possessions for as long as humans have existed. But in their book *What's Mine is Yours: The Rise of Collaborative Consumption*, Botsman and Rogers argue that we are witnessing a dramatic and permanent rise in collaborative consumption, as consumers seek new ways to forge social connections and make a difference in both the local and global community.

The early chapters, which outline the historical and sociological backdrop for why collaborative consumption has begun to gain more of a foothold, are useful for setting

the stage. However, the book picks up steam when Botsman and Rogers begin providing examples of companies that have made collaborative consumption a core part of their business model. For example:

- [Zilok](#), where you can rent anything from a sewing machine to a chain saw to tire chains. The authors quote an independent film producer who rents out her camera for \$150 per day. She says the extra cash is nice but also, “With the limited resources we have on the earth, the next step for conservation is instead of just buying stuff, sharing stuff.”

- The car-sharing service [Zipcar](#), whose marketing messages emphasize not only convenience but also the opportunities for personal expression. A Zipcar billboard reads, “Today's a BMW day. Or is it a Volvo day?”

- [The Freecycle Network](#), which the authors describe as “one of the fastest-growing grassroots movements in the world...a virtual sidewalk where people can unload everything from half-used cans of paint to old sofas.” The exchange, which has seven million members in close to 5,000 communities around the world, finds a new home for unwanted goods that otherwise would end up in landfills.

Even established corporations are investing in collaborative communities. The book cites Nike, which has dramatically reduced the amount it spends on traditional advertising and celebrity endorsements. Instead it has thrown its weight behind social hubs like [Nikeplus](#), a community in which runners can share photographs, music, running routes, and other tips.

It is not that these types of collaborations were impossible before now. We all have gone to public libraries, held yard sales, or borrowed a ladder from the neighbor. But the internet and other forms of technology have made collaboration more efficient and enabled people to reach wider audiences.

Collaboration can also entice people to make environmentally responsible choices. Botsman and Rogers discuss how environmental activists have struggled to

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persuade consumers to make responsible, “green friendly” choices without lecturing or adopting a holier-than-thou tone. [Brainwash](#), a San Francisco laundry, has achieved this delicate balance. They do a lot of the things my favorite laundromat in the Czech Republic does – with bands, open mic nights, comedy nights, and social events. In many ways, using a laundromat is a more environmentally-friendly choice than owning one’s own washer and dryer. So by going to a place like Brainwash, consumers can feel like they are doing the “right thing,” while also acting in their own self-interest because they can meet new friends and have fun while completing one of life’s most mind-numbing household chores.

Botsman and Rogers contend that collaborative consumption is not a fad or a trend. They believe that it will become an increasingly typical consumer behavior. If they are correct, their book provides a provocative glimpse of what the future might look like, when the world is more about sharing than owning.

If you don’t have time to read the book, consider investing 15 minutes in [Rachel Botsman’s TED talk](#) on the subject of collaborative consumption.

James Forr is a director at Olson Zaltman Associates.

ZMET In Action: Consol Energy Center

The 2009 Stanley Cup Champions Pittsburgh Penguins have a new home in Consol Energy Center, thanks in part to research by Olson Zaltman Associates.

OZA was charged with the task of better understanding what it means to be a hockey fan and how to leverage these insights into the design of the new arena. ZMET was used to uncover key associations and feelings hockey fans had when attending an arena event. Three major themes surfaced from the research: the Connection to other fans and the community, the Energy of the experience and the Purity of play.

These themes are abundant throughout the arena—from the open glass façade welcoming in arena-goers to the floor design, making it appear as if energy is literally flowing off the ice and into common areas. Fans stay connected to the energy of the game even when buying a refreshment, as the concession areas were designed with open views of the arena and scoreboard. Walking into the main seating area, it is impossible to escape the electric feel of the striped black-and-gold heart of the arena.

Thanks in part to ZMET, Pittsburgh hockey fans seem to be more readily embracing their new hockey home. State of the art in many ways—including being the first NHL arena to achieve LEED Gold Certification—Consol Energy Center’s greatest accomplishment comes through its deep emotional connection with the fans that fill it.



image credit: Pittsburgh Post-Gazette.

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As the audience fills with more and more people, users feel increasingly vulnerable to judgment. Despite having a larger audience and more potential to connect, users feel less free to share and carry on with those in their networks with whom they're truly close:



“When I first started, it was just college people, that was all I knew. Well, now it’s also I have family members on there, I have like friends’ mothers ... [I feel] a little nervous about it, a little cramped in what I feel I can do.”

While some users ignore their anxiety, others retreat from sharing in favor of security. As a result, they miss out on the confidence-boosting benefits of personal expression and the warm support of honest intimacy—in other words, the very reasons they wanted to share in the first place.

In essence, social networking, like ancient storytelling, is the pursuit of two intangibles: becoming a legend and connecting meaningfully. Brands that help users achieve these ends will be positively received, while those detracting from it – whether through self-promotion, insincerity, or insufficient security – will be regarded negatively or not at all.

As marketers, we can contribute to the user’s cause by providing buzz-worthy experiences (online and in “real” life) as well as the tools with which to easily share them. Furthermore, we can help users achieve meaningful connections by shifting our focus from network expansion to user enrichment and by speaking with people as individuals rather than consumers.

Ultimately, though, our initiatives can only be as effective as users are comfortable. So long as privacy features focus on protecting users from strangers, but not from the pseudo-friendships in their networks, users will interact with one another and with marketers cautiously. Thus, platform providers able to satisfy the need for greater audience segmentation and efficient user-

controlled gate-keeping will be at an advantage in offering users around the world with precisely what humans have been after for centuries: A better way to tell their stories.

For a full report of the ZMET Social Networking study, please contact editor@olsonzaltman.com.

Thanks to Holger Metzger (hmetzger@tmrcresearch.com) and TMRC Research & Strategy, China, and Dr. Thorsten Teichert (teichert@econ.uni-hamburg.de) and his team from the University of Hamburg, Germany.

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OLSON ZALTMAN ASSOCIATES

Olson Zaltman Associates is committed to helping its clients think more deeply and successfully about challenging issues. We provide our clients with deep insights about people by capturing deep insights from people and the marketing implications of those insights.

We deliver on this promise by having: (1) unique research and analytical tools grounded in the behavioral sciences and, (2) creative, intellectually-driven staff with expertise in diverse disciplines. With these resources, we dig deeply into the unconscious mind to learn what really makes people think and act, and then actively collaborate with our clients to put these insights into action.