



For Immediate Release

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Consumers Like Companies That Let Them Create Ads, But Young Adults Still Not Buying It

*American Marketing Association Research: Consumers Believe Companies Using
Customer-Generated Advertising Are More Friendly, Creative, and Innovative;
Often-Targeted Young Adults Still Skeptical*

Mplanet, Orlando, Dec. 1, 2006 – American Marketing Association (AMA) unveiled research that shows consumers believe companies who use customer-created advertising are more creative, customer-friendly and innovative than companies that use only professionally created advertising.

“More and more companies are giving control of their brands to their consumers,” said Dennis Dunlap, Chief Executive Officer, American Marketing Association. “The increase in resistance to all forms of marketing has led many organizations to rethink their strategies and focus more on involving the customer in the marketing process to build a sense of collaboration and reciprocity. It is important to consider how companies can do this successfully while reinforcing and protecting the brand.”

AMA released this research in conjunction with its inaugural marketing industry event, Mplanet™, where the topics of new customer reality and brand relevancy are among the core themes of the program. With more than 30 sessions and 60 speakers, Mplanet’s program was strategically designed to enable marketers to explore new solutions and hear about future trends that will impact 2007 and beyond. The content for Mplanet was developed in collaboration with McKinsey and Co., The Wharton School and Spencer Stuart.

Consumers Want to Get Closer To Their Favorite Brands

“The advent of consumer-generated media, the opportunity for organizations to turn the reigns over to consumers more often, and the unlimited creativity of the customer base have opened up a new channel for marketers,” said Nancy Costopulos, Chief Marketing Officer, American Marketing Association. “As our research shows, more and more organizations have the ability to build better trust with their consumers, and to establish better brand loyalty and equity by allowing consumers to have a part in the creative process.”

AMA’s survey revealed that compared to a company that uses only professional advertising, most adults feel that a company that uses customer-created advertising is more customer-friendly (68 percent), creative (56 percent), and innovative (55 percent). However, young adults are generally

more skeptical than their older counterparts. Respondents between the ages of 18 and 24 are more likely than those between the ages of 25 and 64 to say a company that uses customer-created advertising is less trustworthy (21 percent versus 10 percent, respectively), less socially-responsible (20 percent versus 10 percent, respectively) and less customer-friendly (13 percent versus 5 percent, respectively).

“Allowing consumers to contribute to brand message demands two things,” said Costopulos. “First, you must know your audience base and what influences and motivates them. Second, you must be clear about what success for your organization looks like—companies need to have measurement that shows how this impacts the brand.”

Costopulos added, “There is still a hesitancy for organizations to give up this control as companies have spent millions to build brand relevancy. However, giving consumers more interaction with the brand has a direct effect on a company’s overall perception in the marketplace. Young adults’ skepticism may be rooted in their desire to distance themselves from company-sponsored messages. Organizations need to find a way to give this audience even more control and autonomy in the process.”

The research also revealed that:

- Respondents 25 years of age and older are *more* likely than those between the ages of 18 and 24 to say a company that uses customer-created advertising is more creative than a company that uses only professional advertising (58 percent versus 44 percent, respectively).
- Half of the respondents say they feel a company that uses customer-created advertising is *just as* trustworthy (50 percent) as one that uses only professional advertising.

Hot Topics at Mplanet

Growing customer control and consumer-generated media are hot topics at Mplanet in Orlando. The event closes today with a session by Gian Fulgoni, Chairman and Co-founder, comScore Networks, that examines the role of consumer-generated media in marketing communications, the issue of consumer trust and adapting to a consumer-controlled environment and what all of this means to marketers.

Full Survey Results for Media

For an executive summary of the survey data, please contact Lauren Dettloff at lauren.dettloff@fleishman.com or call 312-751-3540.

Survey Methodology

The AMA partnered with Opinion Research Corporation (ORC) to conduct the research. Between November 9–12, 2006, ORC conducted online interviews with 1,098 Internet-representative consumers 18 years of age or older in the continental United States. The sample was comprised of 527 men and 571 women. The sampling error associated with a sample size of 1,098 is plus/minus two to three percentage points at a 95 percent confidence level.

About the American Marketing Association

The American Marketing Association (AMA) is the largest marketing association in North America. It is a professional association for individuals and organizations involved in the practice, teaching and study of marketing worldwide. It is also the source that marketers turn to every day for information/resources, education/training and professional networking. AMA members are connected to a network of experienced marketers nearly 40,000 strong and include leading marketing academics, researchers and practitioners from every industry.

AMA offers highly acclaimed seminars, workshops and Hot Topic events focused on the immediate needs of marketers, as well as trends shaping the future. AMA's website, MarketingPower.com, is the everyday connection to marketing data, articles, case studies, best practices and a robust job bank. The AMA also is the source for the field's top magazines and journals, including *Marketing News*. AMA local chapters keep members in touch with the best people and the best practices. For more information on the AMA, please visit www.MarketingPower.com.