

C-SUITE TO MAIN STREET:

bridging the divide



communispace™



“Walk not just a mile in our consumers’ shoes, but two miles.”

MARY BETH WEST, CMO OF KRAFT FOODS

As marketers, we want to believe that because we’re also consumers, we share many of the same needs and wishes as those who buy and use our products, or at least are in touch with them. And if insight and empathy are important in the best of times, they are critical in periods of economic hardship when our customer connections are most at risk. The study summarized in this report is intended to help you—CMOs, CEOs, and Brand

Managers—understand where your lives, experiences, values, concerns, and aspirations do and don’t intersect with those of your customers. We think you’ll be intrigued by some of our findings, and validated by others. But most importantly, we hope that you’ll find the common ground on which you and your customers can undertake the joint effort of rebuilding fresher and stronger relationships.

Understanding the gap.

Data for this study were collected in November–early December of 2008. We invited a group of 56 CMOs, Directors, and Brand Managers at a variety of Fortune 500 companies to participate. And we surveyed Communispace’s private, unbranded online communities (one men’s, one women’s, one youth). All in all, 585 consumers and marketing executives participated.

c-suite vs. main street

In searching for commonalities, we find two starkly different stories. While the C-Suite is cutting back, seizing on the current crisis as an opportunity to reassess their values and choices, and looking inward for control over their destinies, Main Street is struggling to acquire the basics of food, housing, and healthcare, and they are blaming corporate executives, politicians, and themselves for their financial failures, looking to external forces such as God and government, as well as their internal fortitude to get them through the crisis.

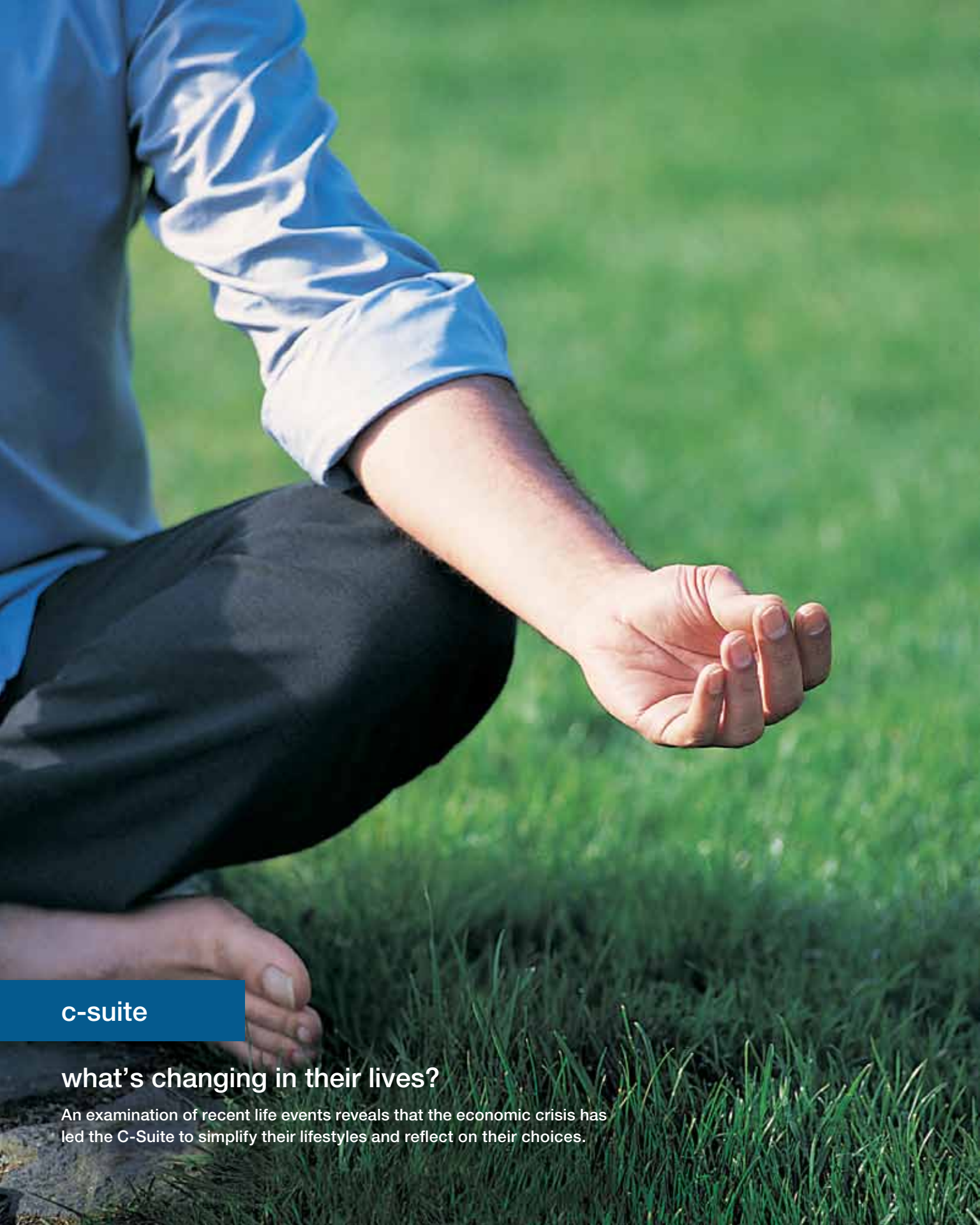


But as polarized as the feelings and needs of these two groups are, there are also some surprising commonalities in their hopes, values, and beliefs. Both groups crave free time and cherish loved ones. Both see themselves as “managers” or “executives”—of their own lives and households, if not of corporations. And despite Main Street’s feelings of enormous anger at the perceived greed of the C-Suite, both groups share the following beliefs: **1.** Hard work makes it possible for anyone to get ahead **2.** It’s important to take life one day at a time **3.** One should aspire to live by the “golden rule.”

hope & longing

What are the implications for marketers?

It’s never been more important to recognize that your customers’ needs are markedly different from your own. Acknowledge their hard work and determination, and most importantly, speak to their aspirations, because it’s in that domain of hope and longing that C-Suite and Main Street have the most in common. It is there that authentic communication can occur.



c-suite

what's changing in their lives?

An examination of recent life events reveals that the economic crisis has led the C-Suite to simplify their lifestyles and reflect on their choices.

More likely to have:

- Vacations
- Parties
- Big purchases
- New homes
- Home renovations



84%

of C-Suite defines a family of four as being "well-off" with an income of \$100K-\$300K



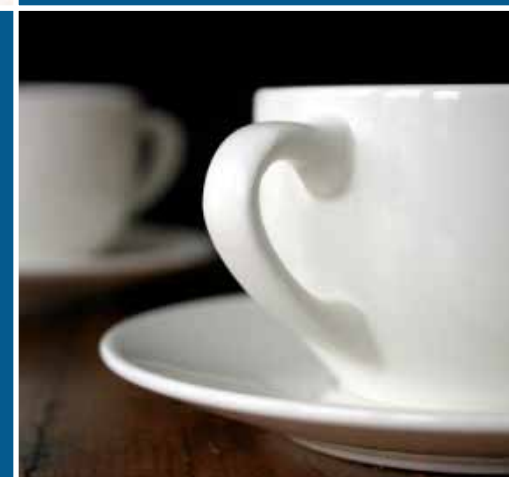
80%

of C-Suite has "lost money through investments"



70%

of C-Suite respondents say they are cutting back on treats and indulgences



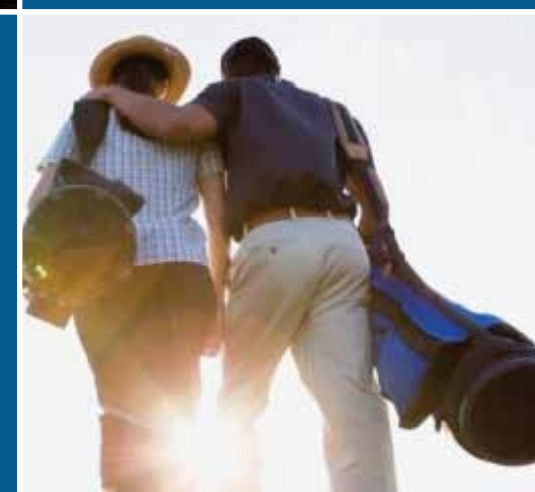
23%

of C-Suite has sold personal possessions in the past six months (e.g., appliances and furniture)



11%

of C-Suite report no vacation plans





main street

what's changing in their lives?

In contrast, Main Street is more actively engaged in a struggle to maintain the basics of survival—job, home, and health.

More likely to have:
Job change or loss
2nd jobs
Health problems
Late payments



45%
of Main Street
has “lost money
through investments”



41%
of Main Street
respondents said
they have “nothing” in
common with CEOs



39%
of Main Street has sold
personal possessions in
the past six months
(e.g., books and clothes)



26%
of Main Street
respondents say
they are eating less
fresh food and meat



25%
of Main Street reports
no vacation plans



Change is personal for the C-Suite, with people making behavior changes on an individual level and adapting their lifestyles by curbing spending on relative luxuries: fancy dinners out, entertainment, vacations, massages, housecleaning, etc.

In contrast, Main Street, has had to adjust on a household level, requiring them to change their daily habits, such as shopping with coupons or primarily buying discounted or clearance items.



Queries on commonality revealed key differences.

Q: What do you and CEOs have in common?

Main Street (unlike C-Suite) saw very little in common:

“We [both] breathe air - although likely theirs is filtered and regulated and has pleasantly scented additives that deaden the empathetic senses.”
(MAIN STREET)

“You’re kidding, right? We live in the greatest age of inequality in our history. We make the Gilded Age look egalitarian. Normal Americans have NOTHING, ABSOLUTELY NOTHING in common with a CEO.” (MAIN STREET)

Q: How to get ahead in life...

C-Suite was more likely to acknowledge social connections (“who you know”). Main Street relies on inborn “smarts.” But both believe hard work is key.

Q: My life would be better if...

Main Street expressed self-recrimination, anger at external forces (e.g., politicians and corporations), and a desire for concrete solutions to meet present needs. C-Suite responses were less self-judgmental, more future focused, and reflective.

“I could earn enough to not have to struggle with everyday needs.”
(MAIN STREET)

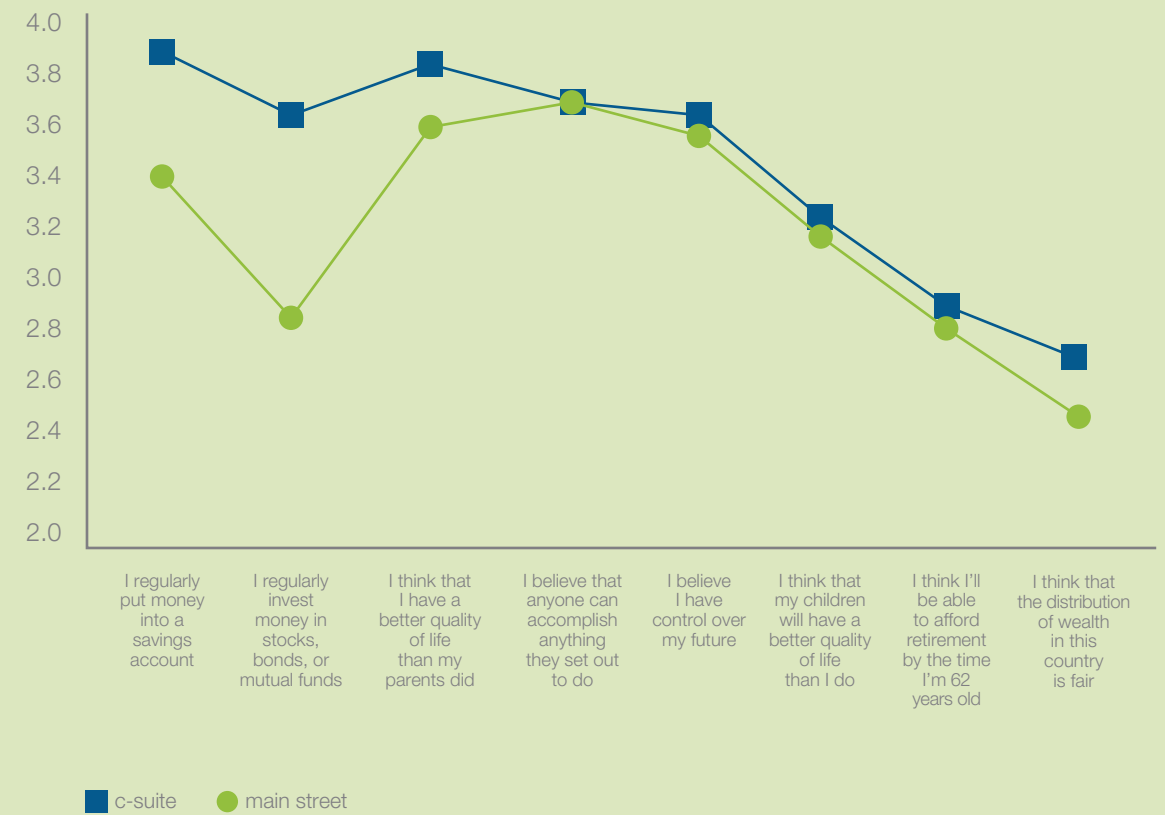
“I had more time to focus on what is important to me rather than going through the motions to earn a paycheck to maintain my current lifestyle.” (C-SUITE)



Main Street and C-Suite converge when they stop striving for common ground based on their roles in the marketplace as consumers. They have more in common when they simply reflect on shared

feelings, hopes, and values. Here, we see a shared recognition that they both cherish their families, have financial aspirations, experience fear and stress, and believe in the power of hard work.

Please indicate how much you agree with each of the following statements, where 5 = strongly agree and 1 = strongly disagree



The C-Suite is more prone to believe in the efficacy of their own hard work, preparedness, and responsibility.

“To get what you’ve never had, you must do what you’ve never done.”
(C-SUITE)

“Do it. Do it right. Do it right now.”
(C-SUITE)

Main Street is more likely to put faith in God and the promise of political change. Indeed, among this group, faith in general (e.g., that “everything will turn out all right” or “things happen for a reason”) is often the centerpiece of personal mottos and pep-talks. So too is frugality—we saw many variations on the motto of “If you can’t pay for it in cash, you don’t need it.”

“I can do all things through Christ who strengthens me.” (MAIN STREET)

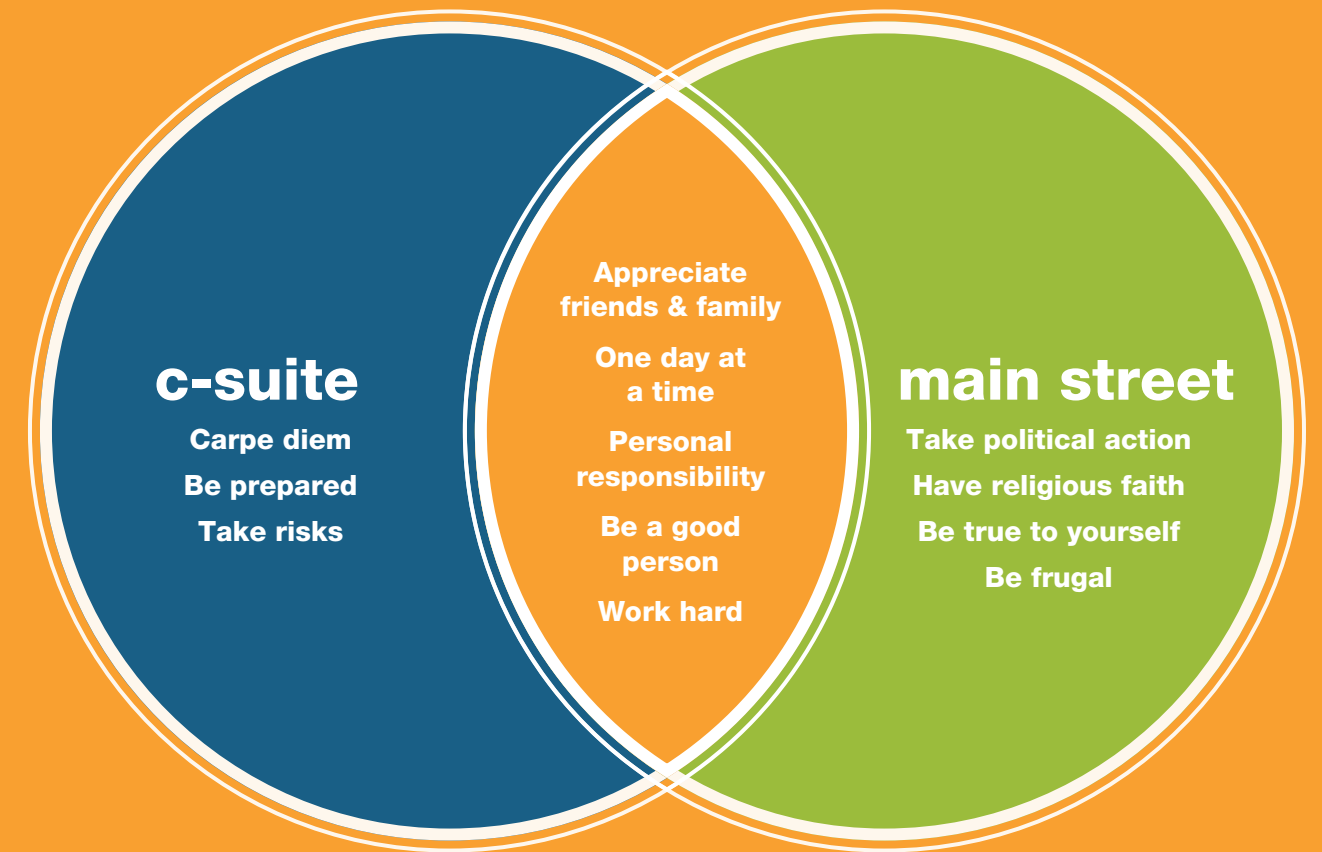
Despite Main Street’s feelings of anger at the perceived greed and incompetence of the C-Suite, both groups share faith that even now, hard work makes it possible for anyone to get ahead (though C-Suite’s mottos in this regard tend to have a more competitive tone to them).

“Even if you’re on the right track, you’ll get run over if you just sit there.” (C-SUITE)

“Believe in yourself, you hold the key to your destiny.” (MAIN STREET)

“If you want it done, do it yourself. If you want to own it, buy it yourself. If you can’t afford it, you don’t need it.” (MAIN STREET)

Other common themes for personal mottos: “Live for today,” “Don’t sweat the small stuff, and it’s all small stuff.”



hard work & determination

Ultimately, effective communication and collaboration lies in finding common ground, and that's as true for companies and their customers as it is for any other social relationship. But for Main Street, perceiving that common ground is challenging, and recent scandals such as the AIG bonuses have only exacerbated that situation.

So as companies frantically strive to maintain their allure and relevance to their customers in a period of intense populism and class consciousness, they will be best served by remembering what's always been at the heart of brand relationships: Don't try to suggest that "we're all in the same boat" or that "we brought this on ourselves" or even that

"this product will make you feel different about yourself or your life." You may think you feel your customers' pain, but they don't concur.

Instead, recognize your customers' needs, acknowledge their hard work and determination, and most importantly, speak to the aspirations and authentic beliefs that both C-Suite and Main Street share: That while there may indeed be an unfair income gap in America, it's still possible to accomplish anything you set out to do. The ability to maintain these two seemingly dissonant beliefs is a uniquely and historically American attribute. It's what has enabled populism and individual faith in the American Dream to co-exist for generations.

Methodology: Data for this study were collected in November–early December of 2008 via a survey comprising 16 closed- and open-ended questions focused on the impact of the current economic climate, general values and beliefs, and respondents' outlook on the future. For the C-Suite responses, we invited a group of executives at a variety of Fortune 500 companies to take the survey via an email invitation. For the Main Street responses, we posted the survey in three of Communispace's private, unbranded online communities (one men's, one women's, one youth). This research includes data from 585 respondents, including 56 C-level executives and 529 "average" American consumers (58% female, 42% male), spanning a wide range of age groups, ethnicities, income levels, and geographic regions. To increase the likelihood that C-Suite respondents would complete the survey, we did not try to gather any demographic data from them. It should be noted that neither sample in this study is representative of the general population.



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Since 1999, Communispace Corporation has created and managed more than 300 online customer communities to help our Fortune 1000 clients deeply engage with, and listen to, customers in ways that deliver extraordinary insights, generating phenomenal business results. We enable companies to operationalize what it really means to be close to the customer throughout their organization by offering full service community capabilities—from strategic planning and design to member recruitment to expert facilitation, and customer insights and analysis reporting.

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