

BEST PRACTICES



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Ducati Killed Its Marketing — And Prospers

by Jaap Favier

EXECUTIVE SUMMARY

Italian motorcycle manufacturer Ducati replaced its marketing department with a central “community” function, involving its customers in design, communication, and the brand experience. Big brands should follow — and start by cutting red tape.

DUCATI REPLACED MARKETING WITH COMMUNITY

At Forrester’s recent annual Consumer Marketing Forum Europe, Patrizia Cianetti, general manager of Ducati.com, told 250 nervous senior marketers that the motorcycle manufacturer had abolished its marketing department. Instead, Ducati has:

- **A community department at its heart.** Ducati’s new org chart looks like a spider’s web with a Community department at the center, surrounded by departments like Ducati.com, Events & Fairs, The Factory Experience, the Creative Center, and The Club. Ducati now calls itself a tribe of employees and customers who “share emotions” and “fight together.”
- **A Web site that ties the global network together.** Ducati.com is the firm’s tribal fire — the number of page views grew 60% in 2004, and it saw 9 million downloads of brochures, bike sounds, and movies. The site hosts local communities of fans and helps them organize powwows and post their pictures. Visitors to the site can also design their “Dream Ducati” — offering the firm’s engineers and designers a priceless insight into current demand.
- **Companywide support.** Patrizia had to bang on colleagues’ doors for three years to get here. The factors that turned it into a success included the strong emotive brand, the short, open internal communication culture, well-oiled processes, and technology. Ducati’s non-owned distributors are joining the tribe to benefit from the wealth of information and strong connections. The firm sold 31% more bikes in Q3 2005 than it did a year earlier, albeit cheaper models. Ducati’s next frontier: online bike sales. Its Net store currently sells just apparel and accessories.

DUCATI REDEFINES BRAND POSITIONING

Ducati didn’t really kill marketing, but made it work instead. The forum audience, including brands like Levi’s and Nike, sighed with relief: They still have a job — and a more fun job, too. With this community model, marketers will:

- **Really engage with consumers.** In their hearts, marketers know that the good old days of push advertising via mass media are over — less than 25% of online Europeans trust TV ads, for instance.¹ But what will replace it? Emotive Networks — interconnected groups of consumers engaged in communication and support.² Today, one in four online consumers send Web links to friends and family, and 15% rate products online. Firms like Procter & Gamble use this community energy via Tremor.com to engage with consumers and create symbiotic loyalty.³
- **Do more with less.** Most marketers have seen their budgets cut over the past five years, and some even had their brands discontinued when Unilever and Nestlé decided to focus on core brands. Communities and word of mouth (WOM) will let these marketers spread brand messages more cheaply and with peer endorsement. By putting the community at the heart of their marketing strategy, firms can also involve consumers in product and packaging design — as Philips has done — and reduce the number of commercial flops.⁴
- **Show success.** More than half of European and North American consumers use the Web. By making the company site the center of interaction, firms can measure the success of offline and online campaigns simply by monitoring temporary or permanent lifts in site visits, email opt-ins, or even conversion rates for firms that sell online. They can also use firms like BuzzMetrics to measure brand advocacy and predict subsequent retail sales; a study by Paul Marsden of the London School of Economics showed that a 5% increase in buzz results in a 1% increase in sales.⁵

WHAT IT MEANS

MARKETING DEPARTMENTS WILL DISSOLVE

Ducati could make this radical shift because it has a passionate following and is relatively small and centralized.⁶ But global manufacturers of toothpaste like Colgate-Palmolive or banks like HSBC will find this a hard act to follow. As a result:

- **Big B2C firms will spin off brands.** Multibillion-dollar global firms like Coca-Cola and General Motors are also experimenting with WOM, but are too stovepiped to make communities central to their processes. Nimble newbies will steal market share by empowering expressive, influential consumers. To strike back, CEOs will allow their emotive brands — such as Nestlé's Nespresso or Philips's Senseo — to step outside corporate red tape and form their own Emotive Networks.
- **Consumers will go on the payroll.** Consumer firms will particularly benefit from Mavens in co-design and Connectors in co-marketing.⁷ But not every collaborating consumer will be happy to spend his evenings working *pro bono*. The most active and influential consumers within brand communities will ask for a fee to help redesign next year's Adidas collection or organize a club event for Bacardi. Thus, the boundaries that separate firms from consumers will fade, and opinion-leading will become a well-paid, freelance profession.

ENDNOTES

- ¹ Less than 25% of European online consumers trust ads on TV, radio, newspapers, and magazines. Instead, they rely on consumer opinions posted online and recommendations from friends and family. See the September 29, 2005, Data Overview “[The European Consumer Media And Marketing Landscape: Consumer Technographics® Europe.](#)”
- ² Three elements drive exponential growth of Emotive Networks: growing consumer demand; ease of content creation and dissemination; and technology advances. See the September 24, 2002, Report “[Emotive Networks Connect Consumers.](#)”
- ³ To thrive in the face of declining customer loyalty, companies need a strategy that meets the requirements of both parties. We call this symbiotic loyalty: A dynamic win-win association where brands engage consumers emotively and consumers reward them with increased wallet share and peer recommendations. Symbiotic loyalty is emotive, social, and dynamic. See the November 3, 2004, Forrester Big Idea “[Symbiotic Loyalty.](#)”
- ⁴ Philips undertook an online study to understand what features of packaging drive the visual brand identity in the retail environment; it worked with online agency MetrixLab, which developed the technology and analyzed the results. The study involved 15,000 consumers rating packaging, merchandizing, and brand image in five countries across five product categories.
- ⁵ See www.viralculture.com/publications.htm for publications on viral marketing, the Hawthorne effect, and media contagion by Paul Marsden, a speaker at Forrester’s 2005 Consumer Marketing Forum Europe.
- ⁶ Ducati’s market cap on November 15, 2005 was €160 million.
- ⁷ A key group of consumers carry more weight online. Marketers need to convince these Online Mavens and Online Connectors to tap into a viral marketing goldmine of Emotive Networks. This will require a different set of skills and timings to those used in traditional marketing campaigns. See the May 6, 2003, Report “[The Tipping Point Online.](#)”