

Consumers Party On for Major Brands

To help sell products, marketers enlist at-home hosts to throw branded parties for friends

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- Andrew McMains



Call it a modern-day Tupperware party. Big, mass marketers like Microsoft, Kraft Foods, Ford, Verizon, Nestle and S.C. Johnson are going grassroots, enlisting consumers to throw parties in their homes to sell their products.

For Microsoft, which said it achieved "significant" success from a 14-country house party event in October for Windows 7, the appeal is the opportunity to make a lasting impression in relaxed, intimate settings.

"People are more jaded than they've been before about marketing and advertising," said Microsoft's Kathleen Hall, gm of consumer marketing, worldwide campaigns and product marketing for Windows. "This kind of lets you prove [a product's value] in a firsthand, experiential way. And the role of friends and influencers -- friends who are in the know -- is pretty significant in the purchase decision for a lot of things now."

Though he didn't provide figures, Microsoft director of marketing John Dougherty said that the Windows 7 parties, which involved nearly 60,000 hosts and reached an estimated 7 million people, resulted in a "significant migration towards sales among those who participated."

Such parties are relatively inexpensive for deep-pocketed marketers, costing anywhere from a few hundred thousand dollars -- for those reaching maybe 2,000 consumers -- to several million dollars for those connecting with tens of thousands of people, according to Kitty Kolding, CEO of House Party, a consumer activation and experiential marketing company.

On the inexpensive end are Verizon's Fios Super Bowl parties. They're being held Feb. 7 and hosted by 1,000 Fios customers. Leading up to the parties, hosts will share their plans and upload photos and videos at houseparty.com/fiosgameday. The site includes Fios-branded downloads for game day, such as a front door welcome sign, a Fios fact sheet and food recipes.

Corporations "know they need to get intimate with their customers," said Michael Marino, CEO of brand consultancy Big Arrow Group in New York.

"Thanks to the convergence of technology and communications, the value proposition has laddered up to experience-activities that create multi-sensory and affective connections between brands and their customers.

Theoretical for years, it's now cost of entry to sustaining a true global brand."

Although industry-wide statistics were not available, Dan Hanover, editor of Event Marketer magazine, said demand for brand parties is "exploding."

Consumer interest in such parties stems, in part, from them being the first to try new products, as

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well as them having a hand in shaping consumer opinion.

Marketers typically supply the hosts with free products. In the case of Windows 7, hosts each received a package that featured a Steve Ballmer-autographed edition of the operating system, which retails for \$319.99.

A few weeks before the parties, Microsoft executives did a trial run, holding parties of their own and inviting friends and neighbors to participate. What the execs found was that "people were not overly sensitized to feeling sold to or it being commercial," Hall said. "They thanked us. It was almost like it was a customer service that they appreciated. And the fact that we have that Big Blue, big Microsoft perception made the reality of us wanting to come into people's homes and just talk to them about the product and let them talk about it such a refreshing change."

Besides the autographed edition of Windows 7, consumer hosts each received tote bags, a deck of cards and other party favors. Microsoft didn't set a time limit on the parties, some of which lasted a few hours and others longer. Some hosts tied the parties to charitable causes.

"We had people who did it as a benefit for the Junior League and did a comedy night where, in the middle of it, one of the comedians did his take on the demo, which was hilarious," Hall said. "We had people who did it [to raise awareness of] breast cancer. We had a school for the deaf in China do it. The degree of the response [has been] amazing -- and the creativity."

Microsoft hired House Party in July, and the two culled their consumer databases to identify hosts in countries for the gatherings, including the U.S., Germany, the U.K., Italy, France, Spain, Hong Kong, India and Australia. The 7 million consumers reached included participants and those they told about the experience, according to an online survey of party-goers that Microsoft conducted after the event.

For House Party, which opened its doors in 2005 and also works for the likes of Kraft, Domino's Pizza, Verizon and ESPN, the Windows 7 effort was its biggest event ever "by a factor of five," said Kolding. Scale, she added, is key for Fortune 500 clients, noting there needs to be "thousands and thousands [of participants] before it starts to make sense" for marketers.

House Party planned a little under 100 such parties in 2009. That year, said Kolding, the company tripled its revenue. During the same period, the two-office shop's staff grew from 30 to 60 employees. House Party declined to provide its revenue total.

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