



## **Do Customer-Centric Communities Answer the Scalability Question?**

*by Neil Rosen*

The number-one challenge for online marketers is the ability to consistently acquire large numbers of new customers and prospects—and do so without jeopardizing e-mail deliverability and/or e-mail reputation scores. Traditional methods used to acquire new online customers and prospects (such as banner advertising, co-registration, list appends, and even search marketing) all fall short when pushed beyond the inherent limitations of best practices. The all-important free-will opt-in signup process that defines best practices gets bastardized when companies reach out to acquire bubble prospects (those needing inducements beyond free-will opt-in to give companies permission to use their e-mail address), causing complaint rates to increase, which in turn negatively impacts e-mail deliverability and e-mail reputation scores.

Customer-centric communities are used to acquire customers in a very different way, embracing the viral power of social networking and focusing that power on targeted communities of people predisposed to favor a specific company's products/services. Customer-centric communities leverage the commonality of people that draws them to a specific company's brand or products and services by nurturing the inherent bond that defines them, and giving them a secure environment where they can share interests and ideas.

Customer-centric communities are unlike large social networks (such as Facebook and Myspace), which offer consumers what are frequently chaotic and interruptive interactions, and within that environment merely offer companies new ways to spend their advertising dollars, and advertising agencies new ways to leverage their creative expertise. Acquisition programs targeting large social networks are subject to the same scalability limitations as banner advertising, co-registration, list appends, and search marketing, while acquisition programs built around customer-centric communities have no such limitations, and are in fact exponentially viral.



### **What is a customer-centric community?**

A customer-centric community is a variation on social networking that's built around a sponsored branded portal, which acts as the homepage of the community and includes an embedded tool suite providing invite-a-friend functionality, message alerts, message boards, feedback features, photo and file sharing, and other social-network-type functionality to the community's subscribers. The use of, and in fact the specific combination of features embedded in each community portal, are customized to meet the needs and goals of the sponsor company.

On one level, customer-centric communities provide a forum for companies to interact with their customers, gain insight into how their brand is viewed and how they might influence how their brand is viewed, as well as offer customers interesting hard to find content such as videos, hosted webinars, celebrity message boards, and special online events.

On another level, once they go live, customer-centric communities enable each individual member of the community to create his or her own personal discussion group, made up of friends, family, and business associates. The integrity of each personal discussion group is protected and isolated from the community at large. Individual members of each personal discussion group even have control over how they interact with other members of their group(s). And it is these personal discussion groups that are intrinsic to the unlimited scalability of the larger community, and which by default create unlimited opportunities for companies to virally acquire targeted new customers.

A customer-centric community is a single branded portal housing thousands of personal discussion groups, each typically containing five to 20+ people, each of whom can create additional personal discussion groups of their own. And the commonality of interests that brings these people together, in this specific portal, is defined by the brand, products, and services of the company sponsoring the community.



Here are four examples of customer-centric communities:

1. A sporting goods company launches a customer-centric community in which members invite friends and family to join discussion groups around their favorite team(s). As people in these discussion groups share team-related comments, photos, tickets, and other content, they do so within the branded portal of the sponsoring company. Individual fantasy league members can use the portal to track progress of their league and banter with their competitors. Little-league coaches can provide information to team members and their families. In addition, all of the subscribers to the portal can participate in forums posted by the sponsoring company and interact with the company through feedback features and other links tied directly to the company's website.
2. A pet supply company launches a customer-centric community in which members invite their friends and family to join discussion groups where they share photos and stories about their pets. It's as simple as that, and as people in these discussion groups share their photos and other content, they do so within the branded portal of the sponsoring company, a portal which contains information on the company's products and services, and the ability to buy those products and services on the spot. In addition, subscribers participate in forums posted by the sponsoring company and interact with the company through feedback and other links tied directly to the company's website.
3. A company providing content and supplies to diabetics launches a customer-centric community in which members invite friends and family to join discussion groups where they can share diabetic recipes with one another. As people in these discussion groups share recipes, they do so within the branded portal of the sponsoring company. In addition, they participate in forums posted by the sponsoring company and interact with the company through feedback and other links tied directly to the company's website.
4. An ecommerce company in the fashion industry sponsors a customer-centric community whose members share fashion tips and photos, shopping stories, and online magazine features. The portal itself is customized to contain fashion videos, offer the ability to chat with fashion icons, display calendars of upcoming events, and enable Q&A with industry experts.



In each of these examples, the viral acquisition opportunities are implicit and the subscriber targeting is explicit. In the first example, everyone, no matter how diverse their reasons are for becoming a subscriber to the community, is a sports enthusiast. In the second example each subscriber has one or more pets whose pictures and antics they love to share with friends and family, while the third example is a community of diabetics, people with clearly common needs and challenges. The fourth community consists of people who love the fashion industry and all the glitz and glamour it implies. While the specific types of individuals that subscribe to the same community may vary greatly from discussion group to discussion group, overall they each possess the commonality of loving the sponsor company's products, services, and brand.

It's easy to see how the acquisition opportunities presented by customer-centric communities translate to not-for-profit companies, catalog companies, online publishers, green companies, associations, and ecommerce companies. Customer-centric communities are about building market share by engaging interactively with people who are ambassadors for your products and services, and giving those ambassadors tools they can use to invite their friends and family, people likely to react positively to the brand, to join the community themselves.

Companies sponsoring customer-centric communities are able to think globally while respecting the local, personal, and private nature of their customers. The benefits to the company sponsoring the community are clearly defined and measurable. They include:

1. Acquisition
2. Loyalty
3. Research/feedback
4. Revenue



But most importantly, customer-centric communities are a best-practices source of viral acquisition of highly targeted prospects that is unlimited in scope and continues to grow over time as the community matures. They are a terrific way for any company to scale its acquisition strategy, while maintaining the integrity of its e-mail lists and online reputation.

### **How resource-intensive is it to maintain your company's customer-centric community?**

A majority of the content generated in customer-centric communities is developed by the subscribers themselves, making these communities far less resource-intensive, not to mention less costly, than is required of companies wishing to participate in opportunities offered by the large social networks. Having a single person monitor community activity, post message boards, and set up community events can keep the portal active and interesting for its members (since there is continuity of vision), and it is very cost-effective for the company.

The sponsoring company's branded portal, or place of business, is the meeting place for every member of each personal discussion group generated by the customer-centric community, and it becomes the place not only where people share ideas and content with each other, but also a place where the members of the community transact business with the sponsoring company.

Of course, at the end of the day, customer-centric communities are all about the customer. There is no random advertising clutter, no unwanted solicitation, and no uncontrolled member-to-member access. The customer experience is one of meeting a select group of friends and family to share fun and content in a community that is both secure and simple to navigate, and whose purpose is something in which they all share an interest.

For companies doing business online, customer-centric communities offer a risk-free, highly scalable acquisition strategy. If you want to acquire sports enthusiasts, pet owners, diabetics, or just about any group of people likely to be enthusiastic about your products and services, drive them to your website, and give them the opportunity to buy your products and services, there is no better vehicle.

**Customer-centric communities just may offer a solution to the scalability conundrum!**