

# Alida.



Why the strongest CX programs have **insight communities** at the core

As a customer-centric brand, your goal is to improve the customer experience across every touchpoint. If you only knew which changes and innovations would most move the needle for your customers, then you'd be able to prioritize your investments.

Understanding your customers is the best way to test and validate your assumptions. But, as any CX professional knows, that's easier said than done.

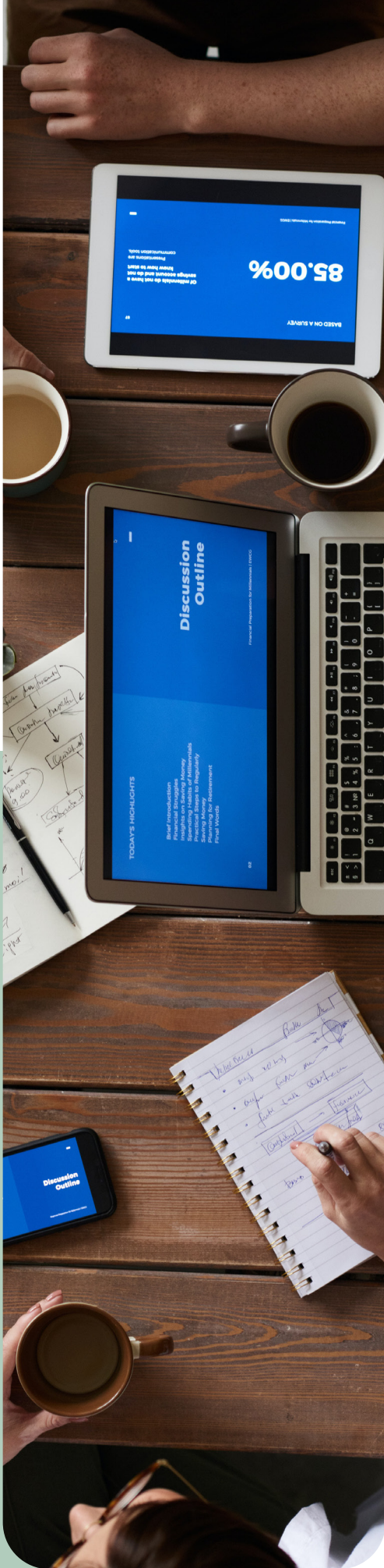
Gathering customer insights is often bogged down by slow processes and limited or inaccurate data. By the time customer feedback reaches your desk it's out of date or leads to more questions than answers.

There's a better way forward that's fast, accurate, and actionable. That's why brands are turning toward community-centered CX.

## In this ebook you'll learn how community-centered CX:

- Increases engagement with your customers, including hard-to-reach groups and the people with greatest influence on your growth
- Taps into a community of devout fans and followers that love to talk about your brand.
- Enables you to test, validate, iterate, and co-create strategies with customers
- Gives you the insights you need to create an exceptional customer experience your competitors can't match

**Fueled by the power of community, you'll increase revenue, lower costs, and decrease risk.**



# Customer feedback surveys don't deliver the results CX teams need

For many years, companies have relied on Voice of Customer surveys to gather feedback from consumers. However, in today's uncertain and rapidly changing marketplace, that process doesn't deliver the results brands need most.

Traditional survey data isn't reliable because unknown participants and bots pollute data. Even with a targeted research sample, survey fatigue has led to insufficient engagement and low response rates. According to Forrester Research, 94% of brands rely on email surveys to gather customer feedback, and only achieve 1-2% response rates.<sup>1</sup>

The typical survey process is very slow and can be expensive. Surveys often rely on third-party sample providers and vendors that can take months to develop a project, gather data, and analyze results. And each study drains your budget.

What's more, with a survey-based approach, you can only gather a limited amount of data. Moment-in-time snapshots of your customers don't reflect evolving opinions and behaviors. That's one reason 88% of CX leaders say customers are changing too fast for their business to keep up.<sup>2</sup>

**It's time for a change.**

1. Forrester Research, *Customer Experience Market Insights*, 2022

2. Accenture, *The Human Paradox: From Customer Centricity to Life Centricity*, July 2022



## Why all the buzz around community?



At its core, community is a dense network of connections with shared experiences. People choose to join communities to convene with others who care about the same things they do. In essence, they “find their people” and your brand is among them.

“Community is the only type of marketing people love,” says marketing expert Mark Schaefer. Consumers are sick of ads that interrupt, he notes, and they’re increasingly worried about privacy. While nearly half of consumers distrust communications coming directly from a company, only 14% distrust communications disseminated through a community.<sup>3</sup> Unlike typical marketing tactics, Mark says, “community actually makes people feel good and increases self-esteem.”<sup>4</sup>

Community is no longer a nice-to-have business strategy. It’s become core. Over half of the Fortune 50 and the 50-highest-valued startups in the world are investing in

community programs.<sup>5</sup> Among companies investing in community, 80% consider it to be critical to their company’s mission.<sup>6</sup>

Communities can be growth engines, not just cost centers. Having a dedicated customer community raises the value of your company for investors. Community-led growth is an effective strategy for many types of companies, from large B2C brands to niche B2B products with specialized audiences.<sup>7</sup>

According to IDC, “64% of the G2000 will own online communities by 2027.”<sup>8</sup> That’s an interesting word: “own.” It indicates that communities companies are investing in are fundamentally different from public social media communities that are open to everyone.

In the next section, we’ll explore the different types of communities and how their purpose and design influences your ability to achieve CX goals.

3. <https://peerboard.com/resources/online-community-statistics>

4. Mark Schaefer, *Belonging to the Brand*

5. Built to Belong: How the World’s Top Brands Invest in Community. Gather Community Consulting. <https://www.gathercommunityconsulting.com/blog/2019/12/2/built-to-belong-how-the-worlds-top-brands-invest-in-community-a-2019-trend-report>

6. <https://cmxhub.com/community-industry-trends-report-2020>

7. <https://builtin.com/product-management/community-led-growth>

8. IDC FutureScape: Worldwide Future of Customer Experience 2023 Predictions

# The rise of communities in the enterprise

Many business functions, such as marketing, tech support, and customer service, are already dipping a toe into community strategies.



**Support communities** are useful for deflecting service and helpdesk requests



**User communities** help users self-educate and increase product adoption



**Brand communities** develop advocates and influencers



**Insider communities** build loyalty and rewards programs

These types of communities are a good start, but they only scratch the surface of the power of community.

**Here's why:** They're mainly focused on transactional value, such as answering support questions or gaining a loyalty point for a purchase, not real relationships. Too often, they're thinly disguised promotions or simply cost-saving measures.

Companies that focus only on these transactional communities are missing

the opportunity to have a profound impact on their business by building long-term customer relationships.

Customer experience teams need a different type of community – one that nurtures deep, ongoing relationships with customers, not just transactions. We call these “insight communities” and they have the power to supercharge a customer experience program.



# Insight Communities

Let's define what we mean by "insight community" and how it's unique among community types.

**Insight communities are private, digital communities created and managed by a brand**, versus public social media platforms that anyone can join (and where they might adopt any persona they choose). They're safe spaces where customers feel free to share honest opinions, knowing your brand will listen and value their feedback. Because companies know who they're interacting with, they can connect in meaningful ways to understand their customers' needs and motivations.

You can think of insight communities in the same way as customer advisory boards, research panels, and focus groups, but with an important difference. In an insight community, members agree to participate on an ongoing basis, which means you can have two-way conversations and build a detailed profile of each participant. In this way, insight communities become more valuable to brands over time, as member profiles constantly become richer and more intricate.

Insight communities make those all-important customer relationships both intimate and scalable. They can be quite large, from hundreds to hundreds of thousands of members, allowing a brand to target queries to specific groups of customers and segment community members with ease and precision.



# Community-centered CX

Putting an insight community at the heart of your CX program helps you understand your customers' changing motivations, fears, concerns, challenges, and goals better than your competitors do.

The scale and flexibility of insight communities make them adaptable to solve a wide range of business problems. Brands use insight communities to:

- **Ideate and develop new products, services, and operational processes**
- **Identify and remove points of friction in the digital or buying journey**
- **Craft and refine marketing and advertising campaigns**
- **Provide a deeper understanding of customers to advertisers and sponsors**

“Achieving [customer] understanding requires a strong consumer-insights function with a cultural-anthropology orientation.”

- McKinsey<sup>9</sup>

## Community success stories

A dating app relies on their insight community to keep a consistent pulse on Gen Z audiences, college culture, and dating behavior. Community feedback indicated that the capability to block people and other security controls are highly important to users. To make sure the app is a safe space, they continuously test new features that help users feel more in control. New features have been successfully adopted and the app's subscriber numbers have grown in each of the last five quarters.

A healthcare provider taps into their community to improve the end-to-end patient experience, including supporting patient adoption of digital tools. Based on community feedback, they've made changes that result in patients scheduling appointments online at higher rates and increasing their use of the patient portal.

A newsletter launched a thriving digital community to understand readers, inform content choices, and optimize advertising programs. The community has become a vital resource for the advertising sales team to share with partners as part of the pre-sales process.

Hear more success stories.

# Attributes of a healthy insight customer community

Healthy insight communities have several things in common.

## 01 Real people

Insight community members must be authentic, verified stakeholders. Only then can you trust the information they provide.

## 02 The right people

The people in your insight community should be representative of the people you serve and/or want to serve, especially when those people are hard to find or hard to engage.

You're looking for people whose success is tied to your brand. For many brands, this means people who use your product or service frequently. For some, it's the people who have built their business around yours.

The most valuable community participants are what's known as "Superconsumers," a term coined by marketing evangelist Eddie Yoon to indicate consumers that generate the most power in a category. "Although Supers are few in number—usually about 10% of consumers for a particular product or category (not 10% of your customers)—they can drive between 30% and 70% of sales, an even greater share of category profit, and 100% of the insights.<sup>10</sup>

## 03 Three types of interactions

There are three types of interactions a healthy insight community enables:

- From brand to consumer
- From consumer to brand
- From consumer to consumer

In the past, insights teams and market researchers worked hard NOT to be seen. They passively observed focus groups from behind a mirror. In contrast, with a community strategy, the brand gets engaged. You want your community members to see the humans behind your brand. If you build a relationship with people, they're significantly more honest, and the insights you receive will be more valuable to your business.

10. Eddie Yoon, *Superconsumers*

11. <https://peerboard.com/resources/online-community-statistics>

That said, you're there to listen more than speak. You want to give your community members a variety of opportunities to interact with you, in diverse formats. For example, some people may be more comfortable sending video messages than writing. Others may prefer a one-on-one session to a group discussion. Sure, some participants will observe, or "lurk," but they're still important members, especially if they receive valuable information from your brand and from the rest of the community.

It's when members start to engage with each other that the value of the community increases exponentially. Your job as a brand is to enable that type of consumer-to-consumer communication and nurture it so it grows, according to what the community needs.

## 04 Emotions

Having an insight community enables you to understand what people are thinking and feeling, not just what they're saying and doing.

Your insight community should be a place where people feel good about themselves and their role. You want people to feel like they are part of something bigger than themselves. In a healthy community, reciprocity isn't a requirement, it's a natural outgrowth of feeling part of a community.

### How do members of online communities feel?

- 57% feel they are seen
- 63% feel they are being heard
- 70% partake in providing solutions
- 78% tend to ask questions<sup>11</sup>

Shower your community members with love. It's crucial to let community members know their contributions are valued, for example, showing them how products were developed based on their input, or how their contributions have contributed to your company strategy.

In addition to making people feel valued, the community should be a place where people go to enjoy themselves. It should provide moments of conspicuous value that delight them. These moments keep people engaged and make them want to talk about their experiences with others.



# What to look for in a community platform

## (aka “Don’t build your community on rented land”)

**Great, you’ve decided you’re ready to embed an insight community at the core of your CX program. How do you go about it?**

Why not use platforms like Slack, Facebook Groups, or Discord to manage your insight customer community? The answer is, these platforms aren’t designed with the needs of the enterprise in mind. You can’t influence the functionality, which means you’re wholly dependent on third-party organizations to determine capabilities, integrations, privacy, etc. In fact, the very existence of your community rests in their hands. If they shut down, your community goes with them.

To get the most benefit from your insight community, you need an enterprise-level platform you can directly manage. That doesn’t mean building your own technology. It does mean having a software that prioritizes your needs.



## Any community platform you choose must:

- Confirm that people are who they say they are. It should weed out bots and make sure all participants have opted-in and have agreed to share their feedback.
- Ensure a diverse set of members to accurately reflect your customer base. Your recruitment process should give you the ability to set maximum and minimum representation from different groups.
- Include built-in, on-demand survey and communication tools for rapid response.
- Include forums or discussion threads to enable ongoing conversations with and among customers on specific topics.
- Provide a place to share and organize content designed for the community, such as videos, articles, and results of their feedback.
- Make engagement (likes, comments, shares, etc.) easy for community members, especially on mobile devices.
- Get all relevant data in one platform that builds over time, so you don’t have to ask the same questions again and again. Today, only 1/3 of companies are able to connect their community data to their customer data.<sup>12</sup> To avoid this problem, you want one source of truth that integrates customer data from your CRM, ERP, and other systems. Being able to combine insights from your community with behavioral and purchase data is key to developing rich customer profiles.
- Allow for segmentation and targeting of questions and activities based on user types, geographies, behavior, and other variables.
- Include actionable analytics to measure changes over time and allow you to slice and dice data by different segments.
- Ensure security and privacy (with access controls, hosting, PII management, and opt-in requirements) to create a safe space for unfiltered feedback.
- Give you the ability to scale without technical issues that cause friction or a pricing model that discourages growth.
- Include road-mapping tools for long-term planning and prioritization without cutting and pasting from your community platform into other enterprise tools.
- Offer professional support, guidance, and ongoing education to help with community recruitment, best practices for engagement, content cadence and style.

# Get ready to spin the community flywheel

Once you select your community platform and get your community up and running, it will take some care and feeding.

The community flywheel is when your community has momentum. Members proactively participate, offer feedback, and contribute ideas even when your brand isn't asking. The community takes on a life of its own and offers exponential value to everyone involved.

To learn more about how you can nurture your community and deliver value for your customers and your company, check out ***The Ultimate Guide to Insight Communities***.

## About Alida

Alida believes in a world where customers are respected as the ultimate source of truth. Because knowing the whole truth about your customers—even the parts that are hard to hear—can help companies make better decisions that drive long-term customer loyalty and growth.

That's why Alida created its Total Experience Management Platform; a comprehensive CX solution powered by a highly-engaged, verified, always-on community of your most engaged customers that fuels sustainable business impact.

With Alida, innovative companies like HBOMax, Adobe, lululemon and LinkedIn can anticipate their customers' ever-evolving needs to make better decisions, build long-term relationships, and grow businesses that stand the test of time.

Over 176 million people globally have used Alida's Total Experience platform to inform over 60,000 customer experiences initiatives.

Join us on our mission to put truth into action at [www.alida.com](http://www.alida.com) and @alidaTXM

