Customer Inside

A practitioner’s guide to online insight communities and how to make the most of them

Customer Growth
This report was informed by three pieces of original research:

01 20 qualitative interviews with experienced insight practitioners, conducted on the phone and face-to-face. We spoke primarily to professionals working in insight, but we also spoke to people in marketing and innovation functions. Interviewees were from a broad range of sectors, including FMCG, Financial Services, Telecoms, Tech, Healthcare, Entertainment and Media.

02 A co-creative workshop with 15 practitioners, members of MRS, a representative from Marketing Week, as well as consultants and technologists from C Space.

03 An online survey of 100 professionals, distributed and promoted by MRS.
About MRS

The Market Research Society (MRS) is the world's leading research association. For all those who need, use, generate or interpret the evidence essential to making good decisions for commercial and public policy.

The quality standards, suitability and sustainability of evidence is important because evidence matters to decision makers.

MRS is dedicated to the support, promotion and enrichment of the research and business world.

With members in more than 60 countries, MRS is the world’s largest research association serving all those with professional equity in provision or use of market, social and opinion research, and in business intelligence, market analysis, customer insight and consultancy.

About C Space

C Space is a global consultancy that delivers Customer Inspired Growth. We believe in bringing organisations together with their customers to improve business results.

We’ve helped more than 200 brands drive growth by connecting them with over 200,000 customers and consumers, through more than 700 online communities since 2000. So we’ve got our own perspective on how to help businesses get the most out of online communities.

But as this report is for the industry as a whole, we’ve focused on the practitioners view. To reduce potential bias we’ve ensured that the clients we interviewed had worked with multiple agencies, and that over half of the participants were not C Space clients. Where appropriate, we’ve included our own perspective and advice, particularly around the common challenges identified by clients.

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This year, MRS is celebrating its 70th anniversary. As the world’s leading research association, MRS is committed to promoting excellence across all research methodologies that help clients deliver value back to their organisations and businesses. We like to support work that extends thinking or has practical applications; our think tank, the MRS Delphi Group, is set up to this end.

Online communities provide brands with a channel direct to customers and stakeholders. Building relationships (in the context of this report) over the long-term requires a special skillset from researchers. Our members adhere to the MRS Code of Conduct which ensures that interactions both with customers and stakeholders, and clients are ethical and legal. These standards are a critical step in winning the trust of participants, especially when dealing with their personal data. I am happy to support a report which provides practical guidance for researchers, businesses and organisations that wish - through the application of insight - to become truly customer centric.
Hi!

**Online research has experienced explosive growth in the last decade.** Online communities have gone from unproven experiment to accepted mainstay.

**Not only are there many new providers, techniques and platforms. There’s new terminology, technology and training, too.**

From a client’s point of view, consider the level of spend an ongoing community represents. In 2013, almost 16% of spend on qualitative research was online¹. Some smaller brands even allocate all of their research budget to online communities.

Yet alongside this newfound confidence, there is also uncertainty and confusion. While some veteran practitioners and progressive users of communities are truly pushing the boundaries, others don’t even know where to start.

Unlike more traditional qualitative and quantitative research approaches, little commonly accepted terminology or best practice exists. Much of the jargon is interchangeable and overlaps. It’s hardly surprising. The space has evolved and grown so quickly. That’s part of what makes working with online communities so exciting.

However, you have to feel for those organisations just starting out, getting their fingers burnt and learning by trial and error.

And what about the veterans? The ones innovating at the edges, trying to realise the full potential of communities for brands? Are they waiting for the research industry to get the basics in order? No. They’re already trialling new approaches, trying to meet the changing needs of the insight department – and pushing their partners to achieve more.

**I hope this report offers something for practitioners at both ends of the spectrum. It’s a co-created perspective on online communities in the research industry.**

**It deliberately focuses on the long-term communities brands are investing in, rather than short-term digital qual or ‘pop-up’ communities.**

The report is designed with input and guidance from the MRS and from over 100 insight, marketing innovation practitioners. In it ‘we’ (meaning the authors of the report, rather than MRS) paint a picture of the current online community landscape, share best practice, as well as common client pitfalls. We recommend steps you can take to avoid them – and offer a perspective on future areas of opportunity.

We also share some of the trickier challenges many organisations are grappling with. For each, we give examples of how some practitioners are overcoming them, as well as some thoughts for the future. Everything you need to turn these challenges into opportunities.

Although we spend a lot of time in this report talking about the challenges of effectively running online communities, it’s on the whole a positive picture.

**This report argues that brands should see online communities not as a new way of doing existing types of research, but as an opportunity to change the conversation with customers to something more authentic, useful and impactful. An opportunity to bring the customer, and customer insight, inside a business in an unprecedented way.**

If you enjoy our report, share it. If you disagree vehemently, great – get in touch. We’re all responsible for building the future of the industry. We’re looking forward to seeing where we get to.

**Jonny Wooldridge**
Associate Director, EMEA

**Charlotte Burgess**
Business Development Director, EMEA
Online communities today

WHAT ARE ONLINE COMMUNITIES?

Google ‘online community’ and you get over two billion results. They’re part and parcel of the modern internet. The broadest and simplest way to think about them is as digital spaces where people interact over time. Places where people come together for a purpose and create a network, enabled by a technological platform. As such, the term can refer to a vast array of different things.

Airbnb describes its users as a community. The company’s business model is based on the idea of creating new value by connecting people on a global scale.

Macmillan Cancer Support created a community to support, comfort and inform those with cancer and their loved ones.

People form online communities to aid customer service, to build brand advocacy, to build political movements, for marketing and engagement, to crowdsource ideas, to generate funding or simply to bring together people around a common interest.
In this report we concentrate on brands building online communities to better understand their customers, users or consumers. This benefits both parties. Brands get better business results. Customers get better products, services and marketing. And just as technology has enabled people to talk about brands, even when they’re not together, it’s also enabled brands to talk to people more, via online communities run by insight and marketing departments.

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**CUTTING THROUGH COMPLEXITY**

Even when we narrow our gaze to business intelligence, insight and market research, the term ‘online community’ has many meanings. Perhaps this is in part due to how broadly and flexibly the term is used elsewhere in business and society. Whatever the reason, even experienced practitioners clash when it comes to language. If you work in insight, marketing or innovation, your ‘online community’ might vary on any of the following...

**COMMUNITIES ARE CONFUSINGLY DIVERSE**

Any term so open to interpretation is likely to lead to confusion. How on earth do you manage expectations of stakeholders when one person is using ‘community’ to refer to a group of 5000 customers giving quantitative feedback on new product features, while another is referring to their open innovation network of 150 customers, students and experts co-designing breakthrough new services? Both are valuable, but very, very different.

**TIME TO TIGHTEN TERMINOLOGY?**

We believe the industry needs to get a bit stricter with existing terminology, while still innovating around needs that aren’t met by current models. A lot of the jargon confusion we see is simply because none of the existing models quite match business needs.
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THE BIG OPPORTUNITY

A key example is confusion over what's meant by the terms 'panels' and 'communities'. Most businesses need big, robust, quantitative data to inform decision making. Most also rely on in-depth qualitative insight to give the 'why' behind the 'what' that statistics provide.

In recent years, the line between communities and panels has become increasingly blurred.

Classically, panels were seen as a digital space with large numbers of participants, making them better for quant. Communities were seen as smaller, more intimate spaces (e.g., 300-500 members) and better for qual.

Whilst we accept that in the broader internet usage of the word 'community' it can happily be used to refer to a space with hundreds of thousands of people, within the world of research, a group of people that large is going to be more appropriate for panel-style quant, rather than intimate qual.

Increasingly though, the language of the industry has become blurred. Pick three different pieces of thought-leadership on the subject, three different case studies or three different agencies' websites. Chances are you'll see three different, conflicting definitions.

However, our client interviews and our own experience warn of the danger of trying to do both in the same place.

If you substantially increase the number of people in a digital space in order to get a seriously robust sample size, there's a trade-off. You don't get the same level of depth and intimacy across the community as a whole. And trying to achieve the benefits of a panel and a community in the same place can be problematic.

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However, the need for communities and panels continues. Here are a few common ways organisations combine and access the two:

- **SEPARATE**
  Completely separate panel & community. Results can be integrated in analysis and reporting but they are separate entities.

- **PERMANENT PYRAMID**
  Permanent panel & permanent community. Interlinked but the members of each are treated differently.

- **MISSION COMMAND**
  Master panel sized group from which you recruit smaller temporary communities.

- **HIVE**
  Several separate communities, either aimed at different ages, segments or geographies that allow you to aggregate quantitative data across all.

You can put this down to a digital version of Dunbar’s number – the proposed idea that we can only comfortably maintain 150 stable relationships before intimacy and connection is lost. Or, more pragmatically, think of panels as a supermarket and communities as a pub. You can find more people in the supermarket, but if you want a more in-depth conversation, you might want to go to the pub. They’re different tools in your toolbox.
One interviewee noted that their preference was “to have both a permanent separate community and panel, as it allowed greater specialism and higher quality work, but that this was also typically the most expensive option”.

However, other clients have found the ‘Hive’ approach useful as they were able to have members that numbered in the thousands, when aggregated, but the members were split off into different communities, often around demographics, to create a more intimate experience for members.

You’ll note throughout this report we share examples from both communities and panels. This is because:

- Our interviewees talked about both within the same breath, demonstrating how close the concepts are in different clients’ minds.
- There are some useful, transferable lessons and success principles that can be learnt from both.

Regardless of what other models develop in the future, if we don’t get a little clearer about what we’re talking about when we say online communities, we’re in danger of annoying participants, not meeting business needs and therefore hurting the reputation of our industry.

We need to ensure that we are helping people to navigate the complexity and design the right community solutions to meet their specific and varied objectives.
The practitioners view

HOW DO PEOPLE FEEL ABOUT COMMUNITIES?

On the whole, our interviewees were very positive about them. Of the 100 practitioners we spoke to, 75 had used communities on several occasions. And almost 90% of that group said that communities had met their expectations. Almost a third said communities exceeded their expectations.

But were expectations low? Our interviews suggested not. Many insight professionals are investing significant amounts of their time and money in communities and plan to continue to do so. Often they had real success stories under their belt.
PERCEIVED BENEFITS

People mentioned five key benefits of communities:

1. COST-EFFECTIVE GLOBAL COLLABORATION
   “Our online community has helped to champion global collaboration across markets and business divisions, and provided cost-savings over offline qualitative methods.”
   Senior Insight Manager, GSK

2. NIMBLE 24/7 ACCESS TO CUSTOMERS
   “The primary benefit of using an online community for me is having ongoing access to an agency who can get in touch with our consumer base 24/7.”
   Senior Consumer Planning Manager, Diageo

3. SPEED
   “Speed for us has been a particular benefit. We’ve estimated that our community has enabled us to commission and run research up to 80% faster, which in a tremendously fast moving business like ours, is critical.”
   Insight Manager, leading tech brand

4. DEEP, QUALITATIVE INSIGHT
   “Our community allows us to have a two-way dialogue with consumers, get a deeper understanding that takes time to develop. We’ve changed how we ask ‘rational’ quantitative questions to allow for this reflection, for example.”
   Monique Hellel, Senior Strategic Insight Manager, HSBC

5. CUSTOMER CENTRIC PRODUCTS AND SERVICES
   “In our online community we can co-create with engaged and savvy consumers, which in turn can inform trends and product development.”
   Insight Manager, leading Beauty Brand
Keeping the customer “in sight”

Whilst everyone interviewed were essentially using communities to keep close to the customer...actual application varied dramatically. Interviewees referred to their communities as spaces for:

- Classical Qualitative Insight
- ‘Early-Warning’ and Trend-Spotting
- Play and Experimentation
- An aid to Fast Decision Making
- Advice Straight from the Customer
- Lab-like Development of New Products and Services
- Exploration of new markets or audiences
- An Ongoing Window into Customers’ Lives – less insight into the customer and more keeping the customer ‘in sight’

However, what was more interesting was the sheer diversity of usage. The different business needs and ambitions of organisations had turned often similar technological platforms into very different spaces. As the research industry itself is now regularly playing a more influential, strategic and diverse role in business growth, communities have seemingly been adapted to mirror this.
The surprise:
a ‘Trojan horse for the insight department’

“Where we see our online community unexpectedly add value, is as a Trojan horse, to market insight in the organisation. This has helped us move ourselves from reactive unit to a source of strategic value.”

Insight Manager, leading restaurant brand

The unexpected benefit for some practitioners was that they could use their online community to help achieve their departmental objectives – raising the profile of insight over time. Many insight professionals grapple with the challenge of elevating the influence and impact of insight within their organisation. Most are familiar with the classic Boston Consulting Group chart about the role of the insight department, from reactive supply function to a source of strategic, consultative value creation.

However, whilst a community can be seen as purely another way of doing research, some practitioners were taking advantage of the ongoing, people-focused nature of a community to achieve this aim. Consistent, ongoing access to real customers, fast, can create a movement that grows over time.

One of our interviewees made the comparison to social media and reality television. People are interested in people:

“Whilst our stakeholders are pretty engaged with research and insight...most people are here because they love cars. That’s why they work here. But everyone is interested in people – whether it’s what their neighbours are up to, what’s on their Facebook newsfeed, or the draw of reality TV.”

They see their stakeholders as: “An audience, and the community as a way to drip feed real people and their thoughts, stories and provocations to that audience.”

This was an unexpected finding. But it makes sense. The continuous nature of a community, compared to a series of ad hoc projects, does allow it to become more than the sum of its parts. A platform to keep shouting about insight, and the customer.
However, while the applications were varied and the overall tone was positive, buyers and practitioners were also keen to share the mistakes and frustrations they’d experienced along the way. These make an invaluable ‘watch-out’ list for anyone new to the market.

Interviewees state that **online communities become ineffective** when:

1. **You under-resource the community internally**
   - 76% Agree

2. **You don’t ‘sell or market’ the community effectively to the business**
   - 71% Agree

3. **You try to run the community yourself internally**
   - 61% Agree

4. **You don’t plan projects in advance**
   - 60% Agree

5. **You promote them purely on their ability to reduce research costs**
   - 57% Agree

6. **You try to achieve something in-between a panel and a community**
   - 50% Agree

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**PERCEIVED CHALLENGES**

**If... then...**

- **You under-resource the community internally**
  - ... it’s a struggle to get the most out of the community and the agency you are working with. This takes dedicated time and a broad experience of insight work

- **You don’t ‘sell or market’ the community effectively to the business**
  - ... projects start to dry up and stakeholders are not engaged

- **You try to run the community yourself internally**
  - ... although it can initially seem cost-effective it can end up being a huge drain on your time and effectiveness

- **You don’t plan projects in advance**
  - ... the community can end up becoming a reactive tool

- **You promote them purely on their ability to reduce research costs**
  - ... this can reduce internal confidence in the work, limiting impact

- **You try to achieve something in-between a panel and a community**
  - ... you risk ending up with the worst of both worlds. Not very insightful qual. Not very robust quant
Zurich Global Life provides a great illustration of a brand that is using online communities effectively: delivering insight that is changing organisational culture and getting them ahead commercially.

Their work with C Space on the ‘ZCom’ community was recognised in the 2015 MRS Award for Financial Services Research.

The insurance industry is complex. Tight regulation and the long-term nature of the contracts written combine to create a risk-averse approach. This has served the sector well historically, but the needs of the customer have sometimes been drowned out in the complexity of bringing products and services to market.

Simon Carpenter, Head of Customer Insight & Experience, led a global initiative over the last three years to re-engineer the business around the end customer and their needs.

A key part of this was building an online community of customers and non-customers, enabling Zurich markets around the world to gain a better, real-time understanding of their customers and develop products directly with them.

But this was a challenging mandate. Many of the customers Zurich wanted to better understand were high-net-worth individuals. Many are ex-pats who live a nomadic existence, often moving to new cities every couple of years. How could they be persuaded to take part in research about complex financial products, in an ongoing community requiring qualitative contributions every week?

It started conservatively, with a pilot of 300 people representing one market, Hong Kong. It now has over 2,100 members, across seven markets, with further markets planned next year. It is used as a global insight hub, to champion customer centricity and help with product development.

In this case, relationships were the source of their results. Relationships have been central to ZCom’s success. Both the energy put into the relationships with members and the effort to build trust with Zurich business units globally.

Simon and his team at C Space put this down to a combination of heart and head. ‘Heart’ in that huge amounts of time are invested in building relationships with members, sharing feedback on how their contributions are being used, as well as sharing in-depth, evocative personal stories from members to get the attention of stakeholders. But ‘head’ in that they are stringent in evaluating the potential ROI of projects and tracking the impact of the insight work they are delivering.

If building a business case for such endeavours within most organisations is important, in financial services it’s especially so. If you’re aiming for success, think about the personal and the commercial, consider the heart and the head.
Four common community pitfalls
**Pitfall 1**

**underestimating the size of the beast**

This was the most frequently and strongly cited cause of frustration for clients. Seventy-six percent of participants felt communities ‘became ineffective when they were under-resourced internally’. Several interviewees stated that, while communities are highly valuable, they’re a huge endeavour too.

One Senior Insight Manager at GSK estimated she spent over 30% of her time managing her 8-market community.

This comes down to how the responsibilities involved in a community are split between client and agency. Many brands can see definite benefits in running their communities themselves, especially as they often come at a lower cost. However, without prior experience, it can be difficult to estimate how much time is involved in making a community successful.

"However much the management of the community is outsourced, it will still require a significant amount of internal time and resource to ensure that it is run and maintained properly and effectively."

An interviewee from TalkTalk originally opted for a lowercost, self-serve solution for their community, but found that their team spent all of their time scripting surveys rather than speaking to stakeholders, building recommendations or driving action in the business. The cost savings on paper ended up “feeling like a false economy”.

The murky terminology around communities doesn’t help either. It’s difficult to effectively gauge the size of the endeavour when ‘a community’ could mean so many different things.

"However much the management of the community is outsourced, it will still require a significant amount of internal time and resource to ensure that it is run and maintained properly and effectively."

When picking the right community solution for you, consider the time investment needed in the following areas:

**Technology**
- Designing and hosting the technology platform the community runs on

**Set-up**
- The logistics of building the bespoke layout, design and user experience of the community

**Initial recruitment**
- Planning the appropriate communications and incentive structure to attract the desired audience, logistics of recruitment and screening

**Stakeholder engagement**
- Both the ‘internal marketing’ of the community and the liaising with business stakeholders around new briefs or projects

**Project activities**
- The design, moderation and analysis of research or innovation activities upon the community

**Reporting**
- Not just crafting a deliverable, but planning how to make it land with the required audiences in the business, to create action

**Member engagement**
- Daily moderation of member discussions, building relationships with members and answering questions

**Planning projects pipeline**
- Deciding which business objectives the community is best able to support, and planning a future pipeline of projects

**Managing ongoing community health**
- Monitoring community participation and engagement (both in terms of quality and quantity)

**Project scoping**
- Interrogating briefs and designing the right approach

**ROI tracking**
- Monitoring the business impact of the community. This is often overlooked but it’s worth planning well in advance (see page 22)
Decide what you are able to handle in-house, what you want to outsource, and whether you want to adopt a more collaborative approach with your agency.

Beyond the inherent day-to-day work there’s also the critical need to plan projects in advance. If the team working on the community becomes consumed by the day-to-day then you may find that the pipeline of projects for the community dries up, limiting its value and cost-effectiveness.

An additional danger cited by clients here was that if you’re not strategically planning some of the projects you deliver, you risk the community becoming purely a reactive tool. Definitely allocate some resource for handling reactive requests – however, this can seriously limit the potential of the community. How often have you received a brief from a stakeholder and wished they’d involved you a month earlier? Getting the balance right takes time and thought.

**Three top tips**

- **Thoroughly scope what you can handle in-house,** what you wish to outsource and what to collaborate on with your agency.

- **Over-estimate the time** required in the first three months.

- **Carve out time to strategically plan projects** that will hero the community and your department. Don’t let it just become purely a reactive tool.

**If you’re just getting started, interviewees recommended:**

“You should over-estimate the resource it will take you to get this off the ground in the first three months.”

This helps you build a solid foundation. Some smoothly run projects, targeted at strategic stakeholders early on will build future demand for the community, helping you maintain its momentum.
Pitfall 2

neglecting the art of engagement

“You have to be careful with the community because you have to manage member engagement. You have a duty of care; otherwise, as a resource it becomes over-used and its value can, ultimately, decline. You have to keep it healthy.”

Richard Bates, Samsung European Consumer & Market Insight Director

For communities to offer value, they need to be made up of the right people – and those people (just like the most talented employees) aren’t always the easiest to keep. ‘Brand fans’ might be easy to recruit, but chances are it’s your other customers (or competitors’ customers) that you need to help your business better understand.

Sustaining a relevant and useful community population is definitely achievable but it takes effort. If you don’t design a solid strategy to retain your members, your community will gradually lose its power. One beauty brand manager we interviewed shared a fairly extreme example of the consequences of getting this wrong:

“We had a community for years but over time, we were just not talking to our core group anymore. Our brand is young and female. Our community members were increasingly not. Our core just didn’t stay; the conversations were no longer what they wanted. In the end we stopped using a community. The community lost its relevance when we lost our audience.”

Other practitioners had had more success, but were clear about some principles they used to avoid this pitfall.

Richard Clarkson, Head of Segmentation Research & Insights at Orange, employed exclusivity and a sense of challenge to invoke continued engagement from members. The community is billed as ‘Orange Pioneers’ and is involved in a host of product and communications development challenges. To learn about how Orange have created a community where the members are treated like an extension of their business, read the case study on the next page.

Treating customers like an extension of your business isn’t appropriate for every challenge. If your main priority is looking at brand perception, this type of relationship could skew the results

However, the principles behind it have merit. In Professor Nicholas Ind’s research into Online Communities and Co-creation for Oslo School of Management & ESADE Business School, this two-way relationship was a key attribute of an engaged community.

His research for the book ‘Brand Together’ suggested that while financial incentives are a useful motivation to get people to join communities, they are far less useful in sustaining long-term engagement.

The brand demonstrating that it was listening and creating a feedback loop where it shared the impact of the community’s work back was up to six times as powerful in sustaining engagement (and preventing member attrition) than financial incentive alone.

However, extrinsic rewards like incentives do play a role, often as rationalisation for the time investment, rather than as a core driver. As suggested by Frederick Herzberg, “the difference is that you can only create satisfaction through intrinsic factors, but you can create dissatisfaction by failing to pay sufficient attention to extrinsics”. Or in other words, you can’t neglect rewards, but also don’t expect them to be enough to keep people truly satisfied.
To avoid participatory drop-off, Richard Bates, Samsung European Consumer & Market Insight Director, also suggests a ‘duty of care with engagement’.

He has successfully demonstrated to the wider business that Samsung’s set of customer communities, ‘SmartLab’, is “a valuable tool for listening and understanding what consumers are thinking in a rapid way.” However, he now ‘lacks enough capacity as everyone in the business wants to use it’. As a result, he is wary of running too many projects and activities due to the danger of burning the community out and driving members away:

**Three top tips**

- **Design the right value exchange** for your members
- **Don’t over-work the community**. It creates diminishing returns
- **Provide regular, transparent feedback** on how the input of the community is being used, whatever your audience

Ultimately, keeping your community healthy and useful comes down to thinking through what kind of experience will motivate members to participate. There are entire papers devoted to this subject.

However, no matter the audience, there are five essential features of a solid foundation for a motivated community. Create an experience which is personal, private, intimate, easy to use and intellectually stimulating.

These five factors form the basis of C Space’s ‘Value Exchange’ model. Get in touch if you’d like to discuss engagement in more detail.
For one of their specialist innovation communities in 2012, Richard Clarkson of Orange, employed exclusivity, authenticity and a sense of challenge to invoke continued engagement from members. The community was billed as ‘Orange Pioneers’ and was involved in a host of end-to-end concept development, ‘pioneering’ future growth opportunities.

To achieve its objectives, Orange required members to prove themselves before they could take part. The tone was less “Would you like to take part in a research project?” and more “Are you creative enough to design the future of voice and messaging?” Applicants were then challenged to pitch their skills to qualify as an Orange Pioneer – a small and exclusive group.

If they qualified, the overall mission was revealed – such as discovering unmet needs in telecoms and co-developing ideas for the future.

To warm up, the Pioneers played online creative games to encourage lateral thinking. In addition, each week Orange released a ‘technology spotlight’. This was an exclusive article about a future piece of technology, meaning the member team was learning throughout the process.

At this stage, the community members were being treated more like an extension of the Orange business, rather than a distant consumer group. This principle underpins much of Orange’s wider attitude towards communities. Moderators even pick up the phone and call members to clarify and probe aspects of their comments or invite them to be filmed to capture their stories more visually.

However, Orange is not creating blind ‘fans’. To discover unmet needs, the brand encourages open criticism of itself and of the sector as a whole. Asking them to unleash their anger and frustration around aspects of their technological lives and relationship with Orange has two benefits. Firstly, it yields useful insight in its own right. Secondly, and critically for concept development projects, it enables them to move past these blockers and become more solutions-focused. This is based on the Jungian concept of ‘What you resist, persists’. You can try to prevent criticism, but you’re better off asking for it so that you can create a more constructive environment.

This process creates members who are ‘critical friends’, not advocates.

Turning customers into critical friends

Orange has extensive experience with communities, having used them to assist with brand challenges, traditional audience insight, product development, customer closeness and segmentation work since 2011.
Pitfall 3
proving the ROI
of the community is a common, but tricky challenge. Thankfully, many of our interviewees had lessons to share.

“We started thinking about ROI and demonstrating impact very early on in the life of our community. It’s a hell of a lot easier to plan it into the process than to start chasing business unit owners for feedback at the end of the year.”

Insight Director, leading global insurance brand

Demonstrating the value and ROI of insight and customer research work has been a hot topic for several years. One of our interviewees summed up the key problem:

“There are many, many steps between insight work and going to market with a product or service. It can be hard to prove ROI in the traditional sense, especially as you lose track of what happens after the insight process.”

This is a perennial insight issue, not an ‘online communities’ issue. However, the reason it was commonly raised by interviewees was the sheer level of spend involved on communities. As mentioned later in our ‘Picking a partner’ section, online communities can be a big commitment. They are often based on contracts lasting a year or more and can represent a significant proportion of a department’s budget. In that context, measuring ROI becomes critical.

Thankfully, many of our interviewees had lessons to share.

DEFINE THE COMMUNITY’S STRATEGIC PURPOSE

Simple, but a good place to start. You can’t measure whether your online community has been a success unless you define its purpose. What is the one-line strategic reason for its existence? How can you link it to a higher level company strategy? The more you can align the community’s activity with a specific, valued organisational mandate, the better.

This could be increasing NPS via improving customer experience, informing strategic expansion into a new market or plugging insight into a product development process to drive increased market share. This might be too simplistic, as your community may need to support several types of business impact. However, try to avoid generic objectives like ‘enhanced customer centricity’, unless you have some measures beneath that to give it some substance.

Excitingly, once you have a clear purpose/set of purposes, this also “gives you permission to say ‘no’ to the wrong kinds of briefs. You have to prioritise the briefs that will have the most impact.”

Monique Hellel, Senior Strategic Insight Manager, HSBC.
Imagine you’re setting up an online community for the first time in your business. It’s an exciting route to your customer that your brand hasn’t had before. Stakeholders from departments are clamouring at your door. In this rosy picture you might not be under immediate pressure to qualify or quantify the impact and ROI of the community. However, eventually, you will be.

Any ongoing business commitment will eventually be questioned. The overwhelming advice from interviewees was to start planning how you will track impact right from kickoff. It’s easier to track impact stories and stats as you go along, as part of an organised plan, than to leave it to the end of the year. Believe us. We’ve been there.

Your insight and marketing departments are under pressure. Budgets are being squeezed. Anyone who demonstrates cost-effectiveness is a hero. That may sound familiar, but resist the temptation to position the community purely as a ‘cheap alternative’ role, don’t promote it purely on cost.

Cost savings can be an important benefit, but a more nuanced message is to quantify “both the positive value and impact it has helped you create, not just the money it has saved you.”

**RESIST THE TEMPTATION TO PROMOTE THE COMMUNITY ON COST-SAVING ALONE**

Richard Clarkson, Head of Segmentation Research & Insights at Exterion Media UK, made the conscious strategic move of building research into the business’s Salesforce CRM system.

When setting up the celebrated ‘WorkShopPlay’ insight community at Exterion Media UK, she made the conscious strategic move of building research into the business’s Salesforce CRM system.

One of the community’s key roles was to help Exterion demonstrate how well it knew customers, via its own proprietary research. Therefore, every new business person that had used insight work from the community in a new business meeting had to log it in Salesforce.

Two simple drop-downs allowed salespeople to select whether insight had been helpful in a pitch, and which research project it was from.

By doing this, Exterion Media was able to confidently state that the community had helped its sales teams generate nearly £6 million in 2014 alone. Gemma is currently in the process of setting up similar systems for Twitter and their proprietary #birdsignals community.
We all know that customers have a limited timespan when it comes to surveys. Agencies and insight departments have thrived on their ability to simplify complexity and make questionnaires engaging. Do the same when you're looking for regular stakeholder feedback.

The Football Association (FA) has a very simple way of measuring the effectiveness of every piece of insight work. At the end of every project, stakeholders who have commissioned or requested the work must answer three questions.

1. Do you feel you better understand our audience as a result of this research?
2. Did this research help you make a business decision?
3. If you invested your own budget in this research, do you feel you got value for money?

That's it. Over time, it helps them quantify perceived stakeholder impact. As Ross Antrobus, the FA’s Head of Research & Insight, puts it: “We designed those questions around a simple view of what role ‘insight’ should play: better understanding of the customer, better decision making, delivered in a cost-effective fashion.”

Going a step further – why not create an equivalent of Net Promoter Score for your insight department? One of our clients has already built this into the feedback system for his communities. Across the six global markets covered by his communities he is able to see which stakeholders are most likely to recommend the community to their peers. If they’re not as happy as other markets, he can find out why and fix it. Plus it makes pretty useful ammunition for tricky budget or procurement conversations.

“We designed those questions around a simple view of what role ‘insight’ should play: better understanding of the customer, better decision making, delivered in a cost-effective fashion”

Five top tips

- Define the community’s strategic purpose
- Plan impact-tracking from the start
- Resist the temptation to promote the community on cost-saving alone
- Build impact-tracking into your business’s system
- Make it easy for stakeholders to feed back
Five common ways to measure ROI

To help you figure out which types of measures might be applicable for your business, here are five different ways to think about the potential impact of your community, and how you might measure it:

1. Stakeholder impact
   
   Qualitative feedback & quantitative metrics after each project measuring impact on stakeholders. For example:
   
   - **Do you better understand customers than you did before this project?**
   - **Did this project help you make a more informed business decision?**
   - **Would you recommend the community to other business stakeholders with a similar insight need?**
   - **Did you feel you got value for money?**

   These can be aggregated and tracked over time, allowing you to measure perceived value across audiences and projects.

2. Value creation
   
   Estimated extent to which the community has affected revenue producing activities. For example, if insight is being used to drive sales meetings, then tracking this is highly valuable. If insight is leading to product or service launch, then tracking the revenue generated by that item is equally valuable.
   
   - **Estimate revenue created by new products, etc., that community has affected.**
   - **Ask stakeholders to quantify significance of impact of community work on business initiative.**
   - **Build use of insight into Salesforce tracking systems.**

   This is not an exact science, as clearly other factors influence success or failure, but it is still a useful measure.

3. Cost efficiency
   
   Estimated aggregated cost saving over the year, based on the efficiencies of scale potentially created by your community/communities and the opportunity to draw on existing insight.
   
   Total of:
   
   - **Estimated saving vs traditional methodologies**

   Some C Space clients have estimated annual research cost efficiencies of approximately 40% versus traditional methods.

   The speed with which projects can be turned around in the community also represents a cost saving, as the business is able to make decisions/act faster upon the insight.

4. Loss prevention
   
   Estimated savings created by projects that told the organisation not to launch something that would have failed. This could be a product or a piece of communications that was averted. For example:

   "We would have invested £X in this product that we learnt would not have been successful in market due to insight."

   "The planned comms which received highly negative feedback during research would have reached X million customers. We estimate that unchanged this could have caused a 0.5% reduction in NPS."

5. Hero stories
   
   The other factors are more rational and numeric. But decisions aren’t made on reason alone; we’re emotional creatures.

   Plan some exciting, high impact stories on topics that you know matter to the wider business or to the audiences whose support you will need in retaining the budget for the community.

   These could be communicated at annual shareholder meetings, internal or external awards. You essentially want stories to reach the C-suite.

   Quantified measures are important in justifying the value of the community. However, you also need stories to convey its worth. Design impressive stories into the process, to help you capture hearts and minds.
Pitfall 4

forgetting your community is a brand

“Getting stakeholder engagement right creates a virtuous circle.”

Insight Director, TalkTalk

When you think about ‘community engagement’ it’s often to focus purely on member engagement – how active the various members of the communities are. However, it is just as important to invest time into building business engagement with the community as well.

One interviewee described the benefit as a “virtuous circle. The more energy we invest in engaging and sustaining our community members, the better our projects tend to be. The more we hero the community and successful projects that have added value to the business, the more of the right kind of briefs we get. Those often happen to be briefs that community members find interesting to work on as well, making them happier. And because we make sure we capture feedback and impact on the projects, we can feed that back to members. That gives them satisfaction that the time they’re investing is worthwhile. And we can show the video testimonials for successful projects to other business stakeholders to explain the community…and so on!”

This takes time but it pays off. Think of your community like a new brand you have to market.

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Design a brand identity

Create a compelling name, visual identity and a tagline linked to the strategic purpose of the community.

As marketers, we all know that having a great product is only part of the battle. Effective branding and messaging helps you spread the story of the community. It can also seriously help with member engagement.

The DAS/Omnicom ‘SHAPE’ community is a strong example of this. DAS is the holding group of companies within Omnicom that have specialisms in insight, branding, PR, CRM, healthcare, CRM and events. So they own well known agencies like Wolff Olins, Porter Novelli, Flamingo, Hall & Partners, RAPP and C Space.

It’s hard to get meaningful collaboration between different agencies, even within the same ‘group’. However, C Space and DAS wanted to experiment with whether you could create new value for clients by bringing together the smartest minds from different agencies across DAS.

Effective branding and messaging helps you spread the story of the community. It can also seriously help with member engagement.
SHAPE was the answer, a crowdsourcing and collaboration community that tackles client challenges by getting agency employees to work together online.

However, if you’re reading this and you work (or have worked) agency-side, ask yourself: would you make time to take part in something like this? Really? It’s difficult to imagine justifying investing time in this when you’re a busy professional.

SHAPE, bucking the norm for research, forgoes small incentives and purely has one high ticket prize per client challenge, like luxury holidays or new LG TVs. By designing an identity fit for their audience, they’ve grown SHAPE to the extent that they have managed to build a thriving community of 400 agency professionals.

If you have a community, what brand have you built around it?

Have a campaign mindset

You can learn a lot about the marketing of insight from politics. One of our colleagues ran a project with 10 Downing Street back in the ‘90s and was impressed by the specificity with which they planned their influencer strategy.

They listed all the individual politicians and policy makers they were looking to reach, their priorities, and the best way to reach them. In effect, they designed a channel strategy for people. If you’ve watched House of Cards, this probably isn’t a surprise.

Our colleague started helping insight clients do the same within their organisations. Insight work is only effective if it changes behaviour within an organisation. And to do that, you have to plan how it will be spread. Returning to the ‘Trojan Horse’ idea from earlier, an ongoing community can be a formidable tool and platform to help spread insight within the organisation.

By creating a consistent brand, then planning your insight outreach like campaigns, you can have a more significant impact within your business. It is not good enough to rely on purely the quality of the work. Good work that reaches the wrong people, in the wrong format for them, is not going to change their behaviour.
Consider your audience(s).
And then map out...

If you are looking to elevate insight within the business, you can then use this map to design projects that are useful to the business generally, but also win over specific stakeholders.

Design projects and workstreams into the community that tackle issues relevant to their needs. Use naturally occurring member conversations as fuel to start conversations around topics relevant to them.

And finally, be picky about the messages you want associated with the community.

One piece of advice we heard from multiple interviewees was “just because you can do a project, doesn’t mean you should”. If you don’t think a project fits with the strategic purpose you are trying to build around the community, maybe don’t do it.

Develop hero stories around community USPs

The single biggest differentiator about an online community, compared to other research methods, is the ongoing relationship with members.

But not all brands exploit its maximum potential. Savvy clients do.

“At a time of rapid industry change, having a continuous connection with clinical lab and healthcare professionals lets us find new ways to provide them more value, which in turn improves the health of our business.”

Insight Director, clinical diagnostics manufacturer

“Online communities can help with a multitude of research and innovation needs. However, for the community to really shine and demonstrate its advantage over other approaches, it’s worth highlighting the things that you can only do through an engaged, ongoing community.

The benefits here are less for community members, and more for the organisational budget holder.

This helps you gain maximum value from your investment, and create stories around the community that help protect the investment.”
Three top tips

**Design a brand identity** for the community that is ‘shareable’ and links to a strategic business priority

**Have a campaign mindset.** Identify your audiences and package up projects, insights and emerging ideas from the community with these audiences in mind

**Create hero stories** built around the unique types of project that an ongoing community enables you to undertake
What to look for in an agency partner

Online communities can come with a long-term contract and relationship. One of C Space’s airline clients, for example, has had communities with us for just over ten years. They’ve just signed a three year contract – a big commitment.
Compared to ad-hoc agency work, your online community partnership is a very different relationship, and therefore a very different purchase decision. Here are our interviewees’ ranked priorities when it comes to picking an agency:

Unsurprisingly, the two characteristics that come out on top are the ability to bring insights to life via storytelling and the ability to act as a consultative partner, not a supplier. Coincidentally, these qualities are potentially also the hardest to quantify (therefore, difficult to demonstrate to procurement). So, if these qualities matter to you, think about how you can qualify your potential partners.

Advice from Veterans

GET IMPARTIAL ADVICE

“Use client forums like AURA to speak to other practitioners about their experiences with agencies.”

“Ask to speak to one of their other clients, ideally of a comparable size but from a non-competitive industry, who uses their community in a similar way to what you have in mind.”

MAKE IT REAL

“It’s tricky to get a sense of what the work will be like beyond the promises of the pitch ...

... so design a mini sample project as part of the tender process. Ask the agencies to provide example approaches, outputs and indications of cost. As part of this, ask for clarity on the roles of responsibility of yourself vs the agency. This will show you what is expected of your team and what the agency will do.”

LOOK FOR STORYTELLERS

“Find an agency that is good at storytelling and can use the ‘real’ insights they gain when talking to participants to really add the human element to the research and really bring the results to life for your internal audience. So you want an agency that has strong research skills and storytelling, rather than trying to wow you with a really advanced technology with loads of functionality.”

CO-CREATE A PARTNERSHIP

“Invest time in being very clear about your requirements and have an open and honest dialogue with your chosen agency – you must be partners.”

“Establish and encourage a common identity with your agency. For us, partnership means a combined community team which is made up of people from within our department as well as people from our agency. This helps build a common purpose across the team from the outset.”

“Ask them about ways of working. We’d advocate speaking to your agency every day and encouraging individuals to be part of your team from day one.”

“We co-develop technology with our agency. Once every couple of years we get our provider to invest in trialling a new technical approach. They fund it with the guarantee from us that we’ll pay for at least one substantial project utilising it, and work with them to promote their innovation both inside and outside our organisation.”

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Challenges that will shape the future of online communities

Lots of ideas and examples of best practice emerged during the study that informed this report, particularly from experienced insight managers.
However, there were three areas, common pain points, where professionals demanded more progress from online communities. These are likely to inform innovation in the community landscape in the imminent future (if they aren't being solved already!)

86%
WANTED MORE INTEGRATION
“Integration with other sources of data (e.g., social media listening, customer data).”
By combining the community with these other data sources, clients would be able to provide more credible, intelligent synthesised outputs and recommendations.

65%
WANTED MORE “IN THE MOMENT DATA”
“More live, in the moment insight & data, rather than considered comments.”
This would require a shift of emphasis towards capturing feedback, ideas, context and comments ‘as they happen’, rather than relying on providing time for considered responses (whether qualitative or quantitative).

44%
WANTED GREATER AGILITY
Communities that are ‘easier and faster to deploy to new markets’.
This would increase organisations’ ability to rapidly target, recruit and work with new audiences not currently on the community. Whilst communities are very fast at engaging existing members, setting up completely new markets and audiences can be quite slow.
Opportunities
for the future
8 out of 10 of the participants in our survey agreed that ‘the usefulness of online communities could be significantly improved if they were more integrated with other sources of data’. For some, this reflects a change in the needs and role of the modern insight professional.

“I need to be a jack of all trades. We have so many data points we need to tie together to give a full picture of the user. It’s no longer just quant & qual. It’s social listening, it’s behavioural science and more I could name. I want more help from my agency partners to integrate different datapoints so I can convey the full picture.”

Research Manager, media brand

This isn’t just a customer insight problem. Organisations are experiencing the same challenge of data fluency and integration across many levels of their business. There are more sources of data than before and bringing them all together is tough.

“Our biggest challenge isn’t moving products; it’s moving information. You have to have the right information in place, by channel, before moving products around”.

Chief Supply Chain Officer, Consumer Products (IBM Customer Activated Enterprise Report, 2013)
We discussed two ways of achieving this with interviewees:

**Data integration**

For example, Boots’ panel of 40,000 members is integrated with their individual Advantage card profiles.

Actual purchase data and trends the team identifies are often used as the jumping-off point for investigation through research work.

**Integrated insight & analysis**

This represents more of a change in thinking, rather than a technical innovation. The other route is more integrated project design analysis – a more rounded approach combining passive data collection, social media monitoring and many research techniques.

However, some of our interviewees, like Richard Bates from Samsung, feel that: “agencies and the industry don’t have the breadth of skills to deliver on what clients want to do with their communities.”

So to fully capitalise on this opportunity, either agencies need to collaborate or the industry as a whole needs to start prioritising more holistic skillsets.
Becoming more “in the moment”

A commonly cited benefit of communities is the ability to spend more time with people, speak to them when it’s convenient to them, and return to them multiple times about a topic. This is ideal for iterative development of a product, strategy or service, or simply to explore a topic in increasing depth. As Richard Clarkson from Orange puts it:

“It’s not a focus group where you speak to people once. You could speak to them over several days or go back over several weeks or months. You are getting a considered answer and multiple points of input rather than two hours on a Thursday night.”

However, Richard and other advanced practitioners were also quick to point out the limits here. It’s so easy to have conversations with members about their attitudes and behaviour that other routes to insight can be neglected.

As many behavioural sciences texts put it: “We’re poor witnesses to our own behaviour”. Ultimately, if you ask someone a question, you’ll get an answer. It might just not be a very useful one – a rationalisation invented on the spot that doesn’t match up to reality. Partly this just comes down to having a strong research pedigree and bearing this in mind for analysis.

However, there are methodological implications. Straight discussions and surveys have to be complemented with methods designed to expose decisions based on emotion, bias and instinct (Daniel Kahneman’s system 1 thinking).
Communities have to find ways to access more in-the-moment input. This is already being done, it just isn’t always the norm, potentially because more creative or observational approaches are sometimes a more expensive option. However, a quarter of our interviewees strongly agreed that communities would be more useful if they could provide more access to ‘in-the-moment, live data, rather than considered comments’. There are many ways to tackle this:

01 Seeing communities as portals into members’ lives
Not ‘where the research happens’. For example, setting people investigative or creative tasks to complete offline individually or with others. The community becomes the collection and discussion mechanism, not the method.

02 A mobile-first attitude to community design, culture and communications
Enabling and encouraging more live input via mobile as it happens.

03 Co-discovery of actual user data
Showing community members their own behavioural data as a prompt for discussion. This can lead to illuminating insights when you compare stated behaviour with actual.

04 Integration of more passive data collection analysis
For example, lifelogging via video and capturing data via wearables and connected devices.

05 Conducting behavioural experiments via communities
Such as AB tests around different product variants or information. Again, the community becomes the access point to consumers, not the ‘method.’
Solving the agility paradox

“We have lots of audiences. We might have a brief on mothers one week and a brief on Millennials the next. And we have tons of ‘data.’ It has been hard to find an effective way to deep dive into different audiences over the year. There needs to be innovation here”.

Insight Manager, social media brand

One of the perceived advantages of online communities that interviewees talked about was speed. If you’ve already got a group of screened, recruited and engaged members on the community, it’s far faster to engage them than it is to recruit and meet equivalent people in focus groups.

Cumulatively this also becomes more cost-effective over time. However, that speed benefit only applies when your community has those kinds of people on it already. What if there’s a more niche audience or different market you want to rapidly tap into, and still get qualitative depth?

“Our core market is Western Europe, but there is potential for our products in Brazil, Eastern Europe and Africa. We want to stay close to our core. But we also want to be able to dip in and out of the other markets to see whether audiences there see opportunities the way we do.”

Insight Manager, European FMCG brand
In one light, communities are often hailed as cost-effective and fast. However, when you want to create an engaged qualitative conversation with someone who isn’t on there, setting up a separate community or an extension is often seen as expensive and slow.

This brings us back to the panel/community and breadth/depth debate. How can you get genuine breadth, genuine depth, fast – without a huge price tag?

The issue with a traditional panel dynamic is that its emphasis on surveys and points/payment per contribution creates quite a transactional relationship. It’s difficult to then engage those people in far more depth than they’re used to.

There are exceptions. Where we’ve seen potential is with brands that, by their nature engender, a deeper relationship (not necessarily always a happy one) with consumers, regardless of the platform they’re engaging with.

Entertainment is a prime example. One of the football clubs we spoke to has a community, but it really has more in common with a panel.

There are over 4,000 members and virtually all their contributions are via one-way surveys. Qualitative interaction is limited. However, even within that format they are willing to spend a lot of time on the site, contribute lengthy answers to open-ended questions and volunteer spontaneous suggestions to the fan or match-day experience.

It’s simply down to them caring about football, their club and their match-day experience. Incentives are limited and participation is open. Taking part is not just a transaction. The club in question is currently limited by their tech platform, which isn’t designed for qualitative work. But they’re actively exploring how they can capitalise on this unusually large, but engaged group, through shorter term communities.

Achieving breadth, depth and speed without an exorbitant price tag is tough. The inherent ‘pull factor’ of a football-related brand isn’t something everyone can emulate.
Spotify have achieved a more agile way of reaching users – however, they’ve done so by coming at the problem from a very different angle. The Spotify community started as a way to connect users around customer service and technical issues, but over time has become far more.

It’s become a combination of a brand extension, crowdsourced support and advice, a forum for insight into users’ lives, habits and frustrations, and a platform for developing new ideas and features.

The community is not owned by ‘customer insight’ – it sits between multiple departments with different agendas. It’s a nice reflection of how different interaction with modern brands can now be: participative, two-way, generous and open.

However, even though there is a huge user base on there, allowing you to deep dive into a niche audience at will, this still doesn’t solve the agility paradox completely as it only captures existing users, not non-customers.

Overcoming this challenge-reaching new audiences, fast but in-depth, digitally-might require a change in the public’s perception of ‘research’ or interaction with a brand. The transactional nature of ‘research for cash incentive’ isn’t enough to get us to a place where we can authentically engage with people in disparate locations.

A similar example, also from the entertainment sphere, is the ‘community’ that exists around the PS4 and Xbox 360 game ‘Destiny’.

Destiny:

Destiny is a modern gaming blockbuster, from the makers of Halo, one of the most successful gaming franchises of all time. Destiny is huge. It has over 17 million active users worldwide and recouped its $500 million investment costs 24 hours after launch.

The game's great, but what makes it interesting is their approach to their fan-base. For a start, user testing and collaborative development of the game within private online communities and in Bungie’s offices started three years before launch.

The launch itself was met with a lot of fanfare, but cleverly, the game itself has a companion app. A companion app that’s actually pretty useful – and addictive. It provides useful complementary news, information and, critically, tools that actually enhance your playing experience, such as locations of missions and characters or the ability to move equipment from one character to another.

However, their news section, the first thing you see in the app, is more like a CRM platform. The development team are extremely open and personal about mistakes they’ve made, open up the conversation around the game and generally make you feel like part of a community.

There are endless discussion boards (official and unofficial) that can be found online. However, their in-app CRM has more of the tone of a personable community moderator than it does a corporate news tool.

The posts come from two individuals (Deej and Cozmo), not from Bungie, the developers. They have cultivated a community that provides them constant feedback and have designed digital experiences that give you reason to regularly engage with them (even amongst casual fans).

It would be easy to imagine them reaching out to small groups of users and recruiting them, fast, into their user research community for more in-depth work. Perhaps they already do. They have built ‘community’ into the brand experience itself.
Where next for online communities?
Some of the innovation around communities will doubtless come from solving the three challenges discussed. However, we can also see other paths to innovation.

**Technology**

Technology is perhaps the most obvious. Like many digital experiences, communities are increasingly mobile-first. People have often worried about contribution levels for research on mobile devices. But mobile technology has caught up. And our habits have changed accordingly.

Deloitte’s 2016 study into smartphone usage has showed an increasing move from voice calls to messaging and video services, with more than a quarter of users in 2015 never using their phone to make a call. That rate has doubled in four years.

To quote Paul Lee, analyst at Deloitte: “It used to be good to talk …now it’s good to tap.”

As our own research has shown, you can get the same quality of responses on tablets as on a desktop. It’s true that smartphone contributions are slightly shorter. However, what really improves contribution is to create an experience that’s simple and likeable.

In practice this means reducing the number of questions you ask, building a relationship with people and explaining the context in which the work will be used.

If you put the same open-ended question on a private community and a Google Consumer Survey, the private community delivers 80% longer responses. Why? They care. You’ve built a relationship and they know why they’re doing it. As Roy Langmaid puts it “To open up the question, you have to first open up the person.”

However, typing and tapping aside, we wouldn’t be surprised if video input becomes the industry standard for communities.

Think of a community that was the love child of Siri and Google Hangouts – at scale. Imagine the power of a more immediate route to people’s thoughts and feelings from members e.g., at a football ground, mid-match, showing a bad vendor customer experience via video commentary.

“To open up the question, you have to first open up the person.”
However, looking 10 years ahead, our Siri/Hangout love child looks rather unambitious. Tame even. Far more disruptive technologies are coming down the pipeline, as a quick look at Gartner’s Emerging Technology Hype Cycle illustrates:

EMERGING TECHNOLOGY HYPE CYCLE

So, a quick thought experiment:
What if we just picked three technologies from the hype cycle?

Speech-to-speech translation
Speaking into a machine in one language, which automatically transcribes it, then translates into another language – and says it out loud. In your voice. So far, so Star Trek.

Consumer 3D printing
Whilst ‘Enterprise 3D printing’ is close to becoming a mainstream reality (it’s on its way from the ‘Slope of Enlightenment’ to the ‘Plateau of Productivity’), consumer 3D printing is further away. Gartner predicts that 3D printers in consumers’ homes will be a commonplace reality in 5-10 years.

The Internet of Things (IoT)
You’ve probably heard of this one. But Gartner predicts connected devices (whether cars, utilities, light bulbs or hospital operating theatres) will rocket by 30% in 2016 with 6.4 billion devices in usage worldwide by the end of the year. They predict 20.8 billion by 2020.
How could each of these technologies impact the world of research? And, as a knock-on, the way online communities are used?

Speech-to-speech translation technology could revolutionise the way international research works. Imagine Korean, Canadian and French teenagers all conversing seemingly in a common tongue. And your client in South Carolina can read every word, expressed as it’s meant. Or, is the more exciting application hearing the ‘stream of consciousness’ from a professional mountain climber as he climbs El Capitan, in the moment?

It’s genuinely exciting to look ahead and imagine just how a few of these technologies could transform the research landscape.

““In two-thirds of the organizations that outperform their peers, leaders are not just managing customer experiences; they are reorienting their organisations, strategies and investments to cultivate contemporary relationships across all manner of customer interactions”.”

Virginia M. Rometty, Chairman, President and CEO, IBM
Our view: bring the customer inside

We live in participative, collaborative times. Some of the most disruptive businesses in the world have taken advantage of this. The biggest accommodation company in the world doesn’t own any property. The most valuable retailer in the world has no inventory. The world’s largest taxi company owns no vehicles. These businesses have created new business models and sources of value by connecting people.

Businesses and industries are being disrupted faster than ever before. It’s never been easier to start a new business. And we live in a world where new start-ups can steal share from global giants. The same digital infrastructure that enables new start-ups to scale also enables established brands to copy and commoditise competitors’ products and services at an unprecedented rate.

Many brands face a fiercely competitive landscape. To try to generate competitive advantage, many are turning to their customers. Customer centricity is a fashionable topic right now. In its 2013 study of over 4,000 C-suite executives, IBM’s Institute for Business Value found that CEOs claimed customers exerted a bigger influence on strategy than all but the C-suite itself.
However, brands can struggle to reconcile the rhetoric of ‘customer centricity’ with the actions required to achieve it. Customer centricity can feel like an empty promise. Insight & Business Intelligence have a significant role to play in defining that. Because of this, we believe that online customer communities are more relevant than ever.

Critically, we believe that the more intimate, ongoing, two-way relationship with customers that communities can provide is their single biggest differentiator. Their secret sauce.

There are always other sources of big data. If you want incredibly fast questionnaires, new breeds of on-demand, dis-intermediated panel providers can deliver that. Communities can deliver some of this too, and many businesses will continue to look for blended approaches.

In an on-demand panel, you can test hypotheses you already have. You’re less likely to discover something completely unexpected or genuinely understand the ‘why’ behind the data. You can ask open-ended questions, but the results you’ll get are as different as asking a question of a stranger in the street versus a friend over a fireside chat. It’s the space you create, not the question you ask, that makes the difference. If you’re thinking that online communities are solely a cheap substitute for qualitative research, stop. Right now.

In the same way that qualitative research rapidly became commoditised, what Roy Langmaid called ‘questionnaires in armchairs’, we run the risk of eroding the potential of online communities. A dead end.

But the trust and relationship that can be established within a private community over time unlocks completely different opportunities.
Increasingly we see a schism. Organisations need quicker and cheaper. But they also need relevant and thoughtful. People often talk as if we have to choose between fast innovation cycles and slower, more strategic thinking. But we need to be fast and slow.

Digital research has sometimes been seen just as a route to cheap and fast, but not in-depth. However, we believe this is false. We believe communities can support both.

Communities can help us optimise an advert for launch next week, or help us follow a mother’s journey from first scan to first steps. Communities are just a route to the customer. It’s up to us what we make of it.

With this in mind as a mandate, we believe we are on the cusp of seeing a new wave of exciting, innovative usage of communities. To do this though, we have to celebrate what makes communities special.

At their best, they are not a technological platform where research activities happen. They are a portal to customers’ lives. A window on the world, not a website.

A window integrated with all kinds of data sources to help brands make better decisions. They have the potential to help brands gain greater insight, collaboratively learn and develop new products, new services and strategy with and for their customers and consumers.

To deliver this, we need to go beyond cash for questions and obsess about building relationships.

From our research, we believe that the brands that are getting the most value and impact from their communities are those that recognise the value in these relationships. They see their communities as an opportunity to bring the customer inside their business. A catalyst for change and a way of driving growth.

Customer Inspired Growth
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Appendix

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