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Marketing to Customer Networks: the New Way to Build Your Brand

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Changes in consumer habits and lifestyles are rendering time-tested marketing strategies ineffective. Not only have media channels increased extensively, consumers are increasingly savvy about how they respond to marketing. The rapid growth of internet and digital technologies has also changed the relationship dynamic between companies and their customers.

Speaking at the BRITE (Branding Innovation Technology) Asia '09 conference held recently at the Singapore Management University (SMU), David Rogers, executive director of Columbia Business School's Centre on Global Brand Leadership, believes that customers are more powerful than ever. "It used to be that if customers had a negative experience with your brand, it would be just an individual problem. They may call you up to say that they're not happy with the product and you would resolve it or you wouldn't. The worst thing that could happen is that you ticked off one customer and you lose one customer. But things have changed," he said.

Traditional media like newspapers used to control information distribution. They could decide what people would read and through that, steer opinions. Today, the dynamic has shifted because customers are both content producers and consumers. Technologies have enabled communication to occur on a one-to-one basis, one-to-many or many-to-many. People can broadcast experiences, opinions and reviews through social media, such as blogs and Facebook, quite effortlessly. Through such networks, customers are also identifying themselves as advocates or adversaries to products, services, brands, organisations and causes.

Tapping on customer networks

Customer networks may be difficult to understand or manage, but they can serve to build awareness, brands and customer loyalty. For instance, Coca Cola has a page on Facebook with more than 3.3 million fans. However, the page (http://www.facebook.com/home.php?ref=logo#/coca-cola?sid=b610c25c3b05c374d17795797c4899db&ref=search) was not created by Coca Cola or its ad agency -- rather, it was created by customers who are passionate about the brand and its offerings.

Few companies have been successful in tapping on customer networks. One Chicago-based online store has, however, found great success with its unique business model. Started with a mere US$1,000 in 2000 by two college dropouts, Threadless.com (http://www.threadless.com/) is now a thriving business that enjoys zero R&D cost but 100% sales success. The graphic t-shirt company puts product creation in the hands of its customers. User-generated designs are published on the website and put through a voting process. Incentives are given to the designers to market their designs and solicit votes. Designs that garner the most votes are printed onto t-shirts and sold with great success, as every product has been pre-approved by the customers.

The success of Threadless.com speaks to the value of customer engagement in the age of social media. "Marketing as we've known has been based on this idea of the masses - a mass of individual consumers. Whether it is product development, positioning or messaging and communications, it has been about serving an aggregate behaviour of a lot of people. But when we think about what marketing for customer networks would look like, it's quite different. Firstly, the company is not the only one sending out messages, and customers may be communicating as individuals or using platforms such as blogs, twitter, or putting up a video on YouTube about a brand. So companies have to see themselves as not the originator of everything, but that they are living within a customer network and they need to engage in them by sending things out and taking messages back in," said Rogers. He believes marketers can do more to inspire customers so that they will want speak for the brand and business.

Businesses are recognising the importance of social media. Yet, a lack of understanding and appreciation for the platforms and its users can lead to counterproductive efforts. Many corporations have been guilty of setting up corporate blogs to look trendy, rather than to engage with stakeholders. Similarly, Facebook pages have been set up by organisations without strategic purpose, other than to recruit "fans". Rogers believes that businesses need to think beyond technology and fads. Instead, they should pay attention to customer network behaviours.

Customer network traits

A good starting point for businesses is to ask themselves the extent to which they are reachable. Network access is important for customers because it connects them to their personal worlds. Rogers pointed to the example of US president Obama's love for the Blackberry – it gave him access to his network of contacts and friends. As more gadgets allow people access to their social networks, businesses need to make sure that they are accessible (and compatible) across digital channels and devices. However, is it enough to be searchable within customer networks?

Businesses also need to think about how they can get their customers excited and enthused about their brand offerings. An engaged customer will likelier share links to an organisation's page and publish comments through social media channels. Many videos have quickly become internet sensations this way. Creating a great viral video, however, is a lot harder than it sounds. Shampoo brand, Dove, is renowned amongst the advertising and media community for effective use of internet video. Instead of creating television commercials about their products and brand, Dove produced a short clip which questioned society's mainstream portrayal of beauty. After the video was uploaded, internet buzz helped spread the clip globally (and perhaps, more importantly, freely). To date, more than 20 million people are said to have viewed the video (http://www.youtube.com/watch?v=iYhCn0jf46U).

On top of engaging customers in a passive manner, marketers should also consider how customers may be involved in the marketing cycle. Today, people share creative ideas almost impulsively, as most digital platforms have made it exceedingly easy to do so. Rogers pointed to the success of "iCarly" – a US-based television show which caters to children and teenage girls. The show's main character, Carly, has her own web TV show within the actual TV show. Each week, Carly gets on the show with her friends, share stories and then they get in front of the camera for a web show. Actual viewers are asked to go to the website (http://www.icarly.com/) to upload their own photos and videos. On that same website, they can also review other viewers' posts and vote for the ones that they like. Clips that garner the highest votes are then broadcast on the next TV episode. The customer experience for "iCarly" is active, in that customers are encouraged to participate in its 'product development'. At the same time, the show has created its own customer network in which customers share ideas and connect with one another.

Introducing customers into organisations

Businesses are warming to the idea of working within customer networks, due in part to a growing list of success stories. However, many people continue to view customer networks as business threats, rather than opportunities. Rogers believes this is due to fear, stemming from a lack of understanding. "It has given a lot more power to customers. It can threaten current business models and it also threatens traditional ways of marketing. Just going out there to say that we want to buy a share of voice or buy a certain number of clicks is increasingly ineffective. Broadcast marketing is a paradigm of the past which we are gradually shifting from," he said, adding that advertising is one of the industries most affected by this shift, as well-informed and well-connected consumers no longer respond to conventional ad and media tactics.

To understand, nurture and perform within networks, each organisation will need to be its own media agency, with its own set of social media policies and strategies. Beyond marketing departments and functions, organisations as a whole should reframe the roles that customers can play in the entire value chain. "I think the key is, if you put the customer at the centre of your enterprise and think of yourself not as an independent entity that sends things out to your customers but that you are operating within a network of your customers, and if you look at ways that you can, not just through marketing and communications, but through products, innovation, strategies and business models, help your customers to access, to engage, to customise their experience, to connect with each other and to collaborate on projects, there are great opportunities for businesses to thrive in the digital age," Rogers observed. Within networks like these, companies don't just sell to their customers. With the right plan and strategy, the same customers in the digital age more than just represent your brand, they help you sell.

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