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As technology and communications continue to evolve at pace, the 20s look increasingly challenging for many brands struggling to be heard in a stormy sea of competing content and shifting consumer needs and interests.

With the perennial changes of the digital behemoths Google and Facebook driving timely, local and peer-to-peer communications, the notion of a brand community is more pertinent than ever.

Audiences are maturing and becoming more sophisticated, tiring of content overload, being targeted and being spoken at.

As a result, brands are being forced to be even more human in their approach to sales and marketing. We no longer want or trust businesses that communicate with us from the top down. We want to be active participants in the experience; we want to know what our friends and family are saying and if not them, what like-minded people with the same values or interests as us think about a product, service or experience.

We may live in a digital world but we still have that basic human need to be part of something bigger than ourselves. Nothing cuts through the noise for consumers than being part of a brand community which reaches them through their identity and interests.

And brands have a natural part to play here; both as mentor and enabler within communities, often playing a role for consumers that nobody else can.

We all know – if only from Amazon and Instagram – that consumers are constantly seeking inspiration and information. If you don’t effectively cultivate and inspire brand loyalty in your supporters, they will find it easier to take their appetite elsewhere.

By involving consumers with interactive content and experiences that relate to their lives – the sort of content that engenders a long-term relationship with a brand – you can actively foster future brand advocates.

So the question is, shouldn’t brands be spending more budget and time resource on this, generating even more return on investment (ROI) from big ticket media spend by focusing on retention and community building?

This report, commissioned by Dialogue and in association with Disciple Media, is based on a survey of 1,001 adults in the UK as well as 104 marketing decision-makers to provide a fully rounded picture of not only how consumers feel about brand communities but what value marketers put on communities.

Our aim is to bring the concept of brand community back to the top table of marketing – to stimulate discussion and action, adding new vigour to the debate by highlighting how the primitive pull to be part of a tribe can engender long-term loyalty to your brand, and of course extended customer lifecycle value.

Zoë Francis-Cox
Agency Director, Dialogue
Executive summary

Dialogue has produced this report to showcase the power of brand communities. It follows our previous report, *The Benefits of Brand Communities*, published in 2017.

In 2019 we surveyed 100 B2C marketers and 1,000 consumers in the UK about their current attitudes towards brand communities, including:

- whether communities exist with brand organisations, and whether consumers feel part of them
- what actions members take as a direct result of being part of a community
- how consumers like to be incentivised versus the incentives actually on offer from brands
- who marketers feel should be in charge of communities, the role of a community and what platforms work best.

The findings reveal gaps in the perceptions of marketers and consumers across a range of salient issues, including objectives, incentives and levels of community membership. While 62% of marketers feel their customers are active and engaged in their community, 73% of consumers believe they don’t belong to one.

Marketers also state they are, on the whole, more focused on customer acquisition than retention: 35% say new customers are their sole focus compared to 26% who are targeting retention.

As with social media, brand communities are a two-way exchange between the business and the users who congregate around it. They have certain expectations and ways to nurture a community involve a mix of early access to price promotions, exclusive content and exclusive experiences.

This report, which includes commentary from industry experts, sets out the reasons why retention should be given more attention, how 16- to 24-year-olds embrace brand communities and how a well-run community can underpin better lifetime value, brand advocacy, ROI and growth.

The Power of Brand Communities was produced in conjunction with research agency Censuswide and digital communities platform Disciple Media.
What is a brand community?

Definition of a brand community: ‘A brand community is a group of people who have developed an emotional attachment or affinity towards a brand after purchasing their products or engaging with their services in some way. The community reflects a shared sense of purpose, passion and values, inspiring them to seek connections beyond interactions on social media.’

With the arrival of social media, brands started to consider the notion of ‘community’. Apart from a few rare breeds, historically they had never needed to communicate or engage with their consumers in an ongoing, two-way conversation.

After some teething troubles, brands which then engaged with Facebook et al believed they had established a community! Not only that, but it could serve both existing and potential customers.

But with the recent changes within social media (see page 10), brands are increasingly having to invest in paid social media advertising to reach the people they were once able to connect with ‘organically’ – and so social media has morphed into an acquisition tool.

Yet concentrating on new customers favours short-term gains over lifetime value. Brands could miss out on increased spend over time, as well as reducing the cost of churn, by paying little attention to retaining customers. But what is the best way of driving retention? In a world dominated by discounts and BOGOFs, a deeper emotional connection is needed to keep customers loyal. Because once someone is loyal, they are more likely to be an advocate and drive valuable recommendation.

The key agenda for brand communities is to nurture customer retention and loyalty.

The smartest brands, from Adidas to Sephora, realise the way to create strong connections is by building a community for customers and fans to share the collective delight they feel when buying into, and interacting with, a product or service or like-minded people.

Community is a core element that distinguishes commodities from brands that build equity. If community can demonstrate ROI, it justifies why marketing a brand is an effective use of budget, not simply a cost.

Just as in society, brand communities are built around a common purpose and dialogue between participants. Brands can succeed by joining their customers in the conversation. People don’t want all brands to be aloof, but too many organisations believe firing off an occasional discount email is enough.
Communities take marketing’s classic cognitive process to the extreme: grabbing attention, generating meaningful interest and creating a long-term relationship beyond the transaction.

Creating a genuine brand community couldn’t be more relevant; it delivers the peer-to-peer human touch that only the real fans of your brand can deliver and the space for that extra level of user-focused information that supports their purchases. It also engenders loyalty and word-of-mouth, always cited as key in acquisition.

Culture, music and sports have long realised this and nurtured fandom. But with the ever-increasing complex nature of the media landscape, brands now have to work smarter and use all their assets more efficiently and effectively. And audience passion is ultimately the real driver of commerce. We spend more on what we love. And that kind of passion can circumvent even the need for Google and Facebook spending.

To get retention right, any marketer should be thinking about brand community as a worthwhile initiative to turn customers into advocates. And because there are now a number of online apps such as Disciple, which give users a social experience around their passion subject or preferred brand, retention should be getting easier.
Brands tend to think of themselves as the root cause of the concept of community, whereas consumers see community as a more organic formation. Among the factors that create community, brands can be one of the denominators, but definitely not the be-all and end-all for why humans relate to and interact with each other.

Consumers like to think that they own their community unless brands offer significant definers of their individual identities. For example, being a Star Wars fan is an ownable quality for consumers to express themselves through a cultural phenomenon.

Communities that form around shared love and appreciation for a brand become most important when retention is the objective. Retention is the most cumbersome, always-on and slow-burning strategic phase in marketing. Communities are nurturing communication eco-systems where there is a natural exchange of knowledge and inspiration between consumers and the brand: A healthy brand community strengthens the loyalty and interest of its consumers by maintaining a rich communication channel where consumers feel a sense of belonging because of the value exchange. This cascades into stronger impact for acquisition and conversion, because the community effect emanates intrigue and desirability for new consumers who have a particular brand – and their community – on their radar.

- Nisa Bayindir, Consumer Psychologist and Strategy Director
The reality is, and always has been, that your social audience has never been your audience, it’s Facebook’s or Instagram’s. And now audiences just aren’t seeing what the majority of brands are delivering because of the change in algorithms that favour peer-to-peer communications (or what are perceived as such). Throw in the rise of content marketing – literally everyone is creating content! – and audiences are now swamped with information, much, much more than they would ever have time to consume. It’s what marketing strategist Mark Schaefer has called ‘content shock’.

So yes, while Facebook has now moved back to ‘delivering community’ for its users, for brands it’s morphed into a media channel. Organic engagement is down across the board, therefore encouraging your brand to pay for boosted content or ads to allow them to reach the audiences they used to access ‘organically’.

Even without these complications, brands have often found it challenging to find real purpose for their channels. Often, social channels have been little more than a ‘communications dump’ or places where a myriad of messages are squeezed in. Did that ever really constitute a community?

Some kind of delineation between acquisition and retention has always been necessary here: both are very different agendas for a brand and require different communication strategies addressing what’s valuable for the consumer.

But as the digital landscape has become more sophisticated/complicated (depending on your stance) and a huge amount of thought, energy and investment is required to attract new consumers, the need for a sophisticated agenda around retention and loyalty should be paramount for any brand to ensure the consumer doesn’t walk out of the door.

Social media was a godsend for brands, ushering in a direct line of communication with their audience, but that notion of ‘community’ originally sold to brands has disappeared.

Why brand communities now?
**HOW SOCIAL MEDIA KILLED COMMUNITY**

The changes in algorithms across social media mean audiences are harder to reach without budget, instantly turning those spaces from community to media channel - from active participant to passive receiver.

Average monthly increase in Facebook page likes is 0.13%

Average organic Facebook post reach vs page likes is 5.34%

Average engagement rate for Facebook page posts is 3.42%

Average engagement rate for Facebook page video posts is 6.04%

For Facebook pages with more than 10,000 fans, the average organic post reach is just 8.18%

For Facebook pages with more than 100,000 fans, the average organic post reach is just 2.59%

The internet essentially ‘broke the funnel’ by empowering consumers in such a way that it became a fallacy to believe brands had the same degree of control over their purchase journeys from the mid-00s onwards. McKinsey responded to this well with their Consumer Decision Journey perspective but even this is now not as relevant to an increasingly fragmented consumer experience.

- Edward Bass, Founder and Director, global audience intelligence consultancy, Entsight

*Source: We Are Social Report: The Global State of Digital in October 2019*
1. Brand communities: the opportunity

The number one insight to draw out from *The Power of Brand Communities* research is the fact that if anyone has an appetite for being part of a brand community, it’s the 16- to 24-year-old age group.

This shouldn’t be much of a surprise as these digital natives have grown up with the internet and social media is a natural part of their daily lives. 50% of this demographic said they were members of at least one brand community.

For any brand looking to build a long-term relationship with consumers, creating a relevant brand community shouldn’t be ignored as a way to communicate with this valuable audience from the outset.

Naturally, this type of deeper engagement impacts positively on their behaviour. For those connecting with brands in this way, they’re much more likely to discuss these brands or products directly with their friends offline once they’ve seen or received news or information from the brand. Of those polled, 31% admit to frequently discussing the brand and 57% sometimes discussing the brand.

In return, while this demographic would like early access to price promotions, special offers or sales (31%), also key for them are experiences and content that helps them understand the brand; 27% cite exclusive content and 22% exclusive experiences, which is good news for brands.
The types of brands that are most attractive to this demographic naturally relate to passion subjects: fashion (30%) and beauty (28%). More service-orientated brands (telecoms, 2%; banks, 4%), or ones that are less relevant to their age group (occupation and career related, 2%; energy suppliers, 3%; casinos, 3%) tail behind significantly.

"We love brands as consumers but people think you have to shove advertising down consumers’ throats, but you don’t. When a brand is doing something that aligns with your values, it can be fantastic. Brands have to be good, they have to be present, convenient and authentic otherwise consumers are going to switch off because consumer trust is rapidly declining.

- Lisa Targett, UK General Manager, Tribe influencer agency

"Those early innovators are those that are shaping communities towards particular visions of the world. The main barrier for any company is to identify what community should be their mirror to look at and to learn from and grow from there. These communities are not big, they are small (500 people) but they are not convinced easily.

- Javier Buron, CEO and Co-Founder, Audiense
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Younger consumers are more interactive within communities whereas older consumers are more passive but still want content that is relevant to their consumption patterns and want a relationship with brands who understand them.

- Simon Jobson, Global Digital and Marketing Director, Aquascutum
2. Mind the community gap

Almost three-quarters of consumers (73%) tell us they don’t belong to a brand community. The proportion grows steadily with age, from 50% of 16- to 24-year-olds to 89% of those aged 55+.

62% of marketers say their brand has an active and engaged community. They also reveal retention is their lowest priority: just 26% give it top billing, compared to the 35% who focus on acquisition and 39% who split their resources across both.

In combination, these statistics suggest that a majority of brands aren’t realising what community can do for retention – or perhaps feel they have done enough already to develop a community. But a study by Invesp found that acquiring a new customer is five times as expensive as retaining an existing customer. Moreover, increasing customer retention by 5% can boost profits by anything up to 90%.

The importance of communities as places to build retention, lifetime value and ROI is currently being overlooked. Budget is poured into acquisition-based growth; look at the way existing customers in the automotive sector are served with expensive policy renewals compared to new customers.

Brands often underestimate the importance and potential value of communities. It’s the one place where they can harness, amplify and even directly profit from their customers’ passion for the product and what it represents.

- Benji Vaughan, Founder and CEO, Disciple Media
of marketers say their brand has an active and engaged community.

62%

Driving loyalty and retention is important. Brands need to ensure customers are at the heart of everything the organisation does, and that retention isn’t simply seen as a marketing tactic.

- Lisa Targett, UK General Manager, Tribe influencer agency

Increasing retention by 5% can boost profits by up to 90%.

£

KEY FINDINGS

73%

of consumers say they don’t belong to a brand community.

62%

50% for 16 to 24s and 89% for those aged 55+.

26% focus on retention.
35% focus on acquisition.
39% split their resources across both.

50% for 16 to 24s and 89% for those aged 55+.

26% focus on retention. 35% focus on acquisition. 39% split their resources across both.

Increasing retention by 5% can boost profits by up to 90%.
3. Is social media a community?

It’s easy, but unhelpful, to confuse a social media presence with a bona fide brand community. Some 56% of marketers think a social platform is the best home for communities.

It’s true that conversation between brands and customers via social media is growing. But social channels (Twitter in particular) may generally be used by brands for service messages – all too often responses to complaints which miss the wider point of community. Reach via social is also consistently low and increasingly challenging because of the changing social algorithms.

Communities are where people join together on a regular basis, be that online or in person. It’s more than a quickfire conversation between brand and individual. Community members enjoy the brand, try the product, swap stories. Competent management of social platforms shouldn’t be seen by brands as a satisfactory substitute for true, emotion-building engagement.

If social channels were not free to enter, many would resource and plan at a whole different level.
- Sean Murray, Founder of The Retail Practice

Yes, social can be a strong platform for community building but should be part of an integrated digital approach that includes mobile marketing as well as e-marketing and CRM as you draw them through the consumer funnel. It only works well if it all works together.
- Simon Jobson, Global Digital and Marketing Director, Aquascutum
Tesla, Netflix, Microsoft and Patagonia are great examples of engaged communities that anyone can recognise and no-one can deny. Many companies out there have a community that simply ‘responds’ but that’s very different. The main difference is that the mentioned brands connect with the passions and values of their communities.

- Javier Buron, CEO and Co-Founder, Audiense
4. Who owns communities?

Marketers are split over where responsibility for community currently sits. Some 43% say it falls under their brand marketing remit, while 39% say it’s within customer services and 39% in the social media team. Nearly 1 in 3 (29%) say they have a dedicated community management team.

However, when asked whose responsibility it should actually be to run and manage a brand community, the results were slightly different with 39% believing it should be customer services’ remit rather than that of the marketing department (39%). A significantly higher proportion of marketers think their CEO/board should manage communities (35%) than currently do so (26%).

This uncertainty over whose remit includes community management is counterproductive. Even the experts we spoke to have different views. We are seeing the rise of the Customer Experience Officer within modern, ambitious organisations, who emotionally understands and engages with the consumer. This could be an answer to the desire of our marketing respondents to see community form part of the remit of whoever is closest to the customer.

“Community is not a marketing function and most communities wither when bombarded with marketing content. Ideally, you should have a head of community acting as the hub.
- Benji Vaughan, Founder and CEO, Disciple Media
CEO/board will never have enough time and luxury to monitor consumers. For this reason, we should remember that marketers should remain in charge of an ongoing and authentic representation of the consumer community to the board.

- Nisa Bayindir, Consumer Psychologist and Strategy Director
5. The value of data

Each touchpoint creates a wealth of valuable data, which is crucial for brands to know their customers better and build an unmissable community experience.

If transactional data was once considered the Holy Grail, marketers now have many wider opportunities to understand everything about consumers. In communities, that requires being in a position to capture and analyse information across multiple channels. After all, 36% of marketers say they want communities to help them gain insight into new products and services.

From website visits and interactions, to social media likes and attendance at physical events, communities offer a wealth of insight that can be fed in to boost customers’ appreciation of the brand, and keep them coming back. In this context, our survey shows brands are using a range of data to keep track of community members’ engagement. But it’s interesting to note that many more are using likes and shares (41%) than, for example, event attendance (25%).

"The only way to truly understand customers is to have as many touchpoints as possible. Not just customer services - understand everything about who they are, how they interact with other customers and brands. Get the full picture so you can add as much value as possible whether they are in or outside your ecosystem.

- Lisa Targett, UK General Manager, Tribe influencer agency
6. Community challenges

We’ve seen that a focus on acquisition might limit brands’ efforts to form a community. A total of 38% of marketers say this focus makes it unclear where resource and responsibility for communities should sit.

There are other obstacles in play. Almost a fifth (18%) say they have found a community too difficult to get off the ground in the past; a further 13% admit to not knowing how to do it. Meanwhile, 17% don’t think their sector inspires loyalty and 16% even decry their own brand’s ability to drum up loyalty compared to their rivals.

Perhaps unsurprisingly, the biggest issue is budget. A third (34%) of marketers say they haven’t got enough to contemplate launching a community. However, communities can more than pay for themselves.

I’m surprised by people not considering communities more for ROI and direct sales. I suppose that’s because people define them as social media. Definition is an issue for everyone: I read a report about design communities that only referenced what I’d call a community once.

- Benji Vaughan, Founder and CEO, Disciple Media

**Barriers to setting up a brand community**

1. 34% No dedicated budget
2. 20% Priority is acquisition
3. 20% Unclear whose budget should be used
Brand community leaders

The most successful brand communities share four key characteristics: membership, a two-way influence model, integration and fulfilment of needs or shared goals.

**PATAGONIA**
Patagonia is a brand that has long understood the importance of standing for something more than just fashion.

Since 1985, the outdoorwear brand has donated 1% of sales to the preservation and restoration of natural environments, giving more than $89m to these causes.

Patagonia has subsequently increased its efforts to tackle the climate crisis with the launch of an online platform, Patagonia Action Works, that connects people with local, national and global grassroots organisations fighting to save the planet.

It allows users to volunteer skills and time, sign petitions, discover local events and donate money to nearby causes.

The learning is that its environmental and social responsibility mission is key to its brand - and so it’s easy to build a community around this.

‘You can’t reverse into a mission and values through marketing. The organisations that are struggling with this are probably the ones that are thinking about marketing first,’ says European Marketing Director Alex Weller.

**NETFLIX**
Netflix has successfully built a community - albeit a digital community - around its comedy output with @Netflixisajoke.

Unlike other brands’ social channels, the agenda is less about driving users to some kind of ‘conversion’ but instead to translate the ethos of the brand and engage the audience through memes and comedic videos – not all pertaining to the shows themselves.

As with other true brand communities, the community only really makes sense for its subscribers.

Says Anthony Hagan, Director of Social Media at Mustache, the agency behind the channel: ‘Most of you already have a Netflix subscription. What they’re selling is the culture behind it and the Netflix universe that you really want to be a part of and want to watch.’
BRAND EXAMPLES

SEPHORA

Sephora has introduced community-based initiatives in the past, but its latest incarnation takes things to the next level. Its Beauty Insider Community gives its customers an open line of communication to its experts and fellow shoppers.

It’s a loyalty member-only mobile and online platform and key aspects of this online community include a ‘Get Inspired’ gallery, where users can upload looks (which are then tagged so you can buy easily).

It also connects users with similar skin types and beauty interests and has a ‘Talk About It’ section, which is a forum where you can crowdsource expertise from other Sephora lovers. It’s also added a live chat tool, allowing you to connect with other consumers in real time.

Mary Beth Laughton, SVP Digital, Sephora, says: ‘For our Beauty Insider Community, we set out to take all the things that were working really well across our various digital platforms and combine them for a unified, mobile-friendly experience. Community is for those clients who crave a deeper level of beauty connection and inspiration from people just like her, whom she can trust.’

ADIDAS

Sportswear is a natural fit for the brand community treatment since it’s able to combine two key passion areas, fashion and sports.

Adidas’s Creators Club gamifies the whole experience, giving its brand lovers the opportunity to rise across four levels through a range of activities, including attending Adidas events, buying products, providing feedback on products and services, and by generating Adidas content or for the amount of kilometres they run logged through the brand’s Runtastic app.

The greater involvement and advocacy, the better the rewards; special events, product customisation, priority service, members-only products and unique experiences.

Already a success Stateside, 2019 was the year Adidas started to roll it out to other areas.
Case study

**HARLEY-DAVIDSON® AND BRAND COMMUNITY**

Harley-Davidson® has long been famed for its brand community. And it’s easy to see why: it ticks all the boxes in terms of the definition.

The products engender an emotional attachment in consumers, inspiring them to personalise and customise their bikes as well as join formal and informal chapters or attend events where they can ride them. All this has been underpinned by a strong brand, synonymous with freedom and a counter-culture.

Dialogue has been involved and instrumental in building, nurturing and running this unique community across various platforms; print, websites, social media and live events. For the past 14 years, we’ve developed strategies and content on and offline to engage the brand’s fans.

**ANY BRAND COMMUNITY MUST SYNC WITH THE OVERALL MARKETING STRATEGY**

‘The customer journey is an emotional one,’ says Dialogue Agency Director Zoë Francis-Cox. ‘Seeing – and hearing! – other Harley-Davidson motorcycles is what sparks interest. The overall marketing strategy must harness this emotion early and build the desire that will ultimately result in advocacy.

‘The content we create for the H.O.G. community is a continuous feed of storytelling that helps owners feel closer to the brand and their fellow riders; sharing ‘inside’ information, rich storytelling, and emotional and personal adventures on two wheels.

‘Harley-Davidson is not just a motorcycle, it’s a lifestyle, and in many cases, content needs to ‘sell’ the lifestyle first, then the product.

**COMMUNITY NEEDS A STRATEGY**

‘Our strategy has always been to understand how to engage people in the community – what pushes their buttons?

‘Very quickly we identified common themes. Our inbox was constantly full of user-generated content – and most of it not the best quality – so we instigated lots of ways for the community to improve and then share their images and their stories.

‘The member magazine was a collection of ‘tales’ from the road... and not always tales of the journeys travelled, but the emotional reasons of how they got there in the first place and the life motivations that helped them on their journey to two-wheeled adventures.

‘And with digital developments, we’ve constantly evolved our strategy to embrace the different ways people are communicating with each other.

‘We’ve still got the same level of engagement – it’s just spread across more channels now.'
PRINT STILL PLAYS A PART

‘If there’s passion, there’s a place for print because there’s a greater emotional connection. You can lose yourself in a printed product that’s been crafted as an experience in its own right. You just can’t do that with digital.

‘The printed magazine has been rated the number one tangible benefit of H.O.G. membership among the members.

‘It’s become highly collectible and there’s always a good mix of evergreen content that makes each issue worth keeping. It’s a premium product that encompasses content for the ‘traditional’ member as well as new audiences – women, younger riders, and soon-to-be ‘electric’ customers.

‘One million copies of the magazine are distributed four times a year which are localised for 19 territories and in 11 languages.

EVENTS CONSOLIDATE COMMUNITY

‘You can’t beat a physical gathering of H.O.G. members to see how powerful their bond is. Harley-Davidson hosts a number of events globally, and chapters, at a local level.

‘We use content to encourage owners who have never been to an event to come because it cements the love for the brand – it makes you a fan for life when you’re surrounded by fellow Harley owners. There’s an indescribable camaraderie.

MEASURING ROI

‘ROI is obviously a consideration when investing in a brand community – and how to measure it has long been an issue for many brand communities.’

While any print or online community is subject to the same measurement metrics as you may use elsewhere on and offline, the value of the community can also be analysed through reader surveys and social media listening.

Harley’s members’ club plays a clear role in building engagement, brand loyalty and word of mouth.

While Harley-Davidson may appear to be a ‘unicorn’ in terms of brands, applying these initiatives and learnings can help any automotive brand turn consumers into brand advocates and ambassadors.
The Harley Owners Group isn’t just a doorway to great riding experiences, although it certainly is that. And it isn’t just a benefits club, great though those benefits are. When you have the H.O.G. Card in your pocket you are part of a community, part of a family with ties back to the very beginnings of Harley-Davidson.

- Bill Davidson, Vice President, Harley-Davidson Museum
The role and value of communities

So what are the benefits of a successful community for brands?

**ADVOCACY** is a key outcome. More than a third (38%) of marketers believe community members will speak positively about a brand. Additionally, 37% say these advocates would actively defend a brand when its reputation is under attack.

This isn’t blind hope. Some 45% of consumers say they have shared or liked a brand in the past 12 months; 79% have discussed a brand they like with friends in the same period; and 37% would defend a brand on or offline (rising to 57% of 16- to 24-year-olds).

Despite the strong statistics, a significant majority wouldn’t bother to defend a brand, so there’s room for improvement. An engaging community that creates a loyal army of brand fans can do the job.

**MEASURING ENGAGEMENT** is another crucial benefit. How that engagement becomes loyalty is seen as the most important aspect of community data analysis for marketers (53%). Furthermore, 39% say they are able to measure repeat customers and lifetime value to monitor the success of their communities.

The ability to increase sales as a direct result of communities is seen as vital for almost a fifth of marketers, while a quarter are already measuring community-based purchases.
Brands we’ve worked with across a two-year period, like Sanctuary Spa, have increased their engagement rates because of credible influencers who amplify the voices of their most influential customers. Brands build equity by borrowing the positive effect of their genuine brand loyalists.

- Lisa Targett, UK General Manager, Tribe influencer agency

Once a brand has clearly defined the purpose of the community who it should serve, it’s easy to assign success metrics. There are also standard metrics you can measure such as member retention, the number of connections per member and engagement per post.

- Benji Vaughan, Founder and CEO, Disciple Media
How to build and maintain communities

A community, like a coin, has two sides. What a brand sees as the customer journey (an opportunity to sell and resell core product lines, upsell other ranges, deliver brand extensions and generate advocacy), a consumer should see as a chance for discovery, engaging with like-minded individuals with shared passions and interests.

Community can both humanise a brand and make customers feel valued through experiences or direct communication. It also helps strengthen retention and advocacy to ultimately attract new consumers.

So how to build a community from the ground up? Here are some key considerations:

**ANSWER THE WHY**
Clearly defining a community’s raison d’être is imperative. Without it, brands could fail to engage the right people and see members walk away when they are unclear about why the community exists and the benefits.

This doesn’t necessitate a grand vision. Brands can profit from establishing micro-communities, for example to bring together and address the concerns of dog owners about which car to buy and how to keep their pet safe in it. Micro can soon add up to macro.

**OFFER INCENTIVES**
An encouraging 52% of consumers say they could be encouraged to join a brand community with 22% wanting first access to sales and promos, and 17% exclusive experiences; 16% value an early look at new products/services.

Marketers picked a similar top three, though in greater proportions. 47% give early access to launches as an incentive, 39% tempt people with exclusive sales and promos, and 34% offer the chance to give feedback while products and services are still in beta.

‘First, clearly define the purpose for the brand and members. Ensure these are not at cross purposes. Second, figure out your ‘kindling’ - foundation members who set tone and culture, and spread the word. Third, be clear on what success looks like and how to measure it. Then dive in!’ - Benji Vaughan, Founder and CEO, Disciple Media

Top consumer incentives

| 1st | 22% want first access to sales and promos. |
| 17% | 17% want exclusive experiences. |
| 16% | 16% value an early look at new products/services. |
‘Incentivise your most influential customers to stay vocal, to show how much affinity they have with that brand.’ - Lisa Targett, UK General Manager, Tribe influencer agency

BE REAL
Incentives have to be backed up with a more meaningful engagement once people are inside the community. Though the ultimate goal might be to boost lifetime value, it’s not enough to be transactional or solely chase for vanity metrics. Consumers have become wise to this approach.

Many value the chance to join authentic conversation about brands they love. They’re not passive customers simply waiting for a few pounds off a purchase.

‘Gone are the days when brand advocacy was linked to rewards. Consumers want to know they are heard, taken seriously and valued by the brands they engage with. A human approach – crafted around consumer observation, insights and research – is most effective to turn customers into advocates.’ - Nisa Bayindir, Consumer Psychologist and Strategy Director

THE ROLE OF CONTENT
Creating brand emotion and helping people feel part of a brand is important. For this, content is invaluable.

Content is the tool that empowers the community to share a common vision.

Great content sustains engagement and gives brands a measure of control over how their brand is interpreted. It begins with understanding customer passion points, then giving them something exclusive that is unique to the community: exclusive interviews or behind-the-scenes footage, for example.

Use customer data to create a drumbeat of communication with a themed magazine, managed email CRM plans, timely blogs, live events, or an enhanced social media strategy. Combining these in a clever way is what smart brands must do to build and engage their communities on the channels people use every day.

And remember, not all consumers are created equal. Getting community content right will vary by sector and target audience.

‘Content is the facilitator of conversation. It’s an opportunity to show the human and relatable side of a brand through their unconventional and thought-provoking content or applications – just like a visionary person in any community who influences the rest as a role model.’ - Nisa Bayindir

‘It doesn’t matter how many millions of followers you have if you don’t have an engaged community that genuinely trusts your content and what you’re saying and are excited about it.’ - Lisa Targett, UK General Manager, Tribe influencer agency
Conclusion

The concept of brand communities has different interpretations with some believing social media presence alone is a community while others believe the physical interaction and experiential side of the brand and customers is the true mark of a committed community.

Marketing teams mainly focus on the acquisition of customers under the pressures of short-term goals, but with an over-reliance on Facebook and Google they risk losing control of their customers, data and revenue as this duopoly continues to dictate the terms of advertising.

Brands such as Harley-Davidson, Sephora and Adidas, who invest in the long-term nurturing of their own brand communities, have proven that an engaged and committed investment to retain customers reaps rewards and our report shows there is an appetite, certainly among 16- to 24 year-olds, to be part of a brand community.

The brands succeeding are the ones that understand the power of peer-to-peer marketing built around a strong brand with mission and purpose rather than a top-down approach which simply pushes product all the time.

Using the latter technique and applying it to digital and social media is leading to ever-diminishing returns as brands struggle to keep ahead of changing social algorithms that favour individuals over business.

Obviously, this isn’t going to get any easier as audiences become more sophisticated and discerning about what brand information receives their attention.

Brand communities provide a viable, ownable and valuable alternative for automotive businesses looking to circumvent the above. Yes, it requires a change in approach, but as the saying goes ‘same old thinking, same old results’.

Howard Wilmot
Content Strategist, Dialogue
The strongest sense of community where engagement is most powerful is where a brand develops a cult-like following. While social media, especially Instagram, is an important platform for engagement and provides direct access to our audience, we have to focus on brand resonation and go back to basics. Be evocative or essential; differentiate/disrupt; have meaning and modern relevance. Build a cult not just a community.

- Gary Bott, Managing Director (UK), Gentle Monster
Methodology

The primary research that underpins this report was conducted as two separate surveys in summer 2019.

The first asked 104 business-to-consumer decision-making marketers 10 questions about their views on communities at their organisation and in general.

The second posed six questions to a UK-representative panel of 1,001 consumers aged 16 and over, who were asked to describe their attitudes towards joining and being a member of a community.

The surveys were conducted by Censuswide on behalf of Dialogue.

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Appendix
1‘Content Shock’, Mark Schaefer
2‘The global state of digital in October 2019’, We Are Social
3‘Customer Acquisition Vs. Retention Costs – Statistics And Trends’, Invesp