

4 reasons why an early-stage B2C startup needs a community

While building a community of dedicated customers around a brand has long been considered an important marketing trajectory for a mature company, nowadays, more startups have started to incorporate it into their marketing strategy.

Temps de lecture : minute

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With the shift to remote everything: from work meetings to birthday celebrations, and a dangling probability of tightening social-distancing measures, people have been looking for human interactions and a sense of belonging. As a result, brands have seen a surge in the number of not just regular customers but actively-engaged ones who energetically participate in online events and social media channels.

A few startups have already recognised the opportunities and successfully centred their marketing strategy towards creating and nurturing a community of brand consumers.

So, what common benefits can your startup capture by building a community early on?

1. Better understand your target audience

I can't emphasise enough the importance of getting to know your potential and existing customers. Learning about them is crucial to introduce a product or service which reflects their needs and wants. By actively listening to their voices, you can identify meaningful ways to modify and improve your offering.

Right from the start, ask yourself and your team several questions:

Who can be your customers?

Do the first members of your newly-created community match the portrait of your pre-defined target audience? If no, what are the differences?

What unmet needs does your target market have?

Assessing thoroughly the answers to these questions, you may derive a lot of valuable information.

One of the most famous examples of an early adoption of community-focused strategy is Facebook. It chose students as the first core target users, recognising their wants to receive social proof and get updates on the lives of their friends. Facebook then expanded into a broader audience, eventually turning into the company we know today.

2. Improve your product or service

Most probably, early-stage startups don't have the luxury of spending a significant budget on large-scale market research, intensive testing, prototyping of multiple versions, and testing again. That's why getting feedback from your community can streamline the process and bring you massive savings in terms of time and money. Start by asking just one question:

Does the current version of the product or service have the features, which satisfy the needs and wants of your target audience?

While this question may seem simple at first, responding to it may take

some time. Researching your potential or existing customers, understanding their satisfaction with the alternative products on the market, asking about their experience of using your product; all this doesn't happen in 1 day or even a week. However, when you finally gather information, you will be mesmerised by the usefulness of insights drawn from it.

Besides, community members are usually the first ones to learn about bugs in a new product version and are eager to point out to these malfunctions. The hard part is not to fall into the trap of constantly refining your product, striving to create the perfect one, which will please every user. Regardless of your offering, you can't please everyone.

Eero, a Wi-Fi system provider for household use from the USA, did profound research to gather feedback via closed beta-testing to figure out the optimal product for its target audience. One of the learnings was that "No matter how expansive your diversity parameters, expect to have gaps that your beta group will help you fill in".

3. Boost engagement and collaboration

Some B2C startups struggle to achieve a high level of engagement from their target audience. In the last months, shutdowns and social distancing constraints made it even more difficult to initiate and retain meaningful connections with customers. Yet, in times of uncertainty, by inviting your customers to join a community and actively reacting to their voices, a company can ensure a higher level of engagement. For example, by organising a place for virtual gatherings; a social media page, a Slack channel, or any other easy-to-find digital space, a company gives a new level of brand experience with a better intersection of digital and physical environments.

A good example of a community with a similar purpose is "Consumer

Global” by Klarna, a global payments and shopping provider, originally from Sweden. Klarna “invites consumers to a meet-up and share their thoughts on different themes related to their experiences using Klarna”. Sebastian Siemiatkowski, co-founder and CEO of Klarna, says that “We’re always looking for new ways to support and build Klarna with our community and to solve consumer pain points we may not have thought of ourselves. Gathering direct feedback is extremely important to us and a vital part in meeting consumers’ needs and ultimately, to provide the best end-to-end shopping experience”.

4. Strengthen brand awareness and brand loyalty

While launching a new brand, a company often has to spend a considerable amount of marketing budget to promote it. Although mature companies may have the resources for doing it, the situation is often different for an early-stage startup. Building a community of dedicated brand ambassadors is one of the most cost-efficient ways to quickly advertise a brand and expand its audience reach.

The last months have been associated with an unprecedented challenge to customers’ loyalty across various products and services. For example, some customers have switched from luxury goods to more affordable ones, others replaced the usual training routine in the gym with independent exercises at home.

What’s more interesting and worrisome for marketers is that some of the customers who made the switch are probably going to continue using first-tried-in-lockdown products after the restricting measures will be lifted. In contrast, devoted customers turned into brand advocates are reluctant to buy a different brand. With the growing number of customers eager to try new brands, a startup needs to capture and maintain the most loyal consumers. Fostering relationships with them through a

community is a chance to reach this goal.

A fitness startup, Mirror, which offers home workout and was acquired by sportswear brand Lululemon for \$500M, has been centring its positioning around uniting “a community of people living the sweatlife through sweat, grow and connect”, according to CEO Calvin McDonald. Beyond simply sharing tips and encouragement, Mirror’s community provides a tremendous opportunity to connect with like-minded people, quickly channeling toward growth in brand loyalty.

To blaze trails in the new reality, startups had to rewire their marketing plans in the last months. Building and scaling a community can become one of the meaningful lines in the revised plan, unlocking the next level of growth and enhancing performance.

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