

The warning signs that you should start investing in your community now

Authentic community engagement is now a critical factor for success. As these communities grow and thrive, the ecosystem becomes an essential element of growth and brand strategy, which in-turn generates important signals that business leaders ignore at their peril.

Temps de lecture : minute

16 April 2024

These signals can be red flags that are warning you to pay urgent attention to your community engagement strategy or they can be green flags indicating there are elements you should double down on.

There's no doubt that brand community is a source of differentiation, and today's businesses must adapt their strategies to stay relevant and competitive. In this article, we will explore the warning signs that indicate that it's time to take action and the opportunities to foster a truly strong and sustainable brand community.

Early warning signs that you're not engaged with your customers

Neglecting community engagement can manifest into various warning signs, indicating a disconnect between the brand and its audience and suggesting that traditional marketing efforts are not effectively resonating with customers. Here are the major red flags to watch out for:

- Declining customer satisfaction: decreasing customer satisfaction scores or increasing numbers of complaints, either direct to brand or across social media. A surge in negative reviews or comments can damage your brand reputation and indicate dissatisfaction among customers, leaving a big gap in sentiment to be repaired.
- Low customer retention and high churn: struggling to retain customers over time suggests a lack of strong relationships and, in-hand, community engagement.
- Lack of brand advocacy: if customers are not actively advocating for your brand or recommending it to others, it suggests a lack of strong community connections. Customers should feel invested enough to embody your brand and promote it organically. This is also exacerbated by a disengaged social media following. If your company's social media shows low engagement rates, it directly demonstrates a lack of connection with your audience. Community-led efforts can help to increase engagement and build stronger relationships with followers.
- Limited user-generated content: a scarcity of user-generated content, such as reviews, testimonials, user guides or social media posts suggests that work is needed to build up incentives and routes for your community to engage more holistically. Lack of customer input, often if a company does not regularly seek or incorporate feedback into product development and decision making processes, can create a disconnect between a brand and its community.
- Decreased referral traffic: a decline in referral traffic from word-of-mouth or recommendations may suggest that customers are not incentivised to actively share or promote your brand. Community-driven initiatives instead manage those referrals for you, fostering a culture of advocacy, as well as helping to identify the reasons behind the decrease.

Ultimately, these warning signs indicate that businesses are not fostering close enough relationships with their customers and are missing out on vital insights that can make or break their success. Building a brand community strengthens the connection with customers and provides access to valuable feedback and ideas by those closest to the product itself.

The art of the pivot: when warning signs could be opportunities

On the other hand, it's crucial not to miss early signals that indicate you should invest heavily in community engagement. If you notice a high level of interest and enthusiasm from your customer base, particularly in engaging with each other or advocating for your brand, it presents an opportunity to harness this momentum through community-led initiatives. Similarly, if your company experiences significant engagement on social media platforms, with customers actively discussing your products or services and sharing user-generated content, it's a clear sign that investing in community building could yield valuable returns.

A steady stream of user-generated content, such as reviews, testimonials, or product recommendations, is another strong indicator of community engagement. When you see positive signals on referrals but aren't capitalising on them, it's time to investigate why people are referring new customers to your product and double down on those reasons. Make it easier for your community to talk about you and share their experiences.

Adapting to consumer-driven change

LEGO serves as a prime example of a company that listened to its community and successfully navigated consumer-driven change. When they got back to their roots of building with bricks and embracing the

creativity needed to do that, they also were able to embrace their fans' creativity for the products they would like to see made. Now, LEGO Ideas produces four products a year designed by and with their community members. Ideas are voted on by the community and need 10,000 votes to progress to review by LEGO. 10 submissions would make the cut three times a year, sourced from over 28,000 submissions, with creators enthusiastic about participating in the process.

Strategic approaches to community investment

To invest strategically in their communities, businesses must first accurately diagnose the problems they seek to address. By identifying measurable issues, such as high customer churn or low product adoption rates, companies can develop targeted community strategies to tackle these challenges. Take Salesforce, for example, who recognised that high customer churn was linked to a lack of product understanding and success. In response, they created a customer success community where users could ask questions and receive answers from both the community and Salesforce experts. This approach not only reduced churn but also led to a 33% higher adoption rate among community members compared to non-members. In their support community, 4,000+ questions are asked and answered per month, with 83% being answered by the community itself.

Many of these warning signs, or opportunity signals, are themselves community generated, and give brands the impetus to take strategic action to foster stronger connections, unlock growth and loyalty opportunities, and most importantly adapt to what the consumers are asking for. Community-led growth is a powerful catalyst for success and positions brands for long-term engagement - as long as they're listening to the signs their community gives them!

Clare Sutcliffe MBE is Chief Strategy Office at Koos.



Read also

Meet Koos: the startup building the community-reward mechanism

Article by Clare Sutcliffe