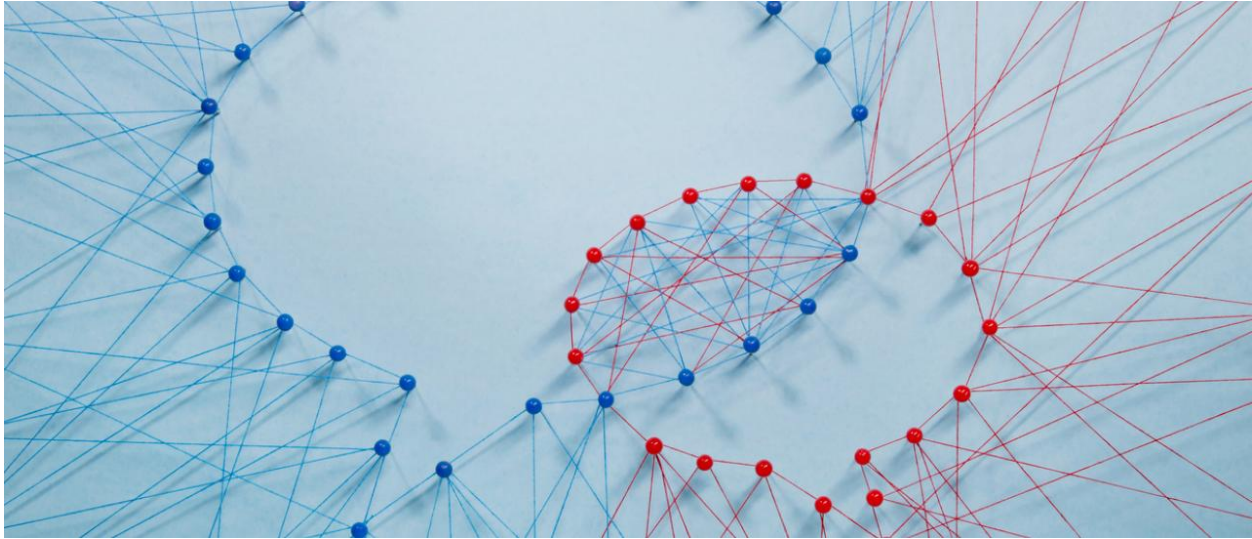




Two New Commandments of Customer Engagement



By Mark Lee Hunter , INSEAD Adjunct Professor and Senior Research Fellow, , INSEAD Professor of Technology and Operations Management, and Maria Besiou , Professor of Humanitarian Logistics at Kühne Logistics University

Fields as disparate as journalism and technology have a common route to success in the digital era.

The digital revolution is transforming the relationship between consumers and companies. Nearly all business functions are feeling the effects, but conventional marketing sits squarely on the fault lines of disruption. Brand-authorised messages increasingly cannot compete with online customer ratings and reviews—neatly packaged and aggregated on sites like Amazon—in terms of authenticity. Online feedback even promises to infiltrate the physical shopping experience: e.g. the shelves at [Amazon's new brick-and-mortar bookstores](#) proudly display the scores of highly rated titles.

The predicament facing marketing practitioners also mirrors the current state of journalism, as detailed in our new e-book ***Power Is Everywhere***. Not unlike marketers at many large firms, news media are at once rated by their users and struggling to retain them while battling competitors empowered by digital media. **Thus independent advocacy news** is filling the void left by mainstream media outlets as they downsized capacity and content in the 21st century.

Simultaneously, opportunities are emerging that mainstream media and marketing are just beginning to unlock. The key to renewed success is that contrary to myth, digitally empowered publics will pay for content that they find meaningful and valuable. *The Washington Post* and *The New York Times* are the most striking mainstream examples; both have sharply increased subscriptions and revenues since they focused on value-adding information for the opposition to Donald Trump. But the amplifying effect of online communities has particular import for smaller competitors looking to level the playing field. Non-mainstream media like Greenpeace.org have mastered the strategy of echoing their messages through and toward receptive communities. Although online social capital comes cheaper than print and television advertising, it requires skilled, committed talent, which isn't free, either. But the potential ROI is enormous.

Tip One: Find your ambassadors

Several years ago, we read that Microsoft was actively scanning software-user forums in search of 1,000 people who offered consistently good advice. In other words, the firm was building a network of lead users who possessed credibility among their peers. Sometime after, we went to one such forum and asked about free photo-editing software. One of the people who wrote to us directly identified herself as a Microsoft "ambassador" and proposed one of the firm's freeware solutions. It worked. Meanwhile, Microsoft had extended its ambassador programme to college campuses. One of our MBA students at the Rotterdam School of Management, who had helped to manage the programme, explained to us the perks for participants. These included priority access to new software, meetings with company executives and developers, as well as training in useful career skills. Microsoft benefited hugely. When it began that programme, it was one of the most hated firms in the world. (Around then we did a search for the term "I hate Microsoft" and it turned up 33 million hits. Bill Gates once literally wept for his public image at a high-level company meeting.)

The company seems noticeably less despised now. One reason is that its ambassadors solved a great many customer problems, as they did for us. A second reason is that when the ambassadors couldn't solve a problem, they informed the firm, which often committed resources to solving it. Microsoft's recent acquisition of the online community platform LinkedIn will take this strategy much further.

Media firms that adopt similar strategies – identifying committed users, engaging them in the firm's mission and treating them like partners, not instruments – have a far better chance of thriving. [DeCorrespondent.nl](#) is one of the first online news media to develop its own engagement platform. And in the U.S., [Hearken](#) is emerging as a leader with off-the-shelf platform solutions.

Tip Two: Help the believers promote you

User communities can help under-recognised and under-capitalised companies get their due in the marketplace. This “equaliser” effect helped the U.S.-based guitar maker, Reverend Musical Instruments, succeed in the 2000s despite competing with iconic brands Fender and Gibson.

From the outset, founder Joe Naylor embraced the burgeoning community of online guitar enthusiasts, often jumping into website forums to help visitors resolve their guitar-related issues. He made no excuses about wanting to stoke their curiosity about his own products, and because his advice was expert and generous, he was accepted on those terms. One forum user said Naylor's attempts to seem “fast, friendly and concerned” were “only natural” considering that “he wants the right things said about his product”.

Naylor's self-described “PR move” in the guitar forums evolved in another direction when anarchic price cuts began to destabilise Reverend's distribution network. Rather than continuing to rely on underperforming dealer relationships, Reverend opted to sell direct to consumers. Temporarily, the [company website](#) became its one-and-only sales platform. Primed by years of forum experience, Naylor turned the firm's website into a community centre. The forum's members, nearly all Reverend owners, became Naylor's customer relations force as they answered newcomers' questions and recounted their own experiences with the firm and its products. More than one new user jokingly referred to the forum regulars as a “cult”, but their enthusiasm aroused interest. Meanwhile, Naylor offered sale terms, including a zero-risk returns policy that encouraged new buyers

to try out guitars they could not find locally.

The user base carried Reverend through a delicate period of transition, wherein production shifted from the suburbs of Detroit to an overseas plant. Members posted positive reviews on websites frequented by guitar players, attesting that Reverend's product quality had not been sacrificed in the offshoring process.

By analysing the auction prices of secondhand guitars on eBay, and crossing them with customer reviews from popular guitar forums, we found that Reverend's user base, its only promotional asset, fully compensated for its brand recognition deficit. Reverend averted crisis with the support of its users, and its instruments are now widely recognised as among the best values in the industry.

What transforms users into promoters and salespeople? This shift happens when they want you to stay in business, because you're giving them essential value. Thus [High Country News](#) (HCN), an environmentalist magazine "for those who love the American West", built a community that needed non-political, expert news about how to defend that environment. HCN ran into financial trouble early on and was saved by its users, who volunteered capital to save the magazine. As it grew, HCN kept those users at its core – an attitude symbolised by an open-door policy of office tours for visitors.

News is also a service

Reverend and Microsoft's style of consumer engagement focuses on solving users' problems – helping them save money and even more important, time. Many of their exchanges are minute, but users visibly remember them. Media firms are no different from others in that regard. Journalists do not only create value by providing a product called information. They, too, are in the business of improving their users' lives. When they do that, the users come back – to say thanks, to learn more, to contribute. This is where we're going, and we can be glad for the path.

*This post is based on the book Power Is Everywhere: How stakeholder-driven media build the future of watchdog news, which is available for **free download**.*

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