

The Holy Grail of market research has been the ability to predict buying behavior. For more than a half-century, demographics have been the primary predictive methodology; however, extensive research proves that personal relationships, not demographics, have the strongest impact on buying decisions. In the current information economy, professionals are bombarded with more marketing information than they can possibly digest about products and solutions. They adapt to this information-overload by filtering it through relationships of trust and advice-seeking. The key to engagement is to become a meaningful part of these existing relationships. Thus, prudent market research must be dedicated to identifying and understanding these relationships so that sales and marketing initiatives can be designed to engage the powerful and complex interaction of social networks.

## THE BUZZ ABOUT SOCIAL NETWORKS

As the social networking buzz permeates the marketing world, vague questions about MySpace, SecondLife, and Facebook strategies are surfacing in board rooms everywhere, but it is not a new concept. Sociologist J. A. Barnes coined the term “social networks” back in 1954 to describe the personal connections that span traditional professional, family, ethnic, or socioeconomic groupings. Though they’ve garnered massive attention in recent years, these networks of relationships have always been the way we seek advice — from choosing a dry cleaner to joining a gym, from buying a house to changing careers, and from installing a database platform to implementing a company-wide retirement plan.

Sites like MySpace have been dubbed a marketing panacea; however, University of Toronto sociologist Barry Wellman cites an interesting flaw: They “assume that everyone in your life is on one happy network.” In these egalitarian environments, professional colleagues are provided the same information and given the same weight as distant college friends, members of the local PTA, or teammates from the neighborhood softball league. The reality is that each of these relationships impacts your life and decisions in significantly different ways.

Evidence that the impact of these sites may have been somewhat overstated can be found in both consumer and business markets. Consider the George Washington University student who holds the school’s title of “most Facebook friends” with 3,456 and counting – an impressive social network. When asked where he would turn for help in finding an apartment, this avid Facebook user responded, “The furthest I’d go with Facebook would be to ask someone to borrow a textbook. I’d want to actually trust the person.”<sup>1</sup> In the business-to-business realm, consider the recent study<sup>2</sup> of U.S. and U.K. executives conducted by the Keller Fay Group. Word of mouth was cited as the number-one influence on business purchase decisions. More importantly, the majority of these word-of-mouth interactions are happening offline.



Against this backdrop, the real question may not be “What is our MySpace strategy?” or “How do we develop a presence on SecondLife?” Perhaps a more critical line of questioning is how to become a meaningful part of the existing relationships of trust and advice-seeking through which target individuals examine ideas, evaluate existing offerings, and make decisions. Effectively answering that question is the elusive formula to achieving sales and marketing goals.

## FOSTERING COMMUNITIES TO DRIVE PERFORMANCE AND MOVE MARKET SHARE

As a general rule, marketing and sales executives have two primary goals:

1. Increase revenue through customer acquisition and retention
2. Decrease the costs of acquiring and retaining those customers

The most effective way to achieve these two objectives is to understand the existing relationships of trust and advice-seeking among the target audience and to become an integral part of these communities through authentic customer engagement. Integrating a brand into the existing communities among a target audience is a four-stage process, as outlined below.

- i. Opportunity Identification
- ii. Partnership Building
- iii. Connectivity Facilitation
- iv. Relationship Sustainability

To successfully and accurately identify communities, the key is to construct a research methodology that places emphasis on the relationships that matter most to current and prospective customers, from their perspective. Trying to predict relationships based on communication patterns, Web traffic, publications, online mentions, or other such research may reveal formal relationships or thought leaders, but this approach will not map out the relationships of trust and advice-seeking. Similarly, attempting to identify these relationships based on the observations of sales professionals or other members of your organization fails to take into account the actual customer’s perspective; thus, the resulting understanding of the network is largely anecdotal.

To accurately identify the communities that comprise your target audience and the dynamics of advice-seeking, there is simply no substitute for direct contact with that audience. Once the communities are known, we can begin to identify opportunities for more meaningful engagement. For example, our research reveals that more than 80 percent of the key network members identified by professional decision-makers are unknown to our Fortune 1000 clients. This means there exists a significant opportunity to develop relationships with market-influencing minds, who currently have no relationship with the organizations they impact.

With empirical knowledge of the communities within the market, one can chart a clear roadmap to partnership-building with these communities and their critical members. This does not require dramatic changes to marketing and sales activities. Rather, the influx of network data, combined with existing strategies, tactics and resources, can



inform and improve marketing and sales initiatives and can inspire the discoveries that lead to new approaches. A few examples are given below.

- **Customer Councils/Advisory Panels:** Invite key network members to serve on advisory boards or leadership roundtables.
- **Focus Groups:** Invite critical members of the communities within your market to serve on your focus groups to reduce unqualified attendee contributions.
- **Online Forums/Newsletters:** Recruit advocate network members to moderate forums, serve as guest editors for online publications or write a column for a monthly newsletter.
- **Product Development/Product Launch:** Enlist key network members to participate in private betas or other forms of product testing that can then be tied to the marketing activities around product launch.

Partnering with the communities within a target audience empowers an organization to become a meaningful part of the conversations among them. By providing key community members with a sense of ownership in the development and success of your brand, you build advocacy among their communities in a genuine, organic way. This type of authentic customer engagement is what truly drives revenue and moves market share.

Once partnership has been established, an organization is now empowered to promote connectivity among the broader target audience. Connectivity is achieved by facilitating communication between key network members and the communities who rely on them. Activities that accomplish this facilitation are typically extensions of partnership-building initiatives.

For example, after forming an advisory council of key network members, one Fortune 500 technology firm placed transcripts and video of the advisory council discussions within a dedicated micro site where the broader community could view the discussion and pose questions to any of the council members. To quickly develop the type of interaction this firm was hoping to experience on the site, an invite was sent from each council member to the professionals in their networks as identified through Community Analytics® research. Participation grew rapidly, and the positive experiences of the council members with this firm became the positive experiences of the entire community.

When an organization becomes the facilitator of meaningful connection, positive word of mouth is inevitable. At this point, sustainable customer affinity has been achieved and all that remains is to monitor and grow these communities. Unlike the traditional model of developing “campaigns” to engage an audience, the Community Analytics® approach provides a business process for maintaining continuous connection by becoming a part of the *relationships that already matter* to your audience. Monitoring the growth and extension of these communities, as well as their impact on an organization is now a matter of including community identity as one of the lenses through which the organization views its audience. With this data-driven approach for revealing networks within these communities, there is a new ability to leverage this lens and quantify the Power of Human Networks®.

M. Hesse, “An Unmanageable Circle of Friends”, August 26, 2007, *Washington Post*.

<sup>2</sup> Driving Word of Mouth Advocacy Among Business Executives: The Experiential Marketing Connection.” Keller Fay Group.



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**WHITE PAPER**

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