FANS: A HIDDEN WORKFORCE

Can you imagine if you had a massive free workforce out there, actively helping you grow your business? What would that be worth? Say hello to your fans. These are people who love what you do so much that they are willing to become your ambassadors and actively recommend you to others.

If you are in sports, show business or fashion, you are used to thinking about customers as “fans”, but if you are in consumer products, medical devices or the plumbing business may not be used to thinking about your customers this way. Yet, every time you exceed your customers’ expectations, earn their trust or simply inspire them in some way, you are creating fan and real potential for positive Word of Mouth (WOM) or “earned media” (Hint: not paid!).

Many if not most companies today are directing a significant portion of their resources in social media and you may even be thinking “we do this already”, but ask yourself these questions:

1) Is your fan database big and robust enough to dial back on your paid media?
2) Are your digital videos compelling enough that if you received one on your phone, you would stop what you are doing pass it on to your friends?
3) Are you measuring your “net promoter score” consistently on your digital campaigns? Is it on a live dashboard, shared widely in your organization?
4) Is your content one way or two-way, that is, designed to collect fan registrations and grow your database?
5) Are you relying mainly on your Marketing/Social Media/PR teams or are you engaging everyone who can impact a potential fan’s journey?

Personal recommendations from people we trust have always been a powerful driver of purchase decisions. What’s changed dramatically is technology, and its ability to create those personal recommendations at scale. Connected devices, database management, video versioning, and other personalization tools allow you to build a direct, two-way, continuous relationship with your fans. They in turn can give you access to new customers or entire markets that you may not even have considered!

This is where both challenges and opportunities arise for businesses both small and large. Technology is evolving faster than business process is able to
absorb. This is because skill sets and organizational structures evolve more slowly than innovation. Even the biggest and most sophisticated marketers still rely disproportionately on a traditional (Paid) mass media model, paired with blatant “corporate” advertising messaging that is becoming less effective, especially with younger consumers. Companies that are willing to look deeper and experiment with fan engagement at scale can gain a real competitive advantage.

The task here goes well beyond improving marketing process. Raising your game in fan engagement involves the coordination of multiple touch points, not just ones controlled by the CMO. That kind of coordination is nothing short of transformative for the entire organization. It is a cross-functional endeavor which requires buy-in from the top and an infusion of purpose into the organization’s culture. It can inspire everyone in the company who directly or indirectly to elevate the customer’s experience. That’s ultimately what converts a target prospect or a simple consumer into an enthusiastic and loyal fan who can help you grow your business and create a powerful “fan multiplier effect”.

OBJECTIVES OF FAN ENGAGEMENT

Fan engagement is building a direct, continuous, two-way relationship with your best advocates to:

A. Drive revenue: increase sales not just among loyal consumers, but with ones at any stage in their decision process (see figure below).

B. Lower cost: decrease your dependence on paid media and one-way advertising, especially for existing products/services or anything outside new launches.

C. Create excitement: give your fans (within and outside your company walls) something they can get excited about and pass on to friends. This is where authenticity and purpose are critical.

D. Build your fan database: get people to provide their personal information so you can keep in touch with them appropriately. This can be especially challenging in a world challenged by recent data breaches. First, you must establish trust, then offer a good reason for them to want direct communication with you to justify asking for their contact information.

THE FAN MULTIPLIER EFFECT

A dollar spent empowering your fans can have an exponential return because they naturally interact with people at various stages of the “fan journey.” That process begins with awareness, which can happen either through a formal advertisement (paid media) or through word of mouth (earned media). The next step is exposure consideration of the purchase among a competitive set, and ultimately conversion into an actual first purchase or acceptance. If that first experience is positive and repeated exposure or usage takes place, then loyalty develops, and the consumer is likely to commit further. When that loyalty is expressed, it often manifests as advocacy, or actual promotion of the brand from one person to another. When consumers reach this stage you can think of them as “fans” and your potential partners! Some things to note here:
a) The journey is not rigid or uniform. Advocacy or positive word of mouth (WOM) can happen very quickly, even before conversion or trial. WOM could simply be caused by exposure to messaging. This is why a focus on strong, emotionally compelling content is so critical.

b) The speed or efficiency of the progression is dependent not just on Promotion but on the whole marketing mix (5P’s), which involve all consumer touch points. This points to the potential of involving all your employees, and not just the ones in the Marketing/PR departments.

c) Most importantly: fans are not just valuable because of their repeat purchase or loyalty – they can improve your efforts with other potential customers at every stage in the customer’s journey, thereby creating a “fan multiplier effect”, as they naturally interact with people at various stages in their consideration process.

This poses a key question: is there something more you can do to empower your fans to be your partners? How big is the potential?

NEW HORIZONS AVAILABLE THROUGH NEW TECHNOLOGY

Technology is moving far faster than Marketing process has been able to absorb. Organizational structure, process and skill sets are not evolving as fast computing speed, connected networks, software platforms, and digital products. This certainly presents problems, but also a significant opportunity: to experiment and learn faster than your competition.

A. Enabling Personalization - How many times do we find ourselves targeted and annoyed by irrelevant messaging or advertising? This enables a more modern "Pull" vs. outmoded Push system. We love to be attracted rather than being pushed into something. Intelligent use of data enables us to start with specific needs, choosing when and where to serve those needs rather than putting a huge investment into a uniform offering, hoping for people to show up. “if you build it, they will come” is outmoded. The new paradigm is “if you need it, only then do you build it”.

B. Ending “paid media addiction” – As database management technology and more compelling content allows us to have direct, continuous, two-way relationships with our fans and consumers, we no longer have to rely as much on paid advertising to get a critical mass of attention, especially in situations where we have sufficient time to gather data, produce “two-way” (data gathering) digital assets, and retarget individuals at scale.
C. Building trust - Expectation of privacy is changing dramatically, especially after recent breaches and losses of personal data by retailers, insurance companies and even banks. There are many ways of approaching data security, but it’s worth noting Blockchain technology in particular, which utilizes multiple servers around the world to simultaneously store and cross-check the accuracy of transactions. This could be a powerful driver of trust in businesses transactions.

D. Gamification: Leader boards and various kinds of community building have long been a part of online gaming but they are about to impact other industries like sports, and education as well. The ability to gamify any transaction will intensify outlets for fans. By giving fans a destination to “compare knowledge” or even compete, will further fuel social media and “buzz” for a brand.

E. Constant contact – The Internet of things (IOT) refers to the many connected devices in our daily lives that are web enabled, everything from your phone and watch, to your car and in your home (thermostat, video cameras and other electric appliances). Properly utilized, these touch points could all be help us to surprise and delight our fans by solving daily problems. For example: Your new refrigerator, paired with your other devices, could start a whole IOT chain: it could text out a reminder that you are running low on your favorite products, which could in turn trigger location-smart coupons and then location-enabled alerts.

F. Leveraging Artificial Intelligence and Data Algorithms – The limiting factor often is not lack of data, but actionable insights. As the number of data-collecting devices continues to grow, so will the amount of data – BIG data – and therefore our need for robust “algorithms” and sophisticated programs to help us sift through it.

FAN ENGAGEMENT TOOLS

A. “Snackable” Video - Funny or entertaining videos, worthy of being passed are the most common form, but fan guides, special “behind the scenes” peeks, as well as interviews of key founders can also be effective in expressing the passion and purpose of the brand and touching strong emotional chords.

B. Devotion to a social cause – More than ever, authentic devotion to a social cause is valued by consumers today and associating your brand with a meaningful effort to improve the world is not only a sound business strategy, but also a powerful way to establish or build a strong emotional connection with your fans. (This is also related to revisiting your company’s whole purpose – see step 1 below)

C. Product/Service sampling – This may seem obvious, but if you already have products in market and you are want to launch a new brand, your existing product or service is itself a potential bridge to sampling the new product. (some small quantity for consumable products, or in limited time access to online services).

D. Social play – Both interactive games or augmented reality products, delivered through web sites or apps, can all incorporate social dynamics
that inherently require fans to involve others.

E. Designed experiences – Here we mean any event or journey that is designed to embody the value of your brand. This could include everything from special tours, to simple displays or interactive booths at highly attended locations like sports arenas, live events like Comicon or Coachella.

F. Licensed products – Brand extensions into new product categories like toys, apparel, fragrances or housewares, can enhance or prolong the fan experience. The idea here is to engage as many of the senses as possible, from sight, to sound, to smell to touch. It’s important that this be done in a brand-appropriate manner, from initial concept, to final sample, to retail display, so if you are not able form your own licensing and retail management organization, it might be wise to rely on the services of a reputable licensing agency.

SELECTED EXAMPLES

American Giant - “The best hoodie in the world” and “Giants” video campaign
- Their first video was all about the passion for the smallest details in making the “world’s best hoodie” - https://www.youtube.com/watch?v=xukM8i4GW-g
- Videos feature their “heroes” or “Giants” – notice that stories have little to do with the product itself and more about the fans themselves and how the products are a part of their own missions https://www.american-giant.com/meet-the-giants.html
- Registration currently happens at purchase as part of the payment and shipping process, but it could also be placed following the video as a call to action

Masterclass - https://www.masterclass.com
- Masterclass is more than an online education company – it’s giving fans of specific topics “insider” access to true icons in their field. For $90 you can have Aaron Sorkin teach you screenwriting, Stephen Curry pass on his basketball skills or Gordon Ramsay show you how to cook.
- Note the intimate interview style in the introductory videos – the “calls to action” are built into the content elegantly, but the access to “buy” button is easy enough, which also naturally registers the user with their data

NFL – Fan Hubs, Experiences and channels
- Owned Apps: The NFL owns a multitude of fan Apps, each designed to augment the fan experience (Look for these on your App store)
  - NFL (main App) – Top stories, favorite teams
  - NFL Fantasy – fantasy football league
  - NFL Rush – NFL Rush Gameday
  - NFL Watch – Watch NFL Network
  - NFL Shop – buy licensed fan merchandise
- Social Media Hubs:
  - Youtube – NFL channel (3.2M subs)
  - Facebook: over 100 pages some owned some not owned
  - Twitter Amplify - promoted tweets to +284M users, with game highlights
About Claudio Ludovisi

Claudio is a recognized leader fan engagement. He is passionate about building new, fan-driven businesses and helping organizations reach extraordinary results in our “accelerating, tech-enabled, purpose-driven” world.

As former Head of Strategy and Business Planning for ABC Entertainment, he worked closely with the President of ABC and senior leaders across Disney ABC Television Group to build fan engagement and digital business strategies.

Prior to ABC, Claudio held several executive roles. As SVP of Operational Strategy at NBC Entertainment Marketing & Digital, he redesigned the show marketing process across all online and offline platforms. As VP of operations for IMAX Filmed Entertainment, he expanded the company’s marketing, production and distribution capabilities to support global growth. As VP of Business Development for Corporate Marketing at Warner Bros. Studios he created new business models and built multicultural marketing capabilities across the various business units. As head of Warner Bros. Consumer Products Licensing in Latin America he built a $2 Billion retail business across 10 countries for brands like Harry Potter, DC comics (Batman, Superman, Wonder Woman) and Looney Tunes. As chief of staff for Amgen’s digital marketing sourcing, he worked with leading biologic brands to build direct digital engagement capabilities to specialized doctors.

Claudio got his start in business strategy and business process design at Booz Allen & Hamilton’s Media and Technology practice. His developed his love for creative advertising at Saatchi & Saatchi where he managed advertising campaigns for key Procter and Gamble brands in both the US and Europe.

Claudio holds an MBA from Kellogg and a BA in Economics from U.C.L.A and speaks four languages. He guest lectures on various topics at Kellogg, USC’s Annenberg School of Communications, and UCLA’s Anderson Graduate School of Business.

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