

WELCOME TO THE ANTI-SOCIAL CLUB

Invite-only online nets become CRM tool for marketers

By MATTHEW CREAMER

CALL IT THE anti-MySpace.

While the proprietors of social networks pimp their large, youthful and presumably engaged audiences in the hopes of grabbing big ad bucks, droves of major marketers are, without fanfare, running invitation-only online communities where they can bounce ideas off their best (or worst) customers, sample broad cultural attitudes and spread word-of-mouth advocacy.

These small, controlled and comparatively risk-free environments offer companies a respite from the free-for-all of social networks, those digital dioramas of consumer behavior that have become testing grounds for brand loyalty. "These networks are quickly becoming the new CRM tools," said Jamie Tedford, senior VP-marketing and media innovation at Arnold Worldwide. "The importance of the number of friends a brand has is a reflection of the new opt-in permission-based marketing."

In trying to navigate the space, many companies are following Communispace, a 7-year-old company based in Massachusetts, and its rather old-school philosophy that when it comes to friends, having fewer and better is the way to go.

Communispace, with groups averaging 400 to 1,000 people, is based on the notion that developing customer relationships in a consumer-controlled world doesn't mean baring one's entire corporate soul. It's just about loosening that proverbial kimono a bit, enough to communicate with a targeted and engaged audience, sliced and diced any way you want it. That means the audience could be the most loyal and profitable customer, or it could be non-customers used to troll for product feedback or sniff out new-product ideas. You could ask them for pictures of their homes or new lingo they've heard. Or, you can just sit back and listen as community members follow their own tangents.

Communispace has added 16 clients since

Jan. 1, grown 100% in the past year, and is hiring 10 people a week. The company declined to disclose exact revenue figures but its CEO said it's in the eight-figure range. And it's got a blue-chip client list that would make many a Madison Avenue giant jealous: It manages 225 communities for marketers such as Kraft Foods, Hewlett-Packard, Charles Schwab, Hallmark, Unilever, Reebok, General Motors Corp., General Mills, State Farm, and Starwood Hotels.



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The communities have had tangible effects. Community members assured Unilever's Axe that its Tsunami body spray wasn't an insensitive name following the 2004 disaster and they helped Kraft decide which Asian foods it should include in a line of diet products. Charles Schwab himself dipped into the community to sample investment strategies and market viewpoints prior to going on a press tour.

Unlike, say, a corporate sponsored page on My Space, you can't just visit those communities. In fact, you won't see them at all, unless you cough up the \$200,000 a year it costs to build one of your own. They're accessible only to consumers that have been invited into them. (The company flatly, though politely, denied *Advertising Age's* requests to monitor a community or even speak with one of its members.)

That privacy, of course, is the point.

"If it's small, private and select, you can get more engagement than much larger communities," said CEO Diane Hessian. "You control who you're talking to. It's not the lonely-hearts club and it's not your competitor pretending to be someone else. Not all customers are created equal, and we don't have to talk to everyone who uses a product to get the information we need."

What brief glimpse *Ad Age* got into the doings at Communispace, through a couple of screen shots provided by the company, showed anything but a dreary collection of bulletin boards. For instance, the first thing most would notice on the shot of the home page for the Axe Community, devoted to the successful Unilever deodorant targeted at young males, is a photo of scantily-clad Olympian Kristi Leskinen next to a request to do some "homework" on Spike TV programming.

THREE USES

It's quickly become clear that social networks have three marketing uses: market research, customer loyalty, and, of course, as an advertising channel that's useful in getting your product or service in front of a lot of eyeballs. Andy Sims, senior VP-director of interactive at Zenith-Optimedia, said consumer research on My Space is best used to give some qualitative context to quantitative analyses. "This is quite different from research-oriented communities [such as those created by Communispace] where 'real' consumer insight can be uncovered."

When asked whether a Communispace community is more about activating word-of-mouth endorsements or sampling attitudes and opinion, Ms. Hessian acknowledged the communities' power in cultivating loyal customers out of members, but she said it's turned down business from marketers who seek to leverage their communities as a place merely to flog brands outside of the community.

"Engaging consumers isn't instant pudding," she said.