



The Fifth 'P' of Marketing: Participation

Size Matters

BRIEF REPORT | 2007

Introduction Public message boards, blogs, social networks, and media-sharing sites often garner thousands of page views each day. Those page views represent a baseline level of interest, assuming that the visitors actually take the time to read and/or watch the content on the site. But if the measure of brand engagement is consumer-to-consumer and consumer-to-company interaction, it's important to look not just at page views, but at the rates and volume of actual postings by unique visitors. How active are these viewers in terms of creating and adding to site content? Are they contributing to the conversation, or are they simply passive observers? Is it possible that a smaller, more intimate environment may in fact promote higher levels of participation and engagement? Is it possible that traditional marketing strategies – the idea that you need to reach millions in order to ultimately engage deeply with a few hundred – are inefficient?

In this paper we will report on a study that demonstrates the effectiveness of small, private online communities in generating high rates of customer engagement with the sponsoring company or brand. When a few hundred members are participating on a regular basis, the quantity and quality of the content is deeper and richer than from large public sites, with a dramatically more rewarding member experience. For companies that truly want to connect with their customers, smaller may in fact be better.

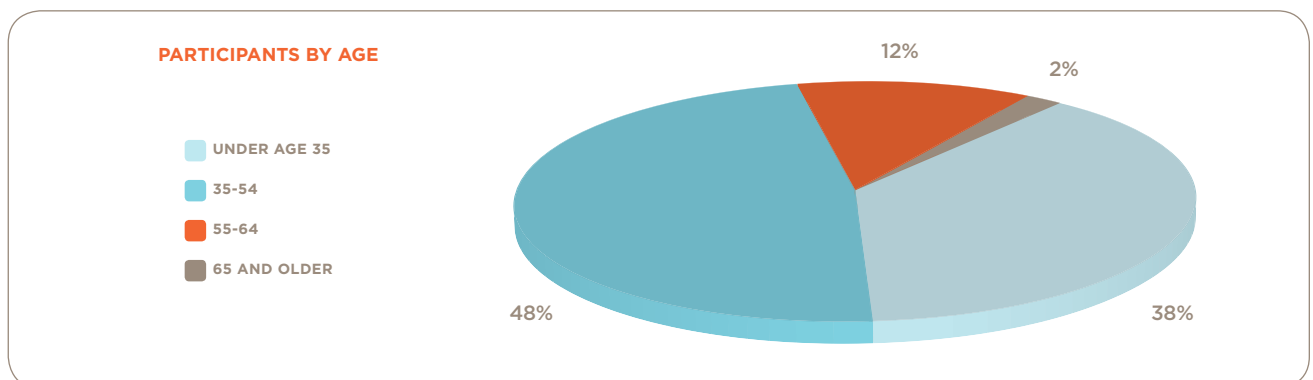
The Current Study The current research leverages proprietary data on member activity in communities built and facilitated by Communispace Corporation. Our aim in conducting this research was to investigate participation rates and trends in these communities, and explore how various characteristics of individuals and communities might drive these trends.

About Communispace Communities: Unlike public communities, private customer communities are generally branded, password-protected sites where a few hundred (typically 300-500) invited members spend a period of months (and sometimes years) brainstorming ideas, offering advice to one another and to the sponsoring company, sharing experiences, commenting on market trends and helping the company figure out business issues. Several facilitators guide the conversation and help bridge the gap between customer and company. They provide a means for companies to be continuously in touch with their customers, gain insights into their needs, lives, and preferences, and engage community members.

Method We took as our basic unit of analysis the contribution, defined as any piece of content added to the site by a member, including but not limited to: a post to a dialogue (similar to a message board), a link or file upload, a photo added to a gallery, a product review, a response to a brainstorm, participation in a project or live chat, or a completed survey. In addition to participating in company-sponsored content and “community building” activities, members are also free to start their own activities, including surveys, chats, product reviews, dialogues, brainstorms, announcements, and photo galleries. Each of these new member-generated activities is also counted as a contribution.

Participants The current study looks at 66 communities, representing 41 sponsoring companies, over their first 50 weeks (or less for a newer community) after launch. The members included in the analysis ($N = 38, 515$) represent a broad spectrum of demographics:

- *Gender:* 68% female, 32% male
- *Age:* 38% under 35; 48% 35-54; 12% 55-64; 2% 65 or older



For analyses presented in this paper, “community membership” was defined as all people who had passed the initial recruitment screener and also logged in to a community at least once, resulting in a sub-sample of $n = 26,539$ members for the majority of analyses. However, the larger, total sample ($N = 38,515$, cited above) was used in the analyses that pertain to the effects of branding during recruitment.

Measures The study evaluated communities and individuals along three dimensions, each speaking to a different aspect of participation:

- Frequency – how *often* members contribute; the percentage of the membership contributing during a given period of time
- Volume – the *number* of contributions made by each member that participated during a given period of time
- Bystander or “lurker” rate – the percentage of members who are simply observing versus *actively* participating

Findings Intimacy Promotes Participation

When we examined how many members actually contributed their voices to the conversation on a weekly basis, results showed that **86 percent of the people logging in made contributions: they posted comments, initiated dialogues, participated in chats, brainstormed ideas, shared photos and more.** Only 14 percent merely logged in and observed, or “lurked” (and the percentage of members contributing when they log in increases to 90% when examined on a monthly basis). In contrast, on many public sites, this ratio is typically reversed, i.e., the vast majority of site visitors do not actually add their voices to the conversation. In fact, in a typical online forum (e.g., wiki, community, message board or blog), one percent of site visitors create new content, another ten percent interact with that content and the other 89 percent lurk.¹ This disparity suggests that a more intimate setting, where members know each other and are treated as trusted advisors, makes for a truly interactive discussion in which most people feel comfortable participating. While public sites may garner more eyeballs, the vast majority of these visitors are not truly engaged in the conversation.

Additionally, monthly participation levels ranged from 33% to 84% of total membership, with a cross-community average of 56%. **This means that, on average, more than half of the membership is contributing new content each month.** And, more importantly, when members contribute, they participate at a high rate: an average of 3.9 contributions per week, with individual communities ranging from 2.1 to 9.2. Aggregated monthly, each unique contributor averages 8.8 contributions, with a range of 3.7 to 21.7. Factors contributing to these disparities will be discussed later, but it is important to remember that “successful” participation metrics may not look the same for all communities, and must be evaluated in the context of the community’s membership, industry, and purpose. For example, participation rates of 40% may indicate a robust and vibrant community when members are experts or high-ranking professionals such as doctors or business owners.

Additionally, these data are quantitative and so do not speak to other important and qualitative aspects of participation (such as the length of posts, detail and texture of member comments, and quality of member insights). Our experience suggests that quality of participation can be “high” even when login and contribution rates are at the lower end of the observed spectrum..

¹ McConnell & Huba, 2007. *Citizen Marketers: When People are the Message*. Chicago: Kaplan Publishing.

The New Math

Not only are a much higher percentage of visitors contributing to the discussion in small, private communities, but the volume of their contributions is equivalent to what is garnered on sites with almost 500 times more visitors.

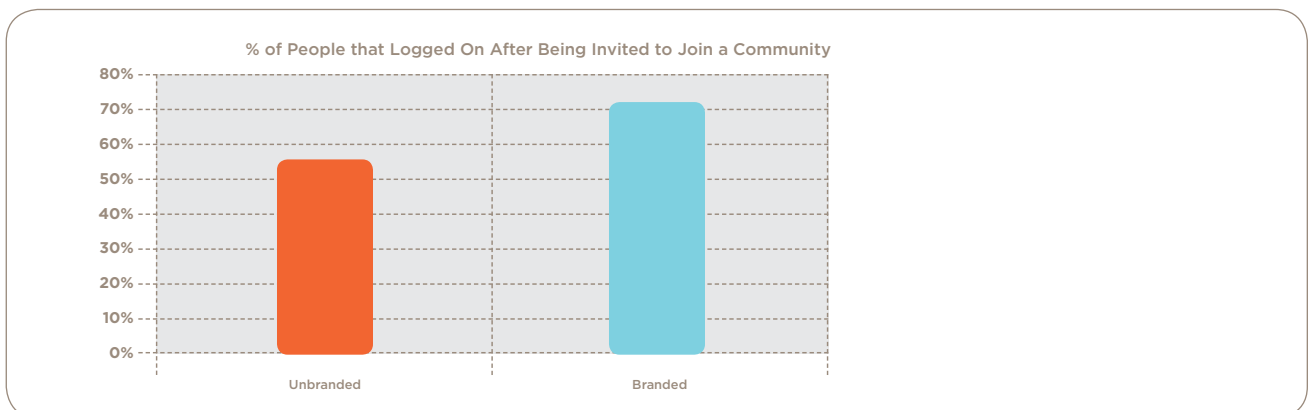
To glean 2000 contributions/month, you need either...		
One 400-person Private Community	OR	Public site with ~200,000 visits/month
400-person community w/56% participation rate and 9 contributions per active member = 224 members x 9 contributions		Public site that gets 1% of all monthly visitors contributing once

People Contribute More When they Know Who They Are Talking To

Results suggest higher participation is also achieved when sponsoring companies are transparent and upfront about whom they are. A comparison of branded and unbranded sites indicated that contributors to branded sites add an average of 3.9 pieces of new content each week (9.0 each month), compared to 3.2 on unbranded sites (7.0 on a monthly basis). **In other words, members have more to say when they are engaged around a particular company or brand.** Again, if we “do the math,” this difference projected over time yields cumulative effects for companies that are willing to be open with the consumers they hope to engage.

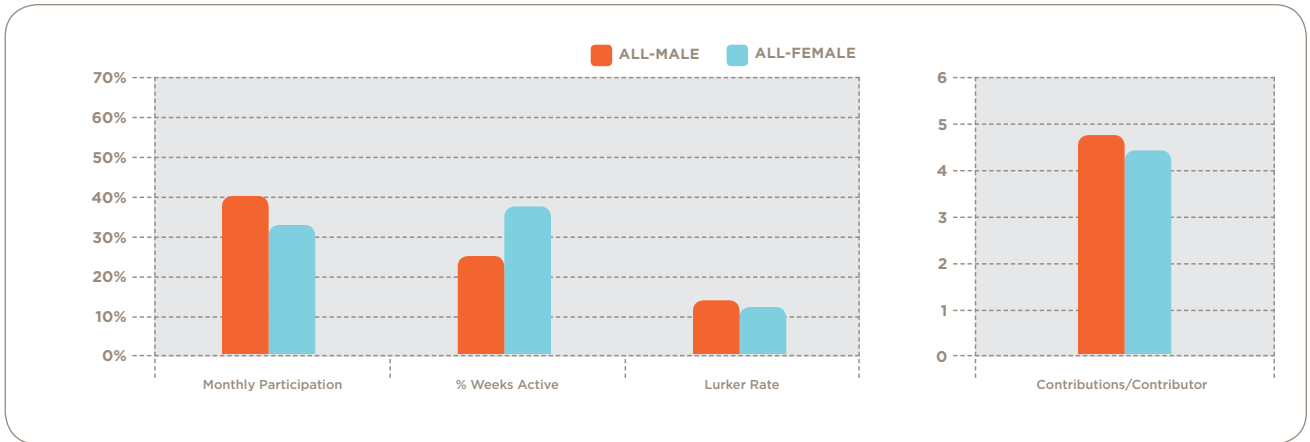
Branded sites deliver, on average, 5000 more pieces of new content yearly...		
Branded Communities	OR	Unbranded Communities
9 pieces of new content/month x 56% of 400 community members = 24,192 pieces of unique content/year 224 members x 9 contributions		7 pieces of new content/month x 56% of 400 community members = 18,816 pieces of unique content/year

The difference between branded and unbranded approaches to community is further highlighted when issues of invitation and recruitment are considered. Results suggest that **community members are 30% more likely to login to the site when the sponsoring company is disclosed during the recruiting process.** Branded sites have an initial login rate of 71%, but this number drops to 55% for unbranded sites, both recruited in the same manner. These results suggest that transparency is an important strategy for any company that wishes to connect with and engage customers. When people know who they are talking to, they are much more inclined to give their time and energy to engaging in a dialogue with the sponsoring company. In return, the company should continue their openness during the life of a community, by responding to feedback, treating members as “insiders,” and *not* ignoring negative comments or complaints.



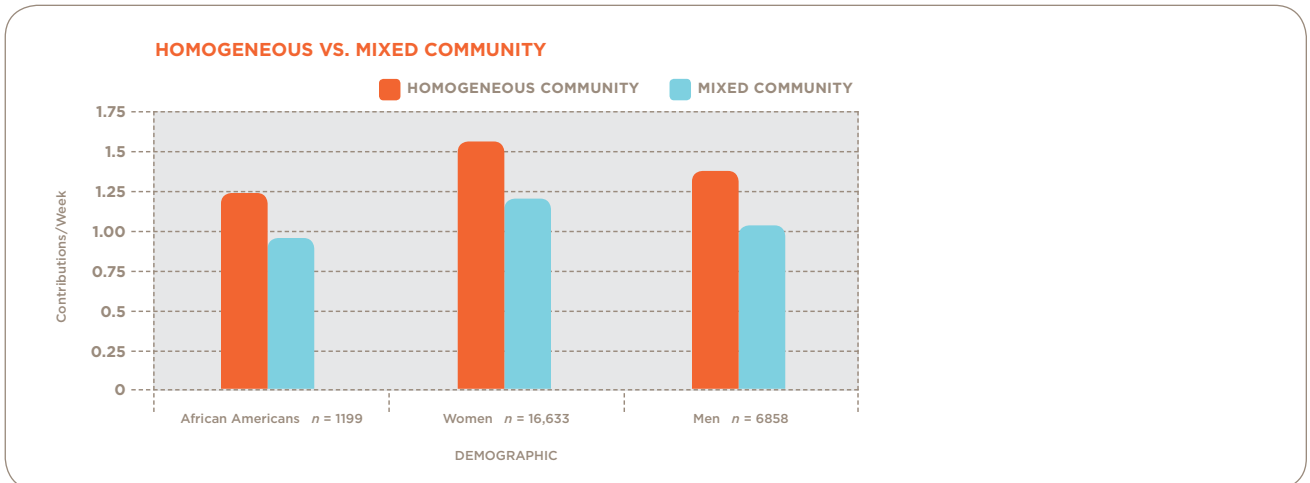
Men and Women Participate Differently

A look into gender differences among community members revealed some dramatic disparities. Women, as individuals, are more active than their male counterparts, visiting the community more frequently and contributing more over their tenure as a member. However, the specific case of single-sex communities showed one notable exception. While members of women’s communities were on the sites more often, men in single-sex environments seemed to have more to say: 4.8 contributions per week, compared to 4.1 for the women. This suggests that **men and women have different online communication styles; men tend to say more in each visit, but return less frequently**. One implication of these gender differences is that while companies can get men involved in the conversation, they may need to create facilitation plans that are appropriate for different community compositions. This finding also suggests that males bring a strong work ethic to their community experience, doing a thorough job when they *do* show up.



The Importance of Social Glue

A larger trend that emerged is that designing a community with a certain amount of built-in “social glue” tends to encourage participation. Common sense tells us that building an online community around any commonality—age, race, geography, parental status, occupation, interests, hobbies—goes a long way towards fostering a sense of community and member affinity, which in turn naturally sparks participation.



Results obtained from these analyses support this notion. For example, communities made up exclusively of parents had higher levels of participation compared to non-parent communities. Women and men each participated more in single-sex communities than they did on average in co-ed communities. African-Americans participated at a higher overall level in an all-African-American community than they did in

other, multi-racial communities. In general, this research found **that the stronger the “social glue”—common interests and passions among members—the greater the participation.** This suggests that building online communities around a shared interest may facilitate deeper involvement and more interactive and engaging conversation. This is particularly important to consider for companies that produce lower-involvement products where engagement can be more of a challenge.

It’s Not Just About Incentives

Analyses showed that incentives for participation may not be the primary driver of participation; *larger incentives do not necessarily lead to higher levels of activity.* While communities that offer incentives have higher participation rates than communities that don’t, the amount of the incentive seems to be unrelated. Communities with higher incentive levels showed no more activity than those with more moderate compensation or tiered incentive schemes (where incentives are linked to the number of contributions made). At best, higher incentives can be used to tempt hard-to-reach demographics (e.g., high net worth individuals, busy professionals, men) and keep their participation levels on par with others. These findings suggest that, for many members, there are motivations for participation other than money – in other words, they are not the feared “professional” survey takers. For community members, interacting with other members and having a voice with the sponsoring company may provide its own rewards.²

Preliminary results also suggest that providing a mix of incentives, including both monetary compensation and products relevant to the sponsoring company and community topics (e.g., product samples, rewards “points,” coupons) may be associated with higher levels of participation than either scheme alone. For example, a series of ideation dialogues and ethnography projects could be followed by a complimentary at-home trial of the new product (and a follow-up survey to further refine the concept). These kinds of brand-based incentive packages serve to develop and strengthen the company-customer relationship. Additionally, these findings provide some evidence that, despite marketers’ concerns that today’s consumers are fickle and hard to reach, people do desire and seek out brand relationships. Companies, then, could create greater engagement by affording key consumer and customer groups “insider” status.

Other Factors that May—or May Not—Affect Participation

In addition to the primary findings discussed so far, we observed two other noteworthy trends in member participation. First, analyses revealed that both **education and household income were not related to participation.** Again, the passion around the community’s purpose or its social glue appears to influence participation more than traditional demographics like education and income. Second, business-to-consumer communities showed higher participation rates than those comprising existing customers (B2B communities), which is to be expected given their makeup. We must point out, however, that more active or frequent participation in B2C communities does not suggest that B2B communities are unsuccessful. Rather, conversations among key customer groups are often more task-oriented, focused more narrowly on helping the sponsoring company improve the customer experience. So although in some contexts participation rates may appear “lower” than, for example, a consumer community of passionate moms, customer communities do deliver quality insights and value to sponsoring companies and members.

Summary and Implications

One of the implications from the research is that people may get more involved in private, intimate communities because they feel visible, heard, and engaged with the sponsoring company in a manner that large, more anonymous public sites can’t deliver. It’s no surprise that even hard-to-reach consumers are more likely to participate if they feel special and if they feel that a company is truly listening. In addition, people may view the time spent as “productive leisure.” They see participating as an interesting or fun outlet for communicating with other people who love what they love. It’s a bridge from what they do in real life to their passions.

Another important implication is that participation metrics, like all measures of community success, must be viewed in light of the sponsoring company and the member demographics. The expectations, for example, for a CPG community of young moms should not be the same as for a financial services community of small business owners. Nonetheless, each can be successful in creating engagement, generating insights, and fostering customer loyalty. Furthermore, there are no independent benchmarks for “good” participation, but there are best practices for promoting activity in any online environment. Being transparent about the community’s sponsor and purpose, responding to feedback and ensuring members feel heard, and fostering natural social glue can encourage participation from even hard-to-reach groups.

Does this mean that there is no role for large, public message boards or other “community” features on corporate sites? Absolutely not. Highly trafficked sites enable companies to “push” their messages to a self-selecting, more qualified group of current or potential customers. But if a company’s objective is to engage a large number of consumers in an ongoing and rich dialogue, the counter-intuitive truth is that small private communities may indeed be the way to achieve it.

² Lerman & Austin, 2006. What Companies Gain From Listening: The Effects of Membership on Members’ Attitudes and Behavior in Relation to the Sponsoring Company. Communispace whitepaper.

Communispace Corporation, headquartered in Watertown, Massachusetts, is a leading social networking firm that specializes in creating online communities used by major corporations to build long-term relationships with customers. The company builds, manages and facilitates private branded communities that deliver the voice of the customer and enable businesses to generate continuous insights, drive faster innovation, and build loyalty. Founded in 1999, Communispace has created more than 275 online customer communities for industry leaders including: Kraft, Hewlett-Packard, Charles Schwab, Hallmark, Unilever, GlaxoSmithKline, Hilton Hotels, Cox Enterprises, and many more.

For more information visit: www.communispace.com

Authors

Katrina Lerman – klerman@communispace.com
Manila Austin – maustin@communispace.com