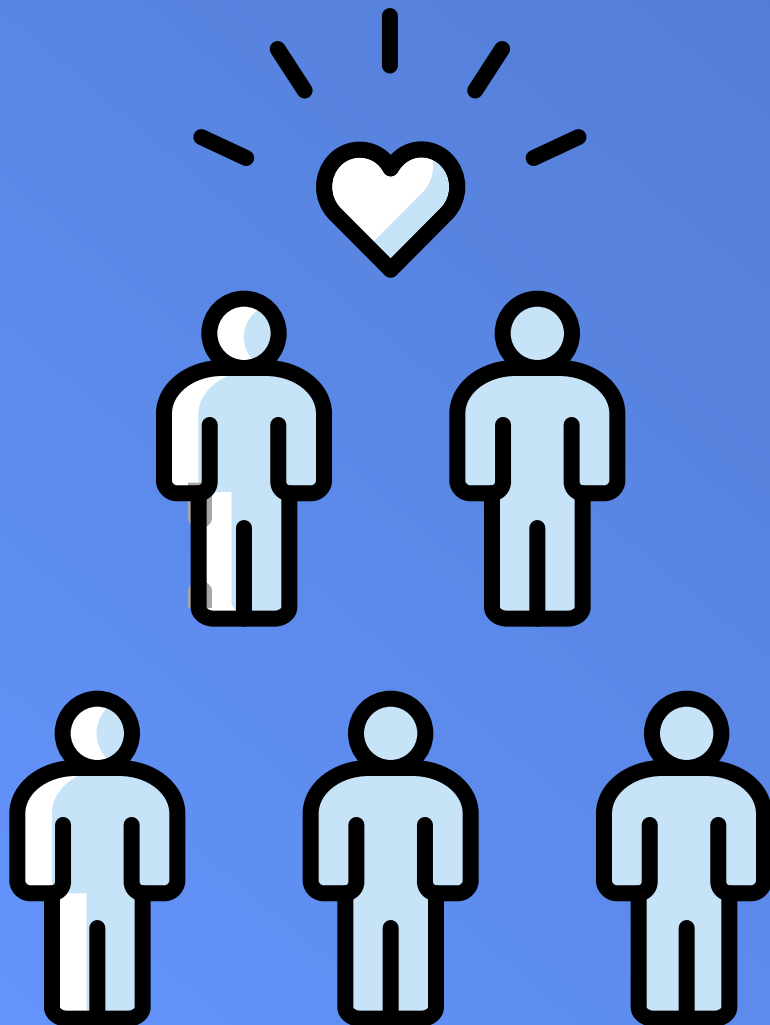


Community building 101



The dangers of the illusion of growth

Traditional advertising and transactional relationships have been the backbone of commerce for as long as most people can remember. The problem is that both of them create an illusion of growth that is unsustainable.

Most businesses don't even realize that they're in trouble and continue to rely on the following strategies:



Lower prices

With the rise of Amazon, the strategy of appealing to customers by offering the lowest price is impossible.

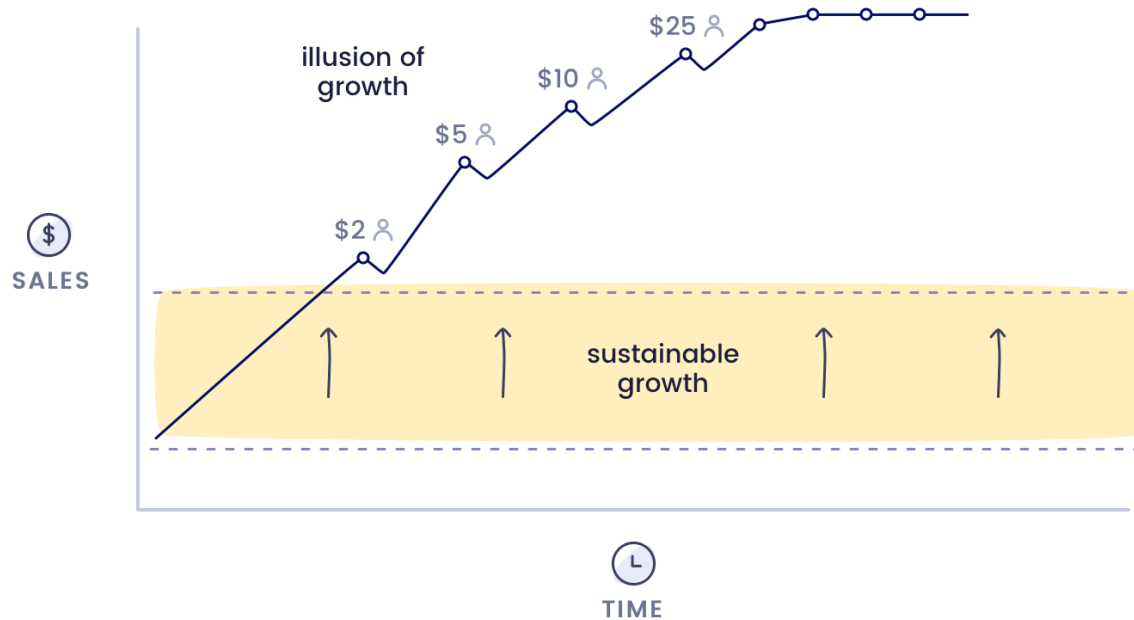


Acquisition through advertising

Increasingly steep competition makes acquiring new customers with ads an extremely costly task.

Illusion of growth vs. sustainable growth

Commerce Growth Models



These strategies trap brands in **the illusion of growth** — an unsustainable business model where sales can only increase if acquisition costs do. With this type of business model in place the return on investment becomes more marginal over time, leaving nothing but diminishing returns in its wake.

Sustainable growth solves this problem by relying on methods that don't require additional investment to get the same results as you grow. Rather than looking for quick wins, sustainable growth is focused on creating a solid base of customers that will stay loyal to your brand.

Why community and emotional relationships are the solution

Brand communities are the key to sustainable growth because they don't rely on discounting or advertising to grow. Both of these strategies cut into your margins and don't guarantee customers are around for more than one purchase. Growing a community allows you to focus on retaining the customers you already have while offering an experience others want to join, fulfilling your acquisition needs.

As a result you experience significant increases in your customer retention, which has a number of benefits for your business:



Repeat customers spent more per visit



Return customers are 9x more likely to complete a purchase



Repeat shoppers are more likely to share your store with others

How to build a community

There are only three steps to creating an effective brand community.

3 Steps to Community Building





Get customers to

join your community

What this means: you can't build a community without people, which means you need to get your customers to join yours. You do this by getting them to create an account with your store.

Why it matters: customers who take the time to join your community are more likely to engage over time because they have already demonstrated a commitment to your brand. This pattern of behavior sets you up for ongoing success and establishes the emotional foundation that will keep customers excited about your brand.

How to get customers to join:

Use points



With a points program, you can offer customers immediate value for taking the initiative of creating an account. This allows you to deliver on your promise of additional value early, increasing the chances they'll return and continue engaging with your community long-term.

Create exclusive content for community members



Content is a great way to provide additional value to your customers in exchange for joining your community. Through avenues like social media, blog posts, or videos, this type of “value-add marketing” positions your brand as a truly valuable part of each customer’s lifestyle and reinforces their decision to join your community.

How this grows your community: by getting customers to join your program, you are able to broaden and strengthen your customer base. You now have a community of customers who are more attached to your brand and, as a result, engage in more meaningful interactions than guest checkouts. This will set you up to grow sustainably, rather than focusing on advertising to constantly drive new customers to your store.



Points program

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Exclusive content

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More people joining
your community

Get customers to



engage with your community

What this means: your community will only grow if the members who join continue to interact with your brand beyond the initial account creation. These interactions could include making purchases, leaving reviews, or engaging with your brand on social media.

Why it matters: if customers aren't engaged in your community, that means they no longer see the value of being a member. As a result, they're at risk to leave your community for a competitor's.

How to get customers to engage:

Use a VIP program



A VIP program is a great way to get customers to buy into the idea of engaging with your brand over time. With different levels of engagement and increasingly valuable benefits, they allow you to gamify store actions that provide value to your brand and assist in building your community.

Reward for valuable brand actions

There are a number of ways that customers can get involved with your brand besides making purchases. These include:



Social following: by incentivizing members to follow your brand on social media, you create an opportunity for them to stay connected to your brand through one-to-one and one-to-many conversations.



Social sharing: rewarding customers for engaging on social media encourages them to share their fondness for your brand with others, expanding your marketing reach and strengthening their connection to your brand all at once.



Product reviews: reviews create valuable social proof that helps new customers feel comfortable joining your brand community. Rewarding customers for sharing their feedback motivates them to share their opinions and reassures them that your brand values their engagement.

Invite customers to special events

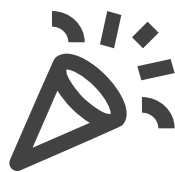


Community events are another great way improve customer engagement! That's because they allow you to foster a series of one-to-many relationships as your customers interact with both you and each other.

How this grows your community: when you focus on retaining existing customers and building a community, you don't fall into the trap of needing to constantly acquire new customers. By finding ways to encourage ongoing engagement, you're able to establish your community as a part of your customers' lifestyle and avoid the issue of relying on one-time purchases. Building a VIP program and hosting events is a sustainable way of supporting the growth of your brand community.



VIP program



Brand events



Engaged brand
community



Get customers to

share your community

What this means: the best sign of a healthy community is a growing community. The most effective way to achieve this growth is to encourage your members to share it with others!

Why it matters: 92% of shoppers say they trust the recommendation of a friend, making it the most effective way to acquire new community members. Shoppers don't want to be sold to — they want to make their own choices. This means that your customers have more influence over their friends' purchases than you ever will.

How to get customers to share their experiences:

Reward customers for making referrals



A referral program is by far the most effective way to motivate customers to bring new members into your community. By rewarding both the receiver and the sender, you ensure that both your current customers and their friends see the value your brand community is offering.

Showcase brand advocates who help grow your community



Offer points for sharing on social media to motivate customers to share photos of themselves using your product. You can also highlight customer content on your brand's official accounts. This type of showcase allows you to get your product in front of hundreds or thousands of potential community members who will all be inspired to get involved.

How this grows your community: referrals perfectly close the gap between the Share and Join phases of building a community. By providing a delightful and rewarding experience to a first time shopper (the person being referred), you ensure that they will love and want to join your brand community from the start! This sets them up to engage over time and ultimately begin referring their own friends to get involved, building a sustainable growth cycle. This allows you to escape the illusion of growth and focus your efforts on expanding the community your customers love instead.



Referral program

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Brand advocates

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Customers who share your brand community with others

Congratulations!

You now have all the tools you need to build a world-class brand community.

Want to get started building your own brand community?

Get in touch with us!

sales@smile.io

1-855-699-9322

Visit us at smile.io

Have an awesome brand community you want to share?

Reach out to us on Twitter @smilerewards