

BUILDING ACCESS FOR B2B INSIGHTS

BUILDING A SUSTAINABLE ONLINE CUSTOMER ADVOCACY GROUP

BY KIP CREEL
PRESIDENT, STANDPOINT



StandPoint[®]
A MORE HUMAN APPROACH TO INNOVATION RESEARCH

770.270.4800
standpointgroup.com
info@standpointgroup.com

INTRODUCTION

The cost and complexity of ad-hoc voice-of-customer studies is at a tipping point. At what point will the cost of B2B research outweigh the risk of not doing the homework? The solution is for the researchers to build relationships with those whose feedback is needed, and provide continuous feedback to decision-makers. We think the customer advisory group (CAG) is one approach.

StandPoint has long advocated for a systematic and smart approach to building sustainable access to current and prospective customers for the generation of business insights. While ad-hoc approaches are doable, they are costly, and compromises are often made in order to enroll enough study participants in a short time frame.

Building a sustainable customer feedback group requires some patience, a long-term commitment, and a willingness to smartly scale the community across markets. With that in mind, sustainable feedback communities are built on the following foundation:

- To participants, position the initiative as a customer feedback platform vs. a research community. Participants are more motivated if they sense the sponsor is really listening, taking the feedback seriously, and acting on what is learned.
- Build the CAG to benefit multiple functional areas within your organization. The likelihood of long-term success is greater when it is viewed as a way to build insights for marketing, sales, and research & development.
- After the initial rollout, there is an ongoing commitment to enroll CAG members through existing contacts and relationships of your company.
- Strongly consider the possibility of providing temporary incentives to a sales representative for opening doors at target companies.
- After the initial rollout of the CAG, you can expect 50% attrition in the first 3-6 months. Traditional enrollment tactics (email and phone recruiting) have diminishing returns and can be costly. A sustainable CAG relies on the organization continuously “nominating” members to an “exclusive advisory group.”
- Have a system to award and recognize CAG members. While monetary incentives are important, retention is improved if the program is built so that CAG members can be recognized among peers.
- Value quality of participants over quantity of participants. The CAG should be less about qualitative vs. quantitative and more focused on building engaged

participants dedicated to giving your organization feedback to improve its offerings.

- Start with a small CAG, allow it to prove its value, and then scale from there.
- Begin in North America and English-speaking regions, and then branch into Europe and other regions in 6-12 months.
 - Comparatively, recruiting will be easier in North America than other markets.
 - Europeans are more sensitive to privacy issues and more apt to join something associated with a well-known brand and a group that has a proven track record.
 - Recruiting in Asia is considerably easier if the group is employer-sanctioned. We think selective outreach to specific companies in that region will be far more productive in the long run.

Over the next several pages, we provide considerable detail in the following areas:

GETTING STARTED: Best practices in implementing a CAG

INFRASTRUCTURE: Recommendations for screening participants and the software platform

ENROLLMENT: How to enroll initial members

ENGAGEMENT: The tactics we use to keep participants active and engaged

IMPLEMENTATION: The required steps and timing necessary for successful implementation

UTILIZATION: The regular cycle of activities once the CAG is functional

INCENTIVES: Guidelines for incentives

LEGAL/ETHICAL/QUALITY ASSURANCE: Additional considerations for running a CAG

GETTING STARTED

There are a number of best practices to successfully implement a CAG.

Steering Committee

Sustainable CAGs generally have broad organizational support because insights inform multiple functional areas. We recommend the steering committee have 4-6 representatives from various departments to ensure the program is meeting the organization's diverse needs. Members of the steering committee can also assist in disseminating the insights and communicate the program's value to upper management.

As the program takes root, ad-hoc information requests from various departments will materialize. The steering committee will gate-keep these requests and determine priorities. We recommend the steering committee meet monthly.

Finalize Learning Plan

At project kickoff, coordinate a meeting with key stakeholders to better understand the organization's learning objectives. From there, develop a learning plan with monthly, quarterly, and annual goals. The learning plan will also inform the specific tasks and activities CAG members will complete.

Cadence

The learning plan will inform the frequency of reaching out to CAG members. The right cadence is extremely important to maintain overall engagement. Best practices have shown that between 5-10 tasks/requests per month is optimal. Assuming 5 tasks are requested per month, we suggest reserving 1-2 tasks for the ad-hoc requests that arise.

While the goal is to create a highly interactive community, participation levels will vary greatly from member to member. Please see the discussion on Member Engagement for more details.

Insights Dissemination

During the planning phase, careful consideration is required on insights dissemination. During the kickoff meeting, develop a publishing schedule. At a minimum, we recommend a monthly newsletter and a quarterly in-person presentation. The steering committee is responsible for reviewing all content during regularly scheduled meetings.

INFRASTRUCTURE

There are three essential components to the proper functioning of the CAG.

Home-Base Website: Home-base is a branded landing page that explains the purpose of the community, participation expectations, and overall time commitment. Over time, additional content will be added that assists with recruitment and member engagement such as awards and incentives, announcements, member testimonials, and information on how member information is being used.

The goal is to drive potential CAG members to the Home-Base website and complete the enrollment screener. Having an easy-to-find and easy-to-navigate landing page is important.

Screener: The enrollment screener should be incorporated into the landing page and packaged as an “application for membership.” The intended positioning of the CAG as an advisory group will be best supported if enrollees feel they have been carefully handpicked. The client determines eligibility requirements.

Software: A number of software platforms exist. We recommend the following features:

- Open-ended text
- Image upload
- Video uploads and webcam functionality
- Image review and markup
- Card sort and rank
- Polls
- Prompts
- File uploads
- Direct messages to members
- Discussion forums

In addition to the above, the software should:

- Have scalable pricing based on how long the community is operational and the number of active participants.
- Easily incorporate with the custom website / front door for the CAG.
- Support multiple languages.
- Be compatible with desktop and mobile devices.
- Contain strong administrative controls and dashboards that monitor participant activity levels.

It is recommended that the first month of tasks be loaded into the system at enrollment. This way, as people enter the CAG, they will be immediately engaged.

CAG ENROLLMENT

Regardless of industry, CAG enrollment requires a thoughtful and systematic process.

In our experience, sustainable CAGs rely on both Grassroots and Top Down enrollment tactics. In Grassroots approaches, the target customer is contacted directly. Top Down approaches rely on networking with specific companies and getting agreement to reach out to their employees.

Grassroots tactics are generally most effective during the start-up phase. While they can be re-used to replenish inactive members, there are diminishing returns.

Once the CAG is up and running, resources should be immediately directed to Top Down tactics. It takes time to network with the target companies and get “buy-in” on employee participation. We’ve also found that it is easier to “sell” target companies on participating if there is a working platform.

Because of the diminishing returns of the Grassroots tactics, Top Down tactics need to be an ongoing effort for the organization. Research and experience have shown that attrition rates are lower and participation rates higher if CAG members are “hand-picked.”

The specific Grassroots and Top Down tactics we recommend are detailed below:

Grassroots

For initial enrollments, these are the typical recruiting tactics:

- Direct recruiting
- Social Media recruiting
- Networking through Employment Resources

Direct Recruiting (Email, Mail, or Phone)

Direct recruiting is the most widely used tactic. The first step is to identify an industry publication or trade group that caters to the target audience. A review of the audience profile or data card should provide you audience counts and best methods for outreach (email, mail, and/or phone.)

Oftentimes, the data card allows you to narrow the list purchase based on demographic or psychographic criteria. While these selections make the list more expensive, it

is recommended that the final list match your desired enrollee as closely as possible. This limits the number of people “failing the screener.”

The invitation should be attractive and written in an appealing/motivating manner...

“Be among a select group of your peers.”

“Help shape the decisions of companies that provide you goods and services at work.”

“Your feedback really does matter. Let us prove it!”

The expected number of enrollees is based on the reach and completeness of available lists and the following metrics: open rate, enrollment screener initiation, qualifying rate, and completion rate.

Consider the following possible metrics from an email enrollment campaign.

Tactic	Recipients	Open Rate	Enrollment Screener Initiation	Qualifying Rate	Completion Rate	Projected n
Email Campaign	10,000	15%	5%	75%	80%	~45

This example assumes you purchased an email database of 10,000 unique records, and 15% of those receiving your invitation opened it. From there, 5% started the enrollment screener, and 75% passed the qualifying criteria. Of those that initiated the screener, 20% abandoned. This yields 45 enrollees. If the list cost \$5,000, then the cost per recruit is \$111. Compared to phone-based tactics, this is very cost-effective.

Social Media Recruiting

The ability to conduct highly-targeted advertising on LinkedIn is improving. The advanced search functions on LinkedIn can estimate the number of members with specific job titles and who work for specific companies.

Banner ads can be placed to target these individuals, and you can specify a budget in advance. There is no guarantee of results, however.

This is an example social media campaign via LinkedIn.

Tactic	Budget	Cost per Click	Number of Clicks	Enrollment Screener Initiation	Qualifying Rate	Completion Rate	Projected n
LinkedIn	\$2,500	\$3.50	714	5%	50%	80%	~15

Some professionals self-organize on Facebook. The B2B media publications have also invested heavily in social media and many offer tools to reach specific audiences.

Before investing in social media, evaluate several options such as LinkedIn, the social media sites sponsored by the industry publications, and then general social media sites such as Facebook.

Results with social media recruiting are mixed. In the beginning, we recommend allocating a small amount of money to experiment.

Employment Resources

In many industries, a sizable number of employees are contractors or between jobs. As such, employment resources can also be used in participant recruiting. Resources include, but are not limited to, online job boards, recruiters, and local/regional staffing agencies.

We generally recommend a review of resumes and select candidates with recent job experience. A lapse in employment of 6 months or more is not advised.

We've experienced very good success with this tactic in the past, but it is industry dependent.

Outside the U.S.

In our experience, Top Down tactics are more effective in enrolling participants in Europe and Asia. Email lists and tools like LinkedIn are less developed outside the U.S.

TOP DOWN

Top Down tactics should be planned and initiated immediately after initial startup of the CAG. In short, Top Down tactics rely on leveraging existing relationships and building new ones. It takes time, patience, and persistence for Top Down tactics to have an impact on CAG enrollments. Regardless, they are important for numerous reasons:

- You can expect about 50% attrition among initial CAG enrollees within 3-6 months, and we must immediately begin “filling the pipeline” with prospective new members.
- The Bottom Up tactics can be replicated, but there are diminishing returns. Response rates are low, and they can be costly.
- The odds of reaching quality CAG members are far greater with Top Down tactics. If solid relationships are built directly with the target companies, there is a ready pool of replacements.

Past experience suggests that Top Down tactics are going to be most effective in enrolling participants in Europe and Asia and if specific company representation is necessary.

For the Top Down approach, there are generally three recruiting tactics:

- Access Points Audit
- Grassroots Outreach
- Sales Team Involvement

Access Points Audit

The most logical starting point for building a CAG is leveraging existing relationships. A cursory review of LinkedIn, for example, will often reveal promising connections between employees of your company and the target customer. Other aspects of the audit include (but are not limited to) the following:

- Sourcing any existing end-user lists that can be used for recruiting.
- Identify where your organization may have memberships in industry-related associations or groups. As a member, you may have access to membership lists, online forums, or other outreach tactics.
- Identify events where you are an exhibitor. Those exhibiting can hand out “invitations to join” the CAG.
- Identify where money is being spent to reach this audience in trade publications, websites, or other properties. As an advertiser, you may have access to subscriber lists or qualify for a low-cost or no-cost email blast.

Grassroots Outreach

Following the audit, your goal is to identify a number of existing relationships that have the potential for opening doors, specifically at targeted companies. The goal will be to identify people in upper to middle management who can assist with identifying and enrolling CAG members at specific companies.

Sales Team Involvement

The sales team can be instrumental in opening doors at specific companies, whether or not they are currently a customer. It is important to realize, however, that enrolling members of the CAG is not their primary job, but there are several tactics worth considering:

- Position this program to the sales team as a customer advisory group vs. a research panel, and communicate how it can help deepen customer relationships.
- Create a temporary incentive structure for the current sales team to assist with enrollments.
- Identify a person who is recently retired or semi-retired from the target industry who can leverage existing relationships.

Involving the sales team is not necessary to launch the CAG. It will be more important to involve them in opening doors at specific companies, especially those that are outside the U.S.

CAG ENGAGEMENT

There are a number of best practices to foster CAG engagement. Despite your best efforts, participation levels will vary greatly by member. About 25% of the participants will be highly active. Another 25% will complete tasks as you request them, but will not self-start interactions with other CAG members. The balance will be sporadic in their participation.

After about 3-6 months, approximately 50% of initial enrollees will drop off. A continuous process of recruiting, on-boarding, and engagement is absolutely necessary.

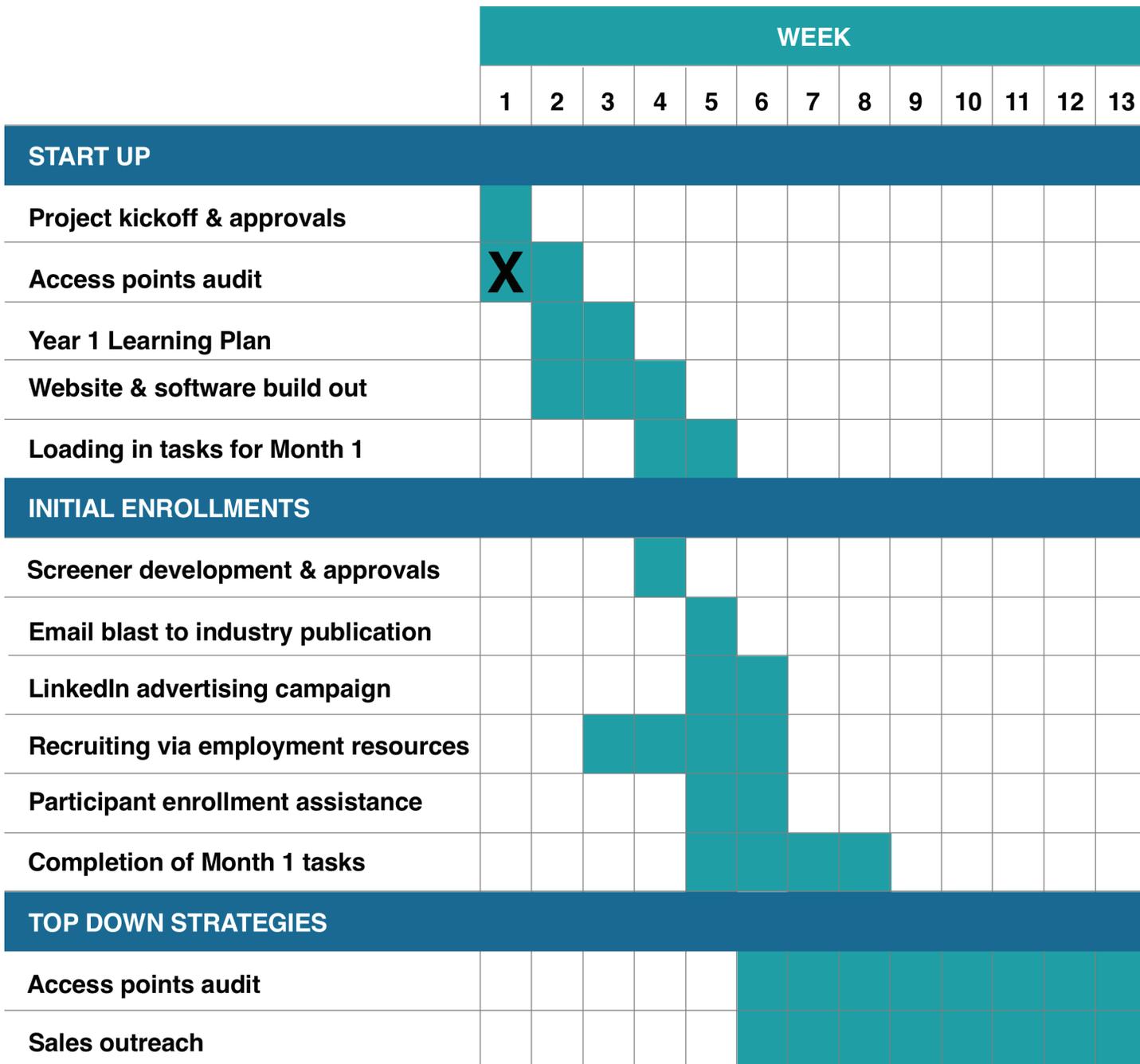
Below, we have outlined suggestions for improving engagement and member retention.

- **Cadence.** As discussed before, 5-10 tasks or requests per month for information is optimal.

- **Promptness.** A community manager must monitor group interaction each day, and initiate follow-up questions and probes.
- **Variety.** CAG members should be asked to provide feedback in a variety of formats such as chat, uploading pictures, reviewing documents, image mark-up, taking polls, and more. The software should employ a variety of tools that allow for ascertaining customer needs (discussion boards, chat), ideation (image upload, image markup), concept refinement (image markup), and evaluating concepts (rank/sort, polling).
- **Points/Incentives.** The software should keep track of CAG interactions and awards points. Leader-boards are also incorporated to foster a spirit of competition. Points are earned by referring others to the CAG. Points should be wed to monetary incentives and other items such as magazine subscriptions, t-shirts, baseball caps, and more.
- **Recognition.** Recognition among peers is a powerful motivator. Suggested tactics might include a CAG member-of-the-quarter and press release to the trade, workplace recognition, photos of “members of the month” on the CAG website, etc.
- **Member insignia.** The CAG should be positioned as an exclusive, hand-picked group of people. Members can choose from insignia merchandise like lapel pins, coffee cups, or baseball caps. This will be especially important when targeting specific employers. If one employee is “handpicked” other employees will be enticed to enroll.
- **Networking.** About 25% of CAG members will become active networkers on the site, and this becomes their primary motivator for staying engaged.
- **Impact.** Long term, CAG members want to know the impact of their feedback. Once per month, the Steering Committee should approve snippets of how their feedback is helping with product development, reducing costs, increasing productivity, or the like. This information should be reported back to CAG members in a timely fashion.

IMPLEMENTATION

A typical CAG takes about 9 weeks to implement, also allowing for the full first month of participant tasks. The Top Down recruiting strategies would begin around week 8 and would continue indefinitely.



CAG UTILIZATION

Once the CAG is operational, there will be a predictable cycle of events:

- During the development phase, the Steering Committee will develop the annual Learning Plan and finalize the first month of CAG activities.
- From there, the Steering Committee will meet once per month to review insights from the previous month, the insights newsletter, finalize activities for the upcoming month, and prioritize any ad-hoc requests generated internally.
- As the CAG progresses, tweaks to the Learning Plan will occur, and we will offer regular recommendations.
- A newsletter-style report of insights and implications will be generated monthly by StandPoint. The Steering Committee will approve the report and assist with its dissemination.
- A quarterly insights recap should be delivered to all key stakeholders.
- Each month evaluate any new Bottom Up recruiting tactics, and monitor progress on Top Down tactics.
- The Steering Committee should also approve content updates to the Home-Base website.
- Review panel utilization statistics and make decisions on which inactive members to disinvite, and the effectiveness of the various engagement tools within the software. As you learn what drives engagement, you may adjust the Learning Plan, monthly activities, and incentive structures.

INCENTIVES

Incentives are necessary to compensate CAG members for their time and opinion. For each activity, CAG members earn points, and points can be redeemed for merchandise and gift cards.

In calculating the estimated incentive payouts, rely on the following guidelines:

- Calculate a theoretical maximum incentive per participant based on projected number of tasks per month and total time commitment. For example, 5 tasks per month and a total time commitment of 1.5 hours per month is 18 hours on an annualized basis.
- A best practice in calculating the amount of incentives is to base it on the tar-

get customer's current salary plus a 25% premium. Salary statistics are available from the Bureau of Labor Statistics. Assume that the mean annual salary of a CAG enrollee is \$56,000. Assuming a work year of 2,080 hours, this equates to \$27 per hour.

- On an hourly basis of CAG participation, panelists should earn approximately \$35.
- For a full year of participation, a panelist should have the potential of earning approximately \$650 in incentives (18 hours @ \$35 per hour).

The incentive structure should also reward those who go "above and beyond." Thus, we recommend establishing different levels such as Platinum, Gold, Silver, and Bronze. Platinum and Gold members should have the opportunity to earn incentives at a rate greater than the annual baseline.

Because of attrition, and continuous replenishment, few CAG members will achieve the highest thresholds. Actual total payouts on an individual basis are based on activity levels and duration of involvement.

A best practice is to experiment with incentives in year 1: start small with incentive promises and adjust them as needed based on the level of engagement and retention.

LEGAL / ETHICAL / QUALITY ASSURANCE

The following are some recommendations and observations as it relates to the legal and ethical operation of CAGs.

Adhere to the CASRO Code of Standards and Ethics.

We recommend the CAG not be blinded. Recruitment and retention will be easier to facilitate especially outside the U.S., if the CAG is directly linked to your organization. Also, the CAG has the potential of being a brand builder for the organization, thus it must be directly linked to the organization.

Many workplace organizations prohibit employees from taking pictures in the workplace; this may limit your ability to collect visual documentation.

We are not aware of any specific laws or restrictions preventing CAG members from participating on their own time.

Some CAG members use avatars (versus actual pictures of themselves) to protect their identity. This should be allowed.

In the enrollment screener, we typically include some technical questions that only the target customer should know the answer. Those unable to answer will be excluded from participating.

You should remove and replenish CAG members at your discretion.

The cost and complexity of ad-hoc voice-of-customer studies will continue to increase. For the research function to continue adding value, the researcher must build trusted relationships with B2B stakeholders and be the conduit that informs marketing, product development, and senior management.

ABOUT KIP CREEL & STANDPOINT

Kip Creel is the President and Founder of StandPoint, an Atlanta-based agency specializing in the front-end-of-innovation including insights, ideation, content building, and concept evaluation. Over the past 15 years, StandPoint has generated impactful insights for many notable Fortune 5000 companies in healthcare technologies, pharmaceuticals, medical supplies, medical devices, and consumer packaged goods.



Kip developed SCORE™, an award-winning VOC process used by many companies in their front-end-of-innovation activities. In 2012, StandPoint was named a runner-up for the EXPLOR award, recognizing innovations in market research. Later that same year, StandPoint was named a finalist for Atlanta Marketer of the Year based on its unique VOC methods. In 2014, StandPoint won the Atlanta Marketer of the Year award for Innovation in Marketing Research.

*Kip is also on the faculty of Stage-Gate® International, leading training seminars on using customer and consumer insights in the front end of innovation. Additionally, he teaches marketing management for the Executive Academy for Growth and Leadership, a continuing education program through Texas A&M University. Learn more about what Kip & his team can do for your innovation projects at: **standpointgroup.com***