

# THE COMMUNITY PLAYBOOK

FOR RETAIL & E-COMMERCE BRANDS



# THE RISE OF COMMUNITY

Community has grown massively in the last 18 months. Just a few years ago, nobody was hiring a Head of Community. Now, projects get fast-tracked as brands rush to set up their community strategy and future-proof their business against the Glossiers and Lululemons of this world.

As al6z wrote, "Any community-driven product or brand has an advantage over every competitor: better engagement, better retention, better defensibility, better... everything".

But, if more brand community resources were published this year than ever before, it seems like the retail and ecommerce industry has been left out. And we wanted to change that.

2 years after launching the TokyWoky Community Blog, our goal is - more than ever - to share our learnings with anyone who has a brand community project in retail.

Playbook for Retail and Ecommerce Brands. The one we felt was still missing today. It's the full TokyWoky method we use every day to help clients set up their strategy, design their platform, and grow their community. Everything you need to set up your community.

Bookmark it, share it with your team or boss, and send us your feedback and questions.

Let's dig in.





### **INTROS**



QUENTIN LEBEAU
COMMUNITY EXPERT & CEO

I'm one of the co-founders at TokyWoky. I've been building communities with some of the world's biggest brands for the past 6 years.

I spend half my time advising global brands on their community strategy, the other half building the TokyWoky team and platform.

### WENDY ATGER CONTENT MANAGER

I'm part of the content team at TokyWoky. My job is essentially to share insights and community tips from the team with you.





### **TOKYWOKY**

TokyWoky is used by L'Oréal, H&M, and 100+ brands to launch and grow their brand community.

Compared to other community platforms, TokyWoky is a quickly evolving and highly adaptable platform specifically built for retail and e-commerce brands.



### SUMMARY

- What is a brand community?
- **02** Why launch a community?
- **03** Define your brand community goal
- **04** How to recruit community members
- **05** How to retain members
- 06 How your brand community can generate value
- 07 The resources you'll need
- 08 How to sell your project internally
- **09** Learn more: top community resources



# WHAT IS A BRAND COMMUNITY?



### **Definition**

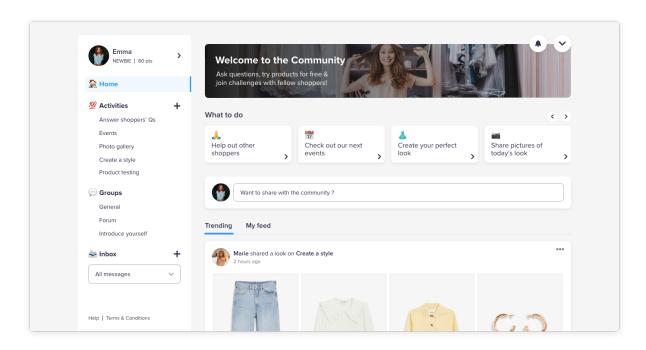
A brand community is a community of customers who are invested in a brand beyond the simple act of purchasing.

They do not see themselves as regular customers and are willing to spend time and energy to interact with their favorite brand and feel like they're a part of it.

### WHAT IS A COMMUNITY PLATFORM?

A community platform (like TokyWoky) is a centralized hub where brands build and grow their community.

It usually features discussion forums, gamification tools and a range of activities depending on your community goals (UGC creation, events, product reviews...).



Home view of a community powered by TokyWoky



### **SOCIAL MEDIA OR OWNED COMMUNITIES?**

The likely question you'll start with is: "should I build on social media or a dedicated platform built for my community?"

Your decision is mainly going to depend on your size, resources, goals and perhaps the maturity of your existing community on socials.

Each option has its advantages:



### SOCIAL MEDIA

- ✓ Easy and free to set up
- ✓ Easy acquisition and retention
- ✓ Can be tested easily at smaller scale
- ✓ Ideal for smaller brands with fewer resources



### **OWNED COMMUNITY PLATFORM**

- ✓ Free and unlimited access to your community
- ✓ Gather engaged customers from all sources in one place
- ✓ Integrate with your CRM
- ✓ Collect and distribute UGC where you need it
- ✓ Nurture customer-to-customer interactions as well as brand-to-customer interactions
- ✓ Easily customize design and add the features you need



# WHY LAUNCH A COMMUNITY?



1. ACCESS 2. LOYALTY 3. ADVOCACY

### SECURE DIRECT ACCESS TO CUSTOMERS

The problem for retail marketers today is that **it's harder than ever to keep in touch with customers**, and increasingly urgent to find a way around low engagement on socials, email and in-store.

### 1. SOCIAL MEDIA'S ORGANIC REACH PROBLEM

You don't own your community on social media, Facebook likely does.

Retailers spent countless resources building their audience on social media. Now that organic reach is plummeting, brands are forced to spend heavily on ads to make sure they reach their community members.

### 2. EMAIL'S ENGAGEMENT PROBLEM

The other big DTC channel, email, also has real engagement problems.

Databases are shrinking because of GDPR and similar laws worldwide. Email as a communication channel is also limited when it comes to community building: email pushes or newsletters remain a passive communication channel.



### **INCREASE CUSTOMER LOYALTY**

A second challenge for marketers: modern shoppers, (especially younger generations) don't want to see ads or email blasts. Coupons alone don't build loyalty.

### 1. ARE YOU CREATING AN EXPERIENCE THAT'S WORTH COMING BACK FOR?

For most brands, 5% of their top customers represent 20-40% of their total revenue.

Retaining these customers is crucial. Even more so when it's 5 to 25 times less expensive to retain an existing customer than acquiring a new one.



### 2. COMMUNITY IS LOYALTY ON STEROIDS

Building a community around shared interests, activities and values is creating an experience worth coming back for.

Consistently across TokyWoky community platforms we see that members:

- ✓ Have a retention rate that's 4 to 5 times higher
- ✓ Have a conversion rate that's 4 to 6 times higher
- ✓ Come back to the website 3 times more
- ✓ Have an average LTV increase of 30%



### SCALE CUSTOMER ADVOCACY

The 3rd main challenge for brands is that **they can't afford to take an** opportunistic approach to customer contributions (feedback or customer content).

### 1. UGC > BRANDED CONTENT

On average, UGC triples conversion for shoppers who interact with UGC content when they shop.

UGC can take the form of reviews, pictures, videos, testimonials and discussions...

If your brand isn't leveraging UGC where it can have the biggest impact on conversion rates and trust, particularly online, you're probably missing out.

## 2. GIVE CUSTOMERS THE TOOLS TO GENERATE UGC AT SCALE

Instead of sporadically finding customer content that's posted online, brands need a system that generates continuous quality UGC from customers.

A brand commuity allows you to identify contributors, motivate and reward them, and leverage the generated content wherever you need for maximum impact.

85% of shoppers trust UGC over any branded or influencer-created content.



# DEFINE YOUR COMMUNITY GOAL

### **BUILD A BUSINESS CASE FOR SHORT-TERM ROI**

### 1. SETTING YOUR "WHY"

Start your community project with a clear and measurable purpose that serves both your business and customers:

- What's the daily thing your community will do, i.e. what will get your customers to join and come back?
- What value will the community create for the business in the short and long-term?

### 2. SHORT-TERM VS LONG-TERM COMMUNITY GOALS

You'll need both to build a successful community:

- Short-term goals: Prove the success of your community during the POC and make it a no-brainer for the CFO.
- Long-term goals: Align with the company's strategy and make community a strategic differentiator for your brand.

### **EXAMPLES: SHORT-TERM GOALS**



- Improve conversion with community UGC
- Drive sales with social commerce & referrals
- Answer shopper questions
- Generate continuous insights



### MAXIMIZE THE IMPACT OF YOUR PASSIONATE CUSTOMERS

### **COMMUNITY SIZE # VALUE**

One of the biggest mistakes brands make with community building is measuring community size instead of the generated value.

Community size is a vanity metric. Having a large community does not mean it reaches business goals or provides value to its members.

Once you've set your business goal (see previous page), set the KPIs that help you reach that goal:

### **CLEAR KPIS**

# of UGC created # of questions answered # of reviews generated

### **VANITY METRICS**

# of members # of messages posted

### **THE 1% RULE**

The 1% rule you may know from social media is true for any community too. 1% of community members will be top contributors and create the content that feeds the 99%.

Think of your brand community as essentially a micro-community of your biggest advocates.

Building a community then becomes all about identifying those super engaged customers and giving them the tools to impact your 99% other customers.

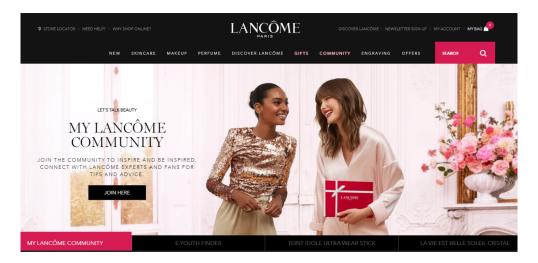


# RECRUITING MEMBERS

### WHERE TO BUILD FOR MAXIMUM ADOPTION

"If you build it they will come" unfortunately doesn't work when you build a community.

When a brand launches a community on a site with no existing traffic or no strong links to existing traffic, they'll likely end up with a "ghost town".



The Lancôme Beauty Community on their online store.

That's why the most strategic place you can build your community is your ecomm store:

- Leverage the traffic you've already built
- Community contributions will directly impact conversion (making ROI easier to measure)



### **DON'T HAVE AN ECOMM SITE?**

In-store communication, mailing and social media are your next best bets to direct customers to your community.



### **AUTOMATE COMMUNITY RECRUITMENT**

The best way to drive continuous growth and traffic to your community is by piggybacking existing sources of traffic:

- Link to the community in your newsletter and mailings
- Add a direct community tab in your ecomm menu
- Link to the community next to UGC shared on product pages
- Link to your community on your social media profiles

# TYPICAL COMMUNITY GROWTH CHART | Ceneral | Analytics | Flotal Community members | Flotal Community | Fl



### **BOOST ACQUISITION WITH ONE-OFF CAMPAIGNS**

You can also give your recruitment big boosts by doing one-shot campaigns. Follow these best practices to attract the right people and make the experience exclusive enough for top customers.

### **DON'TS**

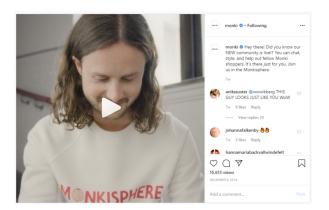
- × The generic "join our community" newsletter with no real and time-sensitive incentive.
- Make all communications about rewards or freebies: you'll get big registration bumps at first, but risk losing the brand affinity aspect of the community.

### DO'S

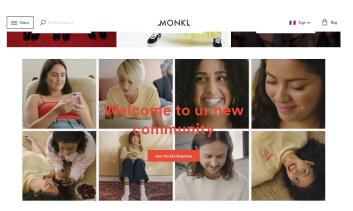
- Find the right balance between highlighting rewards and the community experience or creations.
- ✓ Test different communication channels to see what works best for your customers.
- Instagram Stories are a great way to generate traffic and track results, but posts have a bigger impact on recruitment.
- In-store messaging with flyers and QR codes, on-screen messages, staff messaging training are best practices.
- Newsletters are great for recruiting. Refer to the community in the subject line and at the top of the newsletter for best results.



### **ACQUISITION CAMPAIGNS EXAMPLES**



Monki launch post on Instagram



Monki homepage takeover banner





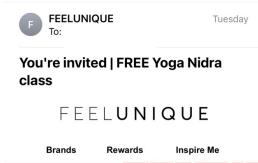
A space to connect, share and

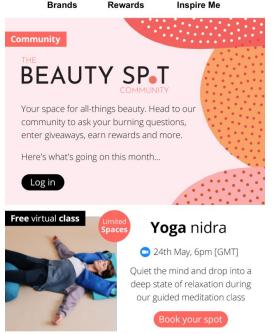
Lancôme launch post on Facebook

Sign Up

Join our community of beaut

enthusiasts!





Feelunique launch + event newsletter



# RETAIN COMMUNITY MEMBERS



Once you get acquisition right, getting ambassadors to come back and create value is crucial.

There are 5 main ways to retain and motivate your community.

You'll need to personalize these to fit your customers and brand but failing to get them right can slow growth and create confusion within your community.













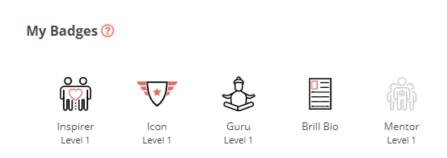


Gamification is a great way to onboard new community members and incentivize them to fully explore the community.

You essentially want to make it crystal clear what people should be doing the second they join the community.

### **Gamification typically includes:**

- Tutorials
- Badges & points
- **Unlockable features** (eg. being able to post in new forums once you've met a requirement)



It's important to celebrate key first steps like joining the community, posting a first message, helping someone for the first time, and posting your first contribution.

### FIRST BADGES



The first badges should be easy to grab upon joining. This gives members the right nudge to explore the community and check out what else they can unlock.

Gamification is hard to get right the first time if you don't have inhouse community expertise. A Test & Learn approach is essential here.





A key driver of every healthy community is social recognition.

Social recognition is the recognition by the community that a user is creating quality content. It's likes on Facebook or upvotes on Reddit.

Having a similar upvote system send a clear message on what your community's culture is like and what type of contributions will be rewarded.

### How to signal social recognition:

- Experience points based on community or customer upvotes
- Status tiers or levels
- Rankings
- Member of the month
- **Trending content** based on community upvotes (= post of the week, most helpful answer...)



Community members can grow in status by earning experience points

### **QUALITY TRUMPS QUANTITY**



Don't give a badge to someone because they replied to 50 questions (you don't know if the answer was helpful).

Instead, give a badge for answering 50 questions that got at least one upvote or a "this was helpful" mention.





Social interactions is what makes communities stickier than traditional loyalty or advocacy programs.

One common trait we've found amongst long-time top contributors is that they've made friends on the community. You need to make sure you're enabling these interactions on your community.

### 1. DISCUSSION GROUPS

Create thematic groups based on common interests, concerns, location, VIP groups for top members, and more.

In more mature communities, you can also let top members create their own groups (community news channel, project-based groups, niche interests...)

Discussion groups is how new members introduce themselves, meet likeminded people and, ultimately, form friendships.

### 2. PRIVATE CHATS

Once members meet in discussion groups, it's good to enable them to talk to each other in private.

This keeps discussion groups relevant and allows people to connect on a more personal level.

These private chats are also how you'll be able to interact 1-to-1 with top contributors and get detailed feedback as soon as you need it.

### 3. COMMUNITY EVENTS

Events is how you crystalize conversations that have been happening across your community. In any community we've ever built on TokyWoky, the moment your community starts to meet when it gets truly sticky. Wether those events happen in person or virtually.

Our best tips for hosting great community events.

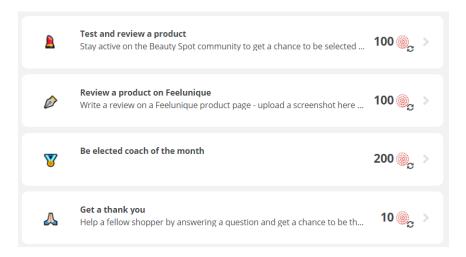




### THE RISKS OF REWARDS

Rewards are a great way to scale a community - but it needs to be done right to pay off:

Attract users and celebrate top contributions without turning your community into a transaction-based ecosystem.



Community missions and rewards example

### SURPRISE & DELIGHT

Surprise & Delight essentially means sending top contributors unexpected rewards:

- Make them feel unique and establishes generosity as a key community value (they're not expecting the reward)
- Create a moment customers will share, turning them into advocates
- Test easily at small scale, measure the impact on engagement and optimize campaigns

Target the right members, explain why you're rewarding them, and give your community team the room to get creative with surprises.



### **EXPERIENTIAL REWARDS**

You can offer discounts, merch, free shipping or free products to your community, but the best performing rewards have been experiential.

It's a great way to show your community you're grateful and get them to feel like they're part of the brand with you.

### **Experiential rewards can be:**

- Sneak peek to upcoming products or collections
- VIP invites to a Q&A with your team
- VIP invites to your HQ or store openings
- Organize ambassador days
- Co-creation or feedback sessions on prototypes or ad campaigns before they go live

### LINK YOUR COMMUNITY TO YOUR CRM



Community is how you build emotional loyalty and engage top customers beyond purchase. That's why it's increasingly seen as an essential layer to any loyalty program.

If you want community and loyalty to work together, integrate your community platform with your CRM to identify top contributors and link engagement to purchase history.





Contests are great for both acquisition and retention: they can attract new members and give your existing community something exciting to do.

But you'll need to get a few crucial points right so a) your contest works, and b) your community doesn't fill with freebie hunters:

### 1. DEFINE YOUR CONTEST GOAL

Set a clear objective to get the format right: do you want to get insights, UGC, community members, new customers?

Link contests to ongoing campaigns (this way you also get insights and valuable UGC for strategic campaigns). Then, determine if you want to do an accessible or exclusive contest. This depends on if you want to get as many contributions as possible, or only high quality and detailed content.

### 2. CONTEST PROMOTION

Communicate about the contest on socials, mailings and your website. Make sure the rewards are attractive and highlighted in all communications (gift cards, product giveaways, social recognition...).

### 3. AFTER THE CONTEST

Highlight the winner and the content they created on strategic channels to raise awareness around the community and make future contests even more compelling.



### **GENERATE VALUE**

The value your community will generate will depend on your business case. They're frequently about **UGC creation**, **Help and Insights**, **Co-Creation**, and **Social Commerce**.

### UGC

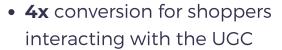
### **MONKI FASHION COMMUNITY (H&M GROUP)**





• **14,000** active members





- x6 ROI on the community, built on TokyWoky
- See the use case







### THE IMPACT OF COMMUNITY UGC

Find the type of UGC your community can create at scale and how you can maximize the impact of this UGC once you have it.



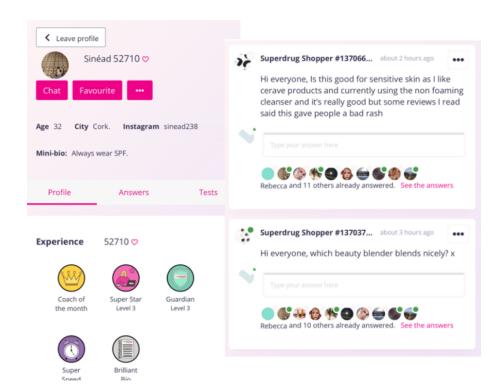
Monki lets customers create outfits and adds the most popular styles to its product pages, increasing product discovery and conversion with online shoppers.

Result: 1000s of UGC/month + significant (and AB tested) increase in online revenue



### **HELP AND CUSTOMER INSIGHTS**

### SUPERDRUG BEAUTY COMMUNITY



- 1,000s of shoppers helped/month
- +31% time spent on site
- Won Best
   Community Hub
   2020, built on
   TokyWoky
- See the use case

### **COMMUNITY INSIGHTS FROM CUSTOMER QUESTIONS**

 Identify conversion blockers on your site, do monthly checkups and liaise with your ecomm team.



- Identify top questions, trends and products to highlight on the community, on social media, in your newsletter...
- Add a FAQ on product pages to answer customer concerns, with top picked answers from the community for extra authenticity.
- Use top questions to improve SEO by writing content.



### **SOCIAL COMMERCE**

### **GLOSSIER'S VIP COMMUNITY**

Top customers share their favorite products on social media and earn rewards and small commissions.

### Glossier.

### Hi, I'm Rachel!

Besides watching too many films back-to-back and listening to the "Anna Faris Is Unqualifi podcast, I am constantly on the hunt for different beauty and skin products (the amount lipsticks I own is frightening ya'll). Thanks for stopping by and happy shopping!

Shop my favorite products below, plus get 10% off your first order and free shipping w you spend \$30 or more. Terms and conditions apply (see below).

By the way, I make a small commission on orders placed through my page.

SHOP WITH ME

### My Top Picks













skin is as smooth as a baby's burn. ; I did a whole trial and review on YT channel if you want to see the alts for yourself!"

Cloud Paint \*Can't go one day without this one. I use it in Brown and it instantly fills in all the bare spaces for a fuller and That's what I'm talking about. I especially love to mix colors-more natural look. Plus the wand is particularly Haze and Dusk. Oh. and a perfectly shaped so you're not using too much product at once."

Rose BDC especially before going to bed. It leaves my lips so, so moisturized and the packaging helps

\*Not built with TokyWoky, but a great example we wanted to share

### **BUILDING A COMMUNITY FOR SOCIAL COMMERCE**



You don't need that many community members to boost your brand's social reach. In fact, we see that in most cases:

Top 200 members (based on social reach) > total brand reach

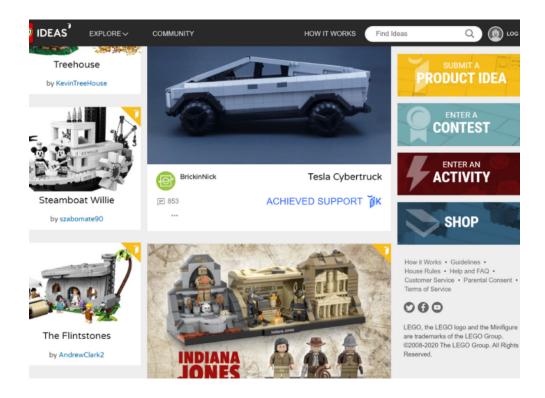
By engaging just 200 (well selected!) people, these brands are effectively doubling the reach of their campaigns.



### **CO-CREATION**

### **LEGO'S CO-CREATION COMMUNITY**

Customers upvote their favorite sets and answer surveys.



\*Not built with TokyWoky (though we wish it was!)

### **COMMUNITY CO-CREATION BEST PRACTICES**

• Recognize community expertise & foster exclusivity: show prototypes of upcoming products and ask for feedback to top members.



- Short surveys perform best.
- Consider doing a live session: the best feedback often comes from Zoom session with 5 to 10 top contributors.
- Regularly share insights with all relevant teams:

  Harley-Davidson's R&D teams meet customers 2x/year.



# THE RESOURCES YOU'LL NEED

To build a community, you'll need resources for 2 stages of the project: the community design and launch stage, and later daily management.

### **DESIGN & LAUNCH**

### 1. KEY STAKEHOLDERS

You'll need at least one senior decision-maker to push your project to the board and advocate for you internally.

In our experience, it's best to set a firm community goal, a timeline, and KPIs with these senior stakeholders, then update them about once a month.

### 2. OPERATIONAL RESOURCES

Aka the team or person who will handle the community launch from A to Z.

Reverse schedule from the launch to make sure you're aligning the needed tech, training, resources and communication assets.

A weekly review to make sure everything is running on time is optimal.

### 3. TECH RESOURCES

They'll integrate your site or app with the community platform of your choosing (or build one for you if you'd rather do it in-house).

Depending on the depth of integration you're going for (native app integration, SSO, CRM integration, security checks...) this will require more or less bandwidth from their team.

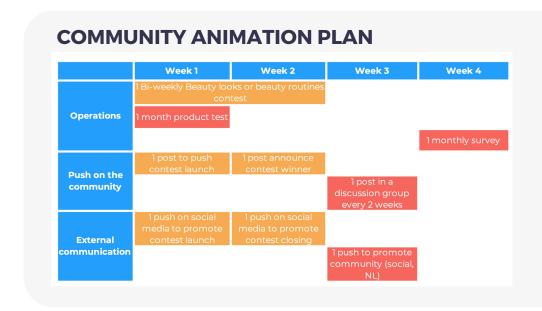


### **DAY-TO-DAY MANAGEMENT**

### 1. OPERATIONAL RESOURCES

We recommend weekly syncs and a quarterly call with senior stakeholders to make sure the community runs smoothly.

Set up an animation plan that includes all brand campaigns, community communications, contests as well as any acquisition or retention campaigns.



### 2. SENIOR STAKEHOLDERS

A community evolves constantly based on user feedback, key brand projects and news.

Having a senior stakeholder at the heart of the project is essential they will be the bridge between various teams and make sure the project is pushed forward.



If you build your community space in-house, you'll need tech resources to adapt and evolve your platform based on first learnings and community feedback.



# HOW TO SELL YOUR PROJECT INTERNALLY





### **VALIDATE YOUR COMMUNITY POTENTIAL**

Identify key signals that prove your community potential: organic reviews, advocates, social engagement... Show it's not about creating something from scratch, it's about leveraging an existing asset.



### LINK YOUR STRATEGIC GOAL WITH SHORT-TERM BUSINESS GOALS

Focus on how your community will create value quickly the best way to get space in the company roadmap and then shift to more strategic long-term goals.



### ONBOARD THE RIGHT TEAMS EARLY ON

Involve the marketing, CRM, ecommerce, social and tech teams as early as possible to ensure you're included in their respective roadmaps and they understand the strategic value of the community.



### **SECURE THE NECESSARY RESOURCES**

In our experience, that's 6h/week for a project manager and a senior stakeholder to champion the project at the start.



### **TOP COMMUNITY** RESOURCES



Discover **Community Decoded**, the series where we break down 5 community tactics from the world's best brand communities:









**Outdoor Voices** 

### **LEARN MORE**



Community
ROI calculator



6 Predictions for Retail & Community in 2021



Next-Gen Loyalty:
Community &
Emotional Loyalty



How community-led brands succeeded when the world went into

Community News: join 3000+ marketers who get our community insights and tips twice a month.



### WE DO COMMUNITY ALL DAY, EVERY DAY

The TokyWoky team has helped over 100 brands launch their customer community and is on a mission to build the best community platform for retail and e-commerce brands.

### TokyWoky customers:

- Define the right business case and launch in 2 months
- Get 1,000s of active members in the first month after launch
- Generate 1.000s of UGC and x4 conversion for members

Request a demo of the TokyWoky community platform.

<u>quentin@tokywoky.com</u> Visit us at <u>tokywoky.com</u>

