



Harnessing the Power of Influence

How to grow the value of your
best customers

HTK

A hand holding a white mug and a blue pen over a marble desk with a smartphone.

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Why advocacy requires investment

50X

how much more likely consumers are to buy based on a friend's recommendation¹

67%

of consumers are likely to purchase an item they've seen on their social feeds²

54%

how much advocacy can increase the effectiveness of your marketing³

How often do you recommend brands on social media?

Whether it's tagging yourself at a restaurant and saying how great the food was, posting a picture of a product you own and love, or simply sharing some branded content — you've probably shown a few brands some love, even if you're not a social media power user.

And how many more times have you done the same thing in casual conversation?

Now think about how often that brand you mentioned actually responds and says "thank you" for your advocacy. It's probably not as frequent an occurrence.

Word-of-mouth is a great channel for marketing your business and building strong customer relationships. It feels more authentic than many forms of marketing (especially to younger gen-

erations — i.e. Millennials and Gen Z), but costs significantly less.

Yet a lot of brands have left advocates to "do their thing" without much interference or acknowledgement.

Some brands will give you a discount or credit when you make referrals, but that's generally as far as it goes. Others have selected high-profile influencers to promote their brand and build deep relationships with — but left their everyday advocates with little recognition or reward.

There's some logic to this approach — after all, a lot of advocacy happens naturally. However, a little investment into your best advocates has the potential to significantly increase their reach and impact.

Research shows that customers want to be acknowledged for their positive promotion of the brands they love — 62% were interested in being reward-

1 - 3. <https://www.socialtoaster.com/18-advocacy-marketing-stats-you-need-to-know-for-2018/>

Why advocacy requires investment

ed for sharing posts and products on social media.¹ And consumers are also more likely to recommend brands that engage with them in a positive way.²

Take Taco Bell, for example. The American fast food chain faces a highly competitive and price-conscious market. But through a strong social media presence that truly connects with their audience, they've come to stand out on social networks, particularly resonating with the coveted Millennials and Gen Z.

Their smart strategy and engaging content earned them attention on social channels, while their quick and surprisingly human responses to customers built a base of engaged fans.

But the brand didn't leave it there, content to have an engaged social community that promoted them from time to time. Instead, Taco Bell has taken their strategy to the next level,

investing in key advocates to reward behavior, incentivize further advocacy and maximize the value of the relationship.

And the success shows. A recent survey found that Taco Bell has the most passionate consumer base on social media, out of the top 100 global QSR/casual dining brands.³

Some advocacy happens naturally, but to really give it an impact, you need to invest in it.

In the past, maybe it has been enough to let the advocacy engine run itself. But going forward, with increasing competition — for customers' attention as well as their wallets — brands that invest in nurturing and rewarding their best advocates will see the value of these customers increase significantly.

1. <http://www.nielsen.com/uk/en/insights/reports/2016/get-with-the-retailer-loyalty-program.html>
2. <https://sproutsocial.com/insights/data/q1-2017/>
3. <https://www.netbase.com/press-release/netbase-releases-retail-brands-industry-report-nikes-leads-pack-copy/>



Identifying your best advocates

Why best advocates matter

You may have noticed the phrase “best advocates” pop up a few times in the last section.

That’s because a smart advocacy strategy isn’t a broad approach where anyone who shares some branded content or makes a referral gets the exact same response.

Sure, it’s important to engage with everyone who talks about your brand and reward them from time to time (they could become a best advocate, even if they’re not yet — plus, it’s just smart CX).

But if you’re going to invest time and budget into nurturing and encouraging advocacy, it needs to be done wisely, so you don’t waste already limited resource.

The average user has over 400 social connections.¹

Instead, you’ll want to focus on those who will provide the best return on your marketing investment. Because some “advocates” won’t have much impact regardless of how much you incentivize them.

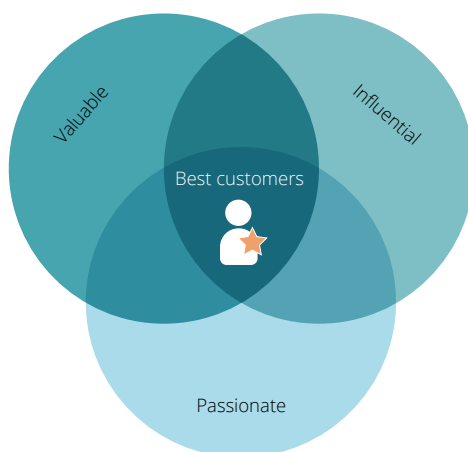
1. <https://www.socialtoaster.com/18-advocacy-marketing-stats-you-need-to-know-for-2018/>

Identifying your best advocates

The “VIP” approach

So how do you know who to focus on?
Who are your best advocates?

We like to define them using the “VIP” approach. That means looking for customers that are *valuable*, *influential*, and *passionate*. At the intersection of these three characteristics, you’ll find the advocates who are most worth your investment.



What exactly does a VIP look like?
Let’s break it down...

Valuable

Valuable advocates, as the name implies, are those that are particularly

lucrative to your business — but not just in terms of transactional spend.

Most customers will have some relationship with your brand beyond the checkout. And that means their contribution goes beyond how much they spend or how often. Things like their loyalty, social influence, engagement, past advocacy and so on will also affect how valuable they are — or can be.

Ultimately, all of these things translate back into financial value because they represent other ways customers generate profit — reducing acquisition costs, for example, or being willing to try new product lines.

Influential

Influence is, unsurprisingly, a key factor in determining which customers are, or could be, your best advocates. How many engaged (and relevant) people they can reach is a key part of whether they’re worth investing in.

Identifying your best advocates

Although a customer who posts about your brand on social all the time is great, if their network only includes 50 active connections, they're not likely to bring in masses of new customers.

At the same time, a customer with a modest number of followers who are really engaged could be an excel-

lent advocate. Don't write off potentially good advocates simply because they haven't got the Instagram posse of a Kardashian.

Additionally, don't confuse influential customers with "influencers". The former are simply people with active and engaged networks of a reasonable

Spotting influential and passionate customers

- **Valuable:** In addition to spend or purchase frequency, look for non-transactional indicators of value: how many product lines they use, how long they've been a customer and so on.
- **Influential:** Consider how engaged their followers are, not just how many of them there are. Smaller, but highly engaged audiences work.
- **Passionate:** Look for customers who are actively talking about your brand/products, sharing your content and referring friends.

size, who may post about your brand when they see fit because they like it, or in exchange for a discount, etc.

Influencers get paid (or compensated in some way) for actively advertising a product to their followers, and tend to

have at least minor celebrity status in their field of influence.

Passionate

Finally, your best advocates should, naturally, be people who are passionate about your product, industry or

Identifying your best advocates

brand values. Passionate customers are those who care enough to be vocal about it.

They may show this by sharing brand-ed content, commenting on your posts, or tagging your brand in their own posts. They're likely people who align with your brand values and feel as though their affinity to your brand says something about who they are.

As such, they'll want to be recognized for their engagement, and feel as though they have a relationship with your brand. This positions them well to be ongoing advocates and loyal, valuable customers.

Identifying VIPs

Actually mapping these characteristics to real-life customers can be a bit more of a challenge. You can do it manually, by exporting data from various systems and filtering down to the customers who meet your criteria. But it will be much easier (and more sustainable) if you can find a platform

which will take in data from various sources and segment automatically based on your defined characteristics, to identify your best advocates.

Of course, the most important consideration in all of this is consent. The easiest way to find out more about your customers' social habits is to encourage social login — when they set up an account on your ecommerce site, register on the app, or join your loyalty program, for example.

At this point, you can request permission to use information from their profile to understand more about their sharing habits. Just be sure to make it clear what information you'll use, how you'll comply with regulations like GDPR, and perhaps most importantly, what benefits they'll receive from granting their consent.

We'll dive into exactly what these benefits might look like in the next section.

89%

of US consumers (84% in the UK) say they're loyal to brands that share their values¹

71%

of consumers are more likely to purchase following a positive experience with a brand on social²

1. <https://www.wantedness.com/>

2. <https://sproutsocial.com/insights/data/q1-2017/>



Nurturing your best advocates

The experience-advocacy loop

Once you've decided which advocates you want to nurture, you'll need to work out what this nurture process actually looks like.

The key here, as is often the case, is personalization. Tailored experiences that recognize and reward above-average advocacy not only grow a customer's loyalty, they also encourage further advocacy.

This is the experience-advocacy loop: top-notch experiences with a brand or product inspire advocacy; then, positive responses from the brand create more good experiences for the customer to share about.

So what kinds of experiences might you create for your best advocates?

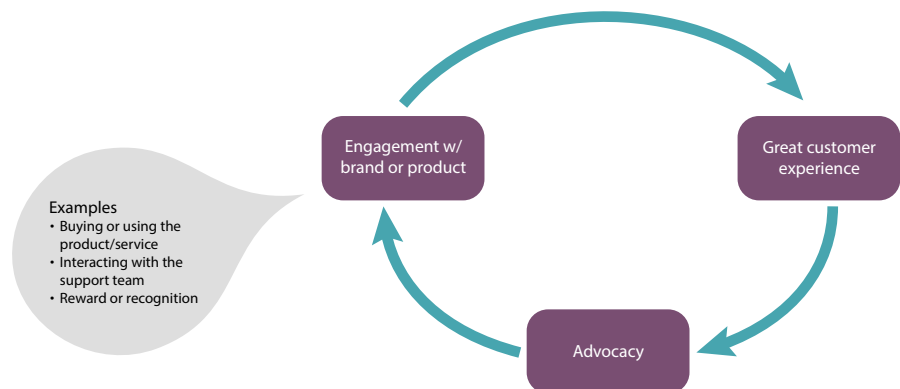
To maximize the value of your best advocates, your nurture plan should do three key things:

- Acknowledge the relationship (creates emotional loyalty)
- Incentivize continued sharing
- Give them something to talk about

The experiences you use to nurture your best advocates should all support one or more of these objectives. Keep in mind that there might be other goals, specific to your business/marketing strategy, that you may also want to include (for example, encouraging customers to leave reviews).

Nurturing your best advocates

The experience - advocacy loop



Let's look at a couple of examples of what this might look like in practice.

Scenario 1: The VIP experience

First, suppose James is a long-time customer of a sporting goods retailer. He connects his social account when he enrolls in the retailer's loyalty program, and soon begins sharing branded content, referring friends and engaging with the retailer's social accounts. He's picked up by the automation platform as a VIP, based on his engagement, influence and value.

As such, he receives more points for referring new people than the aver-

age member does, as well as a special tier of rewards only available to Social VIPs. He's pleased that the retailer has noticed all of his activity and continues to engage frequently with them.

A few months after he's joined the program, he receives an invite to a special meet-and-greet with a local sports personality — an exclusive event for advocates just like him. James live-streams the event and snaps plenty of photos (including a few of the retailer's latest gear) — these are all posted to his social feed, generating lots of engagement among his active friends and followers.

Nurturing your best advocates

Scenario 2: The networker

Now let's take a look at the member of a gym chain, Abby. She connected her social profiles when she set up her account in the gym's member-only app.

Abby visits the gym three to four times a week, and always posts a short video of her workout, tagging the brand — often with a comment about how great the equipment is or how much she enjoys the fitness community at her local club.

Abby is awarded the "Social Butterfly" badge within the app, which appears on her public profile alongside other badges she's earned for her fitness

progress. Her continued social activity maintains this status, and she's also encouraged to share her referral link with friends.

When a new member joins because of Abby's advocacy, she earns freebies, like exclusive branded gym gear or a three-day guest pass for a friend.

Abby loves the free gear she gets and often wears it for her workout videos — prompting followers who are also gym members to ask about the advocacy program. Many of the guests Abby brings along with her free passes end up joining the gym.

[Video: Harnessing the Power of Influence

Erica is an influential advocate of a fashion retailer — [watch how](#) her value and influence can grow with a targeted approach.



Nurturing your best advocates

The experiences you design to nurture your top advocates may look like one of the examples above or something completely different — whatever you offer should be tailored to the needs of your customers, as well as your business model and the particular behaviors you want to encourage.

The key is give advocates something of value in return, whether that's simply the recognition their advocacy deserves or a larger “surprise-and-delight” reward.

The great thing about recognizing and rewarding your best advocates is that it not only encourages continued — and more effective — advocacy, it also builds lasting emotional loyalty among some of your most valuable customers.

A few things to note

Some social networks can be a bit touchy about what posts you can and can't award points for (and to some extent, this makes sense — you don't

want to encourage members to post so often it gets spammy). The best plan is to check the rules for each network while you're still in the planning stages, so you can easily adjust your approach and find workarounds where possible.

It's also good to consider timing as you map out what the experience will look like for your advocates. With the up-to-the-minute nature of social media, it can seem a bit odd to customers to suddenly receive a reward for something they posted last week.

Make sure you can monitor what advocates are doing and respond appropriately in real-time, to keep the experience slick and seamless.

Next steps

To get an engaging (and targeted) advocacy program up and running, having the right data is a must. It's essential to understand not only your customers' social influence and referral activity, but also things like their engagement, loyalty and overall value.

This data can come from a variety of sources, including your loyalty program, ecommerce site, CRM and other social tools (like those that measure influence).

The most important thing to keep in mind is consent. Make sure you're clear about what data you'll use and how, and keep a record of who has opted in. If you can make the value of sharing data evident — and show that you're only collecting the info you need to provide this value — customers will be much more likely to agree.

Getting the right data together is one thing, but gleaning insight from it, especially in real-time, can be a challenge — particularly when identifying

VIP advocates requires multiple data points to be overlaid.

That's why we'd recommend an automated, rather than manual, approach.

Automation makes personalised experiences at scale a lot more feasible — when you can leave the software to analyse data and draw out insight, you'll be able to respond to a growing base of advocates much faster.

Of course, it's not just responding that matters — whatever you want to say to your best advocates must be also personalised. Technology can be a big help here as well, automatically using customer data to select the best offers, messages and more for each advocate, at the right moment.

Whatever approach you decide to take, what matters most is the strategy behind it. Focus on your best advocates, make them feel valued, and you'll have a much more profitable relationship.

Looking for a solution?

Horizon Social Community enables targeted advocacy programs, helping marketers identify their best advocates and give them the experiences they deserve.

[Learn more](#) about how Horizon can help you maximize the value of your top advocates.

Find out more

About HTK

Since 1996, HTK has been helping businesses connect with their customers in a smarter and more personalized way, to grow profits and increase customer retention.

We help retailers break free from run-of-the-mill loyalty programs, to build better customer relationships. Our Horizon platform is designed to increase retention, advocacy and sales, by delivering exceptional customer experiences at every touchpoint.

With deep customer insight, advanced personalization and incredible flexibility, Horizon helps marketers understand, nurture and reward their best customers to grow profitable, emotional loyalty.



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