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Sprinklr believes people never forget how you made them feel. That's why we help brands manage their customers' social media experiences by providing technology that connects every social media experience to every enterprise system.

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## INTRODUCTION

If there's anything a brand can learn from a music artist, it's this: marketing.

Sounds blasphemous, but think about it... these celebrities don't rely on agencies and rooms of suits to market their brands, they simply turn to their fans.

They turn on the power of customer advocacy.

We know that the best reason to advocate for someone or something is simple – you love them. There is no greater love than the love of a devoted fan.

From the KISS Army to Beliebers to Little Monsters... all diehard music fans exhibit the same signs. Their rooms are usually covered wall-to-wall with posters and other fan paraphernalia. You can find them camping out in droves for concerts – armed only with caffeine and undiluted devotion. And their fists will instantly clench at the slightest mention of something negative about their favorite artist(s).

Another commonality they all share: their enthusiasm is rewarded. Music stars take extra strides to make their fans feel appreciated – even coming to their defense on social media when they face bullying. And because these stars make the effort to provide positive experiences for their fans, their fans advocate for them even more.

Your brand's fans might not be as fanatical (and sometimes scary) as music fans, but they're probably just as loyal. Just as passionate. And just as dedicated to you for the long haul. Your fans can benefit your business in numerous ways – celebrating your success, defending you against critics, helping you improve products, the list goes on. But in order to reap these rewards, you have to bring something to the table, as well. You have to be fanatical about managing the experiences of your fans.

This means developing a mindset that celebrates your biggest fans and rewards their passion. It means incorporating customer advocacy into your business.

#### In this whitepaper, we'll show you:

- Data-based insights on why now is the right time to create a customer advocacy program
- Why "advocate influencers" are crucial to your efforts
- 7 essential elements of an advocacy program
- 5 steps to get your program started
- Insights from Mack Collier, Jackie Huba and Susan Emerick

## WHY ADVOCACY, WHY NOW?

We live in a trust economy. When people have a choice to make, they turn to those they trust for advice. This applies to every aspect of life – including the decision to purchase.

We know people trust their friends and families most – this should come as no surprise. More than <u>90% of consumers</u> worldwide say they trust recommendations from friends and families above all forms of advertising.

What is surprising happens further down the line...

The second most trusted source of information is online customer reviews. Nearly 70% of consumers will trust random strangers diligently posting to Yelp, Foursquare, Amazon and other feedback forums. Yet advertisers still route the majority of their budgets through the traditional channels... for example, nearly 60% of US media spend is on television, magazine and newspapers ads. That's \$108 billion this year alone.

But where are these dollars going? Are they making an impact on the way consumers think, trust and buy? Evidently not as much as marketers would hope. Less than half (47%) of consumers around the world say they trust television, magazine and newspaper ads – almost a 25% drop from 2009. And in the US, trust in advertising is as low as 25%.

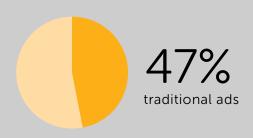
Today's consumers clearly don't care what you think about yourself as a brand. They only care about what others think of you. This is why advocacy is so important.

A well thought-out advocacy strategy is not just a fancy term to be written about or a marketing tool that's nice to have. It's a core marketing discipline that every major brand needs to integrate into their overall strategy. Creating an advocacy program is one of the most impactful things a brand can do to start building meaningful relationships, engaging their most loyal customers, and empowering organic word-of-mouth both online and offline.

#### HOW TRUSTED ARE SOURCES OF INFORMATION?



70% online reviews



Source: Nielsen, 2013

## ADVOCATE INFLUENCERS — THE ENGINE OF YOUR ADVOCACY PROGRAM

Having passionate brand advocates on board is essential for reaching your customers and getting your message out to new audiences. But first, you have to find the right advocates.

There is an ongoing debate as to whether it is better to invest in influencers – those who have a large following, but are not necessarily committed to your brand – or in advocates, people who will rave about your product for no incentive at all, but don't have the desired reach.

Why not get the best of both worlds? These people are called "advocate influencers," and they're vital to your program.

#### THE MAGIC MIDDLE OF CUSTOMER ADVOCACY:



Advocate influencers are:

#### 1. Passionate about your brand

They already love your brand and want to build a personal relationship with you.

#### 2. Actively willing to participate

They want to play an active role in sparking brand conversations. These people are willing to invest time and effort to extend your brand's message.

#### 3. Aligned with the brand's image

They "fit" within your community effortlessly. When building a bespoke network of digital brand ambassadors, great care must be taken to ensure the members understand and align with your brand values.

#### 4. Socially influential

They have some level of influence within their own communities. But remember: social influence is only relevant if the other three criteria are met, as well.

If you combine powerful social influence with brand passion, a readiness to actively participate, and an alignment with your brand's image, you will have an incredibly powerful asset. When you amass hundreds or even thousands of these advocate influencers into a program aligned with your brand's top promotional priorities, you have created an entirely new marketing channel.



A DEFINED OBJECTIVE

Decide what your goal is... do you want short-term buzz or long-term love?

essentials of creating a sustainable advocacy program

Creating a long-term customer advocacy program takes time and dedication, but your efforts will be more than worth it. Here are seven essentials to help you get started.

02

A VIP LIST

Develop a rigorous recruiting and screening process.



SUSTAINED ENGAGEMENT

Choose a platform with a wide variety of engagement tools.



Make sure comments and suggestions feed back into the development of your company's products and services.



**EXCLUSIVE PERKS** 

Make your advocates feel like they're VIP through invite-only events, previews of new products, and other goodies.



**AMPLIFICATION** 

Amplify endorsements stemming from your advocates. For example, use them in place of traditional ads.



BASIC METRICS

Make sure your platform vendor offers a reliable set of metrics that can help you measure the ROI of your program.

## 7 ESSENTIALS OF CREATING A SUSTAINABLE ADVOCACY PROGRAM

Once you've determined who your advocate influencers are, it's time to start building. Let's look at the seven things you need to consider when building a successful and sustainable advocacy program.

## 01. A DEFINED OBJECTIVE... DO YOU WANT BUZZ OR LOVE?

A lot of marketers confuse exposure with advocacy, but there's a huge difference between the two.

**Short-term Buzz:** If your objective is to get a whole lot of people talking about your product launch or latest initiative, then look to "celebrity" endorsements or influencer coverage that would ignite mass online conversations. This strategy will get the word out quickly, but the buzz will diminish once your initial push is over.

These short-term endorsement programs have a place in the marketing toolbox, as long as marketers understand what they are getting and the ROI these programs are driving.

Long-term Love: Creating a sustainable network of advocates – customers who support your brand and will talk about it to their friends – will take more effort to build, but will guarantee long-term commitment. These programs can empower superfans, employees, and even partners to talk on your brand's behalf as ambassadors.

#### 02. A VIP LIST FOR YOUR NETWORK

A smart brand puts a heavy emphasis on the recruitment process when building out advocacy networks.

If you don't invite the right people into your community, you won't achieve the right results. That's why you need to develop a rigorous screening process to ensure that you are building a solid network of advocates and that they (as well as the communities they reach) are the right fit for your brand. For best results, start with your current communities and their most engaged participants, as well as your CRM databases, to identify the right initial group of people to build relationships with. You can expand from there as necessary.

#### 03. SUSTAINED ENGAGEMENT

When you strategize on how to engage your loyal communities, think creatively. Allow the members of your network to engage with you, as well as with each other. Give them a variety of tools to create their own unique pieces of content, not just blindly re-post suggested content. If you're working with a software vendor, make sure you choose a platform that offers a wide variety of unique engagement tools to keep the relationship with your advocates interesting.

#### A good example of this comes from Nike.

Nike+ is an involved and committed community of fans built around their love of sport and exercise. Nike keeps fans engaged by presenting them with challenges, such as recording how many calories they've burned, miles they've run, or goals they've reached. These milestones can then be shared with their networks through the site or on social media, which helps to share news about the Nike brand and encourages others to join. Adding gamification and community elements to an advocacy program is a great way of increasing engagement, celebrating success, and cultivating loyalty.

#### 04. AN OPEN FEEDBACK LOOP

Don't just ask for feedback – take action. When comments, complaints, and suggestions feed back into the company's products and services, customers feel more involved and appreciated. Not to mention, this gives your brand a huge pool from which to source new ideas.

#### 05. EXCLUSIVE PERKS

It is extremely appealing to your advocates to be the first ones to get information about new products, access to your events, or an exclusive peek behind the curtain. It solidifies the fact that they were specially chosen to be part of an exclusive coterie.

#### 06. AMPLIFICATION

Once you've created an amazing community of advocates and you've engaged with them, why not extend the impact of your program beyond just a simple social share? Consider amplifying the endorsements created by your community members by displaying them proudly across your digital properties like websites and forum – or using them in place of traditional ads.

#### 07. BASIC METRICS

No matter what platform you choose to build your advocacy network on, make sure that platform offers a solid set of metrics to track the effectiveness and the impact of your campaigns. When shopping for a vendor, make sure they'll be able to provide answers to these basic questions:

- Who shares your content the most?
- Which members of your network get the most engagement?
- Who creates original content?
- Who are the most influential members?
- What content is being shared the most and why?
- Why are some products shared more than others?
- What social networks, forums, or blogs is your content being shared on?
- What is the program's overall impact on purchase intent?

The most important thing to remember for a successful advocacy program is that you are in it for the long haul. You need to plan ahead to keep members engaged and interested, go the extra mile to build strong relationships with them, and never take them for granted. So yes, it is a lot of work. But when you need support – and believe us, it's a matter of when, not if – they will be there to have your back, every single time.

Long-term commitment from you can build long-term loyalty from your customers and fans.

## the DREAM framework

Creating your advocacy program in 5 easy steps.

Now that you know what your advocacy program needs to have, it's time to start putting it into action. Here's how your program's essential elements come together.

DEFINE

**RECRUIT** 

**ENGAGE** 

**AMPLIFY** 

**MEASURE** 

#### 01. DEFINE YOUR IDEAL ADVOCATE

Determine the profile of an ideal advocate, in terms of demographics, lifestyle, brand relevance, social influence, etc.

## 02. RECRUIT PEOPLE THAT FIT YOUR IDEAL PROFILE

The recruiting process should screen for the right fit of the person based on the company's criteria. It should also screen for social reach and influence (through access to members' social profiles).

## 03. ENGAGE ADVOCATES IN A MEANINGFUL WAY

Accepted advocates should be provided with a variety of branded content that they can interact with and share. Brands may want to turn on gamification features, such as points systems, badging, and leaderboards.

#### 04. AMPLIFY THEIR CONTENT

A brand's ability to curate content created by advocates, and push it out to external digital destinations such as websites, social media channels, blogs, and display screens, will help extend the program further and highlight the members of the advocacy program.

#### 05. MEASURE

Measure and track engagement, amplification, and impact on brand perception and purchasing behavior. It's critical to have access to both quantitative data (overall reach, shares by channel, influence, etc.) and qualitative data (keyword analysis, sentiment analysis, etc.).

## CONCLUSION

Customer advocacy plays an essential role in your marketing strategy. And when executed properly, it can benefit you many times over. But it's important to remember that an advocacy program is one piece of the larger picture.

It's one component of how you manage the overall experiences of your customers.

Integrating customer advocacy into the core social technology will be essential for every brand that is focused on growing reach in an increasingly fragmented marketplace.

And that's every brand.

KELLIE PARKER, SEGA

If you know your customers, you also know that they've always been opinionated. Since day one, they've told you how they felt about your brand – letting you know they love you, hate you, or that your recent logo update ruined their childhood memories. This will never change. What has changed, however, is that they're no longer filling out customer inquiry cards or penning long letters to your corporate address. They're using dozens of platforms to broadcast their experiences. And they're doing so to an audience of billions.

In this connected world – an age driven by social communities - your brand is no longer in charge of its perception. Your connected customers hold this power now.

Sounds pretty terrifying, right? It can be. It's also an opportunity. It's an opportunity to listen to the voice of your customers and to create honest dialogue that improves your services and products. It's an opportunity to continuously deliver memorable experiences across all customer interactions.

Successful customer experience management means that you have the ability turn every customer – former, current, future – into a lifelong advocate.

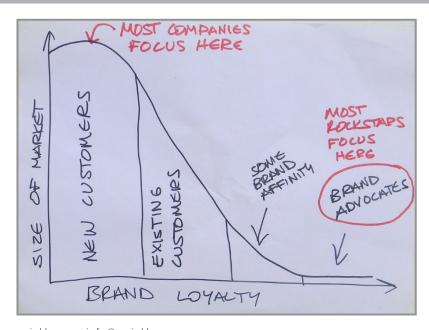


## MACK COLLIER @MackCollier

Mack Collier is a social media strategist, trainer, and speaker. Located in Alabama, he specializes in helping companies of all sizes to better connect with their customers via social media.

Mack's book, <u>Think Like A Rock Star: How to Create Social Media and Marketing Strategies That Turn Customers Into Fans</u>, was published in 2013 and is an Amazon bestseller. His expertise has been highlighted in The Wall Street Journal, Time, USA Today, CNBC, ESPN, The Washington Post, CNET and MSNBC.

# FANS HAVE GRAVITY: WHY CUSTOMER ACQUISITION ISN'T YOUR BEST MARKETING BET



Marketers are obsessed with size, especially size of market, and they often spend billions of dollars chasing the biggest market of all: new customers

And yet, rock stars follow a completely different marketing path. Instead of marketing to new customers, they go out of their way to create experiences and engagement with their biggest fans. Lady Gaga created LittleMonsters.com to cater specifically to her most hardcore fans. Taylor Swift has T-Parties just for a handful of her biggest fans at each concert. Amanda Palmer does secret shows where she usually gives away tickets to her biggest fans, even to the point of excluding 'new customers' from the selection process.

Notice the complete difference between how most brands and most rock stars market. Most brands market completely to new customers, even to the point of all but ignoring their brand advocates or fans. While on the flipside, rock stars go out of their way to connect with their biggest fans, even to the point of ignoring new customers.

What do rock stars know that most brands do not? Rock stars understand that Fans Have Gravity.

Think about your favorite restaurant. The one you always take out-of-town guests to when you want them to experience the "best" your city has to offer.

How many people have you encouraged to visit that restaurant in the last year? Your loyalty and excitement for that restaurant is attractive to other people. Your friends and the people you talk to about the restaurant are more likely to visit it because of interacting with you.

Rock stars go out of their way to connect with their biggest fans, even to the point of ignoring new customers.

Why does this happen? Because...

- 1. Fans are more trustworthy than brands. When a brand runs a commercial saying they are awesome, we don't believe it, but when a fan says the same thing, we do.
- 2. Fans have passion, and passion is sexy. Fans are genuinely excited about the brands they love, and their passion is infectious.
- 3. Fans want others customers to be fans as well. Fans love their favorite brand for whatever reason and want to share that love with others.

So if fans have gravity and pull other customers to them, what happens when multiple fans are in the same place? Their ability to attract others becomes stronger. This is why rock stars focus on connecting their biggest fans to each other. Simply being in the same space with other people that love the same rock star helps validate that love for each fan. It makes their ability to attract other people to them and the rock star that much stronger.

Rock stars relentlessly focus on connecting with their most rabid fans ONLY, even at the expense of connecting with new customers. Look at concerts: Concerts are the lifeblood of every successful musician's career. They are cash cows for the music industry, and always have been. Why? Because these events are designed to appeal to the rock star's hardcore fans only. The person that has never heard a U2 song would think you were a fool to pay \$100 for a U2 concert ticket, but the U2 fan would not only do so, he'd happily stand in line for three days just for the privilege. For the fans, concerts are a way to get special access to their favorite rock star. They can be a few feet away from them while they perform. They can get an autograph after the show. "New Customers" of the rock star have no interest in any of this, and that's why the rock star doesn't market to them. They connect with their biggest fans and create magical experiences for them.

How much money is your company leaving on the table by not connecting with your biggest fans and creating amazing experiences for them?



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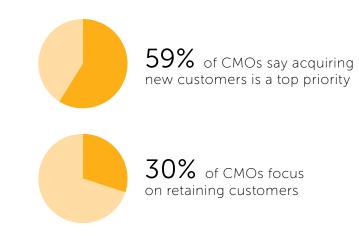
Jackie Huba is the author of the new book, Monster Loyalty: How Lady Gaga Turns Followers into Fanatics. She is also the co-author of two previous books on customer loyalty, Creating Customer Evangelists: How Loyal Customers Become a Volunteer Sales Force, and Citizen Marketers: When People are the Message. Jackie is also a Forbes.com contributor, writing about customer loyalty and word-of-mouth marketing. A sought-after keynote speaker, her work has frequently been featured in the media, such as The Wall Street Journal, The New York Times, BusinessWeek, and Advertising Age. She is an 11-year veteran of IBM and resides in Austin, Texas.

## WHY BRANDS NEED TO BE LIKE LADY GAGA

It's really easy for someone to "like" or "follow" your brand on social media. What's much harder is developing an emotional connection with that customer such that they keep buying your stuff, give it as gifts and tell everyone they know about you. That's called customer loyalty, and it's the holy grail (or it should be) of all marketers. I say "should be" because many marketers are too focused on acquiring new customers to worry about the ones they already have.

In a 2011 study by Forrester Research and Heidrick & Struggles, CMOs were asked to name their current top three marketing objectives. 59% of CMOs said acquiring new customers is one of their top priorities. What about current customers? Only 30% of CMO respondents said they are focused on retaining customers as a top priority. Just over a quarter of respondents, at 26%, said better customer lifetime value and customer satisfaction/advocacy is a key objective.

IT'S 5X CHEAPER TO KEEP A CUSTOMER THAN TO GET A NEW ONE YET...



Source: TARP Worldwide, Forrester Research

I believe these CMOs have gotten it wrong. According to the tried and true research from TARP Worldwide, it is five times cheaper to keep a customer than to get a new one. The CMO priorities heavily focused on new customers don't add up. And this focus is often at the expense of existing customers – customers who, if you retained them, would help bring in new business just on the basis of customer satisfaction and word-of-mouth.

Lady Gaga spends much of her efforts focused on just 1% of her fan base, the diehard fans she calls her "Little Monsters"

Where other businesses don't seem to have their priorities straight, pop star Lady Gaga understands that focusing on current customers is the key to building long-term, sustainable audience loyalty. With 27 million albums sold, five Grammy awards and Forbes' distinction as one of the world's most powerful celebrities, Gaga is one of the most well-known pop artists in the world. She's also among the most followed people in social media, with 42 million Twitter followers and 67 million "likes" on Facebook. But she spends much of her efforts focused on just 1% of her fan base, the diehard fans Gaga calls her "Little Monsters." I call these super-engaged customers the One Percenters, the core group of customers making up about one percent of a business' customer base.

Smart companies, focused on creating more customer loyalty, are taking a page out of Gaga's playbook. Premium bourbon maker Maker's Mark created a special program for their One Percenters called the Maker's Mark Ambassadors. Ambassadors receive an array of benefits from Maker's branded business cards to invitations to Maker's historic distillery in Loretto, Kentucky. Car manufacturer MINI holds an annual 3,877-mile trek from New York to Los Angeles, called MINI Takes the States, for MINI One Percenters to connect and share how they customized their own MINIs.

So where have you been focusing your efforts: on ways of wooing new customers or tending to your most loyal few? Who are your One Percenters and are you giving them a chance to connect to each other and to you, building those loyal bonds?



## SUSAN EMERICK asfemerick

Susan Emerick is the founder & CEO of Brands Rising, LLC, a consultancy specializing in employee advocacy and influencer engagement and co-author of The Most Powerful Brand on Earth. She previously led global enterprise social business and digital marketing programs for IBM. She serves on the advisory board of Social Media Today, the WOMMA Research & Measurement Council.

# A STRONG ADVOCACY PROGRAM INCLUDES YOUR EMPLOYEES

While business leaders, in companies of all sizes, have long been seeking to understand and uncover their most loyal enthusiasts, they've primarily been focused on their analytics and research on customers. They've concentrated on measuring the value of customer relationships after costs and focusing on building strategies to attract and retain the most profitable consumers, especially those who are most likely and willing to share a positive experience about the company or their purchase experience publicly. While customer-centric advocacy programs remain a critical investment for brands, employee advocacy is a key focus area which business leaders must turn attention to, and fast, if they're not doing so already.

With studies such as the Edelman 2014 Trust Barometer revealing that employees are the most trusted influencers to communicate in 4 out of 5 company related topic categories – including: engagement, integrity, products & services and operations – employee advocacy will prove to be a strategic advantage for brands.

Leading companies will prioritize a dual focus and investment on both customer and employee advocacy.

TO LEARN HOW TO BUILD AN EMPLOYEE ADVOCACY PROGRAM,
DOWNLOAD THE FREE WHITEPAPER

10 STEPS TO SUCCESSFUL EMPLOYEE ADVOCACY