

Unleash Your Rock Star Customers

EXECUTIVE SUMMARY

Overview

In today's world, it takes just a few Rock Star customers to significantly impact business growth and profitability. They're not hard to find. And they're eager to help—if you engage them in the right ways. This report shows how to do so.

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What Rock Star Customers Can Do

All of these results are based on actual, real-world examples from leading companies.

Rock star customers can:

- Level the playing field against bigger, better-funded competitors.
- Penetrate new markets, including unfamiliar foreign markets.
- Restore declining customer retention rates.
- Help ensure the success of product launches.
- Dramatically improve social media marketing efforts.
- Make important contributions, such as servicing other customers or defending your reputation when attacked.
- Improve participation and engagement in your customer communities.
- Help build peer influence (or even peer pressure) to use your products and services.

What You'll Learn

For seemingly any growth challenge, rock star customers can—and have—played key roles in meeting it. And all it takes are a few. You'll learn:

- How to find your potential rock stars (it's not that hard).
- How to engage them (hint: you don't need—or want—to incent, pay, offer discounts or otherwise "bribe" rock stars to advocate for you).
- The surprising things rock stars can do for your business (more than you might realize).
- How to deploy them.

[Read the Full Report >>](#)

Unleash Your Rock Star Customers

First of a two-part series. Contact Bill Lee for the second part,
The Level 4 Customer Value Proposition.

FULL REPORT

In a world where buyers increasingly expect to find out about your business from their peers, companies that embrace this reality are reaping huge rewards. If you could point to one thing they all have in common, it's this: they're becoming increasingly skilled at finding and unleashing what I call their "rock star" customers. Indeed, this ability is providing a more solid basis for competitive advantage than traditional strategy—and all it takes is a few of these to create a major impact on growth.

Firms that excel in the new world of marketing have one thing in common: they're becoming increasingly adept at unleashing their rock star customer influencers—and all it takes is a few of these.

Whatever Your Growth Challenge ...

... Rock stars can probably help you meet it. For example, as we speak, they are helping firms:

- **Restore declining retention rates.** Just 250 Customer Champions at SAS Canada played major roles in completely reversing a troubling decline in customer retention rates.
- **Penetrate new markets.** Microsoft's MVP customers comprise less than one percent of the firm's customer base, yet they play essential roles in helping the firm penetrate new markets, and have saved the firm hundreds of millions of dollars in service and support costs.

- **Rebrand.** Harley-Davidson relied heavily on its now huge customer community, HOGs (Harley Owner Group), for decades. HOGs were critical in helping the firm change its image from bikes for gang members to bikes for middle-class suburbanites. It's now using its prowess at community building to help attract more women riders.
- **Improve social media marketing.** Customer content and engagement helped dramatically improve Intel's social media and Web-based marketing efforts, increasing "customer contacts" by a factor of tenfold and overall page views by 100x. Much of this improvement comes from just a few active community participants.
- **Improve innovation.** When 3M brought "lead users" into its innovation process, they improved revenues by a factor of eight times over innovations from internal product developers who didn't engage meaningfully with customers.

A Rock Star Customer: CATIE Catie's value as a buyer

	Revenue	Profit
Purchasing	\$6,000	\$2,400

Catie's value as an influencer and advocate

Activity		Leads	Customers	Revenue	Profit Impact
Purchasing				\$6,000	\$2,400
Advocacy & Influence	Social Media	12	3	\$24,000	\$4,320
	Co-Market	22	9	\$61,680	\$19,752
	Communities	16	9	\$54,800	\$11,000
	Industry Assn.	15	8	\$41,250	\$13,200
	Direct Referrals	11	8	\$43,410	\$12,049

TOTAL					\$60,321
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Illustrative Example

**25x her impact
as a buyer**

- **Compete against entrenched competitors.**

Customer salespeople achieved, in effect, 80 percent close rates for Salesforce.com, which was key in growing their business in the face of much bigger, better-funded competitors.

The list goes on. Here's how to find and unleash your rock stars.

How to Find Your Rock Stars

Identify Potential Advocates

Many companies have more of these than think they do. I know of firms who work tirelessly to build their Net Promoter Score (a measure of the relative percentage of customers who say they'd be highly likely to recommend you to a colleague or friend), without ever stopping to harvest the promoters they've won and get them advocating. You can have an NPS of zero, and still have 30 percent or more of your customers self-identifying as promoters. There are your potential advocates and influencers. Start harvesting them now.

As you can see, rock stars by their nature aren't that hard to find.

Finding Your Rock Stars Isn't Hard

These are the few and the powerful customers who can help you move your target markets in your direction by building peer influence. Companies like Salesforce.com, SAS, Microsoft and others have identified key characteristics in customers that make them potential rock stars (other terms firms use include MVPs—Most Valued Professionals—Customer Champions and others).

These include:

- Like to affiliate
- Have attractive (strategic) network

- Enjoy helping others
- Are active in your—and other relevant—communities, live and online
- Are willing to tell your story: gain value from doing so
- Have authority, respect
- Exude a professional demeanor
- Communicate (speak, write, post, tweet regularly) well; get their names out there
- Are available and easy to access

There's something that rock star influencers and advocates value far more than monetary incentives or rewards. They want you to help them build their social capital.

For example, many of Microsoft's future MVPs had already established large audiences of their own through blogging and social media presence.

Salesforce.com's "customer salespeople" were the ones who showed up to its live events and proved to be particularly adept at engaging with prospects. SAS selected its Canada's Customer Champions from the ones most receptive to participating in previous advocacy efforts, such as case studies or interviews with the media. As you can see, rock stars by their nature aren't hard to find.

What Rock Stars Really Want

Many firms stumble badly when it comes to engaging rock star customers in advocacy and influencing efforts. I've seen firms insert advocacy requirements in customer contracts. Or offer untoward incentives (or "bribes"), discounts, perks, quid pro quo propositions and the like—which can seriously undermine the integrity of the references, referrals or commentary such customers provide.

Such approaches are really just a failure of imagination. There's something that rock stars value far more highly than any of those—and that doesn't undermine the trust essential to their influence. Rock stars want you to help them build their *social capital*. Here's how to do this:

Help Rock Stars Build Their Reputation

You can see this in the list at the start of this report, on page 2. Microsoft and SAS Canada give their rock stars special designations: MVPs or Customer Champions. Today, Marc Benioff provides Salesforce.com's rock stars with highly coveted—and prestigious—front-row seats at the firm's annual customer conference, Dreamforce.

When Jeff Bezos made the controversial decision to allow customers to post reviews of the books they bought on Amazon's site—a seminal event ushering customer-based marketing into the online world—he reasoned simply that ordinary reader reviews were what buyers wanted. To encourage more of this, Amazon now designates top reviewers on the site along with a reviewer Hall of Fame (based in part on ratings from readers), lets reviewers set up their own pages showing all their book reviews, provides them with a distinctive badge for their pen names and more—all of which builds their reputation in the book buying community. Top Amazon reviewers are often more powerful than traditional media reviewers.

Build Communities (Where Rock Stars Can Shine)

More companies can build vibrant customer communities than think they can. Look at Procter & Gamble's BeingGirl community—a community of teenage girls formed by the firm's feminine hygiene business. Despite having one of the world's most unlikely products around which to form a community, the site now receives hundreds of thousands of unique visitors per month and has become an effective marketing tool.

The value of customer communities is not a B2C or B2B issue. It's a B2H (Business to Human) phenomenon. Or more precisely, H2H.

Jeff Bezos recently purchased the relatively young but highly vibrant book community, Goodreads (some estimates as of this writing put the purchase price at close to \$1B, a sign of the value one of the smartest chief executives in the world places on customer community).

Building customer communities is perhaps the most innovative area in marketing today. The value of such communities is not a B2C or B2B issue. It's a B2H (Business to Human) phenomenon. Or more precisely, H2H. We humans naturally gravitate toward our peers—whether it's with fellow book readers or fellow C-Level executives.

In B2B firms, customer advisory boards—in which a firm's customers provide input and guidance on products and strategy—have been around for years and are often an effective way to gain “buy-in” from customers.

Firms like Microsoft are taking this up a notch, with industry councils. These are groups that focus not on Microsoft's products, services and strategy, but rather on a compelling industry issue that is top-of-mind for leaders in the industry—a significant difference with great appeal to executive buyers.

What's in it for Microsoft? Over time, the discussions and work performed by the IEC have given the firm insider access to the best thinking on this issue, which informs its product decisions, helps it establish thought leadership, and burnishes its standing as a constructive force for the industry.

For more information on Microsoft's superb industry council initiative, feel free to contact me for my report,

"How to Build—and Profit From—A C-Level Industry Council."

Help Rock Stars Build Status

When marketing services and software firm Eloqua, for example, decided to recognize outstanding work and results achieved by firms in its industry, it decided to go whole hog. And for good reason: helping customers build status with a razzle-dazzle awards ceremony is an exceptionally valued aspect of one's social capital.

Eloqua patterned the ceremony after the Emmy awards (it even hired the firm that designs the Emmy statues—calling them the "Markie"). They're awarded at a lavish black-tie ceremony at a posh location, where some 20 awards are handed out over the course of the evening. The event attracts substantial media attention, in part because the firm is very careful to make sure that winners really are the best. And note—awards are not limited to Eloqua clients. They go to the best in the industry, as determined by an independent industry council.

Give Them a Say

High glamour isn't the only way to help customers build social capital. CSC, which creates financial services software, has built a tier of communities that allow customers to exchange ideas and best practices, and have a say in new releases. As products or updates are being developed, customers can subscribe to RSS feeds keeping them apprised of new release progress, and provide input—which CSC takes seriously. This can slow the process down, but it creates enthusiasm,

as borne out by the numbers. After implementing the process, request rates for new software releases increased 50 percent.

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What do all of these efforts have in common? They build communities that get noticed and exert positive peer influence across relevant markets. The ability to create this kind of Level 4 customer value proposition is the key skill set that companies will need in the new world of marketing.

Key Steps

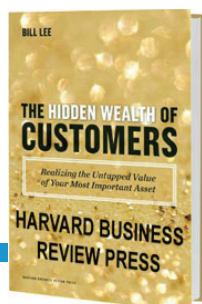
- Identify significant growth opportunities for which customer advocates and influencers can help.
- Identify potential advocates and influencers that you already have for this (most companies have more than they think they do).
- Identify your "Rock Stars."
- Determine their specific interests in building their social capital.
- Develop a range of options that will help them do this while also building your brand, generating leads, closing business, and building your customer community.

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To learn more about this topic, or to obtain other reports from *The Hidden Wealth of Customers*, please contact Bill at bill@centerforcustomerengagement.com or 1+ 214.907.5600.