Community-Led Growth Playbook

Activate your SaaS community to drive growth.

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Activate your SaaS community to drive growth.

Expert communities are fast becoming an organization's most valuable asset. Why? Because they connect us more deeply with each other, with brands, and with purpose.

We are seeing a societal shift from 'me' to 'we', as recent events have sparked broader discussions into the role of organizations, employers, and individuals in driving positive changes for all. Organizations that put community at the core of their business strategy will beat those that don't.

This is especially true for high-growth SaaS companies. Having an engaged and loyal community provides a valuable, sustainable go-to-market strategy. The likes of Mural, Notion, Lattice, and Seven Seven Six have signed pledges naming communities as "a company's most valuable asset".

The reasons for building a community are clear. But how can you get started? This playbook will take you through everything you need to know about community-led growth and putting this approach into action.



Defining community-led growth

Community-led growth turns a product's users into its best advocates, who help a brand in several areas:

- Promoting a product and recommending it to their peers.
- Driving engagement by coming together online to share best practices, content, success stories, and discussions.
- Providing feedback to a brand about its products, services, and marketing or sales strategies.

What Product-Led + Community-Led Growth Actually Looks Like:



Driving growth in SaaS

The market for many SaaS organizations is saturated and fragmented. Users can easily become overwhelmed with the choice and noise in the market. A community cuts through this with real-world, real-time success stories from their peers.

For organizations looking to drive a wider transformational change (either across a business or industry-wide) a community is even more important. Influencing a prospect's behavior is a lot easier when they see their peers achieving success by changing a process or using a new tool.

Communities provide value to customers after they've purchased by showing them how to get maximum value from a product and keeping them updated with new features. Users join the community, share ideas with their peers, become champions of the brand, and then attract new prospects, who then convert and join the same community.



Your community-led growth strategy



The foundation to your community-led growth is having a distinct strategy that operates in tandem with, but separate from your marketing strategy. Like any other, your community-led growth strategy needs to have objectives, goals, tactics and success metrics.

It's important to consider how the community will operate alongside your organization. There needs to be permeable boundaries between the community and other parts of your company, to avoid the community drifting off on its own and becoming disconnected from your business' goals and success.

From funnel to flywheel

The funnel metaphor defines most marketing strategies and focuses on optimizing every step of the purchasing process — from awareness and discovery to evaluation, engagement, acquisition or purchase, loyalty, and advocacy. People are pushed along the funnel in a linear fashion.

As the way customers interact with brands has evolved, the funnel metaphor has become less apt for describing the customer journey. There is less of a definitive end point to the relationship than there once was; brands now understand the importance of continuing to nurture and engage customers in order to build loyalty and extend CLV.



A community doesn't push people towards a binary endpoint. Instead, it creates an environment so compelling that it naturally attracts people toward its center. This process is better represented using the flywheel pictured above; by continuing to engage, retain and grow customers long after the initial transaction, these customers can become advocates who go on to advocate on behalf of your brand to others. The funnel becomes a virtuous circle, lowering acquisition costs and putting community front and center.

So how can you ACHIEVE this?

Step 1 Awareness

Purpose and goals

For many organizations, their communities have become the new pre-sales. Recommendations and advice from peers are more trusted and authentic than a sales and marketing teams. Whereas only 3% of B2B buyers feel that salespeople are trustworthy, 84% now start their purchasing process with a referral. 90% of B2B buying decisions are influenced by peer recommendations.

Olivia Nottebohm, CRO of Notion, the first step towards community led-growth as identifying the people who are able to tell your story, and equipping them with the tools to do so.

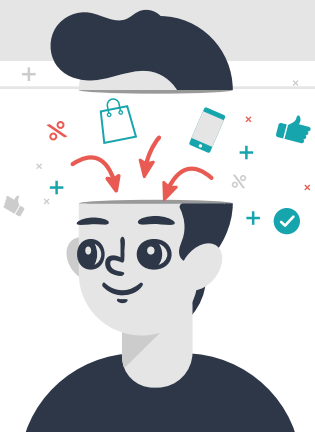
KPIs to consider

User Growth

- Total numer of users
- New users in the past month
- Churned (lost) users in the past month
- New user growth (Month over Month, Quarter over Quarter, Year over Year)

User Engagement

- How many total engagements (likes/comments)
- How many members posted comments?
- How many likes were there?
- What % of total users liked or commented in a month?
- What % of total users were inactive?



Strategies

How will you spread the word?

10 TACTICS for recruiting community members

1. Email: Make email outreach the foundation of your recruiting efforts.
2. Social media: Use existing channels like Twitter and LinkedIn to encourage followers to become community members.
3. Customer team: Customer-facing teams should drive customers towards the community for education and engagement.
4. Internal experts: Enlist your experts to contribute and promote their thought leadership and updates.
5. External experts: Allow influencers in your field to contribute to the community and promote their involvement to their networks.
6. Organic Search: Make sure that search engines can index your community's content so that people find your community via search.
7. Events: Leverage the halo effect of an event and use it to drive sign ups, using exclusive post-event content and news for community members.
8. Website: Your website should prompt visitors to sign up to the community quickly and easily.
9. Customers: Give customers an easy way to promote the community to their networks, and even incentivize them to do so.
10. Employees: Many of your employees have expansive networks, so make sure they are actively recruiting their connections to join the community.



Audience and Community Members

When setting up a community, a common pitfall is misunderstanding the differences between an audience versus community members. It's important to start your community off with members, as this creates peer-led interactions. Instead of businesses broadcasting to their customers (AKA an audience), community enables members to connect and engage with eachother independently. Communities break down barriers so customers can interact with each other and build relationships themselves.

For marketers, this also raises a question about quantity versus quality. Traditional marketing aims to get a message out to the biggest relevant population possible. But community-led marketing means nurturing a very dedicated core following who truly believe in your product and message.

Expected benefits

- Identify potential brand advocates and equip them with tools to tell your story
- Increase awareness of your brand
- Increase peer referrals, a more powerful lead generator than traditional advertising



Step 2 Engagement



Purpose and goals

Your next stage is the alignment of product and subject matter content with the goals of these brand advocates. In practice, this means content should be tailored to the needs of the customers you want to promote your brand. What are these customers trying to learn or achieve? Helping them to reach these goals will inspire them to advocate more passionately on behalf of your brand, driving further growth and acquisition.

It's also critical that you engage members in a one to-one fashion, particularly in the early days. Use email and even the phone to make people aware of key interactions in the community so that they can join in the conversation.

Collect qualitative feedback from some of the initial members. Make sure that you identify the specific areas that they are deriving value from. You should also make sure that you identify areas that you could improve.

Lead generation	Include gated content in your community
Email marketing	Create an email marketing strategy, communicating existing content, events and all exciting news happening in the community
Event marketing	Market upcoming events in the community
PR and Announcements	Make major announcements in the community
Social sharing	Let members share content on Facebook and other social sites
Online events	Host webinars in the community
Content creation	Allow members with permissions to contribute their own expertise
Product ideation	Collaborate with customers on new product ideas
Product testing	Have members act as beta users of products
Peer networking	Let customers, prospects, employees and partners connect

Exclusivity

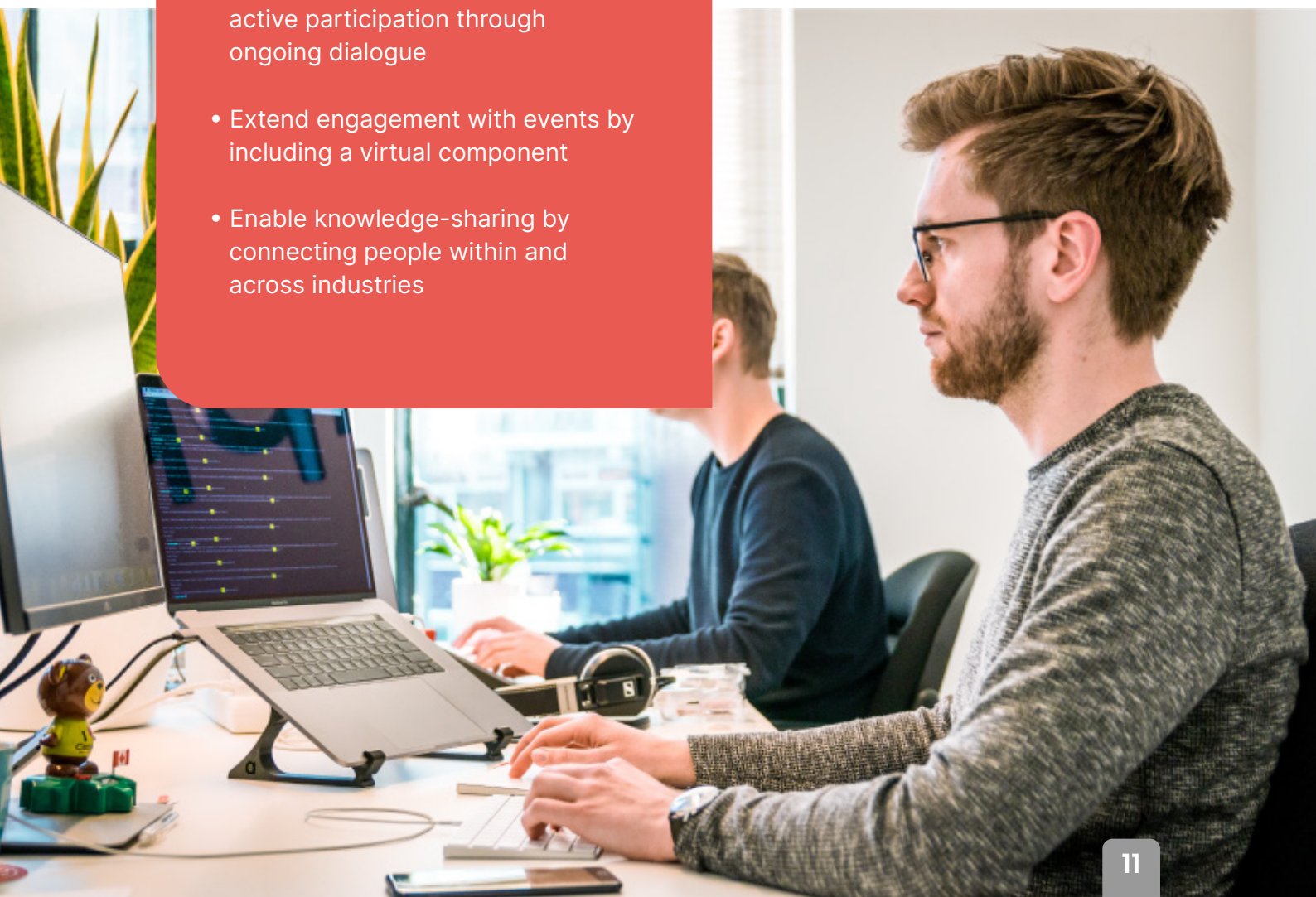
Consider how you will make your community valuable to its members. People should be getting something from your community that they cannot find anywhere else. This can take many forms, from exclusive insights from industry experts, access to insider events, early access to products, and the opportunity to network with peers.

Being clear on your community's purpose is crucial here. Having a laser-focused purpose (that is communicated to everyone helping with the community) will give people a reason to join, to engage with what's happening, and to stay.

Collaborate with your members to understand what they want from the community. Discuss their pain points and aspirations, then see if your community's purpose aligns with this.

Expected benefits

- Boost engagement and encourage active participation through ongoing dialogue
- Extend engagement with events by including a virtual component
- Enable knowledge-sharing by connecting people within and across industries



Step 3 Acquisition

Purpose and goals

Once you have built an engaged and passionate community, you must give them the tools to become your marketing partners. This can include facilitating peer-to-peer discussion and instant messaging services, as well as educational courses and webinars which help to make customers and prospects better product users, and better at what they do.

As your community grows, it will pull more prospects into the flywheel. This comes with a much more sustainable cost of customer acquisition since much of the growth is organic and evolves naturally over the lifetime of the community.



Strategies

Peer referrals

Launching a referral program is a tried and tested method of boosting acquisition. By offering a reward to customers who encourage others to sign up, such as a discount or access to additional features, you can incentivize people to recommend your brand to friends and colleagues. Dropbox's referral program is a great example of this strategy in action; the company offered an additional 500mb of storage space to users who got another person to sign up to the platform.

Step 4 Advocacy

Purpose and goals

As a community matures and more peer-led interactions occur, the value of the community to individual members skyrockets. It becomes their go-to place for advice, inspiration, collaboration and more. When your community becomes part of your members day-to-day, they are less likely to give it up.
Don't be afraid of extending your purpose beyond your product. What can you offer that complements your brand and product, that fulfills members' needs and interests?

Revenue growth

Now more than ever, retention is the foundation for growth. 60% of customers conduct research and consider new alternatives before renewal. Engaging and championing customers is a crucial part of a SaaS growth strategy.

86% of software buyers today rely on peer recommendations when making purchasing decisions. This goes hand-in-hand with peer recommendations and retention. The more people who recommend your product, the more successful conversions you're likely to have, at a lower acquisition cost. The longer you retain your customers, the higher their lifetime value to your business.

A community model opens the door to a number of revenue drivers that allow companies to grow.
A community-led approach also lowers support costs by facilitating peer-to-peer communication.



Strategies

Build trust

The key to community-led growth is trust. Owning an expert community puts brands at a huge advantage in this regard, as they are able to consistently engage with their customers through this medium and build trust with far greater ease. Populating your community with expert insights and ensuring that it is always buzzing with activity will help to establish your brand as a source of knowledge within your industry, building trust in the process. Being more easily accessible for feedback and complaints will allow you to tailor your community more closely to the needs of your audience, which will also allow you to build trust.



Start small and build out

Very rarely does a SaaS community become a major revenue driver overnight. It takes time to build trust and create an engaged community. As such, additional revenue drivers such as premium courses and content should be added to your community at a later time, once you've already built up a strong following of people who engage frequently with the content on offer.

Continuous engagement

In addition to buyers seeking out brands they can trust, byers also lean towards brands that look to build meaningful relationships. One way of achieving this is through engaging your customers on a regular basis. Even something as simple as an email digest of content they might enjoy, or promoting a new feature, lets the customer know that you're listening to their needs and eager to offer support however you can.

Rewarding Advocacy



Expected benefits

- Drive revenue - gated content, paid courses, advertising and sponsorship opportunities
- Extend CLV through improved customer retention
- Lower acquisition costs

Insights

Having a highly engaged market means you have a readily available group of your target customers to gather feedback from and to test new ideas with. Insights from your community can inform everything from your marketing and sales strategy to product development and launch plans. Product teams can speak directly with customers, for example, to understand what problems they are solving through a product, the value derived from it, any requests, and any areas of improvement.

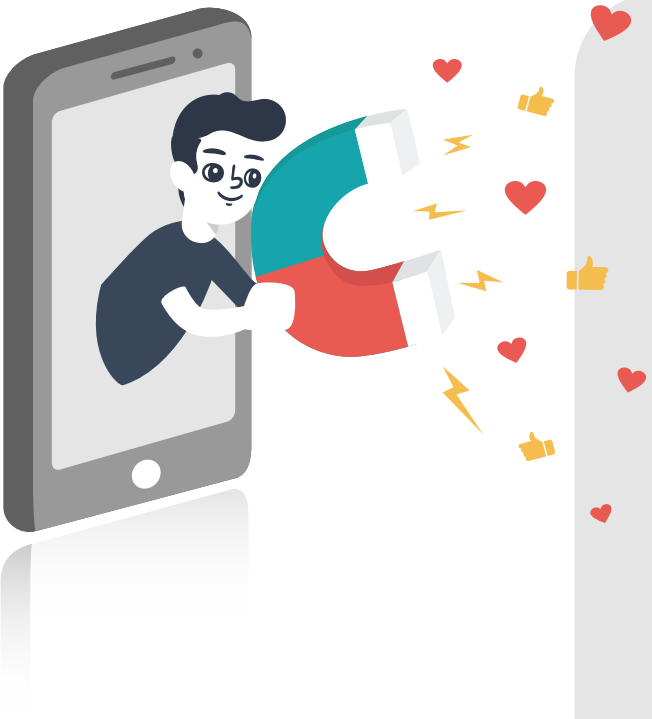
Even the interactions happening within a community are a wealth of insight. Community analytics reveal the most popular topics, content, and discussions within a community to understand what your customers' goals are, their challenges, any common issues, and use cases that you may not have considered before.

Ongoing work

For your community to continue to grow, there is some ongoing engagement that needs to occurs. However, the more mature your community, the more work that happens organically, driven by your members. Ideally, you'll want to work towards making your community mostly self-sufficient with members providing the majority of the content, discussions, and answering each others' questions.

Still, there will likely need to be some moderation in place to ensure your community rules are followed. This isn't about steering conversations or setting topics. Instead of driving the community, your role is to monitor what's being said to make sure everyone is behaving according to the rules.

There's always room for expansion and it's useful to get your members' input on where they'd like to see the community go next. They can also keep you updated with the trends and news that's resonating most with them. This feedback will keep your community relevant and always evolving in line with their needs.



Internal alignment

To ensure success, there must be widespread organizational buy-in for your community from the start. Communities often fail when there is a lack of internal alignment, focus, and investment (in both time and resources). All of this is avoided when at least one senior leader buys into the initiative, when there's clear alignment between a community-led strategy and the business strategy, and when everyone understands the value of the community.

Having a clearly thought-through community-led growth strategy at the start will help gain buy-in. As the community grows and matures, other tactics should be used to show the community's value to your organization — presenting regular reports back to the board, for example, and sharing community success stories with other stakeholders.

Conclusion

A community is more than just a marketing or sales tool; it can help every facet of your organization from your customer success and support to product development. The best organizations are building their brands on communities of smart people — customers who are loyal users of their products, experts at the forefront of the sector, and employees who can take community insights and drive change.

A strong community of users will help your brand grow from strength to strength. Take the first steps today in building your community and become a market leader for years into the future.



Ready to see what a community-led growth strategy could do for **your brand?**

Request a demo with Zapnito today, or get in touch with us directly by emailing support@zapnito.com.

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