

# Micro-Communities

**L**ike so many others each holiday season, my family embarks on an annual pilgrimage to pay homage to our elders in the great Sunshine State. This past Christmas was no exception. My wife and I took our six-year-old twins to see my in-laws in West Palm Beach for a week of fun in the sun and utter dysfunction. This year, however, I decided tradition needed an update—two days in South Beach at the Delano Hotel, sans kids. Don't get me wrong—I love my children—but there comes a time when mom and dad need to be alone.

The Delano, an Ian Schrager hotel and venerable hot spot for more than a decade, with trendy jet-setters this time of year, was exactly what I was seeking—a hip scene in a posh hotel, perfectly situated in the heart of South Beach. In truth, I was there for one reason—the pool.

Gaining access to the Delano's pool during Christmas week is virtually impossible for anyone not staying on the premises.

Security staff, equipped with black earpieces, aviator sunglasses and coveted clipboard guest lists, create an impervious boundary around the complex. Red velvet ropes and a white fence enable you to see what you're missing, while distancing you even further from the experience.

In these circles, to be granted access is to feel important and to be denied is, well, to feel less-than-adequate. Lounging poolside, I began to wonder how the Delano was able to maintain its popularity within an elite and finicky crowd for more than a decade.

Was it the environment—minimalist, luxe and timeless? Was it the staff's intuitive understanding of the clientele and a unique ability to service their demands? Was it the poolside Bellini service or white cabanas that pepper the perimeter of the water? Was it the aphrodisiac of limited access?

Was it the ability to cavort with others of a similar ilk or pedigree—a carefree networking ecosystem? Or, was the world simply becoming a more vapid place?

As an executive focused on the digital landscape, I turned my attention to business and pondered why more marketers and online social networks were not

## Social networks should take notes from Ian Schrager and the Delano Hotel.

taking notes from establishments like the Delano.

If the Delano has taught us anything over the last 10 years, it's that *less is more and to maintain exclusivity you must first create demand through desire and intrigue.*

This is not a new concept for many marketers—heck, American Express wrote the book on it with the launch of its Gold, Platinum, and now, its Centurion Black Card. Publishers like NicheMedia (parent of *Hamptons*, *Gotham* and *Aspen* magazines, among others) have taken the model to new heights.

Yet, MySpace, Facebook, LinkedIn, Yahoo Groups, and legions of other “mass” social networks continue to open their doors to millions of netizens when, in fact, they should be considering new ways to close or limit access and create specialized content for “micro-communities.”

“Micro-communities” are one of the newest effects of the “long-tail,” or the ease with which the public can access highly specific, or niche, content.

Instead of gathering disparate communities under one umbrella and offering a standard set of features and functionality to facilitate interaction, these new communities are promising content, connections, and experiences unique to the micro-community they serve. It is a setting in which we can be different, but not *too* different.

In many ways, this is counter-intuitive to marketers. Scale has always been the Holy Grail online. To achieve scale in your business is to garner higher CPMs (cost per thousands) with advertisers. Scale equals eyeballs online and so the theory goes

if you have scale, you have a more widespread and accessible offering among consumers, and advertisers will flock to your site.

This may be appropriate for some marketers online, but I contend that the new model for success is less about scale and more about the power of niche micro-communities and exclusivity.

A recent Nielsen/NetRatings study confirms this point by highlighting that MySpace visitors spent a little more than two hours in a particular month on the site—down 20 minutes from the previous year.

## How To

### cultivate online micro-communities to create demand and desire

1. Understand your target audience, and more specifically, the nuances that distinguish them from one another. Speak to them as individuals—not a mass community.
2. Drive demand by using your understanding of the target audience to build tools and content that speaks directly to their needs and creates real value within their community—not *en masse*.
3. Develop venues and platforms for sub-groups to form and build trust through authenticity—do not talk “marketer to consumer” in micro-communities.
4. Limit access to specific content, tools and functionality and provide something unique for your loyalists.
5. Always leave consumers longing for more. Remember, what they want they often do not have—and what they have, they often do not want.
6. Make sure coveted features and functionality are truly differentiating.
7. Create viral opportunities for your loyalists to share their special access with other influentials (e.g., think Google and G-mail where each registrant during the Beta phase received 10 G-mail invitations to forward to friends).
8. Deny access as appropriate and create demand. Establish criteria for participation among community groups and ensure that it is adhered to.

Scion, an automobile with strong brand recognition and preference among young consumers, now eschews advertising on MySpace, saying the site is too *mainstream* for the image they are striving to cultivate.

Where people connect and share collective experiences, there are a multiplicity of new avenues for marketers to cultivate brand awareness and affinity. Some brands, like Carbon—a micro-community dedicated to fellowship among wealthy, young entrepreneurs—provides a ready-made pool of potential consumers and a more targeted point-of-contact than a print media buy.

Luxury marketers, including Land Rover and Valentino, have sponsored events for members of the Carbon community—not because of the scale of its membership base, but rather its profile and influence within larger circles both terrestrial and online.

Other brands are using highly targeted communities to take an online message to a receptive audience, as is the case with Nike’s entry into Sneakerplay, a community of athletic-shoe aficionados. Hoping to cultivate a legion of brand advocates, Nike has created a profile and offers downloads and video to Sneakerplay members.

Whether engaging micro-community members online or off, the common denominator for marketers to exploit these platforms successfully is strengthening the connections between individuals who share an interest. Without means of connection, individuals pursue their interests in a vacuum.

The micro-community’s value lies in its enabling like-minded individuals to explore and develop their interests in a refined environment. A brand that offers conduits for connectivity becomes a valuable link in this chain, and can leverage this as part of the loyalty-building process.

Such communities offer marketers the ability to drive sales through targeted offers; conduct inexpensive R&D by allowing users access to online prototypes of products, packaging or marketing materials; and provide invaluable information about the nuances of specific audiences and how to communicate with them most effectively. ■



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