Engaging with the ‘super-fan’: a growing source of incremental revenue

Engaging with the ‘superfan’: the 15-second download

The explosion in digital/mobile communications and social media is driving an upsurge in the number, influence and revenue potential of the ‘super-fans’ who are the most passionate consumers and advocates of entertainment and media content and brands.

As a result, super-fans represent an increasingly valuable source of incremental revenue. This can be tapped by offering them a premium or so-called ‘inside-the-ropes’ experience, such as pre-release, exclusive or live content, in return for a higher subscription, participation in product development, and/or ongoing support and advocacy on social media.

To maximise the revenues and value from super-fans, brands should identify and establish ownership of their ‘outer circle’ of committed advocates via their marketing, programming and technology teams, and then engage these people directly and individually through digital channels.

Harnessing the most passionate advocates ...

When the US retailer Target was launching its deluxe edition of Justin Timberlake’s album *The 20/20 Experience*, it brought together 20 of Justin’s biggest fans to video their own performance of Justin’s new single. The shock and joy on their faces when Justin walked in and joined them on-set created a YouTube sensation—one that has garnered a third of a million views, and counting.

This is just one example of the rise—and rising importance—of the super-fan. With the help of digital technologies, super-fans are adding value to brands across many industries. From toys to consumer electronics to cosmetics, people with a deep, emotional attachment to brands are going beyond blogging and tweeting to become actively involved in making their favourite brands even better and more valuable.

The same is happening in entertainment and media. At a time when businesses in the industry are scrambling to find new sources of growth, developing a direct relationship with consumers is increasingly vital for realising incremental revenue (see Fig. 1). And among any brand’s consumers, its super-fans should be one of its top priorities.

Super-fans are not new: fast-moving consumer goods companies have been identifying and engaging with them for decades, including creating personas for different types. And these types vary widely,

Figure 1: Most entertainment and media CEOs see the need to change the consumer facing parts of their business

<table>
<thead>
<tr>
<th></th>
<th>Recognise need to change</th>
<th>Developing strategy to change</th>
<th>Concrete plans to implement change programmes</th>
<th>Change programme underway or completed</th>
<th>No need to change</th>
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</thead>
<tbody>
<tr>
<td>Customer growth and retention strategies</td>
<td>13%</td>
<td>17%</td>
<td>28%</td>
<td>36%</td>
<td>6%</td>
</tr>
<tr>
<td>Channels to market</td>
<td>8%</td>
<td>22%</td>
<td>22%</td>
<td>25%</td>
<td>15%</td>
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Base: All entertainment and media respondents, 72
Source: PwC 17th Annual Global CEO Survey 2014
Influencing the influencers

As more entertainment and media companies formulate their strategies to respond to the rise of the super-fan, its wider implications are becoming clear. One of the biggest impacts—given the ability to engage these brand advocates directly and individually through digital channels—is that it creates a need for ownership of the most passionate consumers of media brands, especially within the marketing, programming and technology teams. To establish this ownership companies need to focus on identifying and building concentric ‘circles of influence’ around their content.

In this context, the ‘inner circle’ is the people within the business working on developing and delivering new content ideas and experiences. Companies can now look to supplement and reinforce this internal talent pool with an ‘outer circle’ of super-fans—likely to include a blend of vocal advocates boosting the brand on social media, and quiet advocates who might advise on activities such as new content, plot formation and characters, in return for a personalised premium experience. This outer circle does not need to be huge: it’s more likely to number 100 fans than 100,000. But entertainment and media companies that have not yet started to identify and engage with their outer circle should move now to find out who their super-fans are by genre, content strand and location, and what they value. This insight demands a mix of qualitative research and data analytics,
Ten questions to ask:

1. Does your brand lend itself to super-fans of different types? How do your super-fans segment out?

2. What do they value about your brand?

3. How can you use data (big and small) to better understand your customers and identify your super-fans?

4. Do you already communicate with them overtly and even provide a platform for them to speak?

5. How can you engage with them to the greatest mutual benefit?

6. What ‘inside the ropes’ experiences would they value most?

7. Are you converting select segments of super-fans into incremental revenues through premium offers? If not, why not?

8. How will you sustain those revenues? And how will you refresh your super-fan relationships over time?

9. What part(s) of the business will you use to do this?

10. What metric best describes the desired outcomes of a super-fan’s actions—such as ‘shares’, ‘likes’, ‘endorses’, etc?

providing the basis for engaging the right fans in the right way with the right rewards. These are areas where people with a creative mindset have traditionally struggled—but they’re vital for winning the race to engage the super-fan.

Inevitably, there are hurdles and pitfalls along the way. Many content companies are disintermediated from their end-consumers by wholesalers and distributors, making it difficult to engage fans directly—and raising the risk of losing them to Internet-based competitors. Strategic responses include direct to consumer engagement, potentially including collaboration between content and distribution to offer cut-down bundled packages for a competitive price.

Also, entertainment and media companies that use their super-fans as a source of free product or service insight, but then fail to reward them adequately for their time and commitment, may find they end up undermining the relationship. So, adding real value through personalised, premium experiences is crucial. Remember, all human relationships are two–way: the super-fan’s commitment to your brand is emotional—so you need to show the same emotion in return.