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## Engaging customers – the Silicon Valley way

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The meteoric rise of Silicon Valley startups like Twitter, Dropbox and LinkedIn is well known. Lifting the curtain on these mega-successes reveals the Valley's engineering genius, but just as important is an obsessive focus on customers.

San Francisco-based cloud storage company, Dropbox, illustrates how engaging with customers can lead to stratospheric business growth.

Dropbox took off in 2010, when co-founder Drew Houston decided to offer the product itself as a reward. When the company gifted its users with 500MB of extra storage for referring a friend, customer numbers skyrocketed from three to 45 million.

At Twitter, Josh Elman, the company's former product lead for growth and relevance, decided early on to focus on ways to keep customers engaged.

After many experiments, Elman and his team found that retention rose significantly when users manually selected five to 10 Twitter accounts to follow on their first day. They also discovered that the sign-up process needed to be much faster than originally thought.

In its early years, LinkedIn, now the de facto network for professionals, struggled to find ways to grow its membership.

Elliot Shmukler, senior director of product management, found that inactive users required a great deal of effort but produced a low level of result. He made active users the focus of LinkedIn's marketing, deciding to essentially ignore the inactive ones. He counted on the fact that inactive users were frequently re-engaged by active users through invites and other social features.

Due to this simple but highly effective change in emphasis, the company was able to grow its user base from 13 million to 175 million in five years.

While Dropbox and Twitter eventually hit on the right formulas on their own, Silicon Valley startups are lining up to provide companies of all sizes with a range of services that facilitate customer engagement.

Optimizely, a San Francisco-based startup founded by Google alumni Dan Siroker and Pete Koomen, provides companies with a complete testing environment to track customers through the almost infinite number of measurable actions available.

Optimizely's success, writes Ben Kepes in *Forbes*, "is an indication as to just how transformative hyper-optimisation can be."

Fanplayr, based in Palo Alto, provides online retailers with the power of Big Data allowing merchants to profile their customers' behaviour and offer them hyper-personalised deals, promotions, and pricing.

San Francisco-based Talkable is a referral marketing platform that automates and analyses friend-to-friend initiatives for e-commerce sites. The customers themselves set parameters for how rewards programmes are structured.

Focusing on attracting customers through strategically placed content, Cambridge, MA-based HubSpot harnesses Big Data analytics to provide software and services that enhance email, blog posts, social media posts, white papers, and webinars.

Companies have long known that connecting to their customer base is the key to longevity. Silicon Valley's greatest success stories show that the secret is getting users excited about sharing their products and services, while continuously measuring and monitoring their usage patterns, and creatively adjusting as they go.

As these stories demonstrate, companies of all sizes can embrace customer engagement to scale their businesses, while increasing customer responsiveness and building loyalty.