

Not only **MARKETING!**

a Quick Consulting Report
for CouchSurfing.org
by Mirek Plowiec, Poland

Purpose

- 16-21 July 2009, Gadget & TTT asked me to become an interim Marketing Consultant @ Couchsurfing Basecamp San Francisco
- This is a short presentation of my ideas and conclusions
- Main value of these conclusions is that they were made by an „outside” person with a fresh view.

Facts

- CS has 15-20 thousand new users each week
- 5.6% of them pay verification fee of 26 \$
- That makes more than 20.000 USD flowing in every week = ca. 1 mln USD a year.
- Expenses = 700-800 K USD
- 200.000 USD of surplus, and growing...
- **Big Question: What to do with the extra money?**

The healthy way of thinking about money in Non-Profit organizations

- Think of donations as a LOAN from your users.
- This is a loan of trust, which you have to **repay**.
- How? By improving the value you bring to CS users.

BASICS

Why do people donate? (1)

- People give you money because you have built something **useful**. They donate, because they perceive CS as a part of their own **identities**.
- Your users support you because they believe that you know what you are doing.
- They want you to improve the CS system, so they will be members of something cool; something they can be **proud of**.

Why do people donate? (2)

- They donate because they believe it will help them find a host
- They donate to have a green tick on their photo.
- They donate because of many other **egoistic** reasons...
- ... NOT because they want you to change the world.

VALUE

- All people want is: CHEAP, SAFE and INTERESTING travels
- That is why they came here – and they expect you to deliver it.
- Changing the world should only be a „by-product“. It is your dream – not the users' dream.
- You should always keep focus on REPAYING THE LOAN BY DELIVERING MORE VALUE

How can you bring more VALUE?

1. **DIRECTLY:** By improving the **PRODUCT** (website and services; the offer for people)
2. **INDIRECTLY:** By improving the **PLATFORM** (your organization, so you are able to create a better product)

MARKETING

MARKETING (1)

- What should Marketing look like at CouchSurfing?
- 90% of marketing out there is about manipulating people to buy things they don't really need....
- CS is different:
 - You have a useful product
 - ... which is basically FREE
 - ...and it doesn't need advertising, because people come by reference
- So what is left to do for a Marketing Coordinator? 😊

MARKETING (2)

- The Marketing Coordinator should ensure that users get what they paid for / what they came here for.
- The Marketing Coordinator should focus only on users expectations and think how to deliver **more value** to people.
- S/he should coordinate processes, which are currently spread out among many people

Marketing Coordinator daily tasks (examples)

- Cooperate with people working on usability. Run tests and make suggestions for improvements.
- Work with Quantitative Research specialist in order to understand how people behave and optimize website to meet their needs
- Cooperate with Communications team – improve website content, cross-check and report missing texts and broken links
- Dig through user wish-list, pick ideas and make them into projects
- Help the Management Team in **setting priorities**
- Constantly pester various teams and people to get marketing priorities done 😊

Marketing Coordinator

- Marketing Coordinator should be a permanent position (min 6 months term).
- Effectiveness of a Marketing Coordinator should be measured by users satisfaction (design user satisfaction survey and run it every 6 months)
- Public Relations and Communications are separate positions, but work close with Marketing

**MARKETING
COORDINATOR
=
MORE VALUE
COORDINATOR**

Takes care that Couchsurfing gets permanently improved: more useful, more stable, more interesting. Always one step ahead of users' needs.

ORGANIZATION

Organization

- Your present structure is based on a „family business” model: tasks and responsibilities are „automatically” assigned to people (mainly insiders)
 - Good because: everyone does what he likes doing and what s/he is good at. It works naturally.
 - Bad because: 1. it is not scalable ; 2. people work on the same type of tasks for years (potential motivation & professional growth problems). 3. There is no clear way for freshmen to get to higher positions (no career path)

Organization

- When the organization grows out of infancy, you should rely more on **structure** than on **particular people**.
- Next step:
 - you should seperate the position from the person.
 - You should introduce a term (tenure) system for positions
 - You should have a clearly defined structure (it can be a very flat structure, but each position should have it's own place in it)
 - You should have a career path

Organization

- **Example: Public relations specialist.**
 - Should be elected for the term of one year.
 - Should propose a year plan (what s/he wants to achieve in that period)
 - Should have means to realize his/her mission (i.e.. Some budget)
 - Should have a clear position in the whole structure (responsibilities and level of freedom in decisions)
 - Should be voted for approval after finishing (collective way of evaluation, whether a person was doing good or bad)

Organization

- Advantages of electing people for one-year terms:
 - People change responsibilities, they learn more, they don't burn out
 - People do not get too comfortable in their positions, which is always a block for personal growth
 - Everything moves faster, because people are willing to achieve their goals over the set period of time
 - There is an in-built imperative for constant change in the organization
 - People are attracted to the organization, because they can learn and gain experience by being responsible for important things. In a normal corporation, they would have to work for years before reaching that level.

Organization

- Test period:

I think you should constitute a 2-week test period for long-term volunteers.

Right now it works that way, anyway 😊 In my opinion this should be a formal part of recruitment process.

Organization

- Right now you offer food and shelter in exchange for work. This is a two edged sword, because
 - Good: you attract idealistic people, who do not care that much for money, but are crazy enough to change the world.
 - Bad: you attract people, who have problems with money (or with life) and need to live for free for some time. San Francisco is a cool place to live for free.

Organization

- **Salaries and Career Path.**
- I don't think you should pay salaries to people staying up to one year, even if you have enough money. This would spoil the CS atmosphere and cause lot of formal (legal) obstacles.
- However you should certainly expect a lot from each volunteer, even without remuneration. Everyone staying long term should get a job-description and be evaluated every 3 months.
- If a person stays longer than one year (was elected for a specific term and finished) and is doing good, s/he should be promoted (elected) to a remunerated position.
- Such solution would keep valuable people longer in the organization and keep them motivated.
- Everyone should know this Career Path and its rules.

FUNDRAISING

Fundraising – way of thinking

- You are a NON-PROFIT organization. That means you are a somewhere between a FOUNDATION and a CORPORATION.
- You do not have shareholders. You cannot sell the company, but..
- ...you are allowed (and expected) to earn money. This money cannot flow out of the organization. Each dollars stays inside the CS. Donations and all income should be used to sustain and develop the organization for the good of all users.
- You have **chosen** to be a volunteer based organization, which puts you closer to a foundation, and your product is a sort of „public domain” – something like Wikipedia (I think Wikipedia is a good benchmark)
- Based on this choice, you can take commercial actions – provided that
 - all income is used for CS
 - It does not negatively affect your users
 - It does not spoil the non-profit, free-for-all image

Fundraising

- Current strategy: not sustainable in long term. In order to keep cashflow, you would need to grow all the time.
- Goal: find new sources of financing without breaking the non-profit atmosphere
- Definite NO's:
 - No annoying adverts
 - No paid membership (CS in its full version is free to use for everyone)

Fundraising

- 3 possible income sources:

- SOURCE 1; Team up with other Business and SELL THEIR PRODUCT

- SOURCE 2: GIVE our users MORE REASONS to donate

- SOURCE 3. CREATE OUR OWN PRODUCT(S) OR SERVICES

Fundraising

- **SOURCE1: Team up with other Business and SELL THEIR PRODUCT:**
- PROs: you do not have to do anything. Just join affiliate program, advertise stuff and get commission
- CONs:
 - you usually get peanuts (vide: t-shirts).
 - you advertise other brands for free
 - people do not come to CS to BUY things, so sales is low and nobody is satisfied
 - Affiliate programs will never enable you to make real money. They are designed to make others rich.

Fundraising

SOURCE2. GIVE our users MORE REASONS to donate.

Assumption: You have 5,6% people who paid you. Instead asking others to pay, ask the ones who paid – to donate more.

People, who already donated, will donate more - but you need to trigger that.

IDEA:

1. organize planned improvements and functionalities into projects.
2. Show them to people and encourage them to vote on improvements
3. People vote by donating money for their „favorite” project
4. You get priorities and money at the same time.
5. Give special stickers with links to people who voted. (sticker on photo „I VOTED FOR CS”).

Fundraising

SOURCE 3.

- **CREATE YOUR OWN PRODUCTS....**
- **... AND LET PEOPLE EARN ON THEM.**
- **THEN TAKE COMMISSION**

Assumption: Word of mouth is the best promotion tool. Give people a chance to earn money using CouchSurfing brand – and you will get the best possible (and free) promoters of your idea.

- **IDEA 1: COUCHSURFING GUIDED TOURS**
- **IDEA 2: COUCHSURFING PREMIUM MEETINGS**

Fundraising: CS GUIDED TOURS

(1)

- In every region, there are CouchSurfers who organize free trips/tours for other CSers. They usually use CS Groups to inform about it.
- Why not let the organizers earn money on that?
- They could make a living out of that, and do it professionally and regularly.
- **Imagine**: you come to a new place, and in the local backpackers eatery you see a poster advertising „CouchSurfing Volcano Climbing Tour. 5 USD „donation” per person”,. Would you be interested in joining?

Fundraising: CS GUIDED TOURS

(2)

- Person organizing such a tour is supported by CS brand – and at the same time s/he promotes CouchSurfing
- You can advertise „Guided Tours” on CS website – as a context advertisement to local groups/Forums – and charge a fee for that.
- You can also charge a one-time fee for CS Tours organizers (they should take a CS-knowledge test).
- **Everyone is satisfied: YOU CREATE AN ADDED VALUE>> PEOPLE BENEFIT FROM IT >> MORE PEOPLE GET INVOLVED IN CS IDEA >> Word of mouths is spread >> you get new, high quiality users >> MORE MONEY IS FLOWING IN >> YOU CAN CREATE MORE ADDED VALUE.**
- (That is the Google Strategy by the way 😊)

Fundraising: CS PREMIUM MEETINGS (1)

- You come to a new place. You want to meet some CSers. What do you do?
- You post CS groups and hope someone replies. You may also try to find a CS meeting. But they are not always there
- And what if you could find an organized CS Meeting anytime and anywhere you go in the world?
- What if these meetings had an organized format, a certain scheme - so you could more less predict, what to expect?

Fundraising: CS PREMIUM MEETINGS (2)

- If you let people earn on CS Meetings, then the meetings will be regular.
- And if they had a defined purpose (dinner, movie, role playing games etc) – you would know what to expect, and you would be willing to pay for that.
- Why not let people earn on high quality organized events? Many restaurants already do that (They have a movie show every Monday night, let's say 2 USD entry).
- Like in previous example – you can charge organizers for advertising the event.

Fundraising - conclusions

SOURCE 1:

Affiliate programs are a waste of time.

SOURCE 2:

Give people new, solid reasons to donate.

SOURCE 3:

- I think that creating your own add-on product / service is the best long-term fundraising strategy.
- Let people earn on CS Brand – and they will promote you for free.
- Find a way to charge these people, who earn

ABOUT ME

MIREK PLOWIEC

- Owner of several **internet businesses** (some of them went bankrupt, which allowed me to learn a lot 😊)
- Active member of **AIESEC** association and **ART OF LIVING** Foundation. (This presentation profits from experience I gained in these two organizations)
- MA in **Economics** and student of **Psychology**
- Round The World Shoestring Budget Traveller

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See: my video clip for Couch

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THANK YOU!

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