P / C

VIRTUOUS VALUE CREATION:
A BRIEFING ON COMMUNITY

MARCH 2024

THE *Growth* DISTILLERY

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WHAT THIS REPORT COVERS

I. THE BASIS

II. SIGNALS

III. COMMUNITY

IV. PRINCIPLES

OUR STARTING PROVOCATION:

UNDERSTAND HOW LEADING BUSINESSES ARE FUTURE PROOFING THEIR RELATIONSHIPS WITH THEIR CONSUMERS.

THE BASIS

GAMING IS PROFOUNDLY CHANGING THE BASE BEHAVIOUR OF OUR CURRENT AND FUTURE CUSTOMERS.

IT'S REWIRING OUR BRAINS

COGNITIVE PERFORMANCE IMPROVEMENT IN CHILDREN

CHANGE TO BRAIN STRUCTURE AND FUNCTION

INCREASED SUSTAINED AND SELECTIVE ATTENTION

Association of Video Gaming With Cognitive Performance Among Children, Charani, Ortigara, Yuan, 2022

Neural Basis of Video Gaming: A Systematic Review, Palaus, Marron, Viejo-Sobera, Redolar-Ripoll, 2017

Neural Basis of Video Gaming: A Systematic Review, Palaus, Marron, Viejo-Sobera, Redolar-Ripoll, 2017

IT'S FORMING HABITS EN MASSE

21M
AUSTRALIANS GAMED
IN 2023

Australia Plays 2023, by IGEA (2023)

97%
US CHILDREN PLAYING
1HR+ PER DAY

The benefits of playing video games, Granic, Lobel, Engels (2014)

3.3B
GLOBAL
GAMERS

Global Games Market Report 2023, NewZoo (2023)

UNSEEN LEVELS OF CONSUMPTION

$312B
PROJECT VIDEO GAME EARNINGS IN 2027

1.3T
MINUTES SPENT WATCHING TWITCH

68M YEARS
TOTAL TIME SPENT IN MINECRAFT*

Perspectives from the Global Entertainment & Media Outlook 2023–2027, PwC, 2023

Number of minutes spent watching content on Twitch worldwide from 2012 to 2023 YTD, Statista (2023)

Global Games Market Report 2023, NewZoo 2023

WHAT WE DON'T REALLY CARE ABOUT WITH REGARDS TO GAMING (IN THIS CONTEXT)

- Platforms
- Consoles
- Publishers
- Unicorn IP
- "Bigger than Hollywood"
- What our kids play
- Hobbies
- Technology
- VR
- AR
- XR
- Anything R

BUT WHAT GAMING IS REALLY USEFUL FOR...

The **signals** from gaming that tell us **communities are being built differently**,

and

The **principles** of how **should be treated differently**.

THE CHASM BRANDS NEED TO CROSS

FROM:
TRANSACT WITH CONSUMERS

TO:
## IDENTIFY, NURTURE AND CAPTURE THE VALUE YOUR COMMUNITY GENERATES

SIGNALS

1.
COMMUNITY OVER AUDIENCE.

The words have been bastardised, appropriated and rendered relatively useless, but the concepts are markedly different. Community speaks to influence and an asset which enables expansion, dialogue, forgiveness and change. Audience speaks to transaction, singular moments in time.

Games publishers such as Riot and Epic focus on nurturing the health of their communities: they participate as active members, and create far deeper relationships with their customers than those just broadcast to them.

Fan-driven contributions to the community create a value exchange beyond what a linear D2C offering can provide.
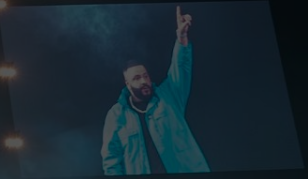
PLAYER TRUST = KEYSTONE HABIT

Riot Games established Player Trust as its key KPI across its business. All teams report against this.

Revenue 2023 = $1.5B
AR/FTE = $$600,000
MAU = 133M
Stream Hours 30D = 83M minutes

Zippia 2023

UEFN = DIALOGUE WITH PLAYERS

Unreal Engine and Epic Games combined to release Unreal Engine for Fortnite, putting its most popular game's developer tools in the hands of their players.

Creator RR = $250M
DAU = 1M

Joshua Lu, A16Z Games, Linkedin
Fortnite.gg

STREAMING -> LICENCED BURGERS

Mr Beast opened his YouTube channel to community requests. This has seen him enter CPG, F&B and other real world industries. His Feastibles brand is the jersey sponsor for the Charlotte Hornets.

YouTube Subs = 189M
Video views = 33B
Est Revenue 2022 = $54M

YouTube

$600M

A16Z's GAMES FUND ONE:

"As games become the dominant way people spend time, we believe some of the most innovative consumer companies will be built around player communities."

GAMES FUND ONE: Building the Future of Games

38M

Active members of r/Gaming on Reddit.

2.

THE EXPERIENCE ECONOMY IS GAINING ON THE MEDIA ECONOMY

The experience economy delivers or enables the things that people enjoy rather than interrupt them.

Games, game like immersive experiences, experiential and both digital and physical product can fit this bill and are seeing brands focus more on building community than drive reach.

This less literal, longer term approach is shifting approach to paid media, measurement and the way that media spend is planned and considered.

VALVᴇ

COMMUNITY PROBLEM SOLVING

Valve approaches many of their biggest problems by letting the community get involved and solve it for them. Whether it's launching a new game by leaving clues for the community rather than marketing it (Portal 2), or letting players get involved in the creation of content that traditionally would have been outsourced (the original Steam Workshop).

"We hardly make anything any more, not because we're lazy, but the community has solved the problem better"

BLIZZARD HARDCORE D4

Blizzard incentivised and rewarded the Hardcore grind in their new Diablo 4 game - immortalising the first 1,000 players to reach level 100 by having their name forever engraved on a gigantic statue on the Blizzard campus for all to see.

CALL OF DUTY

Instead of running traditional ads during the 2022 World Cup, Call of Duty instead brought three of the world's biggest star athletes into the MW2 and Warzone 2 as purchasable Operator Bundles via COD Points.

Warzone Revenue = $5.2m per day
NetBet

RIOT IMPACT REPORT

Since 2019, Riot Games have released a yearly Impact Report in an effort to be transparent, and show their progress as they work with gamers towards **"a better world and future for Riot, the gaming industry, and players".** This includes facilitating ways for players to have a say in the development of in-game experiences and real-world charity initiatives.

BMW

To launch their upcoming all-electric iX2 model, BMW decided to create a virtual city in Fortnite called 'Hypnopolis' along with a bespoke storyline revolving around the iX2. The experience sees players unlocking challenges and designing their own iX2 via a virtual Car Creator, releasing more customisation options with the real-world launch on Oct 11.

3.
BUILDING TRUST HAS MOVED TO BREAKING CYNICISM

Post-Cambridge Analytica, post-Trump and mid-media onslaught, the market has grown cynical, skeptical and to a degree anti-big-business bullshit. The starting point for relationships is no longer building trust but breaking cynicism.

Cynicism is broken more through advocacy and generosity than through marketing, messaging and one way media. In this climate the approach and channels for growth and the value of audiences and products to engage them are changing.

Gaming has been built on a mindset of free-to play, open source development, co-design and deep community engagement, both on platform and in the adjacencies (Streaming / Twitch etc) providing a foundation for brands and businesses to deeply connect.

MERCEDES-BENZ X RIOT GAMES

After a tone-deaf entry into eSports in 2018 that saw them have to apologise for an ad, Mercedes-Benz has recaptured permission to play in that world by partnering with Riot Games. It forms a key part of their China strategy.

PS5 ACCESS CONTROLLER

Playstation has actively invested in developing a leading controller adaptable to people with various disabilities. The Access controller was a response to community concerns about alienation of disabled gamers, and Sony has pointed to the R&D behind it improving their core products.

FAILED MEGA PLATFORMS

Mixer famously lured Twitch star Ninja on an enormous deal - only for fans to reject the platform on that basis. Google's Stadia relied on the Google brand and a subs structure, but didn't invest in original IP or the wider community - it went the same way as Google Plus.

NPS

Four of the top ten media and entertainment brands by NPS are gaming brands (Roblox #4, Nintendo #6, Rockstar #8, Playstation #9).

Netflix #1, Apple #2, Spotify #3 and Disney #4, are all gaming adjacent.

SAG-AFTRA

SAG-AFTRA members have voted 98.32% in favor of a strike authorization on the Interactive Media Agreement that covers members' work on video games.

SAGAFTRA.org

4.

CONSUMERS DEMAND CONTRIBUTION, CO-DESIGN AND CO-OWNERSHIP.

Deep connection and advocacy is driven by impactful connections, deep dialogue and ultimately two-way relationships. Traditional media (and businesses in general) are not build on principles of deep co-design and engagement, driving a lack of real connection.

Gaming has been founded on an iterative design process, where games are iterated and the views of fans are valued and rewarded.

Epic and Riot are driving an open source approach that is providing them significant growth, forgiveness around scandal and the confidence and permission to pivot business models, pricing structures and core proportions in real time, in public, on an ongoing basis.

Web 3, whilst a temporarily failed experiment, elevated this further through to digital ownership, a proxy shareholding (DAO's) and a constant financial reward for engagement. There is legacy from these experiments that can be seen to have influence in current platform and game design as well as parallels with innovation related to fandom, membership and loyalty.

FROM MOD TO INDUSTRY GIANT

DOTA2, the fan-built World of Warcraft mod, has built an industry around itself, including an esports league, data science firms and an enormous twitch community.

MAU = 83M
Games parsed = 33B
Minutes per day (Twitch) = 1.1M

DOTAbuff
STRATZ
Twitch

POOLSUITE X MANORDAO

PoolSuite, an internet radio station, crowdfunded the purchase of a manor house through Discord. It will become the first in a chain of private clubs for members of the Discord.

ManorDAO

MMO DEMOCRACIES

The MMO first introduced the Council of Stellar Management (CSM) - a player-elected council that collaborates with the game's developers to influence the game's direction and balance - over a decade ago. This year's ballots had the third highest turnout ever (45k+) and a 50% increase over last year.

EVE Online

BEAT SABER

Officially supporting only a limited number of songs due to licensing, a thriving community of fans continue to illegally create and distribute custom maps to keep the game fresh and alive.
Official maps - 10 free, 171 paid DLC
Community-made custom maps - 85,000+
MAU - 1.5M *Wall Street journal*

VALVE

Developer Valve has a history of nurturing fan-made mods into becoming some of the world's biggest games. Counter-Strike began as a Half-Life mod, before they hired the creators and let them continue with their community-driven approach.
CS2 - 961,452 average daily players
SteamCharts
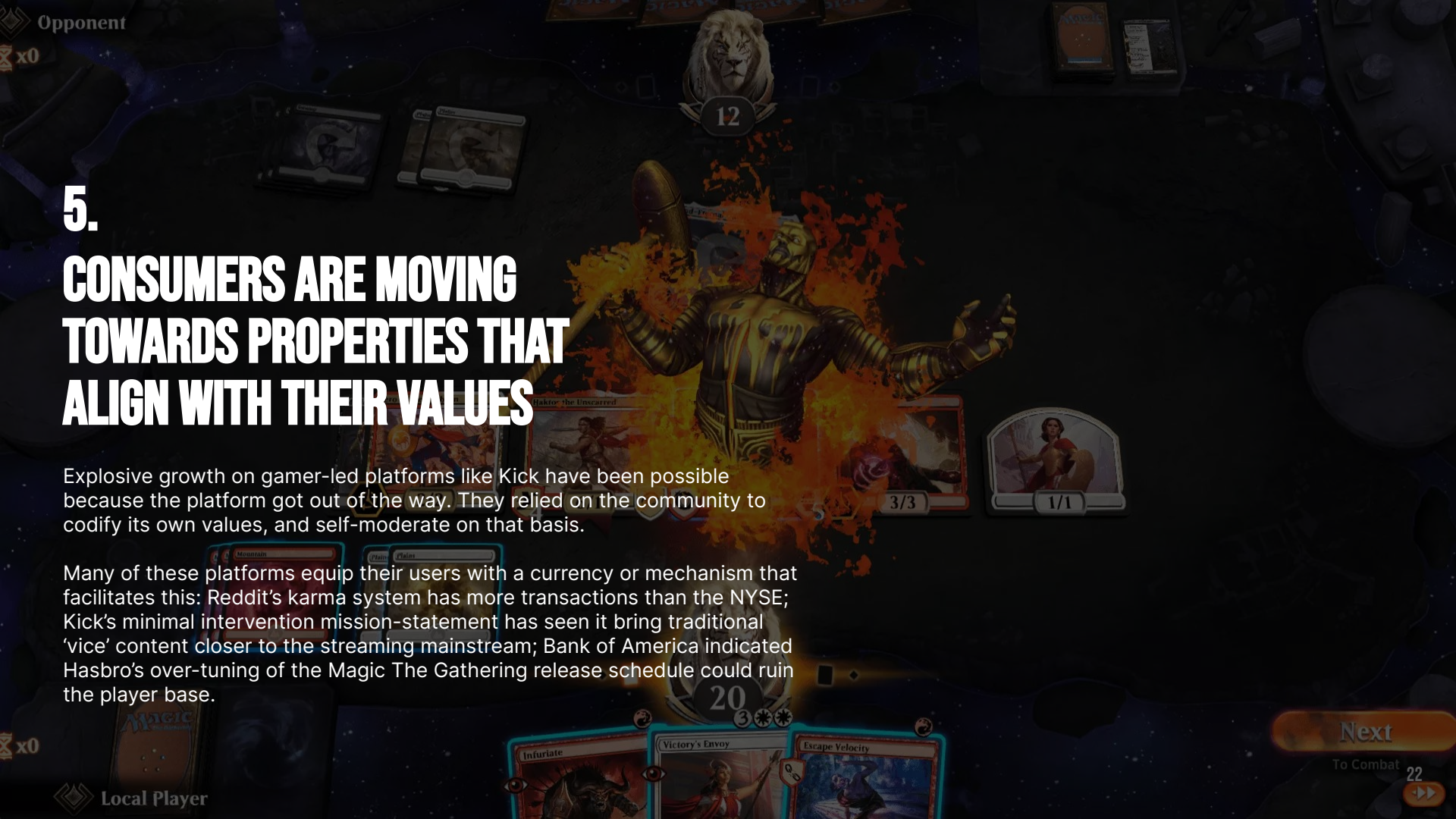
5.

CONSUMERS ARE MOVING TOWARDS PROPERTIES THAT ALIGN WITH THEIR VALUES

Explosive growth on gamer-led platforms like Kick have been possible because the platform got out of the way. They relied on the community to codify its own values, and self-moderate on that basis.

Many of these platforms equip their users with a currency or mechanism that facilitates this: Reddit's karma system has more transactions than the NYSE; Kick's minimal intervention mission-statement has seen it bring traditional 'vice' content closer to the streaming mainstream; Bank of America indicated Hasbro's over-tuning of the Magic The Gathering release schedule could ruin the player base.

Next
To Combat

BACKLASH ON OVERSTEP

Reddit has a history of overstepping their control over the community run-platform, which relies on an all-volunteer corps of moderators. Recently, thousands of subreddits went dark to protest a decision by the platform to impose fees on third-party tools and API access. The protest is ongoing but Reddit refuses to back down, alienating its most important user base and causing permanent damage.

Subreddits dark at peak of protest = 8,829
Subreddits still dark = 1,641
Reddark

MINIMAL INTERVENTION

Along with a lucrative 95/5 subscription revenue split for streamers, Kick has rapidly built a popular community due to their minimal-intervention approach to moderation, valuing constructive dialogue and long-term solutions that address root issues, over knee-jerk reactions and blanket rules.
"If you insist on having total control over your environment at all times, you will likely have a tough time on Kick."

Jan-Apr 2023 viewership = +404%
Jan-Apr Active Channels = 9,000 > 67,000
Dexerto

Bank of America says Hasbro could fall 34% due to company ruining 'Magic: The Gathering' card game

PUBLISHED MON, NOV 14 2022-8:03 AM EST | UPDATED MON, NOV 14 2022-9:50 AM EST

REAL WORLD IMPACT

Hasbro's focus on short-term profit, without considering the long-term brand durability, has led to community backlash through boycotts and petitions. Bank of America gave it an 'Underperform' rating, highlighting the real-world impact on stock prices, and competitors are seeing massive boosts in sales as customers protest with their wallets.

"Within its Wizards segment, Hasbro continues to destroy customer goodwill by trying to over-monetize its brands."
CNBC

UNITY

Unity lost the trust of the gaming community after announcing a new 'Runtime Fee' pricing model which would stifle development especially amongst smaller studios. CEO John Riccitiello suddenly stepped down after overwhelming condemnation, boycotts and death threats, and a **22% drop in share price** over the past month.

TWITCH

After already losing several popular streamers and viewers to rival Kick, only one day after Twitch announced sweeping restrictions on how streamers are allowed to advertise, the company listened to the community and backed off, stating *These guidelines are bad for you and bad for Twitch, and we are removing them immediately."*

7.

NON-TRADITIONAL MEDIA IS NOT NICHE.

The scale and impact of non traditional media is under-represented by an agency led industry that does not adequately understand nor benefit from it. It is frequently the last media purchased and not reliant of deeply connected with traditional campaigns, creative or agency briefs.

The scale of channels like Twitch and Youtube around streamers is massive. Gaming has being instrumental in building communities which are now larger and more impactful than major media businesses. They drive direct behaviour when required for brands, causes and the benefit of the streamers.

This is distinct from the channel conversation as we have seen audiences be moved cross platform and out into direct real world impact.
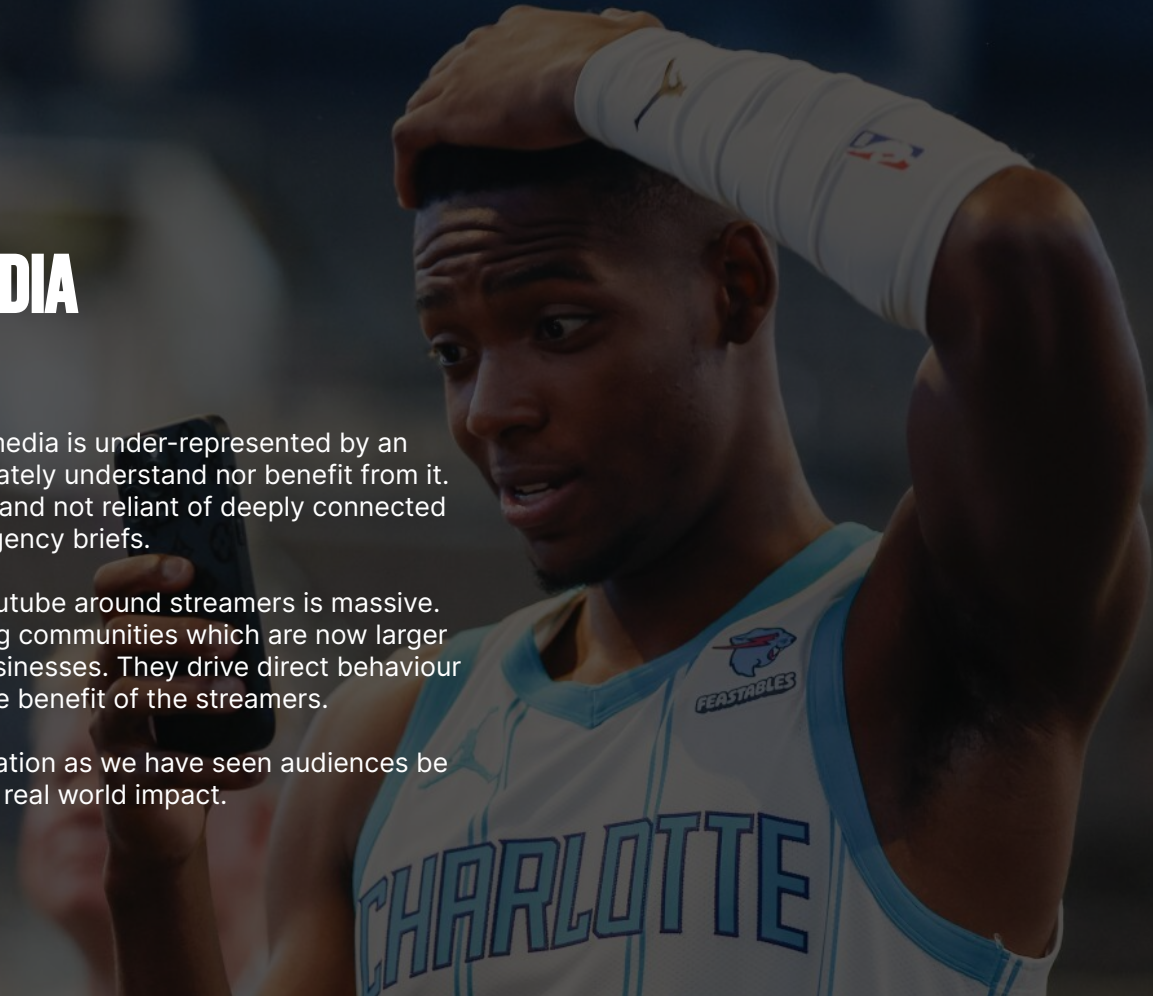
187M AND COUNTING

Mr Beast holds the title of the most-subscribed YouTuber ever, with over 187M subscribers and counting. His empire also spans MrBeastBurger and snack company Feastables - which just struck a new partnership with the Charlotte Hornets that will plaster the Feastables' logo on the NBA team's jerseys and press conference backdrops, bringing more mainstream exposure to his already enormous following.

ALFA ROMEO F1 TEAM KICK

Kick, the rival streaming platform to Twitch, has made yet another big splash as it has now replaced Stake as the main sponsor on the Alfa Romeo Formula 1 cars for the Australian Grand Prix in Melbourne - giving mainstream visibility to the platform and bringing the brand to new broadcast audiences. Alfa Romeo has also started streaming on Kick as well, with their drivers – Valtteri Bottas and Zhou Guanyu – talking to fans around the Australian GP.

WENDY'S DISCORD

Fast food chain Wendy's created Discord's largest branded server in just 48 hours. Since the launch, Wendy's has used the Discord server to run community competitions, built bots and talk about gaming. Rather than the brand going after gamers specifically, Wendy's views itself as a gamer, allowing it to show up authentically in gaming spaces. **"We don't want to show up to a consumer with an advertisement. We want to make sure we're building a community wherever an ad is showing up."**

LOUIS VUITTON

LVMH have just announced they will open up a Discord server designed to forge a stronger connection with online communities, and focus on virtual reality, gaming, Web3, esports and technology, and professions related to these topics. **"It is so directionally correct for the future of brand and consumer communications".**
Vogue Business

7.

GAMING IS FORMING CORES TO FRANCHISE AND TRANSMEDIA MODELS.

Games are shifting to the core launch IP for franchise model, replacing film or novel content that expands across the entertainment ecosystem and adjacencies (movies, shows, physical product, apparel)

The Last of Us sold 37MM game copies across Playstation platforms, to become a HBO series that attracted 32MM viewers per episode. *Star Wars* recruits younger viewers through its gaming titles, with at least four that each contribute $1B+ annually in earnings; *Five Nights at Freddy's* has gone from indie game series tro box office release.

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THE LAST OF US

AAA PS GAME TO HBO RECORD BREAKER

The Last of Us is a 2013 PlayStation title that's taken the world by storm since its inception, with various spinoff comics, additional DLC, a sequel, and now a live-action TV adaptation on HBO - which dramatically boosted franchise game sales.

The Last of Us Playstation sales - 37M
The Last of Us HBO Series - average 32M viewers per episode

Warner Bros. Discovery

THE MCLAREN SOLUS GT

The McLaren Solus GT was featured in Gran Turismo 2017 as a playable racetrack concept car. Five years later, McLaren created a real-world Solus GT (only producing 25 of the model), debuting it at the 2023 Goodwood Festival of Speed where it secured McLaren's second Festival of Speed Timed Shootout win in three years.

2K LEAGUE BRINGING NEW FANS TO NBA

The NBA2K League's efforts over five seasons to spread the league's appeal to a younger demo looks to be paying off, with new data showing a league's sustained esports efforts can translate to new fans coming to see a game in person or watch a live game on TV.

2KLeague fans are
- 2x as likely to buy an NBA ticket
- 5x more likely to buy a subscription to NBA League Pass

Sports Business Journal

STAR WARS

Over one hundred video games based on the Star Wars franchise have been released. The franchise uses video games to recruit younger audiences into the wider universe and expose them to properties that may be before their time. As of today, **there have been over 90 million copies of Star Wars games sold.***
Gamerant

CYBERPUNK 2077

When CD Projekt Red launched Cyberpunk 2077 in 2020, its buggy release prompted a firestorm of negative publicity in both the press and player communities. Two years later, they launched the hit Edgerunners Netflix series based on the game - bringing an influx of over 1m players per day in the weeks after launch, and boosting the average concurrent player count from 15k to 80k+.

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8.

LOW-CODE, NO-CODE AND AI NARROW THE TECH MOAT.

Gaming is going through a key period of disruption where the barriers to entry are being significantly reduced through the rapid delivery of tools that are available to deliver games (UEFN), the adoption of low code / no code tech and he adoption of AI.

This is both driving consolidation around mass platforms (Epic / unreal) as well as enabling smaller studios, IP and creative teams to shorten cost and delivery time.

The cost of making an immersive experience or game is approaching the cost of creating content bring new

POWER IN CREATOR HANDS

About half of play time in Fortnite takes place in user-created content. Earlier this year, Epic released the Unreal Editor for Fortnite, which lets players use tools from Unreal Engine to build games and experiences specifically for Fortnite. The generous revenue-sharing model of the UEFN allows producers to get paid for their creations, which has seen the Fortnite Creative community earn over **$120 million** since March.

COMMUNITY GENERATED WORLDS

TikTok audiences use platform functionality such as duets to build on each other's content - often expanding characters and ideas in viral ways. ' The Wellerman' a 1970's New Zealand sea shanty, became so popular as a crowd-built duet that a recorded version hit #1 in the UK Singles chart in February 2021. The current trend of 'The Roman Empire', which bridges meme and science, has single-handedly driven new IP investment on theme across streaming platforms.

AI DEVELOPMENT TOOLS

The rise of AI tools in gaming like Blizzard's Diffusion tool for generative concept art, and Ubisoft's Ghostwriter for writing dialogue, have been met with wariness in their impact on jobs. However, some also think these kind of tools will enable smaller and independent studios to scale production beyond their capabilities, and better open-world experiences for players.

50%

% of game development that will be managed by AI in 5-10 years*

Bain https://www.bain.com/insights/how-will-generative-ai-change-the-video-game-industry/

70%

% of new applications built by 2025 will utilise low code or no-code tech as a key component of the tech stack*

Gartner 2021

9.

GAME PLATFORMS ARE EXPANDING WELL BEYOND GAMES.

Gaming platforms - from both and IP and infrastructure perspective - have crept from the gaming world into the mainstream.

Games such as *Final Fantasy* have their orchestral scores make up the programming of prestigious musical landmarks; gamer tech like Discord counts itself amongst the fastest growing social platforms; and media giants like Netflix are engineering gaming infrastructure and offerings into their platforms, whilst also investing in original game IP.

VIDEO GAMES IN CONCERT

Across the world. there has been a rise in the popularity of concerts celebrating the best in video game music. Prior to the release of Bethesda's Starfield, the London Symphony Orchestra performed the "Starfield Suite" before a sold-out audience at the Alexandra Palace Theatre, one of the world's most prestigious concert halls.

THE NEW SPORTS ARENA

Twitch is increasingly expanding beyond the gaming world. Non-gaming content streamed on Twitch was up almost 6% in 2022, while gaming-specific content was down 8%. In fact, half of the top 10 peak moments in live streaming in 2022 across major platforms were non-gaming, and 4 were sports-specific; 2 soccer events (including the FIFA World Cup), 1 boxing match, and 1 racing event made the top charts.

Stream Hatchet 2022

THE HOME OF WEB3

Discord was made for gamers, but it developed into the home for web3 and digital economies. Today nearly 30% of active server owners on Discord had created a server for something other than games.

EPIC

Epic Games' Fortnite has evolved into a social platform with in-game concerts, movie screenings, and partnerships with brands like Nike and the NFL. It has transcended gaming to become a cultural phenomenon.

MINECRAFT

Minecraft has been used for educational purposes, architecture, and urban planning. It's also a creative platform for artists and designers, demonstrating its versatility beyond gaming.
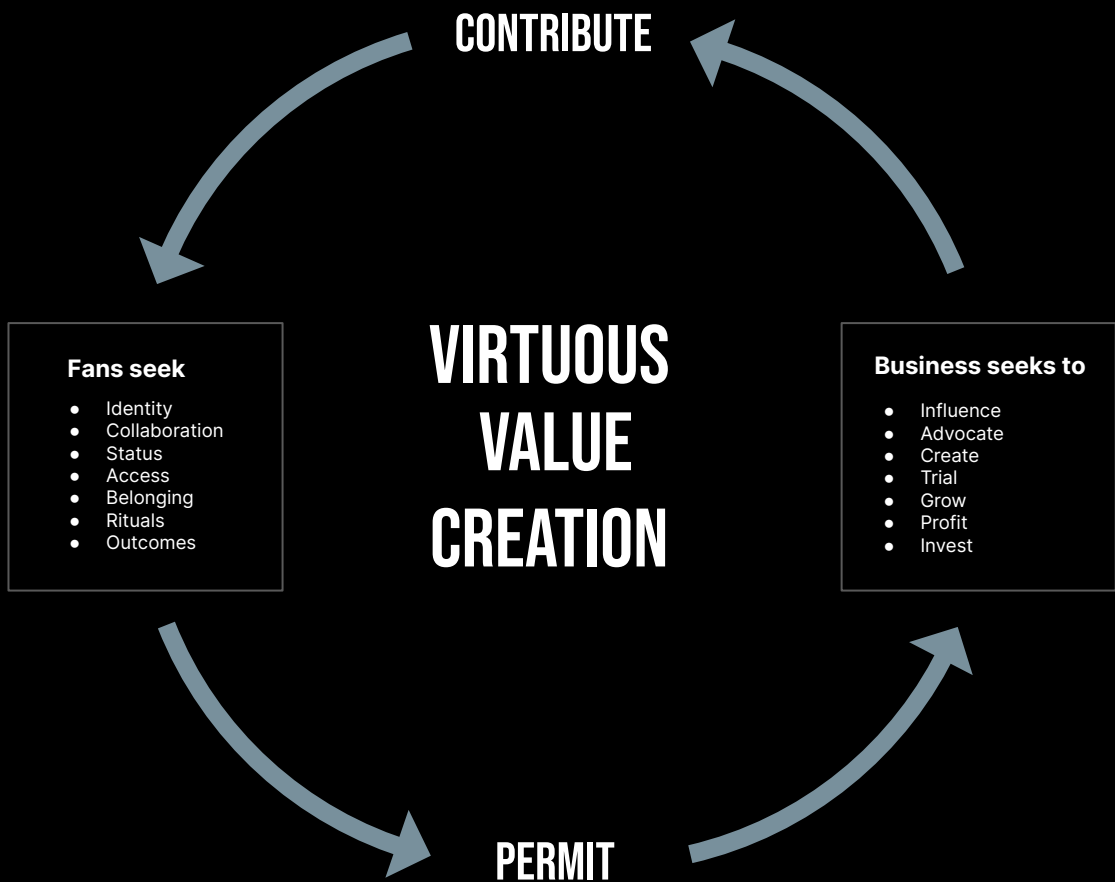
IN SHORT

Gaming is **the most influential force** in **demonstrating new community building** behaviours.

COMMUNITY

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SO WHAT DO WE MEAN BY 'COMMUNITY' IN 2024?

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OUR MODEL FOR VIRTUOUS VALUE CREATION

CONTRIBUTE

VIRTUOUS VALUE CREATION

Fans seek
- Identity
- Collaboration
- Status
- Access
- Belonging
- Rituals
- Outcomes

Business seeks to
- Influence
- Advocate
- Create
- Trial
- Grow
- Profit
- Invest

PERMIT

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SO, HOW DO WE ACT ON THAT?

PRINCIPLES

PRINCIPLE #1

EXPERIENCE BEATS ENGAGEMENT.

In age of consumer media saturation, tangible products and experiences are the most powerful anchors of brand experience. The Lakers built Lakers gaming as a recruitment tool, not a content play. This type of investment is a key driver on whether or not we continue having to pay to collect new eyeballs, or keep them in a community where they sustain and invite each other.

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PRINCIPLE #2

CLEAR AND EVOLVING VALUE EXCHANGE.

Powerful communities exhibit a shared expectation of building future collective value. This principle drove the entrepreneurial spirit of Web3 experiments, it underpins the collective knowledge-sharing amongst fantasy sports fans, and underscores a new role for media businesses that can unshackle themselves from transactional metrics in favour of community first outcomes.

Call of Duty's seasonal content represents massively capital intensive production efforts that are released for free - with players making cosmetic micro-transactions and selling their expertise and capability through side platforms in order for both publisher and player base to profit each time.
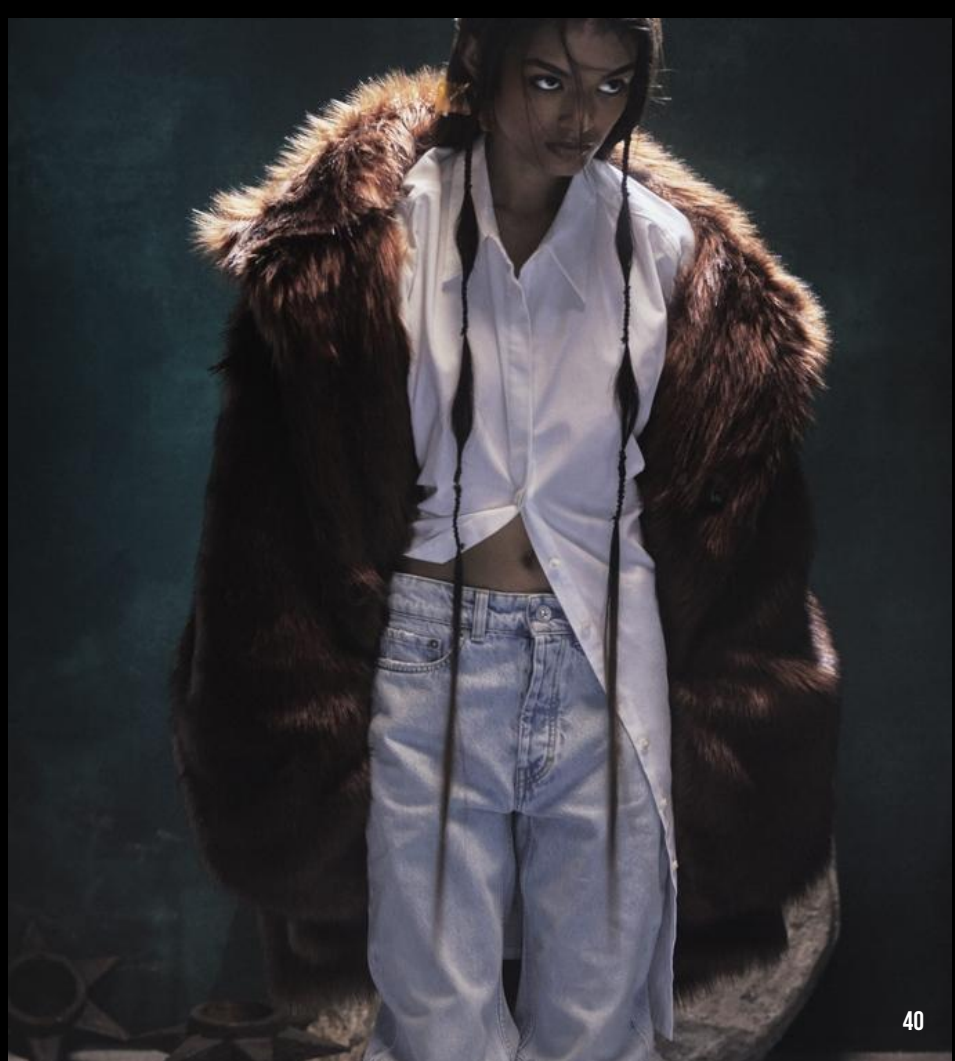
PRINCIPLE #3

SELF IDENTIFICATION IS EVERYTHING.

A community is self-aware, unlike an audience. Equipped with the products that help them identify, communities will quickly give you indications of their health - they'll even ask for merchandise if you're getting it right.

Fromsoft's *Elden Ring* was a collaboration with *Game of Thrones'* George RR Martin to create a lore-heavy fantasy world. The sheer ambition of the game saw it transcend the player base to become a content culture in itself. It now drives broad brand partnerships, including a recent, super-premium merchandise range with bleeding-edge London/Tokyo luxury label ARK/8.

PRINCIPLE #4

RISK AND JEOPARDY ARE AS POWERFUL AS WINS.

Fallibility will be met with forgiveness when your intent is to benefit the group. This is the key to trial - try to find products that work, of course, but realise that your mere efforts, when honest in intent and effectively communicated, is a brand opportunity. It shows you're an active participant in the community, not outsider.

No Man's Sky was massively hyped and failed on launch in 2018, but developers Hello Games committed to responding to the criticism, introducing collaborative MMO missions, adjusting the content supply to drive interactions every 15 seconds, and improved the generative worlds. It has rebuilt its player based from 200k MAU in 2019 to 3M today.
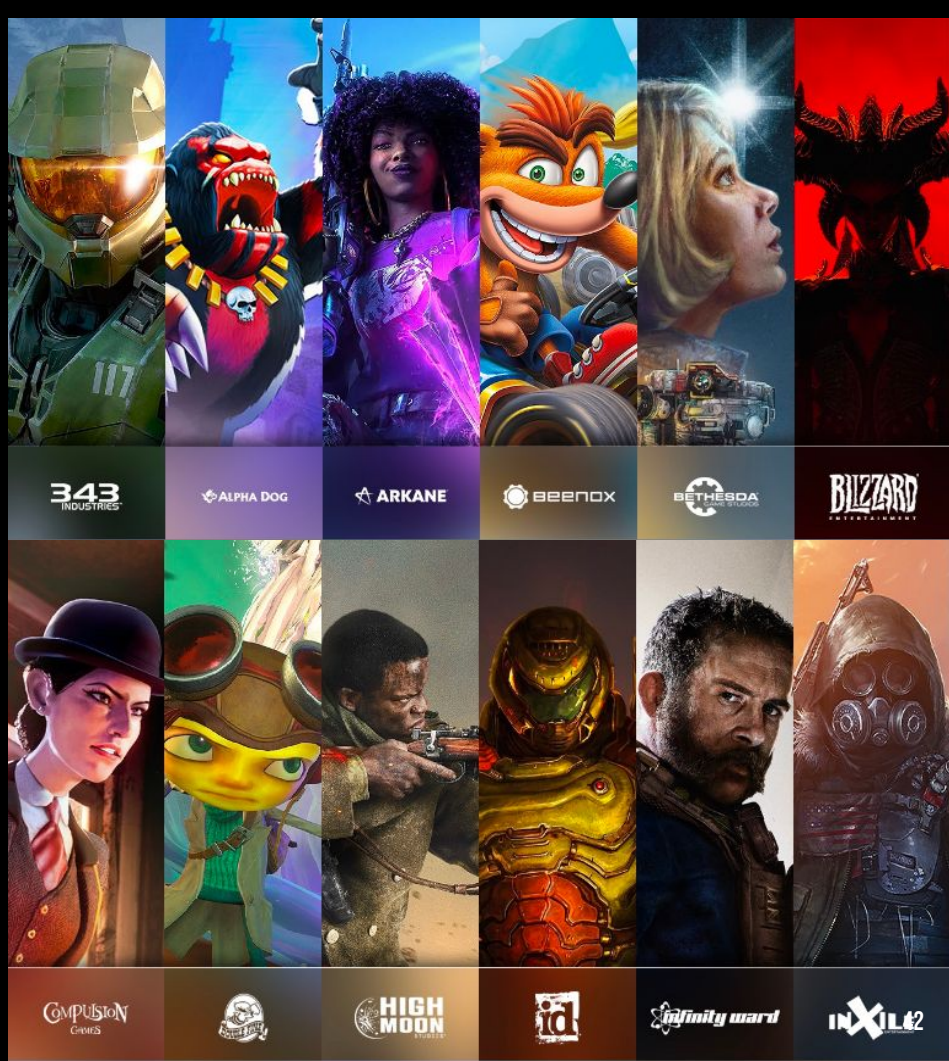
PRINCIPLE #5

YOU MUST CEDE POWER.

Speaking of fallibility: you must provide governance and self-determination options to the other community members. Even, and especially, if that takes you in a direction you didn't expect.

Xbox Game Studios was established precisely to act as a venture capital and strategic partner for smaller publishers in order to diversify Xbox's chances of landing hit titles - its mission is to 'put developers' titles in players hands... to create long-lasting impact'.
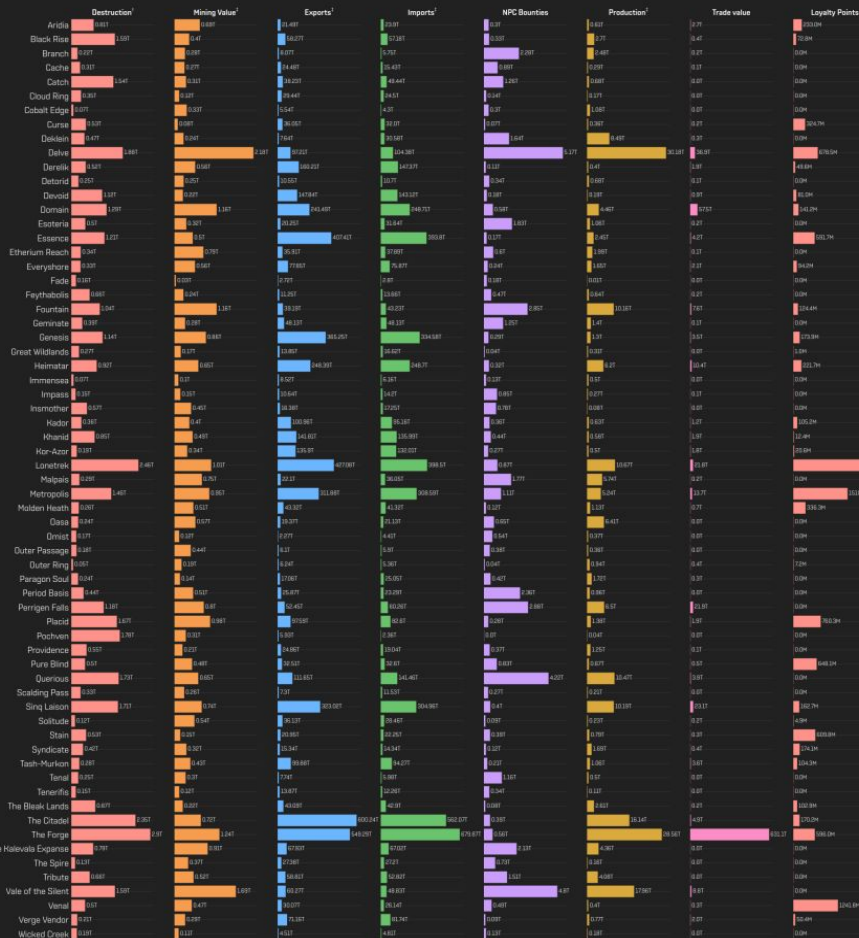
PRINCIPLE #6

PROXY A SYSTEM,
NOT JUST A STRUCTURE.

Design for the organic growth of market and social dynamics, don't put your big obvious business model in the middle of everything. Supply the community with the flexibility to identify what they believe the value system is, and they'll develop it accordingly. *Eve Online* publishes a monthly economic report of in-game activity that its corporations (of users) rely on to plan their strategy - the largest corporation has almost 12,000 'employees' and full management structures.

PRINCIPLE #7

PROVIDE A CURRENCY, FOSTER AN ECONOMY.

Let your community members exploit the asset value the community generates to create and justify their own premium - which you can participate in. Bungie and Activision regularly overhaul the exchange rates and redemption touchpoints in their premier titles in favour of reduced constraints on how players may earn and use their in-game assets.
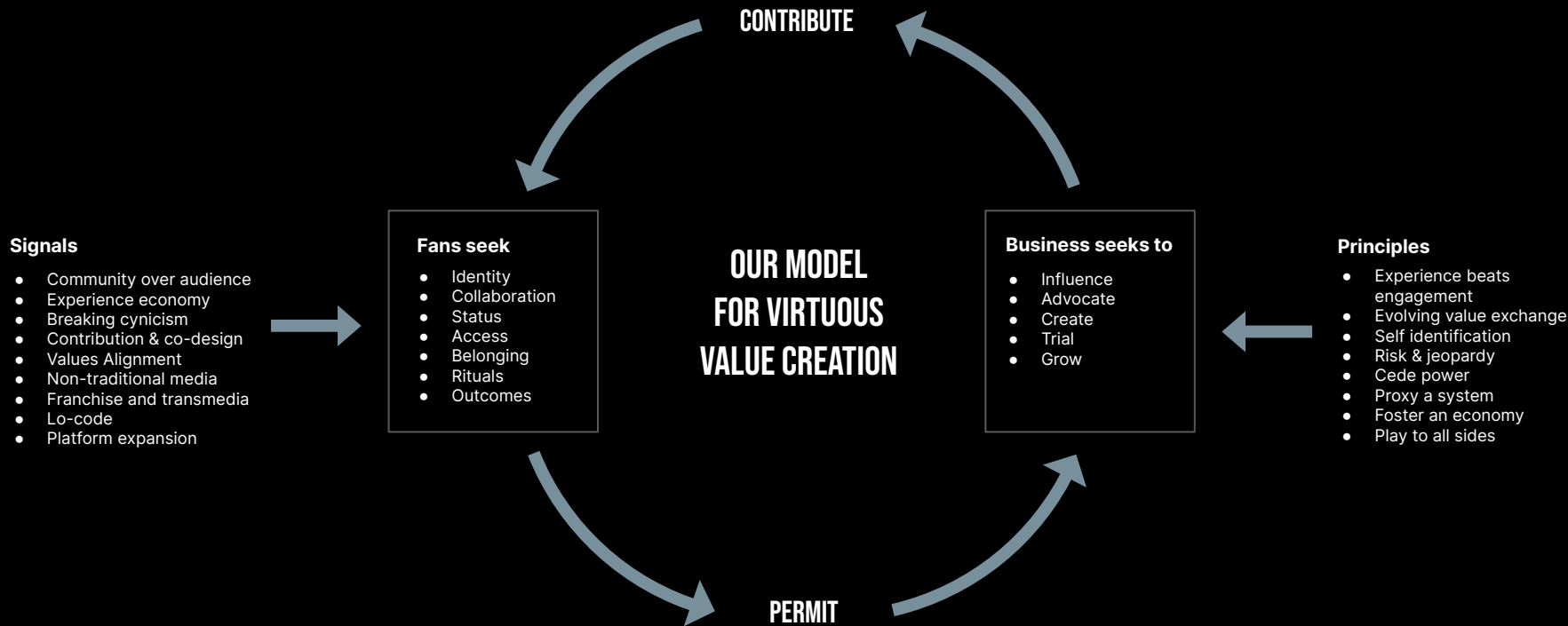
PRINCIPLE #8
PLAY TO ALL SIDES.

No niche is too niche. One customer is usually a member of many communities: they're not usually looking for an aggregate experience of all these, but rather a way to fully show up in each of them, as differently or similarly as they like. Reddit users are typically members of over 50 subreddits.

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Signals

- Community over audience
- Experience economy
- Breaking cynicism
- Contribution & co-design
- Values Alignment
- Non-traditional media
- Franchise and transmedia
- Lo-code
- Platform expansion

CONTRIBUTE

Fans seek

- Identity
- Collaboration
- Status
- Access
- Belonging
- Rituals
- Outcomes

OUR MODEL FOR VIRTUOUS VALUE CREATION

Business seeks to

- Influence
- Advocate
- Create
- Trial
- Grow

Principles

- Experience beats engagement
- Evolving value exchange
- Self identification
- Risk & jeopardy
- Cede power
- Proxy a system
- Foster an economy
- Play to all sides

PERMIT

A VIRTUOUS VALUE CREATION MODEL THAT DRIVES BUSINESS STRATEGY THROUGH A GROWTH ENGINE BASED ON MONITORING EXTERNAL SIGNALS AND ACTING UPON COMMUNITY-FIRST PRINCIPLES

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COMMUNITY PRIORITIES

What your community seeks from itself.

✓ Identity

✓ Collaboration

✓ Status

✓ Access

✓ Belonging

✓ Rituals

✓ Outcomes

BRAND CONTRIBUTIONS

What you will offer your community. Eg:

- Product
- Membership
- Experiences
- Convenience

VVC TARGET STATEMENT

The goal state for the relationship between a brand and its community.

CUSTOMER CONTRIBUTIONS

What your community will offer you in return. Eg:

- Sales
- Data
- Concepts
- Testing

BUSINESS OBJECTIVES

What you seek from your community.

✓ Influence

✓ Eg Utilisation

Advocate

✓ Create

✓ Eg NPD

✓ Trial

✓ Eg Acquisition

Grow

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