The Network Effect:
From Striving
to Thriving

PeopleGrove

A networked product without a network is not very helpful. Imagine a telephone with no one to call or opening Uber and seeing no drivers or cars available. That's what it would feel like if a student joins PeopleGrove and there's no one sharing their experiences, offering advice, or lending a hand and the confidence to take the next step on their professional journey.

*METCALFE'S LAW, THE VALUE OF A NETWORK INCREASES IN PROPORTION TO THE SQUARE OF USERS IN THE NETWORK.

- 2 Users = 1 Connection
- 4 Users = 6 Connections
- 8 Users = 28 Connections

The network effect happens when products get more valuable as more people use them. PeopleGrove incorporates the five-phase network effect framework to drive people as quickly as possible to sign up, stay engaged and use the network more because other students, alumni, and faculty are also using it more.

Let's look at the five stages of network effects and how PeopleGrove supports growth at each.

THE COLD START **01**
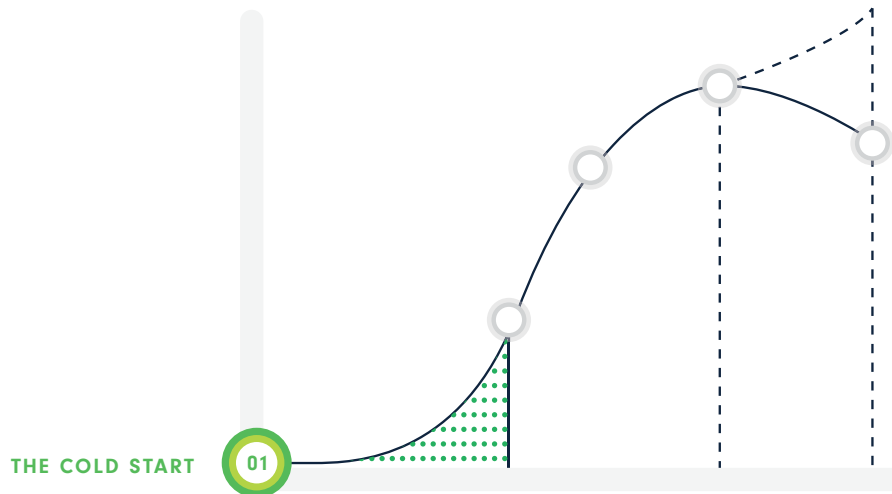
There are a few must-dos and pitfalls to avoid in this early stage. (1) Reach an "Atomic Network" as soon as possible. This is the smallest size network that can stand on its own. (2) Avoid "Zeros." This represents a break in the network, where an experience falls short due to the lack of profusion of people. An example of a zero at Uber (the worst experience) is when a rider opens the Uber app with the intent to book a ride — but there aren't any drivers in the area.

To consistently ensure people never experience Zeros, the network needs to be profuse with people. Piloting a networked product like PeopleGrove will not work. The value of people connecting at scale cannot happen with a small sample of users.

HOW WE OVERCOME THIS CHALLENGE:

We take a multi-channel approach when we launch every new platform. First, the institution sends awareness communication introducing the platform, and tailored outreach from PeopleGrove's network builder technologies are initiated. At onboarding, we share a Partner Marketing Guide complete with best practices to promote the platform on campus. Additionally, establishing appropriate communication dos and don'ts known as "netiquette" is built into the platform with step-by-step user guidance.

TIPPING POINT   02
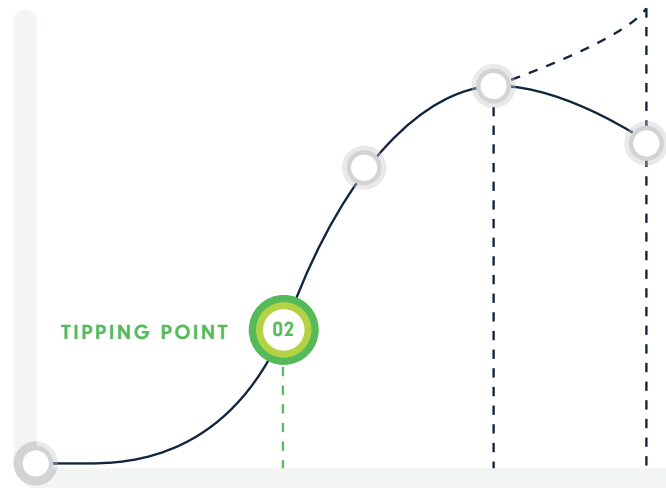
This is when the magic moments happen. The threshold of users has reached critical mass, and the network is growing exponentially.

HOW WE OVERCOME THIS CHALLENGE:
On PeopleGrove, students start to see an extensive community of professionals in their area of study, potential super mentors willing to lend a helping hand, and the opportunity to build social capital. In addition, other alumni greet alumni to support career pivots or sounding boards for their professional journey. And for faculty, a deep repository of talent is all in one location and ready to tap for subject matter expertise. Faculty can more easily source alumni to bring job-related content into the classroom and drive awareness for students yet to join. As a result, the divide between college, college coursework, and career outcomes begin to retract.

ESCAPE VELOCITY **03**
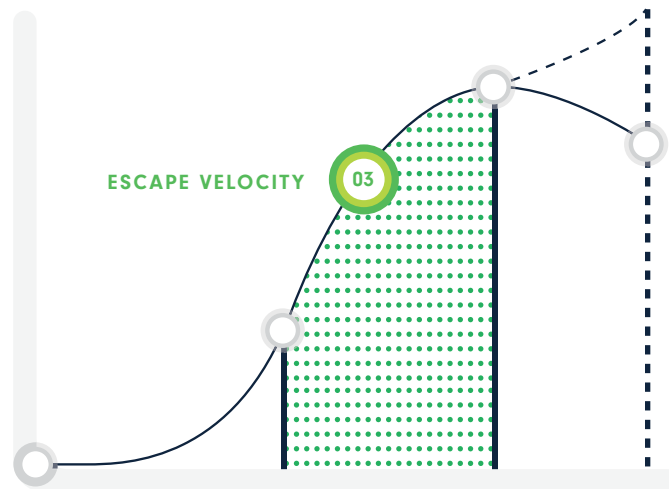
This stage is about working furiously to strengthen established network effects and sustain growth. This effort is further refined into two underlying forces:

- Acquisition Effect – Acquire new users by tapping into the network to drive efficient user acquisition via viral growth.
- Engagement Effect — Increase interaction between users as the network fills in
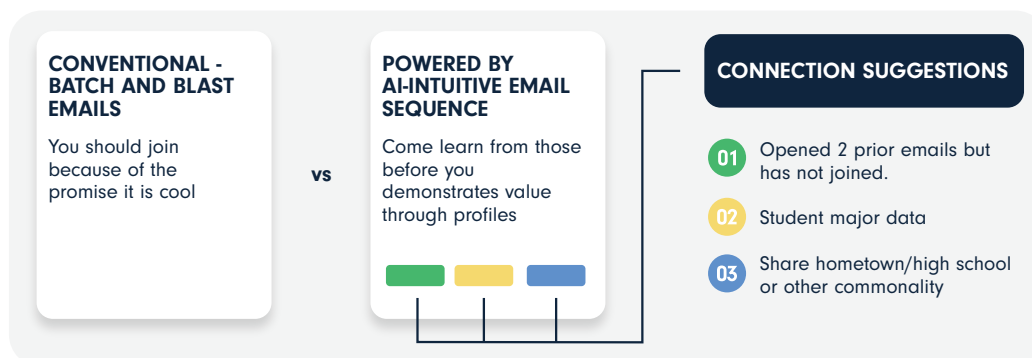
HOW WE OVERCOME THIS CHALLENGE:

Acquisition Effect – PeopleGrove leverages the experiences of existing users and their stories to pull in new users; as a result, new users are drawn in and more compelled to join. For example, with the network building powered by AI + ML, our acquisition outreach becomes more impactful and purpose-driven.

Engagement Effect – PeopleGrove's network builder excels at guiding users to well-received, compelling options (content/activities). There are built-in safeguards to ensure users' experiences get better and better as the network's density rises and leverages the strength of the network to pull latent users back. The average engagement of network participants increases as the network grows smarter, so new or reactivated users are:
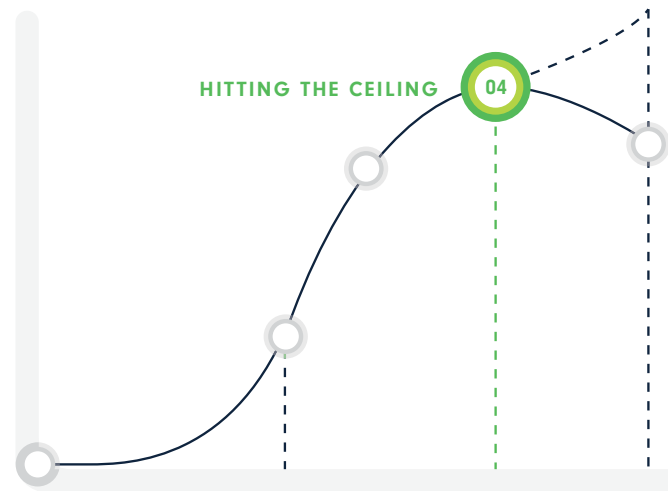
- More likely to have a better experience now the network is denser
- Respond to high-value nudges to get back into the network
- Realize and appreciate the value of the network and participate

These effects get better and better with more people.

CONVENTIONAL - BATCH AND BLAST EMAILS		POWERED BY AI-INTUITIVE EMAIL SEQUENCE
You should join because of the promise it is cool	**vs**	Come learn from those before you demonstrates value through profiles

CONNECTION SUGGESTIONS

01 Opened 2 prior emails but has not joined.

02 Student major data

03 Share hometown/high school or other commonality

HITTING THE CEILING **04**

The ceiling is where growth can stall for networked products, including saturation, spam, low intent users, and lower quality engagement from new users. This is why the success of even top products typically grows in fits and starts and why product innovation and investment often lead to new growth.
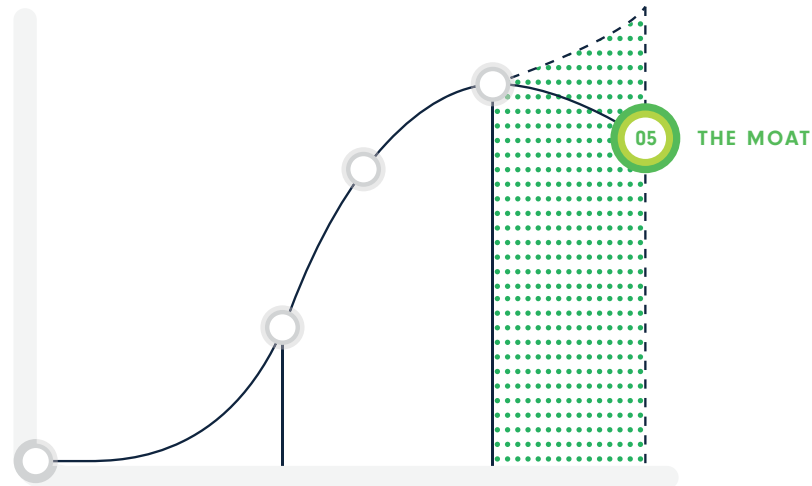
HOW WE OVERCOME THIS CHALLENGE:

Context is maintained for each user by creating new opportunities within the platform for deeper engagement. Some of these examples include new, fresh content to explore, new jobs opportunities to review, and Groups & Programs to participate in.

By keeping these separate, PeopleGrove can maintain context for each audience member and rely on algorithms to appropriately recommend the right people, groups, programs, careers, etc., and more contextually relevant for all users. Lastly, we address the safety and securing of PeopleGrove users and their accounts with maintaining context. Features are included for blocking and reporting to support anti-trolling measures.

Career Discovery and Exploration

People Connections

Internships + Jobs
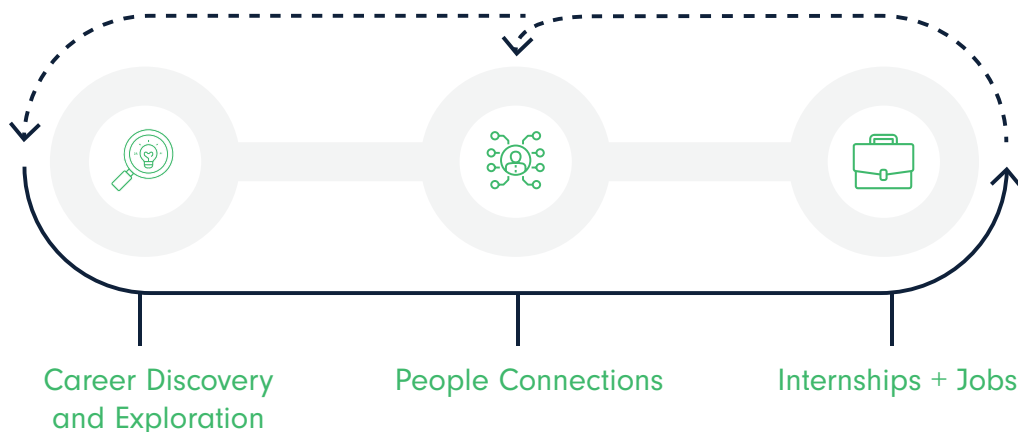
The final stage involves perpetuating the network effect you've built to deliver value so compelling users need not go elsewhere.

HOW WE OVERCOME THIS CHALLENGE:

With PeopleGrove, a learner has a lifelong account; no new account provisioning is required at times of transition. This is where they have turned to learn about career discovery, share career journey details, build critical social capital, and give back through mentorship and sharing career stories. Their reputation and social capital are stored here, and the growing shared admiration and affinity for their institution is the stickiness that binds this exclusive network for years to come.

Challenge the way it's always been done.

A growth strategy is crucial; the value of your PeoleGrove platform becomes greater with every student, alumni, faculty, and staff who joins. When schools build a network that gives access to the career support –learners want and need, the network becomes an asset to the university and the people active in the network.

LET'S ACCOMPLISH WHAT YOU SET OUT TO DO.

01 Support learners with resources, guidance, and access they need to grow their career confidence – all in one place.

02 Help students build social capital and make access to opportunities more equitable.

03 Offer alumni new avenues of connection to their alma mater.

04 Encourage alumni to give back in all kinds of ways.

Sources:
Chen, Andrew, "The Cold Start Problem"
Liebowitz, S.J." Network Externalities(Effects)"
Hendler, James and Jenifer Golbeck, "Metcalfe's Law"