

Process to Ready the Business for Generative AI

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Case Study: Nextdoor's Strategic Leverage of Generative AI for User Engagement

Nextdoor's Strategic Leverage of Generative AI for User Engagement

Nextdoor, the popular neighborhood-focused social network, faced stagnant user engagement despite high content consumption. To combat this, they turned to generative AI, focusing on tailoring email notification subject lines for increased user interaction. Through a feedback-driven approach utilizing rejection sampling, Nextdoor's strategic use of AI demonstrates its potential to revive online communities and offers valuable lessons for other platforms seeking to foster engaging and vibrant user experiences.

Primary Areas of Business Challenges

Content Consumption vs. User Engagement:

- **High Content Consumption, Low Interaction:** While Nextdoor boasted a large user base and active content consumption (reading posts, comments), user engagement metrics like clicks, shares, and conversations remained stagnant. This passive content consumption wasn't translating into active participation and community building.
- **Limited User Motivation:** Users lacked motivation to actively engage with the platform beyond simply reading content. This could be due to various factors, such as generic or irrelevant content, lack of personalized recommendations, or limited opportunities for interaction.
- **Declining User Retention:** Stagnant engagement ultimately led to declining user retention, as users found the platform less valuable and engaging over time.

Challenges with Traditional Content Delivery:

- **Generic Email Notifications:** Standard email notifications lacked personalization and often used generic subject lines, failing to grab user attention and drive clicks. This resulted in missed opportunities for user engagement and community building.
- **Limited Content Targeting:** Content recommendations and updates weren't tailored to individual user preferences or local contexts, diminishing relevance and user interest. This one-size-fits-all approach failed to cater to the diverse needs and interests of the platform's user base.
- **Static and Unscalable Content Creation:** Manual content creation for notifications and updates was time-consuming, inefficient, and difficult to scale as the user base grew. This limited the platform's ability to effectively reach and engage users.

Social and Community Challenges:

- **Building a Vibrant Community:** Nextdoor aimed to foster a sense of community and connection among neighbors. However, passive content consumption wasn't creating the desired level of interaction and participation needed for a thriving online community.
- **Declining Trust and Sense of Belonging:** Lack of engagement and personalized content could lead to users feeling disconnected and unengaged with their local communities. This could ultimately weaken the platform's social impact and value proposition.
- **Competition for User Attention:** In the crowded digital landscape, Nextdoor faced fierce competition for user attention from other social media platforms and online communities. Maintaining user engagement was crucial for the platform's continued success and relevance.

Strategic Approach to Using GenAI:

- **Focus on Email Notification Subject Lines:** Recognizing user apathy towards generic notifications, Nextdoor identified subject lines as a critical touchpoint for grabbing attention and driving engagement. Instead of relying on static, impersonal messages, they employed generative AI to personalize subject lines based on user data and local context.
 - **Rejection Sampling for Quality Control:** To overcome limitations of generic AI models, Nextdoor implemented a clever technique called rejection sampling. This system filters out irrelevant or ineffective AI-generated subject lines based on two key factors:
 - **Predicted Click-Through Rate (CTR):** AI analyzes user data and content to predict how likely a specific subject line will be clicked, ensuring only high-engagement options reach users.
- **User Feedback:** Nextdoor continuously collects user feedback (clicks, opens) on subject lines, feeding it back into the AI model. This allows the model to learn and adapt over time, generating increasingly relevant and effective subject lines.
- **Continuous User Feedback Loop:** The key to Nextdoor's success lies in a closed-loop feedback system. User engagement data, like clicks and opens, constantly informs and refines the AI model. This feedback loop ensures the AI learns over time, evolving its subject line generation to consistently resonate with user preferences and interests.

Implications for Other Organizations:

- **Identify Engagement Bottlenecks:** Nextdoor's experience highlights the crucial first step: pinpoint specific areas where user engagement needs improvement within your platform. Don't apply a one-size-fits-all approach. Instead, tailor the AI solution to address those exact engagement bottlenecks for maximum impact.
- **Data and Feedback are Key:** Generative AI thrives on data. Ensure access to relevant user data and content to inform the AI model and personalize content effectively. But data alone isn't enough. Establish mechanisms for collecting user feedback, like surveys or preference settings. This feedback loop fuels the AI's learning and refinement, ensuring personalized content aligns with user expectations.
- **Transparency and User Control:** Build trust with your users by being transparent about your use of AI. Clearly mark AI-generated content and empower users to control their interaction with it. Consider offering options like "thumbs up/down" feedback on AI content, giving users a voice in shaping their experience.
- **Start Small and Iterate:** Don't overwhelm your users or overcommit resources. Begin with a small-scale implementation of AI in a specific area. Analyze results and gather user feedback to iterate and refine your approach. This incremental improvement minimizes risk and maximizes chances of success.
- **Consider Ethical Implications:** Responsible AI use is paramount. Carefully consider the potential biases and ethical concerns associated with using AI in online communities. Implement robust data governance practices to prevent discriminatory or unfair

Assessment

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outcomes from AI-generated content.

To combat stagnant user engagement despite high content consumption, Nextdoor harnessed generative AI to personalize email notifications with engaging subject lines. Through a feedback-driven approach utilizing rejection sampling, and diligent attention toward the use of Responsible AI, Nextdoor's strategic use of AI demonstrates its potential to reinvigorate user participation and offers valuable lessons for other online communities seeking similar engagement boosts.

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