

The Business Value of Online Community



Now with
100% more
data!

A user-friendly compendium of the current research...

Jan. 2017

What's an online community?

For purposes of this presentation--

It's an owned, interactive online hub where customers, fans, partners, employees, and/or members can communicate and share.

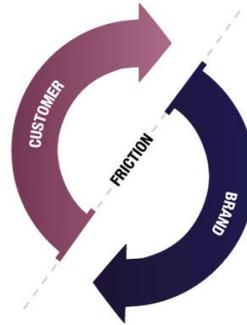
It may have ties to content and interaction from social media accounts as well.

IDC predicts...

Customer communities will become a strategic component of an experience strategy. By 2020, 80% of the Fortune 5000 (F5000) will have an active customer community (up from 30% today).

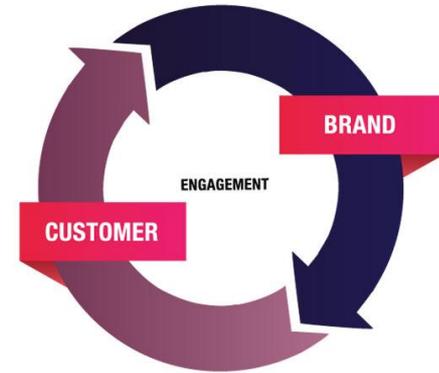
IDC 50th Anniversary: Transformation Everywhere

Brian Solis shows how...



**THE PROSPECTIVE
EXPERIENCE**

EMBRACE = EXPERIENCE



X: The Experience When Business Meets Design

“Communities play a key part in providing content and instilling confidence in buyers.”

SAP-commissioned Forrester Research “Supporting the online customer journey through communities,” October 2016

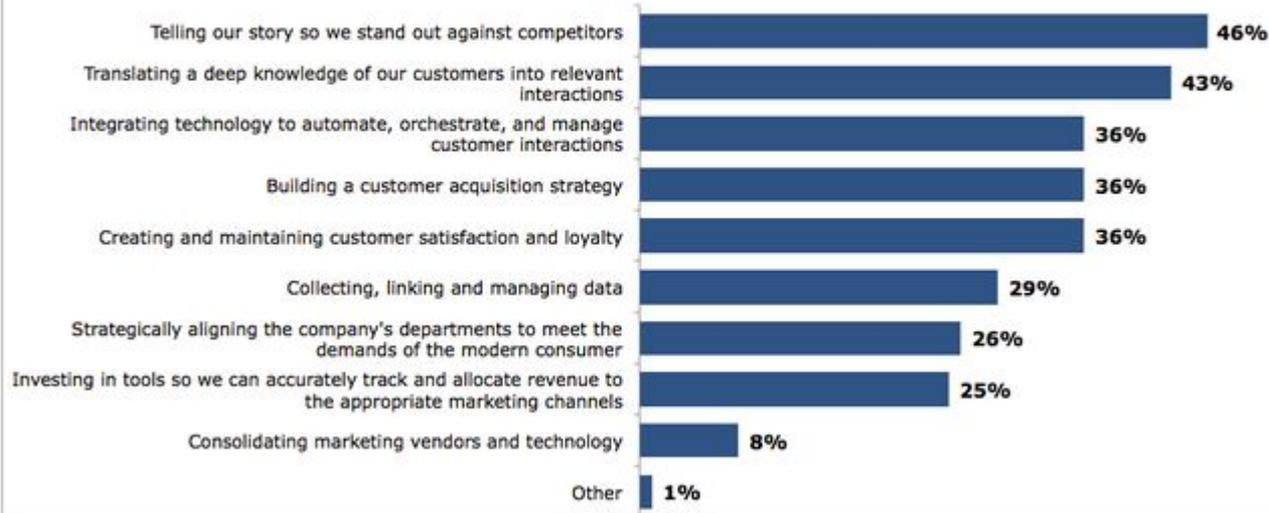
- Enable more effective marketing
- Drive customer lifetime value
- Improve customer targeting and segmentation
- Accelerate buying decisions
- Increase purchase satisfaction
- Collect valuable user-generated content



Senior Digital Marketing Leaders' Top Priorities

based on a global survey of 291 marketers, director level and above

April 2015



MarketingCharts.com | Data Source: Experian Marketing Services

A good online community contributes to all of these priorities.

**“human-style
conversations lead to
better reputations.”**

Dijkmans, C., Kerkhof, P., Buyukcan-Tetik, A. and Beukeboom, C. J. (2015), Online Conversation and Corporate Reputation: A Two-Wave Longitudinal Study on the Effects of Exposure to the Social Media Activities of a Highly Interactive Company. *J Comput-Mediat Comm*, 20: 632–648. doi:10.1111/jcc4.12132

- Provide a space for your brand’s conversational human voice
 - Corporate reputation leads to business outcomes
 - Social media & community contribute to positive perception
 - Foster true dialogue w/customers
-

“We find that 19% of the post-launch revenue from community customers can be attributed to their joining the community. ...The analysis of community data reveals that social connections – the number and importance of friend ties – and interactions – personal page displays – are positively linked to social dollars.”

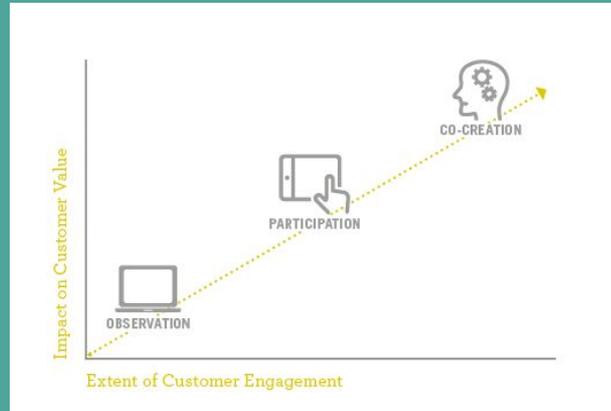
Social Dollars: The Economic Impact of Customer Participation in a Firm-sponsored Online Community. Manchanda, et al., February 6, 2015

“Community and purpose are the new sources of advantage in the Social Era.”

Kastelle, T., Merchant, N., Verreyne, M., (2016), What Creates Advantage in the “Social Era”? MIT Press Journals, Vol 10, number 3/4

- Provide space for ideation, be open to input from outside sources, customers
 - Collaboration is a crucial part of economic production
 - When community invests in an idea, it co-owns its success
-

“We found that as consumers engage more actively and in ways that involve relevant interaction with the brand, there is a strong correlation to increasing levels of customer lifetime value.”



The Consumer Engagement Engine, <http://spiegel.medill.northwestern.edu> January 2016

Crowdsourcing innovation through community

White paper from The Community Roundtable and Techstra Solutions,
“Crowdsourcing Innovation to Create Business Value”

- Create a strategic asset that accelerates the development of new ideas.
 - Make the organization more nimble to better serve customer or employee needs.
 - Positive experience of interacting can be linked to increased retention and a greater sense of overall satisfaction for customers & employees.
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Reduce support costs

Mission control for influencers

Extend learning & education

Idea factory for innovation

SEO juice from dynamic content

What will your community do for YOU?

Break down internal silos

Strengthen customer relationships

Instant focus groups

Connect experts & resources

Gather user-generated content

Privacy & control

Reward and fire up fans

Want to add your research findings?

Contact: Rosemary O'Neill

rosemary@socialstrata.com

www.hoop.la

