

THE EVOLUTION OF CUSTOMER COMMUNITIES

Creating Advocacy And Innovation Through Connection

Featuring Data from The State of Community Management 2021

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Top Enterprise Community Platform

Powering the world's best communities to build knowledge, deepen relationships, foster loyalty, and spark new ideas.

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ABOUT THIS EBOOK

This eBook is based on the 2021 State of Community Management research, produced by The Community Roundtable. This eBook is sponsored by and made possible with support from Khoros.

The narrative is drawn of unpublished data from the annual State of Community Management survey, focused on average and best-in-class customer communities.

We also profile three customer communities:



The complete report can be found at: <https://the.cr/socm2021>



THE EVOLUTION OF CUSTOMER COMMUNITIES

In 2021, online communities are table stakes for brands that want to connect and engage with their audience. Community professionals are now handed the task of not just connecting with a brand's audience, but deciding what kind of engagement is needed, and how to build a long-term strategy to foster and maintain that activity.

*Today, customer communities typically fall into one or more of three core categories: **support communities**, **brand marketing communities**, and **innovation communities**.*

We'll look at trends in all three types of online customer communities, profile innovative examples, and offer tips on how to make sure your online community serves your organization – and your customers.



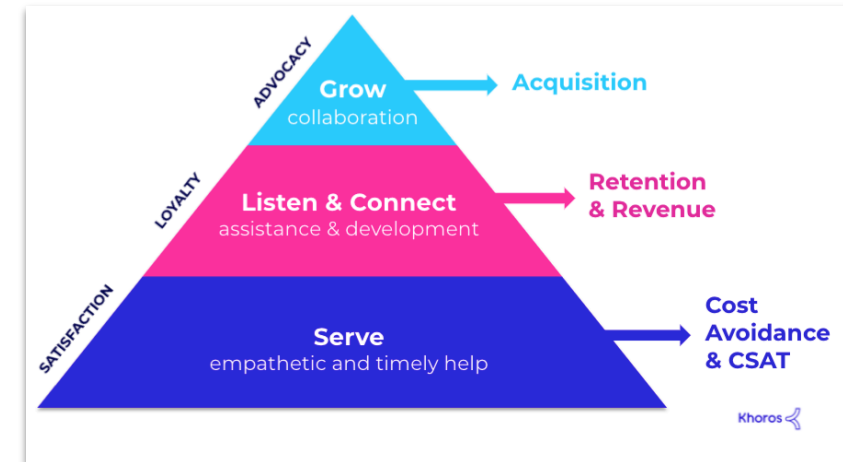
THE VALUE HIERARCHY OF COMMUNITY

Working in tandem with a deep understanding of the focus and goals of your community, is awareness of the the value hierarchy of a community program. Understanding your place in the value hierarchy starts with the premise that all communities strive to do three things:

SERVE - Communities first seek to create a mechanism for service. Serve thinks about community meeting all of those pre-existing needs that a potential community member might have. What do your members already need from you that you need to provide in order to unlock other conversations? For most community members, their journey into community begins with a transactional need. Your community needs to meet that need in order to generate satisfaction for the member and potential cost avoidance for your organization.

LISTEN + CONNECT - Once your members are having their existing needs met, we think about expansion. How can we bring people together to enrich each other's knowledge, to introduce new possibilities, or simply to make life more enjoyable for members? This is what generates loyalty rather than satisfaction.

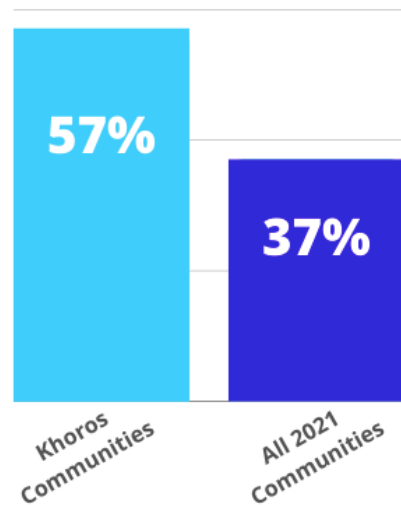
GROW - Grow focuses on on uses cases that facilitate collaboration. Members with members and members with your organization. This is where advocacy becomes possible.



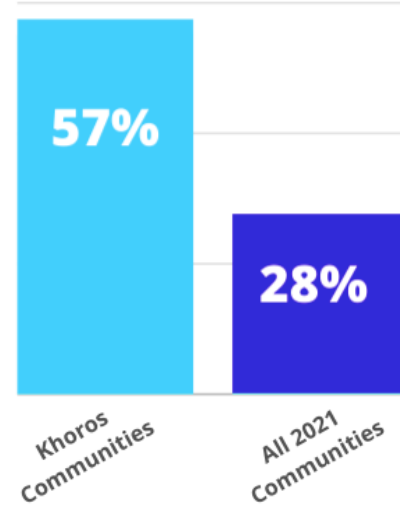
KHOROS COMMUNITIES EXHIBIT BEST-IN-CLASS TRAITS

Our annual State of Community Management report looks at hundreds of global online community programs. One benefit of the diverse sample is being able to identify traits of best-in-class communities – those with mature and resourced programs. While the majority of this eBook looks at the entire survey population, it's worth noting that Khoros-powered communities tend to exhibit the traits of best-in-class programs.

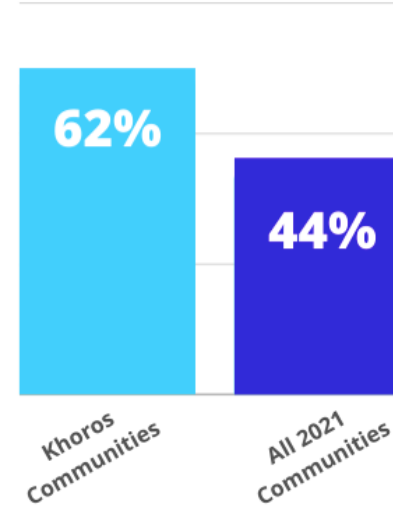
Communities with an approved, operational, and measurable strategy



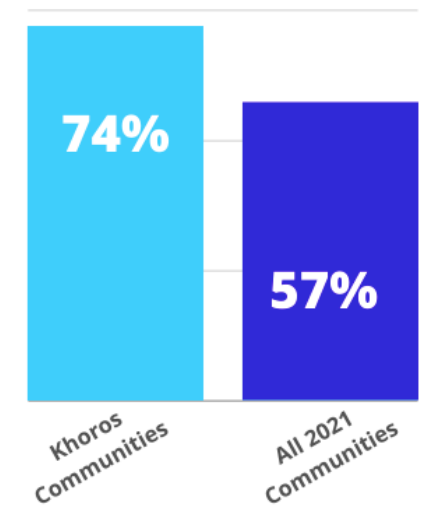
Communities with a defined, approved, and funded roadmap



Communities with a dedicated budget



Communities that can connect community participation directly to business outcomes





BEYOND SUPPORT

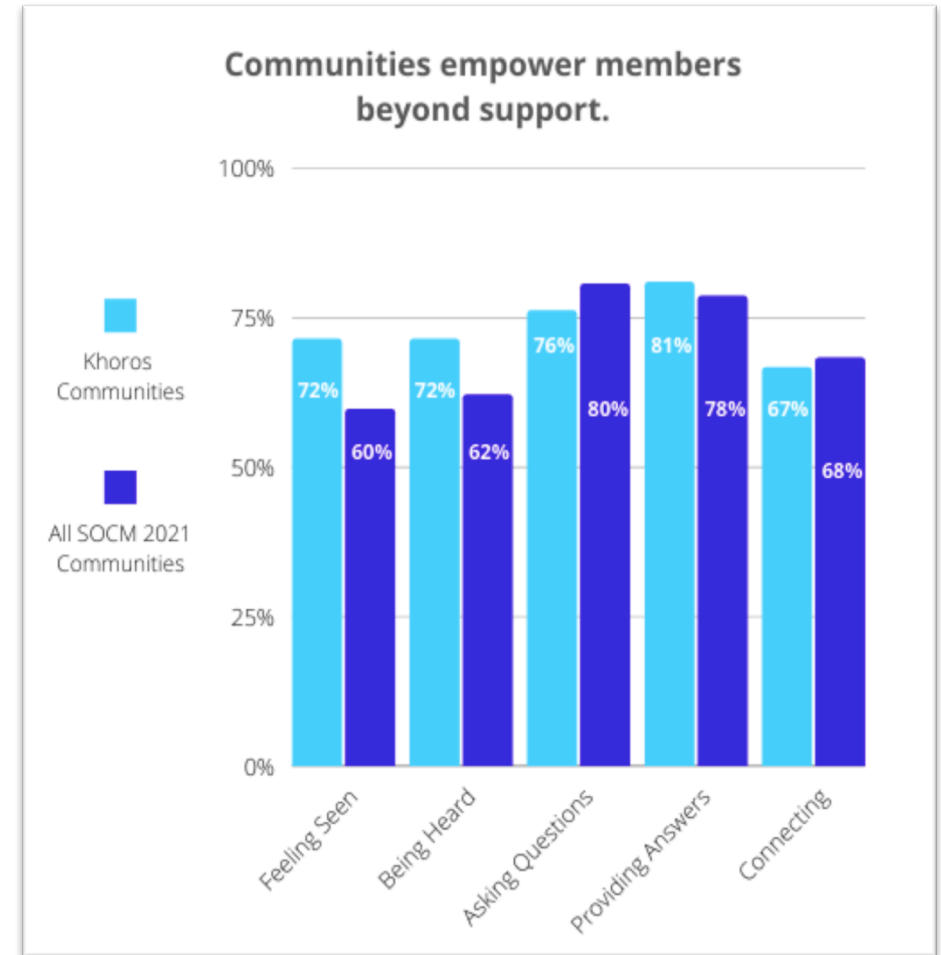
Empowering Members with Community

EMPOWERING MEMBERS WITH COMMUNITY

Support communities are communities that a brand or family of brands use to connect with their audience seeking information or to solve a problem online. Often described as digital customer service, best-in-class customer support communities provide a wealth of benefits beyond traditional customer service activities.

In addition to yes, answering customer questions, customer support communities empower their members to feel seen and heard. While **85% of members use support communities to find answers**, and **79% use them to ask more questions**, and **71% say that being an active member of a support community makes them feel heard** by the brands they frequent.

What does this mean for the brand? Customers who are community members feel heard and seen connect more deeply than causal users. This leads to deeper relationships – and positive NPS scores.



ENHANCING THE CUSTOMER EXPERIENCE



Name: Jbid Kissel

Position: Director of Community Support

Use case: Advocacy Programs

Industry: Technology

Results:

- 97% CSAT Score
- 70k+ new members last year
- 4,765 new ideas add by members

PowerSchool helps schools and districts efficiently manage instruction, learning, grading, attendance, assessment, analytics, state reporting, special education, student registration, talent, finance, and HR.

PowerSchool began their community journey with a handful of their products, providing knowledge base articles, forums, and a case portal. Since the initial launch, their community has grown to include all PowerSchool products, new acquisitions, and many additional resources.

We have also adjusted to the ever-changing needs of schools and districts, especially over the past year with the COVID-19 pandemic. This, more than ever, reinforced their mission to provide 'one platform' for all. This was quite an undertaking with their portfolio of 60+ products, specific needs of each of those products, their various types of users, and support and product documentation spread across several different platforms.

PowerSchool invited our Community Mentors to, who are our superusers to participate in Beta Testing and customer think-tanks. Their feedback is incorporated in every new feature release. As they weather their peak back-to-school season, with experience from previous years and with the many innovations and new enhancements they are poised to usher in an even more successful and engaged year for our community.



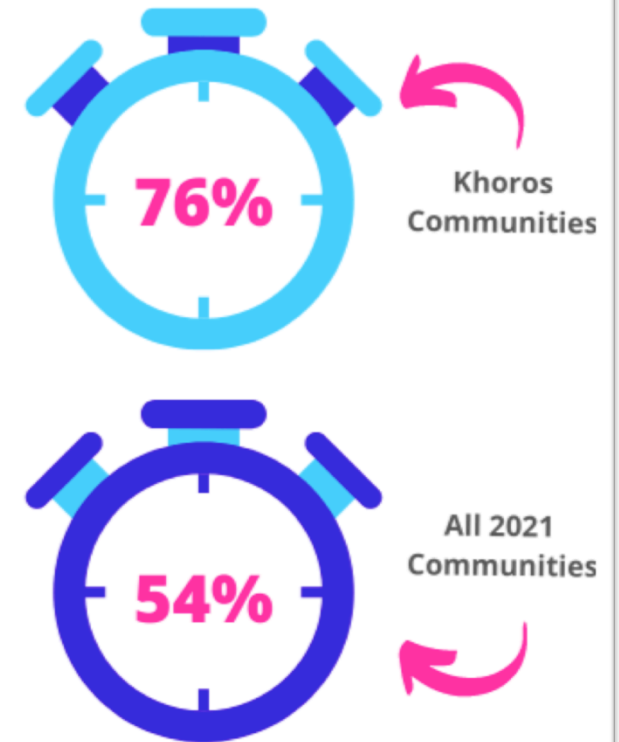
THREE WAYS TO EMPOWER MEMBERS

SERVE A support community should provide your audience with a gateway into deeper and more meaningful interactions with your brand. An easy way to make that experience positive and empower a repeat visit? Give them what they are looking for, and fast. **54% of communities report that they provide a faster response time for support questions than traditional support channels. That number jumps to 67% for Khoros-powered communities.**

LISTEN + CONNECT Empowerment might not be on your radar as a community use case, but connecting with your audience shifts from a transaction to an interaction when your members know you care. **62% of communities report that their members feel seen and heard through online community initiatives. Those numbers increase to 72% in both categories for Khoros-powered communities.** Make sure the communication in your communities is a two-way street. Checking in with members in organic ways contributes to overall long-term engagement.

GROW As a community program matures, they increasingly provide higher return on investment, and empowering members drives that shift. **37% of communities report that a growing percent of all support is handled in the community. Khoros-powered communities saw 56% growth in community-led support cases.** Empower your audience to share their expertise, and make sure you have systems set up to share back user-generated answers in ways that customers can easily find and use.

Communities that provide a faster support response time than traditional support channels.



The background features a complex network of white lines and dots on a light grey background. Two large, overlapping pink arrows point from left to right, one above the other. The top arrow is a vibrant pink, while the bottom one is a slightly darker shade. The text is centered within these arrows.

TURN YOUR AUDIENCE INTO ADVOCATES

Strengthen Relationships And Create Leaders

TURN YOUR AUDIENCE INTO ADVOCATES

Brand marketing communities ostensibly exist to increase brand awareness and positive sentiment for a brand or family of brands. And, to be fair, they do that – 67% of external communities report that their community-based programs increase awareness and brand recognition.

Increasingly, there is another bonus effect to maintaining a successful brand marketing community – **74% of respondents reported that they saw an increase in brand loyalty** specifically related to online community programs.

Overall, communities overwhelmingly contribute to positive brand sentiment, **with 80% of programs reporting increased sentiment directly related to community initiatives.**

68% report increased customer loyalty directly related to community initiatives.



80% report increased positive sentiment directly related to community initiatives.



CONNECTING P2P + B2C SUPPORT CHANNELS



Name: Sam Ross

Position: Community Manager

Use case: Support Escalation

Industry: Entertainment

Results:

- 82% CSAT Score
- 13m Average time to resolution
- 3m45s initial response time

SkyUK is Europe's leading direct-to-consumer media and entertainment company. They have an almost exclusively peer-to-peer community model: 99.5%+ of posts aren't made by the company. That's hundreds of thousands of posts by Sky users to a couple of thousand by employees. Clearly, Sky already unlocked one of the secrets of community: things are so much more scalable if members help each other.

But sometimes a member asks a question that the community couldn't possibly help; they may be experiencing product safety issues, are in distress, or very vocal in their dissatisfaction. Sky wanted a more elegant way of dealing with questions that need staff knowledge and systems access within the community without disrupting that near-100% peer-to-peer environment they've worked so hard to create for over 6 years. Sky needed a way "escalate" these types of questions somewhere out of a public environment. But *where?* And *who* escalates it?

The *where?* Into Khoros Care. The *who?* Existing Superusers and Oracles.

Sky empowered their Oracles and Superusers to help other customers by allowing them to be "introducers" to their agents, and in doing so struck the fine balance between end-to-end service and peer-to-peer support.



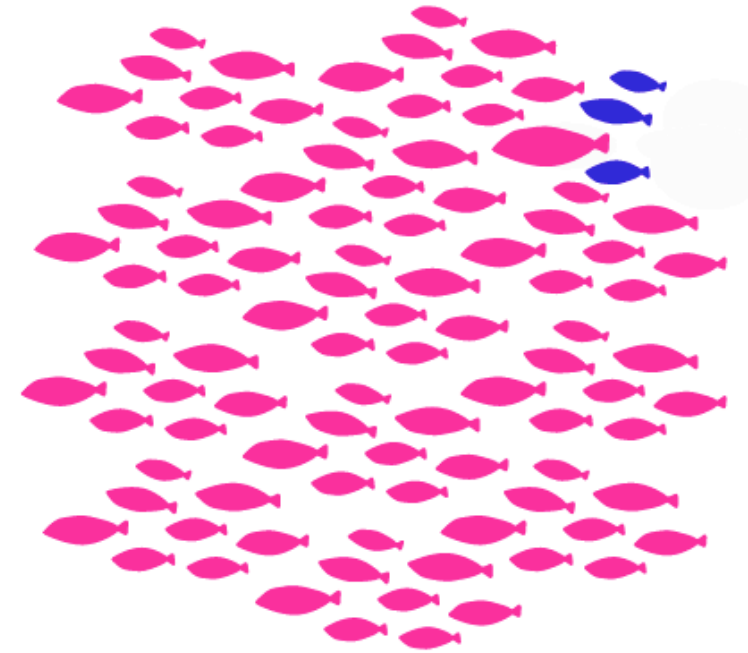
THREE WAYS TO TURN YOUR AUDIENCE INTO ADVOCATES

SERVE Make the goals of your advocacy programs clear from the start. Members love to contribute in concrete, meaningful ways. **82% of communities use their designated leaders to help build connections and strengthen relationships.** You don't need complicated leadership programs to encourage your advocates to be more active community participants.

LISTEN + CONNECT Fish where your fish are. **97% of communities programs look for advocate opportunities from customers who are already members of their online community.** Serving your most active members not only creates vocal advocates, it helps them get what they want with public recognition, visibility, and accomplishing a purpose bigger than your brand or products.

GROW Think about starting a formal community leadership program. **Only 32% of community programs in 2021 have formal leadership opportunities for their members.** By making it clear what you are looking for in your advocates you make it easier for them to step up and contribute.

97% of communities programs look for advocate opportunities from customers who are already members of their online community.





ROLL UP THEIR SLEEVES

Community Powered Innovation

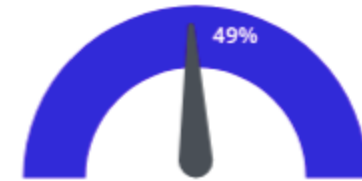
COMMUNITY POWERED INNOVATION

As communications and interactions have increased in due to global online communities, the speed of innovation and adoption has fundamentally changed. Innovation gets initiated, understood, and translated into concrete and meaningful products and services within months, and smart companies are using this enhanced feedback loop to connect with their audience and create meaningful change.

In 2021, **49% of organizations saw an increased speed in their innovation cycles** directly related to their online community programs. **57% of online community programs generated new ideas from customers** for their organizations, and **68% reported new ideas generated by employees**.

While capturing audience-driven innovation isn't leveraged by all communities, it is clear that the better an organization can foster, develop and sustain innovation-focused communities, the better they will be at rapidly turning market frustrations and insights into opportunities and then into solutions.

49% of organizations saw an increased speed in their innovation cycle related to community initiatives



57% of online community programs generated new ideas from customers in their community programs



68% reported new ideas generated by employees in their community programs





Name: Ryan Gilmore

Position: Community Manager

Use case: Innovation

Industry: Entertainment

Results:

- 1,000 wishes suggested
- 15% of ideas in production or already delivered

JMP is a business unit of SAS that produces interactive software for desktop statistical discovery. Pronounced “jump,” its name suggests a leap in interactivity, a move in a new direction.

It’s no coincidence that the JMP User Community tag line is “Share. Ask. Learn. Connect.” One of the overarching goals of nearly every area of the JMP User Community and the programs it supports is helping users stay connected. For the past seven years, the community has supported a vibrant and growing Discussions space where JMP users stay connected, ask and answer questions, and learn from JMP experts.

JMP wanted a way to connect more deeply with their members, to both surface challenges and prioritize solutions. Enter: JMP Wish List, an ideas exchange where JMP users can connect directly with JMP product management by submitting their suggestions for software enhancements and new features.

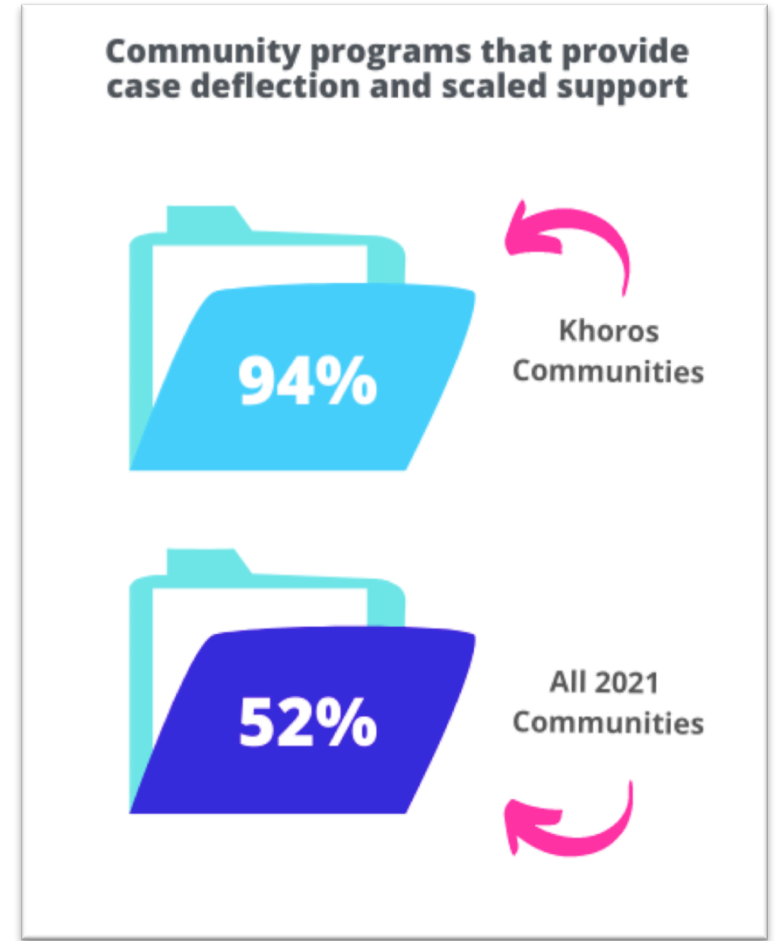
Prior to the JMP Wish List, a formalized mechanism to submit suggestions for enhancements or new JMP features didn’t exist. Customer Care might hear feedback during events, Sales could gather requests while training customers or Tech Support would document ideas from users. This idea exchange now allows JMP users to submit suggestions themselves and upvote existing submissions they like, giving Product Management a space to capture these ideas and prioritize them for future releases.

THREE WAYS TO ENCOURAGE INNOVATION

SERVE Make it easy. Encouraging member-led innovation is as simple as adding a “share your ideas” button in your community. Pro-tip: make it clear what the path for these ideas is to build trust with your audience. Letting them know that all ideas get passed to engineering, or shared in an internal community lets them know their contributions are being heard.

LISTEN + CONNECT Guess what – your audience is already giving you ideas for improved products and services. **52% of community programs provide case deflection and scaled support. That number jumps to 94% for Khoros-powered communities.** Make sure your community team pays attention to trends in support cases - this is an easy way to provide your organization with real-time feedback for research and development.

GROW Only 17% of community programs explicitly use their leadership programs for market research and feedback. Building an innovation component into your advocacy roles strengthens those existing relationships, and provides you direct access to the challenges of your most engaged customers.



ABOUT THE COMMUNITY ROUNDTABLE

Since 2009 we've empowered tens of thousands of online community professionals to build and manage innovative, effective, and award-winning communications, collaboration, and community programs at global organizations.

We do **everything online community, and only things online community**. From research and tools to training and education, to our private peer network, we are the world's most trusted source for online community resources.

INNOVATIVE GLOBAL ORGANIZATIONS TRUST THE COMMUNITY ROUNDTABLE



Click to learn more about our community, training resources, research, and more:

