



Using ROI to Gain Executive Support

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SNAPSHOT

The Challenge

Drive revenue through community-based programs without deploying “in your face” sales tactics.

The Goal

Directly quantify revenue generated from community activities.

The Outcome

Using four ROI measurements, the community team gained executive support and resources for their programs.

THE CHALLENGE

Newark element14 is a global high service distributor of electronic components, software, and services for those designing the latest in high tech electronic products. Their customers are electronics engineers, those involved in maintenance repair and operations and buyers at large corporations.

Element14 is an online community of over half a million engineers, makers, educators and students where members can:

- **CONNECT** with a community of thousands of engineers and innovators from all over the world.
- **LEARN** about the very latest in new technology from industry experts, suppliers, independent sources and user reviews.
- **CREATE** and source your next electronics project with access to 24/7 community support to tackle tough project challenges.
- **INSPIRE** and be Inspired; build your next project and help others to create a better-connected world.

The element14 team sought to provide tangible ROI to help executives understand the financial value the community provides to drive revenue.

THE GOAL

Directly quantify revenue generated from community activities.

THE OUTCOME

Using four distinct ROI buckets, the community team gained executive support for their programs.

Direct ROI Impact

- **Click-Through Rates:** They quantify direct ROI by click-through rates and revenue to transactional sites. Metrics are reported quarterly to management.
- **Marketing Co-op:** They quantify direct ROI by marketing co-op revenue received from their suppliers. This number is reported in incremental sales dollars that impact the bottom line from suppliers.

Both of these calculations are then weighed against the community team's salaries to determine ROI and how they provide value to the organization.

Indirect ROI Impact

- **Innovations, Insights, and Ideas:** Indirect ROI is quantified from the innovative insights they gain from members in the community, which include new ideas, product feedback, etc.
- **Net New Acquisition:** The community team also quantifies indirect ROI from new customers acquired through the community.



THE TAKEAWAYS

1. **Success Speaks for Itself. Literally:** A new executive thought that a community, "was cool and nice to have" but didn't provide ROI. After attending several supplier meetings where they talked about the value the community provided *and* willingness to pay to participate, the executive realized community was an important revenue generator.
2. **All Roads Lead to a Purchase:** element14 boasts technology that links the community to transactional sites. Whenever a product is mentioned, a hover-over link displays the stock, price, and purchase information for the product. This subtle approach has won the support of 10% of daily clicks leading to a transactional site, leading to millions in online revenue annually.
3. **Show, Don't Tell:** Use your community to drive creative ways to showcase your products or services. Rather than "in your face" marketing, the element14 community allows members to test new products, compete in design challenges, and learn about new technology. Engineers would rather see how a product works than read about it. These out of the box ideas have driven almost half a million dollars in revenue in a single year.