

# The State of Community Management **2020**

Customer Communities Elevate  
The Customer Experience



THE COMMUNITY  
**ROUNDTABLE**

Sponsored by

**Vanilla**



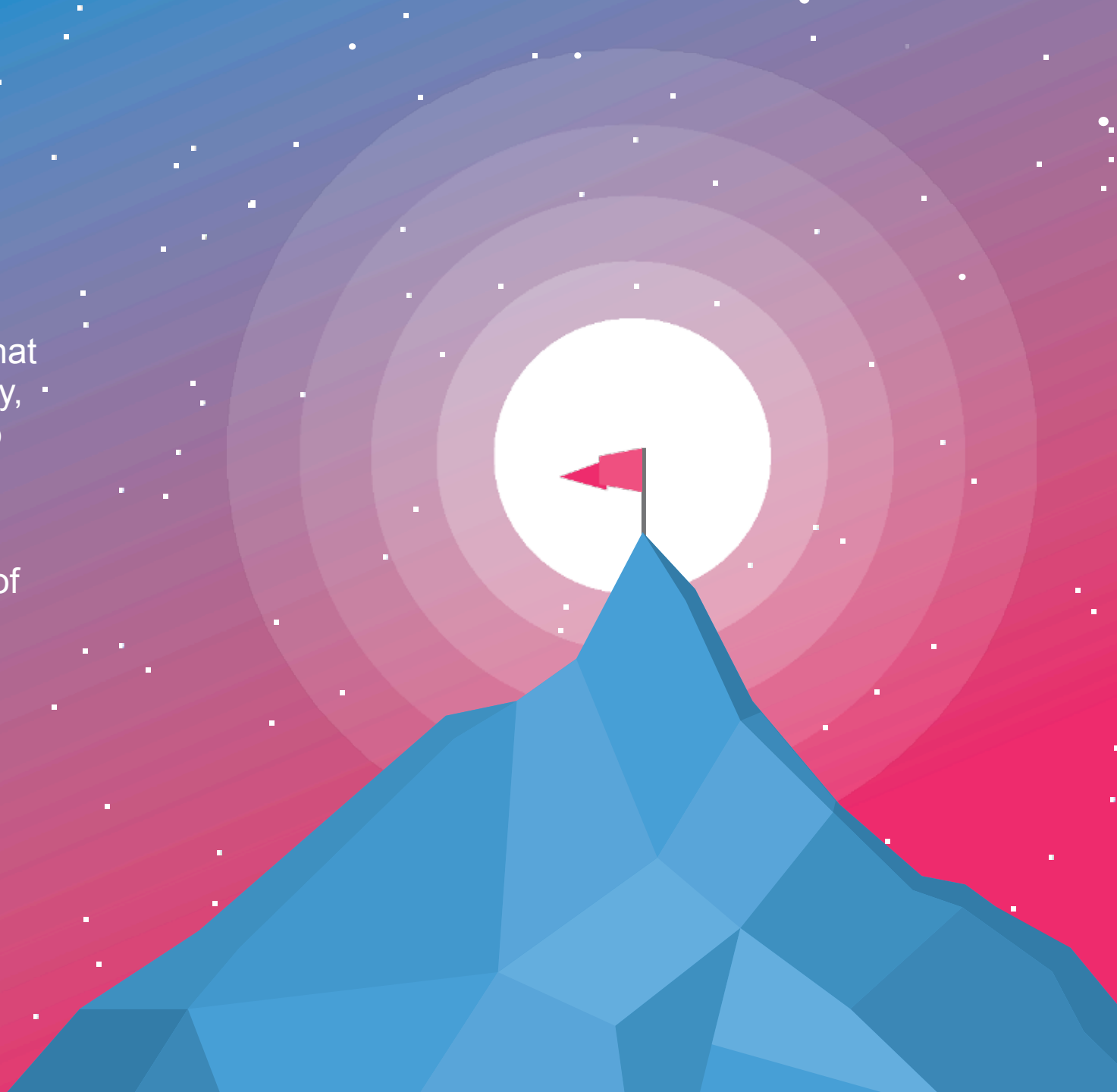
# Vanilla

Vanilla provides a one-stop-shop solution that combines the power of customer community, Q&A, knowledge base, and ideation to help brands improve customer experience and brand loyalty while reducing costs.

Since 2009, Vanilla has helped thousands of top brands provide a great community experience to millions of people worldwide.

Request your free  
consultation today!

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# ABOUT THIS eBOOK

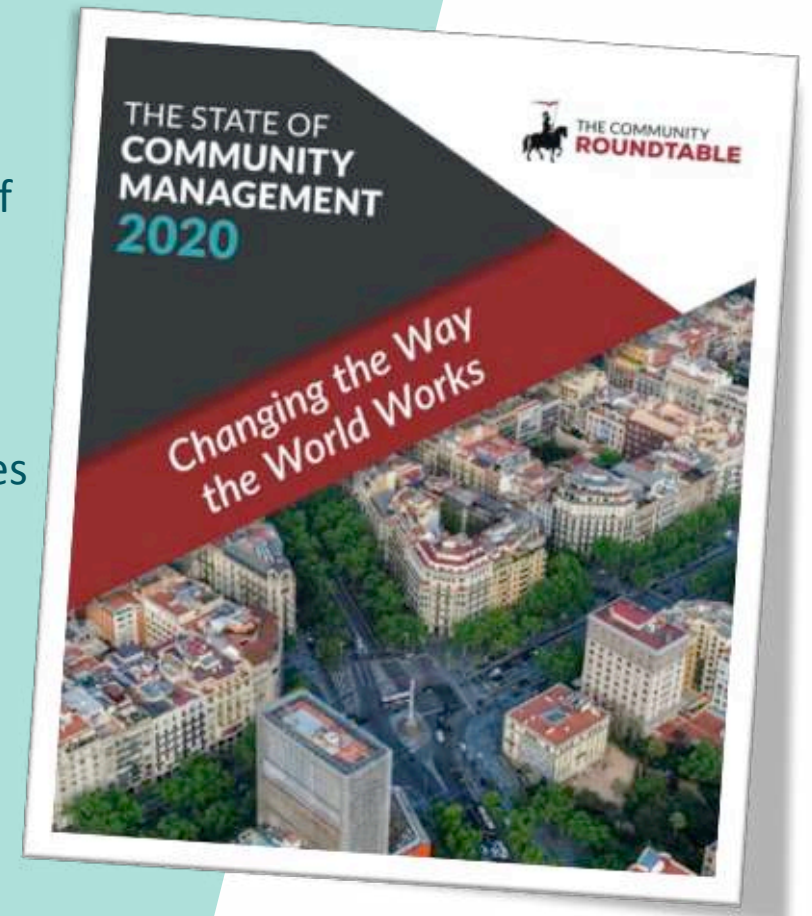
This eBook is derived from the 2020 State of Community Management research, produced by The Community Roundtable. It is a collaboration between The Community Roundtable and Vanilla and compares the results of two data segments:

1. Average External Communities
2. Advanced External Communities; those with measurable strategies

This eBook considers the influence of customer communities in three areas:

- Generative value of communities
- Impact of operational investments
- Brand value of empowered customers

The complete report can be found at: <https://the.cr/socm2020>



# Customer Communities

CREATE

# GENERATIVE VALUE

## ADVANCED COMMUNITIES....

Invest More to Improve Impact:

%

\$115

\$697

\$127

\$822

## AGILE & ADAPTIVE STRUCTURES...

Benefits:

Measurable Strategies:



**56%**  
More Resources



Key Metrics/KPIs



Strategic Objective



Roadmap



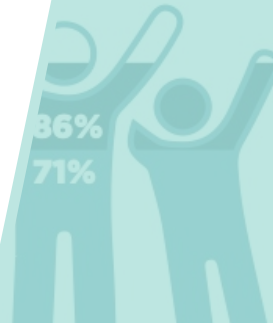
**71%**  
HR-Approved Roles

## THAT ORCHESTRATE CUSTOMER ENGAGEMENT & LOYALTY.

Highly Positive  
and Sentiment:

86%

71%



Members Feel Empowered:

FEEL SEEN:

59%

73%

PROVIDE SOLUTIONS:

72%

81%



Resulting in **20%**  
More Active Members.



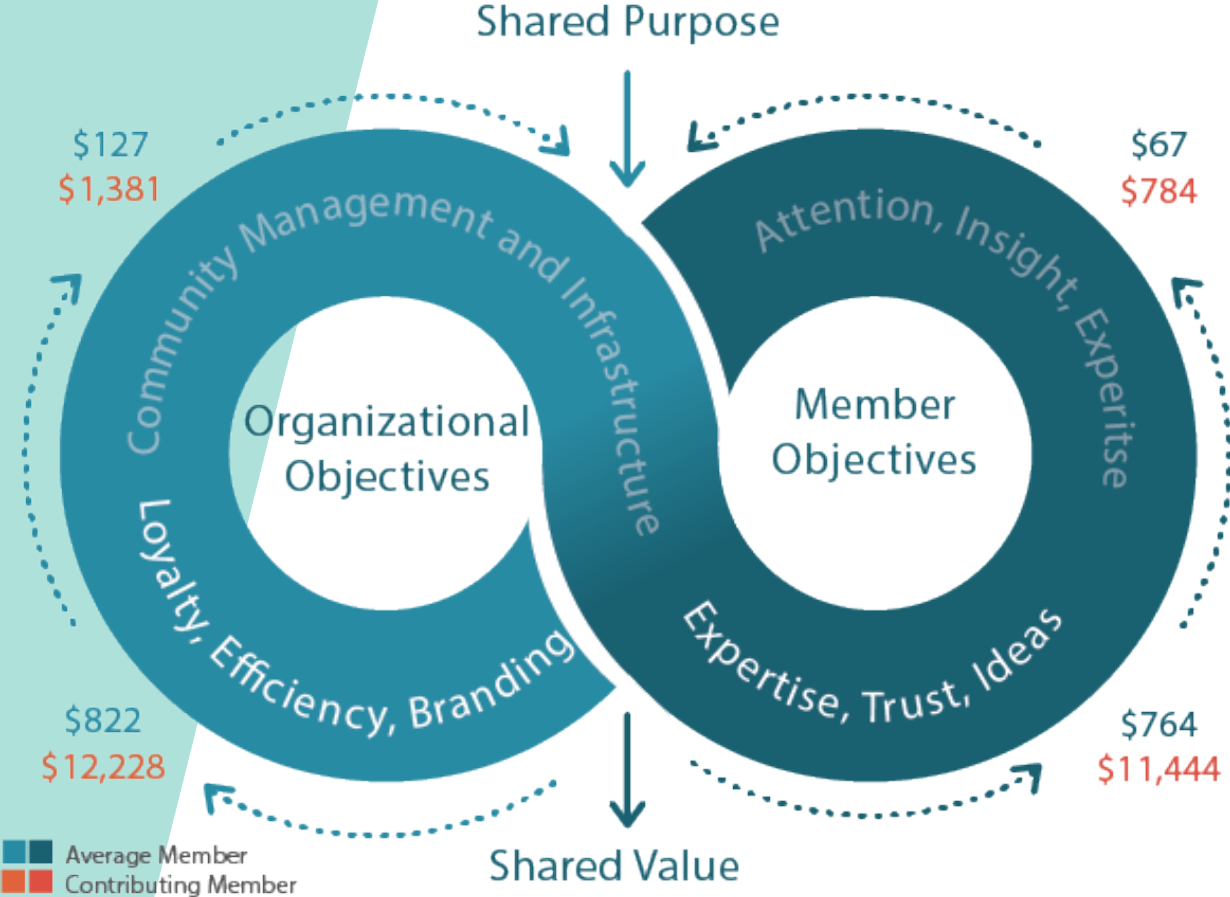


# COMMUNITIES PRODUCE GENERATIVE VALUE

## The Community Loop

Customer engagement is the prized goal for organizations investing in customer experience initiatives. Communities produce high engagement rates by providing a trusted and empowering environment. Customer engagement – and the difference between different types of engagement – can be translated into financial value.

Community approaches drive considerable, generative value. Community members, by contributing expertise and perspectives to other customers, provide value to each other and to the organization. This value offsets costs required to support customers, generate ideas, inspire loyalty, and increase brand credibility and trust.



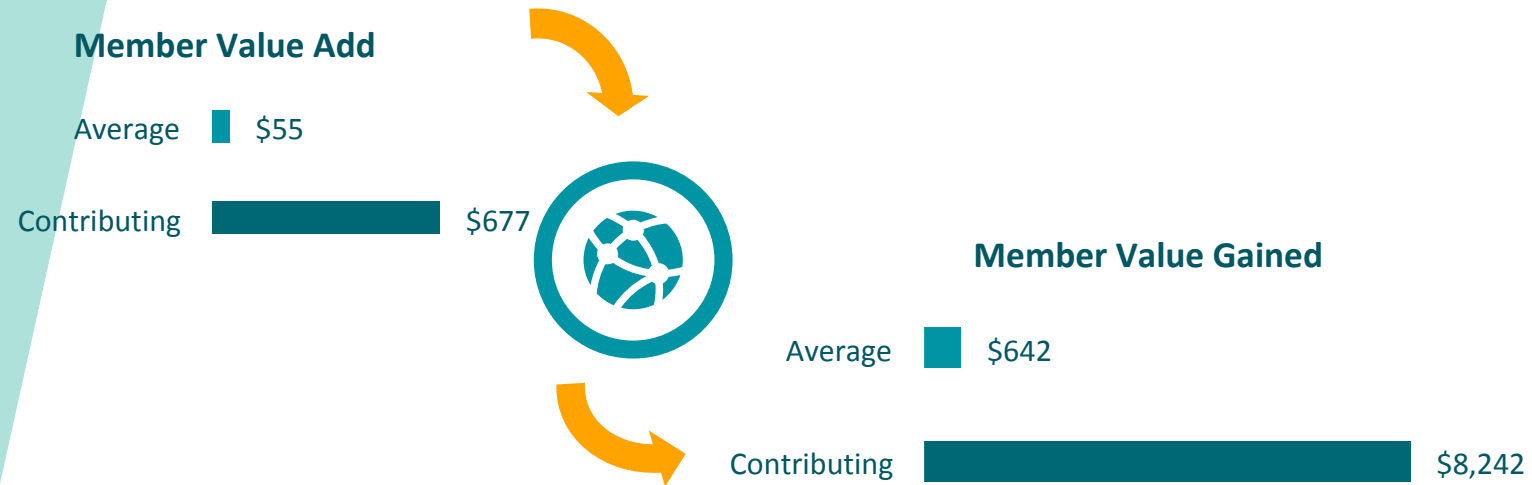
# VALUE IS GENERATED BY MEMBER CONTRIBUTIONS

## ACTIVE ENGAGEMENT BEHAVIORS GENERATE MORE VALUE

Every engagement behavior does not create the same value. While those coming to communities only to access information do add and gain value – those that access AND contribute to the community add and gain far more.

This insight is used by Advanced External Communities to maximize their ROI by investing in member leadership and advocacy programs geared toward supporting and rewarding high contribution rates.

## Impact of Active, Contributing Members



## Community ROI



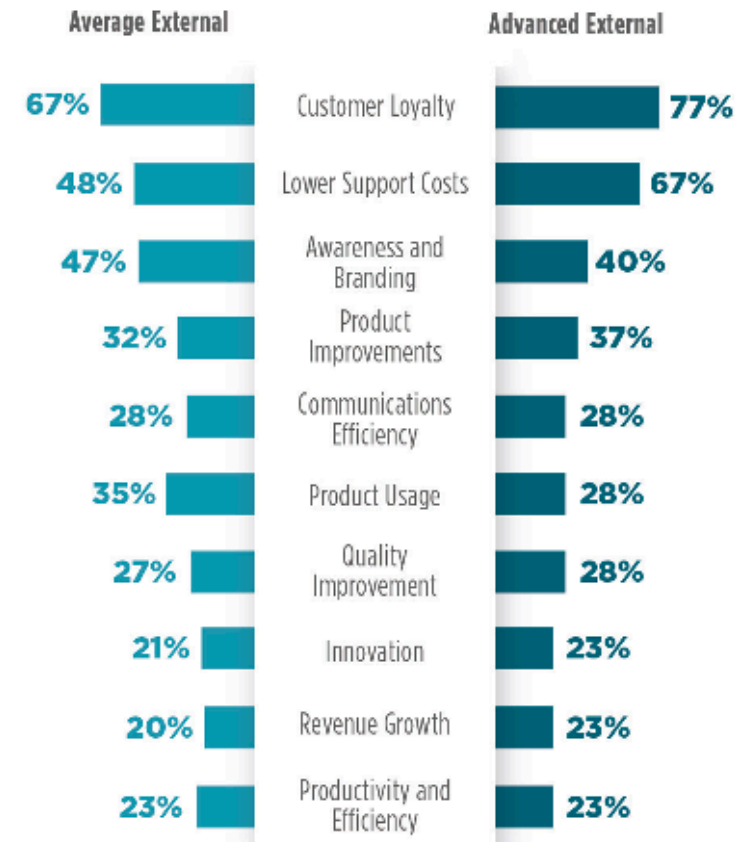
# COMMUNITIES ADDRESSING DIVERSE STRATEGIC OBJECTIVES

## Sustainable Loyalty

A customer has a problem and dreads the idea of calling customer support. Online, they are prompted to use the customer community, where they can ask their question – or more often discover the answer before needing to ask. The answers they find are created by members like them, making the answers genuine and trusted – provided with no ulterior motive. While there, they find ideas about how to better use the product – increasing product usage and advocacy.

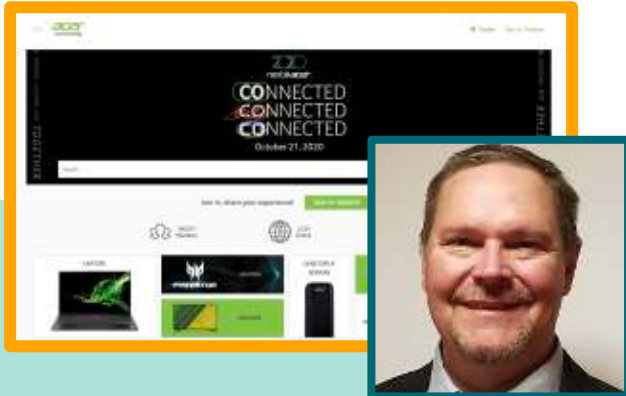
Communities support customers, increase relevance, and support and build brand awareness, all in the same space. By consolidating multiple customer needs in one trusted environment, the customer experience improves, and with it ease of use, product usage, and loyalty.

## Business Outcomes Connected to External Communities





# ACER: Delivering Customer Value



**Name:** Brad Bliven

**Position:** Sr. Program Manager Digital Services

**Use case:** Customer Support

**Industry:** Technology

*“Our community allows us to provide a level of support and expertise that would be impossible otherwise”*

Acer has been supporting its customers with a community for almost a decade. As a mature community, it has captured and delivered a lot of expertise – but it extends its impact by generating visibility and value for the company via public search engines. The Acer community team can connect its engagement to a range of strategic business goals across the customer lifecycle; awareness and branding, communications efficiency, lower support costs, and customer loyalty.

The value generated from the Acer community has compounded over time and now is sustained by fewer than 3% of its members, who together contribute hundreds of new answers a month. The ratio of contributed expertise to member-accessed expertise is **1:19** but that is dwarfed by the ratio of content accessed by public search, which is **1:443** – creating a scale that would be challenging to achieve in any other way. While the Acer community was developed to empower customers to support each other, it is now a major driver of awareness and marketing value.

This all translates into enormous ROI. Acer **spends \$2 annually** for each community member and **\$48** annually on contributing members. That investment **returns \$32** in accessed expertise per member – and **a whopping \$2,414** return for each contributing member.



# Operational Investments

ENSURE

# INCLUSION

## ANCED COMMUNITIES....

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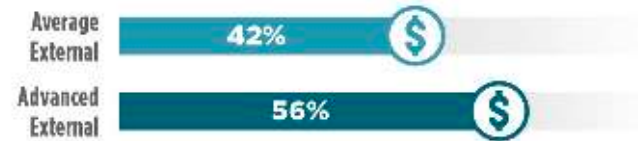
# ADVANCED COMMUNITIES INVEST IN OPERATIONAL MATURITY

## Governance Institutionalizes Success

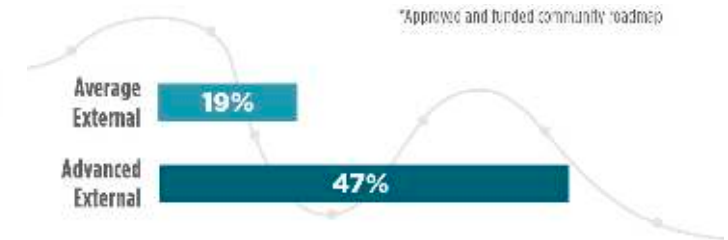
Investing in operational maturity – governance, programs, and infrastructure – is a big commitment of time and resources. It is *critical* to ensuring sustainability, continuity, and confidence while achieving compounding growth in value and ROI.

Advanced Community programs more often make these investments, which can be seen in higher rates of dedicated budgets, funded roadmaps, and formal advocacy and member leadership programs.

### Programs with Dedicated Budgets



### Programs with Funded Roadmaps



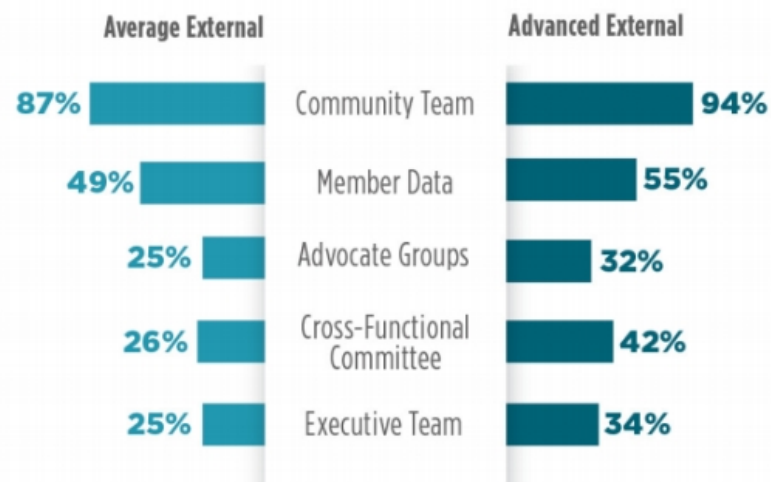
### Maturity of Advocacy and Member Leadership Program



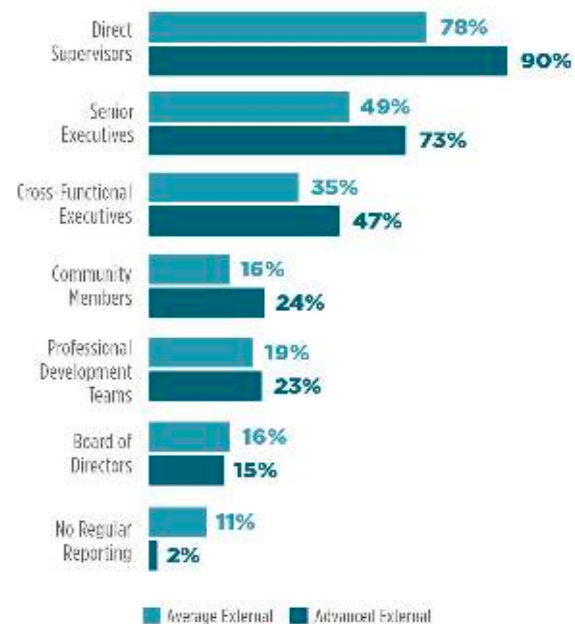
# INCLUSIVITY IMPROVES CUSTOMER EXPERIENCE

Customer loyalty involves many organizational functions. Customers, however, don't distinguish between communications, learning, product use, and technical questions. Communities offer the opportunity to streamline the customer experience by providing a centralized point of access. Communities that generate the highest loyalty include a diverse set of stakeholders in decision-making, invest in its integration into core business processes, and report back to a diverse set of constituents.

## Decision-Making Stakeholders



## Reporting Channels



# SUCCESS JUSTIFIES INVESTMENTS IN STAFF

## LARGER TEAMS, MORE ROLES

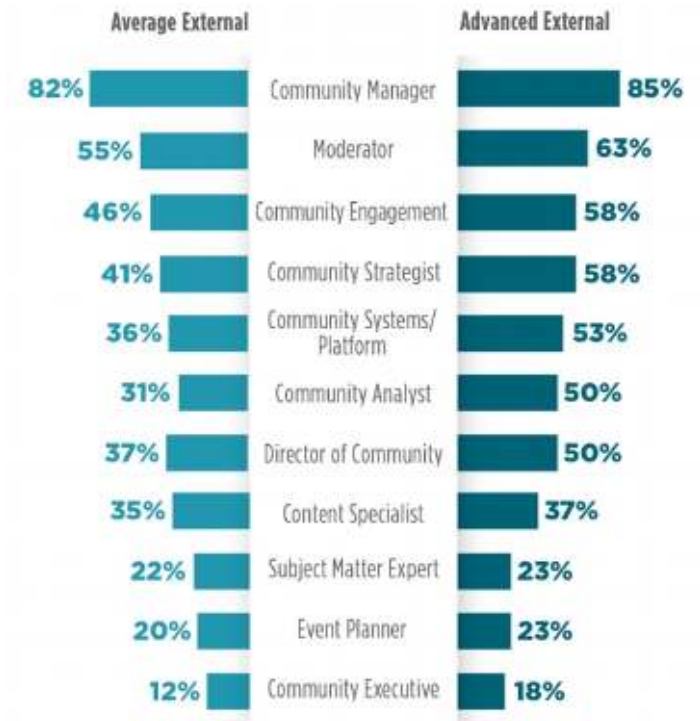
Advanced Communities have 57% more full-time community team members than Average Communities.

What Advanced Community teams have realized is that this staff investment pays off and is rewarded with higher ROI. Advanced Community teams have the capacity to invest in better measurement, advocacy programs, design, and business alignment – all of which contributes to higher engagement and more value.

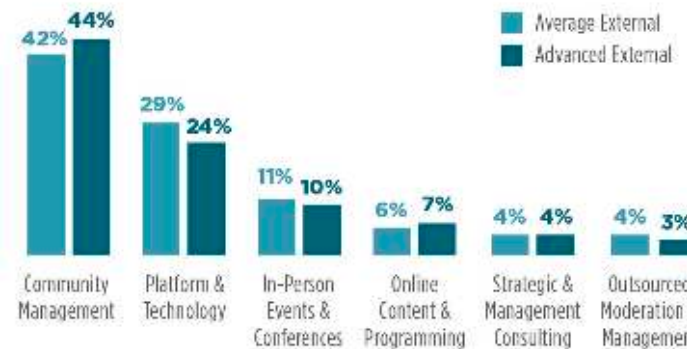
### Community Team Size



### Community Team Roles

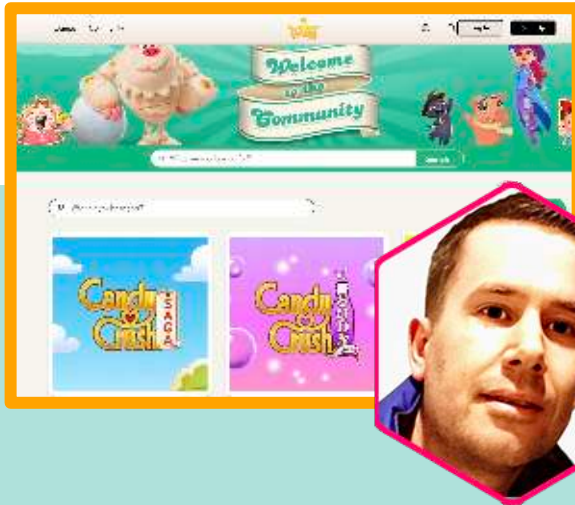


### Community Budget Allocation





# KING: Committing to Community



**Name:** Graham Henderson

**Position:** Director, Player Relations

**Use case:** Customer Support

**Industry:** Gaming

*“Successful communities solve one or more of three challenges; traffic, engagement, and retention”*

King is a gaming company that operates popular games like Candy Crush. Brand-owned communities – and community management – are a fairly new to King. While King had forums, they were operated as an digital customer support channel rather than a mechanism for players to connect and support each other. When Graham Henderson was recruited to help them transition, he came with experience; experience that helped him advocate for the operational investments required to succeed. In two short years, King’s community team grew to seven full-time staff, which corresponded with defining an Advanced Strategy, securing a dedicated budget and a fully funded roadmap, achieving HR-approved roles and career paths, integrating their platform with business systems and other channels, and rolling out a multi-tiered member leadership program. These are all expensive investments, which many programs struggle to make without a business leader who can champion them, has the patience to see them through, and can prove its value.

The transition from a transactional to P2P model took time but slowly, **average comments/thread increased by 20x** with **response time of under 5 minutes**. That results in compelling ROI and validation that operational investments DO pay off – something other teams would be wise to duplicate.



# Empowered Customers

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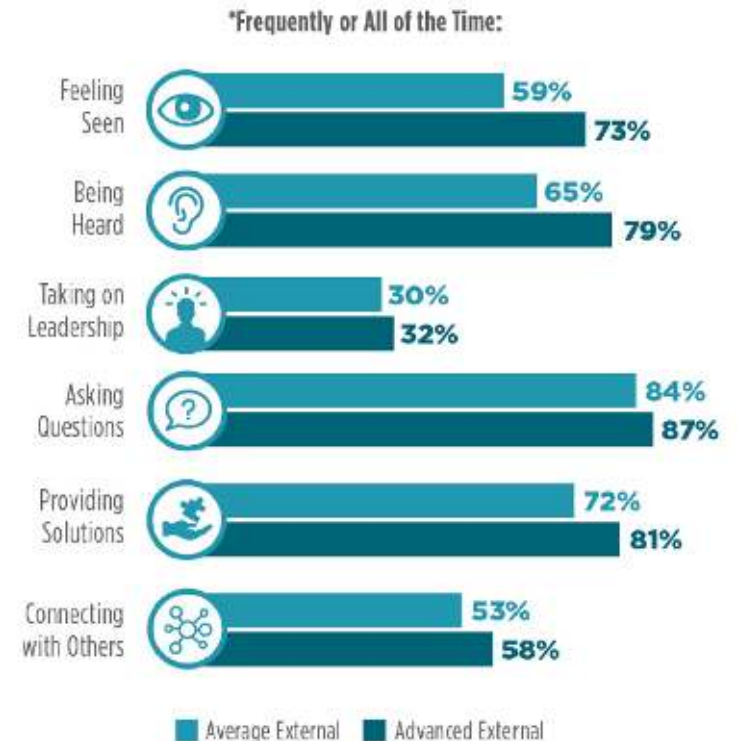
# COMMUNITIES EMPOWER CUSTOMERS

## Feeling Seen and Heard

As customer success engines, external communities streamline customer experience and success. The best external communities have programs and governance that empower members to lead, provide solutions, develop relationships, and build credibility. When communities are at their best, members co-create with the organization, generating ideas that lead to innovation.

It is not a given, however, that by building community infrastructure, people will engage there. To do that, communities must be welcoming, safe, and trusted environments. That is accomplished by ensuring members are seen, heard, and validated. When they are, members are more likely to contribute and take on leadership roles.

## Member Empowerment in Communities



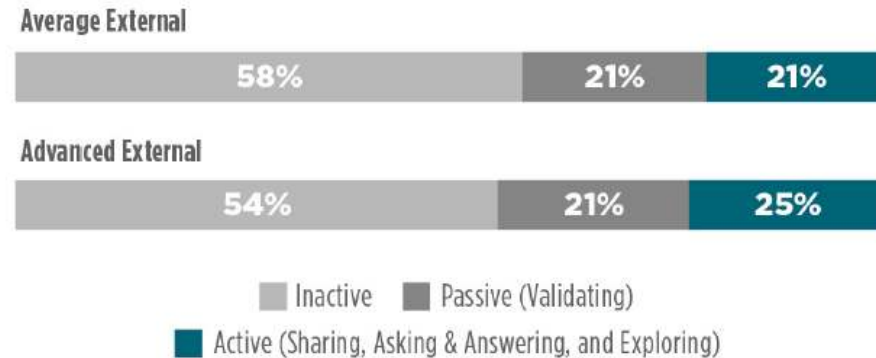
# EMPOWERED CUSTOMERS CONTRIBUTE AND ACCESS MORE VALUE

## How Members Engage Matters

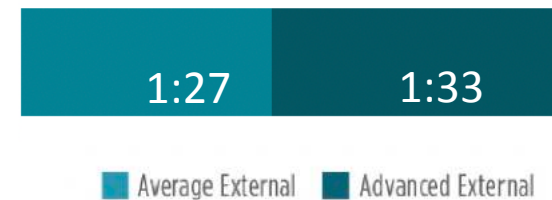
75-80% of community members in external communities are inactive or passive participants. The percentages don't look dramatically different between Average and Advanced Communities.

However, Advanced Communities experience a higher rate of active, contributing members. That is significant because contributing members add more value to the community and have considerably more impact on increasing community value.

## External Community Engagement Profile



## Ratio of Contributed to Accessed Value



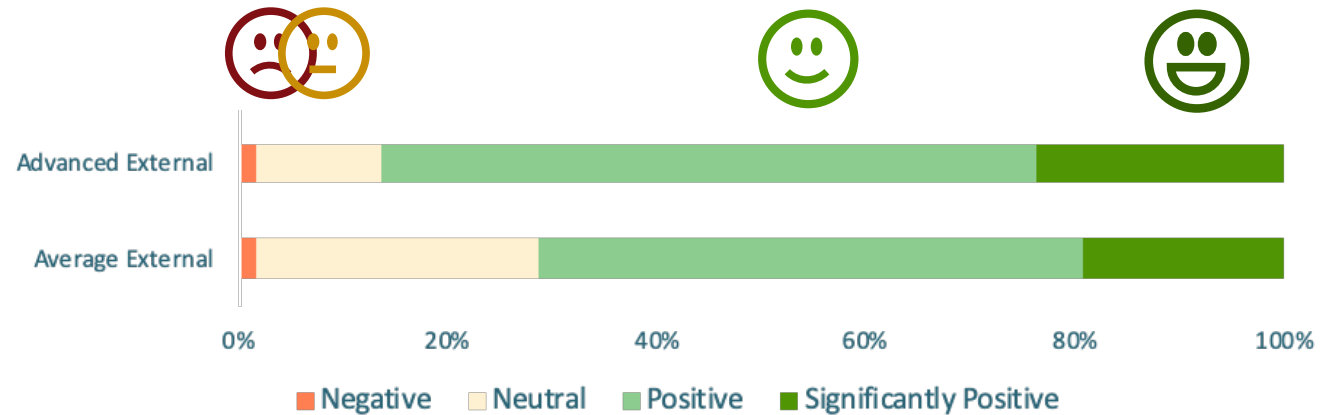
# COMMUNITIES DELIVER OVERWHELMINGLY POSITIVE BRAND SENTIMENT

## BRAND LIFT

When members feel seen, heard, and validated they engage. When customers engage, they continue to receive more value than they contribute. That generative member ROI brings them back again and again with questions and contributions. This positive feedback loop increases relevancy, affinity, brand trust, and advocacy.

This active relationship with a community generates overwhelmingly positive sentiment that contributes significantly to brand value.

## Community Contribution to Brand Sentiment





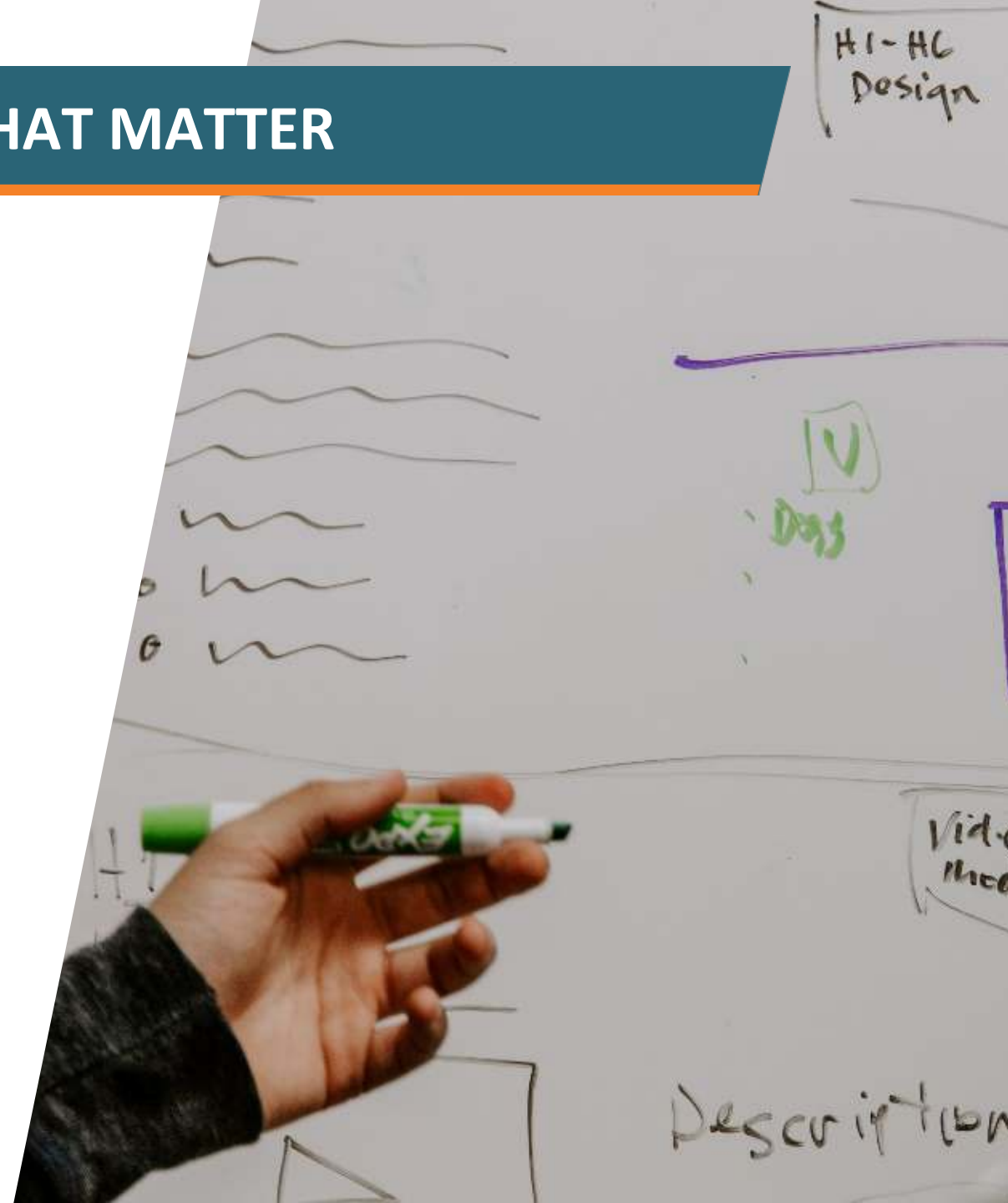
# RECOMMENDATIONS: INVESTMENTS THAT MATTER

## Strategic

- Measurable strategies
- Funded roadmaps
- Dedicated budgets

## Operational

- Formal, multi-tiered advocacy programs
- Increase in community staffing
- Strategic, operational, and tactical reporting
- More inclusive community governance
- Programming focused on connecting and sharing



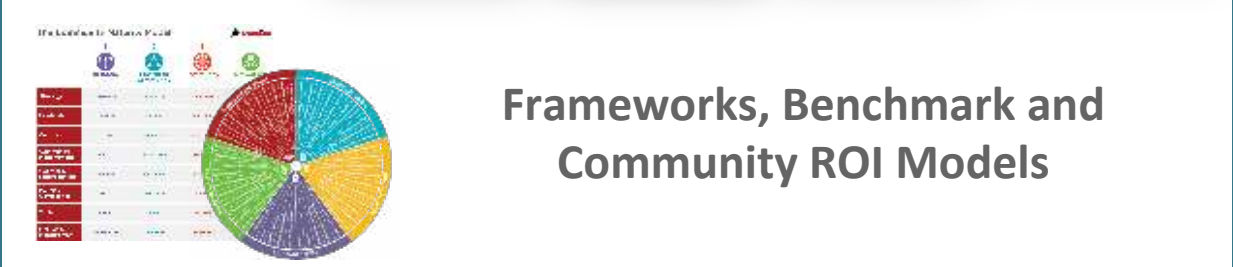
# About The Community Roundtable

At the Community Roundtable, we collaborate with clients to implement proven, practical strategies for better communities.

Clients rely on our models, research, and peer networks to take their communities to the next level.



Research



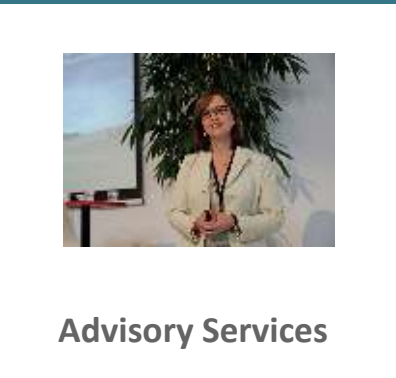
Frameworks, Benchmark and Community ROI Models



Community of Practice



Training



Advisory Services