



## The Value of Community: *Behavior Change to ROI*



# About the Sponsor



*Higher Logic is an industry leader in cloud-based community platforms, with over 25 million engaged members in more than 200,000 communities. Organizations worldwide use Higher Logic to bring like-minded people all together, by giving their community a home where they can meet, share ideas, answer questions and stay energized.*

*Higher Logic aims to empower relationship building and foster community evolution, which we believe are the fundamental elements to the long-term relevance of any organization. There's no denying the power of community—by fostering its growth, you can open up a world of possibility. Tap into the power your community can generate for you. Learn more at [higherlogic.com](https://higherlogic.com)*

# Contents

**04**

*Investing in  
communities to  
grow business value*

**10**

*Defining the  
behavior change  
that will generate  
value*

**15**

*Behavior change in  
practice*

**20**

*Next steps*

**23**

*About The  
Community  
Roundtable*

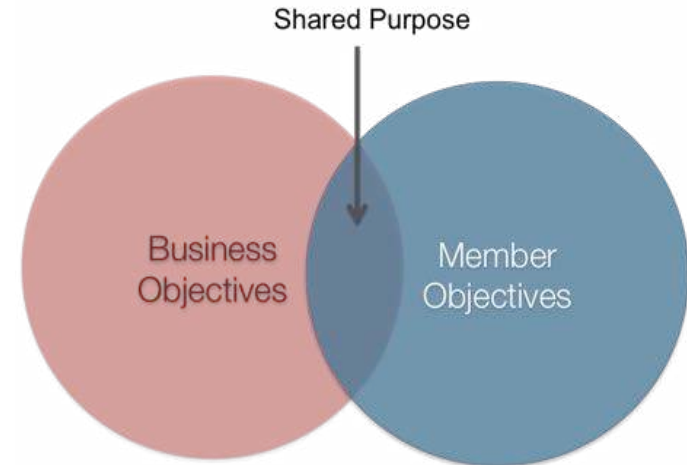
# Investing in communities to grow business value



# What is community?

**A community is a group of people with shared values, behaviors and artifacts.**

Communities assemble to share unique experiences or solve common problems. A meaningful shared purpose is one of the biggest success factors for a community.



## *Words related to "Community"*



An example might be a local environmental group that comes together to raise awareness and money, take care of local open spaces and enjoy those open spaces. Within that community, there may be diverse interests and experiences, with some people participating primarily by enjoying the open spaces and occasionally contributing money and others with an intense interest in the health of trees or trails who participate more substantively in those areas.

All successful communities have events that gather community members for discussion, celebration or joint activities. Typically communities are big enough that not everyone knows each other but small enough that everyone feels some personal responsibility to contribute and feels a higher level of trust than with the wider public.

Organizations benefit from using community approaches by the shared value generated by convening those who share a common purpose.

# Prioritizing relationship-based engagement

**Communities enable richer relationships to develop, trust to be established and outcomes to be rewarded.**

The more complex the business outcome you are seeking, the deeper the relationship you need to address it, and the longer it will take to bear fruit. Goals like offering complex customer support, building brand advocates, generating real-time market research, collecting and vetting new ideas, identifying expertise, developing new innovations, hiring and training new employees, and others require not just engagement but collaboration, and are good use cases for communities. Communities provide the context to encourage, support and reward the engagement needed to address these goals.

Desired business outcome:



Engagement approach:



# A new way to a better business outcome

**Communities matter because they help achieve many business goals more efficiently than transactional approaches.**

By crowdsourcing experience within a bounded and vetted community, organizations can:

- Extend marketing impact through advocacy
- More effectively support customers through peer sharing
- Quickly ramp-up new employees by giving them access to tacit expertise of peers
- Improve innovation cycles by better connecting market needs and internal expertise
- Reduce duplication by encouraging and enabling employees to easily share their expertise
- More effectively recognize and reward the expertise of customers, employees and partners
- React more quickly and effectively to crisis

All of these use cases can have enormous benefits to organizations, although not all use cases are easy to measure in return on investment calculations because often the value received from advocacy, collaboration and innovation is value that money could never buy – the value of a freely shared testimonial from a happy customer or the value of an employee going above and beyond to solve a customer issue.

# The right way to invest in community

Looking at community as an input toward an output misses the heart of how communities generate compounding value.

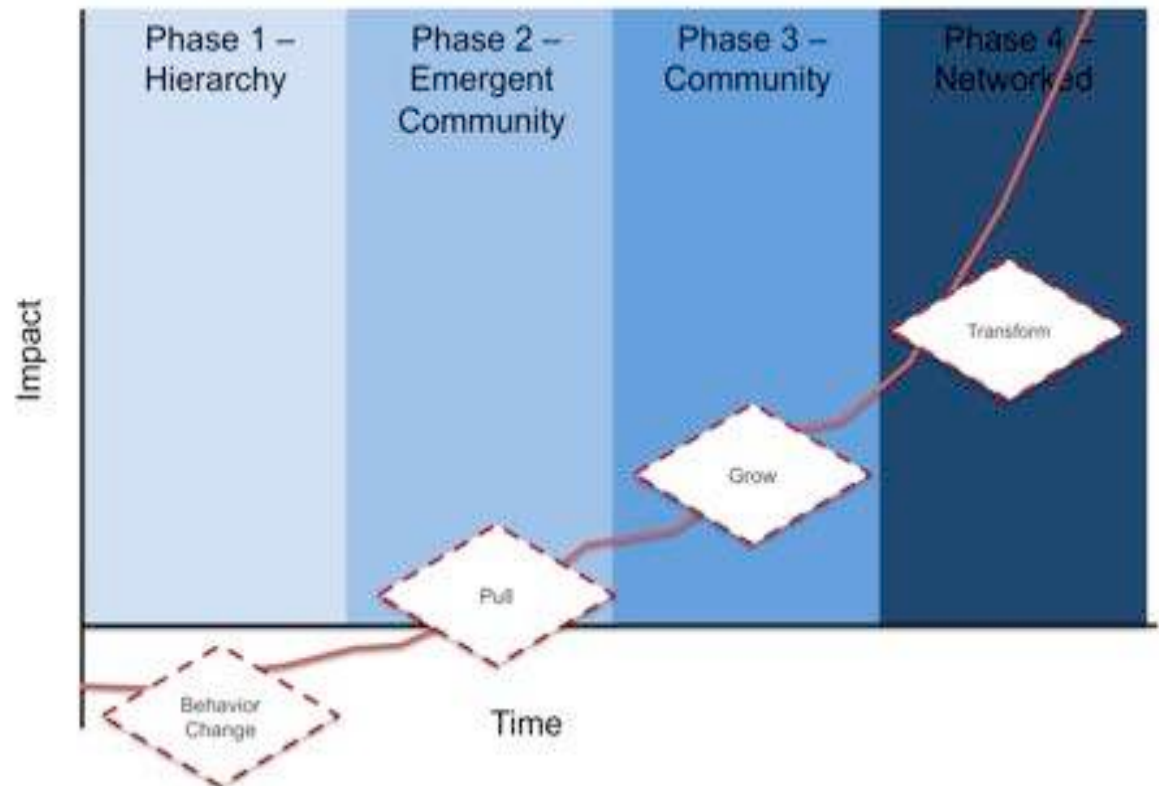
There's nothing wrong with using a return on investment calculation that measures the value generated by a community compared to the resources invested in it. However, because communities require an investment in relationships, which take time to develop, this time period looked at in ROI calculations is important – in community structures the investment and return are offset, not immediate. Behavior change, not value, is the first output.

Whatever the goal – improved customer support, accelerated innovation or stronger brand ambassadors – look at community return in terms of the behavior change you want to see first, not just the return you expect.

The first marker or indicator of community success is a change in behavior. This sustained behavior change will ultimately be what drives a return on investment.

To learn more about stages of community maturity, check out the Community Maturity Model.

	Start	Build	Grow	
	Phase 1 – Hierarchy	Phase 2 – Emergent Community	Phase 3 – Community	Phase 4 – Networked
Strategy	Function & form	Participate	Build	Engage
Leadership	Command & Control	Collaborate	Collaborate	Shareboard
Culture	Control	Collaborative	Emergent	Adapt
Community Management	None	Informal	Deliberative & process	Self-organizing & process
Content & Wagoning	Formal & structured	Informal, personal content	Community created content	Empowered content & user generated
Policies & Governance	Authoritative (top-down)	Participative (middle-up)	Flexible, user-made policy	None
Task	Member tasks and responsibilities	Customer & self-service tasks	Mix of customer & self-service tasks	Local functionality & engagement
Metrics & Measurement	Efficiency	Real Activities	Activities & Content	Behavioral & Sentiment





# Investing in community management



*85 percent of best-in-class communities can measure their value.*

*To learn more about mature community management processes, check out the State of Community Management 2014.*



Community management matters in the success of communities. The Community Roundtable's *State of Community Management 2014* research found that communities with the most mature community management processes were also the most likely to be able to measure the value of their communities. Curious to see if this “best-in-class” segment could be used to see other strategically-significant markers of value, we created a stock portfolio of the public companies in our best-in-class segment. We found stock performance of these communities were highest, too!

This is only a correlation and in no way indicates that community management is the driver of stock value. One could also hypothesize that companies which prioritize the customer and employee experience, and are therefore more likely to invest in community management, are generating more overall value. The difference IS significant enough to suggest a relationship worth exploring further. Organizations that are investing in communities are outpacing the market.

# Defining the behavior change that will generate value



# Understanding behavior change

**Behavior is a combination of a trigger, the action and the outcome of the action.**

Successfully measuring the progress of a community requires a clear and simple goal and an understanding of the behavior you wish to change. Value is generated when an individual's process is easier, more efficient or more rewarding and that behavior goal is the building block of a value generating community.

To facilitate a new behavior, three things need to be addressed:

**Trigger:** What causes someone to act

**Action:** What a person does

**Outcome:** What happens as a result of the action

The triggers, actions and outcomes of a behavior are the three things to identify and measure so that you can determine whether a behavior is changing by becoming more efficient or more effective.

In organizations, changing behaviors is what drives the return on investment (ROI). In order to increase the ROI, we need to look at the behaviors required to produce that outcome and how they can be sustainably changed to increase the return or decrease the cost.

If you can orchestrate behavior change, you can fundamentally shift the economics of a process. These new behaviors have to be valuable to community members as well because that is what generates a pull effect that grows the community and normalizes the new behavior.

Start with this exercise:

*“When a member wants to*

*they will use the community to*

*instead of*

# Examples of behavior changes

**Primary behavior change in online communities is typically related to communication and social behaviors.**

Examples of the behaviors communities can change include:

- **Acknowledgement and recognition:** How people feel seen as individuals
- **Affinity:** How people associate with others in a way that defines individuals
- **Information seeking:** How people search for information
- **Support:** How people receive empathy and perceive connections
- **Content management:** How people organize and look for information
- **Collaborative analysis and decision-making:** How people work together to define and solve problems or answer questions
- **Co-creation:** How people collaborate to create something new
- **Work synchronization:** How people work with each other
- **Stakeholder review:** How stakeholders provide feedback and sign off on projects and decisions
- **Communication of decisions or outputs:** How people share or discover final work

# Tracking behavior

**Articulate the behavior change in terms of how its done now and how you are hoping it is done in the future.**

A simple behavior has a predictable pattern of triggers, actions and outcomes. What do you want the members of your community to do differently that reliably drives a different outcome?

*If you want to measure how behavior is changing, the best point to measure is the volume of triggers and the resulting actions instead of the outcomes.*

*The outcomes will ultimately drive the return on investment*

## **Before**

## **After**

### **Trigger(s)**

*Work that is ready for review or complete, a question, search for expertise or new information from a client or someone outside the team.*

*Work that is ready for review or complete, a question, search for expertise or new information from a client or someone outside the team.*

### **Action(s)**

*Email is sent, perhaps forwarded, and even more emails are received, thanks to cc and bcc fields.*

*Member posts question to the community.  
The question is accessible to anyone in the company.*

### **Outcome(s)**

*More emails are sent, lots of people (some relevant and some not) are copied on the email, email and along with it knowledge gets deleted or buried and individuals have to spend time managing and deleting emails.*

*Employees reply in the community, making information and expertise more discoverable to all. Knowledge is stored in the community.*

# Measuring behavior

Translating behavior to metrics helps quantify the impact of change.

In the example below, we assign metrics to the triggers, actions and outcomes defined on page 12.

	<b>Before</b>	<b>After</b>
<b>Trigger(s)</b>	<i>Volume of triggers</i>	<i>Volume of triggers</i>
<b>Action(s)</b>	<i>Number of emails sent Number of emails received</i>	<i>Number of emails sent Number of emails received Number of posts to the community</i>
<b>Outcome(s)</b>	<i>Time wasted managing email Lost/undiscoverable knowledge Time spent looking for information/expertise</i>	<i>Decline rate of email volume per month Percent of total volume of new correspondence in community vs. in email Reduction in time spent per person looking for information/ expertise</i>

# Behavior change in practice



# The link between communities and success

**Communities are the most effective way to build sustainable behavior change, and this is critical to long term success.**

According to research summarized by Charles Duhigg in The Power of Habit, sustainable behavior change requires three things:

- The mechanics/instructions for a new behavior
- The belief that the new behavior is possible and a good thing
- A community of the changed to reinforce the new behavior.

This makes a community approach an ideal strategic and operational choice for achieving almost any organizational goal. By rewarding new behaviors of community members, organizations are able to do a lot more with a lot less, resulting in return on investment (ROI) across community use cases.

ROI only comes to fruition if community members realize value from changing their behaviors, too. To generate value, your community members need to change how they access information, ask questions and share their experience.

To achieve ROI from a new community space therefore requires potential members to see it as a valuable resource, a comfortable place to ask questions and a rewarding outlet for sharing their experiences. None of that happens without investment – in technology, community management and programs.

On the following pages we'll explore behavior change in three use cases:

Customer service, support and retention

Market research and product innovation

Brand awareness and ambassadors





# Improved customer support, service and retention

## **Changing behavior**

*Information seeking: How people search for information*

**“When a member wants to** solve a problem,

**they will use the community to** search or ask a question,

**instead of** calling the customer service department or emailing the support desk.



Using community to crowdsource customer support can not only realize cost savings up to 50 percent, according to Gartner’s “Predicts 2012: CRM Customer Service and Support Stagger into the Posthuman Age”, it also creates stronger trust among customers, surfaces common problems and issues more effectively, and allows the creation of an ever-growing set of resources and questions that provides new insights for both the organization and its customers.

One common lost opportunity in support communities is they are seen for their direct impact on reducing call center volumes but not seen as a source of market research and innovation. While this additional value takes more time to foster, the value it generates can far exceed the direct cost savings from support communities.

# Accelerated innovation and product refinement

## **Changing behavior**

*Collaborative analysis and decision-making:  
How people work together to define and solve problems or answer questions*

**“When a member wants to** get their idea for a product or process enhancement prioritized,

**they will use the community to** share their idea and solicit feedback from other customers to demonstrate its value,

**instead of** relying on escalation to executives or contract negotiation to get their voice heard.



A community platform provides companies with around-the-clock connections to their key customers and advocates. Co-creation, ideation and iterative feedback loops are powerful levers a community can provide for accelerating innovation, and can even reduce R&D costs by providing greater real-time access to customer feedback.

For customers a product community is an opportunity to discover how to get maximum value from a product and to collaborate with other customers and the company to prioritize new innovations that have the greatest impact on their success.

# Stronger brand ambassadors

## **Changing behavior**

*Acknowledgement and recognition: How people feel seen as individuals*

**“When a member wants to** *affiliate with a brand because of its resonance with them,*

**they will use the community to** *connect with like-minded peers, share their experience and build enthusiasm,*

**instead of** *sharing their views in isolated ways.*



Building brand ambassadors goes beyond getting them excited about your product or service – the strongest ambassadors are those who feel their voices are heard by the brand itself and that the brand represents something important about them personally.

Communities are ideal settings for reinforcing this affinity, connecting individuals who represent the brand values, discovering new brand ambassadors, recognizing them and rewarding them with information, content, and access. In short, ambassadors in the community help brands create a special experience for those customers and members who are your most passionate supporters.

# Next steps



# Defining and tracking behavior change

Use this template as you define and decide how to track the behavior change objectives for your community.

Three questions for community managers looking to change behaviors:

- Do you know what behavior you are trying to change and what that looks like?

---

---

---

- Do you know if community members believe in and value the change for which you are looking?

---

---

---

- Have you set up your user experience and community management practices to encourage and support the change?

---

---

---

Fill in the blanks:

*“When a member wants to*

\_\_\_\_\_’

*they will use the community to*

\_\_\_\_\_’

*instead of*

\_\_\_\_\_’.

# Resources and further reading

**Familiarize yourself with trends in online communities and research on behavior change to help your organization and members find value.**

## **From The Community Roundtable:**

- Community Management Fundamentals
- The Holy Grail of Engagement and Why Communities Matter
- Communities for Innovation
- The Path to a Fully Socialized Business
- State of Community Management Research

## **Further Reading**

- BJ Fogg's Behavior Model
- The Power of Habit by Charles Duhigg
- Hooked by Nir Eyal

# About The Community Roundtable

## Mission: Advance the Business of Community

1. **Champion:** Advocate for the needs of community business owners & teams
2. **Educate:** Provide training solutions to community & social business leaders
3. **Curate:** Aggregate, document & share community management best practices

## Services

TheCR Network | TheCR Advisory | TheCR Research | TheCR Training

## Leadership



Rachel Happe  
Principal & Co-Founder  
@rhappe



Jim Storer  
Principal & Co-Founder  
@jimstorer







# The Community Roundtable Advantage

## 1. **Research.**

We publish the annual State of Community Management study, Social Executive research and a library of 200+ best practice reports.

## 2. **Experience.**

Our work with 100+ organizations gives us unique insight into community best practices and standards.

## 3. **Access to Practitioners.**

TheCR Network's expertise and our collaboration with members provides unparalleled access to emerging practices and standards.



