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CEO's Guide:

Building shareholder value through an opt-in community



CEO's Guide: Building Shareholder Value Through an Opt-in Community

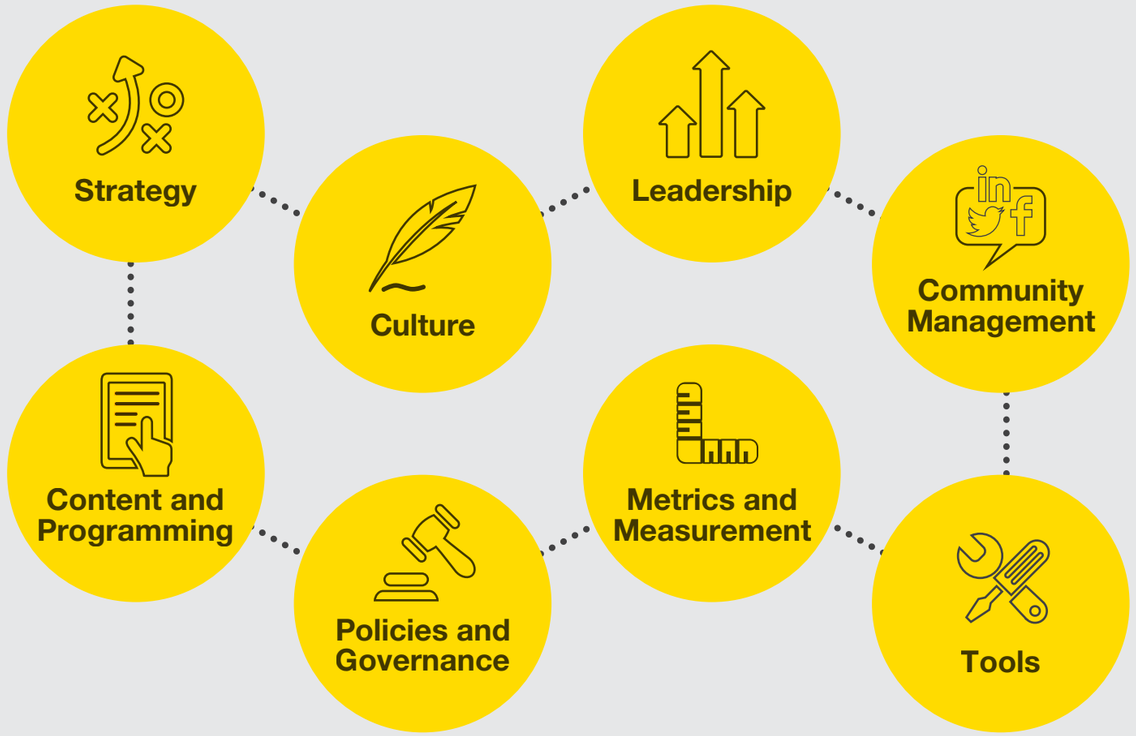
In the B2B world, building shareholder value has always been done through building strong relationships. As the world has moved online, those relationships need to be built and maintained there now too.

Social media marketing is the activity of the moment and although building and maintaining a successful opt-in community is a significant investment - in terms of both budget and resource, that needs to be looked at as a long-term approach (typically they will take two years to deliver results) - if it's done right it can deliver enduring benefits for your business, which translates into better, more sustainable returns for your shareholders.

Gain a competitive advantage

The adoption of B2B online communities is in the early stages at the moment so by getting on board now, your business can reap the rewards of being seen as an innovator, which is especially important in the highly competitive world we are now living in. Your community can differentiate you from your competitors, help you develop deeper relationships with your customers and improve staff engagement and motivation so that you become the organisation of choice in your field.

In its 2012 State of Community Management report The Community Roundtable has developed a Community Maturity Model that has established eight key competencies that a business needs to master in order for its community to succeed:



These competencies are aligned with the different stages that a community needs to go through to become established and considered a real value-adding resource that ultimately helps drive better business performance and deliver increased shareholder value:

Stage 1
Hierarchy. This stage encompasses the ad hoc use of social technology or community structures.

Stage 2
Emergent Community. The second step is the experimental or pilot use of social and community tools and/or processes, along with considerable investment in creating a structure to enable you to better evaluate and manage social opportunities.

Stage 3
Community. Third are the explicit funded and staffed community initiatives that deliver measurable business outcomes.

Stage 4
Network. The most advanced stage sees corporate strategy being driven by a networked market perspective gleaned from your community's activity.

Achieving the results you want requires careful planning. However, with the right strategy in place and a Community Manager responsible for ensuring that it is delivered, your business can grow an opt-in community and:

- **Establish a position of thought leadership**
- **Increase customer satisfaction, engagement and loyalty**
- **Improve lead generation by turning a cold database into a hot one**
- **Drive product and service development in line with market needs**

Communities and thought leadership

Developing thought leadership content is a crucial element of any community. Essentially, this is what drives people to join and engage with B2B social media sites. But once they have read the material, it's the connections and collaborations that result from their engagement with the content that keep them coming back and interacting. A combination of great content and great collaborations are what differentiate an online community.

Research from the Society for New Communications Research shows that business professionals are increasingly drawn to thought leadership in online communities. Key findings from their 2011 study revealed that:

- **Access to thought leadership content is now the number one reason why professionals engage in networks and communities.**
- **Social networks have evolved to become knowledge and communication networks.**
- **Business professionals are changing how they collaborate as a result of online professional communities and peer networks.**
- **Professionals are collaborating with each other around the thought leadership content they find in online communities.**
- **Both individuals and organisations are now being defined by the quality of the content they exchange, recommend, curate and create.**

Increasing engagement, loyalty and ROI

Delivering great content in your community and ensuring that members feel valued can help your business increase customer engagement and loyalty and, in turn, ROI. Research from Forrester has shown that online communities boost:

Engagement.



Community members will happily spread your messages and share your content when they receive recognition for their participation. **Interacting with your community members turns them into advocates; and if your recruitment strategy is focused on attracting online influencers, your messages will be shared in their other social networks too.**

Loyalty.



Customers like to have a voice and online communities are a simple and effective way for them to engage with your company. They will appreciate the opportunity to provide their ideas and suggestions and they will value your company even more if/when you take action based on their suggestions. **Community engagement is an excellent way to create long-term, meaningful relationships with your customers and generate more opportunities.**

ROI.

A community with a defined strategy and clear goals can help your business reduce costs and increase sales opportunities. It can help cut customer service costs by providing support through, for example, customers finding answers to their questions in discussions with other community members and/or through FAQs, how-to videos and technical publications. **Furthermore, by listening and responding to members' conversations you can better understand their business needs and develop more focused lead generation activities.**



For more ideas on engaging customers online, download our eGuide Building a lean, mean, sales and marketing organisation now!

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