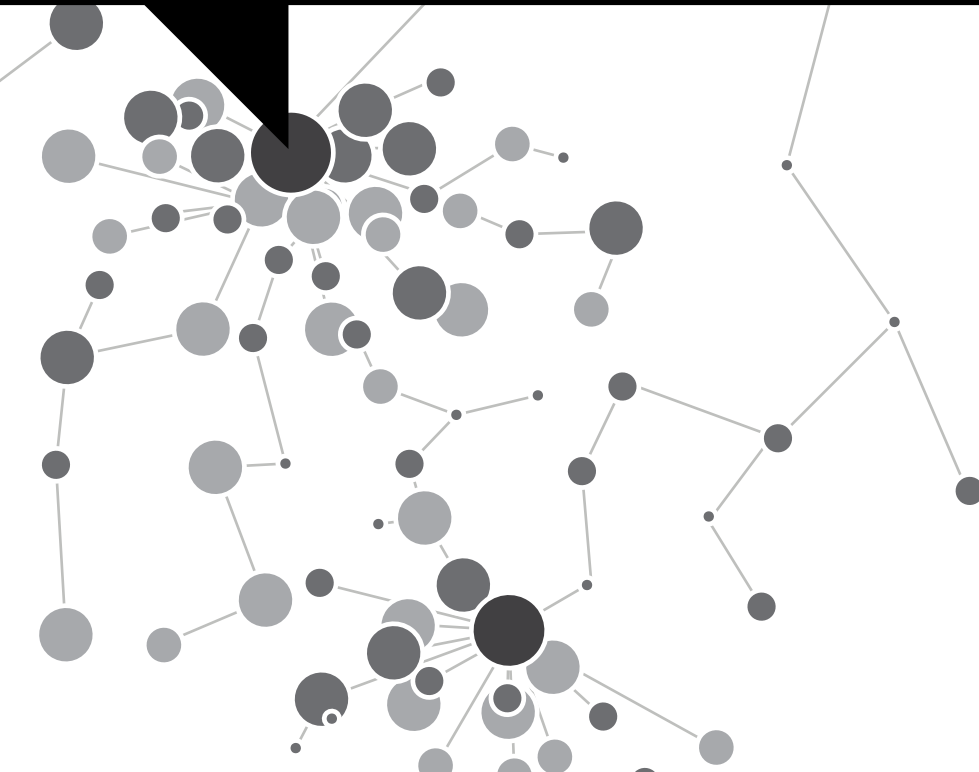




# Online Support Communities:

Best Practices and Deployment Tips for Reducing Costs and Increasing Overall Customer Satisfaction



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## Introduction

What have your customers done for you lately? Sounds like a foolish question, doesn't it? Customers buy your products and services. You serve them, not the other way around.

But for makers of complex products, particularly in high technology, customers contribute to company success in many ways beyond making purchases. They identify problems and suggest possible solutions. They spark new product ideas by describing their experiences and their needs. Perhaps most importantly, they create a successful customer experience for other customers, by answering their questions in online support communities.

In this paper, Lithium Technologies, the leading provider of Social CRM solutions to power enterprise customer networks, shares its answers to four questions:

- What is an online support community?
- What does it take to create a successful community?
- What are companies doing with online support communities today?
- What is the business case for online support communities?

A recent study by Jupiter Research found that while only 12% of companies provide customer-facing forums on their site, 41% percent of customers had consulted forums over the past 12 months regarding purchases they were making or intended to make.

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## What Is an Online Support Community?

Simply put, an online support community is exactly what it sounds like: an online community for delivering customer support. Like any other online community, it is at once a technology platform and a group of people working together for a common goal.

As a technology platform, online communities begin with forums or discussion boards. Online community forums today are a far cry from the bulletin boards you may recall from the early days of computing. They are accessible not only online, but via email and syndication (RSS). Users have a wide range of choices for personalizing their experience, from discussion format (threaded or linear, most recent thread or most recent post) to basic look and feel. Companies have a wide range of choices for deploying forums, from making them accessible to all users or only some, to determining what each user should be enabled to do in each forum (read, post, reply, rate, edit, delete, subscribe, etc.).

Other common elements include blogs, which provide a platform for experts within the company or within the community; chat, which ranges in format from one-on-one live conversations to auditorium-style events with moderated Q&A, and private messaging, which allows users to communicate while protecting their privacy.

A robust search tool, which can incorporate knowledge base content into search results alongside community content, is another key element. A reputation system, which recognizes contributions and provides incentives to continue participation, is also a must. A final requirement is a profile system in which users can share professional details, add friends or associates, and manage their online identity.

Considered as a group of people with a common goal or interest, an online community is much, much more. It is, first and foremost, a collection of people sharing their knowledge or perspectives with one another. It is as diverse as your customer base, including novices and experts, new buyers and long-time customers, web-savvy individuals and those who've just never used a forum before. And it takes the right combination of technology and best practices to make it successful.

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## What Does It Take to Create a Successful Community?

Our experience shows that successful online communities do ten things right:

### **1. Have a business owner who oversees budget and sets direction.**

Online communities are relatively easy to start. Technologies are widely available, and many begin as “innovation” or business strategy ad-hoc projects started by those who recognize that customers want and need communities to answer their questions or connect with others with their same interests. However, successful communities have support – and accountability – at the top.

### **2. Have a community manager who conducts planning and day-to-day decision-making.**

Like any other business initiative, online communities require planning and management. The community manager is responsible for basic configuration decisions, feature choices, forum structure, and granting permissions and roles. The community manager is also responsible for communication out to the community, and is the single point of contact for community members who have issues or concerns to resolve. Lithium’s software empowers the community manager with a wide range of administration and configuration options that eliminate frequent requests for engineering resources.

### **3. Have a moderator who sets tone, enforces rules, and helps users.**

The moderator has daily responsibility for ensuring a positive and productive environment for all users. The moderator provides the ongoing guidance and acknowledgement that keeps regular users on track and active users motivated and involved. Moderators also organize events and promotions, answer user questions about the forums, prepare regular reports, and escalate problems or issues, when needed, to the appropriate parties. Moderator tasks are made more efficient by the extensive message processing, user processing, usage tracking, and reporting features Lithium provides.

### **4. Define roles for staff and users and configure software appropriately.**

Two key questions to ask when launching a community are: a) who are the users of this community, and do any of those users need special rights or permissions to be truly productive? And b) what staff inside our organization will touch this community in any way, and what rights and permissions do they need? Lithium’s platform offers 54 specific permissions that can be assigned at the community, group or individual level, as well as by specific community feature, category, or forum.

### **5. Create a set of comprehensive guidelines.**

Guidelines tell users what the community’s mission is, and helps them understand how they best can make their community experience successful. They also define the kinds of activities that will not be permitted. Guidelines represent a virtual contract between a company and the customer who use the community. The company commits to provide a productive environment, and users agree, as a condition of use, to abide by the rules. Good guidelines, and good moderation, eliminate 99.9% of problems that can be encountered in communities.

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## **6. Define actions that will take place when issues occur.**

When problems do occur, whether they are repetitive customer complaints or more serious violations, moderators must take action for everyone's benefit. From the ability to store standard messages to banning or suspending users, Lithium's software supports good moderation.

## **7. Make community visible to potential users.**

Customers can't participate in a community that they can't see. Good placement on the home page, support home page, navigation, and product pages is critical to the success of a community. Periodic email outreach or special promotions don't hurt either.

## **8. Create the proper structure and atmosphere to engage users.**

Companies often begin with a structure too broad to enable early community users to feel at home. Instead of a board for every product or every region, successful communities make sure that the community also has the minimum number of contributions per forum to feel alive and active. When usage scales, they expand from there.

## **9. Manage "superusers" differently from other users.**

It's a truism that every online community is, at a minimum, two communities: the community of the average user, who comes once a month, or once a week, or may be there for the first time today, and the community of the superuser, who comes once an hour, once a day, or one hundred times more often than that. Superusers should be managed differently than regular users. They need, at a minimum, a robust reputation system like that in Lithium's software, which recognizes and rewards their contribution at every step.

## **10. Focus measurement on business value.**

Many of the metrics that come out of community platforms – page views, posts, replies, etc. – are useful in tracking community activity, but mean little to the business people who sponsor and fund community efforts. Developing successful communities depends on taking a rich set of community metrics – Lithium offers more than 60 metrics out of the box – and combining them with business data that helps paint a vivid picture of the value the community creates every day. See the final section of this paper, *What Is the Business Case for Online Support Communities?*, for a discussion of the most common business cases for online support communities today.

Forrester Research reports that, with customers resolving their own problems by reading forum content, fewer email, chat, and phone interactions reach agents, thereby deflecting live agent interactions and cutting overall support costs.

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## What Are Companies Doing with Online Support Communities Today?

Here is a sampling of what companies are doing with online communities today:

- Integrating community with existing support processes, so that customers have a seamless experience across multiple support channels.
- Integrating community with CRM systems, so that unanswered questions are auto-escalated into direct support channels.
- Adding blogs for executives and/or product experts to more efficiently share the company's best and more current knowledge with customers.
- Harvesting customer insights from the community and distributing reports to internal groups in direct support, product development, marketing, communications, and legal.
- Embedding community content throughout their website to make their sites more interactive and customer-focused.
- Integrating commerce with community, so that community users can move directly from dialogue to a purchase decision.
- Composing instant focus groups or beta groups to test new products/services or obtain feedback on ideas.
- Inviting partners to participate, either informally or through sponsored forums.
- Using communities as a learning tool for new support reps or other new employees.

### Selected Lithium Online Community Customers

AT&T  
Barnes & Noble  
Best Buy  
Comcast  
Fair Isaac  
Lenovo  
Logitech  
Palm  
PayPal  
Research in Motion Limited (RIM)  
Sony PlayStation  
Symantec  
Univision

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## What Is the Business Case for Online Support Communities?

Companies typically think about community value in four ways:

- **Avoided costs:** For most companies, it costs much less to resolve a customer question in an online community than it does to handle the call in the call center. Companies have reported savings of more than \$500,000 annually from their online community efforts.<sup>1</sup> Communities also divert traffic from more expensive options such as call centers. One company found that more than 40% of community users surveyed said that, if forums were unavailable, their first resort would be direct support channels.<sup>2</sup>
- **Customer loyalty:** Communities are fundamentally about loyalty, so it's no surprise that companies with online communities find significant improvements both in likelihood to remain a customer and likelihood to recommend.<sup>3</sup> Companies offering subscription services have found that community users remain customers up to 50% longer than non-community users.<sup>4</sup>
- **Customer satisfaction:** Customers appreciate being given the opportunity to share their experiences. Research shows that customers who have the opportunity to provide feedback are more satisfied than those who don't. Perhaps that's why community users say they are more satisfied with forums than with other self-service support options.<sup>5</sup>
- **Sales:** Online community users buy more, and buy more often, than non-community users. A recent study published in the Harvard Business Review found that community users at an online auction site spent up to 54% more on average than non-community users.<sup>6</sup>

Rather than focusing on a single metric, companies today are looking at community value across all these areas to better understand the impact of their investment in community. Just as important, online communities provide continuous insight into the thoughts and experiences of customers — an invaluable asset for anyone in productive development, support, marketing, or executive management.

Lithium Technologies has a 10-year record of accomplishments and innovations in powering online communities that are proven successes. And with the right combination of technology and best practices, more and more companies around the world can deploy their own successful online communities.

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## References

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<sup>2</sup> *ESupport*, Andrew Connan and Vincent Russell, Cisco Systems, 2003.

<sup>3</sup> *Connected Customers in Online Communities of Practice: Identification, Participation, and Advocacy Intentions*, Manjit Yadav and Julie Guidry, Texas A&M University, in press, 2007

<sup>4</sup> *Under the Radar*, Timothy Hanrahan, Wall Street Journal, April 26, 2001.

<sup>5</sup> Lithium customer case.

<sup>6</sup> *Do Customer Communities Pay Off?* Rene Algesheimer and Paul M. Dholakia, Harvard Business Review, November 2006.

## About Lithium Technologies

Lithium is the leading provider of Social CRM solutions to power enterprise customer networks. Working with market leaders such as Best Buy, Sony, AT&T, Research In Motion Limited (RIM), Univision, and PayPal, Lithium is delivering the next generation of customer relationships by unlocking the value of the social customer network. Lithium solutions combine the power of online customer communities with the broader social web and traditional CRM business processes to inspire customers to innovate, promote, and support on the company's behalf. As a result, businesses measurably improve their marketing and sales, accelerate innovation, and increase customer satisfaction. Lithium's platform is proven in high-volume, growth environments and provides the security, analytics, APIs, and multi-language support that enterprises demand. Founded in 2001, Lithium is privately held with headquarters in Emeryville, California. For more information, visit [lithium.com](http://lithium.com).