



# Online Community Return on Investment: State of the Practice 2007

## Online Community Business Forum

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May 4, 2007

# Collecting the Data

## Six common sources:

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1. Community platform
2. Web metrics tools
3. Cost accounting systems
4. CRM systems
5. Surveys
6. External benchmarks



## Two types of data:

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Community data

Business data

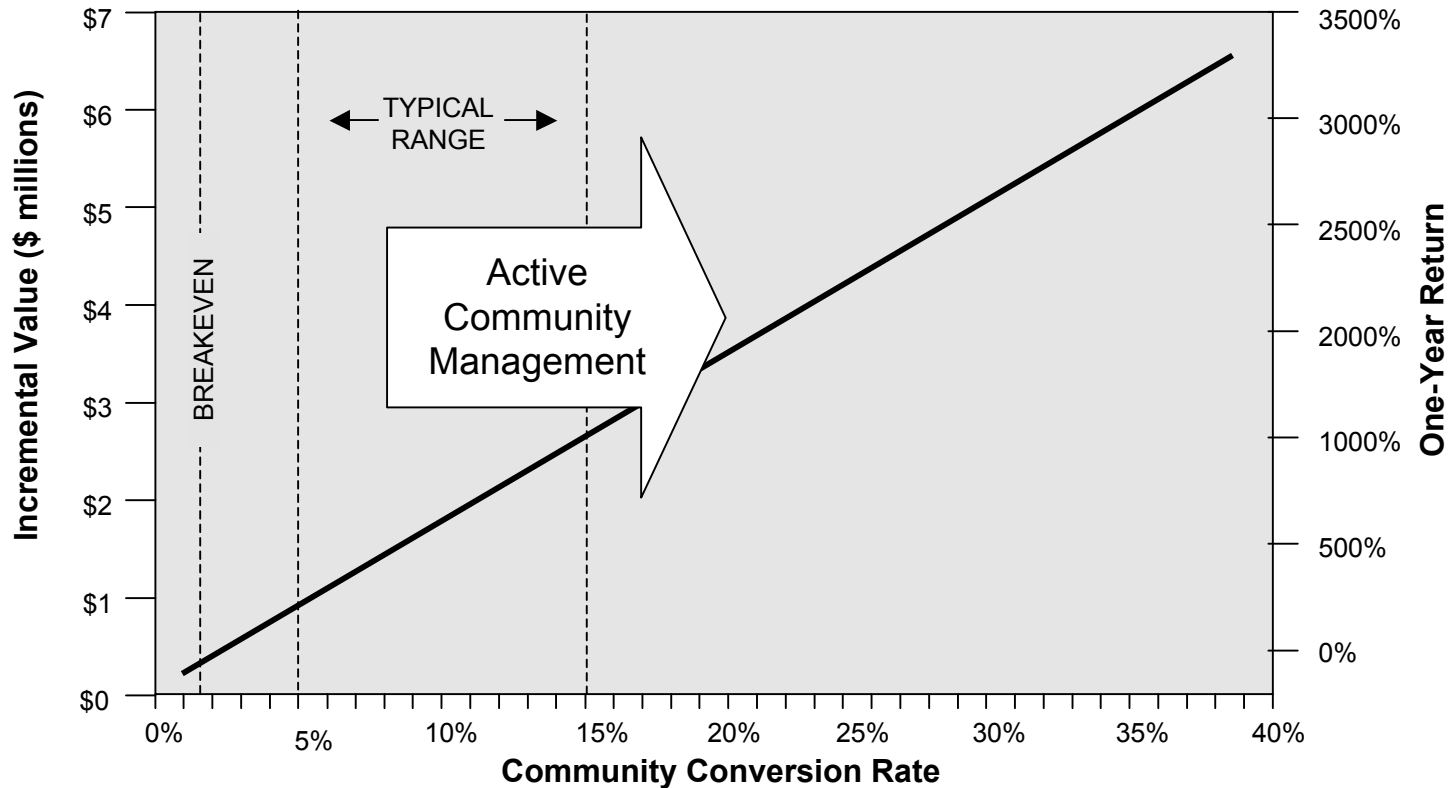
***ROI is about linking community data to business data.***

# Metrics We Know and Love

- Community users remain customers 50% longer than non-community users. *(AT&T, 2002)*
- 43% of support forums visits are in lieu of opening up a support case. *(Cisco, 2004).*
- Community users spend 54% more than non-community users *(EBay, 2006)*
- In customer support, live interaction costs 87% more per transaction on average than forums and other web self-service options. *(ASP, 2002)*
- Cost per interaction in customers support averages \$12 via the contact center versus \$0.25 via self-service options. *(Forrester, 2006)*
- Community users visit nine times more often than non-community users *(McKinsey, 2000).*
- Community users have four times as many page views as non-community users *(McKinsey, 2000).*
- 56% percent of online community members log in once a day or more *(Annenberg, 2007)*
- Customers report good experiences in forums more than twice as often as they do via calls or mail. *(Jupiter, 2006)*

# Establishing an ROI Equation

Return on Investment Scenario Based on 50% Longer Subscription Term



Assumptions

- 500K subscribers
- Average subscription price of \$20/month
- Profit margin of 40%
- Average term for non-community user: 8 months
- Average term for community user: 12 months
- Community cost is \$200,000/year

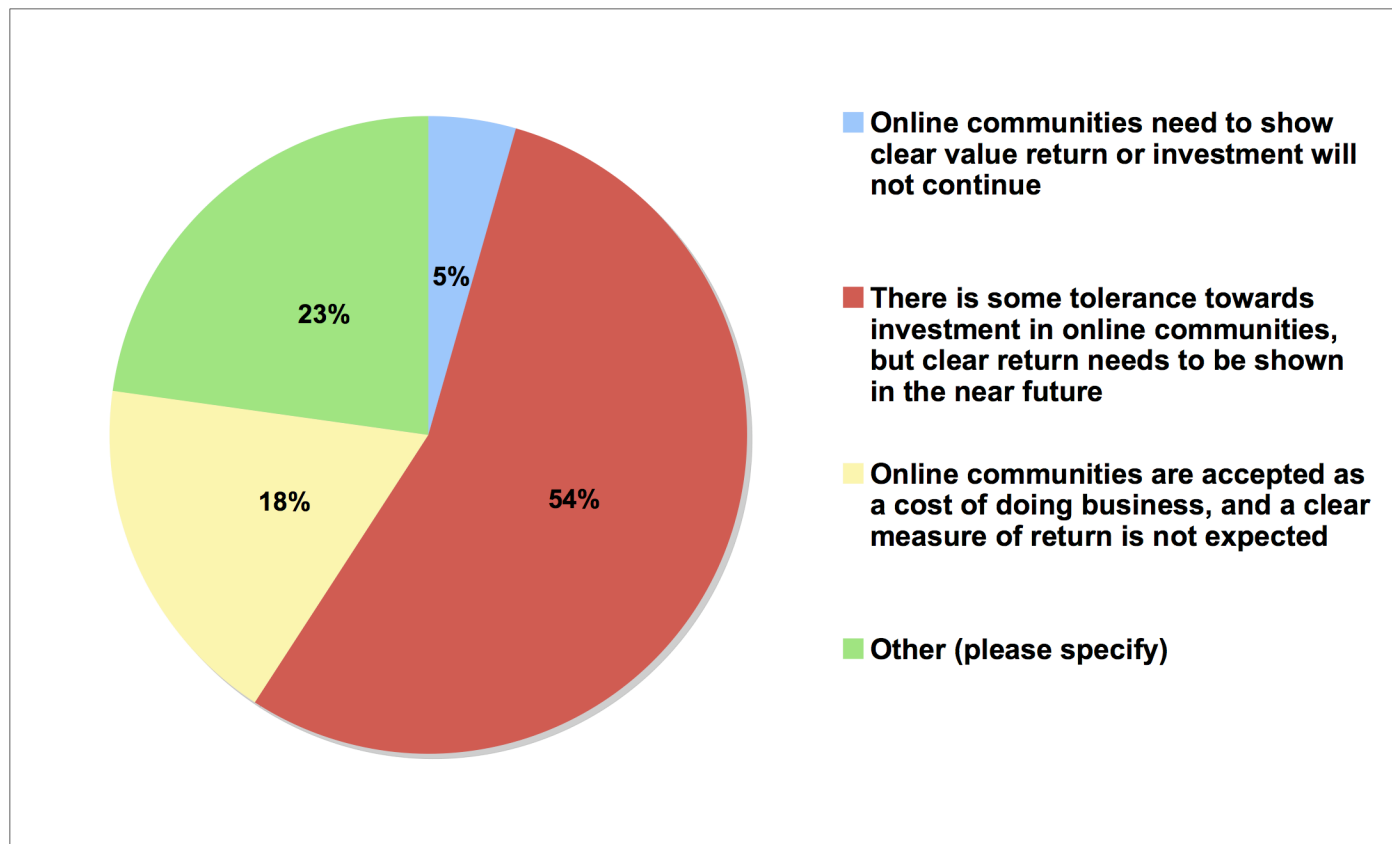
# Metrics: Attributing Value

Member Profiles	Rich source of demographic data. <i>Cost vs. Other Means</i>
Satisfaction	Gather via survey. <i>More Satisfied = X% less likely to leave</i>
Loyalty	Gather via survey. <i>More Loyal = likely to recommend</i>
Peer Support	Threads w answer good, graded answers better. <i>Call avoidance \$7</i>
Web Metrics	Unique = cost of impression vs. corp web. New members = campaign costs (\$x per member)
Brand Mentions in the wild	# of instances per month. Compare to advertising spend on site.
Customer Content in the wild	# of instances per month. Compare to banner ad cost.
Organic Search traffic	Compare to cost via paid (adsense).
Lead Generation	Product trails, leads to channel
Direct Revenue	Products, subscription, ancillary products, logo merchandise

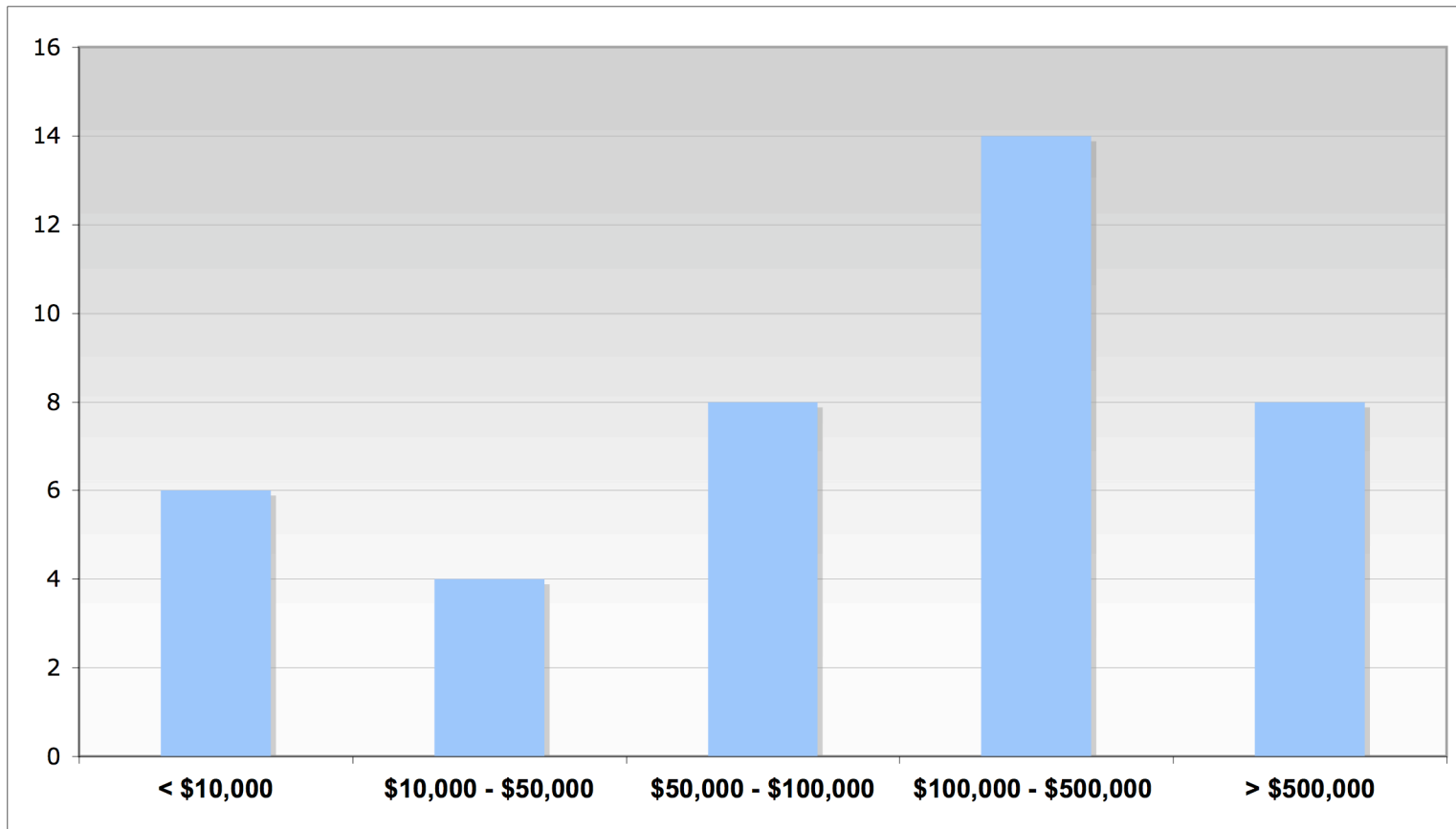
\*Initial pass to start the conversation. We are interested in getting to generally accepted principals

# ROI Survey Report Highlights

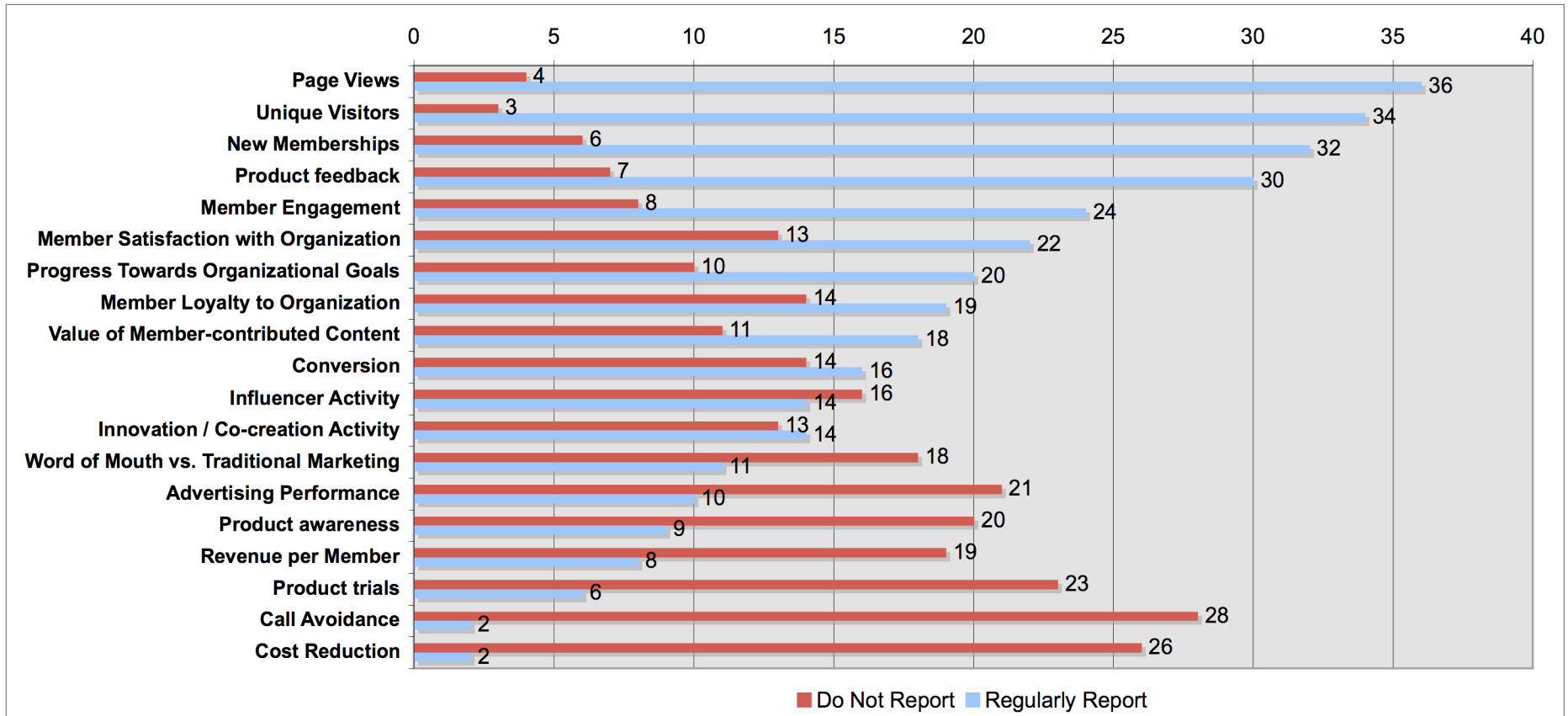
- Only 22% had clear ROI Model
- 42% had staff of 1-5
- 49% Report Monthly to Mgmt
- Establishing ROI Model is priority for most



# ROI Report: Community Budgets



# ROI Report: Value Reported



Full report is in your folders!

