ONLINE COMMUNITIES
The Benefits and Impacts on Organizations 2019
Those in the community space (such as ourselves) will defend the value of community until the very end. We’ve written an endless amount of blogs and eBooks on the benefits of community, and indeed, our colleagues in the community space have agreed with our assertions every step of the way.

But as logical and obvious as the benefits of community may seem, we’re aware that there could be a disconnect between community in theory and community in practice; that is, what leading community experts say about community might not actually be the case when you speak to organizations directly.

We decided to take a closer look into this issue and found ourselves asking four key questions:

• What business challenges are organizations without a community facing?
• Does having an online community help to address these issues?
• If so, to what extent does an online community help address these issues?
• Can a branded community address these issues better than a social media community?
Nearly 400 industry leaders responded to a series of questions to get to the bottom of this, and we’re happy to say that we did in fact ‘get to the bottom of it.’ The demographic profile of our respondents ranged in company size; however, most belonged to the tech industry.

### Company Size
How many employees does your organization have?

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 1,001</td>
<td>8%</td>
</tr>
<tr>
<td>5,001 - 10,000</td>
<td>13%</td>
</tr>
<tr>
<td>1,001 - 5,000</td>
<td>8%</td>
</tr>
<tr>
<td>501 - 1,000</td>
<td>9%</td>
</tr>
<tr>
<td>101 - 500</td>
<td>25%</td>
</tr>
<tr>
<td>51 - 100</td>
<td>3%</td>
</tr>
<tr>
<td>1 - 50</td>
<td>33%</td>
</tr>
</tbody>
</table>

### Industry
What industry represents your organization?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>41%</td>
</tr>
<tr>
<td>Consumer</td>
<td>10%</td>
</tr>
<tr>
<td>Education</td>
<td>10%</td>
</tr>
<tr>
<td>Gaming</td>
<td>8%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>6%</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>6%</td>
</tr>
<tr>
<td>Finance and legal</td>
<td>5%</td>
</tr>
<tr>
<td>Telecom</td>
<td>4%</td>
</tr>
<tr>
<td>Media</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2%</td>
</tr>
</tbody>
</table>
24% of respondents said they have no online community. Of those 24%, 28% said they were looking to procure a community within the next year.

Organizations without a community were asked to identify their biggest business challenges.

Top 10 Business Challenges

- Increasing customer engagement: 57%
- Improving customer experience: 55%
- Having your brand known/ getting your name out there: 46%
- Getting meaningful feedback to improve products or services: 41%
- Driving and maintaining brand loyalty: 38%
- Improve existing products/ services and develop new ones: 32%
- Communicating effectively with partners or customers: 32%
- Providing customers with support wherever and whenever: 23%
- Identifying product or service issues/ bugs: 23%
- Reducing support costs: 18%

* 57% said that increasing customer engagement is a challenge
* 55% reported that improving customer experience is a challenge
* 46% reported that brand visibility is a challenge
* 41% reported that getting meaningful feedback is a challenge
* 38% reported that driving and maintaining brand loyalty is a challenge
Almost three-quarters of organizations with a branded community have a dedicated community manager. Of the organizations who don’t, the CEO/Owner/Founder is most likely to manage the community.

**Organizations With A Branded Community**

Almost three-quarters of organizations with a branded community have a dedicated community manager. Of the organizations who don’t, the CEO/Owner/Founder is most likely to manage the community.

**Do you have community moderators?**

**Who Manages Your Branded Community?**

- **Dedicated Community Manager**: 76%
- **CEO/Owner/Founder**: 6%
- **Communications**: 2%
- **Product**: 4%
- **Marketing**: 3%
- **Don’t Know/Random**: 3%
- **Other**: 2%

Organizations with a branded community report better overall results than organizations with a social media community.
Branded communities report overall better results than social media communities

Say the community has had a positive impact on partners/ professionals
- Branded: 88%
- Social Media: 81%

Say the community has helped deflect support tickets
- Branded: 80%
- Social Media: 41%

Say the community has brand and customer engagement
- Branded: 89%
- Social Media: 68%

Say the community has improved customer experience
- Branded: 88%
- Social Media: 75%

What prompted your decision to switch from a social media community to a branded community?

- 25% Customer engagement
- 14% Improve member/brand communication
- 11% Brand awareness and visibility (SEO)
- 11% More control over the community
- 11% Better support
- 8% Better content
- 6% Data/analytics/tracking capabilities
- 3% Other
- 22%
The title “Community Manager” is more common than “Social Media Manager,” for those who run the social media communities.

Who Runs Your Social Media Community?

- Community Manager: 33%
- Social Media Manager: 9%
- Other: 19%
- Marketing: 16%
- Founder/Owner/CEO: 11%
- Communications: 4%
- Nobody - The Community Runs Itself: 9%

Social media communities are generally used for the same purposes as branded communities however, they are more focused on social connectivity than anything else.

What Are Communities Being Used For?

<table>
<thead>
<tr>
<th>Healthcare Support/ Support Group</th>
<th>Partnership/Network</th>
<th>Raise Awareness of an issue/Prompt Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>33%</td>
<td>16%</td>
</tr>
<tr>
<td>Increase Organizational/Brand Advocacy</td>
<td>12%</td>
<td>27%</td>
</tr>
<tr>
<td>54%</td>
<td>43%</td>
<td>61%</td>
</tr>
<tr>
<td>61%</td>
<td>61%</td>
<td>75%</td>
</tr>
</tbody>
</table>
Key Findings

1 Engagement is the Biggest Challenge
Whether it’s an organization with a branded community, a social media community, or no community at all, engagement is still challenging.

2 Online Communities Support Top Business Challenges
Businesses with online communities have reported seeing successful outcomes in areas that those without a community struggle with.

3 Branded Communities Are The Most Effective
Branded communities are more effective than social media communities in addressing key business challenges. Respondents report overall higher levels of success with a branded community.

4 Having a Dedicated Community Manager Increases the Impact and Performance of Your Community
Branded communities with a dedicated community manager perform better in almost every area than those who don’t have a dedicated community manager.

5 Support Communities Are Likely to Have a Knowledge Base
Organizations who have an online community that is used for customer support are also likely to have a knowledge base as part of their strategy.
Regardless of whether organizations have a branded community, a social media community, or no community at all, customer engagement continues to be the top issue across the board.

32% of Branded Communities with community managers
37% of Social Media Communities
57% of Organizations with No Community

However, it becomes less challenging as you move from no community, to a social media community then to branded community.

Customer engagement Can Become less Challenging

The best way to tackle the challenge of customer engagement is through a branded community that has a dedicated community manager.
Online communities are able to address and support the five biggest challenges that organizations face.

57% of Organizations Struggle with Customer Engagement

Online communities lessen the challenge of customer engagement by:

- 35% (20pts) improvement in engaging customers with a social media community
- 38.6% (20pts) improvement in engaging customers with a branded community
- 48.9% (25pts) improvement in engaging customers with a branded community led by a dedicated community manager

55% of Organizations Struggle with Improving Customer Experience

Having an online community can help improve brand and customer engagement.

Say the community has helped brand and customer engagement

Common Outcomes of Good CX

- 66% of Organizations: The community has had an impact on customer retention
- 68% of Organizations: The community has helped create new leads
- 55% of Organizations: The community has contributed to an increase in sales
46% of Organizations Struggle with Brand Visibility

Our data supports the argument that branded communities are good for SEO.

- 57% of those with a branded community said that the community has led to an increase in brand SEO
- 72% of those with a branded community said that the community has led to an increase in website traffic

38% of Organizations Struggle with Driving and Maintaining Brand Loyalty

A majority of respondents with a branded community agree that the community has been instrumental in creating and maintaining loyal customers.

Impact of Community On Brand Loyalty

<table>
<thead>
<tr>
<th>Impact</th>
<th>Branded</th>
<th>Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>The community has had a positive impact on those interested in your brand</td>
<td>84%</td>
<td>68%</td>
</tr>
<tr>
<td>The community has a positive impact on customer satisfaction scores (CSAT, NPS)</td>
<td>56%</td>
<td>45%</td>
</tr>
<tr>
<td>People are more loyal to our brand because of our community</td>
<td>60%</td>
<td>50%</td>
</tr>
</tbody>
</table>

41% of Organizations Struggle with Getting Meaningful Feedback

Both branded and social media communities provide customers with a platform to provide meaningful feedback, which respondents report has had a positive impact on the organization.

- 90% say that suggestions from the community have been used to improve product or service issues
- 77% say that the community has helped to identify issues with the product or service
- 78% say that the community has been used to help the development of new/future products and services

People are more loyal to our brand because of our community.
### Key Findings

Overall, organizations with a branded community reported higher levels of effectiveness than organizations with a social media community.

#### Community Purpose Categories

<table>
<thead>
<tr>
<th>Category Purpose Categories</th>
<th>Category Weighted Average</th>
<th>Branded - Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product/ Service</td>
<td>4.07</td>
<td>3.57</td>
</tr>
<tr>
<td>Product Development/ Feedback</td>
<td>4.01</td>
<td>4.10</td>
</tr>
<tr>
<td>Raise Awareness of Social Issue/ Prompt Action</td>
<td>3.84</td>
<td>3.86</td>
</tr>
<tr>
<td>Increase Brand/ Organizational Advocacy</td>
<td>3.94</td>
<td>3.56</td>
</tr>
<tr>
<td>Social Connectivity</td>
<td>4.04</td>
<td>3.78</td>
</tr>
<tr>
<td>Partner/ Network</td>
<td>4.03</td>
<td>3.61</td>
</tr>
</tbody>
</table>
Dedicated CMGR Increases Community Performance

Branded Communities with a dedicated community manager report a higher performance level than those without a dedicated community manager.

75.69% YES

Do you have a dedicated community manager?

Community Purpose Category Weighted Average

- Having a dedicated community manager for your branded community can help improve performance by up to 12%.
- Having a managed online community lessens the burden of engagement by 44%
Support Communities Are Likely to Have a Knowledge Base

Communities who provide product/service customer support are also likely to have a knowledge base as part of their strategy to deliver support.

Support-Based Branded Communities Who Have A Knowledge Base
- 77%

Support-Based Social Media Communities Who Have A Knowledge Base
- 56%
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I. INTRODUCTION

Online communities provide customers and organizations with a number of benefits, and for over 50% of customers, it has quickly become the preferred channel of customer self-support. While customers and organizations alike have agreed that community is beneficial, there remains a lack of empirical evidence available of its benefits and the effects that community has on the organization itself. More specifically, there is a lack of research on the viability of community as an effective solution to a number of common business challenges.

Additionally, there has been little to no comparative research done on the outcomes of branded communities in contrast to organizations who have a community built on a social media platform.

To this end, this report acts as an exploratory study aimed at assessing the extent to which community is able to impact organizational challenges and whether branded communities are more effective in alleviating these challenges than social media communities.

As an exploratory study, this research is void of any hypothesis. As you will learn in Section II, existing literature argues that online communities are highly beneficial and are able to deliver on some of the most difficult challenges that organizations face. As a result, we do expect to see results that illustrate the great number of benefits that online communities bring to organizations. Further, we expect these benefits to be more impactful when they are a result of a branded community rather than a social media community.

2 The Community Roundtable The State of Community Management, 2019 (Community Round Table, 2019)
Research Goals

The purpose of this research is to explore four key questions:

1. What business challenges are organizations without a community facing?
2. Does having an online community help to address these issues?
3. If so, to what extent does an online community help address these issues?
4. Is a branded community able to address these issues better than a social media community?

It is important to note that during the literature review (presented in Section II) it was quite apparent that experts in the field agree that yes, community helps to address a number of business challenges and that a branded community can do it better than a social media community.

Gaps in the existing literature, however, exist when it comes to quantifying the extent to which community can help address these issues, and further to providing evidence that branded communities deliver better results.

Just how much better is a branded community? Is there a disconnect between what experts think about the benefits versus what is actually being seen in practice?

The survey used in this research study was subsequently designed to quantify the responses so that these questions can be answered with supporting empirical evidence.

Limitations

The respondents in this research study are from the Vanilla Forums opt-in marketing database. This was done so that we could have a wide range of data from those who are aware of what a community is and have given some thought to the subject. Although 100% of respondents were from our marketing database, we attempted to exclude Vanilla customers from the response list in order to obtain a more unbiased perspective on the issue.
Definition of Terms

There are a number of terms that will be referred to in this research study. These terms are listed below, along with how they are defined.

**Online Community**
In this research report, the term “online community” is used to describe a group of people who interact digitally around a common purpose or theme, namely an organization, brand or subject matter.

This term will be used throughout this research report and will refer to both branded communities and social media communities.

**Branded Community**
A branded community refers to an online community that is hosted by the organization or brand itself. This usually means that the community is located in one of two spots:

- In a folder, found in the URL slug, such as domain.com/forum
- In a sub-domain like forum.domain.com

A branded community is an extension of the website itself.

**Social Media Community**
A social media community refers to a community that an organization or brand has built on a social media platform, such as Facebook, Twitter, Linkedin, etc.

**No Community**
This term refers to organizations who do not have an online community (neither a branded community, nor a social media community).
Categories
This term will be used throughout this report and will refer to the three major categories that respondents will fall under:

1. Organizations who do not have an online community
2. Organizations who have a branded community
3. Organizations who have a social media community

Community Purpose Categories
Respondents who have branded or social media communities were asked a series of questions to determine what they use their communities for. These questions are referred to as “community purpose categories,” and will be used to determine the primary purposes of each community category.

Ultimately, there are seven community purpose categories:

1. Product/ Service Customer Support
2. Product Development/ Product Feedback
3. Healthcare Support/ Support Group
4. Raise Awareness of Social Issue/ Prompt Action
5. Increase Organizational/ Brand Advocacy
6. Social Connectivity
7. Partner/ Network
II. LITERATURE REVIEW

A preliminary literature review was conducted prior to the development and finalization of our research goals. This was done primarily to ensure that the scope of our research was narrow enough to address questions that recent studies have not explored. Additionally, we examined a number of statistics closely related to community and used this data to dictate the direction of our research questions.

The literature review began with a comprehensive examination of online customer communities and the statistical benefits that they have for organizations. Further, we examined the driving factors behind the growing popularity of online communities; by doing so, we were able to assess what customers are looking for and compare them to how well organizations are able to deliver on these demands.

One thing that was immediately apparent while conducting the literature review was that a vast majority of existing resources on this topic were outdated. In a world of rapid technological advancement that shapes customer demands and subsequently impacts business decisions, it only takes a few years for data to become obsolete. For example, a survey was conducted in 2014 to collect and analyze business views on online customer communities. While this survey showed that 77% of organizations with an online community viewed it as a key component to their customer support, and 49% said that it had saved them money,³ this data is too outdated to be considered relevant.

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³ Michael Brenner, 5 Examples of Brilliant Online Brand Communities (Marketing Insider Group, 2019) < https://marketinginsidergroup.com/content-marketing/5-examples-brilliant-brand-communities-shaping-online-world/>
As a result, we limited ourselves to data from 2017 onwards, which greatly affected the amount of data we were able to find. Consequently, one revelation from this literature review was that there is much opportunity for up-to-date research to be conducted and released on this topic. That is not to say, however, that research on this topic is non-existent; there are, in fact, a small number of comprehensive and in-depth research reports on online communities.

A key area that has been relatively untouched is empirical studies related to the impact of community on organizations, as a majority of the resources explore other areas, such as the impact of communities on individuals.

For instance, the research report The State of Community Management, 2019 is largely focused on exploring approaches to community leadership in order to create powerful feedback loops and empower community members.  

**Ultimately, there were three key findings from this report:**

1. **Communities Propel Engagement**
   a. Communities Empower Individuals
   b. Advanced Strategies Enable Success
   c. Success Powers a Virtuous Circle

2. **Communities Transform Organizations**
   a. Communities Advance Complex Objectives
   b. Communities Enable Thriving and Adaptive Ecosystems
   c. Community Value is Compelling

3. **Community Leadership is Unevenly Distributed**
   a. Inconsistency in Roles Creates Uncertainty
   b. Lack of Business Skills Creates Vulnerabilities
   c. Advanced Strategies Address Risk

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5 ibid.
Of the findings in this report, the most relevant to our research was the finding that “communities transform organization,” since this finding touches on the impacts of community on organizational business objectives. The findings in this section, however, were still centered around the main objective: community management and leadership.

Ultimately, the literature review was instrumental in revealing a number of gaps in the existing empirical data on the value that community provides organizations in addressing common business challenges.

**Online Community Types**

Our review began by examining the various benefits that communities claim to have on organizations and members. Since the benefits of community vary depending on the nature and purpose of each specific community, it was first necessary to determine what types of communities exist.

Based on the SPAN framework, introduced in 2018 by Vanilla’s Head of Community Adrian Speyer, there are essentially four different types of communities that organizations aim to build: support, product, ambassador and network.⁶

**1. Support Community:**
The primary purpose of this type of community is to provide members with effective customer self-service support. Common goals of this type of community include reducing support costs and increasing ticket deflection. Customer support communities are one of the most common types of communities and have been identified by community expert, Richard Millington, as the type that is most likely to be successful.⁷

**2. Product Community:**
This type of community provides a space for people to share feedback and new ideas on products/services in order to improve existing products/services or

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⁶ Adrian Speyer, Vanilla Certification Training (Vanilla Forums, 2018)
⁷ Richard Millington, The Best Type of Community Your Company Can Build (Feverbee, 2018)  
<https://www.feverbee.com/best-community/>
help create new ones. The common goals associated with this type of community include increasing product suggestions, issue identification, and improving existing products.

3. Ambassador Community:
This type of community largely focuses on community MVPs (Most Valuable People) and seeks to identify, encourage, recognize, and support these MVPs. Community MVPs are members who are brand loyalists and will advocate with enthusiasm for the brand. This type of community focuses on feedback, ideas, and direct conversation with a curated segment of community members (MVPs).

4. Network Community:
This type of community relies on the network and could also be a space for people with a common circumstance, cause or professional/ career development goal to network. Members of this type of community tend to see the value of education, learning, professional development and opportunities to connect with others in similar situations.

Although there are four distinct types of communities, many of them exist as a hybrid. Nevertheless, different types of communities set different goals and are driven towards different metrics and outcomes; to address this, the SPAN framework was used to shape our community purpose categories and subsequent questions.

Branded Communities

Branded communities are seen to have a number of benefits for organizations and for community members; however, one of the most commonly viewed benefits is that a branded community is a great option for customer self-service. One study conducted in 2017 found that this long-held view is still relevant; 26% of respondents identified “customer success/ customer support” as the single most important value from their community.

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8 Adrian Speyer, Are you building your community with the most valuable people in mind? (Vanilla Forums, 2019) <https://blog.vanillaforums.com/are-you-building-your-community-with-the-most-valuable-people-in-mind>

When taking a closer look at the support community (the first type of community outlined by SPAN) it is a common claim that support communities are successful in cutting costs due to ticket deflection. Indeed, existing research also supports this claim, which shows that 52% of organizations have seen a decrease in support costs through the use of their branded community.\(^{10}\)

This is further supported by a 2019 research study conducted by the Community Roundtable, which identifies “lowering support costs” as one of the top three business outcomes connected to community value (for external communities):\(^{11}\)

- Customer retention (61%)
- Lower support costs (52%)
- Innovation (32%)

Additionally, having support functions in an online community is tremendously beneficial to customers as well. Statistics show that 73% of customers want to solve product or service issues on their own;\(^{12}\) this indicates that if organizations offer these services, customers are more than likely to use them, thereby cutting costs.

Another common claim is that branded communities enable the collection and analysis of feedback, which is essential to staying ahead of the curve and improving existing products or services. This claim about the product based community (the second type of community outlined by SPAN) is of course, accurate; the open discussion format combined with ideation functions provides an excellent space for customer feedback. In fact, 86%\(^{13}\) of Fortune 500 companies use their community to provide insights into their customer needs through collecting and analyzing feedback.

In sum, existing literature touches on a number of benefits that organizations can gain from investing in an online branded community, including:\(^{14}\)

\(^{10}\) Op. Cit., Community Round Table
\(^{11}\) Ibid.
\(^{13}\) Char Vandermeer, Why is User-Generated Content So Important? (Horton, 2017) < https://www.hortongroup.com/blog/user-generated-content >
\(^{14}\) Sarah Robinson-Yu, What is an online community? (Vanilla Forums, 2019) < https://blog.vanillaforums.com/what-is-an-online-community >
• To provide product/service related customer self-service support
• To collect customer feedback aimed at improving existing products/services and to dictate the development of new products/services
• To increase customer engagement and improve the overall customer experience
• To collect and analyze market research
• To increase brand loyalty
• To increase brand visibility (namely, through SEO)
• To increase social connectivity by fans of the brand

Just how significant these benefits are, however, has not been the subject of most surrounding literature on community. This is a question that our research aims to explore.

Social Media Communities

Branded communities have been consistently seen by community experts to be more effective than social media communities due to a number of unique benefits, including:15

• More control over data and privacy
• More control over community - functions, permissions, etc.
• Better data and analytical capabilities
• Ability to implement features such as gamification and ideation

In fact, one of the biggest community trends of 2019 has been identified by experts in the field as “an increase in organizations shifting from social media communities to branded communities.”16

16 Vanilla Forums, A Strategic Guide To Community Gamification (Vanilla Forums, 2019)
17 Ibid.
Collectively, experts cite a number of reasons behind this trend, which include\textsuperscript{17}:

- Public distrust for social media is on the rise (namely, regarding privacy concerns).
- Requirements due to the GDPR make branded communities more appealing.
- The value of a branded community is becoming more known.

Subsequently, branded communities are increasingly seen as safer, more permanent places to have genuine conversations about the brand, connect with other like-minded individuals, and deliver top notch CX with superior customer support. Social media communities are unable to deliver on the same level as branded communities, and as a result, are generally less effective.

One thing that was apparent during the literature review was that there is little research done on the impacts of social media communities compared to branded communities. While experts commonly agreed that branded communities are more effective, their assertions are not supported by empirical evidence, but rather based on their knowledge of customer demands and community mechanics.

This is an area that we also seek to explore in our study.

**Literature Findings**

Three things became apparent when reviewing the existing literature on community:

1. The benefits of online communities are mostly supported by customer research rather than organizational research; ex. asking the customer whether the community has led to an increase in their brand loyalty, as opposed to asking the organization if the community has influenced more loyal behaviour (such as increased activity, sales, website traffic, social shares, etc.)
2. Existing literature where organizational research has been conducted has focused largely on the topic of KPIs, metrics, strategic community management and leadership.

3. There are few to no existing and/or recent studies done on the benefits of branded communities compared to social media communities, and while thought leadership on the subject argues that branded communities produce better outcomes, this is largely speculative.

These findings ultimately exposed gaps in the existing research which helped shape our research goals, as previously outlined in Section I.
III. RESEARCH METHODOLOGY

Survey Design

The survey was designed to collect data from three distinct groups/categories of respondents: 1) respondents with no online community, 2) respondents with a branded community, and 3) respondents with a social media community.

Respondents were siphoned into one of these three categories based on their response to the first two survey questions. A flowchart of this process can be seen in Figure 1 below.

Figure 1: How respondent categories are determined in the research survey

The survey was designed so that data on common business challenges from all three groups could be collected and compared to determine whether those with a branded community have been more successful in alleviating organizational challenges than those with a community built on a social media platform.
After respondents had been sorted into categories, they were asked a series of questions to determine the community purpose categories that best expressed the purpose of their online community. For each community purpose category selected (respondents could select as many as they saw fit), respondents were further asked a series of questions to determine the level of success at achieving the community purpose.

The survey itself consisted of a total of 55 questions; however, each category of respondents was asked approximately 18 questions.

Since this study aimed to collect both quantitative and qualitative data, four primary question types were used throughout the survey:

1. Matrix/ Rating Scale - Quantitative Data
2. Multiple Choice - Quantitative Data
3. Checkbox - Quantitative Data
4. Textbox/ Comment Box - Qualitative Data

A number of questions were crafted using a rating scale, also referred to as the Likert Scale, which prompted the respondent to rate a series of statements from ‘Strongly Disagree’ to ‘Strongly Agree.’ Each response was assigned a weighted value, which is shown in the chart below.

<table>
<thead>
<tr>
<th>RATING</th>
<th>WEIGHTED VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
</tr>
<tr>
<td>No Opinion</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>5</td>
</tr>
</tbody>
</table>
The weighted average is calculated as follows, where:

\[ w = \text{weight of answer choice} \]
\[ x = \text{response count for answer choice} \]

\[
\frac{x_1 w_1 + x_2 w_2 + x_3 w_3 + x_4 w_4 + x_5 w_5 + x_6 w_6}{\text{Total Responses (Not counting N/A responses)}}
\]

Further, the weighted average was used to calculate the community purpose category average. The community purpose category average is calculated as follows, where:

\[ wa = \text{weighted average} \]
\[ q = \text{question count for the community purpose category} \]

\[
\frac{wa_1 + wa_2 + wa_3 + wa_4 + wa_5 + wa_6}{q}
\]

**Source of Data**

The survey was distributed to over 11,000 people from the Vanilla Database.
IV. RESULTS

The survey had close to 400 respondents, with a completion rate of 66%. Ultimately, the results found that an online community is able to adequately address a number of struggles that organizations face, and that branded communities are able to do this better than social media communities.

As discussed in Section IV.I, there were three categories that respondents could fall under, which were dictated by their responses to the first two questions. A breakdown of the total percent of respondents in each category can be seen in Figure 2.
In terms of demographics, approximately 60% of our respondents have less than 500 employees, while roughly 40% have more than 500.

Further, an overwhelming number of respondents reported that their company is in the technology industry (41%). In order to get a full representation of the demographic data collected, the table below illustrates company size metrics for each of the respondent categories.

The three metrics outlined in the chart are as follows:

- Mean: the “average” number in the dataset
- Median: the middle number; the point at which there are an equal number of data points whose values lie above and below the median value
- Mean: the most frequent number in the dataset; the number that occurs the highest number of times
This table shows that while the average employee count for organizations with branded communities is close to 9,000, the median value of 500 indicates that there are many organizations with branded communities that have fewer than 500 employees. This means that there is a wide range of organizations in this data pool, half of which are not necessarily large enterprise companies.

When looking at the median and mode for the organizations with social media communities, it is clear that the mean value does not tell the whole story. The median value for social media communities is the same as organizations with no community at all; the average is simply skewed because of a few higher figures.

This tells us that organizations who have no community have similar company profiles as those with a social media community.

**Category: No Community**

Those with no community at all consist of approximately one-quarter of the total respondents. Survey results show that close to 30% of respondents with no community are looking to procure one within the next year, while nearly 40% said that they were not.
Since these organizations do not have an online community, we wanted to know if they provided any other method of customer self-service support, as we know that statistically, 90% of customers expect organizations to have this type of option. For the most part, the results were split. A little more than half of the respondents said that either that they did, or they were planning on doing so within the next year.

This shows us that there’s about a 50% chance that when an organization doesn’t have an online community, they also won’t have any other forms of customer self-service support.

Of those who did provide other forms of self-service support, or were planning on doing so, the Knowledge Base was the most common response, at 63%. This was closely followed by the FAQ/ Help Page at 59%.

---

Respondents were presented with a number of business challenges revealed by our literature review to be issues that online communities are able to successfully tackle.

Of these 10 business challenges, respondents were asked to select the issues that their organizations were struggling with, which provided us with a rank of “most challenging” to “least challenging.”

When asked what their biggest organizational challenges were, a majority of respondents cited “increasing customer engagement,” as the top business challenge, at 57%.

Additionally, “improving customer experience” at 55% was the second biggest challenge, not far behind “engagement”. Ultimately the top business challenges reported by organizations were:

1. Increasing customer engagement (57%)
2. Improving customer experience (55%)
3. Having the brand known/ getting the name out there (46%)
4. Getting meaningful feedback to improve products or services (41%)
5. Driving and maintaining brand loyalty (38%)
Of the least challenging issues, “reducing support costs” appeared at the bottom as the least challenging. This data shows that organizations without an online community aren’t looking to reduce support costs; their biggest challenge seems to be engaging customers and creating a better experience.

Least Challenging Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve existing products/services and develop new ones</td>
<td>32%</td>
</tr>
<tr>
<td>Communicating effectively with partners or customers</td>
<td>32%</td>
</tr>
<tr>
<td>Providing customers with support wherever and whenever</td>
<td>23%</td>
</tr>
<tr>
<td>Identifying product or service issues/bugs</td>
<td>23%</td>
</tr>
<tr>
<td>Reducing support costs</td>
<td>18%</td>
</tr>
</tbody>
</table>

Category: Branded Communities

Almost 50% of the total respondents reported that their organization had a branded community, and of these respondents, three-quarters of them reported having a dedicated community manager.

In the case where a branded community does not have a dedicated community manager, the community is most commonly managed by the CEO/Owner/Founder of the organization (6%).

As we know from our literature review, experts indicated that a key trend in the community space for 2019 is a shift from social media communities to
branded communities. While this trend was identified for this year, we thought it would be relevant to examine just how many of these branded communities had historically made this shift to get to where they are now.

66.3% YES

Do you have community moderators?

66% of respondents noted that “no,” prior to the implementation of their branded community, they had never had a community that existed on a social media platform. Of the remaining respondents, 23% said yes, while 11% said they were not sure.

Of the 23% that reported that their community had previously existed on a social media platform, when asked what prompted the decision to make the switch, there were eight types of responses:

1. To increase and encourage customer engagement (25%)
2. To have more control over the community (including, functions, permissions, privacy and customizability) (22%)
3. To improve communication between community members and the organization/brand (14%)
4. To increase brand awareness and visibility (SEO) (11%)
5. Other (11%)
6. To increase data/ analytics/ tracking capabilities (8%)
7. To provide customers with better support (6%)
8. To create and curate better content (3%)

Ultimately, the top three reasons why organizations with a social media community chose to switch to a branded community are to improve customer engagement, to have more control over the community and to improve member/brand communication.

Given that “engagement” is the largest reason why organizations switch from a social media community to a branded community, we took a look at how these organizations rated their community engagement levels. Namely, we wanted to know how organizations who had previously had a social media community perceive their engagement levels, compared to those who have never had a social media community.

The results showed that those who had experienced having their community on a social media platform before switching to a branded community were more likely to agree that their branded community has increased engagement. In fact, 100% of those who had switched from a social media community agreed that their branded community had helped to increase engagement, compared to the 89% figure from those who had never had a community on social media.

This indicates that those who have switched to a branded community seeking higher engagement levels see themselves as successfully achieving that goal.

Having experienced both types of online communities (both branded and social media), this information is valuable because it illustrates a comparative view; we can surmise that this group likely draws from their previous experience with a social media community and comparatively agrees that the branded community has increased engagement levels.
When it comes to the key purposes that branded communities serve, the data shows that they most commonly serve three primary purposes: product development and feedback (61.4%), social connectivity (61%) and product/service customer support (61%). Of course, many respondents reported that their community served multiple purposes, acting as a hybrid; however, these three were the most common.

When asked what their biggest community struggles are, there was a wide range of responses; however, respondents with a branded community overwhelmingly stated that “engagement” was their primary issue, at 35.77%. This was even the case for those who had switched from a social media community — while the statistics show that it was an improvement, this is still something that they struggle with.

While engagement was a huge issue for many respondents, many times, respondents were able to identify why engagement was an issue for them. For instance, one respondent noted:

“Our biggest challenge is engagement — finding out what our users want to come back for. We need commitment from our colleagues to promote this service to our customers.”
The insight from this respondent tells us that in this particular community, one of the reasons why the community is struggling with engagement is because staff buy-in is also an issue, and as a result, customers are not being directed to the community. Ultimately, low traffic results in low engagement levels.

When looking at “securing internal buy-in for community,” 13.87% of respondents reported this to be their biggest challenge. This figure might not seem significant; however, it was ultimately reported as the second most common challenge that branded communities face. This extends to buy-in from both executive leadership and organizational staff. One respondent noted that their branded community was relatively new, and they are still in the process of “working through the internal challenges of adoption by staff to help answer the questions in our support community.”

### Top 5 Community Challenges For Branded Communities

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Engagement</td>
<td>35.04%</td>
</tr>
<tr>
<td>Securing Internal Buy-In For Community</td>
<td>13.87%</td>
</tr>
<tr>
<td>Needing More Time and Resources To Manage Issues/ Tech Issues With Vendor</td>
<td>8.76%</td>
</tr>
<tr>
<td>Measuring and Tracking KPIs and Success</td>
<td>7.30%</td>
</tr>
<tr>
<td></td>
<td>5.84%</td>
</tr>
</tbody>
</table>

When it comes to executive buy-in, our literature review revealed that this is still an issue for some branded communities, as one report states that only 63% of executives are supportive of the community. Indeed, this was expressed by our respondents, with one stating that he was having a difficult time, “getting the business to realise [the community] potential and invest the right amount of time and resource in it.”

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20 Op Cit., Community Round Table.
Category: Social Media Communities

Approximately one-quarter of respondents fell into the category of having a social media community, and a majority of these communities were reported to be hosted on Facebook, at 64%. The second largest category was “other” at 40%.

Branded Communities - Which Platforms(s) is your community hosted on?

When asked who was responsible for managing their organizations’ social media community, the results showed that the person responsible was more likely to hold a title similar to “Community Manager,” as opposed to “Social Media Manager.”

Who Runs Your Social Media Community?
Similar to the statistics from the branded community, “Community Manager,” is the most commonly held title of the person responsible for managing the community, despite the fact that each type of online community serves a different purpose.

In fact, of the top three purposes that social media communities serve, only one aligns with the top purposes of a branded community — this illustrates how different these two types of communities are.

**Social Media Communities - What Are They Being Used For?**

<table>
<thead>
<tr>
<th>Community Purpose Categories</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Connectivity</td>
<td>75%</td>
</tr>
<tr>
<td>Increase Organizational/Brand Advocacy</td>
<td>61%</td>
</tr>
<tr>
<td>Product Development/Product Feedback</td>
<td>43%</td>
</tr>
<tr>
<td>Product/Service Customer Support</td>
<td>43%</td>
</tr>
<tr>
<td>Partnership/Network</td>
<td>30%</td>
</tr>
<tr>
<td>Raise Awareness of an Issue/Prompt Action</td>
<td>30%</td>
</tr>
<tr>
<td>Healthcare Support/Support Group</td>
<td>12%</td>
</tr>
</tbody>
</table>
Statistics show that three-quarters of organizations with a social media community are using it for social connectivity purposes — as a place for people to connect with others who are interested in their product/brand. Nevertheless, social media communities still report “community engagement,” to be their biggest challenge.

### Tip 5 Social Media Community Challenges

- **Community Engagement**: 37%
- **Growing the Community/Increasing Membership**: 13%
- **Having Good Management/Analytical Tools**: 9%
- **SEO**: 7%
- **Securing Internal Buy-In For Community**: 7%
V. KEY FINDINGS

The purpose of this research was to provide the answers to key questions about the impact of online communities, in which we sought to address four primary questions:

1. What business challenges are organizations without a community facing?
2. Does having an online community help to address these issues?
3. If so, to what extent does an online community help address these issues?
4. Is a branded community able to address these issues better than a social media community?

In addition to providing us with the answers to the above noted questions, the research also revealed a number of other key findings.

In sum, our research revealed five key findings:

1. Engagement is the biggest challenge that organizations face, regardless of whether they have an online community or not
2. Online communities are able to address key business challenges
3. Branded communities outperform social media communities
4. Having a dedicated community manager for branded communities improves performance
5. Organizations with support communities are likely to also have a knowledge base

Each of these findings will be discussed in this section.
1. Engagement is the Biggest Organizational Challenge

Our research reveals that customer engagement is not only the biggest challenge that organizations without a community face, but it is also the biggest challenge that all organizations face, regardless of whether they have an online community or not.

While our study shows that online communities are able to help tackle this issue, it still remains the most prevalent issue across the board.

Customer engagement is our biggest challenge

32% of Branded Communities with community managers

37% of Social Media Communities

57% of Organizations with No Community

For those with an online community, there are a number of different reasons why engagement remains a primary issue. For example, one respondent with a social media community noted that they were unsure how to go about encouraging members to engage with each other.

“Getting people to post and interact enough is my biggest challenge; there is low interaction/engagement overall. I am unsure about the right questions to ask and the right things to post to encourage interaction whilst being genuine.”

Those who have a branded community experienced similar issues. One respondent noted that engagement is still an issue in their community due to the sheer amount of effort it takes to roll out such a project.
“Our biggest challenge is having enough time to implement the growth and engagement tactics we have on our roadmap.”

Others struggle with getting members to engage, share content, interact with each other and stay engaged after making an initial post.

“Getting users to engage with each other more and contribute meaningful and inspirational content to help others is our biggest community challenge.”

2. Communities Address Business Challenges

Our research revealed that while some business challenges remain consistent across all categories, they become less dominant when using a social media community, and even less so when using a branded community.

In fact, online communities are able to address each of the top five business challenges reported by those without community. In Section V.I., the top five challenges were listed as:

1. Increasing customer engagement (57%)
2. Improving customer experience (55%)
3. Having your brand known/ getting your name out there (46%)
4. Getting meaningful feedback to improve product or service issues (41%)
5. Driving and maintaining brand loyalty (38%)

Community Helps Increase Customer Engagement

As discussed, customer engagement is the biggest challenge reported by respondents in all categories. While organizations who have shifted to community still struggle with customer engagement, it is less prevalent than those without a community. For
the most part, it seems that the same challenges exist across all categories; however, they are scaled and minimized as organizations move to a social media community, and then further minimized as organizations move towards a branded community.

This trend can be seen in Figure 3, where the percentage of respondents who find engagement to be challenging are greatly reduced based on the category of the respondent.

**Figure 3  Customer engagement Can Become less Challenging**

Ultimately, this shows that having a branded community can help organizations improve engagement by up to 25%.

This trend is further supported by statistics drawn from the survey results. In fact, 89% of respondents with a branded community said that their community has helped with brand and customer engagement. This is compared to only 68% of respondents with a social media community.

Essentially, the research indicates that while engagement is a top issue for most organizations, having an online community, specifically a branded community, can help to alleviate this issue for roughly 20% of organizations.
Community Helps Improve Customer Experience

Improving customer experience is a challenge that over half of organizations with no community face; roughly 55% of respondents with no community report having this issue.

Statistics reveal that having an online community can help address this challenge. Both social media and branded communities report that their community has helped improve customer experience, with branded community respondents reporting slightly better.

![75% of respondents with social media communities agreed or strongly agreed that the community has helped improve customer experience]![88% of respondents with branded communities agreed or strongly agreed that the community has helped improve customer experience]

The definition of “customer experience” can undoubtedly vary; however, organizations that are able to provide good customer experience will likely see a positive impact on the following results:21

- Increase customer retention
- Attracting new customers/ leads
- Increase sales

---

When it comes to these factors, only organizations with branded communities were able to report results that a majority of respondents agreed to.

Common Outcomes of Good CX

Ultimately, a majority of respondents with a social media community were not able to agree with the statements that illustrate the effects of good CX.

Community Helps Making The Brand Known

This issue has to do with search engine optimization (SEO), and 46% of respondents with no community report that this is one of their biggest challenges. Indeed, increasing brand visibility is a problem for a number of organizations. In fact, most searchers on Google (75%) will not leave the first page, which means that with millions of others competing for a spot, it can be difficult to be visible.22

It’s a known fact that branded communities help with visibility, as most of them work to optimize key on-page and off-page SEO factors.23 The results from our research, however, were not as strong as we had expected. Our research shows that:

- **57%** of those with a branded community said that the community has led to an increase in brand SEO.
- **72%** of those with a branded community said that the community has led to an increase in website traffic.

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23 Vanilla Forums, The Big Book of SEO (Vanilla Forums, 2019)
While these figures are higher than the ones produced from social media communities, they are still somewhat unexpected. Nevertheless, they do show that having a branded community has helped more than 50% of organizations with visibility.

**Community Helps to Get Feedback for Product/Service Issues**

The community is a place where meaningful feedback can be collected by its members to help improve product/services, and even direct and shape future developments. Our research shows that both types of communities are overwhelmingly effective at collecting meaningful feedback; however, it seems that social media communities might be slightly more effective.

Statistically, 61% of branded communities and 43% of social media communities are useful for product development/product feedback. When taking a closer look at what this entails, communities report the following:

- **90%** say that suggestions from the community have been used to improve product or service issues.
- **77%** say that the community has helped to identify issues with the product or service.
- **78%** say that the community has been used to help the development of new/future products and services.

The evidence shows that online communities can overwhelmingly help organizations to collect feedback and use it to improve current products/services or direct the development of new ones.
One key thing to note, however, was that 75% of social media communities reported that they use their community to conduct market research/product research compared to only 65% of branded communities.

**Community Helps to Drive and Maintain Brand Loyalty**

The last major challenge that organizations without an online community face is driving and maintaining brand loyalty, with 38% of respondents reporting this to be an issue.

While 50% of social media communities said members are more loyal to the brand due to their community, the other half simply had no opinion on the matter.

When it came to branded communities, the results were more positive — 66% of branded communities agree that members are more loyal to the brand because of the impact that their community has.

**Figure 4: Impact of Community On Brand Loyalty**

<table>
<thead>
<tr>
<th>% Who Agree/Strangly Agree</th>
<th>Branded</th>
<th>Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>% The community has had a positive impact on those interested in your brand</td>
<td>84%</td>
<td>83%</td>
</tr>
<tr>
<td>% The community has a positive impact on customer satisfaction scores (CSAT, NPS)</td>
<td>56%</td>
<td>45%</td>
</tr>
<tr>
<td>% People are more loyal to our brand because of our community</td>
<td>60%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Ultimately, people become loyal to a brand because of the social connectivity involved; essentially, community helps to invoke a number of positive emotions, including:

• Feelings of belonging: The person feels as though they are part of something larger and that they belong, are accepted and are not alone.

• Feelings of importance: The person feels as though they can contribute as a member of the social circle and have a voice. They feel as though they matter.

• Feelings of security: The person feels safe being connected to other like-minded individuals and doesn't have to worry about being judged.

• Feelings of happiness: Last but not least is the feeling of happiness that comes with social connectivity due to all the other positive emotions, noted above.

Given that a majority of organizations focus on social connectivity as a key purpose for their online community (61% for branded community, and 75% for social media communities), it is clear given the statistics shown in Figure 4 that their efforts have been largely effective.

3. Branded Communities Outperform Social Media Communities

One thing that was apparent when analyzing the key results from our study was that branded communities garnered more positive results than social media communities.

Figure 5 below illustrates the responses given by both branded communities and social media communities with regards to the top five organizational challenges discussed in Section IV.

The results from the branded community greatly surpass those from the social media community in all aspects except “suggestions from the community have been used to improve product or service issues.” While the number who “strongly agreed” was higher for those with branded communities, the number who simply “agreed” was higher for social media communities; this resulted in a higher weighted average in favor of social media communities for this particular question.
Figure 5: Branded Communities Outperform Social Media Communities

Additionally, social media communities overwhelmingly expressed that their primary community purpose category was social connectivity/to have a place for members to connect with others who are interested in the product/brand.
Despite the focus on social connectivity, social media communities averaged less than branded communities when asked for specifics, as seen in Table 1.

Ultimately, the data shows that branded communities outperformed social media communities on almost all community purpose categories across the board. Note, however, that the category “healthcare support/support group” was not considered since a very small minority of respondents reported that their community served this purpose; the data was therefore too limiting to come to an adequate conclusion and was subsequently removed from the chart.

Table 1: Community Purpose Categories - Branded vs. Social Media

<table>
<thead>
<tr>
<th>Community Purpose Categories</th>
<th>Category Weighted Average (Branded)</th>
<th>Category Weighted Average (Social Media)</th>
<th>Branded - Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product/Service</td>
<td>4.07</td>
<td>3.57</td>
<td>0.5</td>
</tr>
<tr>
<td>Product Development/Feedback</td>
<td>4.01</td>
<td>4.10</td>
<td>-0.47</td>
</tr>
<tr>
<td>Raise Awareness of Social Issue/Prompt Action</td>
<td>3.84</td>
<td>3.86</td>
<td>-0.02</td>
</tr>
<tr>
<td>Increase Brand/Organizational Advocacy</td>
<td>3.94</td>
<td>3.56</td>
<td>0.35</td>
</tr>
<tr>
<td>Social Connectivity</td>
<td>4.04</td>
<td>3.78</td>
<td>0.26</td>
</tr>
<tr>
<td>Partner/Network</td>
<td>4.03</td>
<td>3.61</td>
<td>0.42</td>
</tr>
</tbody>
</table>
5. Dedicated Community Manager Improves Performance

Of the 65% of respondents who said they had a branded community, approximately 25% of them did not have a dedicated community manager. Statistically, these communities reported a lower amount of success for their community purpose categories than the ones who had a dedicated community manager.

*Figure 6* below illustrates the community purpose category weighted averages for:

1. Branded communities with a dedicated community manager *(blue)*
2. Social media communities *(pink)*
3. Branded communities without a dedicated community manager *(charcoal)*

*Figure 6: Community Purpose Category Weighted Average*

From this data, we can conclude that branded communities without a dedicated community manager report the lowest levels of success. In most cases, these communities report less success than social media communities.
Ultimately, when taking all community purpose categories into consideration, having a dedicated community manager for an online community can help improve performance by close to 12%.

These results show that if organizations are going to have a branded community, it is important to invest in a dedicated community manager to ensure that the purpose of the community is on track, monitored and managed.

Support Communities Are Likely To Have A Knowledge Base

The data reveals that online communities who work to provide product/service support to their customers are likely to have a knowledge base as part of their strategy to deliver excellent support.

Statistically, 82% of organizations with branded communities that serve support functions also have another form of customer self-service support. 77% of these organizations report having a knowledge base.

<table>
<thead>
<tr>
<th>Support-Based Branded Communities Who Have A Knowledge Base</th>
<th>Support-Based Social Media Communities Who Have A knowledge Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>77%</td>
<td>56%</td>
</tr>
</tbody>
</table>
Interestingly, a whopping 91% of organizations who have a support-based branded community as well as a knowledge base also have a dedicated community manager.

While organizations with support-based branded communities are more likely to have a knowledge base than organizations with support-based social media communities, statistics show that knowledge bases in these organizations are still common. In fact, just over half (56%) will have a knowledge base.

This tells us that when organizations look to procure a community for support purposes, a knowledge base is more often than not part of their support strategy.
VI. CONCLUSIONS

In sum, this report was able to find meaningful conclusions to our initial four research questions, and reveal several key findings.

Research Goals: Responses To Key Questions

As discussed in Section II.I., the purpose of this research was to explore four key questions:

1. What business challenges are organizations without a community facing?
2. Does having an online community help to address these issues?
3. If so, to what extent does an online community help address these issues?
4. Is a branded community able to address these issues better than a social media community?

1. What business challenges are organizations without a community facing?
This was the first key question that we aimed to uncover through our research. The key business challenges that organizations without an online community are facing are:

- Increasing customer engagement (57%)
- Improving customer experience (55%)
- Having your brand known/ getting your name out there (46%)
- Getting meaningful feedback to improve product or service issues (41%)
- Driving and maintaining brand loyalty (38%)

2. Does having an online community help to address these issues, and if so, to what extent does an online community help address these issues?
These are the next two questions that we sought to address. Simply put, yes, having an online community helps to address these issues. Our research also made it clear just how much of an impact that online communities can have on lessening these challenges:

- An online community can help organizations improve engagement by up to 21%.
- 82% said that their online community has helped to improve their customer experience.
- 57% of those with a branded community said that the community has led to an increase in brand SEO.
- 72% of those with a branded community said that the community has led to an increase in website traffic.
- 53% of online communities are used to collect feedback to improve existing product/services or help shape the development of new ones.
- 58% said that their customers are more loyal to the brand because of their online community.

4. Are branded communities able to address these issues better than social media communities?

This was the fourth and final key question that we sought to answer through this research. The evidence overwhelming points to “yes,” branded communities are more effective at addressing business challenges than social media communities.

- Branded communities are 13% more likely to have an impact on customer experience than social media communities.
- Branded communities are 21% more likely to see an increase in brand SEO than social media communities, as only 36% of respondents with a social media community reported seeing an increase in brand SEO.
- Branded communities are 16% more likely to successfully foster brand loyalty than social media communities.
- Branded communities reported higher levels of success overall than social media communities, based on our analysis of community purpose category averages.
Recommendations

As any research report, we conclude with a list of recommendations based on the evidence and findings.

1. Organizations with a branded community should make sure to invest in a dedicated community manager, as our research reveals that this can improve community performance and results by almost 12%.

2. Organizations should invest in an online community if they don’t already have one, as even having a community on a social media platform can improve customer engagement by 20%.

3. Social media communities who are considering shifting to branded communities should take the plunge — our research reveals that branded communities are more effective than social media communities.

4. Branded communities who are still struggling with engagement should consider implementing strategic community gamification — research shows that this has a positive effect on community engagement.¹

VII. REFERENCES

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