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4 COMMON CUSTOMER CHALLENGES

AND HOW CUSTOMER SUPPORT COMMUNITIES CAN SOLVE THEM

Stay ahead of customer service issues while containing service and support costs with an online community platform.

Customer service and support is more important than ever to a company's ability to compete. According to one study, **52%** of customers say a good customer service experience led them to purchase more from a company — and **55%** said they switched to a different company after having a bad experience.[1]

In addition, online and social channels clearly have a major impact on today's customer service expectations. In the same study, **88%** of buyers say they were influenced by online customer service reviews when making buying decisions.

These trends pose major challenges to modern businesses. Specifically, they force companies to confront four major customer service challenges:

- Addressing product- and service-related issues in positive and constructive ways.

- Getting a better understanding of customer buying activity and preferences.

- Leveraging the power of brand advocates.

- Controlling customer service and support costs without sacrificing quality.

Most companies now use and monitor social media as part of their customer service

> A growing number of leading companies are discovering that branded online communities — built specifically to assist, engage and empower customers — give them the ability to address all of these challenges successfully.

strategies. When it comes to addressing these key challenges, however, social media often comes up short, with platform restrictions limiting the ability to engage customers, build lasting relationships with them, and turn those relationships into sources of business value.

What's the alternative? A growing number of leading companies are discovering that branded online communities — built specifically to assist, engage and empower customers — give them the ability to address all of these challenges successfully.

This E-book will explain why branded online communities are so good at solving these four customer service challenges. It will also discuss some of the key capabilities that define today's best-in-class online community solutions, and it will offer a set of best practices for maximizing the value of your firm's own online community investments.
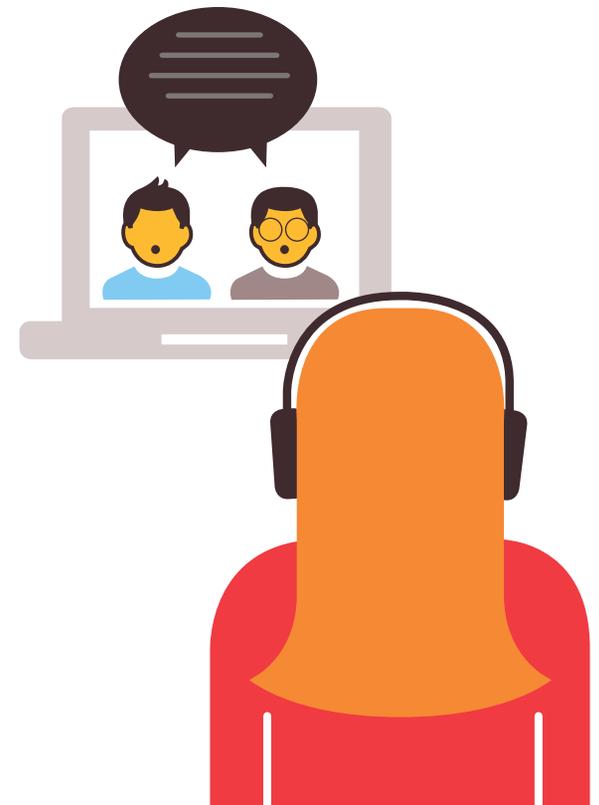
Using Online Branded Communities to Solve Customer Challenges

CHALLENGE #1

Addressing product- and service-related customer issues in positive and constructive ways.

Customers are raising the bar on service and support: According to one Accenture survey, 52% expect better service than they received five years earlier, and 33% say they have higher expectations than they did just the year before.[2]

Satisfying these rising expectations demands the ability to address customer complaints quickly and effectively. After all, it's inevitable that some customers will encounter difficulties — whether these involve problems using a product or service, perceived quality or reliability issues, or simply dissatisfaction with some aspect of a product's feature set or capabilities.

Branded online communities offer a powerful tool for uncovering these issues, and then turning them from sources of frustration into sources of strength. Consider, for example, a customer complaint that a purchased product isn't working properly. An online customer support community gives your brand the ability to:

- Offer the right knowledge and resources to surface the customer complaint and to identify possible solutions to the problem quickly.

- Allow your brand to demonstrate, in a public forum, that you are committed to helping the customer fix the problem.

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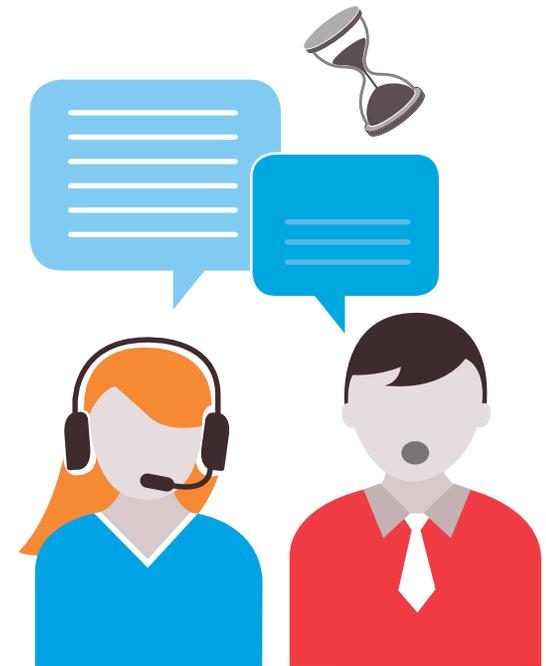
• Build a stronger community around your brand by illustrating your focus on providing outstanding customer service.

Using a customer support community in this manner can be a daunting experience for some companies; after all, you're tying your brand identity to a public forum where customers can (and will) bring their complaints. Yet by making effective use of such a community, your brand can constantly demonstrate and reinforce your ability to deliver quality service and to stand behind your products and services.

Finally, in a world where far too many firms still take an adversarial approach to resolving customer complaints, using an online community in this way can give your brand a strong, and humanizing, competitive differentiator.

What Is a Customer Support Community?

Online communities are now a familiar part of our daily lives; most of us participate in social media, discussion forums, or other virtual gathering places for people with shared interests. Branded customer support communities employ similar capabilities, but they have the goal of giving your customers a place to seek help and advice about your products and services, to meet and network with other customers or users, and to engage with your own service, support, marketing and other team members.

Some communities focus mostly on technical support resources or forums; others have evolved into "watering holes" for large and devoted user groups.
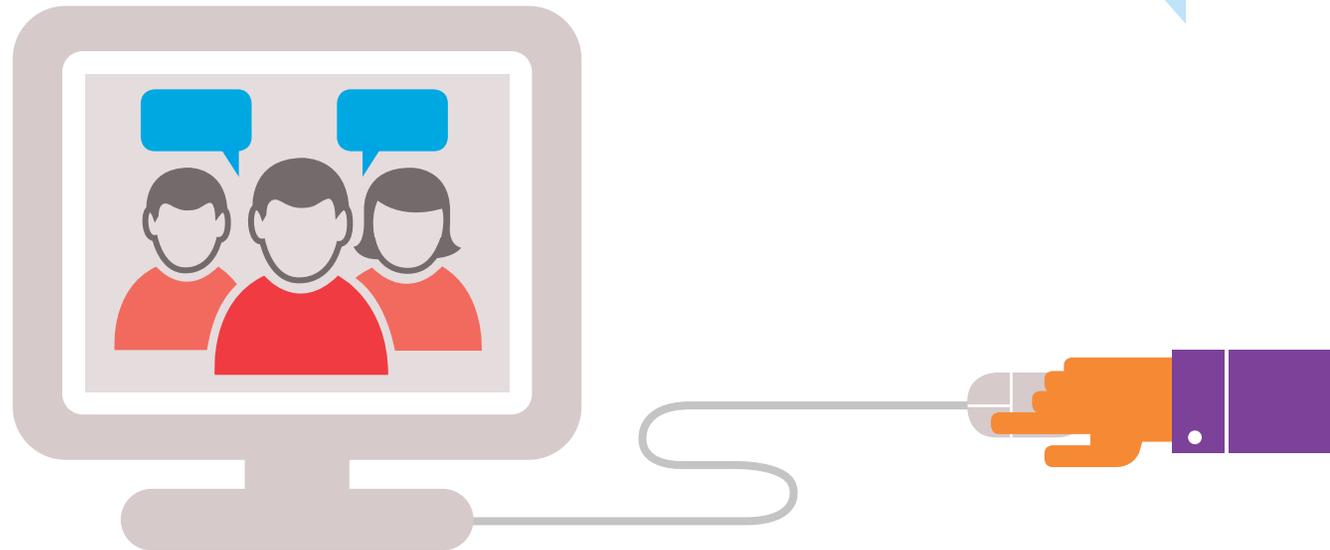
Getting a Better Understanding of Your Customers

Customer service and support shouldn't begin and end with complaint resolution; it should also play a major role in driving your product development and marketing activities. Every insight a company can get into buyers' interests, buying needs and preferences is a data point that contributes to a deeper and more nuanced understanding of your customers.

Social networks can provide some of these data points, but it can be difficult to extract truly useful insights. A discussion of your products on Twitter, for example, is tied to a 140-character limit. This format lacks the depth or flexibility required to truly engage with your customers, discuss their needs, and start a meaningful conversation about how to fill those needs. And with any social network, including Facebook and Twitter, companies are likely to encounter issues

with data control and ownership – a crucial issue for analyzing and understanding your customer base.

Customer support communities, by comparison, excel at building this sort of genuine rapport and engagement with customers. Your brand gets the ability to participate in discussions in which customers provide honest feedback about your existing products and services, and offer suggestions about what they would like to see in new or improved products. Above all, your brand is able to have deeper and more meaningful conversations with customers compared to what is possible on social networks.

The key here, as with using branded communities to provide service and support, is to cultivate a community that

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FEEDBACK

deals honestly and openly with your customers. Honest feedback can often be blunt, and it's not always positive. By encouraging this sort of dialogue, however, you once again get an opportunity to build deeper relationships with your customers and to strengthen your community — a self-reinforcing process that can deliver big dividends.

Customer Communities: The Revenue Connection

As we discuss in this E-book, many companies rely heavily on social media to create de facto customer communities. While it's important to engage with customers via social networks, a recent University of Michigan study illustrates the importance of building dedicated, branded online communities in creating a more powerful customer service strategy.

According to the study, authored by Professor Puneet Manchanda, customers who join a branded community deliver 19% more incremental revenue — a phenomenon that Manchanda calls "social dollars." The study also found that this revenue effect persists over time, lasting long after the novelty of joining the community has worn off.[3]
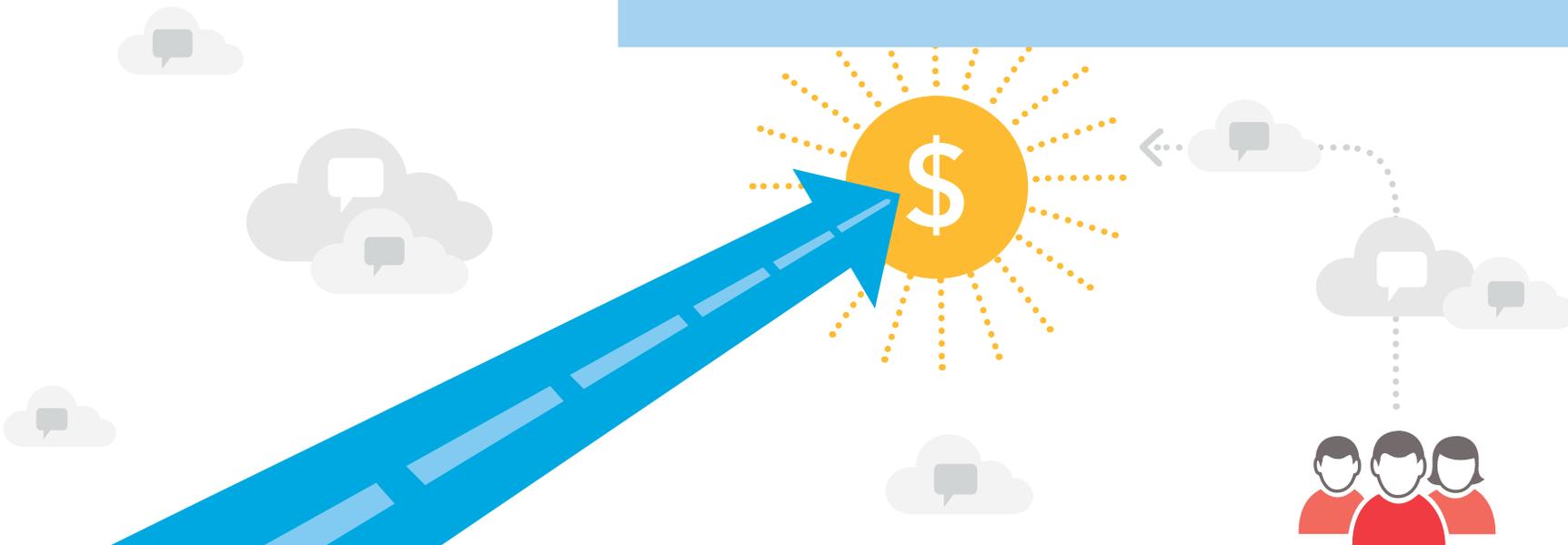
Leveraging the True Power of Your Brand Advocates

Companies recognize the power of an enthusiastic customer, especially in today's highly amplified social media landscape. The most enthusiastic and vocal of these customers — your brand champions — can have a tremendous impact:

• They are 50% more likely than other customers to influence a purchase.[4]

• They are 75% more likely to share a great experience about a product.

• They share more than twice as much content (such as blog posts and social media posts) about the brands they champion.

These customers are ready and willing to serve as your most committed and enthusiastic supporters. The challenge is identifying them, empowering them, recognizing and appreciating their passion, and giving them a platform for sharing their message with others.

Branded online communities are exceptionally powerful tools for accomplishing these goals. Many communities, for example, employ gaming mechanics to encourage and reward their brand advocates as "power users" — sparking conversations, helping other customers get answers to their product-related questions, assisting with support requests, making product or service recommendations, and performing other tasks.

Better yet, true brand advocates can — and should — fill these roles because they **want to be a part of the community, not because they are compensated to promote your brand.** Brand advocates can also be motivated by the desire to play a visible role in a community and to earn the appreciation of and recognition from their peers. By giving these brand advocates a platform to share their experiences and to help other customers, you're enabling them to do what they really want to do: make your brand even more successful.

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Stepping Up Your Customer Service Game—Without Driving Up Costs

Today's online, social buying experiences make customer service critical — missteps can alienate current and potential customers, and word spreads fast. In fact, it is estimated that poor customer experiences cost U.S. firms $83 billion a year due to defections and abandoned purchases.[5]

In spite of these high stakes, businesses are still under intense pressure to control the cost and complexity of their service and support investments. Live customer support options, for example, can be difficult to scale with a growing business; simply adding more representatives to answer phone calls and email is rarely an economically sustainable approach.

Branded online communities give growing firms a cost-effective way to extend the reach and impact of their customer-service capabilities. Online communities accomplish this task in several ways:

- They make organized service and support knowledge readily available for customers to search and browse, giving those who prefer self-service support options the ability to get what they need — exactly when and where they need it.

- They enable peer-to-peer support interactions to allow users to help one another with service and support issues, or with product questions.

- They give customers a wider range of options for engaging with your internal service and support team — for example, live chat, and moderated questions and answers.

- They allow you to focus live support resources on critical customer issues — a capability that can have a major impact on customers who might otherwise be lost due to less-than-ideal customer service experiences.

Branded online communities give growing firms a cost-effective way to extend their customer-service capabilities.

• They provide advanced analytics capabilities to spot patterns (such as frequently asked questions or common support issues) that promote the effective use of customer service resources.

A customer support community isn't a silver bullet for delivering "free" customer service — and companies that try to take this approach do so at their peril. As part of a well-rounded customer service strategy, however, a community allows your brand to step up its customer service game without driving up costs. Once again, that can be a powerful competitive differentiator in a market where so many firms are dropping the ball on service and support.

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Today's Branded Customer Communities: Cheaper, Better, Faster

Cloud-based software as a service has changed the game for creating cost-effective online communities.

What makes today's branded online communities so adept at addressing all of these challenges? Several key trends play a role in this story:

Powerful content capabilities. Today's best-in-class communities aren't just a place to open support tickets. They offer a wealth of content options, such as ideation and discussion forums for support requests, along with easy-to-use authoring tools. They also support gamification options, peer-to-peer support, product and service feedback, and other capabilities.

The ability to leverage software as a service. Cloud-based software as a service has changed the game for creating cost-effective online communities. In fact, it has never been easier, or less expensive, to launch a best-in-class community solution that lets you focus on building the community — not the underlying IT infrastructure.

Advances in community management. What was once a hit-or-miss art form is now an established discipline with a set of recognized best practices. Businesses have a wealth of expertise to draw upon today when they design, build and maintain their own communities.

Integration capabilities. Today's best-in-class communities are no longer stand-alone silos, isolated from a company's other branded assets. Instead, they integrate with a company website, CRM, marketing automation tool and other key resources.

Analytics. Robust metrics and analytics are essential to realizing the full value of branded communities and delivering outstanding customer service. The top-performing communities offer analytical capabilities that deliver these and other benefits.

In other words, the best online community platforms now deliver more functionality than ever before — and they do it at a lower cost than earlier solutions. Combined with the right implementation and management processes, online communities are perfectly positioned to revolutionize how companies deliver superior customer service and support.

CONCLUSION

# Planning Your Company's Community-Based Customer Service Strategy

Customer service and support is a high-stakes game: Mistakes are expensive, expectations are rising, and businesses need to take advantage of every opportunity to adapt and improve. As we've discussed here, branded online communities are an important part of winning this game; they help companies solve important customer challenges, and they do this while also supporting an efficient and cost-effective customer service strategy.

The process of selecting and implementing a branded online community takes time, effort and careful attention to your business and technology needs. If this process is handled with thought and care, however, the community you build will pay rich dividends for many years to come.

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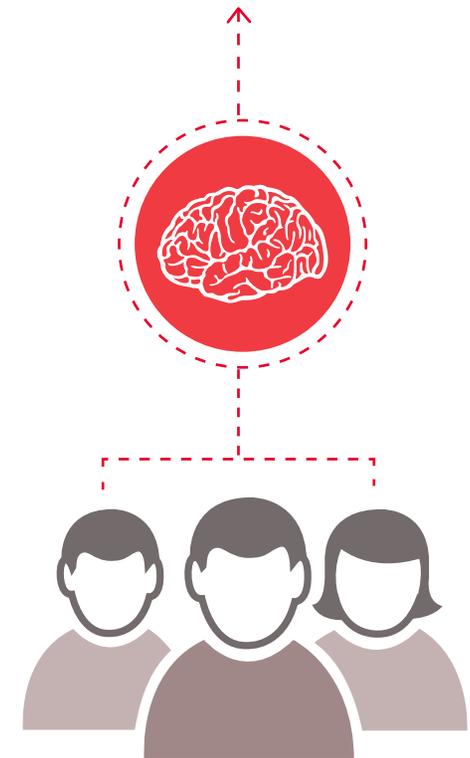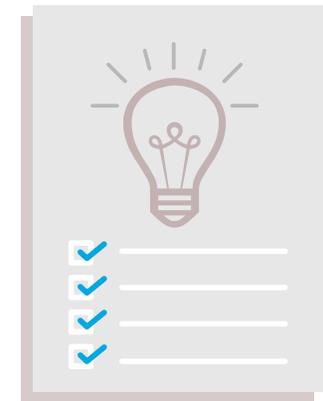
5 Best Practices for Delivering Online Customer Support Communities

For organizations preparing to launch a customer support community, it's important to identify and understand the best ways to keep a community active and engaged. Some key best practices for doing this include:

- **Put the needs of the community first.** Your customers will set the agenda for what they want to discuss, and it's vital to acknowledge and support this organic development.

- **Take an active role in managing your community.** Allowing customers to take the lead does not mean taking a hands-off approach to management – just the opposite.

- **Measure and track your success.** Agree on metrics that give insights into the health and vibrancy of your community, and use them to create a growth and management plan.

- **Give your community time to grow.** The feeling that thriving communities somehow spring up overnight is understandable, but the truth is that success always takes time and patience.

- **Technology is important, but it's not the only thing that matters.** Even the most powerful set of community tools and features won't ensure success without the right community building and community management practices.

About DNN

DNN provides a suite of solutions for creating rich, rewarding online experiences for customers, partners and employees. DNN products and technology are the foundation for 750,000+ websites worldwide. In addition to our commercial CMS and social community solutions, DNN is the steward of the DNN Platform Open Source Project.

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