

Organizations are not yet tapping social media's full potential

Highlights from the 2009 Tribalization of Business Study

Deloitte LLP's Technology, Media & Telecommunications practice, Beeline Labs, and the Society for New Communications Research have recently released results of the *2009 Tribalization of Business Study*, which evaluates the perceived potential of online communities and identifies how enterprises believe they may better leverage them. Survey results indicate that while enterprises are effectively using online tools to engage with customers, partners, and employees for brand discussion and idea generation, organizations are continuing to struggle with harnessing social media's full potential. Firms of Deloitte LLP are meeting with clients to share these insights and strategize on how they can help their businesses use these potent business tools.

Key takeaways

Market shows signs of maturation

Several data points indicate continued maturation of the enterprise's use of communities and social media. While the number of active users and their level of participation have been considered the top measures of success for an online community, this year survey respondents are paying close attention to non-active users or "lurkers" – people who observe the community, but don't participate in the discussion.

- 32 percent of respondents are capturing data on how lurkers derive value from the community
- 20 percent of respondents have set up formal "ambassador" programs, which give outsiders preferential treatment in return for being more active in the community
- 39 percent of the respondents indicated that more full-time people are being deployed to manage the communities

Rethinking community success

According to the survey, some of the biggest obstacles to creating a successful community are getting people to:

- Join (24 percent)
- Stay engaged (30 percent)
- Keep returning (21 percent)

These can be easily remedied through partnering and new management practices. However, the study indicates that very few companies are taking the steps necessary to overcome these challenges.

While 58 percent of respondents evaluated partnering with existing communities, complementary vendors or end users when developing their community, 55 percent of the companies that evaluated a partnership did not actually partner.

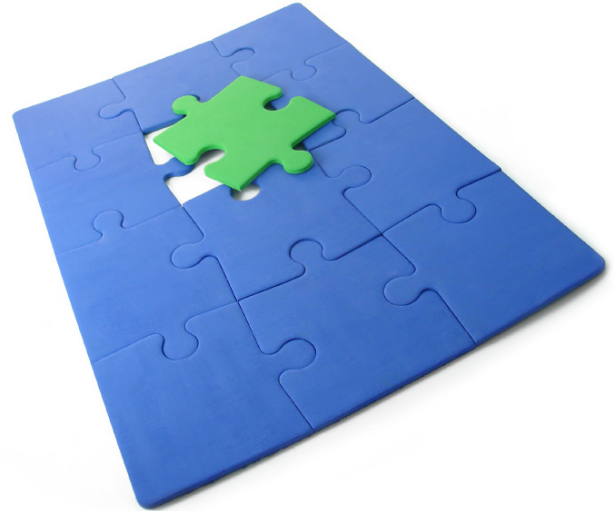
The study also revealed significant gaps between community goals (such as generating word of mouth, customer loyalty and brand awareness) and how success is being measured.

The top two analytics for measuring success are:

- Number of active users (34 percent)
- How often people post/comment (32 percent)

These results indicate that participation is still considered to be the biggest measure of success. Potentially more useful analytics, however, such as increase in search engine rank and citations/links on other sites, are less often utilized, highlighting a mismatch between the desired outcome and how that outcome is measured.





Additional findings

Of the companies surveyed, a majority agreed that the following continue to be top business objectives of online communities:

- Increase word-of-mouth (38 percent)
- Increase customer loyalty (34 percent)
- Increase brand awareness (30 percent)
- Improve idea generation (29 percent)
- Improve the quality of customer support (23 percent)

However, in the majority of companies surveyed, marketing continues to be the primary driver of online communities, resulting in a significant gap between community goals and the organizations' capability to fully leverage these communities on an enterprise wide basis.

About the study

The *2009 Tribalization of Business Survey*, conducted in conjunction with Beeline Labs and the Society for New Communications Research, evaluates the true potential of online communities and identifies how enterprises may better leverage them. The survey measured the responses of over 400 companies, including Fortune 100 organizations, which have created and maintain online communities today. Participating companies include leading computer manufacturers, software, insurance, online auction, media companies, hotel chains and start-ups. The communities ranged from fewer than 100 members to more than one million members.

There's more to learn

The *2009 Tribalization of Business Study* provides keen insights into online communities and their effectiveness. The highlights discussed here are just a small sampling of the data points and trends that were unearthed. Deloitte is currently sharing these insights with clients and helping those companies strategize on how the Study results can help their businesses.

Think tribe — not market segment

Think network — not channel

Think customer-centricity — not company-centricity

Let's discuss how we can help your community "click". Contact us to learn about additional findings and opportunities to maximize the full potential of your organization's online community.

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For additional materials on the study, please visit www.deloitte.com/us/2009tribalizationstudy