

Community Analytics Catalyzing Customer Engagement

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Introduction

For generations, an individual's community has been the cornerstone of healthy exchange of ideas, knowledge and a source of support. Astute technology companies have relied upon online technical and non-technical communities to help other users with product or service features, highlight glitches, raise red flags, sight early warnings, discuss performance issues, etc. The importance of communities as a platform for collaboration cannot be emphasized enough as businesses increasingly rely on collective participation. But could it be possible that there are ways in which communities can be made to contribute more to the success of a product, service, brand or company than we currently believe? We try to find answers for that in this paper.

Communities: A Catalyst for Business Growth

Large technology companies with multiple products and services rely on the wisdom of their developers, architects, domain experts, quality leads, testers, product and program managers in the online

community platforms they set up within the enterprise. Here, the community posts questions, exchanges information and offers advice, expertise, tips and best practices. Today's advanced online platforms allow participants to express themselves more easily and freely. Participants can "share" the posts of other colleagues, "like" them or vote them up/down based on usefulness, accuracy and relevance and also take part in the online conversations.

External communities go a step further, involving a second level of participants. These could be in the form of technology and business partners, direct customers and vendors. Together, this larger community can become the catalyst for gathering more perspectives and collaborate to rapidly solve problems. As the store of ideas, problems and solutions grow, the platform evolves into an institutional knowledge base.

In theory this looks perfect. Many enterprises are pleased by the gains. But it is essential to see precisely how these communities impact business. If there is a way to measure the impact of community conversations and collaboration, the logical upshot is: what are the interventions that can improve the business outcomes? There are two clear ways in which community activity can be measured from a business perspective (See Figure 1: Value-driven Community Analytics):

Are communities impacting revenue and business?

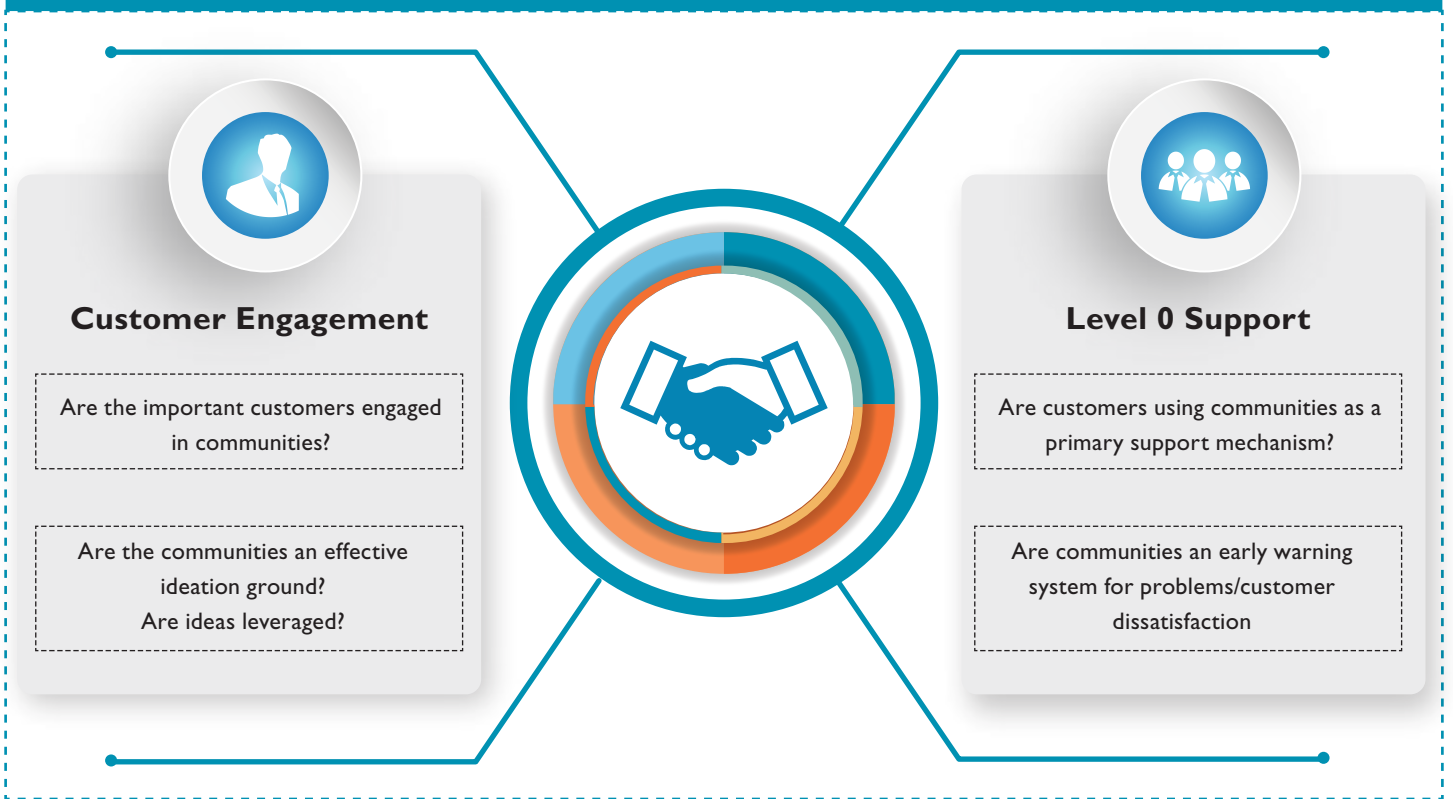


Fig 1: Value-driven community analytics

Customer Engagement:

Let's assume that a technology company has sold its product to 200 customers. Of the 200, we assume 20 are important customers from a revenue, usage and sales-promotion perspective. If these 20 customers are creating original content and their ideas are being leveraged by the other 180, one can assume the community health is good. Soon enough the engagement and interactions of the 20 customers will ensure the entire community becomes a vibrant source of ideas and advice. This could result in demand for existing products, new products and better ways to use existing products – self-help and troubleshooting. The host enterprise should pay careful attention to the conversation in such a community and use analytics to rapidly extract usable business information. But if the top 20 customers are not engaged, then it is a cause for concern because a major source of business information lies inactive. Immediate remedial steps need to be taken.

Level 0 Support:

Online communities are a wonderful source of free Level 0 tech support. Customers facing snags, glitches and complications with regard to product installation, usage, errors and performance can find answers within the online community. The community acts as a quick, reliable, helpful and sympathetic support group. When conversations around a problem grow beyond set thresholds, it signals the need for enterprise intervention. Using analytics to understand the content and behavior of customers can be an invaluable tool to re-engineer a product or service, thus reducing support costs and improving customer satisfaction.

Cost of Neglecting Community Conversations

Enterprises that do not respond promptly to customer queries and problems face several risks. When a customer problem goes unanswered, it increases the cost of support (See Figure 2: Business Impact of Unsupported Customers). The customer is forced to use a customer care center. This means footing support center costs. When the number of unanswered questions from customers continues to pile up, not only does the cost of support go up but it also reduces Net Promoter Score (NPS)¹. NPS is an indicator of how likely a company or person is to recommend an enterprise's product or service to others.

The biggest and simplest opportunity missed in the absence of a healthy community is the ability to cross-sell and up-sell: Existing customers may post questions with regard to a product they are

interested in, but they don't get a response. This often happens when an enterprise does not formally list "online community" as a potential sales channel and give it the attention it deserves.

When a large number of questions across users remain unanswered, it could spell big trouble. The cost of support goes up, NPS scores fall and there may even be potential contract renewal challenges.

The questions and problems posed to an online community offer tremendous product and service insights. They may signal opportunities to re-assess and upgrade product or service documentation and training enhancements.

In each of the above cases, analytics plays a crucial role. By deploying analytics, enterprises can discern community signals for beneficial action.

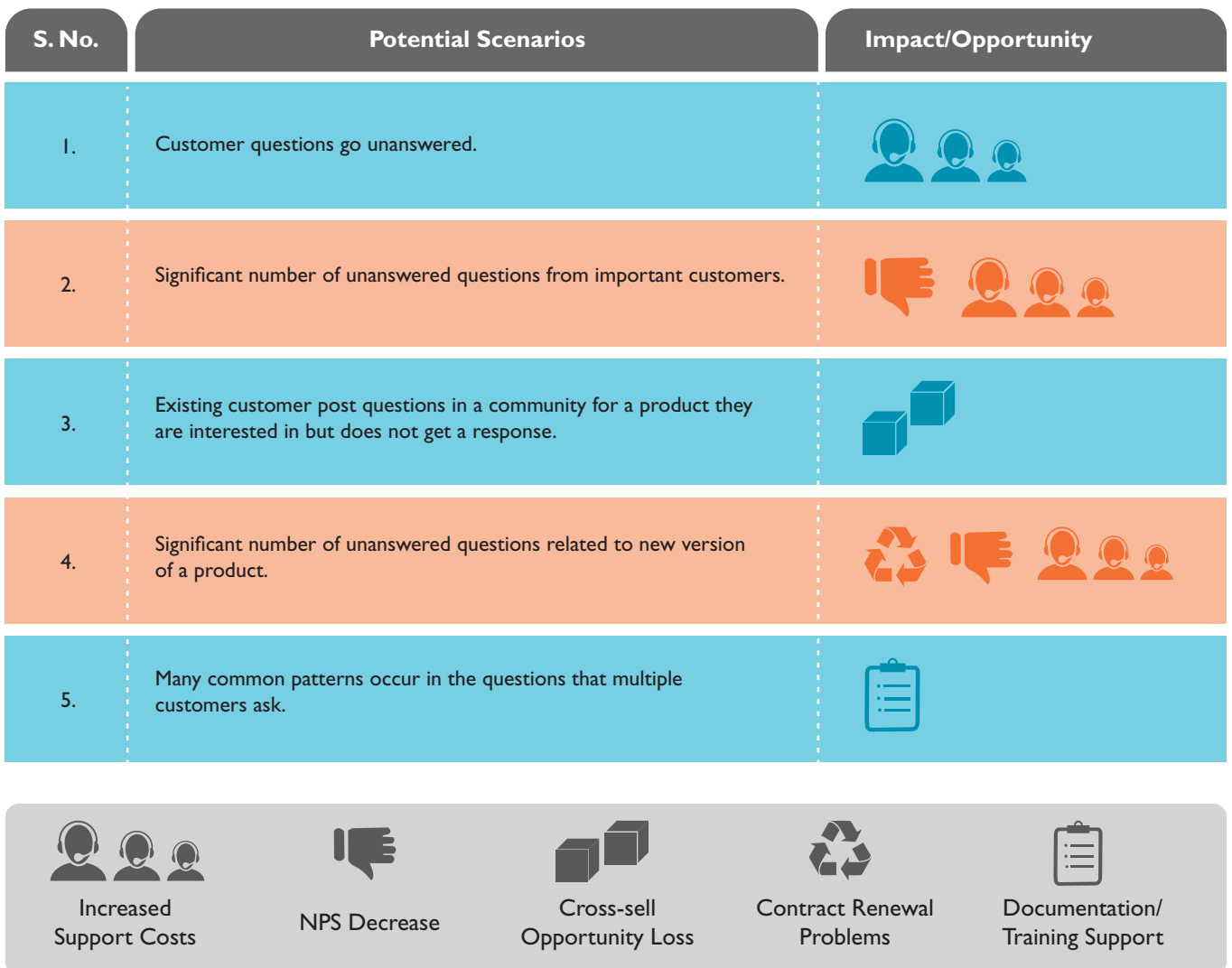


Fig 2: Business impact of Unsupported Customers

Leveraging Analytics to Improve Community ROI

If the complexion and mix of a community could be controlled, there would be little or no problem. But that isn't the case. A typical community has all kinds of users – from the passive to the extremely active. Enterprises need to invest in understanding user types. Communities can be analyzed along different parameters. Some communities could be focused around a product/service, others may be better defined by geographies, still others by the skills and company size they represent. A quantitative (number of posts, replies, shares,

likes, etc.) analysis combined with a text-based sentiment analysis (crawl communities, pick-up keywords that indicate problems) can give insights on which of the community types a group fits into.

Getting below the skin of users and their behavior can provide answers to the all important question: what can improve the maturity levels of users so that we can extract business value from them? When users are on top of the maturity curve, the healthier will be the ROI. (See Figure 3: User maturity curve).

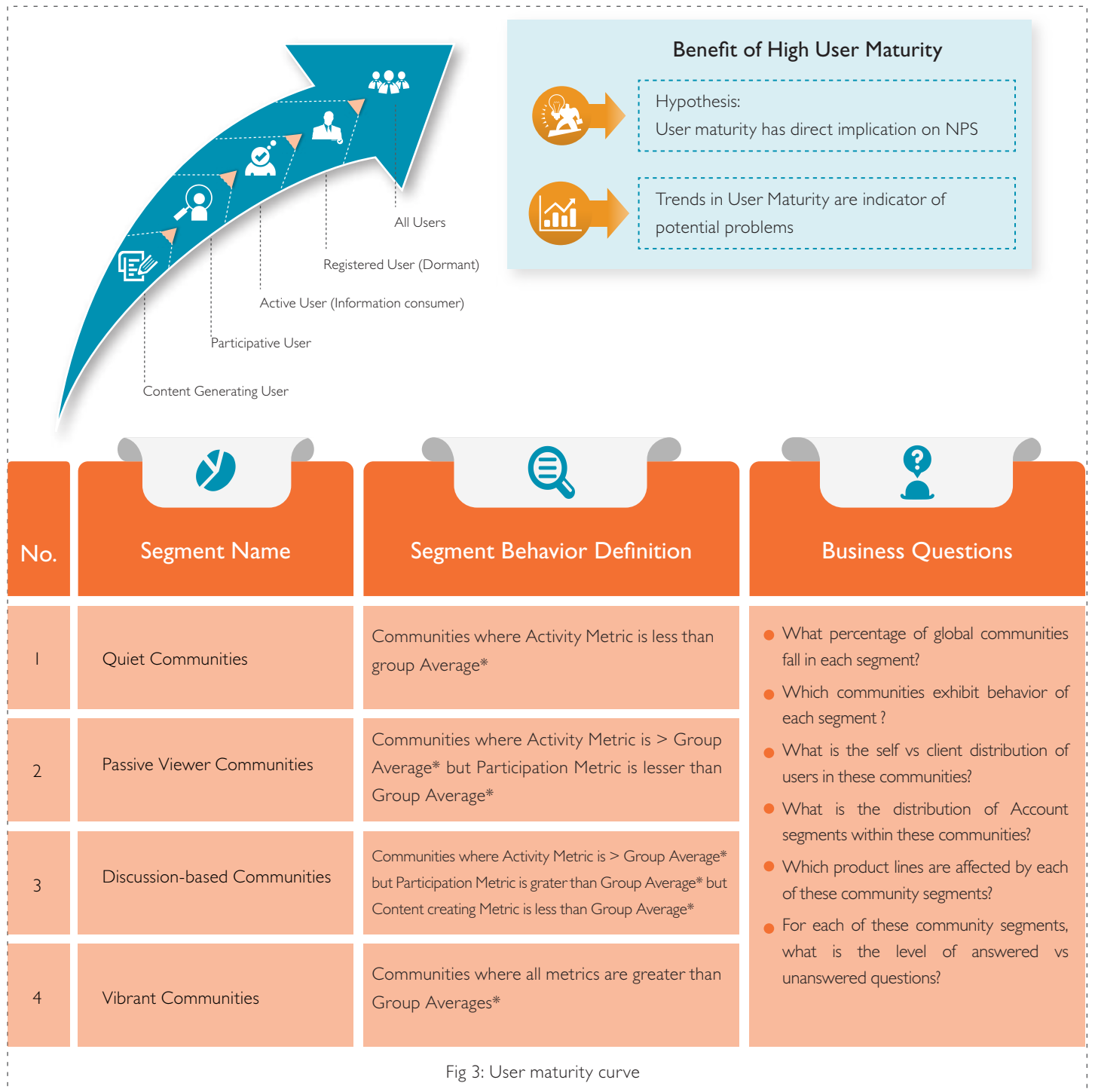


Fig 3: User maturity curve

Conclusion

Text Analytics and community tracking ensures that enterprises keep tabs on customers' voices, understand how active important customers are, what the conversation topics are, who the influencers participating in conversations are, etc. Quite often, alertness within communities for identifying potential problem areas leads to substantial benefits. Community analytics is a useful way to protect the enterprise brand because the chatter can be regulated within a set of closely bonded stakeholders as opposed to uncontrolled criticism on social media.

Community analytics can also provide trustworthy insights from enterprise's own user base that can aid product development/enhancement. Often this requires intensive research which can be made more focused, based on the insights from these communities. It can also lead to identification of newer geographies for expansion based on the popularity amongst the audience who choose to show interest on the communities. Key influencers (based on frequency and virality of posts, engagement rate) can be tracked and involved in product enhancements as well.

Monitoring communities closely, leveraging analytics in conjunction with social media is, therefore, essential for a company aiming to get a competitive edge through active and superior customer engagement.

I NPS is calculated by subtracting the percentage of customers who are Detractors from the percentage of customers who are Promoters. Hopefully, the number of Promoters is always larger than the Detractors.

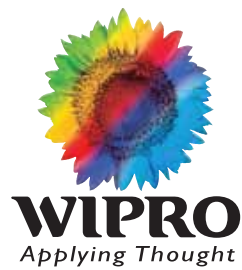
About the Author

Srinath Sridhar has over 8 years of experience as an Analytics Consultant post his MBA in Marketing. Other than leading various prestigious analytics engagements, he has been involved in pre-sales and solution definition in the analytics space. In his current role, he is a lead consultant in the Analytics Consulting group within Wipro Analytics.

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