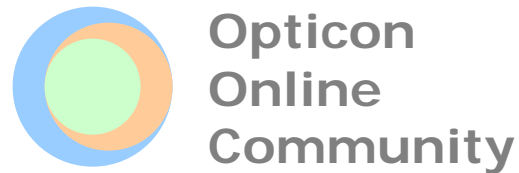




Web2.0 & Collective Intelligence

**Understanding and harnessing the power of
online social networks.**

**Guy J Carvalho
Chief Executive Officer
Brandaide Communications**



A Brandaide Communications & Monash University SEIRnet collaboration

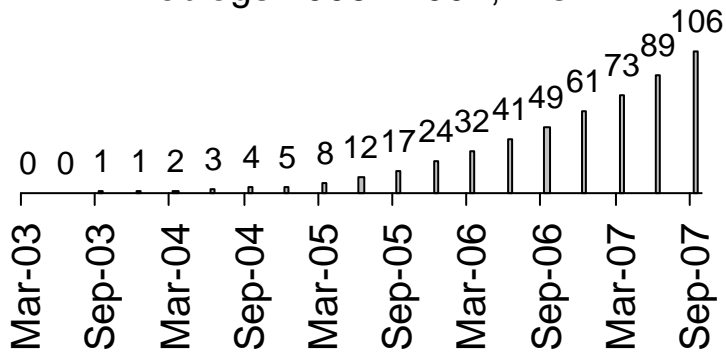
September 2008



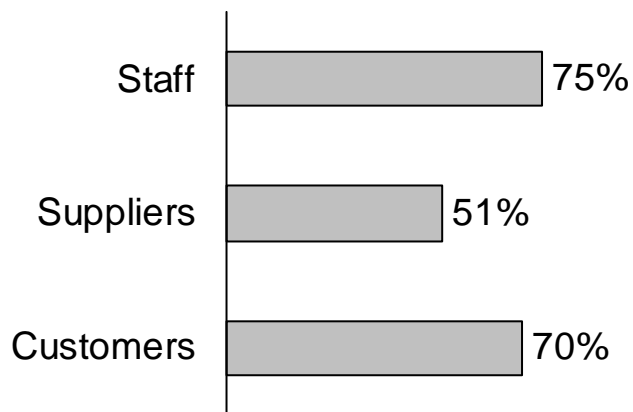
Leading corporates recognise the growth of social networking and are adopting Web 2.0 user driven services, particularly in Asia Pacific

Rapid growth in social networks

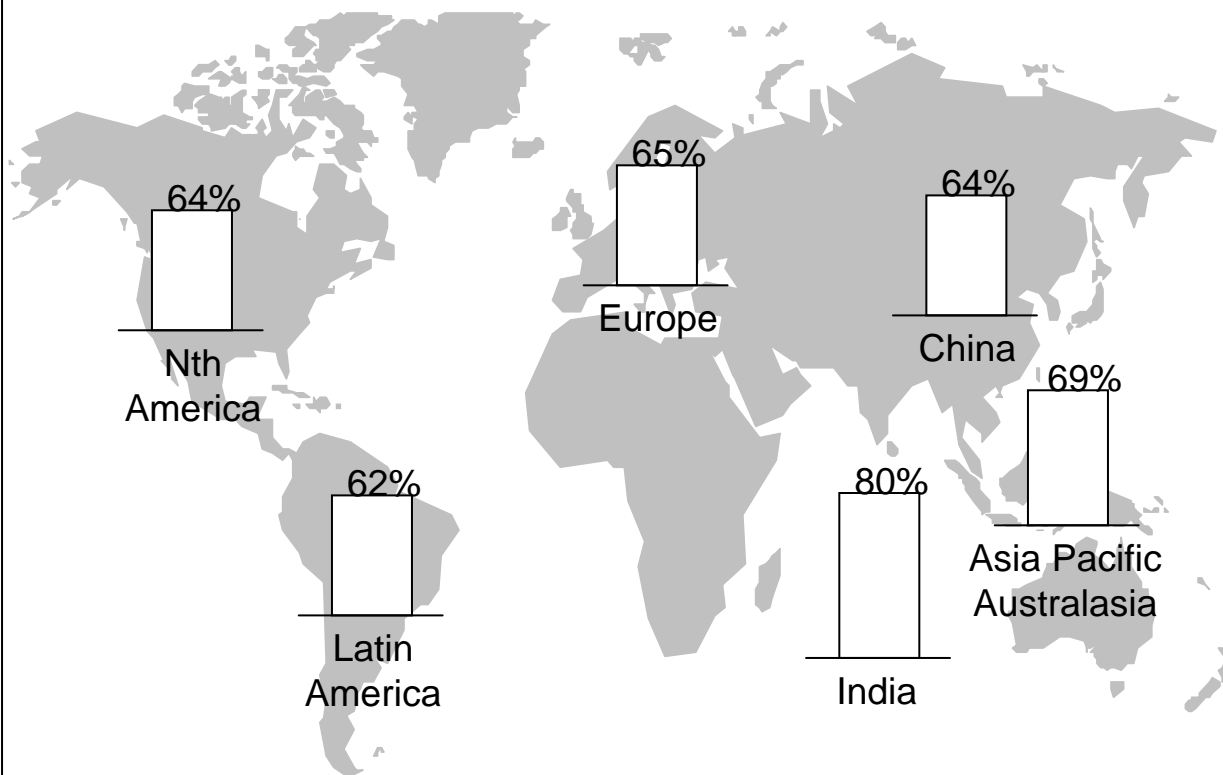
Weblogs 2003 - 2007, m's



Corporate activity in 3 areas



% of companies increasing Web 2.0 investments in the next 3 years



By end 2011, 80% of active internet users and Fortune 500 companies will have a 'second life', but not necessarily in 'Second Life.'

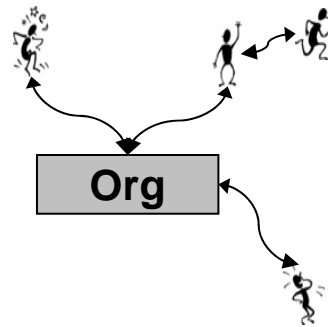
...Gartner Research, 2007



Corporations and consumers are turning to online communities as a contemporary engagement model which differs from 'contact us' or email

Traditional engagement model

Web1.0
One to one dialogue
No/simple profile of contributor
Little or no moderation
Information push
Transaction capability
No data connection to organization

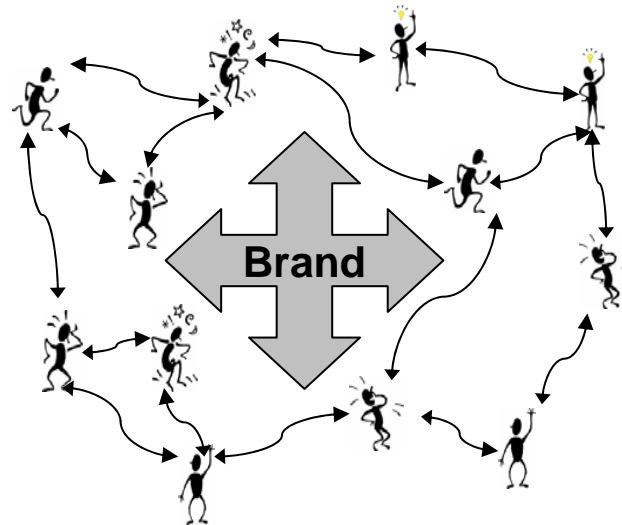
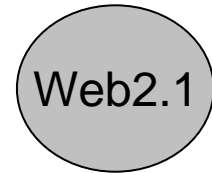




Corporations are slowly adopting Web2.0 engagement models to gather together crowds and talk to them around their brand

Contemporary engagement model

WEB2.0
Many to many dialogue
Profile of contributor
Moderation to build trusted environment
Corporate talks to customers
Rich media experience
Multiple access options
Minimal data connection to organization





Branded Web2.0 environments face the challenge of engaging stakeholders and generating actionable insights from the large amounts of data captured

Global Summary

- 22 of the 100 most popular websites in the world are blogs.
- 120,000 new blogs are created every day .
- There are over 1.4 million new blog posts every day
- 51% of blog readers shop online.
- Blog readers globally average 23 hours online each week (higher than general internet users)
- 37% of blog readers began reading blogs in 2005 or 2006 .
- Australian internet users spend 12.5 hours per week online for media and leisure purposes - just behind TV at 13.8 hours, but ahead of radio.

Challenges to extracting insight and value from data

What is the bloggers profile ?

What are their needs ?

How important is the issue ?

What is the effort to solve ?

What support do they seek ?

A solution is available

Structured online communities address the challenge of extracting insights from this large amount of data

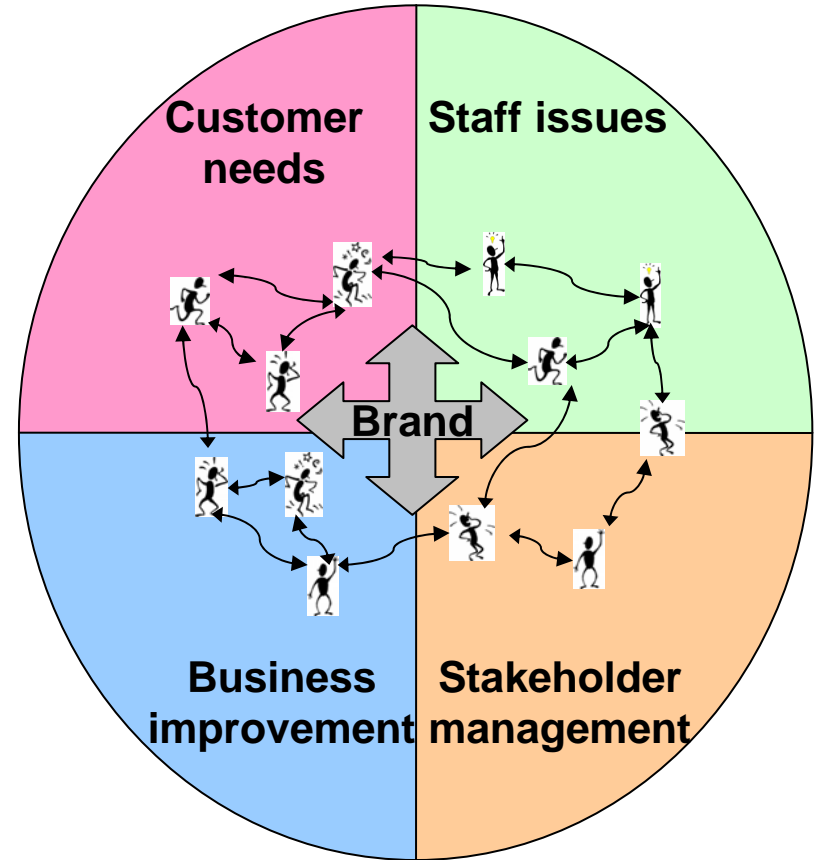


Your customers, staff and stakeholders are talking. The question is, are you listening ?, and what are you doing about it ?

Structured Online Community (Collective Intelligence model)

WEB2.1

- Detailed profile of selected contributor
- Active moderation to stay on topic
- Built to achieve a business purpose
- Behavioral & attitudinal indicators
- Corporate listens to customers
- Analytics & reporting
- Data connectivity through organisation





Branded online communities have been used extensively overseas, and are becoming more commonplace in Australia



CommonwealthBank



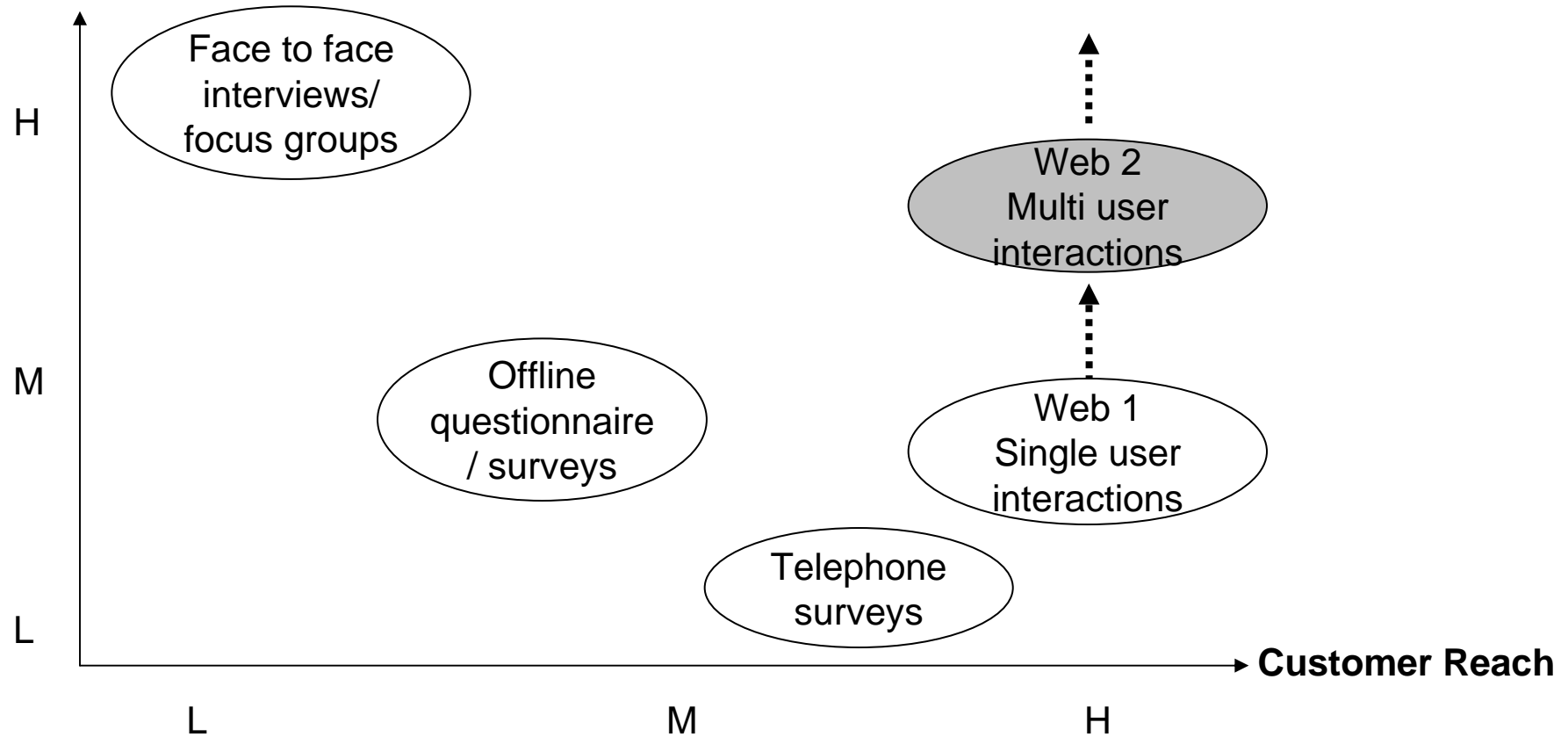
NOT  GOOD ENOUGH





Online communities offer an innovative addition to an organizations efforts to engage its key stakeholders not just push information and brand

Depth of customer insight available to corporations



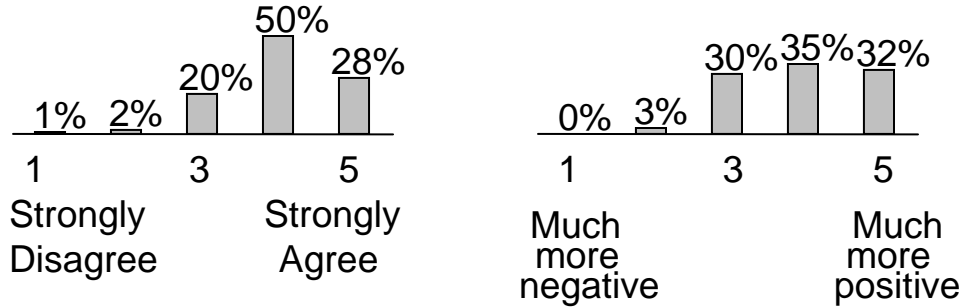
Web2.1 environments will facilitate conversations with stakeholders to co-design better outcomes, not just draw conclusions from relatively static feedback.



Engaging with customers in an online community builds positive feelings around trust, respect, an intent to purchase and willingness to recommend

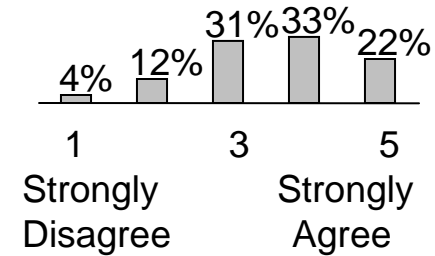
Feeling more positive

Feel more positively (n=870) Change in feelings (n=237)



Intent to purchase

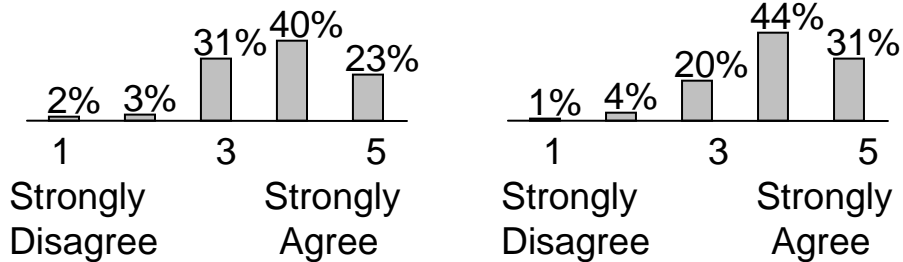
Increased likelihood to purchase (n = 937)



Trust and Respect

Increased trust (n=870)

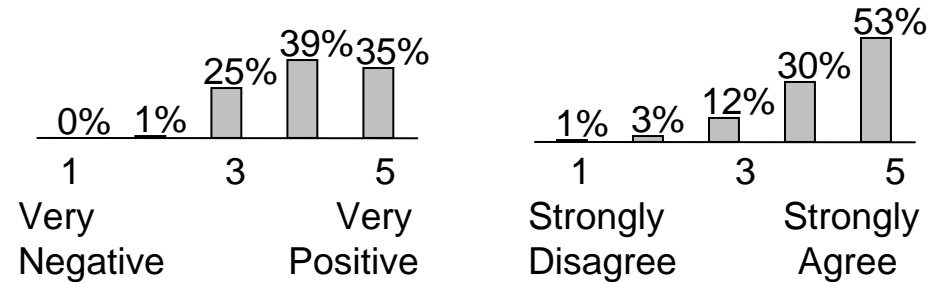
Increased respect (n=870)



Willing to recommend

How did membership impact willingness to recommend products ? (n = 190)

I am more likely to recommend products now. Agree/Disagree ? (n = 170)





How do organizations manage the risks of operating a web community ?

Terms and Conditions

- How the site will operate, eg.
 - Membership conditions
 - Forum rules & responsibilities
 - Site availability
 - Security
 - Privacy
 - Terminating Membership

Moderator controls

- Active moderation of site according to Service Level Agreement eg trusted, on-topic
- Responding to inappropriate postings or behaviours
- Escalating through the agreed decision tree
- Ultimately removing a posting or member from the site
- Member activity is at the right level

Forum Rules

- The rules of posting and responding to comments, eg.
 - Length of postings
 - Revealing personal details
 - Trading products, services or information
 - Stay on topic
- Types of comments that are inappropriate, eg.
 - Use of offensive language
 - Defamatory comments
 - Stalking
 - Spamming

Contributor responsibility

- Contributor agrees to take responsibility for their login details
- Contributor takes ownership for all postings under their User Id
- Contributor has to acknowledge and accept the T&Cs and Forum Rules including acknowledgement of responsibility for all postings under their login ID
- Contributor acknowledges rules of engagement for access to dedicated private groups



Critical issues for the development of successful online communities - Independence, Anonymity and dealing with Negativity

Why is independence important ?

- Lack of trust in large institutions
- People do not give feedback to institutions as they believe it will be filtered, so what's the point
- Independence is the only way to obtain the broadest spectrum of honest feedback
- If you have a non-independent site, you'll get similar data as you do now via your contact centre
- Institutions already use independent organisations for offline customer feedback, eg. Market research houses

Why is anonymity (use of pseudonyms) important ?

- A psychological issue
- Fear of being found out and ridiculed or persecuted
- No need to spin the message – you can be more honest
- More likely to get to the root cause
- Allows the 'quiet' people to comment and not be dominated
- Contributors using a pseudonym can be, and do get, frequently challenged by other contributors and the moderator to validate their comments
- Pseudonyms allow the corporate to participate without unduly incorrectly influencing the discussion

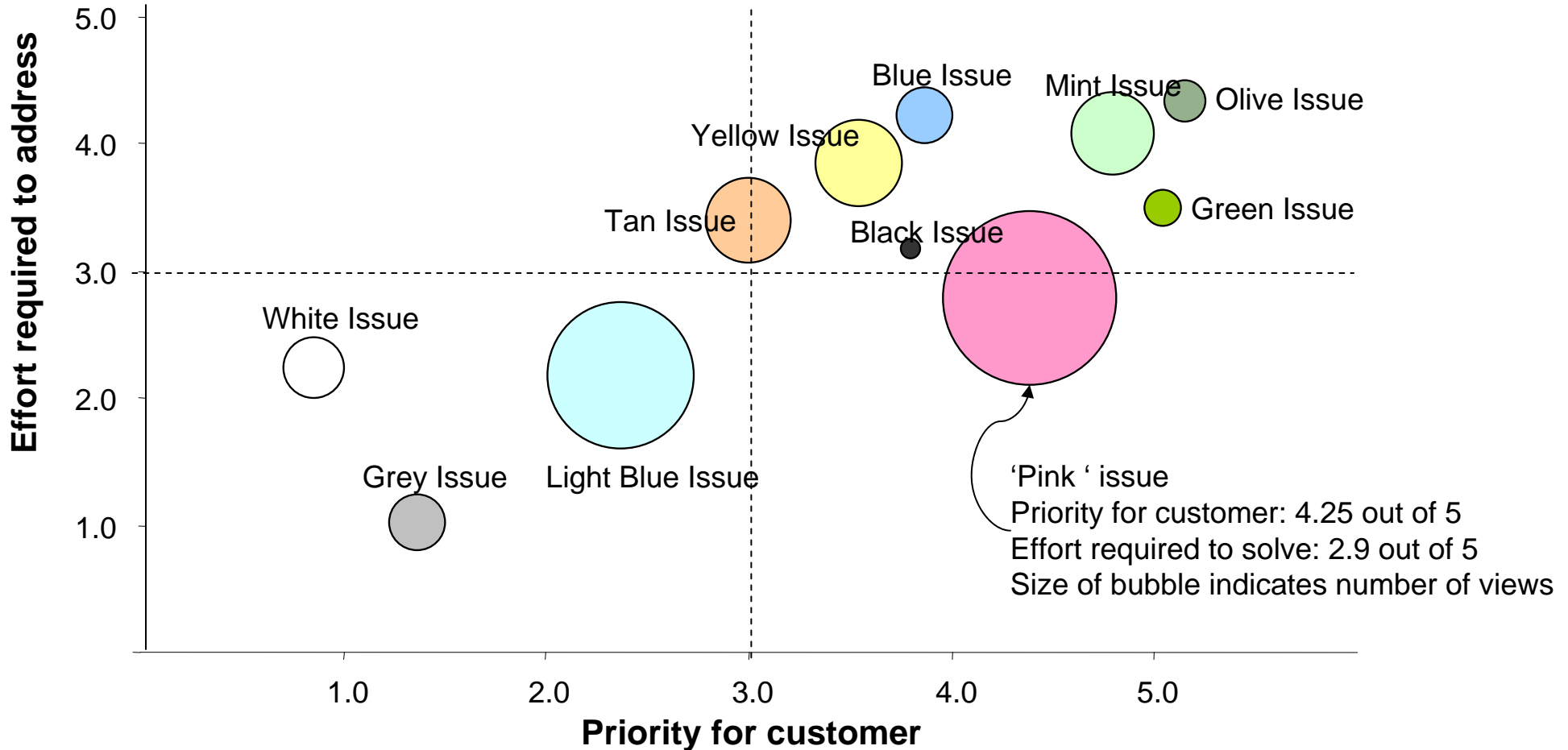
Why are negative comments important & won't dominate ?

- Why negative comments won't dominate a community ?
 - We select the participants
 - Experience shows community will challenge, seek validation
 - Lack of validation will see comments cease
 - Good moderation overcomes
- Can the media get a hold of these negative issues ?
 - Issues already out there already
 - Issues can be accessed offline
 - Demonstrates openness and transparency
- Reflects true sentiment/experiences
- Allows the institution to learn
- Issues must be tabled to tease out root cause and develop solutions



An illustration of the rich analytics gives insight into the importance of each issue, the effort required to address it and level of engagement

Online member activity, Qtr ended XXX





Design, Construction and Management of the online community is a three stage process that will require unique skills-sets

Community Design ‘What business purpose would you like to achieve from your online community ?’	Community Creation ‘How do we build and test your online community’	Community Management ‘Who will run your community and how will they operate ?’
<ul style="list-style-type: none">• Strategic Business Brief.• Site Requirements Brief.	<ul style="list-style-type: none">• Functionality selection.• Functionality build.• User testing.	<ul style="list-style-type: none">• Deliverables of the community management team.• Requirements of the organization.

NotGoodEnough is a 56,500 strong online community that enables individuals to comment on their customer experiences

Not Good Enough - Australia's Customer Complaints Website :: Home - Microsoft Internet Explorer provided by National Australia

File Edit View Favorites Tools Help

Address http://www.notgoodenough.com.au

NOT *!# GOOD ENOUGH.ORG

home | editorial | gripe HQ | hys | media | contact us | faq | forum rules | search

Log In - Sign up - Tell-a-Friend

New to Site? [click here](#)

Customer Relationship Mgt
Sales, support & marketing apps. Try Salesforce! free trial & demo.
www.salesforce.com.au

Get Helpful Comments?
Be rewarded for your feedback about Australian businesses
www.helpfulcomments.com.au

Ads by Google

Free eAlert Service
Companies click HERE to register for free eAlerts

November Poll Results
POLL: Should the ban on stem cell research be overturned?
Yes - 69%
No - 22%
I don't care - 9%

Top Gripes
Alexandra Hills Hotel
Dodo
JNC-digital.com.au
Chrisco Hampers
Australian Warranty Network
Computer World (Vic)
Fastfoto.com.au
Rabbit Net
Tyrepower
Telstra

Compliments HQ
Great News-Great Companies

Vic Roads
Woollies Kenmore
Hyundai
Nanawading
Slazenger Shoes
Olympus

Support NGE Now
NGE exists for you cost free!
Please Donate & Keep NGE Live!

Gripe HQ
Gripe HQ is over 100 Discussion Forums - Log your gripe here

They're Talking
At least these companies are talking to their customers!

Listening

They're Talking Archive

Ads by Google

Forum

Topics

Posts

Last Post

NotGoodEnough.org

News & Announcements
Read me first before posting anywhere.

Gripe HQ
Last visited: 23 May 06 08:13

Top Gripes
Discuss Gripes Appearing on NGE Homepage

Best - Worst Companies 2006
Discuss the year's most Complained about & Complimented Companies here

Top 10 Gripes
Discuss the Top 10

Winners R Grippers
Congratulate a Company Here!

Excellence in Customer Service
Who Made Your Day?

Accommodation
Hotels, Motels, Holiday Deals etc

Accountants & Financial Planners / Advsers
Counting Your Beans

Advertising/marketing
Outrageous Claims and Other Misinformation

AFL
Games, Venues, Anything

Airlines & Airports
Qantas, Virgin Blue et al.

Top Gripes
Pizza Hut
Compaq V2000
Telechoice

Griper Archive

They're Talking
Watch this space for progress on gripes

Listening

They're Talking Archive

What you - the customers - thought of Amex:

- 82% of member feedback received an Amex indicated that the organisation did not meet their customers' expectations. The Financial Services industry overall showed a member dissatisfied rating of 55%.
- 80% of customers are unlikely to refer Amex to someone they know. The industry overall showed that 57% of members were unlikely to refer the company they had an experience with.
- 67% of customers said they are likely to switch to a competitor. The industry result overall showed that 47% of members were likely to switch to another company within the industry.
- Amex entered the rankings at 5 after not being listed in any previous period.

Company Summary

Company Performance: Amex

Index	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Expectation	67%	16%	12%	4%	2%
Index	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Referral	68%	12%	14%	4%	2%
Switch	10%	3%	21%	6%	61%

Industry Summary

Industry Performance: Financial Services

Index	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Expectation	49%	6%	37%	2%	6%
Index	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Referral	47%	6%	37%	2%	7%
Switch	8%	3%	41%	6%	41%

How well do you think you know your rights as a customer?

Very well
Fairly well
Not too well
Not at all

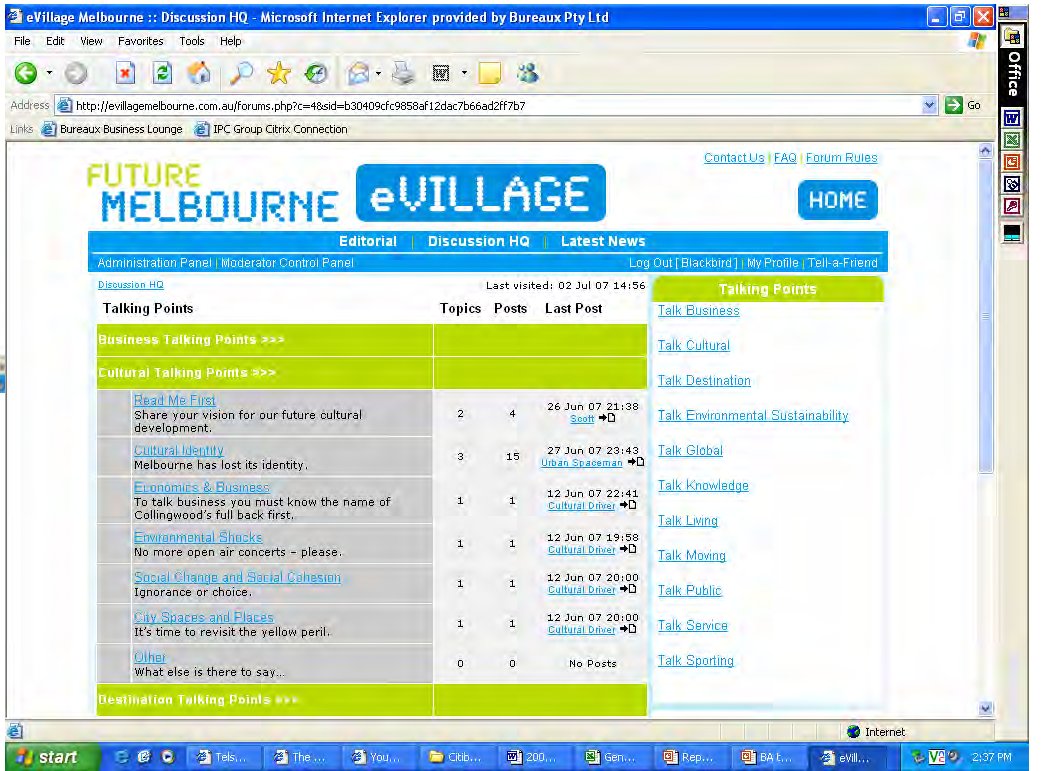
Vote

Have you ever had to a business to get a refund?

Yes
No

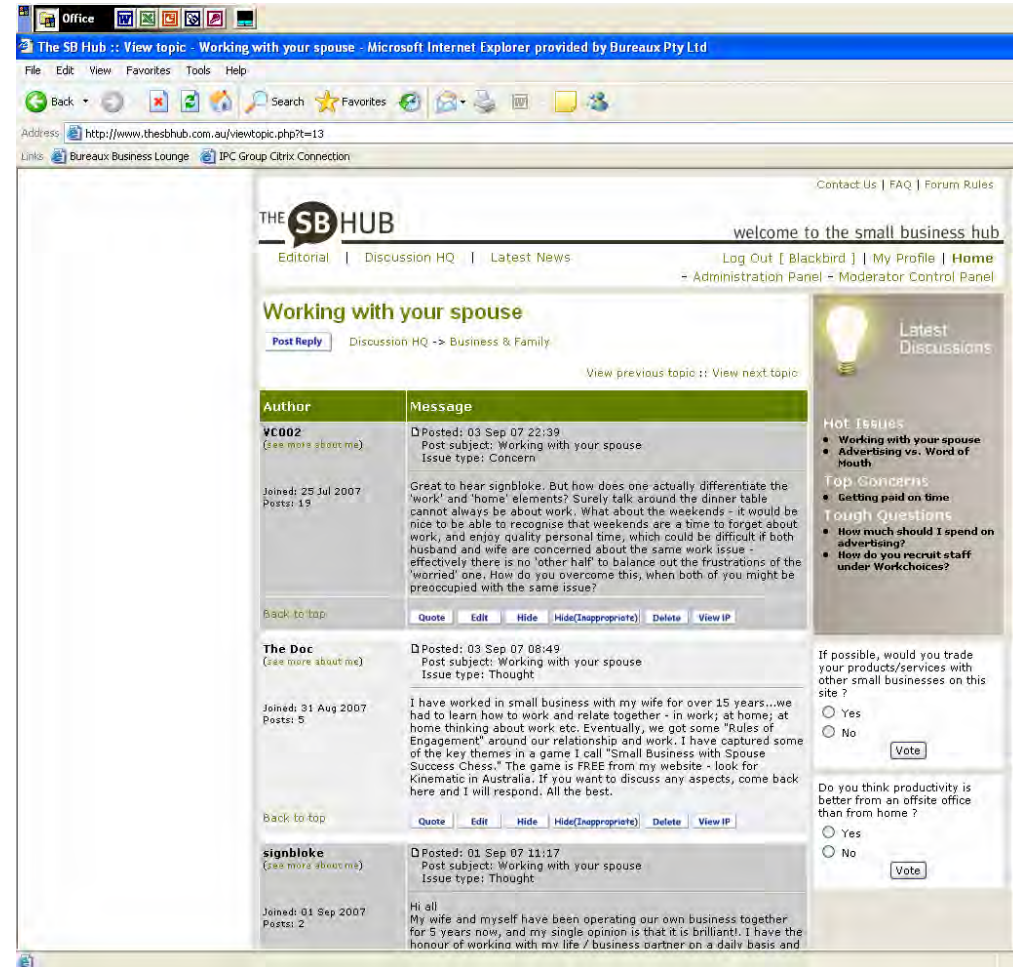
CHOICE smart living tool

The City of Melbourne launched a global website around 'Talk' themes aimed at understanding how the city should position itself for the future



Source: www.evillagemelbourne.com.au
 Note: This website is managed by Brandaide Communications

ANZ launched a website aimed at better understanding the challenges facing its small business customers, and how the bank can assist them





An example of a staff online community - 'eNetwork'



eNetwork

[Log In](#)

[Sign up](#)

[Home](#)

<p>Discussion Forums</p> <ul style="list-style-type: none"> Network transformation Staff policy Operational improvements Help from colleagues Business risks New ideas Tips on using our system Competitors 	<p>About the eNetwork</p> <ul style="list-style-type: none"> • The eNetwork is an exciting development that allows you to network and collaborate with your colleagues like never before. • You can comment on issues that have been raised by other people, or start your own discussion on an issue that is important to you. • Feel free to share your views openly and honestly using an anonymous username. • The left hand column indicates current discussions which you might like to participate in. • The right hand column identifies the Hot Issues and Top Concerns that are being voiced, as well as the latest Poll. • We are open 24/7 so you can participate at a time that is convenient to you. • Click here to join the eNetwork... 	<p>Posts of interest</p> <ul style="list-style-type: none"> • No enough mentoring... • Recruitment process tough... • Part timers out of loop... • Ideas to beat competitors... • Tips for recording contracts... • Elders Card not selling... • Integrating finance offer... • Charity work in community...
<p>Tell a colleague</p> 	<p>Top contributor</p> <ul style="list-style-type: none"> • Thread link... • Contributed by SILVER FOX • Summary of idea <div style="text-align: right;">  </div>	<p>Poll</p> <p>Do you have an understanding of where Acme Group is going ?:</p> <ul style="list-style-type: none"> •Not at all •Somewhat •Very much

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Where to next ?

Aggregation systems that auto-codes all feedback

