



Community ROI: Generating New Revenue Streams

Case studies on how to leverage your online community to find untapped revenue sources

GET CREATIVE WITH COMMUNITY REVENUE

Online communities are inherently useful outlets for growth and increased revenue. Not only the go-to hubs for members to interact and share knowledge, they are also great platforms for generating new revenue streams. It's a valuable resource for improving both member satisfaction and returns on investment. Any community can use advertising, vendors, events and other unique revenue streams to help its organization to flourish.

"Every online community manager needs to be prepared for the day when the powers-that-be ask 'What's the ROI of our community?'" says Ben Martin, CAE, from Online Community Results. "You'll be far better off answering the question by pointing to dollars and cents on the balance sheet than replying with social media dogma like 'What's the ROI of your mother?'—a real answer given at a conference by a famous social media guru. This kind of answer won't impress the powers-that-be. Start tracking your ROI now."

Several Higher Logic clients are getting creative with their online communities as a successful platform for generating additional revenue. The platform is naturally advantageous for bringing organizations a variety of benefits and rewards, including new channels for ads, sponsor relationships, and revenue opportunities around events, conferences and more. Here are examples of online communities and their resourcefulness with alternative revenue streams.

PROMOTE VENDORS WITH BANNER ADS

The Financial Planning Association (FPA) built their community, FPA Connect, in 2011. Because it is the go-to place for members to interact and share knowledge, vendors were eager to get in front of members on the community. Banner advertising seemed to be the most obvious and best option. They have been so productive with allocating banner ads that the revenue will help pay for their annual software license for the community.

"Beyond the success we've seen for our members, we realized we could supplement costs by introducing ads directly on our community site," says Laura Brook, head of community engagement for FPA. "Our 2014 plan is for the advertising revenue to pay for the cost of the community site. At this point into the year, we are right on track to meet that goal."

While FPA is among the organizations seeing success with banner advertising, the need for additional staff resources can be a hindrance. **The Ohio State Bar Association (OSBA)** also did not have that bandwidth, but wanted to take advantage of relevant advertising for its members. They were one of the first associations to seek out an organization to do the work for them.

HIGHER LOGIC

Higher Logic is an industry leader in cloud-based community platforms, with over 25 million engaged members in more than 200,000 communities. Organizations worldwide use Higher Logic to bring like-minded people all together, by giving their community a home where they can meet, share ideas, answer questions and stay energized.



The Financial Planning Association (FPA) will have its advertising revenue pay for the cost of their community site

“When our print revenue decreased by about 43 percent, I knew that I needed to find a way to make up for that lost revenue. We chose a digital advertising network, and our association now collects monthly revenue. The network also sells any leftover inventory that we have available on our website,” says Nina Corbut, OSBA’s director of publications.

This source integrates directly with Higher Logic, thus offering a turnkey solution. Unlike irrelevant ads that feel like spam (such as Facebook and LinkedIn), all ads are sold, placed and managed by the advertising partner, and are targeted for the organization’s audiences. This eliminates the need for organizations to incur costs of additional sales or staff to manage digital ads, with the added bonus of being able to secure national advertising.

SELL MORE PRODUCTS AND SERVICES

The American Speech-Language Hearing Association (ASHA) has seen membership to their special interest groups (SIGs) increase significantly due to having devoted communities on the site. Membership to their SIGs is an additional fee from standard association dues, and ASHA boasts a total of 18 SIGs for its association. These SIG affiliates have increased 22 percent since 2011. When surveyed, SIG respondents cited the exclusive online community in the top three for most important benefit offered—49 percent cited it as highly valuable.

“ASHA members are more inclined to join a SIG because there is a tool for them to interact and communicate with others that have the same interest,” says Jill Straniero, online collaboration manager at ASHA. “Our community also has revenue streams through advertising of the discussions and a primary sponsor.”



ASHA’s SIG affiliates have increased 22% since 2011

DRIVE EVENT REGISTRATION

Dynamic Communities, Inc. launched its first community in 2012, CRMUG Collaborate, in an effort to stay front and center with users as well as allow them to interact with one another every day. Dynamic Communities is made up of several user groups independent from Microsoft but focused on learning and sharing knowledge for members using Dynamics products and platforms.

Early on, Dynamic Communities realized its CRMUG community would be a great vehicle to promote conferences and events and drive better attendance. They receive ten times more registrations coming from the online Higher Logic community to their annual conference, Summit, than any other source. Since launching, Summit has seen 33 percent growth in attendance year over year at its annual conference, which has added to strong revenue growth.

“Summit is our annual conference that comprises 60 percent of our revenue derived—it’s by far our biggest event of the year. Being a major driving force, the annual conference relies on the success and growth of CRMUG Collaborate to drive revenue and membership in so many meaningful ways,” says Andy Hafer, CEO, Dynamic Communities.

To leverage the impact the community has had, CRMUG also decided to combine their website and community site. This recent site redesign aimed to put more focused community components front and center in different areas of the site, as a selling tool for membership revenue growth.



Since launching, CRMUG has seen 33% growth in attendance year over year at its annual conference

The Society of Corporate Compliance and Ethics (SCCE) and the Health Care Compliance Association (HCCA) are two more organizations that drive a majority of their revenue from their events. Their communities are part of their overall marketing strategy to increase attendance for both members and non-members at paid events.

Both communities also sell ads for the most active groups and plan on continuing that revenue stream, but the primary focus is engaging through an open platform to better drive users to conferences and events.

“We have tens of thousands of points of contact on our social media,” says Roy Snell, CEO of SCCE and HCCA. “Our ability to occasionally reach out to these people about our conference offerings is invaluable. We are also able to target individual groups for our subspecialty conference. Social media has really helped our conference marketing efforts.”

FEATURE SPONSORS THROUGH EMAILS

The International Franchise Association (IFA) has taken advertising opportunities beyond their traditional sponsorship channels. For IFA and FranSocial, its member community, traditional print advertising and new digital channels are both revenue generating. But they wanted to optimize banner ads with their already popular community discussion email communications. Their email sponsorship program began in May 2013, and the 30-day contracts have been in high demand and worked well for locking in advertising year-round. Community discussion group emails sponsorships were booked nine months out through 2014.

“We’ve seen great success with the daily discussion group email sponsorships,” says Greg Cook, IFA’s Senior Director of Advertising and Media Solutions. “Priced at \$2,500 per month, this spot has been booked up all year long, and is completely booked for the entire 2015 year. Email sponsorships include an ad in the online discussion within the community, further increasing exposure.”

Going forward, Greg and his team hope to implement additional ad revenue streams, using a similar model for sponsored blogs and home page leaderboard anchors on FranSocial. They are currently bringing in \$3,000 per month for Featured blogs from sponsors, who can post as many individual blogs in the featured section as they want.

ENGAGED COMMUNITIES BRING ROI

Every organization should be on the lookout for new revenue streams. Communities provide an additional, visible outlet, whether it’s supporting banner ads, promoting additional member services or driving more people to in-person and online events. The community has proven its place as a strong revenue generator. These six organizations have put their communities at the forefront for ROI and seen success.

“Our community is an important part of our marketing strategy that has helped us see double-digit revenue growth in the last three years.”

~ Roy Snell
CEO
SCCE/HCCA



FranSocial’s email sponsorships are booked well into 2015

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