

Why Most Online Communities Fail



Barry Tallis 108 posts since

Aug 4, 2004

One of the major goals of Clearstep is to help our customers build, manage, and measure successful online communities. Late last week, a couple of blog posts went out into the blogosphere that quoted Ed Moran's upcoming research survey/report "2008 Tribalization of Business".

The Wall Street journal picked up the story and summarized the top three issues with online communities.

1. Businesses focused on bells and whistles and end up blowing their online-community budget on **technology**
2. No dedicated **community manager**
3. Focusing on the wrong **metrics** for determining success

While I agree with the summary, the articles seem to come across with a FUD factor. In the Wall Street Journal article (<http://blogs.wsj.com/biztech/2008/07/16/why-most-online-communities-fail/>), the comments are filled with examples of **successful communities** (and a spattering of community software vendors pontificating about how they help solve that problem.)

I think the biggest blunder of most companies is thinking its all about the technology. Companies need to consider the overall plan for community, design it for the people, and ensure the corporation is ready for the time, effort, and resources it takes to effectively manage the community.

Tags: community_manager, staffing



Barry Tallis 108 posts since

Aug 4, 2004 1. Re: **Why Most Online Communities Fail** Jul 21, 2008 2:18 PM

Looks like Bill Johnson from Forum One Communications doesn't completely agree with Ed Moran's research study either. Bill just posted this picture to his Flickr stream

The chart shows that only 10% of the people he surveyed invested over a million dollars in their online community.



[Barry Tallis](#) 108 posts since

Aug 4, 2004 2. Re: **Why Most Online Communities Fail** Jul 25, 2008 8:15 AM

Update from Social Media Today:

The Internets have been all abuzz over a study of more than 100 business-owned online communities. The buzz comes from the fact that a Wall Street Journal blog proclaimed that "most online communities fail... despite the fact that close to 60% of these businesses have spent over \$1 million on their community projects." (***Turns out it was a typo, only 6% spent that much. Oops.***)

But bloggers published on Social Media Today and its sister site, The Customer Collective, pointed out that the bigger mistake may have been the statement that "most online communities fail." Francois Gossieaux of Beeline Labs -- one of the authors of the study, and a contributor to TCC -- said "***our study did not show that.***" He continued, "But yes, many communities do fail -- either because nobody comes (or they come once and then never come again), or because they fail to move the needle for companies and therefore do not receive the executive attention they deserve."



[MRowland](#) 19 posts since

Aug 6, 2008 3. Re: **Why Most Online Communities Fail** Aug 11, 2008 11:08 AM

I've just added a presentation we gave on this subject... it's titled "Why Communities Plateau" rather than fail, but the principles remain the same. It's in the document section. [Click here to access directly](#). (Ignore the marketing propaganda...comes with the territory!)

The main reasons we see communities fail are:

- Loss of centralized control - Too many cooks in the kitchen
- Focused on technology rather than behavior
- Stale, boring, and non-existent outreach
- Outdated technology

...among others.

Mike



[Ric Hayman](#) 16 posts since

Jul 24, 2008 4. **Re: Why Most Online Communities Fail** Aug 11, 2008 5:54 PM

There's a bit of discussion on another topic here regarding the necessity or otherwise of a community manager. My point there was you can't legislate community, and sometimes the concept of social software just doesn't fit an organisation for some reason(s). That seems to be supported by Gossieaux's comments. I don't think we should be surprised that some communities wither on the vine (actually 6% "failure rate" sounds pretty good to me) - like all epiphanies, the subjects have to participate in their own redemption - we can't do it for them!