
The need for digital communities

Ciaran Corkery from Horizon8 looks at how digital communities can create opportunities for businesses coming out of the COVID-19 pandemic.

The current situation

The global Covid-19 pandemic has had repercussions across every sector of society and the effects of the crisis will continue to be felt for some time. Businesses have been challenged with falling or halted sales, new methods of working (including on-site protocols and remote working), the interruption of supply chains and constrained investment opportunities. Many companies have pivoted to online sales or even changed their product offering completely.

In certain parts of the world, internet use increased by 50 per cent (pc) due to the crisis.

Even prior to the onset of COVID-19, the use of internet applications had continued to grow rapidly - video calls for instance had grown from 49pc of internet users in 2018 to 60pc in 2019. Internet banking and shopping also expanded in popularity in recent years, being used by 66pc and 71pc of internet users respectively. In today's increasingly digitally enabled societies, leveraging technologies and the power they can offer is of vital importance.

Digital communities

A digital community can mean many things, it certainly meant something different a few years ago compared to now, however, there are a number of exciting things about where digital communities are heading and it is worth noting.

Firstly, the increased knowledge and prevalence of their existence allows businesses the opportunity to interact with a centralised group of new and existing customers in a way that has not been seen before. Secondly, it allows companies to tailor content and offerings accordingly (through data analytics and more generally a better knowledge of their customers through increased engagement). Communities may be consumer-facing, focused on social interactions and feedback, or (perhaps less common) they may focus on the B2B side and be more functional and transactional.

It is generally accepted that digital communities give businesses vital assistance in interacting with their ecosystem of stakeholders, be it for pre-sale, after sales, corporate welfare, marketing etc. It's important for brands to find and maintain a narrative that is both distinctive and authentic; this is something that can truly differentiate a brand as the world continues to become more connected (albeit, perhaps, now from a greater physical distance).

The benefits to business

When we think of digital communities, we are often guilty of thinking exclusively of the B2C market, however, it certainly seems likely that now more than ever there is a real value proposition in growing B2B digital communities to ensure frictionless trade, speed of transactions, and to grow trust. For example; a B2B community or network can be an extremely efficient and a safe way to interact and share information with counterparties, e.g. prime brokers, custodians, administrators.

In a B2B space as a result of such high levels of competition, communities/networks are often not considered, when, perhaps they should be. It is worth exploring the idea that a network can offer businesses more power than if each worked individually, especially for areas such as regulatory compliance where compliance is more of a 'table stake' than a competitive advantage. Synergies in this area could be through cost-savings, increased knowledge or sharing resources.

From a 'Know Your Customer' (KYC) perspective, digital communities could allow for massive reductions in the expensive and time intensive process of onboarding clients, while also allowing for the future enhancement of the process in general by increasing transparency; essentially by bringing KYC into the 21st century. Of course, each member of the community would be responsible for performing their own due diligence with regard to KYC, but a true community effect on how these documents are sourced and managed is a very interesting concept.

The streamlining of communications between involved parties would be, and is, an essential part of the digital community and that's something platforms need to get right from the start. When considering the likes of document sharing, one way to simplify communication is to develop the technology that supports visualising a community effect without explicitly stating who in the community contributed. For example; this could be used in the provision and validation of digital identities (with standard checks and validation methods) shareable in some way amongst a digital community.

Digital communities also bring about a notable potential to enhance frictionless trade, while allowing for a greater ability to manage the transparency and traceability of stock in a supply chain. The use cases of digital communities in supply chain ecosystems is a real concern in many markets, and it is likely to garner further interest going forward.

Engaging, contributing to, or building a digital community can allow brands to promote transparency and trust, while increasing brand loyalty, which arguably is where Internet X.0 is heading.

Is now the time to harness the power of digital communities?

It certainly does appear that there is no better time. Businesses have several options open in their assessment of digital communities. They can:

- Continue to operate as they have in the past, limiting customer interaction to mainly face-to-face contact
- Provide customers with mediums to interact with their business and procure services through dedicated apps and sites
- Start interacting with their customers within their communities and networks to adopt an 'always on' and 'available anywhere' business strategy that makes customer interactions seamless, safe, and scalable in the location the customer is most at home in.

It certainly can be argued that over-the-counter (OTC) traditional customer engagement models are becoming less relevant in today's fast-moving, digitally-savvy, and dare we say post COVID world. Digital communities and platforms are currently creating real value but when looking to the future, with remote working poised to be the new normal for at least the near term, digital communities and networks have the potential to disrupt almost all sales channels as we know them.

This has relevance for both big and small businesses as they find their feet with new ways of working online; the possibility of more interconnected networks along with the potential to share industry-specific insights and connect with customers brings huge promise to businesses in optimizing their value proposition.

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