

Numbers Count

Thoughts on Digital Engagement by Tim Wright

***The value of digital engagement comes down to numbers and 'conversion rate'.
Here's how to think about your crowd as an asset... "crowdasset".***

In recent months, many organisations have been trying to develop their digital engagement.

For many - think museums, galleries, musicians, performers - the closure of their venues and the decline in footfall has been catastrophic to their cash flows. Only recently the Musicians Union announced that up to 30% of UK musicians are likely to leave the sector as it has become unsustainable.

Not unreasonably many have looked to online and digital approaches to provide hope of financial salvation. This might be crowdfunding, patronage and membership models, e-commerce and other models of digital engagement.

All of these approaches are entirely valid but in order for them to work, you need to have, or develop, a presence online. One that translates into digital engagement and, by extension "conversion".

If you have a crowd that you can already reach out to, you have what we refer to as a "crowdasset".

Mobilising that asset to create value will depend on its two key dimensions: "Social Capital" and "Relationship Capital".

Social Capital speaks to the total number of contacts and connections you can effectively reach directly through your communication channels.

Relationship Capital describes the varying depth of relationship you have across your collection of contacts.

Here is why these things matter.

Success in online selling, crowdfunding, patronage and any type of crowd-economy transaction is a function of "conversion rates". You need to "convert" enough of those you reach to support your project, back you, sponsor you or buy your stuff.

In most cases, conversion rates are low as a percentage of the total number of folks you connect with...often much lower than people realise. The deeper the relationship, the higher the likelihood of your crowd converting.

So, the lessons in "crowdasset" development:

- **Grow both of these numbers over time in order to drive up conversion rates.**
- **Build your “Social Capital” so that you reach more folks. Deepen your “Relationship Capital” with them so as to increase the likelihood they will convert.**

These are simple concepts and achievable goals but you do need to apply yourself to it.

We will consider ways of doing this and how you can judge your existing relationship capital in subsequent blogs.