



Youth perception towards online communities – creating value in marketing

Abstract

The paper explores the role of online communities and its impact on marketers in making strategic decisions. The research focusses on the perception of brand communities and interest communities. The purpose of the research is to contribute an understanding about the reasons members join online communities and how a marketer can gain insights from the community discussions. The research is conducted into three phases. The first phase provides the review of literature and insights gained from the examples of well-known brands. The next two phases are explored by conducting Focus Group Discussion and Short interviews. The outcomes of the research might help marketers in taking decisions that may help achieve competitive advantage.

Key Words: Marketing, Online Communities, Co-creation, Brand Communities, Interest Communities

Introduction

With the advent of Internet, the world has come closer beyond the geographical boundaries. People have not just got the access to immense information, but are also able to share anything freely. The Internet has been praised for encouraging social cohesion, social networking and for providing a strong platform for online communities to develop (Andersen, 2005) ; (Armstrong & Hagel, 1995)

Traditionally, when Internet was not freely available, communities were more physical in nature. The different types of physical communities were Local communities, Regional Communities, Religious-based communities, Cultural Communities and so on. Sense of community is a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members' needs will be met through their commitment to be together (McMillan & Chavis, 1986).

However, with the rise in Internet, communities are now available online, in a virtual world. Internet has led people to communicate electronically rather than face-to-face. An online community is a group of people with some shared interest who connect and interact with each other over time. A computer facilitated community uses social software to regulate the activities of the participants. These are places where people gather to share knowledge, build recognition, and tap opportunities. (Vandana, 2017)

Online Communities are virtual communities whose presence is firmly based on technological networks. Here, the members of the community may or may not know each other, but still share different interests, interact socially, abide by common policies and practices for a community and have a sense of togetherness. They might share a common sense of purpose and belongingness in a community. Hence, these communities may go beyond class, culture, age groups as well as geographical boundaries.

In this research, we have identified two broad categories of online communities namely Brand Communities and Interest Communities.

Brand Communities: These are the specific communities which can be created by consumers, or fans of a brand or by the brand itself i.e. companies create communities to interact with present and potential consumers. Sometimes, these communities have contests, quizzes, etc. to engage customers and are therefore even sponsored by the Brand. An online brand community is a specialized non-geographically bound community, based on a structured set of social relationships among admirers of a brand. It is specialized because as its centre is a branded good or service (Muniz & O'Guinn, 2001). Marketers and

brand managers have quickly realized the strong potential of online brand communities to maintain and enhance consumer-brand relationships (Hanson & Kalyanam, 2007) (Poynter, 2008)

Interest Communities: Here, the members share common interest or values. These interests may be political or religious based, or may be activity based like photography enthusiasts, travel enthusiasts, mothers care group, etc. These communities not only share interests, values, knowledge and information but also provide emotional and socio-psychological support to other participants. Communities of interest, by internet marketing view point are useful to get views on products, brands and to know the perception of potential future customers. The collected information using communities of interest forums supports strategic decisions of the organisation and assists to improve online marketing strategies (Pitta & Fowler, 2005).

Today, the consumer plays an upbeat and proactive role. The status of the consumer has shifted from a passive one to one described as “prosumer” i.e. a proactive role. The customers are involved in participating in discussions, share their opinions, actively vote in a polls, share their reviews and feedback and also come up with new ideas. This is referred as “Co-creation”. As Cova argues, “the collaborative approach consists, in defining the characteristics of leader users, selecting individuals on the basis of these characteristics and soliciting them so that new products’ concepts can emerge” (Cova & Dalli, 2009). Today the customers are “really” the king of the market as their voices are not just heard but also their opinions are taken seriously while making important decisions. The aggressive growth of Information Technology (IT) has reinforced the fact that customer really does have the upper hand in deciding the dynamics of the market through their sheer dominance in the market (Blythe, 2006).

According to (Bausch & Han, August 2006) , the user generated content sites constitute 5 out of top 10 fastest growing web brands. Social Media as refers to the means of interaction among people have many variants today. Some of the widely used social networks are Facebook, Twitter, LinkedIn, Myspace, Youtube, Flickr, Pinterest, etc. These sites allow users to create, share and exchange information and ideas in virtual communities and networks. Howard Rheingold proposed social media to be “social aggregations that emerge from the Net when enough people carry on those public discussions long enough, with sufficient human feelings, to form webs of personal relationships in Cyberspace” (Rheingold, 1993).

(Vandana, 2017) Brand online communities are virtual spaces where companies interact with customers, treat them as organizational assets, and learn about them, and through the process of incorporating feedback and co-creation, develop a level of intimacy with them.

Though online communities are never stable unlike traditional physical communities. However, the ideas generated through the discussions on online communities may help achieve brands to competitive advantage. Online communities provide a boundary-less socio-cultural and a complex environment. The help of an expert is needed to observe and analyze the discussions. If this can be done, then online communities can be seen as a huge source of innovation, creativity and ideas. Marketers can thus monetize greatly from using online communities for market research and new product development.

Objectives of the study

The study attempts to understand the relationship between online communities and the marketing decision activities. The study tries to identify whether the online communities offer any benefits of competitive advantage to the companies or the brands. The study endeavors in finding the reasons people join communities and what kinds of communities are preferred by the participants. The type of communities in this research is limited to brand communities and interest communities.

Research methodology - exploratory phase:

1. Secondary data analysis in a qualitative way:

Insights from examples as selected:

- i. Oreo, India's Dunkathon

- ii. Coca-Cola's Freestyle Machine
- iii. Domino's Social Pizza Campaign
- iv. Tanishq's Expressions
- v. DHL's Delivery Services
- vi. Fiat Mio
- vii. Dell Ideastorm

2. Focus Group Discussion (FGD)

The objective of focused group discussion is to have a critical insight in the selection of the online community for participation. The participants of the FGD's were given list of questions as given in Exhibit-1, for a proper directed discussion. The purpose of FGD was to gain an insight of preferences between the interest and the brand community.

Following are the group characteristics:

Characteristics	Value
Group Size	12
Group Composition	8 members : Management, Commerce, professionals students 3 members : Management Faculties 1 member : House wife
Physical Setting	Relaxed, informal atmosphere
Time Duration	55-60 Minutes

3. Short Interviews

As per the need of the topic, we chose to do the short interviews of 15 people. It was a face-to-face interview, conducted in Ahmedabad city. The respondents were selected from different educational backgrounds. The respondents included young students and faculties who are active on online communities. The interviews were conducted for 5-15 minutes each. The Exhibit-1 that provides list of questions conveyed the guidance for the interviews. The observations of the interviews were noted on the spot using pen-paper technique.

Secondary data analysis in qualitative way- insights from select examples:

Consumers participate not only by critically examining the products or services and posting comments and reviews but also by giving productive suggestions to the companies of reengineering the products and services. (Vandana, 2017) Collaborative co-creation can be considered as a case of marketing nirvana where customers help an organization to create products, promotions, and advertisements. The levels of co-creation include ideas, product concepts, product screening, product components, product upgrades and updates, and even complete products, as well as creating advertisements, brand names, and ultimately the products themselves. The participative or collaborative marketing's primary goal is "to encourage consumers to actively participate in the elaboration of the product communication, the development of new services or the promotion of the brand's latest updates" (Héla & Ben, 2013)

Many brands have used Netnographic research to gain insights into how participants of an online community interact with each other. Kozinets recommends observing online brand communities for an extended period of time through in-depth qualitative techniques, such as online ethnography or netnography. (Kozinets, 2006) By doing so, it is possible to gain remarkable insight into the language and communication uniting consumers within a culture or online community. This technique expects a

researcher to be a part of the community. By being a participant, a researcher understands the community at the grass-root level.

Role of Online Brand Community in Making Marketing Decisions: Select Examples:

Concept of co creation says when two or more parties comes together in order to make certain productive outcomes for example if organization and group of customers. Some of the well know brand who have constructively used online communities are discussed in this research.

Oreo, India's Dunkathon: A Facebook App enabled fans to create their own customized Oreo dunks. Apart from positive branding, Dunkathon also helped Oreo India, bond better through co-creation with its online community. (Vandana, 2017)

Coca-Cola's Freestyle Machine: The idea of free dispenser offer hundred products and customer can get a chance to make their preferable flavor. Their preferences of combination of flavors are stored in a mobile app for future. (Drummond-Dunn, 2016)

Domino's Social Pizza Campaign: Domino's India has a significant online presence with a host of blogs, website, Face book, and twitter, along with encouraging people to order online. With the active community, members created their first "social pizza" having news sets of options like sauces, toppings, etc. (Vandana, 2017)

Tanishq's Expressions: It also invites their customer for co creation under the promotional drive name "Expressions" (Cuccureddu)

DHL's Delivery Services: To tackle the challenge of improving supply chains and logistics, the company organizes workshops with customers in Germany and Singapore to improvise supply chain and logistics. DHL's co-creation efforts resulted in customer satisfaction scores rising to over 80 percent, on-time delivery performance increasing to 97 percent or higher and customer churn to decrease. (Milbrath, 2016)

Fiat Mio: A campaign created by AgenciaCick combined social media and reality to launch its first crowd sourced car. Fiat built a forum as its own social network, and created a space for dialog between the designers of the car and Fiat drivers. By telling Fiat exactly what they wanted in a car, consumers believed that they are shaping the industry's better future. (Vandana, 2017)

Dell Ideastorm: Ideastrom has received 15000 inputs and Linux based operating system was the outcome. (Vandana, 2017)

Table provides the summary of insights gained by the brands from the communities:

Oreo, India's Dunkathon	Emotional bonding with consumers
Coca-Cola's Freestyle Machine	Personalized attention, sense of emotional connection with the brand
Domino's Social Pizza Campaign	Introduced New food and beverages flavors as per community discussions
Tanishq's Expressions	Collaborative Co-creation of Product Design
DHL's Delivery Services	Redesigning the supply chain and logistics services
Fiat Mio	New product designs, participants empowered and feel that they own the brand.

Dell Ideastorm	Consumer engagement in building one of the most successful operating systems
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Observations from the fgd's and short interviews

- Anyone can be the member of a community irrespective of Class, Culture, Gender or Geographical location.
- Consumers believe that by participating in the co-creation their own the brand in a real sense.
- The component of “membership” is felt among the members, as there is lot of sharing at personal level taking place.
- Members believe that they influence the community and hence are shaping the positive future of the brand. They are more attracted to a community in which they feel that they are significantly influential.
- Members are positive about being a part of the community because of share emotional connection, values, beliefs, and similar experiences.
- Interest communities are similar to tribal communities where members are emotionally connected.
- Brand communities can target the right kind of the consumer and thus brand communities help in segmenting and positioning.
- Members of interest communities displayed positive emotional bonds with their participation through their zeal and passion for the community and its members.
- Most of the members were positive towards interest communities over brand communities. Respondents they felt that they share emotions to interest community members whereas brand communities are only meant for contests and fun activities.
- More than 80% respondents were active on more than two social networking sites.
- 100% of the respondents were active on Facebook and were part of at least one community.
- Respondents preferred interest communities like travelling, photography, food cuisines, book readers, arts and craft, fashion, etc.
- Many members participated in the online contests. However, none of the respondents won.
- Out of 27, only 4 respondents said that they left or will leave the community because of negative posts and comments.
- Hardly 4 respondents were aware about the concept of co-creation. However, all respondents were enthusiastic about knowing this concept and said that they would now participate in the collaborative co-creation with the brand communities.

Table: Comparison between Brand Communities and Interest Communities:

	Brand-sponsored Communities	Interest Communities
Strengths	Customers gain information about products and services; Increases sale; Customer service; Relationship marketing; Minimize the resistance from the consumer; Trusting users as co-developers; Collaborative innovation; Customers act as opinion leaders; Consumer empowerment; Contests and quizzes; Consumer involvement and loyalty	Enjoyment; Interest Development; Knowledge sharing; Information Sharing; Auctions; Relationship building; Creation of online tribes; Creates a parallel social world; Peer-to-peer problem solving; Socio-emotional support, Interactive, Personalized; Shared consciousness and share values
Weakness	Becomes a platform for complaints; Too much advertising	Informal and disrespectful, and invites disagreement.

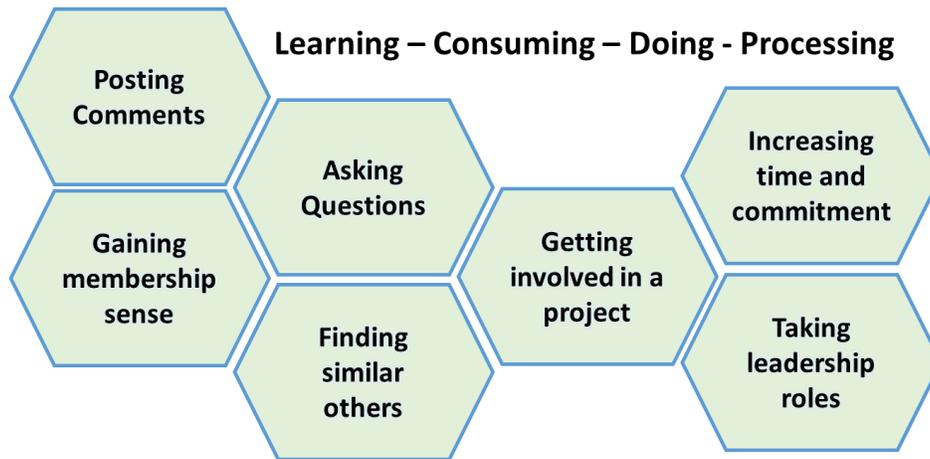


Fig. Observations from the FGD's and Short Interviews

The figure above indicates those words that were spoken most of the times during FGD's and short interviews. These phrases help us understand the vigor of the members in the online community.

Conclusion

In today's competitive era, supply side strategies like product differentiation or cost leadership strategies may not hold alone. These or any other strategies should be complemented by customer acquisition and retention strategies to withstand the market. One need to understand the social and emotional aspect attached with the brand. Hence, interactive communications between the company and its consumers can help develop a strong emotional bond. One of the ways for marketers to reach the target customers to be actively present in the customer-oriented or customer-driven communities.

Brand communities allow the marketers gain an added advantage over competitors. However, the researchers of this paper suggest that the interest communities should not be neglected entirely by the marketers. The marketers are recommended to apply Netnography research technique and study the interest communities in depth. If the researcher becomes a part of an interest community, then he/she can gain competitive advantage with incredible insights gained from the discussions. This way a researcher can function at the grass-root level and understand the problems of the community, as well as the differences between the online and offline environments. Companies can build a positive image in the minds of the consumers by getting an advantage of Word-of-mouth communications.

Moreover, communities work only if members interact. Brand co-creations will not be able to have any positive outcomes, if the participants of the communities do not interact, or do not share any opinions or comments. In that case, marketer should find out the reasons for less interactions and should encourage members to communicate. For detecting the reasons, Projective techniques might be used.

Thus, it is recommended to observe both the brand communities and interest communities simultaneously if one wants to become a market leader.

Limitations

The research has not considered the types of brand categories or types of interests separately. Also, open and closed communities are not considered here. It is possible that these factors will have an impact on the results obtained. The research is based on qualitative aspects only. Thus, confirmatory phase using survey can be conducted to approve the results.

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Exhibit-1:

Suggested List of Questions for conducting FGD and Short Interviews:

1. Are you active on any of the social media platforms like Facebook, Instagram, LinkedIn, Twitter, etc.?
2. Are you a member of any of the social community in a digital platform?
3. What communities interest you to actively participate?

Food Craft Travel Photography Fashion Life lessons others: _____

4. What kind of communities do you prefer more?
 - a. Interest Communities (you share common interests with community members)
 - b. Brand Community (any national/international brands community)Why? What drives you to be a member here? OR Why not?
5. If your community has done any contests, have you participated in any contest of your community? Please share the details. (your response to question 9)
6. Please let us know how you feel about these statements on a scale of: Strongly Agree; Agree; Neither Agree or Disagree; Disagree; Strongly Disagree.
 - a) I am a passive member in a community
 - b) I not only comment or like, but I also post and share new things in a community
 - c) I develop my own content especially for the community
 - d) I actively participate in the contests held within the community
 - e) I prefer the interest communities over branded/national communities
 - f) I am emotionally attached with the community and its members
 - g) I invite my friends to join the community group
 - h) I might leave the community soon
7. Please feel free to share anything that comes to your heart and mind about social communities in a digital platform.

Sonal Gogri

Assistant Professor
Faculty of Business Administration (GLS-BBA)
GLS University

Pooja Sharma

Assistant Professor
Faculty of Business Administration (GLS-BBA)
GLS University

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