



Managing brands and customer engagement in online brand communities

Online brand communities

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Abstract

Purpose – Given the dramatic technology-led changes that continue to take place in the marketplace, researchers and practitioners alike are keen to understand the emergence and implications of online brand communities (OBCs). The purpose of this paper is to explore OBCs from both consumer and company perspectives.

Design/methodology/approach – The study provides a synthesis of the extant OBC literature to further our understanding of OBCs, and also puts forth future priorities for OBC research.

Findings – A conceptual framework is provided that extends our understanding of OBCs and consumer engagement. Four key OBC dimensions (brand orientation, internet-use, funding and governance) are identified and three antecedents (brand-related, social and functional) are proposed of consumer-OBC engagement.

Originality/value – This study is the first to explore key dimensions of OBCs, and the differing but related perspectives of the consumers and organizations involved.

Keywords Internet, Communities, Brands, Social networks, Online brand community, Consumer behaviour, Brand management, Customer engagement, Brand engagement, Brand equity, Community governance, Community funding

Paper type Research paper



Introduction

The dramatic change that has taken place in our societies and in our economies since the nineteenth century is reflected clearly in the development of our communities.

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Where previously unheard of, consumption communities came into existence with the introduction of mass media and modern marketing. As a result, people have increasingly based their societal identity on their consumptive role, related their identity to the brands they consume, and developed fairly defined consumer identities. While the first brand communities (BCs) emerged as an outcome of high levels of customer-brand engagement, the last decade has seen a proliferation of online BCs (many of which now operate on a global scale) as the result of the massive adoption of advances in internet, social media and mobile technologies. These developments have compelled organizations to embrace these online brand communities (OBCs), and by 2012, some 50 percent of the top 100 global brands had established an OBC (Manchanda *et al.*, 2012). However, a key question for firms wanting to develop an effective OBC is what exactly determines consumer engagement in such a community? We begin this paper by providing an overview of OBCs, and point out the differences between them and more traditional BCs before turning directly to the question at hand.

Key characteristics of OBCs

Muniz and O'Guinn (2001, p. 412) first introduced the concept of BCs to the marketing literature, defining them as "a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand". This definition takes a sociological perspective and is rooted in the construct of community as a network of social relations marked by mutuality and social bonds (Bender, 1978). Taking the consumer's perspective, a brand has been defined as the promise of satisfaction arising from a bundle of attributes associated with a purchase (Ambler, 1992). This definition assumes that a transaction takes place in which the item is purchased. In this paper, we adopt the convention that a BC is a community of consumers who perceive added value from the relationship with the brand, and exclude other forms of relationships people might have with a brand, for example, that of fans or activists. In line with these definitions, we rule out also brands without consumers such as Greenpeace and political parties.

The consumer's perspective of a brand presented above is quite different from that of a provider, who more typically think of his brand in the context of marketing management activities. The provider has to consider the brand's name, design, symbol and any other feature that identifies it as distinct from another (Lovelock and Wirtz, 2007, pp. 187-189). While this provider-focused view also requires a commercial transaction, the focus is on selling, as opposed to buying. De Chernatony and Dall'Olmo Riley (1998) take both the company and consumer perspective on brands and also discuss brands as relationships that exist between the consumer and the provider, and requires first that the provider's brand has an identity with which consumers can engage in a relationship. Combining these perspectives, we define BCs as network of relations between providers and brand consumers who attach a certain value to engaging in a relationship with both the provider and with the brand's other consumers.

Much like other communities, Muniz and O'Guin (2001) suggest that BCs are marked by the following three factors:

- (1) A shared consciousness, that is, an intrinsic connection members feel with one another. This can also be described as a "we-ness", or a sense that members "sort of know each other" at some level, even if they have never met. This shared consciousness is often associated also with a collective sense of difference from others not in that community.

- (2) Rituals and traditions that perpetuate the community's shared history, culture and consciousness, and that inculcate certain behavioral norms and values that typically center on shared consumption experiences with the brand.
- (3) A sense of moral responsibility which is a felt sense of duty or responsibility to the community as a whole, and to its individual members that contribute to collective action and group cohesion.

Muniz and O'Guin (2001) place the development of brands and BCs in the context of the development of mass media and modern marketing which started in the early nineteenth century. These developments have simulated, if not replicated the hallmarks of the long-established geographical communities. In this view, the emergence of OBCs in the modern society is just the latest step in a long evolution of communities. Firms cannot ignore this development as consumers have been known to start OBCs without the involvement of the provider. What's more, some OBCs may switch or share allegiances with a competitor's brands, and the more attractive OBCs may be supported by competitors' brands.

The following is our analysis of the nature of BCs as drawn from a review of the literature and interviews with industry experts. We identify four key dimensions that significantly shape an OBC:

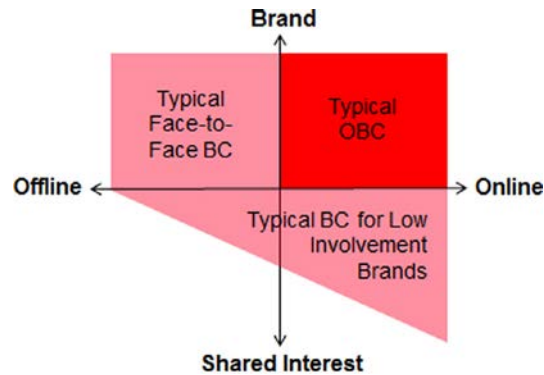
- (1) *Brand orientation.* The core focus of an OBC can be the brand itself (including brand-related consumption experiences such as riding a Harley Davidson bike), a wider shared interest (e.g. biking in general), or both.
- (2) *Internet-use.* BCs can be offline, online or both. For the purpose of this article, we consider both entirely online and online/offline hybrid BCs as OBCs.
- (3) *Funding and governance.* OBCs can range from being entirely funded by the brand, to being fully funded by the community of enthusiasts. Likewise, OBCs can be governed either entirely by the brand at one extreme, or entirely by the BC at the other.

Figure 1 schematically shows the interplay of the first two aforementioned dimensions. The typical OBC would sit in the top right quadrant (dark shading), where its core value is delivered via an online platform, and the core focus of the community is the brand itself. The lower left quadrant applies to off line communities which are oriented towards an interest that is shared by its members. Such communities do not fit well in the evolutionary development of internet enabled consumer communities discussed above, and are beyond the scope of this article. In the next section, we discuss the first two dimensions of OBCs in more depth.

Brand orientation

The vertical dimension in Figure 1 shows the brand orientation of the BC. Traditionally, BCs have been oriented strongly towards the brand itself. Gruen and Ferguson (1994) called members of such BCs "active loyalists," as they tend to be committed to the brand, and are almost passionate about it. The BCs who are most frequently celebrated in the literature have strong brand identities and active loyalists. They include car some brands (Algesheimer *et al.*, 2005), and the Harley Owners Groups (HOGs) (Fournier and Lee, 2009).

Figure 1.
OBC modes of interaction
and core focus



Brands whose identities appear to be less strongly developed may also successfully build OBCs if they focus on a wider shared interest rather than on the brand itself. The internet and mobile technology provides a new space in which communities and relationships can be developed at low cost, and such media present a strategic opportunity to develop a BC which may enlarge a provider's existing brand identity. The resultant online community may serve as a platform for both providers and consumers to co-create additional value that stretches beyond the existing brand identity and value proposition (Schau *et al.*, 2009). For example, the OBC of wheat brand King Arthur Flour is oriented towards baking in general, rather than around specific products. As Fournier and Lee (2009, pp. 106-107) observed, this may be because community members are often "more interested in the social links that come from BCs than they are in the brands themselves".

Online versus offline BCs

Many BCs emerged in the pre-internet area and added their online presence and functionality only at a later stage. For instance, Harley Davidson's HOG started in 1983 and now has a strong and vibrant online community as well as real-world events. Likewise, Lego developed online environments for the many Lego fan clubs that already existed offline. Collectively, the groups have now evolved into a global OBC (Hatch and Schultz, 2010). A BC that is started today might also develop reversely, and start online before a real-world dimension is emerges when this is perceived to be of added value. For example, members may enjoy meeting face-to-face after having interacted online for some time, and they may also engage in activities that cannot be done online such as baking, tasting cakes or exchanging Lego.

As the internet and social media continue to develop rapidly, and as they continue to significantly drive the concepts of identity and community, we believe that the continuum stretching between online and offline presence will be an important most defining dimension of a BC. Table I shows the key differences between purely online and purely offline communities to highlight the dissimilarities and the new characteristics of OBCs. A key observation from Table I is that the low cost and global reach of OBCs (as opposed to offline BCs) changes their nature. On the one hand, the OBC allows members to reveal little of their identity, only passively engage in relationships, work minimally at sustaining rituals and traditions and only weakly develop consciousness of any kind that would lead them to carry a moral responsibility (e.g. see Preece *et al.*, 2004 for a discussion

Dimension	Offline brand community	Online brand community
Main mode of interaction	Face-to-face Has social implications and members bring their true identity to the community and to the consciousness of kind and moral responsibility Formal organizational structures are beneficial and roles such as president, treasurer, secretary often become necessary	Virtual Virtual identity possible, anonymity possible, possibly with less consciousness of kind, and less moral responsibility Informal, less hierarchical structures are common, allowing for a variety of designs and modes of interaction Interaction is unconstrained by location and time
Geography and time dimensions	Geographically and time constrained; members typically have to be present at the same location and same time to interact Community can be global but requires a local chapter structure to facilitate face-to-face interaction where value creation takes place	Community can be structured along any dimension besides geography
Costs to community members (time, effort and expenses)	Time and location constraints impose time and effort costs; location and hospitality requirements incur (financial) costs Threshold costs cut off low involvement members from participating in the community	Low cost of joining and being part of the community Low threshold and hence a wider range of engagement levels and forms of the members, possibly affecting consciousness of kind and moral responsibility Involvement can range from very low to very high
Involvement with brand, firm and community	Brand often elicits high levels of involvement, loyalty and emotion among members; members are frequently motivated to help others Intrinsic benefits (e.g. wanting to feel connected) tend to prevail	Many members may seek primarily functional benefits from an OBC (e.g. getting help with using, maintaining and repairing a product) Many members may be passive and only access content but do not contribute to the OBC Firms may use extrinsic benefits (e.g. discounts, lucky draws, loyalty points) to engage OBC members and motivate desired behaviors (e.g. post contributions, recruit new members, provide word-of-mouth, or give feedback to the firm)

Table I.
Key differences between offline and online brand communities

of the behavior of “lurkers”). Although this weakens the community significantly, the online feature also allows for much more active involvement relative to what may take place without such a convenient medium. It allows also for relationships to form between subgroups of the community that may not otherwise have opportunity to interact.

As demonstrated by the iMac and the King Arthur Flour communities, relationships get forged on the basis of the members' shared interest in specific areas, including products and models.

Funding and governance of OBCs

Historically, BCs have been supported or entirely funded by the brand owners (i.e. the firms), but governed largely by the local chapters who own the web sites where the communities reside. The local chapters also control the web site content and the interaction between members. The latter sometimes includes managing the antisocial behaviors that are somewhat emboldened by the anonymity of web encounters, managing rumors, and the like.

Figure 2 shows the funding and governance combinations that are common in OBCs. Harley Davidson, Blue Band and King Arthur Flour are examples of providers who govern and fund their OBCs. Lego, by contrast, neither governs nor funds its OBC (called LUGNET), and SAAB is not in any way involved with its popular owner's site (saabing.com).

Fournier and Lee (2009) recommend a hybrid approach to governance, in which firms neither entirely control the community, nor completely abdicate responsibility. Concurring with this view, we find that firms tend to put corporate interests over those of the community, and that this significantly hampers the OBC's vibrancy. In an active and involved online community, control may be an illusion. Highly involved but disillusioned members (e.g. members who oppose product changes) could at any point decide to build a parallel OBC that is beyond the reach of the firm. Acknowledging the power of the consumer community, Hatch and Schultz (2010) go as far as to even suggest a shared governance model for the brand itself that is based on co-creation with the community.

Having discussed key dimensions and characteristics of OBCs, we turn our attention in the following two sections to consumer and organization behavior.

Consumer perspective of OBCs

In engaging in an OBC, consumers aspire to obtain value from the organization and their brands. Positive experiences gained from these interactions serve to strengthen the

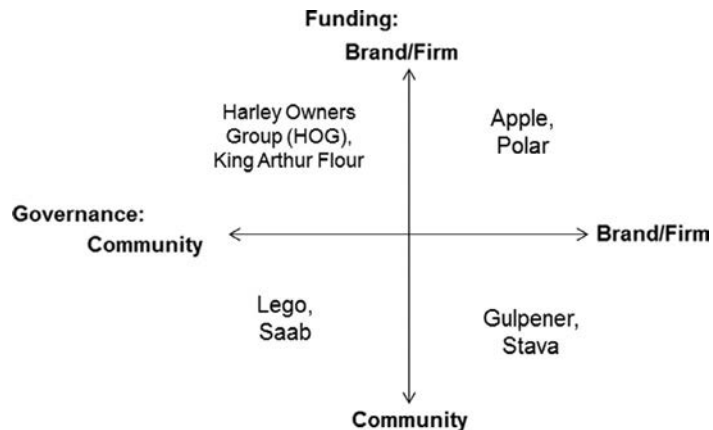


Figure 2.
Funding and governance combinations of OBCs

consumer's relationship with the brand (Algesheimer *et al.*, 2010). Active engagement in the form of membership continuance, participation, and giving and receiving recommendations from other OBC members translate into brand loyalty and customer advocacy (Algesheimer *et al.*, 2005). Consumers who join and actively participate in such BCs tend to increase in their willingness to adopt a firm's new products and are less likely to embrace competing products (Thompson and Sinha, 2008).

In this section, we propose a conceptual framework for OBCs which encompasses the drivers of consumer-OBC engagement, the moderators of the relationship behind the drivers of OBC engagement and actual engagement, and the outcomes of OBC engagement for the consumer, the brand and the firm (Figure 3).

Online BC engagement

OBC engagement refers to the positive influence of consumers identifying with an OBC. This is defined as the consumer's intrinsic motivation to interact and cooperate with community members. OBC engagement suggests that members are interested in helping other members, keen to participate in joint activities, to act volitionally in ways that the community endorses, and in ways that enhance the OBC's value for themselves and others (Algesheimer *et al.*, 2005). Although Algesheimer *et al.* (2005) refer to BC engagement merely as an attitude (being interested in), we would like to argue that actual participation behavior is required as well. This is in line with van Doorn *et al.* (2010) who state that customer engagement goes beyond attitude and that it is the customers' behavioral manifestation toward a brand or firm (beyond purchase) that results from their motivational drivers. According to the authors, there is a vast array of customer engagement behaviors including word-of-mouth recommendations, helping other consumers, blogging, writing reviews, and even engaging in legal action

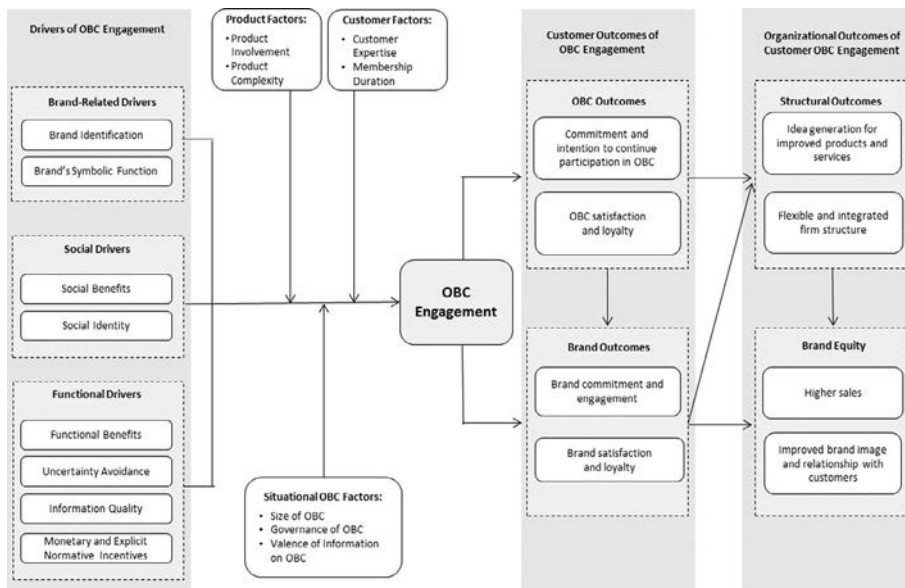


Figure 3. Antecedents and outcomes of consumer OBC engagement

(van Doorn *et al.*, 2010). Some of these behaviors fit perfectly well in the context of OBCs. Therefore, we define OBC engagement as an identification with the OBC that results in interactive participation in the OBC (Brodie *et al.*, 2011a).

It is generally easy for consumers to join an OBC and connect with other members. They get to remain anonymous and maintain privacy with little joining costs and exit barriers (Table I). However, getting people to join an OBC requires an understanding of the path consumers follow when they engage with brands and other members of the OBC. We identified three basic brand related drivers that motivate consumer engagement in OBCs.

Brand-related drivers

Brand identification. Brand identification is a social construct that involves the integration of perceived brand identity into self-identity. Brand identity refers to the set of brand associations from which a person derives functional, emotional, and self-expressive benefits (Hughes and Ahearne, 2010). Such an identification can be an antecedent to the customer's participation and affiliation with the community. For instance, Algesheimer *et al.* (2005) explore the idea of brand identification in the context of European car clubs and find identifying with brands and their related BCs to have a positive influence on BC engagement. The consumers demonstrate high intrinsic motivation to interact and cooperate with other community members. The authors thus infer that a strong relationship with a brand can drive consumers to look for and interact with like-minded consumers who share their enthusiasm. Moreover, an existing identification with the brand is likely to facilitate integration and identification with the BC (Algesheimer *et al.*, 2005). This implies that the BC may be more suitable and effective for experienced and already-engaged users of the brand.

Brand's symbolic function. Customers may decide to participate in a BC because they want to live up to the brand's symbolic function. Symbolic meaning is a key dimension of brand identity (Aaker, 1996) that often goes beyond the usual set of associations. Some brands such as Harley-Davidson, Nike and Apple reach iconic status partly because of their symbolic meaning. For such brands, a community may further strengthen that meaning and offer a meeting place where members can express their devotion (Ouwensloot and Odekerken-Schröder, 2008).

Social drivers

Social benefits. Much like a traditional community, the community interaction facilitated by the OBC provides a wider set of social and affectual benefits to its members (Muniz and O'Guinn, 2001). Consumers often participate in the community to seek assistance and help from other members (Dholakia *et al.*, 2009). For instance, it is quite common for sellers in the eBay Help Forums to share knowledge concerning fraudulent bidders, to spot price trends, and to give advice on auction listing tactics. In such cases, support discussions are interlinked with social conversations (Dholakia *et al.*, 2009). Such interactions promote bonding amongst OBC members, who then begin to identify more strongly with the community. Such interactions also increase the social benefits members perceive, and in turn enhance their engagement in the OBC.

Social identity. Social identity theory asserts that self-concept is derived in part by psychological membership in various social groups. People generally strive for positive self-esteem, and such esteem can be derived from social group membership.

Social identity is maintained and strengthened in social group members through in-group, out-group comparisons (Hughes and Ahearne, 2010). Research on BCs has focused explicitly on the interactions amongst consumers who identify with the same brands, and who thus form a social group. The focus of such research is generally on the collective self, or in other words, the self that is embedded in a collective (a BC) or in society as a whole (Lam *et al.*, 2010).

A number of long established consumer communities have cultivated such deep resonance amongst their members that being associated with the brand has become a way for members to assert their personal identity. While the HOG is an example of such a community, even brands that have not reached iconic status can induce people to join with a personal-identity approach. Such brands can, for example, build a community around a marketing campaign for a cause, with members joining because of identification with the cause more than with the brand itself. For instance, if the consumers' identity is health-oriented, ways to support health programs in the developing world, petitions to sign or walkathons to join will reinforce the value of the consumers' association with the brand as it allows them an avenue to express their values.

Functional drivers

Functional benefits. Functional benefits are frequently derived from the direct, information-based support that a consumer receives from the OBC (Dholakia *et al.*, 2009). OBC members have enormous cumulative expertise that can be tapped on by members. They provide insight into a range of topics such as whether to make a particular purchase, what products are recommended and why, potential causes of problems that may come up, viable solutions, and general tips on product usage (Dholakia *et al.*, 2009).

Uncertainty avoidance. Uncertainty reduction theory (URT) suggests that OBCs may serve an important role in making a consumer more comfortable with a purchase decision (Adjei *et al.*, 2010). URT suggests that the onset of a relationship is characterized by high levels of uncertainty and relationship partners communicate and seek knowledge in order to reduce their discomfort (Weiss *et al.*, 2008). Ouwersloot and Odekerken-Schröder (2008) propose that BCs serve to reduce such discomfort and anxiety by providing reassurance about the product's quality. This uncertainty reduction function is helpful even when the person seeking information already perceives herself to be a knowledgeable and experienced user of the product (Adjei *et al.*, 2010; Mattila and Wirtz, 2002).

Information quality. Information quality is an important factor that defines the benefits perceived by OCB participants (Dholakia *et al.*, 2009). In an established OBC, community members can easily turn to one another for brand-related information (Muniz and O'Guinn, 2001). Broad-based and up-to-date information facilitates members' learning, and OBCs have an unparalleled ability to facilitate interactive learning and communications (Porter and Donthu, 2008) for the collection and integration of knowledge (Wiertz and de Ruyter, 2007). OBCs thus provide high levels of information credibility (Hung *et al.*, 2011).

Monetary and explicit normative incentives. Firms often turn to monetary incentives such as loyalty points, lucky draws and price promotions to encourage participation and engagement in their OBCs. Monetary incentives have been shown to increase short-term participation intentions for all types of community members, with a stronger effect observed for passive compared to active members (Garnefeld *et al.*, 2012). However, monetary rewards (i.e. an extrinsic motivator) tend to decrease the active online community members' long-term intentions to participate. Thus, there is a long-term

crowding-out effect for active members such that the short-term gain obtained from a monetary incentive is traded off with a reduced willingness to participate in the long run. However, the positive impact of the monetary reward does not diminish for passive members because they do not experience a long-term crowding-out effect.

Explicit normative incentives, such as calls to adhere to norms of reciprocity and solidarity, or to contribute to a common goal make the normative standards of the community more salient and thus activate or increase feelings of obligation among community members. These incentives increase the active community members' willingness to participate in the short-term, but are insignificant for their long-term posting intentions. Such explicit normative incentives also fail to increase the willingness of passive community members to contribute to the community, both immediately or in the future (Garnefeld *et al.*, 2012).

Moderators of the relationship between the drivers and OBC engagement

A number of factors are proposed to moderate the relationship between the drivers and OBC engagement. These are discussed below.

Product factors.

- (1) Product involvement – consumers participate in BCs to a level that reflects their involvement with the product. High-involvement purchases typically entail extensive pre-purchase searches (Arnould *et al.*, 2002). When making such a purchase, consumers want to feel connected beyond the moment of consumption and they feel a need to share the consumption experience with others (Zaichkowsky, 1985). OBCs provide such an opportunity for seeking out, connecting and sharing with like-minded others (Bagozzi and Dholakia, 2002). As such, the level of involvement the consumer has with the product will intensify or weaken his engagement with an OBC.
- (2) Product complexity – when the product in question is complicated, information acquired from an OBC is often more valuable and more persuasive than firm-provided information (Adjei *et al.*, 2010). Consumers are compelled to extend greater effort when evaluating complex products (Johnson and Payne, 1985). We expect therefore, that consumers will seek to simplify the decision making task by relying more heavily on the information provided by other OBC members than when faced with a less complicated product (Adjei *et al.*, 2010). As such, we advance that product complexity will moderate the effect of the drivers on OBC engagement.

Situational OCB factors.

- (1) Size of OBC – for a majority of OBC members', social interactions occur within small groups, typically comprising fewer than ten close friends. These friends engage in regular and frequent face-to-face interactions with each other (Bagozzi and Dholakia, 2006), and have stronger interpersonal relationships than members of large BCs. Members of small group BCs tend also to express greater interest in participating for social ends and to feel more connected to the community. The overall quality of their relationship with the group is higher, they demonstrate greater engagement and greater normative pressure (Dholakia *et al.*, 2004). As such, small group BCs are strongly socio-centric, with members having both a strong group identity and a strong association with the brand and

the demarcation between brand-related activities and the group's social activities tends to blur as the two intermingle.

In large BCs, individual members are more likely to identify with the community as a whole, rather than with individual participants (Dholakia *et al.*, 2004). Membership in such large communities may be sought for more functional than social reasons. For example, it may be easier to find an expert capable of solving a particular product-related problem in a large group than in a small one. On the flip side, members of such a group are likely to feel less of a connection to the BC. Given the role of OBC size as a moderator of OBC engagement, firms may want to use small group effects to build greater OBC engagement, for example by building smaller subgroups that are united either by particular interests or by their belonging to a particular region.

- (2) OBC governance – a fundamental contextual distinction can be made between OBCs based on who governs their web site and how (Adjei *et al.*, 2010). The perceptions of consumers as to the credibility of an information source differs between firm-governed OBCs that have been developed to promote the firm's products, and the independent, community-governed OBCs that aim to bring together consumers with common brand-specific interests (Figure 1). Not surprisingly, one study has found consumers to perceive the latter to be less biased (Xue and Phelps, 2004). Thus, we propose that corporate-governed OBC have lower perceived information credibility with consumers than member-governed OBCs.
- (3) Valence of information in the context of communication exchange refers to the extent to which the information reflects positively or negatively on the product in question (Adjei *et al.*, 2010). Members of OBCs exchange both positive and negative information in their conversations. In general, negative information has been found to have a stronger effect than positive information in that negative information has a more distinctive coding in memory (Ba and Pavlou, 2002). However, in the context of OBCs, it was found that positive information from an OBC has a stronger effect than negative information (Adjei *et al.*, 2010) in that it provides consumers with a much-needed confirmation of the suitability of their choice before they make a purchase. Although negative information may be shared by community members, the fact that that positive information has a stronger effect should be encouraging to brands with OBCs. It indicates that firms with high product quality and good customer service can be less concerned about the negative information posted online, provided a sufficient number of positive comments are posted as well.

Customer factors.

- (1) Customer expertise refers to the extent to which an individual perceives herself to be knowledgeable, competent, trained, and experienced (Adjei *et al.*, 2010). Consumers who view themselves as having high expertise generally place less value on the information provided by others than less informed consumers (Punj and Staelin, 1983; Mattila and Wirtz, 2002).

However, in research conducted more specifically on OBCs, it was found that member communications reduced the uncertainty surrounding a product, even when the individuals seeking information perceived themselves to have high product knowledge and experience (Adjei *et al.*, 2010). A more detailed analysis

revealed an interaction between communication quality and personal expertise. Specifically, people with high expertise asked very specific and technical questions, whereas those with low expertise tended to ask broader and more general questions. In addition, experienced consumers were found to be better equipped to sift through large amounts of information more efficiently and effectively, and they processed it better than novices. Thus, we advance that customer expertise and level of information moderate OBC engagement.

- (2) Membership duration has been shown to influence the adoption of new products among OBC members. Specifically, longer term members are more likely to adopt a new product from the preferred brand and will adopt it faster compared to short-term members. Long-term members are also less likely to adopt new products from competing brands, and to do so more slowly (Thompson and Sinha, 2008).

Outcomes of customer OBC engagement

OBC outcomes

A customer's engagement in an OBC is likely to have a number of outcomes, including the customer's continuing participation in the OBC, a sense of satisfaction with the OBC, and increased trust in and commitment to the OBC.

Commitment and intention to continue participation in an OBC. The long-term survival of an OBC depends greatly on its members' commitment and continued participation in the community relationships. Such commitment and participation are particularly important in the online context, as members can switch to an alternative OBC with just a few easy clicks. To ensure vitality and longevity, members need to be cohesive and have a strong sense of belonging (Wellman and Gulia, 1999). Several studies have confirmed that OBC participation contributes positively to community commitment (Jang *et al.*, 2008; Casaló *et al.*, 2007). An analysis of a large data set from studies involving OBCs further confirms the positive influence of OBC participation on members' intention to continue community membership (Woisetschläger *et al.*, 2008).

OBC satisfaction and loyalty. In engaging in an OBC, consumers strive to gain knowledge and increase their social interaction. When an OBC meets or exceeds consumers' expectation in achieving these goals, they are likely to be satisfied with the OBC (Woisetschläger *et al.*, 2008). Satisfaction with the OBC has a direct effect on consumers' intention to carry out behaviors such as saying positive things about the brand, recommending it to others, and remaining loyal to it in their purchasing decisions.

At the same time, consumers' knowledge driven interactions with other members leads to a strengthening of in-group consciousness, and active engagement results in increased satisfaction with the knowledge and social interaction gained from the OBCs (Schouten *et al.*, 2007). Stronger community engagement has also been shown to lead to lasting membership continuance (Algesheimer *et al.*, 2005). Hence, we suggest that high OBC engagement has a positive effect on community members' satisfaction and loyalty to the OBC.

Brand outcomes

Active consumer engagement in OBCs is likely to strengthen the brand through the fostering of higher brand commitment, spirited brand engagement, brand satisfaction and brand loyalty.

Brand commitment and engagement. Consumers with strong OBC commitment tend to have stronger brand commitment (Kim, J.H. *et al.*, 2008) and they become vested in the successes and failures of that brand (Ashforth and Mael, 1989). One can assume then that individuals who are committed to an OBC are more likely to develop positive attitudes and behaviors toward the brand.

A consumer's engagement in an OBC not surprisingly also enhances his or her overall brand engagement. Consumer engagement has theoretical roots within the expanded domain of relationship marketing which emphasizes the notions of interactivity and customer experience (Vivek *et al.*, 2012). Mollen and Wilson (2010, p. 5) defined brand engagement in an online contexts as "the cognitive and affective commitment to an active relationship with the brand as personified by the web site or other computer-mediated entities designed to communicate brand value." Brand engagement encapsulates an interactive relationship with the brand, and requires the perception of experiential value in addition to instrumental value to be obtained from interactions with the brand.

Brand satisfaction and loyalty. From a consumer point of view, engagement behaviors are motivated by the satisfaction of needs, and the gain of benefits from the behavior itself. Consumer engagement is believed to be directly and positively related to a number of brand relationship outcomes including satisfaction, trust, affective commitment, and loyalty (Brodie *et al.*, 2011b). It seems reasonable then to assume that if a consumer's engagement with an OBC creates value, this will increase his or her brand satisfaction. Also, strategic initiatives purporting to elevate relevant customer brand-engagement levels are expected to generate enhanced customer loyalty outcomes (Hollebeek, 2011). McAlexander *et al.* (2002) found that brand loyalty can be further strengthened by engaging its BC.

A stronger community engagement leads to stronger membership continuance and community recommendation intentions in a BC context (Algesheimer *et al.*, 2005). This has been reiterated by Kim and Jung (2007) who state that community loyalty and word of mouth are key potential outcomes of community participation. Thus, we propose that customers' engagement in OBCs will strengthen their brand loyalty.

Organizational perspective to OBCs

Several trends point to the need for organizations to strongly consider the establishment and management of OBCs. Consumers increasingly rely on the internet for information and purchases (Kim, J.H. *et al.*, 2008; Shankar *et al.*, 2003), which is especially true for Generation Y (broadly defined as people born between 1981 and 1999) who are the first generation to have spent their entire lives in the digital environment (Bolton *et al.*, 2013). Worldwide, 32.7 percent of the population uses the internet, and this number is increasing every year. There was a 528.1 percent growth in internet usage between the years 2000 and 2011 (www.internetworldstats.com/stats.htm). Congruently, more and more people use OBCs as a platform to exchange and share ideas. However, there is relatively little research that addresses issues surrounding OBCs from the perspective of organizations (Porter *et al.*, 2011).

Advantages of OBCs for organizations

OBCs are an important new development for businesses because they enhance the organization's relationship with people (Fournier and Lee, 2009). This development does not only concern the organization's consumers, but anyone interested and active

in the market, including employees, users of competing brands and market experts. Overall, consumers' OBC engagement benefits organizations in four main ways (see the last column of Figure 3).

First, since members openly exchange their opinions and experiences with branded products, OBCs become an important source of consumer data that will aid the organization in its market research (Kim, J.W. *et al.*, 2008; Kozinets, 2002). The OBC provides unprecedented levels of "access to the voice of loyal customers" (Kim, J.W. *et al.*, 2008, p. 409). Communication between the organization and its community of users is promoted, and it can provide valuable insight into the strengths and weaknesses of both new and established products and services (Kumar *et al.*, 2013). Thus, OBCs can help organizations gain insight into consumer needs, desirable features of new products, and trends for future product or service development (Kim, J.H. *et al.*, 2008).

A second related benefit of OBCs and the use of social media in general is in the cultural change they can promote in a company. OBCs can stimulate communication among several departments involved in the development of a new product (Kim, J.H. *et al.*, 2008), and generate important insights that help extend the reach of marketing efforts. This increased opportunity for collaboration across departments and geographical locations often results in greater productivity and decreased deficiencies (Benhoff and Li, 2008). For example, the marketing and product development departments may fight less about priorities because they now share a platform that provides a clear view of consumer demand (Benhoff and Li, 2008).

Third, OBCs benefit brands. Online communities have been found to strengthen the relationship with the brand, enhance brand commitment, and online community members have been found to build stronger associations with the brand than nonparticipating consumers (Kim, J.W. *et al.*, 2008). As discussed in the section on consumer behavior, stronger OBC engagement is likely to result in more intensive engagement with the brand, higher brand satisfaction, brand trust, commitment, loyalty, and advocacy, all of which help to increase brand equity.

Finally, OBCs have been found to be effective tools for influencing sales. They have a direct positive impact on immediate purchase intention (Blazevic *et al.*, 2013), and are effective tools for retaining both experienced and novice consumers (Adjei *et al.*, 2010). The increased brand equity can further improve brand performance in an indirect way. Brands with higher equity have been shown to be able to command higher price premiums, enjoy greater trade support and cooperation, and be more effective in their communication among other things (Keller, 2008).

Challenges of managing OBCs

While much of the popular literature and even the extant research emphasizes the numerous opportunities and advantages OBCs offer, the inception of an OBC also presents a number of challenges to organizations and their brands. For example, OBCs can become a magnet for anti-brand comments and discussion. People can use the OBC to post information about the negative influence of the brand's product on issues of social concern. Anti-brand communities include those targeted at Amway and the "Boycott Nike" site (Maclaren and Catterall, 2002). Communication in such communities can be dominated by a few members to express their opinion on issues unrelated to the brand.

As an OBC is closely linked with its brand in the minds of its members, everything that takes place within the community becomes associated with the brand.

Therefore, if anti-brand comments and discussions take place, associations are created that differ from the intended, and the OBCs themselves can bring about brand equity dilution (Buchanan *et al.*, 1999). Managing this is an especially difficult and delicate task as members need to feel the freedom to express their opinions for the community to function well. In addition to sharing similar interests, OBC members participate voluntarily and expect to have an active voice in the community (Kim, J.W. *et al.*, 2008).

Many brands already have both on and off-line BCs. If on- and off-line communications are not in conformity, confusion ensues which may weaken the strength and uniqueness of any pre-existing associations. Ideally then, all communication levels need to be kept consistent. However, this is hard to achieve in an OBC, especially when it is governed by members rather than the firm.

Managing an OBC also requires the allocation of sufficient resources and the development of relevant expertise. More importantly, it requires an organization-wide commitment and willingness to work across functional boundaries (Fournier and Lee, 2009). Although OBCs are not corporate assets and therefore cannot be fully controlled (Fournier and Lee, 2009), brand managers should take responsibility for governing the OBCs by providing support and by replacing control with a balance of structure and flexibility. They should participate as community co-creators, and facilitate and nurture OBCs by creating and maintaining conditions in which communities can thrive. Consistent with this reasoning, Benhoff and Li (2008) emphasize that social applications (including OBCs) require flexibility and nimbleness from their creators. More specifically, Adjei *et al.* (2010) found that in the control and governance of OBCs, it is important to focus on enhancing the quality of the information shared in the community, and that this is a much more important and challenging task for OBCs than for offline BCs.

As summarized in Table I, OBCs exist in a virtual world in which their members have the ability to remain anonymous. This raises additional challenges in that the moral pressure on members to behave and interact in ethically acceptable ways is much lower than that in an offline BC. Additionally, OBC members can include people from all over the world who communicate and interpret messages in different ways, sometimes resulting in misunderstanding.

The engagement of consumers is another challenge, critical to an OBC's success (Fournier and Lee, 2009). Porter *et al.* (2011) suggest that it is important to first understand consumer needs and motivations before promoting participation and motivating cooperation. Unless there is an element of co-ownership of the brand, a true relationship between the firm and the community cannot exist. Therefore, it is essential to engage community members such that they are privy to the more internal aspects of the organization. This starts with the development of adequate communication between consumers and employees. According to Ramaswamy (2009, p. 33) "without organizational capabilities that align outside-in 'customer to employee' experience with inside-out 'employee to customer' experience, the co-creation of value with clients would be difficult to achieve." The author also emphasizes the importance of empowered employees who have a say in solving consumers' problems. Therefore, in addition to consumer engagement, employee engagement is essential for a community because shared experiences leave long lasting impressions on both co-producers.

Overall, whether and how much the organization and its brand(s) enjoy the benefits and suffer from the possible negative effects of OBCs depends on the quality of communication within the community.

Setting organizational objectives for the OBCs

Organizations determine the objectives of their OBCs based on their resources, capabilities, and overall strategic priorities. From our review, it appears that OBC objectives can be broadly grouped into four categories:

- (1) as a resource for creative ideas in order to improve products and services;
- (2) as a supporting tool for changing the company culture;
- (3) to improve brand image and relations with consumers; and
- (4) to increase sales.

While all four objectives can be pursued simultaneously, most companies would benefit from prioritization, particularly when they have limited resources. Such a strategic prioritization should also help address the challenges in managing OBCs.

In sum, we suggest that companies be proactive in establishing and managing their OBCs, as the benefit arising from an OBC far exceeds the risk associated with them (Adjei *et al.*, 2010).

Summary, conclusions and future research

Summary and conclusions

This study highlights the importance of OBCs in facilitating networks of relationships between providers, consumers and users who are united by the value they attach to engaging in a relationship with a brand. Four dimensions of OBCs were identified as significantly shaping their nature, namely brand orientation, internet-use, funding and governance. The interplay of the first two dimensions is shown in Figure 1. Table I contrasts the characteristics of fully online and fully offline BCs, and highlights some of the unique characteristics of OBCs. The online versus offline continuum is the most important dimension, and poses multiple implications for BCs. Figure 2 shows the possible funding and governance constellations of OBCs.

The interactivity promoted by consumers' engagement with an OBC is generally mutually beneficial. Figure 3 shows the framework as conceived in this study of OBC drivers (brand-related, social and functional) and outcomes (OBC- and brand-related), as well as potential moderators of the relationship between the two (product, customer and situational factors).

This study also examines key factors surrounding OBCs from the corporate perspective. We recommend that companies be proactive in supporting the establishment and development of their OBCs as they provide valuable insights into the way customers perceive their products. Such an insight allows for the development of new products embedded with greater value, and promotes a more customer-centric company culture in which close customer relationships are nurtured in the interest of increasing sales.

Further research

Having presented a cogent conceptual framework for understanding OBCs, the next step is to test and further develop the models proposed in Table I, and in Figures 1-3. Building on our review of the literature and this conceptual framework, the following are specific research priorities that we have identified:

- Empirically test the differences between online and offline BCs as proposed in Table I. Explore when and how firms should add online BCs to their offline BCs, and vice versa.
- Explore when OBCs should be primarily focused on the focal brand, and when they should be focused on wider shared interests that are related to the brand (Figure 1).
- Explore the criteria for determining when it is more beneficial for the firm to govern the OBC, and when the consumer should assume control. Similarly, explore criteria by which to determine what the balance of funding should be between the consumer and the firm (Figure 2)?
- Empirically test the drivers and their moderators of OBC engagement as proposed in Figure 3. Explore when and how OBCs can be effective in nurturing relationships between customers, and between customers and the brand.
- Empirically test the impact of OBC engagement on brand performance (Figure 3).
- Develop a valid and reliable scale with which to measure OBC engagement.

Changing technologies allowing for more instantaneous, visual forms of communication can be co-opted to promote greater social awareness and customer engagement. We know very little about the influence of visual communication channels such as smart phones and tablets (Larivière *et al.*, 2013) and their role in enhancing customer engagement with OBCs. Further research should explore how OBC members make use of new technologies to connect and interact with their communities.

Another important area is that of consumer insight. We need to know, for example, how consumers can be segmented according to their propensity for OBC engagement and what drives this engagement. What are the roles of personality characteristics, personal backgrounds and cultural differences in such a segmentation? Answering these questions would help brands to focus their efforts on the most promising consumers and to tailor a value proposition for their OBC engagement.

The notion that consumers create a personal relationship with the brand is central for most firms' interest in OBCs. Further research is needed to identify the most important mechanisms for maintaining an on-going community-brand relationship that allows consumers to experience intimacy and emotional engagement with the brand. Future research can also develop contingency models with which to facilitate decision making on the most suitable organizational structure, governance model, and funding arrangement for the effective functioning and development of an OBC. Additional questions to ask are what organizational processes and strategies contribute to the effective management of OBCs, who within an organization should be responsible for the management of the OBC, and how companies sustain engagement in OBCs without exerting too much control. It is also important to explore more creative ways to address the common challenges faced by OBCs such as the inappropriate behavior of some members. Addressing these questions would provide firms with valuable guidance on how to make strategic use of their OBCs, and will help them formulate and implement effective strategies to manage their brands in a global economic environment where online social networks are becoming increasingly influential.

Finally, further research is required to examine the applicability of our proposed frameworks in contexts that differ in their focus, for example between B2B and B2C

oriented firms, between goods and services, and between for profit ventures and not for profit ones. There is a lot of scope for further work and we hope this article will inspire more conceptual, theoretical and empirical research on OBCs.

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Further reading

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