The Strategic Implications of Consumer-Centric Virtual Communities

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The social aspect of Internet-based communities, also known as Virtual Communities (VCs), formed around a consumption activity or a brand is influencing the marketing actions in a significant way. The strategic implications of such virtual communities under following four themes: (1) VCs as target markets; (2) VCs and interpersonal influence on consumers (3) VCs as a leisure pursuit; (4) VCs for vicarious consumption. The managerial implications of the consumer-to-consumer interactions and future research directions are also discussed.

INTRODUCTION

With the advent of the Internet as an integral business tool, scholars have started paying serious attention to their likely effects on the marketing discipline and practices. Three distinct research streams have emerged: those focusing on business-to-consumer interactions (e.g., Alba et al, 1997; Peterson, Balasubramanian, and Bronnenberg, 1997); business-to-business interactions (e.g., Grewal et al., 2001); and consumer-to-consumer interactions (e.g., Kim, Choi, and Han, 2004, Kozinets et al., 2010, Trusov, Bucklin, and Pauwels, 2009). Even a cursory literature review would suggest that customer-to-customer linkages, often shaped through online gathering of customers in aggregates known as virtual communities (VCs) and social networks (SNs) have drawn disproportionately little attention from scholars compared to the influence they can wield on various facets of marketing. Though there has always been some initiative in this direction (e.g., Cooper 2010, Stephen and Toubia 2010, Zhang and Dholakia, 2005; Xue and Phelps, 2004), a systematic and comprehensive discussion of the implications of the online communication among consumers for marketing is lacking.

The social nature of the Internet is becoming the cornerstone of its business applications as well. Social networking is replacing search as the most popular activity on the Internet (Pew Survey, 2009). In fact, the ability of the Internet to embellish some aspects of the social life of its user were apparent from the early days of its opening up to the lay population (e.g., Rheingold, 1993). These early gatherings of users were under mostly the text-based message boards and newsgroups, which saw seeds for the emergence of virtual communities (VCs). It is important to note here that the current buzzword *social networking* is used as a umbrella term for describing the social nature of popular websites such as *facebook, linkedin*, and *youtube*. However, there is a conceptual difference between social networking and virtual community: the former has an individual as a focal point, while the latter have a brand (e.g., corvette), an activity (e.g., car racing), or a firm (e.g., General Motors) as a focal point. Therefore, one is more likely to get solution to one's product related problems on a related virtual community than on one's social network, which mostly comprises of friends and family and may or may not contain the subject matter specialist for the topics under consideration. Many social networks now provide a feature to create

a group page centered around an activity (e.g., fund raising), mimicking a virtual community, therefore, the discussion about VCs is relevant with some aspects of the social networks as well.

There are various definitions of VCs that revolve around the key concepts such as aggregation of people in cyberspace, belongingness, presence of rules and rituals, interactions, and relationships. Based on a comparative literature review, Lee et al. (2003) define VC as a cyberspace supported by computer-based information technology centered upon communication and interaction of participants to generate member-driven contents, resulting in a relationship being built up (p. 51), which we adopt for this article. Further, we focus on only those VCs that are defined by some aspect of marketing and consumption, particularly the VCs centered around products, brands, or a consumption activity.

The premise of the VCs as a marketing tool is that the traditional understanding of the Internet as an electronic store front or an advertising platform does not do justice to the full potential of the medium. Indeed, sales transactions are but one part of the marketing process, which may or may not take place through the new media. Equally important is the fact that people can intensely participate in the various net-based social gatherings, such as common-interest Usenet groups, bulletin boards of various discussion groups, on-line chats, and text or image-based fantasy games. Rheingold (1993) has chronicled the impact of one such pioneer VC on the lives of its member in his much cited book. Some applaud VC because By virtue of their collective nature, and enhanced by new forms of computer-mediated communication, consumers simply have a greater voice than would be the case in more isolated atomistic situation (Muniz and O'Guinn, 2001). Though some groups do not allow online commercial activities, they can still exert marketing-related influence, because the group members exchange product and consumption-related experiences, negotiate conflicting views, and/or relish the consumption of their favorite products through interactions with fellow members. It is not surprising, then, VC has been touted as an appropriate net-based business model by scholars (Armstrong and Hagel, 1996; Zhang and Dholakia, 2005), as well as entrepreneurs (businesswire.com).

However, our objective in this paper is not to discuss VC as a comprehensive business model, neither we mull on the finer distinctions between real and virtual communities, rather, with a more modest goal, we describe how VCs could be linked with various marketing tactics, and thus, can be part of a larger marketing plan to enhance the competitiveness of the organization. To that end, we describe potential applications of VCs as a marketing tool and highlight the gaps in research on how VCs can be useful in consumer marketing. It is worth noting that the emergent literature stream does discuss marketing implication for VCs, but often as an afterthought. In other instances, the focus is not on virtual community as a marketing tool per se. For example, Kozinets (2001) discusses the use of VC as one of the mass media platforms utilized by *Star Trek* Fans, where the goal seems to describe how consumption often fulfills the contemporary hunger for a conceptual space in which to construct a sense of self and what matters in life (page 67). Similarly, his 1999 article spells out strategic implications mostly couched in terms of how to segment VC members. Further, a study on brand communities touched upon virtual communities (Muniz and O'Guinn, 2001), but the focus was on brand-related communities regardless of its existence in on- or offline space. Our contention is that the marketing-related VCs go beyond brands, and encompass a host of focal points around which consumers gather - consumption rituals, hobbies, and mere discussion of a product or a consumption practice.

We propose that the implications of VCs for marketing actions and further investigation could be organized under the following four themes: (1) VCs as target markets; (2) VCs and interpersonal influence on consumers (3) VCs as a leisure pursuit; (4) VCs for vicarious consumption.

VCs AS TARGET MARKETS

The homophily principle suggests that similarity breeds connections (McPherson et al, 2001, p. 415). VCs is a special case of aggregation of consumers, who are connected since there is similarity along some aspect that defines the community. Since the members of a given marketing-related VC are self selected and represent commonality along some dimension of consumption, such VCs may be interpreted as a special case of target markets with a critical mass of purchase power (Zhang and Dholakia, 2005).

Identifying and addressing the target market is consistently advocated as one of the most efficient approaches of achieving an optimum level of market penetration (e.g., Kotler, 1994, p. 564). In operationalizing this approach, the key is to define the target audience precisely, and then to reach this audience in cost-effective ways. Since VCs primarily gather in cyberspace, reaching out to them through announcements, banners, sponsorships, email, and search-based advertising could be a viable option if such limited commercial activities are allowed by the VC members, moderators, and administrators. Thus, VCs could present an opportunity for marketers to identify and reach out to a group of consumers with similar interests. As a primary audience, the members group could be targeted as end-users. On the other hand, as opinion leaders, they can influence the purchase behavior of a larger, secondary audience (cf. Feick and Price, 1987).

Armstrong and Hagel (1996) were first to present a business model based on the creation and management of VCs. In this model, VCs serve member needs for communication, information, and entertainment. VCs could be appealing to marketers primarily because they represent an appropriate forum for marketing of specific goods and services. For example, the members of a VC centered around a gardening activity represent an attractive target market for the marketers of seeds, fertilizers, gardening tools, and related consultancy services. The individual members of VCs benefit from the collective bargaining power of the community which could be far greater than that of any individual member. Two, since transactions are likely to take place in computer-mediated environment, it is easier to keep track of the individual purchase behavior, which later can be used to tailor specific offers to the members. The community members as a whole or the VC organizer could own and sell this information to interested vendors. The vendors could tailor their offerings on the basis of the detailed individual consumer profiles. This may result in a reduction of wasteful marketing expenditures and an overall increase in marketing productivity.

While the above scenario is plausible, it still draws largely from the traditional one-to-one communication model. Moreover, it is speculative - we have yet to see a VC designed precisely after this model. Most VCs are yet free-for-all where the churn-out rate of members is relatively higher while the above model could not work in absence of a stable membership base. In addition, it is doubtful if transactions alone could provide enough cementing material to hold the community together.

VCs AND INTERPERSONAL INFLUENCE ON CONSUMERS

VCs generate collective knowledge (Zhang and Dholakia, 2005) as the text-based conversations get archived online with easy search functionality. Beyond the archived content, through current interactions of VC members in question-response episodes, a VC becomes a hub of consumers actively participating in informal learning and teaching. How lead users and opinion leaders influence the purchase and consumption decisions of the later groups of consumers is well recognized in the consumer behavior literature (Mohr, 2004). Consumers are influenced by external sources because they wish to reduce the uncertainty about purchase and consumption or they wish to conform to social norms. Two concepts are central to the notion of interpersonal influence: Word-of -Mouth (WOM) behavior and reference groups.

WOM has a special significance in the consumer information search and decision making because it is consistently found to have the greatest influence among all the information sources (Arndt, 1967; Engel, Blackwell, and Kegerreis, 1969; Katz and Lazarsfeld, 1955; however, see Xue and Phelps (2004) for a contrary view). Since the information provider is likely to be a friend or a relative and has a greater stake in the welfare of the recipient of the information as opposed to that of the marketer, the information is likely to be impartial, comprehensible, and interpretable (Price and Feick, 1984). Herr, Kardes, and Kim (1991) mention that the information exchange through WOM is more accessible and livelier than commercial information.

Granitz and Ward (1996) term the online sharing of information as Word-On-Line (WOL). They identify some critical differences between WOM and WOL. One, unlike WOM, WOL becomes a part of the recorded history and could be retrieved at a later date more easily for reference. Two, unlike the

relatively private nature of WOM activity, WOL remains public unless the members engage in private exchange. Third, due to the public nature of WOL, there is a greater likelihood of others pitching in to validate, supplement or dispute the shared information. Finally, unlike WOM, WOL is less likely to be affected by the real world role and status of the information provider. It is possible that in decontext-ualized environment of VCs, salience of other than personal appearance cues such as the expertise in the area of interest or the level and quality of participation may become indicators of status. We add to this list two more features of WOL: it is easily *reproducible*, therefore, it aids in further transmission of information. Also, the hypertext capability of the new media makes it easily and more verifiably *citable* in online communication.

There is a rationale behind why VCs are suitable for the flow of WOL. One, most VCs are organized around topics of interest shared by their members; therefore, the members are likely to feel greater involvement in the purchases related to their interest. Correspondingly, the members may have a greater stake in making a failure-proof purchase. Moreover, due to the idiosyncratic nature of some of the focal topics around which VCs are organized, it becomes difficult to find relevant information easily and quickly. The importance of VCs as effective channels for WOL becomes apparent in the light of the assertion by Price and Feick (1984) that WOM is more likely to be used when the risk in bad choices and the cost of searching information are relatively higher. Two, the membership profile remains homo-geneous in the dimension of the focal interest around which the VC is organized, which makes it easy to find the right information.

This likeness of members helps the flow of WOL in other ways as well. Brown and Reingen (1987) describe the like-me principle (Laumann, 1966) where people tend to interact with others who are like themselves. Further, Rogers (1983) suggests that information from people alike is considered more credible than otherwise. Finally, due to the public nature of discourse, the ongoing conversation is registered by even those members who did not ask a specific question because they are likely to learn something from the ongoing discussion. This corresponds well with the concept of the ongoing search for information (cf. Bloch, Sherrell, and Ridgway, 1986), according to which consumers engage in activities such as product browsing to help build a knowledge base for future use.

While some scholars believe that the effect of WOM should not differ much from that of other forms of peer-influence attempts (e.g., Foster, 1997), others disagree. Herr, Kardes, and Kim (1991) explore the comparative persuasive effect of face-to-face WOM vs. printed information. They found that WOM had a strong impact on product judgment relative to the less vivid printed communication. Further, they demonstrated that the manner in which the information is presented can produce strong judgmental effects, even when the diagnostic value of this information was controlled. For example, in the WOM communication instance, detailed diagnostic information could not erode the effect of a single, favorable WOM communication. However, the judgmental effects of the printed anecdotal information were overwhelmed by detailed attribute information.

The obvious generalizations of the above conclusions in the WOL context are that (1) the face-to-face WOM should be more persuasive than WOL, and, (2) the effect of the information presentation format (objective details vs. story-like presentation) should be in the opposite directions in WOM, but not in WOL. However, there is a fallacy in comparing the printed format in general with WOL: in the study cited above, the source of printed information was an anonymous individual; however, in VCs, the information provider is likely to be a regular member with his or her identity embedded in the social context of the VC. This fact implies that considerable credibility and prestige is at stake for the member sharing information. Further, Connery (1997) argues that in general, writing is inherently more authoritative than the spoken word; therefore, it should be more effective. Thus, a clear conceptualization of the persuasive power of WOL seems difficult. There is definitely a need for conceptual efforts and empirical studies to identify the variables moderating the effectiveness of WOM vs. WOL.

The above discussion of WOM and WOL points to other related and important areas of research. One, it should be of interest to examine the dynamics of new product diffusion through WOL. While the profile of the Internet users is becoming that of a general population in USA, several studies describing a demographic profile of the net surfers attest to overrepresentation of higher income, highly educated,

technologically savvy, risk taking individuals (e.g., a series of Internet demographics study by www.jupiterresearch.com), who are likely to have above average interest in adopting innovations (cf. Gatignon and Robertson, 1985). Examining how innovations diffuse through WOL is a challenging area of inquiry for marketing scholars.

VC AS A REFERENCE GROUP

A reference group is a related concept to WOM behavior. Both concepts are based on a common premise that consumers use others' product evaluations as a source of information (Burnkrant and Cousineau, 1975; Higie, Feick, and Price, 1987). On the other hand, this concept is somewhat different from WOM behavior in that individuals aspire to imitate the qualities of a reference group to which they may or may not belong while the WOM behavior connotes simply the flow of information among social networks.

Consumers learn new information actively and/or passively; they actively ask experts questions (Madanmohan and Navelkar, 2004) or they passively make inferences from the behavior of other individuals. Such groups which exert significant influence on individual's evaluations, aspirations, or behavior are termed as reference groups (Park and Lessig, 1977, p. 102). The concept of reference group is important for marketers because it exposes consumers to behaviors and life styles of others, influences self-concept development, contributes to the formation of values and attitudes, and generates pressure for conformity to group norms (Bearden and Etzel, 1982).

VCs are social forums where the members exchange information on an ongoing basis. Granitz and Ward (1996) identify the active VC members as either experts or novices on the basis of their tendency to ask questions or to provide valued information. The novices look upon active members for shaping their consumption behaviors; therefore, the latter is likely to act as a reference group for the former. Even though a member is only casually attached to a VC, still other members can influence her because even socially distant reference groups can influence consumers if the consumers have favorable attitudes towards the group or its activities (Cocanongher and Bruce, 1971). One important difference between reference groups in the real world and VC as a reference group is that in the former case, the members can actually observe the behavior and life style of the reference group members while in the later case, they mostly rely on their written accounts.

The conceptualization of VC as a reference group has some important implications. Scholars (e.g., Kelman, 1961; Park and Lessig, 1977) have identified various kinds of influences such as *informational* (to make better decisions), *utilitarian* (to comply with the wishes of others to avoid punishment or gain rewards), and *value-expressive* (to fulfill the need of psychological association with a group one admires). It is an important research issue to identify what kind of influence is likely to be exerted by VCs because it has a bearing on the type and extent of influence VCs can exert on their members for purchase and consumption related decisions. Members actively pose questions and share information on related topics in VCs, thus, VCs can exert informational influence. Further, as argued before, individuals signal their desire to belong to a particular group by participating in VCs which is analogous to value-expressive association. However, in light of reduced social presence in the new media, it is not clear if individuals are influenced by others to comply with their wishes or to manage punishment and rewards. While the above discussion leads us to conclude that the expert members in VCs are more likely to exert *informational* and *value-expressive* rather than *utilitarian* influence on novice members, there is a need for conclusive studies which can throw some light on the dynamics underlying the online information exchange.

Various threads of discussion among community members form a skeleton of a VC. Therefore, it is essential for many marketing-related VCs to have a suitable mix of novice and expert members, else, there may not be much to discuss. The knowledge gap between the experts and the novices provides traction for the VC to evolve further. What motivates the experts to devote countless hours of their time to help novices should be an issue of immense interest to the scholars interested in new product diffusion. Researchers have started exploring along similar lines of inquiry. For example, Bagozzi and Dholakia

(2002) investigate the individual and social determinants of the member's intentions to participate in VCs. They conclude that individual determinants like positive anticipated emotions and community influences like social identity drive the member intentions to participate. A few more possible drivers behind participation in VCs could be helping behaviors (Bendapudi et al., 1996; Price et al, 1995), voluntary behaviors (Kim, Choi, and Han, 2004), and the aspiration to be market mavens (Goldsmith et al, 2003). Finally, since increasingly communities are constructed through both the online and offline communication channels, an additional issue of interest is the comparative influence of the online and the offline groups on its members (Fitzgerald, 2004).

PARTICIPATION IN VCs AS A LEISURE PURSUIT

It is pointed out in various studies that the time spent online competes with time spend in leisure activities, such as watching TV. Indeed, VCs themselves are consumption objects because participating in VCs is one of the primary pleasure people are taking online (Baym, 1995). Participation in VCs takes the most obvious form of a leisure pursuit when VC members interact with fellow members to play interactive games. Since leisure as a special case of consumption activity has attracted attention of consumer behavior scholars (Celsi, Rose, and Leigh, 1993; Unger and Kernan, 1983), participation in VC as a leisure activity needs to be examined from the consumer behavior perspective. Particularly, intrinsic satisfaction, perceived freedom, involvement, stimulation, opportunity for excellence, and spontaneity are singled out as leisure conditions (Unger and Kernan, 1983). On the other hand, the close examination of the motives of the community members behind playing such games suggests an underlying desire of developing communal feelings. Moore, Mazvancheryl, and Rego (1996) argue that the members of modern society fail to develop adequate social selves due to excessive alienation inherent in the fragmented society. They suffer from perceptions of a lack of control over their own destiny. Leisure consumption is one of the settings that can provide a sense of connectedness to and control over the immediate environment. This seems consistent with the *extended dramatic model of leisure activities* provided by Celsi, Rose, and Leigh (1993).

Initially members learn how to play the game with a focus on learning basic survival skills. Then they seek achievement through competition, which is also a way to ensure their place in the informal group hierarchy. Finally, the communal sense occupies the center stage when the members have shared *flow* experience (i.e., the mental state in which the individual is extremely concentrated on a small set of stimuli - see Csikszentmihalyi, 1977; Hoffman and Novak, 1996; Moore, Mazvancheryl, and Rego, 1996), which brings them together in a communal bond.

Celsi, Rose, and Leigh (1993) explain high-risk leisure behavior (such as sky-diving) proposing that In Western society the dramatic framework is a fundamental cultural lens through which individuals frame their perceptions, seek their self-identities, and engage in vicarious or actual behaviors(p. 2). While the 'high-risk' aspect provides the stage for 'dramatic framework' in sky-diving, in VCs' case, the drama element is probably enacted by meeting at least two challenges: (1) making connections with the fellow members and expressing the self and through reduced social presence in the computer-mediated environment, and (2) transcending the limits imposed by the dimensions of space, time and the real life identity in the online environment. The first challenge constrains while the other one liberates, which is consistent with the dialectic of freedom versus control identified by Tambyah in the new media (1996, p.175).

Playing interactive games is a specific instance of honing interaction skills in the online environment. As Celsi, Rose, and Leigh (1993) mention In everyday existence, we are born into a specific socio-cultural situation and proceed through life making determining choices based largely on uncertain information and sometimes unclear goals. As a result, we often arrive at our adult identity as much by circumstances as by choice. Moreover, it is difficult to change jobs, social status, or our social identities once our adult roles are achieved (p.11). Participating in the interactive games should provide a sense of accomplishment in the realm of constructed reality. At the more abstract level, it provides an opportunity to reconstruct a person's identity because he or she can imagine his or her central place in the cause-effect

chain embedded in an imaginative world built through key-strokes and clicks. Thus, the leisure consumption seems to differ from non-leisure consumptions in terms of how consumers view it and how much involvement it elicits from them.

Leisure and the flow experience of concentration so intense that there is little attention left to consider anything else (Hoffman and Novak, 1996, p. 58) are closely linked. Flow experience is likely to occur in leisure pursuits such as online game playing because it provides a context...that pushes individuals to their physical and mental limits without overwhelming them (Celsi, Rose, and Leigh, 1993, p. 12). On the other hand, Hoffman and Novak (1996) maintain that not only the online games, but even plain Internet browsing could initiate flow experience. In fact, the flow experience is at the center of their model of the online navigation behavior of consumers.

Another important concern in understanding online behavior in general is the issue of the identity of an individual (Turkle, 1995). It is relevant to touch upon the concept of online identity because community is not fully realized without a conception of self (Foster, 1997). Thus, the organization of the self is the foundation of the communicative efforts. For some members of a fantasy-based VC, their online persona could be an alternate version of their real life persona. As Wilbur (1997) notes, The persona that appears in cyberspace is potentially more fluid than those we assume in other aspects of our lives, in part because we can consciously shape it. And that consciousness may allow us to engage with ourselves in what appears to be novel ways (p. 12).

It is noteworthy that marketing scholars, while extending prevalent consumer behavior theories in the context of online environment, do not take into account the altered state of mood and identity of consumers online and its implications for their decision processes. The critical role of mood in consumer decision making is well-recognized in consumer behavior literature (e.g., Gardner, 1985; Westbrook, 1980). Indeed, Swinyard (1993) mentions that consumers' mood can influence their shopping behaviors including what and how much they buy, how long they shop, and their intent to repurchase a brand. He further posits that people in a good mood want to avoid cognitive elaboration and to use a simple heuristic to protect their mood. Moreover, people in a good mood are likely to form positive evaluations about a product since they want to avoid negative thoughts. While devising business models for the new media, marketing scholars should take in account the effect of the computer-mediated environment on the mood of the participants.

While influencing consumers' mood is by and large beyond marketers' control (Gardner and Vandersteel, 1984), the online environment provides some unprecedented opportunities. One of the benefits of the new media is its ability to infuse excitement and fun in seemingly mundane products. It is possible to devise interactive games with features corresponding to the key attributes of a product or the core values of a brand. Thus, delivering hedonic benefits might appeal the affective side of the consumer psyche and help bond deeper relationships with the target market. In addition, the altered identity is likely to foster more honest exchange of views since one's online identity is likely to supersede one's real life identity during computer-mediated communications. While social psychologists widely recognize leisure as a social pursuit (e.g., Arai and Pedlar, 1997; Auld and Case, 1997; Glaney and Little, 1995), further conceptual development is virtually neglected. Of particular interest are the questions such as the processes behind the enhanced enjoyment in consumption due to companionship, intrinsic differences between the consumption-related motivations behind solitary leisure pursuits (e.g., reading) vs. collective leisure pursuits (e.g., attending a football game) and their connotations for participation in VCs.

The implications for marketing scholars are many, but probably the most important one is recognizing the seemingly irrational aspects of consumer behavior, particularly in the consumption of VCs themselves as leisure products. The collective pursuit of leisure through participation in VCs is one of the mechanisms to bring about communal feelings and therefore such consumption is probably different from the other types of consumption events. How marketers should approach such VCs as a potential market probably needs studies involving net-specific methods such as netnography (Kozinets, 2002) or content analysis as they allow researchers to map emerging meanings and themes in activities requiring intense participation from VC members.

VCs FOR VICARIOUS CONSUMPTION

Finally, the role of VCs can be understood in terms of how they enhance the consumption experience. People augment the consumption of experiential products (e.g., movies) by enjoying them together and afterwards discussing them with friends and relatives. Here, the basic tenet is that companionship of friends or like-minded acquiescent enhances that pleasure gained from the activities one enjoys (Hawes, 1979; Tinsley, Berrett, and Kass, 1978).

VCs often organize around high-involvement products such as movies and collectibles. Discussing various aspects of a focal product or activity itself constitutes an important part of consumer behavior. Discussion with fellow members provides an added incentive to watch (Rubin and Perse, 1987). The fact that one can discuss soap operas with others increases expectations to gain pleasure from soap opera viewing (Babrow, 1989).

Another motive for after-consumption discussions is to solicit advice on how to tackle the problems related to a given product or consumption activity, including the individuals or groups who are anti-product. This is particularly true for a niche product enjoying a cult status (Kozinets, 2002), such as Apple computers, Linux operating system, or mostly small independent movies. In Apple community, solidarity is built through presenting a common front to Apple bashers, or exchanging information on where to find software for a particular application for Apple computers. It should be of importance to marketing scholars to find out to what extent the membership of product-related VCs is correlated to one being a heavy user or a lead user of product etc. Another important issue is understanding the basic nature of the vicarious consumption itself in terms of how and why people engage in it vis-à-vis real consumption with the aid of VCs.

IMPORTANCE FOR PRACTITIONERS

In this paper, we depart from the prevalent perspective on Web-related marketing, which essentially examines the new media with consumer-to-business or consumer-to-computer communication models. While appreciating the usefulness of this perspective, we argue that the potential implications of consumer-to-consumer communication warrant a close scrutiny by marketing managers along with the academics.

The most important implication for marketing practitioners is to appreciate the willingness of consumers to search for relational bonds in the computer-mediated environment, their readiness to share product-related information with their fellow members, and the power of consumer-to-consumer dialogues. Most web-sites of consumer marketing firms adopt the format of an electronic brochure (provision of the company and product-related information) or an electronic catalogue (facility for ordering products). Seldom do they provide a forum for consumer-to-consumer interaction, which can be a very useful tool in extending the consumer-roles. The key to gaining credibility is to provide complete freedom to consumers in expressing their views, even those that are not flattering to the organization. While there is a peril of attempts by competitors posing as dummy consumers to sabotage the reputation of the focal organization or brand, experience shows that usually the participating consumers themselves identify and shun such attempts.

Brands and products are social constructions, where deeper meanings of either evolve not only through continuous interactions of marketers and consumers, but among consumers themselves as well. Beyond relishing products, brands, and activities, on virtual communities around high tech and complex products, experts act as mentors for newbies. For marketing managers, using the vast untapped pool of current lead users helping newbies may reduce the cost of educating new customers and speed up market penetration particularly in case of a complex-to-use product.

Since VCs are place for conversations, through unsolicited consumer feedback, marketers know what their product or brand stands for in consumer minds. For example, which features are lauded and which are shunned, or which offerings from competition are put in the same bracket as offerings from a given organization, the marketers can get a better idea of the positioning of their products. Further, these

forums can also act as a ground for new product ideas. As Kozinets (2002) mentions,…these particular consumption webs would provide (marketers) with ideas for new product and service offerings and bundling (p. 68).

Further, marketers might think of innovative ways to link VCs with the related online services that allow marketers add value to the consumption experience. For example, many travel agents allow their customers to choose their own itinerary and book their own tickets through password-enabled, web-linked systems. Similarly, FedEx allows its members to track their consignments online. It is likely that such applications increase the consumer involvement with the service provider and the brand/product itself.

Third, product-related VCs often emerge without the support of marketers. In this case, the management can benefit by following the conversational threads of not only those VCs that organize around the organization's brand, but also those that directly or indirectly relate to the larger business interests of the organization. The organization might clarify rumors, confusions, and questions posed by members. With a prior permission from the owner of the VC, the organization can offer special deals to all or systematically selected members on new products, since the VC members are likely to be opinion leaders who can boost the diffusion of product-related information and the product.

Fourth, leisure is a related concept to the social nature of VCs. Now technologies are available to make a quick and easy transition from the text-based newsgroup conversations to the multimedia environment of the Web. The possibilities offered by the Web for the audio-visual enhancement of product-related motifs are immense (e.g., Holbrook, 1997), and open the new directions for augmenting brand-equity. Especially low-involvement products should benefit from the capacity of multimedia to capture attention of customers through interactive games. In summary, the social perspective on the new media challenges marketers to think about interpersonal influence, relational bonds, product involvement, and leisure in different light.

Finally, we focused on the end consumers in discussing VCs so far. However, for marketers, often channel members are their first line customers. While the governance structure between the retailers and the marketers has been studied in depth, the linkages among the other stakeholders in the marketing process (e.g., channel members or suppliers) have not received much attention. The new technology may have enabled the lateral communication among the channel members, giving rise to the virtual community among retailers, especially franchisees (Dickey, 2003). How business to business networks morph into virtual communities and implications thereof is also a worthy area for future research.

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