



A Netnography on Consumer Engagement in Virtual Brand Communities

Boram Park, Songye Hur, and Leslie D. Stoel, The Ohio State University, USA

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INTRODUCTION. Over 40 million people worldwide are estimated to participate in some form of virtual brand community (Sicillia & Palazon, 2008). The online environment provides numerous venues for consumers to have a safe space to share their opinions and ideas and find solutions to problems, as well as opportunities for retailers to take advantage of interactive and personalized marketing. *Express*, a US specialty apparel retailer, has implemented a virtual community using asynchronous discussions on product review pages to generate increased sales, positive word-of-mouth, increased information sharing, and richer marketing research data. Such virtual environments help the retailer to engage customers in conversations; however, research has not yet examined the patterns of customer-generated knowledge for online apparel retailers. To fill this gap, the purposes of this study are: 1) to describe how consumers act as active creators and managers of fashion information in a virtual community based on Muniz and O’Guinn’s (2001) customer-centric model; and 2) to explore customers’ behavioral manifestations toward a brand or retailer using Kumar et al.’s (2010) customer engagement value model.

Virtual Brand Community. A virtual brand community is a specialized, geographically dispersed group of consumers with common interests in a brand who communicate with each other electronically in a platform provided by a retailer. Muniz and O’Guinn (2001) envision a brand community as a customer-customer-brand triad formed by two types of relationships, those established between the brand and the customers, and those that emerge between community members. Virtual brand communities enable retailers to involve their customers in innovation and value creation (e.g., in product design, product testing, and product support activities) by expressing their experiences. Four types of consumer experiences exist in consumer and marketing literature: product experience, brand experience, shopping experience, and consumption experience (Brakus et al., 2009). Brand communities enhance consumer identification with the brand.

Customer Engagement. Customer engagement refers to the creation of a deep, meaningful connection between the retailer and the customer, and one that endures over time, whether it is transactional or non-transactional in nature. Engagement is also seen as a way to create customer interaction and participation. Customers interact with and create value for retailers in a variety of ways. Kumar et al. (2010) present four customer engagement behaviors: purchase behavior, referral behavior (e.g., incentivized referral of new customers), influencer behavior (e.g., word-of-mouth activity), and knowledge behavior (e.g., suggestions for innovations and improvements).

METHOD. A netnography analysis (Kozinets, 1999), which is an ethnography technique used in online settings, was conducted using a purposive sample of 350 comments (consisting of 1513 sentences) that were posted within three months (September 15, 2012-December 15, 2012)

across four product categories (i.e., tops, sweaters, skirts, pants) on the *Express* website. *Express* was chosen given the enthusiastic customer engagement, as demonstrated by a substantial number of comments per product. The unit of analysis was a sentence for each category of experience and behavioral cues. Coding was cross-checked, and inter-rater reliability of .96 was established.

RESULTS. Customer engagement emerged as an overarching theme of the comments. *Express* customers shared product experience (n=525) most frequently, followed by consumption experience (n=429), brand experience (n=24), and shopping experience (n=1). Among product experience comments, customers discussed size (n=201), color (n=174), materials (n=106), design (n=29), and price (n=15) of products. *Express* customers also demonstrated influencer behavior (n=288), purchase behavior (n=47), and knowledge behavior (n=22). There were more positive word-of-mouth comments (n=207) than negative (n=81) in influencer behavior. Within knowledge behavior, customers provided suggestions on color (n=12), size (n=7), and material (n=3).

DISCUSSION & IMPLICATIONS. First, consistent with Muniz and O'Guinn's (2001) customer-centric model, findings indicated that informed, networked, and empowered consumers were not only sharing their experiences with fellow consumers in the virtual community of *Express*, but also co-creating value with the retailer. Customer-to-customer dialogue provides consumers an alternative source of information and perspective. Such comments are known to influence brand choice and brand loyalty. Customer collaboration occurs through shared inventiveness that enables retailers to uniquely customize the customer-to-brand experience.

Second, the comments were explicitly structured around product and consumption experiences. Product experience occurs when consumers interact with products—for example, when consumers search for products and examine them. Consumption experience occurs when consumers consume and use products. These experiences are known to affect product judgments, attitudes, preferences, and purchase intention. As a result, the extent to which customers are willing to engage in conversations can significantly influence a retailer's value.

Third, the comments indicate that creation of value by customers for retailers occurs through more elaborate mechanisms than through purchase behavior alone. Customer comments influence existing customers as well as prospects. Word-of-mouth on how to maximize the utility of a product persuades and converts customers, minimizes buyer remorse to reduce defections, encourages increased repeat purchase of existing customers. Customer knowledge behavior was recognized via feedback provided to the retailer for ideas for innovations and improvements. Considering the 40%-75% failure rate of new products and high costs associated with new product development, the development of an understanding of customer preferences has been identified as a key prerequisite for new product success, and hence customer input can be a valuable resource.

The virtual community creates value for a retailer as a platform for customers to easily offer suggestions and input directly to the retailer. With such customer participation, retailers have the potential to enhance product innovation and speed up the development process, both of which are key objectives of retailers to lower costs and improve market acceptance.

REFERENCES. Available upon request.