Chapter 7
Harnessing the Potential of Virtual Communities: A Strategic Approach

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ABSTRACT

We are living in a knowledge oriented society where empowered and well informed customers can participate, collaborate, disseminate, and channelize information and opinion among other stakeholders of an organization. Today, we have system and tools through which we can tap the expertise of a virtual group to make rational decisions. Social commerce is enabling collaborative publishing and facilitating in management of common databases for sharing knowledge. A Virtual community is a group of people with some shared interest who connect and interact with each other over a period of time using technology. A Social software regulates the activities of the participants. Prospective customers and existing consumers join these communities because they provide multifaceted opportunities and leanings to the participants. The aim of this exploratory research is to develop strategic approach to virtual communities for effective online community management and user engagement for sustainable growth.

1. INTRODUCTION

Human is a social animal and we strive to look for all possible options to satisfy our social needs. We influence or get influenced at a point of time when we look for a reference point. After the advent of internet, our society has moved from individual intelligence to collective intelligence system. This fact becomes more evident when a prospective customer look for online places for a product or a service review to take a final purchase decision.

Virtual communities are social aggregations that emerge from the internet when people carry on those public discussions long enough, with sufficient human feeling, to form webs of personal relationships in cyberspace (Rheingold H., 2000).
A Virtual community is a group of people with some shared interest who connect and interact with each other over a period of time using technology. A Social software regulates the activities of the participants.

Prospective customers and existing consumers join these communities because they provide multifaceted opportunities and leanings to the participants.

The concept “virtual” implies that some of the traditional properties of a community is no longer a part of the “real” world. Instead that property is only virtual, which means that it looks, sounds or feels “as if” it were real but is not (Coyne, 1995; Benedict, 1991).

Virtual communities are sources of information about customer interests, trends, preferences and new product or service ideas.

Virtual communities have gained much attention from marketing professionals and researchers because they have potential to affect conversions and sales through positive word of mouth. Virtual communities are converting prospects into customers by providing relevant product inputs through reference groups at the right time. Presence of brands in these virtual communities can greatly impact the overall profitability of a firm through effective relationship building, getting new product ideas through community-based innovations.

Corporates like Micromax, a leading smartphone brand in India, crowdsourced suggestions to select a brand name for its upcoming smartphone model “Yuphoria” over virtual communities. Micromax received 1 lac entries during the campaign which resulted in positive word of mouth and ultimately good sales (see figure 1).

Consumers join these forums because it’s a platform providing multifaceted opportunities to its members. Organizations can harness user generated content generating through likeminded opinion leaders to product improvement, co-creation and ultimately self-disclosure reciprocity.

2. OBJECTIVE

The aim of this exploratory research is to develop strategic approach to virtual communities for effective online community management and Co-creation on cross platforms for sustainable growth.

Figure 1. Micromax Yuphoria: Crowdsourcing through virtual communities
Source: gadgtes.ndtv.com