Chapter 3
Engagement in a Third-Party-Managed Virtual Community and Its Effect on Customer Identification

Natalia Rubio
Autonoma University Madrid, Spain

Nieves Villaseñor
Autonoma University Madrid, Spain

Maria Jesús Yagüe
Autonoma University Madrid, Spain

ABSTRACT

The chapter analyzes the components that generate users’ engagement in a third-party-managed virtual community and these components’ contribution to building user identification with the community. When this chapter distinguish between users who share their comments in multiple service categories to users who share comments in only one or two service categories, it is found that enjoyment benefits and participation in co-innovation increase identification with the community for both groups. The two groups differ, however, in that learning benefits improve identification with the community for participants who share comments on three or more services but not for participants who share comments on fewer services. The latter group’s identification is, however, influenced by social benefits, functional benefits, and advocacy, feedback, and help to others.

INTRODUCTION

The advent of Internet has enabled a new age of interaction and substantially influenced traditional lifestyles. Individuals’ new forms of communication and consumption through Internet have dramatically changed companies’ marketing practices, which face increasingly competitive global contexts with more
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sophisticated consumers and a growing need for greater efficiency and customer satisfaction—that is, more complex business environments. Internet users currently favor dynamic informative websites on which to express their beliefs and comment on services or products, among other behaviors. Technology provides increased opportunities for retailers to engage with their customers outside service encounters through non-transactional customer activities such as writing reviews, joining virtual communities, blogging, and similar activities collectively termed customer engagement (CE) behavior (Van Doorn et al., 2010). Recent academic research highlights the significance of these beyond-purchase interactions (Verhoef, Reinartz & Krafft, 2010). Furthermore, the Marketing Science Institute 2018-2020 research priorities indicate that it is crucial to understand the process by which customers become engaged in these non-transactional activities, as such activities are increasingly seen as a route to creating, building, and enhancing customer-firm relationships.

Despite consensus that virtual environments constitute ideal ecosystems in which to develop engagement processes, study of these environments is quite recent and requires more in-depth analysis (Merz, Zarantonello & Grappi, 2018). As Claffey and Brady (2017) indicate, different types of virtual environments exist (for example, member-initiated, firm-hosted, and third-party-managed virtual communities, social networks, etc.). Further, each of these virtual contexts is developed to achieve different goals. For example, virtual communities facilitate exchange of products, services, and information (e.g., eBay, TripAdvisor); social networks managed by brands and virtual brand communities seek to involve their customers in various co-creation activities, such as product design, product testing, and relationship building. Given the specific characteristics of different virtual environments, deeper analysis is required of the models of engagement that occur in each type (Claffey & Brady, 2017).

Some research has investigated the definition of engagement as a complex process and its measurement through multidimensional scales (see Table 1), but the study of engagement in third-party-managed virtual communities is underdeveloped compared to other types of virtual contexts (Agag & El-Masry, 2016). A third-party-managed virtual community encourages service exchanges within the ecosystem of all actors (consumers, potential consumers, various service firms housed on the platform, and managers of the website itself) (Vargo & Lusch, 2016). From this perspective, it is unclear how users perceive engagement and how such engagement can be assessed.

On the other hand, companies that can exploit information and communication technologies—specifically by gaining maximum advantage from third-party-managed virtual communities to encourage customer engagement—will ensure their survival and improve their firms’ business results. Prior research on CE has focused primarily on detecting the results of such engagement. Consequences analyzed include the influence of CE on brand equity, brand loyalty, and self-brand connection (Hollebeek, Glynn & Brodie, 2014; So, King, Sparks & Wang, 2016), but no empirical research to date has examined the role of CE in enhancing the customer's identification with the third-party-managed virtual community.

This study’s first contribution is thus to identify 1) the dimensions that constitute users’ engagement in a third-party-managed virtual community and 2) the influence of users’ engagement on users’ virtual community identification. For the empirical analysis, we use a third-party-managed virtual community of travelers. This type of third-party virtual community is of great interest because it has revolutionized the travel industry and the traveler’s behavior (Casaló, Flavián & Guinalíu, 2012). For example, TripAdvisor, an important virtual community of travelers, totals 455 million users per month and over 600 million comments (TripAdvisor, 2017), making it a very illustrative example of the power of digital platforms to generate engagement (reading comments, consulting photos, comparing prices, etc.) and to influence users’ decision-making process. According to one study, 69% of Spanish travelers consult