Chapter 9
A Framework for Analyzing Online Communities:
Sponsor and Member Value Proposition

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ABSTRACT
This paper examines online communities and describes how they can be differentiated from other Internet supported group interactions. A definition of an online community is given and three generic types are identified. These types are defined by the community models based on the value proposition for the sponsors and members. The value proposition for members is strongly influenced by the model, as facilities and opportunities for interaction are structured by the site sponsors. Where online communities offer fulfillment of specific needs, people participate and become members. Additional benefits enhance the value of membership and encourage retention and greater interactivity. Significant benefits are gained from online communities for businesses, NGOs, other community organizations and individuals. Identifying the different types of communities and their characteristics is an important stage in developing greater understanding of how virtual communities can contribute to businesses, healthcare, community needs and a myriad of other contexts. Examples of the three generic types of online communities are included for further edification.

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INTRODUCTION

The term community has long been a difficult one to define. Researchers from fields such as sociology and anthropology have studied communities over many decades, seeking to determine the extent and structures of individuals’ interactions with each other. Wilson and Peterson (2002, p. 455) highlight the transition from the study of communities as “reasonably complete and self-contained” entities in the 1940s through to a more flexible perception of them as “complex, spatially diverse” with asymmetrical, indirect connections. This more fluid concept of communities has been characterized by the notion that physical proximity is not a prerequisite for community building (Wilson & Peterson, 2002) and face-to-face communication is not a condition of community development. Developments in technology such as telegraphs, telephones and faster modes of transport have broken through any constraints of boundedness and support individuals’ ability to remain part of a community unrestrained by geographic areas (Kollock & Smith, 1998). More recently, the debate on what constitutes a community has been broadened by the use of computer mediated communication to develop social networks that go beyond any geographical borders into the virtual world. Such developments have extended interest in the identification of community into the realm of Information Systems and raised further questions of what can actually be said to form a community in the online environment (Kollock & Smith, 1998; Wilson & Peterson, 2002). Within Information Systems, the concept has been more widely accepted and research has been extended to examine the influences that affect the ability of people and organizations to create ‘community’ within the virtual space (Ridings & Gefen, 2004). Nevertheless, there remains confusion as to how to identify communities and the meaning of the terminology that has evolved in this growing research area. The objective of this manuscript is not only to provide an overview description of the terms which have been employed; but to propose the use of a term from a perspective which incorporates aspects which facilitate participation in Internet supported group interactions. Thus, this manuscript presents a definition of “online community”; provides a differentiation from other Internet supported group interactions; and employs examples to further elucidate the proposed perspective in support of the definition.