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The Benefits of Unexpected Informal Customer Support from Vendors in Online Communities

ABSTRACT

Virtual communities not only allow customers to share ideas and help each other, but also provide new venues for vendors to manage customer relationships. Two studies are presented showing how two companies, one in the software industry and one in the airline industry, have successfully enhanced their relationship with customers by strategically participating in virtual communities. Both companies have gained benefits in the forms of customer loyalty, increased customer satisfaction, and less support calls. Our research suggests that companies designate employees to spend a few hours each week to monitor relevant virtual communities. This enables the company to develop an intimate yet informal relationship with customers. Lessons learned from this type of informal support are: the vendor employees need to clearly identify their positions, the support should be unofficial, and the community should not be used as another marketing channel.

Keywords
Online communities, virtual communities, CRM, knowledge sharing, theory of weak ties, vendor participation.

INTRODUCTION

In today's economy, customer satisfaction is crucial. Companies spend a lot of money and energy in improving customer satisfaction, shortening turnaround time of support, and improving the knowledge "out there". Informal communication can help companies reach more customers, and can shorten the time for customers to receive answers to their questions. These informal communications can be brief, unplanned, and frequent (Whittaker, Frohlich, & Daly-Jones, 1994). Companies can benefit from assigning employees to electronic networks of practice.

Theory of weak ties (Granovetter, 1973) tells us that weak ties can reach further in the community and help acquire knowledge. When acquiring knowledge, strong ties may have higher effect than weak ties, but when trust is present to mediate, weak ties actually lead to the more exchange of useful knowledge than strong ties do (Levin & Cross, 2004). The finding that strangers often help more than acquaintances (Constant, Sproull, & Kiesler, 1996; Whittaker, 1996) provides further confirmation.

The purpose of this paper is to study the aspects of having designated employees from companies participate unofficially in electronic networks of practice with customers. The paper starts with a literature review on electronic networks of practice, knowledge sharing and the theoretical constraints around these practices. Two studies are presented (one action research and one case study), and implications of these studies are discussed.

LITERATURE REVIEW

Electronic Networks of Practice

Customers have been forming user groups and unofficial networks and forums. When the group uses an electronic asynchronous method of communication to share ideas, solve problems, and develop best practices the group is called an electronic network of practice (Wasko & Faraj, 2000, 2005). The electronic method of communication can be an email group, an electronic forum, a newsgroup, or the like. One important characteristic of this type of communication is that participants are not required to identify themselves by their real name or organizational affiliation. Many times the shared practice involves a certain product or suite of products from one specific vendor. Examples of such groups are users of Oracle database, or users of the Solaris operating system, or users of Microsoft MIIS tools. Another type of groups of interest is communities of customers of a certain company. Examples of such communities are the customers of a certain airline, or hotel chain, or students and prospects of a university.
In the literature we find two types of participants who do not give back their share of participation: lurkers and free riders. A lurker is defined as a person who reads discussions in various online forums but does not participate in this discussion (Rafaeli, Ravid, & Soroka, 2004). Lurkers are a problem for communities. These individuals are consuming resources but not giving back. A de-lurker is a lurker that starts posting back. Rafaeli et al. (2004) found that de-lurking is positively related to community virtual social capital. In other words, as more participants de-lurk (start to participate) the social capital of the group rises. Free riders are those who post their own questions or problems seeking help from others, but never try to help others (Albanese and Van Fleet, 1985).

In electronic networks of practice, participants have a strong connection to each other by using the same product or set of products. Software products are good candidates for these networks of practice. Users of the software share ideas, practices, problems, and solutions. Very often, employees of the software vendor also participate in these discussions. Often they are lurkers, with the goal of learning how customers are using the products and what problems and issues they are facing.

In the Internet age, customers and users share their experiences all the time. When the experience is good, the supplier can benefit from customers sharing their good experiences. When the experience is not so good, the result can be hard for the supplier. If customers have a negative experience, the influence on others users or customers can be large. In these circumstances, vendor participation in the community can help to ease the feeling of a bad experience or bad service.

Knowledge Sharing

Ribak, Jacovi, and Soroka (2002) found that the use of technology has its drawbacks. Communities derive many advantages from hallway discussions, overhearing a discussion, joint lunches, etc. Virtual communities do not have these benefits and it is a challenge to find ways to overcome this lack by other means, technological and not technological. Given the right culture and technology, most individuals are willing to share their experiences and knowledge. Whittaker (1996) takes this concept further by showing that strangers often help more than acquaintances. The myspace and facebook generation customers are very comfortable with discussing issues with strangers and are willing to accept advice from strangers.

Wasko and Faraj (2000, 2005) studied knowledge sharing in electronic networks of practice. Electronic communities can provide access to a group of peers dealing with similar issues. Through a dynamic process of interchange, knowledge is constantly being regenerated and renewed, creating more value to the community (Wasko & Faraj, 2000). Wasko and Faraj (2000) researched participation in technical electronic communities. They found that about 20% participate to get tangible returns, such as gaining valuable information, or answers to specific questions. 20% participate for the intangible benefits such as enjoyment of helping and keeping up with what is happening in the community. 40% participate for the community benefits such as altruism, reciprocity, and advancing the community. The remaining 20% had more than one reason for participating.

Another question of interest is why do people not participate? In addition to the expected answers of lack of time, respondents mentioned two main reasons: Lack of expertise or confidence in their expertise, and not willing to help people who don’t first try to help themselves. Participants mentioned that they don’t like to help people who just throw the problem out there without trying to solve it first and giving all the necessary details.

Building reputation was found to be a strong motivator for active participation and knowledge contribution. Theory of collective action tells us that individuals who are central to the network are more likely to sustain contributions to the collective. An important predictor of knowledge sharing is an individual’s experience in the practice. The two main motivators for sharing knowledge self interest (economic) and community interest and moral obligation (non economic). People participate and help others because participation is fun, and helping others is enjoyable and brings satisfaction. (Wasko & Faraj, 2005).

Past studies of knowledge management and knowledge sharing have assumed the equality of participants in the sense that all participants play the same roles. But here, vendors and customers are on the different sides, seeking and contributing different knowledge. Our research finds that such a difference in role-playing introduces different motivations in knowledge sharing.

Theory of Weak Ties

Granovetter (1973) studied why people get information from weak ties and how large communities coordinate. The findings are the basis for the theory of weak ties. The theory says that individuals with more weak ties will have access to more people and more information, thus enabling them to change faster and have better ability to coordinate.
Levin and Cross (2004) found that stronger ties did have a positive effect on the receipt of useful knowledge, however trust has a mediating effect on this connection. However, after controlling for two types of trust, competence-based trust and benevolence-based trust, the relation inverses, and weaker ties lead to the receipt of useful knowledge more than stronger ties. The implications to companies are huge. Developing trust in customers helps keep the customers for a long time and weaker ties can even lead to more exchange of knowledge.

Weak ties are more prevalent in electronic networks of practice than strong ties because communications are informal. Whittaker, Frohlich, and Daly-Jones (1994) find that informal communication is brief, unplanned, and frequent. People who are physically collocated are more likely to communicate frequently and informally, yet the trends towards virtual teams and globalizations takes people away from each other. Technology should bridge this gap. Conversational theory treats a conversion as having a clear start and end, with conversation context evolving through the discussion. Whittaker et al. (1994) find that informal conversation is different. There is no clear start and certainly no clear end. When applied to electronic networks of practice, this is clearer. One never know when one has heard the end of a discussion as very often someone posts something new hours or days after the conversation seems to have died. This informality works very well for building a knowledge base. Often someone asks a question, gets an answer, and the issue is closed. Weeks or months later, someone else has the same problem, with a small twist, so the new person opens the issue again.

What is the value of the knowledge acquired in electronic networks of practice? Constant, Sproull, and Kiesler (1996) call this "depending upon the kindness of strangers". Their research found that strangers are motivated to help for the personal satisfaction of knowing that you have helped someone "out there". In addition, Constant et al. found that the opportunity to improve one's reputation plays an important role in sharing. Theories of weak ties suggest that the usefulness of this help may depend on the number of ties, the diversity of ties, or the resources of help providers. The research found that weak ties for technical advice are useful to the degree they tap people with superior resources.

Flynn (2005) examined librarians' use of e-mail for requesting assistance from weak and latent ties within their own professional community. As the primary responsibility of a librarian is to provide information, librarians often seek help from librarians in other institutions. Flynn found that librarians are very comfortable in contacting their colleagues and explained it as the strength of the weak tie. Even a slight preexisting acquaintance with a peer makes a difference when seeking assistance via e-mail. University reference librarians believe that e-mail has made them more likely to contact unacquainted or loosely acquainted peers, and gives them a sense of connectedness, regardless of physical location.

Steinkuehler and Williams (2006) studied the effects of anonymity in communities of players of multiplayer online games. They have found that Internet use can build both strong ties and weak ties. The study contrasted bonding social capital over bridging social capital. Weak ties are considered bridging social capital while strong ties are bonding them. Weak ties have been shown to be vital in communities, relationships, and opportunities.

Shang, Chen, and Liao (2006) studied how customers can gain value from participating in virtual consumer communities. These communities are gathered around a certain brand and consumers use them to share tips and ideas. They have found that information that traverses a weak tie has the opportunity to reach more people, and people can encounter more diverse information sources using weak ties.

MOTIVATIONS OF VENDOR PARTICPATION IN ELECTRONIC NETWORKS OF PRACTICE

Sharing Knowledge

Kankanhalli, Tan, and Wei (2005) studied EKRs (electronic knowledge repositories). Most knowledge management systems are IT-based systems. Kankanhalli et al. identify two models of KM systems in the literature: The repository model corresponds to the codification and storage of knowledge. The network model corresponds to the personalization of knowledge management. Here we focus on the repository model. "Success of EKRs requires that knowledge contributors be willing to part with their knowledge and knowledge seekers be willing to reuse the codified knowledge" (p. 115). The authors distinguish between knowledge contributors and knowledge seekers but acknowledge that individuals may be contributors at one point in time and seekers at another time. When two people are involved, the contributor might expect some benefit in return. In the case of more than two parties, the reciprocal dependence is indirect. The EKR serves as an intermediary between contributor and seeker.

Social theory tells us that knowledge exchange will occur if there is enough social capital to make it happen. Organizations can provide this necessary social capital by providing some sort of organizational reward to the knowledge contributor. This reward can be in the form of recognition, monetary reward, job security, better job assignments, or in the form of enjoyment.
of the contributor (who enjoys helping others). The research by Kankanhalli et al. (2005) has found that loss of knowledge power did not significantly affect EKR usage. This has many implications on the willingness to contribute.

Compliant with economics theory, the objective is always to maximize social welfare. Here in knowledge exchange, the knowledge contributors and seekers play different roles – vendors and customers are seeking and contributing different sets of knowledge. For example, vendors want to learn about the knowledge of product usage from the customers and customers seek to know how to use the product correctly. The design of knowledge management in the network of practice is to maximize the social knowledge capital of both the vendor and the customers. This knowledge capital is maximized by having the vendor participate in electronic networks of practice.

Creating Values for Customers

Preece (2004) studied how the success of virtual communities is assessed. The author does this by identifying some key determinants of sociability and usability that help to determine their success. Preece finds that many of the software principles that all systems are based on were developed in the 1960's and 70's. These systems are geared towards experienced users. Most computer users today are not experienced.

Jepsen (2006) finds that many consumers value the information they find in online networks of practice and use this information when making product selections. Vendors can leverage this by making sure that the information posted in the online network is correct. The best way of doing it is by having company employees post information and reply to customer questions. While customers appreciate answers from anyone, including an anonymous poster, they prefer an answer from an identifiable source. If that source is recognized as being associated with the vendor the credibility of the answers rises.

Bickart and Schindler (2001) studied the effect of internet forums on consumer behavior. A group of students were randomly assigned to one of two groups: Half the students were asked to gather information about a product using marketing material such as the company web site and brochures, while the other half were asked to gather information by reading online discussion groups about the same products. The results show that reading Internet forums have a greater influence on consumer behavior. Students who read the online forums showed higher likelihood to purchase, were willing to spend more on the product, and had a higher interest in the product. It was found that the readers of online forums have more trust in the sources, find the information more relevant to them, and felt more empathy towards the presenters of the information.

Bringing Benefits to Companies

Companies can find it very beneficial to assign one or more individuals to periodically monitor electronic networks of practice. This can bring many benefits to the company. Some such benefits include: open a direct communication line between the actual users and the vendor, shortcutting the sometimes cumbersome support process, and allowing the developers and product managers to learn how their users are actually using the products.

An additional benefit to the company can come by actually having their employees participate and reply to questions and concerns. While this type of support is not official, vendors can benefit tremendously from encouraging their customers to use these unofficial support channels, reduce the load on their support teams, and solve problems faster.

When employees of the vendor participate they will usually answers questions or solve problems that customers raise in the group. It is important to make it clear that this is not an additional support channel. Rather it is an attempt to help the community. For official answers customers still need to contact the regular support channels. Questions of the type "How do I ...?" or "is this a known problem?" or "Is version 4 of that third party software supported?" are the best candidates for this type of support. The participation of technical employees of the vendor is on a "best-effort" basis.

TWO STUDIES

Two studies are presented. The first case takes the "action research" approach where the researcher actively participated in the group (Baskerville & Myers, 2004). The second is a case study. The underlying epistemology of both studies is positivist (Yin, 2002; Eisenhardt, 1989).

A Software Company

Technology products are getting more and more complex. Many companies try to limit the number of vendors by using a variety of products from the same software vendor. Computer and network security is a very competitive field, with the main players in the field also offering other software products. Customer loyalty is very important. One field in security management is Identity Management. There are 7-10 large players in this field. These are all large software vendors that have
many other offerings. Examples are: Oracle, IBM, Sun Microsystems, BMC Software, CA, Novell, and HP. The investment by customers is very large in initial purchase, in deployment, and training. This provides a high barrier to switch. Customers rarely switch vendors, but once they are not pleased with the software, the service, or the support, they might switch and in that case the company will not see them back. There is a high risk of losing the customer for other products also.

One of the companies (called ABC for the discussion here) in this field has sponsored a Yahoo mail group for customers to discuss issues between them. This mail group was set up in 2002. Traffic on the group varies from 10 to 50 emails per month. The company has created the Yahoo group, but the group is managed and moderated by a volunteer customer, who changes every 2-3 years. One of the authors of this paper is a senior technical resources at the company (called John Doe in the discussion here). John Doe monitors this mail list and supplies unofficial answers to customers. John Doe spends not more than 2-3 hours a week on this task. Very often these answers shorten very much the time the customer needs to get answers. On other occasions John Doe is able to take customer concerns directly to senior management or to development team leaders or product managers. This supplies an unofficial path from the end user to senior decision makers.

The answers are always ending with the following sentence: “While I do work for ABC company, this answer is an attempt to provide help to the user community and is not an official answer from ABC. For an official answer contact your local ABC Support Center.” When customers ask about future enhancements, the standard reply is “In my responses to this mail list, I try to stay away from discussing any future enhancements. I do not want this to become another marketing channel for ABC. The good people in marketing are doing their job very well. I see my participation in these discussions as a way to try and help users with current issues regarding ABC IDM and related products.”

One aspect of this participation is turning down fire. Recently an angry customer found out that ABC’s software does not support the latest version of a third party tool, and requires the use of an old, and now unsupported version. This customer posted a message expressing his bad feelings from this limitation. Very quickly a few other customers have responded, agreeing with the first customer. John Doe responded, acknowledging the technical issue, and explaining the architectural reasons for it. He assured the customers that the unsupported version is indeed supported by the third party for ABC customers only under a special agreement with ABC, and that the particular component is very small and stable. He has pointed out that in the past 5 years there has not been a single support case about malfunction of this component. This calmed down the discussion and allowed the customer to work calmly with the support team.

The results are very good. Customers are very happy with the support, while they know not to abuse this resource and not to bombard John Doe with site specific issues. Following are some responses posted by customers in the past few weeks:

- "You are one of the very few people at ABC that actually listens and understands our concerns. There are others...but they are few and far between. Thanks for your unofficial support."
- "Many thanks for the positive feedback. It is good to have someone listen to us."
- "Yes thank you and please don't let the comments go in vane."

The management at ABC is pleased with this unofficial channel to listen to customers. Ironically, this has caused some tension between John Doe and some other teams, including marketing and in some situations the direct managers of John Doe. On some occasions, someone suggested to use the unofficial forum to do some customer surveys or to pass important messages to customers. John Doe always refused to do it. The reasoning was that he wants to keep this an unofficial channel and keep the promise to the customers that this will not become yet another marketing channel. The standard answer to marketing is: "If you want to use me for your marketing campaigns, that is fine. Talk with my manager, decide who pays for what, and let me know how I can help. I want the success of this product just like you do. But not in the unofficial forum. I promised customers not to use it for marketing and I intend to keep that promise." This response led to awkward discussions sometimes, but always this position was accepted.

An Airline

The airline business is very competitive. Very often the difference between two companies is just in customer service, or the perception of customers of the service they have received. Switching companies is very easy. AN unhappy customer will fly a different airline on the next trip, and a slightly better experience will keep the customer at the competitor. The largest community of flyer is a set of forums called Flyer Talk (www.flyertalk.com). This site has forums dedicated to each airline. One of the authors of this paper reads and participates in the forums of their favorite airline and hotel chain. Many airline travelers post on these forums. A large number of these postings are complaints about customer service. Many of the other postings are questions and confusion about the complicated rules of fares and various aspects of the frequent flyer program. While most of the posters are travelers, it is quite common to see airline employees post in these forums. One forum stands out from the rest: In the Continental Airlines forum, a senior executive at Continental Airlines regularly participates. This
executive is Scott O'Leary, Managing Director, Customer Experience at Continental Airlines. As is the custom in these forums, Mr. O'Leary has chosen a screen name, CoInsider. However, all the postings are signed with his real name and title. The results are huge. CoInsider constantly is able to give accurate answers, research issues for customers, and solve confusion.

Like John Doe from the previous case, CoInsider is often able to put down fires. Recently a customer complained that after checking in online his seat was changed and he has lost the good seat that he was able to select when checking in. This caused a few other travelers to express their worry that this has happened. CoInsider has researched the issue (the traveler gave his flight number and date) and reported back that the change seat happened as a result of a seat request that came directly from the passenger's travel agent after the passenger has checked in. The passenger then understood that the fault was the travel agent, not the airline.

The results are very positive for Continental. Every time CoInsider posts on the forum the reactions are always: "Great", "Fantastic customer service", etc. When customers on the forums are asked to rate Continental respective to other airlines, they always mention CoInsider as one of the reasons why they love Continental and continue to fly with them.

IMPLICATIONS

For vendor participation in electronic networks of practice to succeed, the community should develop trust in the vendor. For this to happen, the three following conditions need to be satisfied.

First, the vendor designated employee clearly identifies themselves in the community as an employee of the company. The customers know that this is a public forum and that there are vendor employees who read the postings. It is important for trust building to identify yourself when you post responses.

Second, it should be made clear that this is not a formal support channel, and that support is given on a best effort basis. This will eliminate false expectations. Customers should not expect that by posting in the forum they have reported the issue to the vendor and expect actions. If they expect actions, they should use the normal support channels. The informal channel can help shorten the cycle but is not a replacement.

Third, the vendor must resist all temptation to use the network of practice as another marketing channel. Customers have heard enough marketing pitches, in the informal forum they want the bottom line.

CONCLUSIONS

Our research has emphasized the benefits to both vendors and customers for the vendor to actively participate in electronic networks of practice that span around the vendor's products or services. By establishing trust, the vendor can achieve higher customer satisfaction, shortened cycle time for support, and provide a valuable tool to sense the feelings of customers. At the same time, customers benefit as well. These benefits are again the shortened cycle time, the ability to short circuit and reach directly to developers, product managers, or senior managers, and the straight forward answers of technical people without the envelope of formal processes.

The two studies used in this paper were not developed from a formal research program; rather they are based on practitioner's observations. Data was not formally collected for this paper. The authors plan to collect primary data through surveys to knowledge seekers and knowledge contributors, and conduct both qualitative and quantitative research.

In our future research, we will explore the impacts of strong and weak ties by comparing the customer perceptions and reactions towards the same response by three different identities: a company employee who self identifies as a person who can influence changes, a company employee who simply identifies as such without a job title, and an anonymous person who builds a name of an expert in the electronic network of practice. We will do a content analysis of the customers’ comments as well. We will also study how these comments will be interpreted differently by different departments (R&D, sales and marketing, customer support, product management, etc.) in the company.

This future research will help answer the design and measurement issues of introducing such an unexpected informal vendor participation mechanism. Design issues that have been identified include:

- Should a company start informal forums, or let the users start them and join later? How should the forums be managed?
- Should a company formally assign employee(s) to informal forums? How many employees should be assigned? How many hours should employees spend monitoring the forum? Should the monitoring activity be a formal one or informal one
• How to keep such a benevolent channel of support clean from with marketing pitches?

Measurement issues can also be a challenge: For example, what direct and indirect benefits can be derived from such an informal channel of support? And how to measure these benefits?

We hope our research will provide both theoretical and practical guidance to companies as to how to best benefit from their participations in online communities.

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