E-Tribalized Marketing?: The Strategic Implications of Virtual Communities of Consumption

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On the Internet, electronic tribes structured around consumer interests have been growing rapidly. To be effective in this new environment, managers must consider the strategic implications of the existence of different types of both virtual community and community participation. Contrasted with database-driven relationship marketing, marketers seeking success with consumers in virtual communities should consider that they: (1) are more active and discerning; (2) are less accessible to one-on-one processes, and (3) provide a wealth of valuable cultural information. Strategies for effectively targeting more desirable types of virtual communities and types of community members include: interaction-based segmentation, fragmentation-based segmentation, opting communities, paying-for-attention, and building networks by giving product away. © 1999 Elsevier Science Ltd. All rights reserved

Introduction

More than three decades ago, Marshall McLuhan expounded that 'cool' and inclusive 'electric media' would 'retribalize' human society into clusters of affiliation (see, e.g. McLuhan, 1970). With the advent of 'cyberspace,'
networked computers and the proliferation of computer-mediated communications, McLuhan’s predictions seem to be coming true. Not only are people retralizing, they are ‘e-tribalizing.’ Networked computers and the communications they enable are driving enormous social changes. Networked computers empower people around the world as never before to disregard the limitations of geography and time, find another and gather together in groups based on a wide range of cultural and subcultural interests and social affiliations. Because many of these affiliations are based upon consumption activities, including e-commerce, these e-tribes are of substantial importance to marketing and business strategists. Marketers who rigorously understand them and the opportunities they present will be able to position themselves to benefit from fundamental changes that are occurring in the ways people decide on which products and services to consume, and how they actually consume them.

By the year 2000, it is estimated that over 40 million people worldwide will participate in ‘virtual communities’ of one type or another. Research has revealed that new users’ online activities tend to revolve around rapid surfing activities and e-mail. However, the longer an Internet user spends online, the more likely it is that they will gravitate to an online group of one sort or another. Once a consumer connects and interacts with others online, it is likely that they will become a recurrent member of one or more of these gatherings, and increasingly turn to them as a source of information and social interaction.

These gatherings have been variously termed ‘online,’ ‘virtual,’ or ‘computer-mediated’ communities. The term ‘virtual community,’ was coined by Internet pioneer Howard Rheingold (1993), who defined them as ‘social aggregations that emerge from the net when enough people carry on...public discussions long enough, with sufficient human feeling, to form webs of personal relationships in cyberspace.’ McKinsey and Company consultants Arthur Armstrong and John Hagel (Armstrong and Hagel, 1996) have termed groups of consumers united by a common interest ‘communities of interest.’

In spite of the prevalence of the term community to describe these groups, there has been considerable debate regarding its appropriateness. Online groups often never physically meet. Many participants maintain their anonymity. Many interactions are fleeting and ostensibly functional. Nevertheless, research into the diverse and full social interactions of online consumers has revealed that the online environment can under many circumstances be used as a medium of meaningful social exchange (e.g. Clerc, 1996; Rheingold, 1993; Turkle, 1995). The term virtual communities usefully refers to online groups of people who either share norms of behavior or certain defining practices, who actively enforce certain moral standards, who intentionally attempt to found a community, or who simply coexist in close proximity to one another (Komito, 1998). While sharing computer-oriented cyberculture and consumption-oriented cultures of consumption, a number of these groupings demonstrate more than the mere transmission of information, but ‘the sacred ceremony that draws persons together in fellowship and commonality’ (Carey, 1989, p. 18). Given this, the term community appears appropriate if used in its most fundamental sense as a group of people who share social interaction, social ties, and a common ‘space’ (albeit a computer-mediated or virtual ‘cyberspace’ in this case).

E-tribes or virtual communities: whatever one chooses to call them, at least one thing seems assured. With 51 per cent of Internet users using the Web daily, and exponential global growth rates for new users, prodigious growth in the quantity, interests, and influence of virtual communities is guaranteed. Unlikely to replace physical encounters, or information from traditional media, online interactions are becoming an important supplement to social and consumption behavior. Consumers are adding online information gathering and social activities into an extended repertoire that also includes their face-to-face interactions. Online interactions and alignments increasingly affect their behavior as citizens, as community members and as consumers. The prospect of advancing marketing thought and practice may come from an enhanced understanding of these groups of consumers.

A detailed account of the strategic implications of virtual communities will be provided herein, informed by four years of empirical and conceptual research on the online interactions of groups of consumers. New developments in consumer behavior research and marketing will be conceptualized, focusing on the revolutionary changes wrought by online interactions. First, terms will be defined, and several different aspects of these groups will be theorized. Next, these concepts will inform a comparative analysis between the ways in which traditional ‘relationship marketing’ theory has been implemented online, and the difference suggested by a newer framework based on the existence and utility of ‘retribalized’ virtual communities of consumption. Strategic options will be explored and discussed. The final section overviews the practical implications of these changes for a revised online marketing strategy and suggests appropriate cyberspace locations through which to pursue it.

Theoretical Basis

Virtual Communities of Consumption

Online, at this very moment, millions of consumers are forming into groups that ‘communicate social
information and create and codify group-specific meanings, socially negotiate group-specific identities, form relationships which span from the playfully antagonistic to the deeply romantic and which move between the network and face-to-face interaction, and create norms which serve to organize interaction and to maintain desirable social climates’ (Clerc, 1996, pp. 45–46). Many of these groupings are implicitly and explicitly structured around consumption and marketing interests (see, e.g. Kozinets, 1997, 1998; Kozinets and Handelman, 1998). ‘Virtual communities of consumption’ are a specific subgroup of virtual communities that explicitly center upon consumption-related interests. They can be defined as ‘affiliative groups whose online interactions are based upon shared enthusiasm for, and knowledge of, a specific consumption activity or related group of activities.’ For example, the members of an e-mail mailing list sent out to collectors of Barbie dolls would constitute a virtual community of consumption, as would the regular posters to a bulletin board devoted to connoisseurship of fine wine.

Meta-analyses of computer-mediated communication indicates that Internet users progress from initially asocial information gathering to increasingly affiliative social activities (Walther, 1995). At first, an Internet user will merely ‘browse’ information sources, ‘lurking’ (unobtrusively reading, but not writing) to learn about a consumption interest. For example, a new Internet user buying an automobile might simply visit the official site of the car manufacturer. However, as the online consumer become more sophisticated in her Internet use, she will begin to visit sites that have ‘third party’ information, and eventually may make online contact with consumers of that automobile. Reading about others’ experiences with the automobile, she may question individuals, or the entire group of virtual community members, and eventually become a frequent or occasional participant in group discussions.

As depicted in Figure 1, the pattern of relationship development in virtual communities of consumption is one in which consumption knowledge is developed in concert with social relations (Walther, 1992, 1995). Consumption knowledge is learned alongside knowledge of the online group’s cultural norms, specialized language and concepts, and the identities of experts and other group members (Kozinets, 1998). Cultural cohesion ripens through shared stories and empathy. A group structure of power and status relationships is shared. What began primarily as a search for information transforms into a source of community and understanding.

The two factors — relations with the consumption activity, and relations with the virtual community — are separate enough that they can guide our understanding of four distinct member ‘types,’ as shown in Figure 2. Rather than simply agglomerating all members of virtual communities into a single category, this approach allows much more subtlety in targeting and approach. The first of the four types are the tourists who lack strong social ties to the group, and maintain only a superficial or passing interest in the consumption activity. Next are the minglers who maintain strong social ties, but who are only perfunctorily interested in the central consumption activity. Devotees are opposite to this: they maintain a strong interest in and enthusiasm for the con-

![Figure 1](image-url)
From a marketing strategy perspective, it is the devotees and the insiders who tend to represent the most important targets for marketing. The reason for this is in the classic ‘Pareto’ rule of 80–20 which is operative in almost all consumer marketing. In many product and service categories, approximately eighty percent of most products and services are consumed by approximately twenty percent of their customer base. For example, in the US beer market, 16 percent of the beer drinkers guzzle down 88 percent of the beer. The segment of these so-called heavy users, or loyal users, are the core of any industry and any business, and are usually the heart of any successful marketing effort. Preliminary research reveals that this important core segment is represented online in virtual communities by insiders and devotees. When devoted, loyal users obtain Internet access, they tend to join or form virtual communities of consumption. In addition, the virtual community itself may propagate the development of loyalty and heavy usage by culturally and socially reinforcing consumption. In this way, tourists and minglers can be socialized and ‘upgraded’ to insiders and devotees.

In general, a virtual community member will progress from being a visitor to an insider as she gains online experience and discovers groups whose consumption activities assuage her needs. To a marketer, the amount of time she spends in group communication is critical. With search engines, this is fortunately easily assessed. What the marketer will find as a general trend is that the primary mode of interaction used in the group by this member moves from a factual information type of exchange to one that effortlessly mixes factual information and social, or relational, information. With an understanding of the different social interaction modes used in virtual communities of consumption, marketers can engage in a strategy of interaction-based segmentation. Differentiating the types of interactions prevalent in a given virtual community of consumption will allow marketers to better formulate strategies that recognize the differential opportunities and needs of devotees, insiders, minglers and tourists (see Figure 3). Understanding four primary interaction modes — informational, relational, recreational, and transformational — will allow an interaction-based segmentation that can help to pinpoint the virtual communities with the highest potential for positive consumer response.

Because they are generally uninterested in building online social ties, devotees and tourists tend to use predominantly the factual informational mode of interaction. In this interaction mode, it is clear that they use online communication as a means for the accomplishment of other ends, for example, informing themselves about the availability of a certain new product, or facilitating the trading of a collectible. The social orientation of such communications are clearly individualistic. Communications focus on short-term personal gain, either by sacrificing or — much more commonly — by ignoring the needs of other community members, such as simply using members’ resources and not returning anything of benefit to those individuals or to the group.

Minglers and insiders tend to be far more social and relational in their group communication. To them, the social contact of online communication is in itself a valuable reinforcement. This social orientation focuses on longer-term personal gain either through cooperation with other community of consumption members or through the delineation and enforcement of communal standards. An example of this mode of interaction would be members who maintain an e-mail newsletter or contribute frequently to it, or members who write a detailed FAQ (‘Frequently Asked Questions’ document), or obligingly answer the questions of new users (‘newbies’).
These underlying categories expose the orientations and objectives of members that motivate their online communication. They also reveal two other important modes of interaction. First is a recreational mode in which online communication is the objective, but this communication is pursued for primarily selfish or short-term satisfaction. Because they value social intercourse, and because their social relations tend to stay on a more superficial level, minglers and tourists tend to predominantly use this interaction mode. A good example of the recreational mode is the often-vacuous small talk consumers pursue in many online chat rooms. This small talk generally progresses from greetings, to asking about someone’s geographical location, to asking for their physical description — and often includes a considerable amount of flirtation. The second mode of interaction is the transactional mode in which consumers communicate in order to attain some other objective that is focused on longer-term social gain. An example of this would be the groups of consumer activists that are appearing ever more frequently in online groups (Kozinets, 1997; Kozinets and Handelman, 1998; Zelwietro, 1998). Transformation is most often pursued by insiders, whose organizational skills will empower their concern about consumption activities. Transformational activities will also be followed by devotees whose consumption interests will inspire them to want to seek positive change. More details on the activist and resistant tactics that these consumers devise and circulate in virtual communities will be provided in a later section. In the following section, we use these insights underlying the spectrum of online social and asocial behaviors, the four types of virtual community of consumption members, and the four types of virtual interaction modes to outline a framework of ‘retribalized’ marketing that enhances our understanding of online communal relationships.

Relationship Marketing and E-Tribal Marketing

The growing influence and range of social activities of virtual communities of consumption add nuance to marketer’s existing understandings of consumer behavior and marketing, suggesting additional considerations for strategizing and decision-making. In particular, it suggests that marketers follow segmentation strategies that differentiate different types of ‘e-tribes’ and their members by playing close attention to the types of computer-mediated interactions they engage in. Using this form of communal segmentation allows managers to manage their relationships with entire virtual communities in a way that will help to avoid the heavy-handed, inappropriate, and unwelcome marketing approaches currently prevalent using computer-mediated communications (see also Armstrong and Hagel, 1996).

Relationship marketing is an extremely influential model guiding marketing practice. In its broadest sense, relationship marketing uses the metaphor of an organization–customer ‘relationship,’ and prescribes that the organization must foster and nurture a mutually beneficial continuing relationship with customers (e.g. Capulskyt and Wolfe, 1991; Shani and Chalasani, 1992). Loyalty-based segmentation extends the relationship marketing framework by focusing on the type of relationship an organization has with its customers. Loyalty-based segmentation suggests that the relationship can be assessed in terms of customer loyalty and managed as a resource for the betterment of the organization.

It would be folly to argue with the wisdom of the relationship marketing perspective in general, or the utility of loyalty-based segmentation. However, an exploration of e-tribal behavior as it actually occurs might serve to enhance the understandings of what we might term ‘virtual relationship marketing’ — the relationship marketing model as it has been implemented online. Virtual relationship marketing has been imported with several restraining and unrealistic assumptions that ignore the social reality of virtual communities of consumption. In particular, the consumer behavior of virtual communities adds subtlety to the assumptions of solitary and silent consumers that undergird online relationship marketing. In addition, the precepts of loyalty-based segmentation can be enhanced by some of the insights of e-tribal marketing.

In considering the different types of virtual communities of consumption and their different members it becomes apparent, for instance, that devotees may not be loyal to a particular community, although they may be loyal to a particular form of consumption. Loyalty might therefore be assessed not merely in economic terms of retention or switching, but in cultural and experiential terms of depth of experience and emotional devotion. Consider next an insider who has a large amount of influence on the members of a particular virtual community. If this person switches from devotion to one product to another, because their consumption activities and justifications are public they tend to have important consequences on the actions of many others. In my own fieldwork, I have observed several times the phenomenon of a community leader changing their tastes, and then actively seeking to ‘convert’ others. This collective switching behavior often culminated in divided loyalties and group defections. Thus, although an insider’s own personal, individual worth to the
corporation could be assessed by loyalty-based segmentation to be minimal, their value as an ‘influencer’ in a virtual community is actually quite high. It is only by recognizing such a person as an insider, one whose interactions are high in both informational and social exchanges, that marketers can strategically deal with such eventualities.

The revised framework of relationship marketing in environs of retribalized ‘cyberspace’ virtual communities of consumption is termed ‘Virtual Communal Marketing,’ or VCM. The marketing strategies of VCM are informed by theorizing and naturalistic observation of online consumers in social interaction, as well as by the principles of network economies. VCM is based upon three general assumptions that extend and add complexity to prior assumptions underlying the basic principles of relationship marketing. First, online consumers are not merely passive recipients of consumption information, but active creators. Second, customer relationships with marketing companies manifest not simply as binodal relationships but as multinodal networks. Finally, the value of online data gathering about consumers lies not merely in its unidimensional aspects, such as sales and demographics, but in its multidimensional potentialities. The following sections provide details on these fundamental shifts that add complexity to virtual relationship marketing. The new VCM strategies suggested by this shift will be elaborated further in the concluding section.

Consumers: Active Online Participants

Online, relationship marketing has been operationalized as an extension of information technology and micromarketing pursuits. This has concentrated online marketing on the many advantages of database marketing. While useful in many contexts, this perspective might prove unnecessarily limiting in social environs characterized by the spawning and proliferation of virtual communities of consumption. Database marketing focuses upon the construction and continuous updating of a store of relevant information about current and potential customers. This information presupposes that consumers tastes are fairly simple and stable matters that can be encoded and processed by information technology. It is expected that the ‘mass customized’ computer-generated marketing programs devised by database marketing will be relatively well-received by individuals. Database marketing assumes that the information the organization collects about consumers is more important not only than the information that consumers collect about themselves, but the information that they collect about it. In other words, database marketing assumes a ‘passive’ relationship, perhaps too much based on the ‘audience’ model of television and direct advertising. Organizations do many seductive things to consumers, and consumers have a fairly truncated response set: they either buy, continue to buy, or stop buying.

The actual portrait of consumption drawn by VCM is quite different. In virtual communities of consumption, consumers are active, deeply involved in articulating and re-articulating their consumption activities. Insiders and devotees are especially involved in setting standards, negotiating them with other members, redrawing group boundaries in terms of consumption, and constantly assessing the corporations whose products are important to them. Groups are not arranged as simple segments that correspond to marketers quantitatively-derived schemes, but as groups whose members share certain media forms, social communication modes and consumption tastes. These groups often differentiate and break off into new groups that may or may not retain links with their old consumption comrades. When necessary, virtual community members also engage in transformational interactions aimed directly at the marketer. These interactions are not merely passive, but highly active, full of nuance and multidimensionality. These findings suggest that effective marketing to virtual communities of consumption should account for two of their most important characteristics: (1) the tendency of seemingly uniform groups to split into factions, and (2) the politicizing of virtual communities of consumers.

‘Factions.’ As Internet usage proliferates, and the constitution of virtual communities of consumption becomes more representative of the mainstream, virtual communities are increasingly going to be the place to access devotees and insiders — devoted, loyal, heavy users of a given product or service. While access to them may become simpler, the online marketer’s job overall is in the process of becoming substantially more complex. One of the chief challenges, and opportunities, facing marketers in this environment will be fragmentation. The online world presents a variety of forums and means for social expression, each of which present challenges and opportunities that will reach to the heart of the consumer–marketer relationship.

Marketers of the loyalty-based segmentation model seek to differentiate consumers by their loyalty. Consumers, however, differentiate on a variety of aspects, many of which seemingly have nothing to do with production or marketing actions. Loyalty-based segmentation is based upon switching behavior and its flipside, retention. Yet, as Knox (1998, p. 732) insightfully points out, ‘loyalty is retention with attitude.’ Customer involvement in the consumption activity is truly at the basis of consumer loyalty. Thus a detailed and dynamic understanding of the bases of customer loyalty is vital to all relationship marketing. The strategy of fragmentation-based segmentation can help to achieve this complex aim.

Fragmentation-based segmentation is based upon the
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For example, stratified groups of coffee fans on the alt.coffee newsgroup will debate en masse the merits of various strains of coffee beans, of methods of preparation, of coffee machines, and of brands such as Starbucks. Each species of bean, each processing mode, each machine and each brand will have its enthusiasts, and there will of course be considerable overlap. How can contemporary marketers handle such diversity? Clearly, judicious segmentation is called for. The similarities between the various ‘factions’ should be explored and analyzed to determine how heterogeneous or homogeneous they might be. The rich information present in virtual communities of consumption will enable resourceful strategists to segment while simultaneously appealing to the united group at a complex and polysemic symbolic level. This polysemic level—a level of rich, multiple meanings—can help marketers consolidate brand identity with consumer identity.

Researchers of consumption meanings over the last decade have offered persuasive evidence that brand loyalty is based on social needs: the desire to believe and to belong. The information readily available in virtual communities allows marketers to focus on the complex and vitally important cultural relationship between personal identity, social identity, and brand identity. An analysis of this information will offer them important forums through which to pursue a collective positioning that both bonds communities together, and helps them to differentiate themselves from one another. Combined, these strategies can supplement the database marketing view of passive online consumers with a VCM perspective that views them as active, rapidly-changing, and multidimensional. The results enrich database marketing with human cultural understandings, helping online marketers stay strategically focused.

‘Activism.’ Diversity notwithstanding, the singular experienced reality of online social interaction is as a place where groups of consumers with similar interests actively seek and exchange information about prices, quality, manufacturers, retailers, company ethics, company history, product history, and other consumption-related characteristics. Whether marketers interpret the new virtually communal consumer’s behavior as cynical or clever, they will have to adapt to it. Empowered by information exchange and emboldened by relational interactions, consumers will use their online activities to actively judge consumption offerings, and increasingly resist what they see as misdirected mass mailings, or their online variant, ‘spam’ (see, e.g. Kozinets and Handelman, 1998). Companies must pay increasing attention to their existing reputations, and to the messages their database and other marketing efforts are sending to virtual communities of consumers. The results are likely to be extremely informative of the type of relationship consumers believe the organization is attempting to forge with them.

The existence of united groups of online consumers implies that power is shifting away from marketers and flowing to consumers. For while consumers are increasingly saying yes to the Internet, to electronic commerce and to online marketing efforts of many kinds, they are also using the medium to say ‘no’ to forms of marketing they find invasive or unethical. Virtual communities are becoming important arenas for organizing consumer resistance (Kozinets and Handelman, 1998). A multitude of communities of consumption have been used for ‘transformational’ interaction aimed at increasing the betterment of the group of consumers as a community, very often by undermining the efforts of those who would profit at their expense.

Online acts of consumer dissent and organizing are just beginning, but are increasing as Internet users become attuned to the inherent political possibilities of the medium (Zelwietro, 1998). As virtual communities of consumption build ties between devoted, loyal consumers of products, scrutiny of and wariness towards the marketers of those products heightens. The more online community of consumption members communicate with one another through the Internet, the more bold they feel about challenging marketers and marketing claims. The more active they become as consumers, the more activist their activity.
One of the most infamous examples thus far is the so-called ‘Foxing’ Incident. Historically, fans of News Corp’s Fox Broadcasting television shows, such as The Simpsons, had gone to considerable time and effort to create and post their own non-profit World Wide Web homepages dedicated to these shows. In 1996, the network began a corporate ‘crackdown’ of these ‘unofficial’ sites by sending out official cease-and-desist letters demanding that fans remove trademarked pictures and sound clips from their sites (see also McCracken, 1997). Fairly quickly, fans began to rally online. Once informational and recreational interactions were replaced by increasingly transformational activity. These consumers wanted the power to use the symbols that were significant to them. They organized letter writing campaigns. They boycotted licensed merchandise. Apparently, Fox and its licensees felt the effects, because they seem to have ceased their legal actions. The result, though, is a tarnished relationship, and the promise of more consumer activism and resistance to come. The marketing efforts of companies such as Fox are ostensibly based on the precepts of relationship marketing. However, in practice, the active and vital world of virtual communities confounds organizations, leading them to punish and outrage some of the most loyal customers of all. The reason for this managerial myopia seems rooted in the fundamental assumption that virtual community members are passive recipients of consumption information. Instead, organizing into virtual communities empowers consumers, and elicits may of their most active and activist tendencies.

The Messengers Are the Medium

Online, relationship marketing has been guided by the ‘one-to-one’ marketing concept. This has often been attempted using ‘innovative’ media such as the Internet. One-to-one marketing presumes that a customer can be efficaciously isolated into a single grouping, ‘understood’ by marketers through efficacious segmentation, and then marketed an offering that has been customized to his or her individual needs. While one-to-one marketing is an exciting theoretical concept, in social reality the consumers who are a part of virtual communities of consumption are neither as isolated nor as static in their tastes as the concept presumes them to be.

The idea of ‘one to one’ assumes a simple two node, or binodal, path of communication between one marketing organization and one consumer. This was largely true in television or motion picture advertising in which a single message was broadcast to a large number of apparently relatively passive and unconnected individuals. Yet the advantages of networked computers and computer-mediated communications derive directly from their ability to provide not only two-way communications, but connections between consumers. Binodal models of one-to-one marketing are currently in the process of being succeeded by models that also incorporate the one-to-many and many-to-many communications of multimodal networks (Hoffman and Novak, 1996). Through online word-of-mouth, consumers often exchange and transact with companies only after mediating ‘official’ marketer-derived information with ‘unofficial’ social information. Even in face-to-face communications, the mediating influence of these unofficial ‘influencers’ is widely recognized. Virtual communities of consumption provide forums whereby the influence of influencers may potentially be exponentially increased.

In communications occurring by way of a simple binodal path, the main challenge to marketing is overcoming the ‘noise’ in the environment so that customers’ genuine needs can be discerned. Interactions occurring within the virtual community, however, are an influential, cultural source of this ‘noise.’ Astute marketers find not only that online consumers are influenced by virtual communities, but that they are in fact a part of their communities. Marketing to an entire community becomes a realistic online option. VMC therefore becomes a process that combines the customization of single node marketing approaches with the appreciation for communal consumption concerns that multiple nodes evoke.

Communal Consumption. With location and accessibility ‘virtually’ obliterated, loyal consumers are increasingly creating their tastes together, as a community. This is a revolutionary change. Online, loyal consumers evaluate quality together. They negotiate consumption standards. Moderating product meanings, they brand and re-brand together. Individuals place great weight on the judgments of their fellow community of consumption members, particularly the expert judgment of insiders and devotees. The response of the collective acts as a force that mediates and complicates the relationships between marketing organization and individual consumer. Collective responses temper individual reception of marketing communications, even one-on-one direct marketing. Online, marketers do not speak to individuals, but to a group. This calls for advanced, yet subtle, strategies that gently co-opt communities by sharing important information — and perhaps associated ‘insider’ privileges — with their most influential and important members.

For example, on The Official X-files Home Page (http://www.thex-files.com), fans of the popular Fox television series not only debate the merits of each episode, they also critique and promote the most recent licensed merchandise related to the show. On less official newsgroup boards, such as alt.tv.x-file, they offer one another pricing and quality hints, and ‘rip off alerts.’ They pool suggestions for the best retail locations to find low prices on particular products. They buy, sell and trade. They create reviews of products, giving informed, justified ‘thumbs up’
or ‘thumbs down’ evaluations of current software, games, comic books, trading cards, musical albums and magazines (see Kozinets, 1997). Upon thousands of official and unofficial virtual communities, certain X-file fans act as very public arbiters of community taste. By staying in good standing with these fans, marketers can have wide-ranging effects that inform and mediate consumer demand and consumption meanings across large numbers of others.

Interactions based on information, shift knowledge and power from marketers to consumers. Organizations of consumers can make successful demands on marketers that individuals cannot. Online marketers will need to realize that, where virtual communities of consumption are involved, they are communicating not only with many ‘ones,’ but also with many ‘manys.’ ‘The customer’ increasingly will need to be envisioned and modeled not only as an individual, but as a complex and interrelated global network. This global network is comprised of series of communicating consumers who draw on each others’ knowledge and experience to evaluate the quality and worthiness of product offerings and the honesty and integrity of companies and their marketing communications. Increasingly, the offer that is made to some will be made to all, and this necessitates an openness, inclusiveness and forthrightness that one-to-one marketing, by its very nature, might find easy to overlook.

The battle cry within consumer behavior for the last decade has been that marketing must move beyond its individualistic orientation to more cultural and collective types of understandings (see, e.g. Sherry, 1991). Virtual communities of consumption provide multiple opportunities for marketers to move beyond a simple binodal isolation of consumers. In order to truly understand customer needs, consumption must be seen from a social context that encompasses multidimensional relations. Greater understanding of the ways consumers actually apply products and services to their lives will in this way be gleaned. An important result will be that the expert insiders and devotees of virtual communities will become the important influencers who, as with the loyals and habituals of loyalty-based segmentation, will be courted by perspicacious contemporary marketers.

**Loyalty, Retention and Attention**

Finally, much relationship marketing online has been based on the assumption of the utility of lifetime value assessment of individual customers, often gathered through analysis of sales data by customer. This process encompasses newer techniques such as loyalty-based segmentation. One of the underlying assumptions of the operationalization of this principle online is that highly truncated consumer information such as actual sales is pre-eminent. However, while of great use to segmentation schemes, actual sales data by itself generally offers quite little that is valuable to guide marketers in remedial or proactive decision-making. Information on loyalty or switching tells little marketers very little about the reasons why loyalty or switching behavior occurs.

It is likely that sales information is valued as pre-eminent because it leads to cost-benefit analyses of customer retention that are easily analyzed using information processing software. However, the quantitative data currently collected through online information gathering — i.e. sales, perhaps demographics — tends to be quite unidimensional. Virtual communities, in contrast, provide at little or no cost a wealth of much more multidimensional information. For instance, marketers using newsgroup archives and search engines (for example, Dejanews at http://www.dejanews.com) can sketch a detailed cultural ‘profile’ of any individual consumer who has posted information to a newsgroup. The resulting portrait of communal interests can contribute not only to an understanding of interconnections between seemingly disparate forms of consumption, but also to a much more thorough understanding of the amounts and reasons for customer (dis)satisfaction than can simple sales data. Valuing and attending to data that retains the multidimensionality of its essential ‘qualities’ (i.e. ‘qualitative’ data) will guide marketers to where valuable consumers are focusing their attention.

Author Michael Goldhaber has said that ‘As the attention economy becomes dominant, advertising will exist only to attract and direct attention, because money will be obsolete.’ Virtual community guru Howard Rheingold has advised net-heads to ‘Pay attention to where people are paying attention.’ Attention marketing is based on the essential notion that the scarcest commodity of the information age is not time nor information, but human attention. Attention marketing suggests that marketers go where the interest flows. Online, with instantaneous gratification and a paucity of other cues, this is often going to lead to strong brands, be they household brands with strong brand identities, such as Marlboro, or Levis, or Coca Cola. It is also going to lead to the vibrant and contemporary symbolism that brands new entertainment, fashion, celebrities, sports, music and other leisure products and services. Consumer marketing must be linked to symbols that provide meaning and gather attention and in virtual communities of consumption the many insiders and devotees provide a wealth of information about what it is that makes consumption especially special for them.

The most intensely loyal communities online are the ones whose members exhibit a passion for some cer-
taint consumption object. Whether it is a collectible, a food, a celebrity, or a television show, the members of these virtual communities of consumption have implicated their own identities deeply and lastingly with the consumption object and its symbolism. In an activity that began almost with the birth of the Internet, fans of the science fiction television show Star Trek have set up over 80,000 web-sites and groups devoted to the television show they feel so strongly about. Communing in a shared passion is the essence of truly communal community, be it virtual or face-to-face. The more marketers can provide virtual community of consumption members with the meaning, connection, inspiration, aspiration, and even mystery and sense of purpose that is related to their shared consumption identities, the more those consumers will become and remain loyal.

Pay-for-Attention Marketing may offer a transitional strategy that bridges one-to-one and communal online marketing. Although it still approaches customers with a one-to-one type of proposition, Pay-for-Attention Marketing acknowledges the active nature of online consumption. In this form of marketing, the unsanctioned interruption of TV or radio broadcasts, or an imposing billboard, gives way to a model in which marketers offer incentives such as games, contests and prizes in exchange for a person’s permission to tell them more about a product or service. For example, eyewear maker Bausch and Lomb’s online ‘The Eyes Have It’ sweepstakes involved a ‘trivia game’ in which participants could win a cruise trip or other prizes. During the course of communicating in the ‘game,’ consumers gradually learned more about B&L’s products, while revealing information about themselves. The idea behind the game was to enable marketers and consumers to build a long-term relationship based on increasing attention to one another’s information needs.

Failing to acknowledge the new and innovative models of attention-seeking, or the vast storehouse of free consumer research information present in observation of informational interaction, virtual relationship marketing that relies exclusively upon the constrained elements of ‘quantitative’ data misses all of the rich emotional and textual ‘qualities’ that make consumption a meaningful cultural experience. By adding this information back in, so that qualitative and quantitative online information work in concert, it becomes possible to more thoroughly understand how consumers view the company and its products, and where the products fit into consumers’ entire lived experience. There can probably be no more insightful and solid a foundation for relationship marketing than this.

In summary, there are three fundamental assumptions that distinguish the newer ‘virtual communal marketing’ practices from the traditional practices of ‘virtual relationship marketing.’ Virtual communal marketing centers on consumers as (1) more proactive and (2) more communally influenced, and (3) the information that they provide online as more multifaceted than more passive, one-to-one, and constrained database marketing practices. In the following section, we will explore additional strategic implications of these differences.

Implications and Specifications

The race is on for contemporary marketers to understand and build connections with virtual communities of consumption before more net-savvy competitors can discover how to bond with them. Internet information access and interactivity are behind a fundamental shift occurring right now in the way people think about their purchasing and consumption activities. Just as Japanese car manufacturers shifted the car market towards reliability and fuel-efficiency in the 1980s, and American car manufacturers shifted it back towards safety in the 1990s, so too are massive market instabilities currently underway among information technology-savvy industries and companies.

The victors in the new competitive (cyber)space will be those with the keenest understanding of the revolutionary implications of the medium, including the altered consumer behaviors of members of virtual communities of consumption. Wise marketers will realize that online consumers are much more active, participative, resistant, activist, loquacious, social, and communitarian than they have previously been thought to be. The insights these marketers bring to their marketing practice will democratize and open the world of online business. Marketing in the Internet age will have to learn how to form alliances with the powerful communities that are brewing online.

In order to form alliances with them, it is useful first to understand the forms and residing places of these communities. Earlier, I noted that Marshall McLuhan seemed to be correct in prognosticating the retribilizing of society based on inclusive ‘electric’ media. Following McLuhan’s best-known dictum, that ‘the medium is the message,’ leads us to the conclusion that some types of virtual community of consumption are better suited to certain types of marketing efforts than others. Research confirms this, strongly suggesting that certain ‘segments’ of virtual communities are much more suited to marketing practices than others. Following, I briefly outline four important types of virtual communities of consumption, their predominant interaction modes, and the types of strategies that might be useful in segmenting them and marketing to them. These four types of virtual communities are dungeons, rooms, rings, and boards (see Figure 4).

Dungeons. A ‘MUD’ is an acronym that originally stood for Multi-User Dungeon. The original dungeons offered computer-generated (textual) environ-
rooms. ‘Rooms’ are computer-mediated environments where people socially gather together, interacting in real time without the overt structure imposed by fantasy role-playing. The process is analogous to a party line telephone call, ‘Rings’ are organizations of related homepages, often termed ‘web-rings.’ Linked together and structured by interest, Rings provide structured and information-oriented collections of interrelated consumption interests. ‘Lists’ are groups of people who gather together on a single e-mail mailing list in order to share information about a particular consumption topic of mutual interest. Lists tend to be the most permanent and social of virtual communities.

Smart marketers are already taking advantage of the opportunities afforded by such self-segmented ‘theming.’ The web-page at Amazon.com temptingly asks its customers if they have a Web site. ‘If you do, you could jump into the world of electronic commerce today by joining the Amazon.com Associates Program.’ This program is an ‘official’ Ring. Offering Ring members a commission on any books it sells to others through ‘advertising’ on their web-sites, the on-line bookseller provides an explicit way to enter into book-selling partnerships with the ‘native expertise’ of online Ring members.

**Boards.** Perhaps the most directly consumption-related communities are the ‘Boards.’ Boards are online communities organized around interest-specific electronic bulletin boards. As such, their membership contains a respectable concentration of insiders and devotees, and few minglers. Active Board members read and post messages that are sorted by date and subject, and also respond to discussion threads. Boards also have wide exposure and influence, because they are perused frequently by tourists who merely lurk and do not post messages. There are Boards devoted to musical groups and motion pictures. Others discuss wine, beer, cigars, automobiles, comic books, Lego collecting, digital

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**Figure 4 Types of Virtual Communities of Consumption**

<table>
<thead>
<tr>
<th>Social Structure</th>
<th>Group Focus</th>
<th>Information Exchange</th>
<th>Social Interaction</th>
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</thead>
<tbody>
<tr>
<td>Loose</td>
<td>Boards</td>
<td>Rings and Lists</td>
<td>Rooms</td>
</tr>
<tr>
<td>Tight</td>
<td>Dungeons</td>
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<td>Dungeons</td>
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*Rooms, Rings and Lists.* An IRC is an acronym for ‘Internet Relay Chat,’ otherwise known as chat

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cameras and almost any consumption interest that could be imagined. There are even Boards devoted to discussions about Taco Bell and McDonalds restaurants. Very often, within groups not specifically devoted to a consumption topic — such as parenting groups or environmental groups — the topical discussion revolves to a significant extent around available products and services. Like Rings and Lists, Boards are centered upon consumption activities, and thus their membership has self-segmented. Large and public, boards tend to be less intimate than Rings and Lists, and thus may provide the most advantageous forum for approaching consumers without seeming to intrude.

Conclusion

In Dungeons, Rings, Lists, Boards and Rooms, consumers form e-tribes that use networked computer technology to sharpen their consumption knowledge, to socialize, to organize, and to play. There are multiple opportunities for marketers to insert, defend, alter and reinforce brand meanings in all of these environments. Yet it is also important for marketers to note that virtual communities are going to present a notoriously unstable marketing medium. Based in an ethos of open participation, trade and exchange among equals is the watchword on the Internet (as exemplified by, for instance, the online auction ‘community,’ eBay at http://www.ebay.com). As a recent ‘official’ web-page devoted to the unsuccessful movie Godzilla found, consumers will use the online forums provided to them both to promote, and to viciously criticize, products and corporations. In virtual communities, loyalty is something that, increasingly, cannot be assumed, but must be assured.

As the instances of consumer resistance with the Fox television network suggest, issues of information trade and copyright are also going to be contentious. We live in an age of instantaneous replication and transmission. Information-related products like software, movies, music, newspapers, magazine, and education used to be considered ‘unfungible’ — it was difficult to replace one item with another. With new compression standards such as MP3 emerging regularly, this is no longer the case. With virtual communities of consumption in place, net-savvy consumers will know exactly where to go to obtain their illicit informational goods.

The United States has been trying to pass strong legal provisions protecting intellectual property, through GATT and currently the WTO. Technical means of protecting it, like new forms of encryption and digital signatures, and stiff penalties for anyone who breaks the digital ‘lock’ on a piece of intellectual property, have been proposed. But controlling copies of easily copied goods in a digital world is a very complex challenge, particularly because those who take it often change it in subtle ways to reflect their own identities before re-broadcasting it to the world (for example, subtly changing the appearance or ethnic identity of a trademarked character such as Bart Simpson).

A simple marketing rule emerging in the digital economy is that networks are what build value, and networks are often created by giving things away. That was the pattern that led to Netscape’s early success, and countless other shareware and freeware standards. Even Microsoft followed this strategy for its Internet Explorer browser. Marketers must try to weigh the moral and social benefits with the very difficult costs of this strategy. With limits and within reason, giving things away that can be easily copied is perhaps the wisest marketing alternative. Giving things away allows marketers to build loyalty and trust and allows the company to make their margins on what is difficult for others to copy.

It helps to remember that the goal is not to control the information, but to use it wisely in order to build solid, long-lasting relationships with products or brands. Virtual communities of consumption offer an excellent venue for the marketing research that underlies the understanding that builds these relationships. Virtual Communal Marketing also offers a sound basis for pursuing a subscription or membership type of relationship. By treating community members as special members of an ‘insider’s club’ with special prestige and benefits, online consumers might bond into long-term relationships with marketing organizations. These benefits might include, as with Pay-for-Attention marketing, the timely sharing of meaningful and valuable information. This type of membership club makes sense for moderately social media such as Boards, Dungeons and perhaps Rooms. In more private and communal Lists, a subscription model is also possible.

The trusting relationship that underlies the membership and subscription model is now becoming common among the EDI-linked corpus of supply chain management, but it is still virtually unheard of on a consumer level. However, this sort of bonding makes perfect sense in virtual communities which include significant numbers of all-important heavy and loyal users. Utilizing VMC for customer bonding will lead to relationships in which both parties are committed to maintaining the satisfaction of one another.

Virtual communities are difficult in some ways
because they demand that marketers commit to the satisfaction and support of the community as well as the individual. Those companies that do not may find that consumers with a strong need for community have migrated to a competitor that can offer access to and positive relations with an alternative or more desirable community. Yet, by following a membership or subscription strategy, membership, ‘insider’s’ knowledge and connections, and consequently elevated status in a meaningful and satisfying virtual community of consumption can be a potent reward for loyal customers.

Overall, when dealing with virtual communities of consumption, it is important to use a light touch. Marketers must zealously guard brand identity, but they also must provide community members with the raw materials they need to construct a meaningful community. Remember that community-building is a creative activity. Treat virtual community members as your partners in promotion and distribution. By knowledgeably segmenting on the basis of virtual community interaction modes, types, and types of members, marketers can gain a competitive advantage. Loyal and mutually beneficial relationships can be built online with consumers. With this segmentation information, marketers are empowered to provide more appropriate and effective marketing communications. Provide channels for virtual community members to become your heralds and champions and you may well find them reciprocating in a ‘virtually overwhelming’ way.

References


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