

FACILITATING THE DEVELOPMENT OF FIRM-CUSTOMER RELATIONSHIPS IN ONLINE RETAILING CONTEXTS THROUGH VIRTUAL COMMUNITY CULTIVATION

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ABSTRACT

Past studies have generally demonstrated that virtual community building is an effective marketing approach for forging deep and enduring affective bonds with consumers. This study extends previous research by proposing and testing a model that investigates the key mediating processes that underlie the relationship between virtual community participation and consumer loyalty. The authors test their hypothesized model on data obtained from three large online retailing stores. Their results show that virtual community participation significantly enhances customer loyalty both through community identification and through psychological processes (i.e., trust and satisfaction). As consumers identify increasingly with the community, they perceive themselves and the focal community as sharing the same core or defining attributes and see themselves as typical representatives of the group. Moreover, through encouraging virtual community participation, online retailers can gain greater levels of knowledge about consumers' past purchases, and thereby form an appropriate response to their customers' desires and needs.

In addition, their findings provide insights into the complex interrelationships among community identification, satisfaction, and trust. They demonstrate that when consumers are satisfied with their relationship with an online retailer then they are likely to have feelings of attachment and belongingness to the associated community. It is noteworthy that in this study identification, as the immediate determinant of loyalty intentions, is the pivotal concept in the community participation-consumer loyalty relationship. Furthermore, social identification, trust, and satisfaction together totally mediate the effect of community participation on consumer loyalty. This result is interesting, particularly in light of the emphasis placed on the direct effect of community-building on repurchase intentions in the e-commerce literature.

Finally, they suggest that virtual community cultivation programs should be seen as strategic investments by online retailers. This is justified on the grounds that they create intangible assets that strengthen consumers' confidence in relationship exchanges. Moreover, cultivating online communities not only increases a consumer's resistance to leaving the family but also improves a firm's knowledge about the consumers' preferences. It should be noted that initiating a virtual community may not necessarily result in enhanced consumer loyalty. In the long term, the success of a virtual community critically depends on its members' proactive participation. Thus, marketers should design reward systems that properly reward members for participation, especially for their citizenship behaviors in the virtual community.

References Available on Request.