Managing information sharing in online communities and marketplaces

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Abstract Companies can engage with many online social networks and communities to attract customers, disseminate product information, conduct research, and stimulate innovation. However, for these activities to be successful, it is key that consumers at these platforms trust each other and are willing to share their knowledge freely. The study presented in this article assesses what companies can do to encourage members of online communities and marketplaces to share information with others. For this purpose, a netnographic study was conducted of Etsy.com, an online marketplace for handcrafted and vintage products. The study revealed several key findings: companies can stimulate information sharing through activities that build trust and develop a norm of reciprocity; rules and guidelines are helpful to discourage abuse, but do little to stimulate sharing; and companies should give the right example by sharing knowledge themselves. The guidelines that were developed based on these findings can be used by companies that own or manage an online community as well as by those who intend to engage with one.
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1. Information sharing in online communities

Researchers have known for some time that there are significant benefits for companies to engage with online communities. Online communities can be an important part of consumers' social networks, and can affect their knowledge and attitudes toward products and brands (De Valck, Van Bruggen, & Wierenga, 2009). As a result, companies can use communities to disseminate product information and to engage and collaborate with their members (Dholakia, Bagozzi, & Pearo, 2004). Online communities that center upon consumption-related interests can also be valuable sources of marketing research, relationship building, and innovation, as their members are typically more active and more discerning than average consumers (Kozinets, 1999; Sawhney, Verona, & Prandelli, 2005).

However, although there are many websites where consumers discuss products and brands—or

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focus on activities that are related to them—not all of these platforms can be considered communities. Gusfield (1978), one of the first scholars to define what a community entails, identified three 'markers of community': shared consciousness, rituals and tradition, and a sense of moral responsibility. Following this reasoning, online platforms that do not meet these criteria should not be called online communities. Consumers who interact at platforms where these three factors are absent may not experience the same level of trust and may therefore not be as inclined to contribute and to share their knowledge (Hsu, Ju, Yen, & Chang, 2007).

It is vital for companies that plan to communicate with consumers online to be able to evaluate whether an online platform can be considered a community. The degree to which companies can use an online platform to obtain and disseminate information, to build relationships, and to facilitate innovation is directly reliant on the level of trust that exists between its members and on their willingness to collaborate and share knowledge.

Therefore, this article addresses the following research question: What can companies do to stimulate information sharing between members of an online community? This question is relevant firstly for companies that own or manage an online community and that want to increase the platform's value to third parties such as advertisers and market researchers. However, the findings will be equally useful for companies that want to know how to evaluate different online platforms, and what they can do themselves to encourage members to share their knowledge.

To answer this research question, a study was conducted on Etsy.com, an online marketplace for handcrafted and vintage products. Although a marketplace is different from other online platforms because its members (vendors) compete for the attention of visitors (buyers), Etsy has been described as a community because of the eagerness of its members to exchange knowledge for the benefit of the marketplace as a whole (Fitzgerald, 2009). Therefore, Etsy.com offers an interesting case study to examine what drives this willingness to share information, and what actions the company Etsy takes to stimulate this. For this purpose, a netnographic study was conducted of Etsy.com over a period of 7 months (Kozinets, 2002).

This article will start with a discussion of the drivers of information sharing in communities, followed by an explanation of the chosen methodology. The results of the study will be presented as a number of guidelines that companies can follow to encourage community members to share. To conclude, the key findings are discussed, as well as their practical implications and a number of limitations.

2. Information sharing as a social dilemma

In the last decade, as an acknowledgement of their importance for business, information sharing research has focused increasingly on online communities. Ridings, Gefen, and Arinze (2002) suggest that knowledge exchange is an important motivator to join and engage in virtual communities, and therefore has a direct effect on the community's value to its members. In professional virtual communities, information sharing can enable the community as a whole to increase its knowledge and skills base (Hsu et al., 2007). In virtual communities of consumption, information sharing can lead to satisfaction, which is a strong driver of purchase intention (Chiu, Hsu, & Wang, 2006).

Information sharing in marketplaces has so far remained relatively unexplored. However, an analogy can be found in Gezelius' (2007) sociological study of information sharing within fishing communities. In these communities, knowledge of the whereabouts of fish is a critical factor, and the prosperity of the community as a whole depends significantly on fishermen's willingness to share what they know. Gezelius found that fishermen are typically uneager to share good locations because they compete for income and prestige. However, there are two social norms that strongly influence the propensity to share: the *norm of reciprocity* means that if fishermen share information, they will be rewarded in kind; while the *norm against telling lies* ensures that those who do not share risk becoming isolated. Even though fishermen report that they experience tension between competition and the need for cooperation, they virtually never keep information to themselves.

Gezelius (2007) suggests that information sharing between competing members of a community is not a zero-sum game; it can increase the knowledge and productivity of the community as a whole. We argue that the same is true for online marketplaces: If knowledge is shared freely between vendors, the entire platform benefits, as the overall quality of offered products is increased and vendors become more adept at attracting visitors.

Information sharing within organizations and communities where individuals are often disinclined to share because their knowledge gives them a competitive advantage has been described as a social dilemma—that is, a situation in which individual rationality leads to collective irrationality (Cabrera & Cabrera,