



Extending lead-user theory to online brand communities: The case of the community Ducati

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ABSTRACT

While research on user innovations within communities exists mainly in offline contexts, few studies have attempted to define the profile of lead users in online (or virtual) communities, and even fewer have been conducted in the specific context of online brand communities, formed by people with a “common interest in a brand,” in its evolution and in the discourse about it. This study focuses on innovative activities within the Ducati Motor online community. The research reveals the following characteristics as crucial factors for the identification of lead users in online brand communities: willingness to collaborate, product knowledge and strategic alignment with the brand identity. Our sample consists of 2071 messages posted by 572 Ducati Motor virtual community members in a specific blog developed by Ducati Motor with the purpose of involving members in a collaborative innovation process that took nearly 14 months. Several implications for scholars and new product development managers are discussed.

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1. Introduction

In his seminal works on innovative users, von Hippel defined “lead users” as individuals or firms displaying two characteristics with respect to a given novel product or service (Von Hippel, 1977, 1986): (1) they face needs that will diffuse in a marketplace, but face them before the bulk of that marketplace encounters them and (2) they are positioned to benefit significantly from obtaining a solution to those needs. From von Hippel’s empirical studies, conducted mostly in the industrial markets, the construct has been progressively extended by scholars, with the aim of refining the variables and expanding their application beyond business-to-business settings. Although in the last two decades various studies have investigated the role of lead users in business-to-consumer settings (Franke and Shah, 2003), only recently have consumers’ online communities captured the interest of product innovation scholars (Franke and Piller, 2004; Füller et al., 2006; Jeppesen and Fredriksen, 2006). Online communities created around a theme, idea, product or hobby attract innovative consumers (Kozinets, 1999; Sawhney and Prandelli, 2000). Connecting to the online community represents for a user establishing relationships with the community members and sharing experiences with them, as well as ideas for product modifications or entirely new developments. As online consumer groups represent a growing pool of the product know-how generated outside

the firm, by connecting to online communities new product development (NPD) managers can possibly co-create value with these communities. Co-creation, or the shift from developing new products internally toward knowledge creation and learning with consumers, is part of what Chesbrough (2003) coined “open innovation” across firm boundaries.

While the role of innovative users in online communities has enjoyed significant development in the literature (Franke and Piller, 2004; Jeppesen, 2005; Lüthje, 2004), to our knowledge a number of gaps remain. First, although some authors have used brand communities as virtual settings for their studies (Füller et al., 2006; Jeppesen and Fredriksen, 2006), few authors have explored the role of lead users in online “brand” communities as specific contexts, with unique characteristics different both from offline settings and from not-brand-related online communities. *Brand communities* differ from other not-brand-related communities because the three distinguishing features of a community, namely consciousness of a kind, rituals and traditions, and sense of obligation to the community and its members, are situated within a “commercial and mass-mediated ethos” that affects their character and structure and make them unique social entities (Muñiz and O’Guinn, 2001). In other words, in brand communities conversations are centered around a specific brand and usually passionate members are consumers of the brand. For example, at Harley-Davidson’s “brand fests” (McAlexander et al., 2002) participate product’s fan groups and bikers “devoted” to the motorcycle brand, that have created a parallel social universe (subculture) rife with its own myths, values, rituals and vocabulary centered around the brand Harley-Davidson. *Online brand communities* are brand communities that take place in a virtual setting, i.e. the internet (Füller, 2006; Füller et al., 2006, 2007). For example, *my*

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Nutella the community is a website in which a group of people that possess a common interest in the chocolate Nutella (a brand of the Italian firm Ferrero) exchange opinions about the product and organize “Nutella Parties” (Cova and Pace, 2006). In the online community *Niketalk* bloggers discuss about possible new models of shoes of the Nike brand (Füller et al., 2007). Likewise, in the Audi website passionate bloggers post messages to express opinions about the Audi car models (Füller et al., 2006). By contrast, in not-brand-related communities passionate members discuss about features of products related to a given category, but conversations are not centered around a specific brand (Jeppesen and Molin, 2003; Prügl and Schreier, 2006). Given the few studies exploring the role of innovative users in online brand communities, in our study we seek to fill this gap by exploring whether some of the main factors forming the lead-user construct also hold in the specific context of the Ducati Motor online community (Ducati Motor Holding S.p.A. is a motorcycle manufacturer in Bologna, Italy). Second, most of the studies have identified lead users in online settings simply with a dichotomous (e.g. yes/no) dependent variable, expressing whether the user is able to innovate or not. This is quite surprising given the wide amount of information firms can gather on the Web from the messages posted by bloggers, revealing the degree to which they are willing to contribute to product innovation (Droge et al., 2010). Following what very few authors have undertaken in offline (Morrison et al., 2004) and online (Franke et al., 2006) settings, in our study we seek to contribute to the existing literature by measuring the user innovativeness in online brand communities with a continuous variable that allows us to take into account the degree of innovation of any single user. This is particularly useful for NPD managers who should consider integrating into the firm’s new product development process those users with the highest intensity of lead-user characteristics (Füller and Matzler, 2007; Kucuk and Krishnamurthy, 2007). Third, since the continuous monitoring of all the messages posted on the Web by plenty of users is a costly and time-wasting activity, as suggested by some authors, models and indicators for selecting, retrieving and operationalizing the most relevant texts in order to simplify and speed up the lead users’ identification are needed (Füller et al., 2007), especially in consumer goods fields (Schreier and Prügl, 2008). To fill this gap, we propose a set of indicators based on unintrusive techniques that are relatively easy and quick to implement.

Our sample consists of 2071 messages posted by 572 Ducati virtual community members in a specific blog developed by Ducati, with the aim of involving customers in a collaborative innovation process. The collaborative innovation process between Ducati and online community members took nearly 14 months, from March 2006, when the innovation process started, to May 2007, when the final version of the product was launched.

The rest of the paper is structured as follows. We begin with a literature review on lead-user theory and attempt to extend it beyond the B2B setting and within online communities. Subsequently, we discuss our hypotheses in the specific context of online brand communities. Third, we describe our sample and variables. Fourth, we present the empirical results and key findings. Finally, we conclude with a discussion of the findings, implications and limitations of our study.

2. The lead-user construct: earliest definition and changing traits

Since the late 1970s, research has shown strong evidence of the importance of users’ collaboration in the development of new products. In his seminal works on innovative users, von Hippel introduced and refined the lead-user concept (Von Hippel, 1977, 1986), drawing mostly on empirical studies conducted in the

industrial markets. Since the earliest contributions, the lead-user profile has been defined in relation to two basic components: lead users are those who (1) experience needs ahead of the majority of users in a market and are capable of anticipating general needs, as they “face them months or years before the bulk of that marketplace encounters them,” and (2) expect to reap high benefits from a new product able to give a solution to those needs and, thus, are highly motivated to innovate directly or collaborate with firms’ innovation (Urban and von Hippel, 1988; Von Hippel, 1986, p. 796).

Over time, the construct has been progressively extended by scholars, with the aim of improving it and expanding its application beyond business-to-business settings. A particular research interest was addressed in very challenging product performance contexts, like extreme sports and leisure-time activities (Franke and Shah, 2003; Franke et al., 2006; Lüthje, 2004), where users’ needs are rapidly changing and product innovations are more likely to be introduced directly by end users.

The search for the motivations that drive users to devote resources to innovating progressively moved from simply considering economic benefits (Von Hippel, 1977), basically expressed in the form of financial rewards, towards an enlarged set of personal benefits (Lüthje and Herstatt, 2004). Users innovate or are *willing to collaborate* with innovating firms as they try to ameliorate the product usage conditions or to perform an activity better (Von Hippel, 1986), to obtain cognitive benefits (Nambisan and Baron, 2009), to enjoy the creative activity itself (Franke and Shah, 2003; Hoffmann and Novak, 1996; Jeppesen and Molin, 2003) or to gain reputation by being recognized as experts or innovating users (Harhoff et al., 2003; Jeppesen and Fredriksen, 2006). This wider motivational set allows the lead-user method also to be extended to groups of users, like in consumer goods markets, who normally do not reap a direct and immediate economic reward from their voluntary collaborative innovation activity. For example, Lüthje (2004), in a consumer field, found that the expected financial benefits do not explain the distinction between innovating and non-innovating users. Similar results were found by Jeppesen and Fredriksen (2006).

Concerning the capabilities to innovate, the debate has moved towards a more thorough conceptualization of the cognitive premises of the lead-user construct (Lüthje and Herstatt, 2004). Lead users must possess enough *product knowledge* to generate ideas and solutions for the product, anticipate general market trends and share them with the innovating firms (Von Hippel, 1994). The product knowledge is chiefly tacit, anchored to real-world practices and embedded in a wide set of skills related to usage contexts. As an own resource of the users (Franke et al., 2006), this knowledge enables them “to make sense of innovation-related information because it fits with their cognitive structure” (Lüthje and Herstatt, 2004, p. 558). However, within any specific firm’s new product development context, the ability to anticipate the general needs of the market requires the user to hold competencies that go beyond those strictly related to the single product field (Lüthje, 2004). From the perspective of the innovating firm, the lead user’s characteristic of being “ahead of the market,” that is, the ability to anticipate the general needs of the market, has to be continuously fine-tuned with the firm’s current set of technological competencies, in line with its product innovation trajectory, since what the market is searching for – at any given time – does not necessarily correspond to what the firm can actually make in terms of product innovation. More generally, lead users can really offer support to the firm’s innovation process if they are competent in identifying future needs that strategically fit with the firm’s resources and competencies, processes and projects (Lilien et al., 2002).

As, in consumer goods fields, users rarely have all the design and technological competencies necessary to develop an overall

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