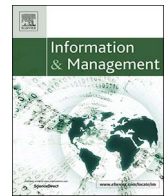




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## Community engagement and online word of mouth: An empirical investigation

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### ABSTRACT

How customer engagement in a firm's social media marketing platform – online brand community – might affect word-of-mouth behavior is an open research issue as well as a vital business problem in e-commerce. To this end, we collected a set of longitudinal data that include community engagement behavior, e-commerce transactions, and customers' post-purchase reviews. Using a control function approach, we find that consumer engagement in a brand community not only increases the likelihood of generating post-purchase reviews but also increases the likelihood of posting positive online reviews. Furthermore, we find that customer tenure has a positive moderating effect.

### 1. Introduction

Facilitated by the development of online technologies, e-commerce companies currently implement a variety of online platforms to leverage product sales and customer value. Two such prominent platforms are online review platforms (i.e., retail-hosted (internal) review sources [26]) and online brand communities (OBCs). Online review platforms can effectively aggregate positive, negative, and neutral opinions into readily accessible online word of mouth (WOM), which has become a critical source of information that is reshaping the behavior of online consumers by reducing product uncertainties. Indeed, extant literature has shown that the public has become increasingly reliant on online product reviews to make purchase decisions [52,63]. Hence, most firms try to encourage customers to post online reviews in their e-commerce platforms [37].

An online brand community<sup>1</sup> is a type of social media platform, usually hosted by a company, which helps consumers of that company build relationships with each other through social interactions. It is believed that online brand communities can affect customers' perceptions and actions, as well as provide substantial marketing value to firms. For example, studies have shown that brand community participants are more likely to visit the firm's website and purchase products [51], are motivated to help other customers [44], and are very loyal [54]. Therefore, there has also been a groundswell of interest among marketers in organizing and facilitating OBCs.

While OBCs and online WOM channels are two separate platforms, customers often engage in both simultaneously. Given the frequent coexistence of these two online platforms, a question arises: how will customer engagement in one platform – OBC – affect his/her product review behavior in the other platform? Literature supports the connections between the two platforms. On one hand, the literature on online product reviews has shown that individuals' decisions about whether to generate online reviews after purchase are influenced by the social context of online platforms [41], and online review ratings are subject to bias as a result of various environmental and behavioral factors [22,35]. OBCs, as firms' social media marketing platforms, provide an influential environment for guiding customer decisions [54].

On the other hand, the literature on OBCs has shown that community engagement can not only effectively improve customer purchase value [51,62] but also enhance customer WOM intentions [2,48]. For instance, both Algesheimer et al. [2] and Ray et al. [48] found a positive relationship between community engagement and WOM intentions. However, little is known about how community engagement affects customers' WOM in terms of the volume and valence of online product reviews (i.e., how community engagement will affect customers' decisions about whether and what to post after purchase in online review platforms).

Further, community engagement behavior seems to be dynamic [31] and change during the course of customers' membership in the community [47]. For instance, Hollebeek et al. [31] developed and

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<sup>1</sup> Two examples of online brand community: [www.saabnet.com](http://www.saabnet.com) and Fans of Apple on Facebook (<https://www.facebook.com/fansofapple>)

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validated a community engagement scale in specific media settings and emphasized that the concept of community engagement should be dynamic. However, understanding how customers' memberships in brand communities impact the relationship between community engagement and WOM behaviors is limited. Therefore, in this study, we also explore how the effects of community engagement on customer WOM behaviors will be different for shorter-tenured consumers and longer-tenured ones.

We conduct an empirical study addressing these questions with data collected from a firm's e-commerce platform and its OBC. Our data captures customers' community engagement behavior and transactions, along with complete information on all product reviews available on the firm's business web pages. We define engagement from a behavioral manifestation perspective and conceptualize it as consumers' prosocial contributions to the communities [48]. We also use a control function approach to overcome the self-selection issue of customer engagement in a brand community. Our empirical analysis yields three major findings. First, our results provide empirical evidence on the impact of community engagement on customer WOM behaviors. The findings show that community engagement has a positive impact on their online review ratings after purchase (the valence of WOM), which is consistent with previous arguments that engaged consumers produce positive WOM [2,48]. Our study also extends prior findings by showing that customers' engagement in brand communities has a positive impact on generating online reviews (the volume of WOM). Second, customer tenure in the community positively moderates the relationship between community engagement and WOM behaviors. In other words, the effects of community engagement on online WOM become stronger with longer customer membership. Third, for shorter-tenured consumers, the findings from this study indicate that brand community engagement influences consumers' behavior in generating online reviews after purchase, but does not affect their behavior in online review ratings. These findings contribute to both online product reviews and community engagement research by explicitly introducing community engagement as a powerful social influence that affects customer behavior in online reviews and enriching our knowledge concerning the effects of community engagement.

## 2. Literature review

### 2.1. Community engagement

A brand community is a social aggregation of a brand's users and the relationships among them. An OBC takes place in a virtual setting in which the users' interaction is primarily Internet-mediated [42]. When people discuss brand communities, they concur on the significance of community engagement in the context of such communities [11]. Community engagement takes a central role in the sustainability of OBCs [48] and is regarded as an effective strategy for firms to improve customer value [64]. The prevalent use of the concept of engagement in OBCs leads researchers to explore what community engagement is. Despite preliminary claims and insights into consumer engagement in social media, the definition and operationalization of engagement are inconsistent and mixed [5,31]. Community engagement can be comprehended and conceptualized from various perspectives. For example, Baldus et al. [5] developed a measure of OBC engagement and define it as consumers' motivations to interact with a brand community. In addition, much research conceptualizes consumer engagement from the perspective of the consumer's relationship with a firm and defines it as the intensity of consumers' participation and connection with a firm's offerings and activities [58]. Recently, Brodie et al. [11] developed a holistic view of the concept of community engagement. In their opinion, community engagement is "a multidimensional concept comprising cognitive, emotional, and/or behavior dimensions, and involves

specific interactive experiences between consumers and the brand, and/or other members of the community." In this study, in line with van Doorn et al. [56] and Pham et al. [46], we define engagement as a behavioral manifestation and conceptualize consumer engagement in OBCs as customer activity types and patterns, specifically their contribution behaviors. In fact, despite the diverse conceptualization of community engagement, most studies agree that contributing community consumers act predominantly out of commitment to the community [59] and should be engaged members [11,48]. Consumers' sharing of personal information, knowledge, and experiences through the process of active contributions to the online community highlights the interactive, two-way nature of community engagement [2] and reflects its behavioral and/or cognitive dimensions [11]. Therefore, studies suggest that community contribution, such as posting activities, reflects the multidimensional processes and high level of customers' community participation [43], and it can be used to measure community engagement [33].

In addition to the theoretical development of a community engagement concept, recent studies have identified antecedent variables of community engagement and provided evidence that it offers substantial marketing value for firms. On one hand, researchers explore the drivers of community engagement. Tsai et al. [55] investigated the motivations and antecedents of community engagement and found that relationship-oriented factors played a significant role in inducing consumer engagement on social networking sites. Verhagen et al. [57] also showed that cognitive, social integrative, and hedonic benefits appear to significantly influence consumer engagement intentions in virtual consumer environments. Moreover, previous studies indicate that both community and customer characteristics drive consumers to become engaged in online communities [25]. On the other hand, research has shown that community engagement enhances customer brand loyalty [64], improves online sales [62], increases advertising effectiveness [12], and motivates members to recommend communities or brands to outsiders [2,48].

However, most research studies are descriptive and qualitative analyses [11,54], rather than quantitative. And there is little research directly linking community engagement to actual consumer behavior. Furthermore, although a few studies have shown that community engagement influences customer WOM intentions, how OBC engagement influences customers' volume and valence of WOM remains an open question. Community members engage progressively [11], and Raies et al. [47] emphasize that consumer tenure, which is an exogenous factor, plays an important role in determining the impacts of community engagement. However, knowledge concerning the impact of community engagement on customer WOM behaviors over membership time is lacking. In this study, we try to fill these research gaps via collecting a unique dataset and empirically testing how community engagement influences generating online product reviews and ratings after purchase and how these relationships are moderated by consumer tenure.

### 2.2. Online product reviews

Online product reviews have consistently been shown to have an impact on online retailers' sales performance, although there is some disagreement about what dimension or metric associated with online reviews is most impactful. A number of prior studies found that the valence of online reviews influences sales significantly [13]. Duan et al. [17], on the other hand, found that valence does not matter for movie sales but the volume of online reviews does. Other studies examine how the metrics embedded in online product reviews influence product sales. For example, Archak et al. [3] decomposed online reviews into segments describing different product features and examined how the product features impact customers' choices. Their results indicate that

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