LAPPEENRANTA UNIVERSITY OF TECHNOLOGY
School of Business and Management
Master's Programme in In International Marketing Management (MIMM)
Laura Heikkinen
Laura merkkinen
MANAGING CONSUMER ENGAGEMENT IN ONLINE BRAND COMMUNITIES

#### **ABSTRACT**

Author: Laura Heikkinen

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Associate Professor Hanna Salojärvi

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The aim of the thesis is to enhance knowledge on managing consumer engagement in online brand communities (OBCs). The other areas of interest are clarifying the meaning of consumer engagement in the context of OBCs as well as determining its potential value and benefits for the companies. Consumer engagement has been a dominant research field during the past years but still largely lacks academic as well as managerial understanding how it should be managed, especially in other than service industries. The data was collected by interviewing different level managers responsible for managing consumer engagement in the given OBC. As a result, consumer engagement in OBCs is defined as cognitive, emotional and behavioral connections outside of the purchase situation between consumer and community, brand and / or the company. The findings suggest consumer engagement to be a valuable predictor of future business performance and competitive advantage. Based on the prior literature and the findings, the study suggests a management model with three sub-processes of building, measuring, and utilizing and enhancing consumer engagement in OBCs. Results emphasize the importance of developing means to measure cognitive and emotional dimensions of consumer engagement.

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Tämän tutkielman tavoitteena on syventää ymmärrystä siitä, kuinka kuluttajien osallistamista (consumer engagement) verkkoyhteisöissä voidaan johtaa. Tutkielma pyrkii avaamaan, mitä kuluttajien osallistaminen tarkoittaa ja mitä hyötyä kuluttajien osallistamisella on yrityksille. Vaikka kuluttajien osallistaminen onkin ollut vallitseva tutkimuskohde viime vuosina, niin yhä akateemisten kuin ammatinharjoittajienkin keskuudessa vallitsee laaja epäselvyys siitä, kuinka ilmiötä tulisi johtaa. Tutkimuksen data kerättiin haastattelemalla eri tason johtajia caseyrityksessä. Haastatteluiden ja laajan kirjallisuuskatsauksen perusteella, kuluttajan osallistaminen verkkoyhteisössä tarkoittaa kuluttajan ja yhteisön / tuotteen / yhtiön välisiä emotionaalisia ja kognitiivisia yhteyksiä sekä käyttäytymistä, joka tapahtuu varsinaisen ostotilanteen ulkopuolella. Tulokset osoittavat, että tulevaisuudessa kuluttajien osallistaminen voi määrittää ison osan yrityksen arvosta, ja sillä tulee olemaan suuri merkitys kilpailuedun luomisessa. Tulosten ja kirjallisuuden pohjalta luotiin teoreettinen johtamismalli, joka muodostuu kolmesta päätoiminnosta: 1) osallistamisen rakentamisesta, 2) mittaamisesta sekä 3) sen hyödyntämisestä ja kehittämisestä. Tutkimustulokset korostavat kehitystarvetta osallistamisen emotionaalisen ja kognitiivisen dimension mittaamiseen.

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Laura Heikkinen

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#### 1. Introduction

There is no a marketing or selling professional, nor a marketing scholar, who has not considered the meaning of consumer engagement — at least there should not be. The concept has emerged relatively recently to capture consumers' total set of behavioral, non-transactional activities, as well as emotional bond and the conscious thoughts towards a firm, brand or product. So far, consumer engagement has been studied in industries clearly providing only services, such as travelling and nursing, where it has been more easily recognized. However, due to increasing role of social media and digital platforms in company's processes as well as the rise of online communities, it is topical and more reasonable to examine consumer engagement in all the industries, including consumer goods industry. Some even argue that industries are disappearing in this social digital era. The opportunities, and challenges, have reached a new level and companies need to find new effective ways to act on consumer engagement. But what does managing consumer engagement actually mean? There is a wide uncertainty around this question.

Consumer engagement now attracts growing attention from both academics (Baldus, Voorhees, & Calantone, 2015; Brodie, Ilic, Juric, & Hollebeek, 2013), and practitioners of online marketing. Econsultancy (2011) surveyed more than 1000 companies and agencies across various industries worldwide, and found that 50% of the companies regard onsumer engagement as essential for their organizations, and 33% consider consumer engagement as important. It has been suggested that consumer engagement represents a strategic imperative for generating enhanced corporate performance, including sales growth (Neff 2007; Brodie et al. 2013), superior competitive advantage (Sedley 2008), and profitability (Voyles 2007). Brodie et al. (2013, 105) suggest consumer engagement to be a primary driver for sales growth. Banytea & Dovalieneb (2014, 484) address also that "in a dynamic business environment, consumer engagement enables sales promotion, product quality improvement, increase in customer satisfaction, decrease in costs and risk, and rise of competitive advantage". It has been noted that future research should focus on understanding the elements of consumer engagement to help practitioners build consumer-focused engagement strategies from the perspective of consumer (Vivek et a. 2012, 138). Consumer engagement is important research topic for marketing scholars who want to take a comprehensive and integrated approach to understanding consumers (that is what every company should do), and a route for creating, building, and enhancing consumer–firm relationships (So et al. 2016, 65).

Online brand communities on social media are recognised as highly relevant to the study of consumer engagement because of their interactive and dynamic nature (Kaplan & Haenlein 2010; Cheung et al., 2011; Jahn and Kunz, 2012). Brands as disparate as the Boston Red Sox, Salesforce.com, Starbuck's Coffee, Dell, General Motors, and Procter & Gamble are making significant investments in online brand communities in an effort to cultivate stronger relationships with their consumers (Baldus et al. 2015, 978). Meanwhile researchers attempt to understand consumer engagement empirically and the firms work to manage engagement in the created online brand communities. As the knowledge of engagement constantly increases (three scales for measuring consumer engagement were introduced during this research process), organizations quickly need empirically studied recommendations on how to manage consumer engagement in their online brand communities. The ones that find the means to that will be the leaders of tomorrow.

#### 1.1. The goal of the research and research questions

The managerial actions related to consumer engagement in online brand communities call for scientific research. Hence, the goal of this research is to enhance knowledge on managing consumer engagement in online brand communities (OBCs) and suggest a model for that. Managerial purpose of this research is to provide useful information and give recommendations for companies how they can strategically as well operationally improve management of consumer engagement in OBCs. Therefore, the main research question is as follows:

How can companies manage consumer engagement in online brand communities (OBCs)?

The main research question is divided into three sub-research questions first of which aims at explaining the nature of consumer engagement and second of which aims at explaining the value and benefits of consumer engagement in OBCs. Thus, they are:

- What is consumer engagement in OBCs?
- What is the potential value of consumer engagement in OBCs, and what benefits does it create for the firms?

These first two sub-research questions provide critical information before companies can determine management actions related to consumer engagement. The last sub-research question divides the management into sub-processes of building, measuring, utilizing and enhancing consumer engagement in OBCs:

# How consumer engagement is build, measured, utilized and enhanced in OBCs?

The research was conducted by first of all performing an extensive literature review of consumer engagement, and thereafter taking a deep look into the consumer engagement management process of the case company. The research questions were answered by interviewing different level managers responsible for managing consumer engagement in the given OBC and by utilizing secondary data reports of the OBC.

### 1.2. Literature review

In this chapter, earlier literature on consumer engagement, in general, within marketing research is discussed briefly in order to form an overview of the research field. The special focus is on the studies conducted in the context of online communities, and the ones performed from the organizational perspective. The goal of this chapter is to create a clear understanding of what has been studied before and where the future research should focus on. The research gap is recognized based on this literature review.

The term engagement has been increasingly used in the broader academic marketing literature since 2005. In its 2006–2008 Research Priorities, the Marketing Science Institute (MSI) called for a better understanding of engagement. And academic interest in it does not seem to decrease as again, in 2010–2012 as well as in 2014–2016 Research Priorities, MSI emphasizes the need for further research addressing the consumer engagement concept (MSI 2014-2016). Thus, consumer engagement has received attention in special issues by Journal of Service Research (2010) and Journal of Strategic Marketing (2010), as well as several articles in Journal of Service Research (2011). Therefore, even though consumer engagement is relatively new research topic in marketing literature, it has been very dominant in the recent years. But still, engagement has mostly been considered from the basis of practice rather than theory and empirical research (Bowden 2009, 65). Thus, the practitioners have been the ones at the forefront of attempts to understand, define, and build consumer engagement (Sashi 2012, 254).

In terms of academic research, consumer engagement has been mainly studied from the perspectives of relationship marketing and service dominant logic (Gronroos 1997; Vargo & Lusch 2008), which will be discussed in chapter 2.1. Vivek et al. (2012, 127) suggests that even though pioneers (Berry 1983 & Gronroos 1990) have always proposed that relationship marketing (RM) especially involves attracting and establishing new relationships, for the past two decades, RM research has focused primarily at enhancing, retaining, and maintaining relationships with existing customers, with little attention given to attracting new customers. It appears that in the publications of top marketing journals (e.g. Journal of Marketing) and other journals most likely to address relationship topics (e.g. Journal of Relationship Marketing), only 12 out of 140 relevant empirical RM articles (published from 2006 to 2011) included potential customers. This clearly supports that although the pioneers of RM included attracting the customer as a goal of RM, subsequent research has largely ignored this aspect (Vivek et al. 2012, 129).

Thus far, most of the scholarly work done on consumer engagement has been conceptual in nature, with empirical work only as an exception. Therefore, various articles focus on conceptualizing consumer engagement and its sub-forms such as consumer brand engagement and consumer online engagement. They aim at improving academic understanding of the nature and dynamics of consumer engagement. The well-known and widely cited article of Brodie et al. (2011) explores the theoretical foundations of consumer engagement by drawing on the mentioned relationship marketing theory and the service-dominant logic. Brodie et al. (2011, 252) develop a general, widely used definition of customer engagement, and distinguish the concept from other relational concepts, including participation and involvement. The conceptual paper is based on previous attempts, e.g. Patterson et al. (2006), of engagement concept forming. A large part of conceptual research has focused especially on engagement with brands, of which Hollebeek (2011) was first to present the term "customer brand engagement" (CBE).

Previous literature has also attempted to understand the process of consumer engagement. It has been quite popular trying to illustrate the process by suggesting antecedents and consequences for consumer engagement. There are quite many differences among these. While the majority of these conceptual model developments adopt consumer's perspective, some (Van Doorn et al. 2010; Verhoef et al. 2010; Vivek et al 2012; Bowden 2009; Sashi 2012) take a more company-centric view by observing consumer engagement through organizational lens and aim at creating a deeper understanding of the ways in which engagement may be developed and fostered by companies. There is a strong behavioral dimension of consumer engagement term in the marketing literature, and therefore consumer engagement behavior has been within the interest of various researchers. These are mostly studies of factors influencing consumer engagement behavior, and are focused on consumers' motivations and company's efforts to involve consumers (Plé, Lecocq & Angot, 2010; Van Doorn et al. 2010; Jaakkola et al. 2014; Verhoef et al. 2010).

Many researchers study the links between consumer engagement and related concepts such as brand image, equity, trust and loyalty. Among these branding

terms, brand loyalty is the most commonly studied in relation with consumer engagement. As mentioned, Brodie et al. (2011) suggest that consumer engagement plays a central role in a service relationships network, in which other relational concepts e.g. trust and loyalty have roles, but still the literature is mainly conceptually based and offers no empirical indication of how consumer engagement is situated within such network (So et al. 2016, 74). Even though some researchers have believed for a decade that consumer engagement may engender brand loyalty (e.g. Patterson et al. 2006), no known studies have examined this relationship. Furthermore, there still is a lack of understanding on how consumer engagement contributes to value co-creation (Jaakkola et al. 2014, 247) and therefore academics (e.g. Banytea et al. 2014; Jaakkola et al. 2014) have started to examine the connection between customer engagement and value creation along with brand loyalty. Jaakkola et al. (2014, 247-248) first attempt to conceptualize the role of consumer engagement behavior in value co-creation.

Consumer engagement has gained increasing attention due to the rise of social networking sites (e.g. Greve 2014), and the needed research field has extended. Triggered by the rise and increasing power of online brand communities, Algesheimer, Dholakia and Herrmann (2005) introduce the concept of brand community engagement. So far, the overall research of consumer engagement behavior on social networking sites and different online communities are still somewhat scarce, even though their amount increases all the time (e.g. Brodie et al. 2013; Wirtz et al. 2013; Greve 2014, 203; Chan et al. 2014). The past literature has studied social networking sites, brand community and customer engagement separately, and Chan, Zheng, Cheung, Lee & Lee (2014) are one of the first ones to thoroughly examine the role of community characteristics in understanding customer engagement in online brand communities on social networking sites. Also Brodie et al. (2013) and Wirtz et al. (2013) propose frameworks in order to understand consumer engagement and its sub-pocesses in online brand communities.

Vivek et al. (2014), Hollebeek et al. (2014), Baldus et al. (2015) and Dessart et al. (2016) continue empirically studying consumer engagement in the context of

online brand communities (OBCs) and present scales for measuring the concept. Dessart et al. (2016) contribute to the conceptualization and operationalization of consumer engagement in the context of OBCs by developing a scale, which reflects the multi-dimensionality of the concept (Brodie et al. 2011, 2013) and offers the possibility to accommodate multiple engagement foci in a given context (Wirtz et al. 2013). Dessart et al. (2016) highlight that in reality, consumers engage and enter into relationships with different foci simultaneously. Baldus et al.'s (2015) paper is the first to capture the unique engagement dimensions for online brand communities that capture motivations tied to the channel, other consumers, and the brand simultaneously, and suggest that without considering all these elements, our understanding of consumer engagement in OBCs is incomplete and overly generic. They are also first to develop a measure of online brand community engagement (by following a grounded theory approach). Baldus et al (2015) thus developed and validated a short-form scale for online brand community engagement in the study of variety of communities and contexts.

Hence, so far the marketing research has concentrated on consumer engagement concept forming, examination of consumer engagement process, exploring factors that have influence on consumer engagement, and examining the conceptualized relationships between consumer engagement and consumer-brand relationship factors such as trust and loyalty, as well as recently operationalization of consumer engagement in the context of OBCs. Overall, it appears that academic literature of OBCs is mainly focused on consumers (more specifically existing consumers), their motivation and the consequences of their participation literature from organizational perspective is rare. Wirtz et al. (2013), however, provide a conceptual framework of online brand community engagement from both consumer, and organization perspectives. Arnone et al. (2010) provide a framework of the creation process and the management of online communities at an international level. Porter et al. (2011) derived a three-stage process that managers can follow to successfully foster and sustain engagement through online brand communities. Sibai et al. (2015) have dwelled into the theme of community management by presenting a social-control based framework for community management. However, Sibai et al. (2015) solely focus on how to only control a community – not how to strategically manage it and implement it into the strategy. This brings us to the research gap. But first, in order to clarify the diverse research field of consumer engagement and identification of research gap for the reader, the table 1 illustrates the main papers utilized to perform this research.

Table 1. The Main Consumer Engagement Literature Utilized in the Study

Authors	Research focus	Paper type
Bowden (2009)	Consumer engagement process	Conceptual
Van Doorn et al. (2010)	Consumer engagement process	Conceptual
Verhoef et al. (2010)	Consumer engagement process	Conceptual
Brodie et al. (2011)	Consumer engagement concept forming	Conceptual
Hollebeek et al. (2014)	Consumer engagement scale development	Quantitative
Vivek et al. (2014)	Consumer engagement scale development	Quantitative
Wirtz et al. (2013)	Consumer engagement in online brand community	Conceptual
Greve (2014)	Consumer engagement in online brand community	Quantitative
Brodie et al. (2013)	Consumer engagement in online brand community	Qualitative
Baldus et al. (2015)	Consumer engagement scale development	Quantitative
Vivek et al. (2012)	Consumer engagement process	Qualitative
Dessart et al. (2016)	Consumer engagement in online brand community	Qualitative
Sashi (2012)	Consumer engagement process	Conceptual
So et al. (2016)	Consumer engagement's relation to concepts	Quantitative
Chan et al. (2014)	Consumer engagement in online brand community	Quantitative
Porter et al. (2011)	Consumer engagement in online brand community	Qualitative

Hence, even though the research on consumer engagement and online brand communities from different perspectives increases all the time, the majority of existent research has dealt with the conceptualization of consumer engagement and variety of research papers represent only literature reviews and lack empirical parts. When it comes to the empirical studies, most of them have been quantitative, such as papers focusing on how motivational factors affect consumer engagement, or on the other hand how engagement affects related terms such as brand loyalty. In addition, except for a few exceptions, the studies have been conducted within the service industry. In terms of online brand community studies, the focus has almost exceptionally been in consumer behavior in those and organizational perspective has been disregarded to large extent. Moreover, the

role of potential customers in engagement process has been disregarded (Vivek et al. 2012; Vargo & Lusch 2004).

Managers have realized changing behavior of consumers, as an active party, and are considering their existing consumer engagement strategies. This calls for further scientific research regarding managing the process of engagement in digital platforms, such as online communities – how companies need to form and change their engagement strategies due to these. There is a need for further research in various industries, but because of the rise of mobile applications and digital products, customer engagement in those becomes very interesting. From company's perspective, further research should especially be targeted towards the way in which companies can involve customers in the selling process and benefit from consumer activities in online communities, by supporting consumer-initiated engagement such as online activities. By focus on online communities, the potential future customers are not disregarded either, as engagement in online brand communities does not define customers as customers and non-customers but rather online community members.

Based on the presented literature review, the research gap is quite obvious. As for now, there does not exist an academic study of managing consumer engagement in the context of online brand communities. This study will contribute to the existent literature on consumer engagement in online brand communities, and is one of the first to be conducted from the managerial perspective and present a model for the use of organizations.

#### 1.3 Theoretical Framework

The theoretical framework expresses the structure and theoretical key concepts of the study (See Figure 1). The framework illustrates the chosen context of online brand communites, in which consumer engagement, with its cognitive, behavioral and emotional dimentions is studied. Company, brand and community present multiple engagement items present in this study and emphasize that in the context of online brand communities, consumers can be engaged with all of them at the same time. At the bottom of the framework, the identified sub-processes of

managing consumer enagagement are presented in the process order. The twoway arrow between the boxes of consumer engagement and consumer engagement management process, illustrates the dynamic and interactive nature of consumer engagement concept.

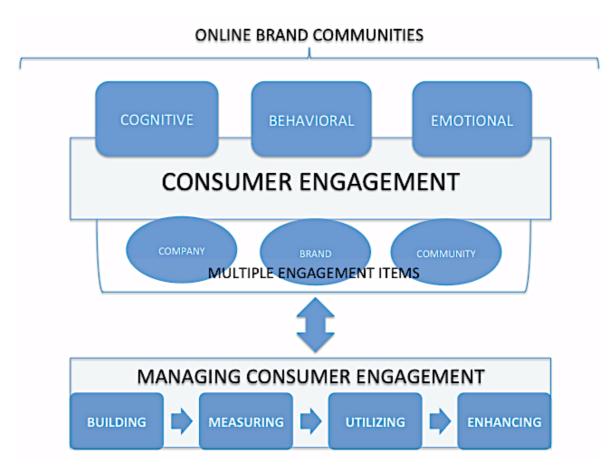


Figure 1. Theoretical Framework: Managing Consumer Engagement in the Context of Online Brand Communities (OBCs)

#### 1.4 Key concepts and definitions

This section presents the key concepts of the research, in order to clarify for the reader what the concepts stand for in this research, as some of them are still largely unestablished.

# **Consumer engagement**

Literature review implies that there is no agreement between academics of the exact nature of consumer engagement and its role in marketing up to date. I use best applicable definition to the context of this study and the most broadly

accepted foundations. Therefore, in this study, consumer engagement is defined as "person's cognitive, emotional and behavioral presence in interactions and connections with the brand or firm's offerings or activities, often involving others within an online brand community created around the brand / offering / activity" (Chan et al. 2014 & Vivek et al. 2014). Hence, consumer engagement demonstrates cognitive, emotional and behavioral consumer—company connections outside of the purchase situation. There can be multiple engagement foci (e.g. community and brand) at the same time (Dessart et al. 2016).

The choice of word consumer engagement rather than customer engagement is due to the fact that it is more descriptive term for the online brand community context, and more over because it does not mix consumers (B2C) and customers (B2B) in the case company.

# Consumer engagement behaviors (CEBs) in online brand communities and social networks

Consumer engagement behavior represents behavioral dimension of consumer engagement. It is defined as customers' behavioral manifestation toward a brand or firm, beyond purchase, resulting from motivational drivers" (MSI 2010; Van Doorn et al. 2010, 253; Verfhoef 2010). The behaviors involve both transactions (including purchases), and non-transactions (i.e., going beyond the purchase) in online community environment (Vivek et al. 2014, 416). Consumer engagament behaviors in online brand communities include word-of-mouth activity, recommendations, customer-to-customer interactions, blogging and writing reviews, and other similar activities (e.g. Van Doorn et al. 2010; Bijmolt et al. 2010; Verhoef et al. 2010).

#### Online brand community (OBC)

Muniz and O'Guinn (2001) definition of brand community (specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand) applies to an online brand community (OBC), but OBCs exist only in the cyberspace. They represent a network of relationships between consumers and the brand, product, fellow consumers, and the marketer

(See Figure 4; McAlexander et al. 2002). For an organization, the function of an online brand community is threefold (Chan et al. 2014, 81). First, OBC serves as an additional channel to communicate with consumers and receive consumer feedback on products and services. Second, it establishes a link between current and potential customers, and develops and maintains long-term relationships with consumers who are attached to the brand. Finally, it facilitates the development of consumers' brand loyalty and commitment.

#### Online social networks

Online social networks are virtual places / platforms, where people with shared interests can for example communicate, build relationships, and share stories in written or visual form (Cheung & Lee 2010). From the perspective of information technology, online social networks are "web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system" (Boyd & Ellison, 2007).

#### Social media

It is defined as "a group of internet-based applications that build on the ideological and technical foundations of Web 2.0, and that allow the creation and exchange of user generated content" (Kaplan et al. 2010, 61). It allows individuals to create, collaborate and share online content with other persons. There are lots of well-known social media platforms commonly used, such as Facebook, Youtube, Instagram, Twitter and LinkedIn (Lau et al. 2015, 439).

#### 1.5. Delimitations

This section presents the chosen deliminations of the study. As the research is a qualitative exploratory case study, and conducted only from the perspective of a case company, it is very focused. However, the intention is not to say a final word on how companies should manage consumer engagement in their online brand communities but rather open eyes for this emerging new research field and create discussion. Thus, the research is limited to study the phenomenon of managing

consumer engagement from the perspective of company management. The research covers only consumer engagement with B2C customers, not B2B customers, because of the chosen context of online brand communities.

However, the comprehensive literature review as well as the theoretical part of consumer engagement patch up the shortcomings of the explorative case study. Furthermore, the study is not limited to one specific industry or geographically to one country. Created model can be utilized in various industries and locations. However, as the given case company is large multi-brand company acting in the consumer goods industry with a huge consumer base, the empirical results are reliably generalizable only in very similar settings. The case will be described in the beginning of chapter 4.

# 1.6. Research methodology

In order to improve understanding of a novel phenomenon or a concept with limited amount of prior research, such as managing consumer engagement in online brand communities, the researcher uses qualitative exploratory case study method (Yin 2003). The aim is to deliver valuable knowledge of the phenomenon by interviewing facets from different managerial levels, from top management to the community managers. The research methodology will be explained more thoroughly in chapter 4.

# 1.7, Structure of the thesis

The research design is illustrated below, in Figure 2. The thesis consists of two main sections; the theoretical (chapter 2) and empirical part (chapters 3 & 4). In total there are five main chapters. The first chapter of the study familiarizes the reader to the subject of consumer engagement, first justifying the topic choice as well as defining the research problem. Thereafer follows a thorough literature review from which the research gap is identified. After that theoretical framework is presented. The chapter finishes with defining the key concepts and deliminations of the study.

The theoretical part consists of one main chapter, which covers managing consumer engagement in online brand communities. The main chapter is divided into four sub-chapters: theoretical background of the research, defining the engagement concept, chapter focusing on the special features of consumer engagement in the context of online brand communities, and finally discussing the sub-processes and challenges of managing consumer engagement in OBCs.

The third chapter begins the empirical part of the study by introducing the research methodology explaining in detail how the study has been conducted, by justifying the chosen research methodology and introducing gathering and analyzing data, as well as presenting the interviewees. The fourth chapter, after presenting the case company and the case at hand, discusses the results of the qualitative research and ties them to the theoretical part. The empirical findings are discussed by following the structure of the theoretical part.

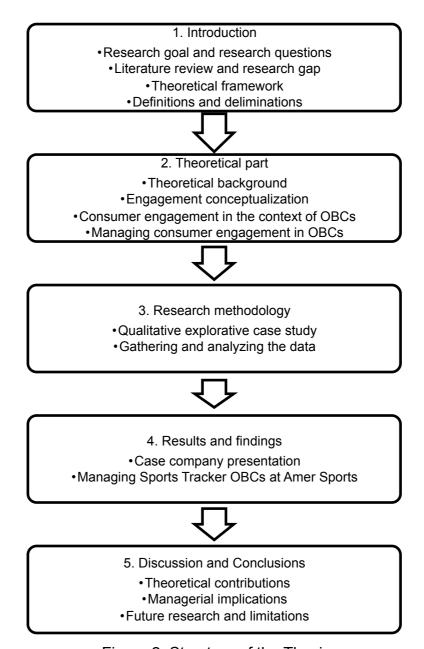


Figure 2. Structure of the Thesis

The final chapter concludes the thesis by presenting a model for managing consumer engagement, theoretical and managerial implications, as well as acknowledging the limitations of the research and suggesting future research directions.

### 2. Managing consumer engagement in online brand communities

This chapter covers theoretical part of the research and consists of four sub-chapters. The first sub-chapter (2.1) opens up theoretical background of consumer engagement and the second one (2.2) conceptualizes engagement concept. Chapter 2.3 concentrates on the unique characteristics of online brand communities and consumer engagement in the context of OBCs, after which the final theory chapter (2.4) discusses managing consumer engagement in OBCs with its sub-processes and challenges.

# 2.1. Theoretical background of consumer engagement

In the context of marketing, the concept of engagement is based on the perspective of relations with customers and managing services. Therefore, it has been studied from the perspectives of Relationship Marketing (RM) and Service Dominant Logic (S-D). (E.g. Vivek, Beatty & Morgan 2010 & Brodie et al. 2011) From relationship marketing perspective, the emphasis is in the co-creation of value that results from the interaction between the company and the consumers (Kuvykaite & Piligrimiene 2014). RM theory considers consumer engagement as a way of creating, building and enhancing consumer relationships (Brodie et al. 2013, 105). Worth noticing is that while consumer engagement is included in the relationship marketing literature, it means that relationships are not just between buyers and sellers, but between any combination of (and among) potential and existing customers, noncustomers, society in general, their extended relationships, and sellers (Vivek et al. 2012, 130).

The S-D logic perspective emphasizes that companies should not only monitor market and react to consumer's needs, but also to be proactive and provide additional services for consumers. S-D logic recognizes consumer as an active party in value creation, not as a passive user (e.g. Vargo & Lusch, 2004; Brodie et al. 2011). Hence, value co-creation plays a central role in both of the theoretical perspectives. As cited by Hollebeek (2011), co-created value is defined as "the level of perceived value created in the customer's mind arising from interactive, joint and / or personalized activities for and with stakeholders" (Prahalad & Ramaswamy 2004, 5-6). Thus, from RM or SD-logic perspective, customers are

thought to make proactive contributions to interactions (Gronroos 1997; Vargo & Lusch 2008).

In addition, some researchers (e.g. Hollebeek 2011) examine consumer engagement from the perspective of social exchange theory (SET). While RM and S-D logic theory support the notion of proactive customer contributions to their brand relationships (Brodie et al. 2011), social exchange theory addresses customers' underlying motivation for making such proactive contributions. (Hollebeek 2011, 557) In Blau's (1964) social exchange theory (SET), customers are predicted to interchange positive thoughts, feelings and behaviors toward an object (e.g. a brand) upon receiving specific benefits from the brand relationship (Pervan, Bove, & Johnson 2009). Social exchange thus includes unspecified obligations, whereby one party (e.g. the brand's representative / service personnel) doing another (e.g. the customer) a favor (e.g. by providing exceptional service / expertise), is motivated by the objective of some future return (e.g. customer loyalty). Exchange partners are thought to aim for a balance in the relationship, and costs and rewards are individual's behavior changes when there is difference between these two changes (Hollebeek 2011, 557). Hollebeek (2011, 557) considers this cost-reward perspective as corresponding to the interactive nature of consumer engagement.

#### 2.2. Background of the engagement concept

"Engagement is like love – everyone agrees it's a good thing, but everyone has a different definition of what it is."

Jeffrey Graham, executive director, The New York Times

The term "engagement" is relatively new in the marketing literature. Recently, as consumer engagement has become a key research topic (Marketing Science Institute 2010), several academics have made an effort in defining it and the related terms (e.g. online engagement). Still, there exists no agreed definition among researchers, and probably there never will, as consumer enagement is such a multidimensional term. However, some definitions are more dominant than the others.

In the following chapter it is briefly discussed how engagement is defined in other disciplines than marketing (where it has been recognized for a longer time), after which consumer engagement and its sub-forms are more broadly discussed within marketing literature. Thereafter the best-suited definition for the context of this thesis is presented. The chapter finishes with distinguishing the concept of consumer engagement from related terms: participation, involvement, commitment and loyalty.

# 2.2.1. Engagement concept in other disciplines than marketing

Brodie et al. (2011) reveal that in the last decade, the term "engagement" has been investigated in divergent disciplines, such as sociology, political science, psychology, and organizational behavior. In sociology, Jennings and Zeitner (2003) present a term "civic engagement", which consists of behaviors and attitudes regarding political processes / institutions. In psychology, social engagement is presented and defined as a high sense of initiative, involvement and adequate response to social stimuli, participating in social activities, interacting with others (Achterberg et al. 2003, 213–214). In terms of organizational behavior studies, Bejerholm and Eklund (2006, 21) present occupational engagement, which is defined as a lifestyle characteristic including the external / objective and internal / subjective aspects of occupational performance, which involves anticipation and comprehension, and serves as the basis for an ongoing, cyclical means of maintaining a sense of self and well-being.

These conceptualizations in other disciplines all share a multidimensional perspective of engagement. It appears dominant that there exists a generic, tripartite - cognitive, emotional, behavioral - engagement dimensionality, with particular context-specific variations (Brodie et al. 2011). For example, in Jennings and Zeitner's (2003) civic engagement dimensions include (cognitive) media attentiveness, (emotional) trust and (behavioral) political involvement.

# 2.2.2. Conceptualization in the marketing literature

As mentioned, there does not exist an agreed definition on engagement within marketing literature. The concept is highly context- and/or stakeholder specific

expression and its definitions vary quite a lot in different settings (e.g. Brodie et al 2011, 261; Van Doorn et al. 2010; Verhoef et al. 2010). Therefore, whether the concept is addressed as consumer or customer engagement, also varies between researches. As it has appeared, this research uses the term consumer engagement as it fits to the context of OBCs better. However, as this chapter is focused on the previous conceptualizations of engagement, the terms used by authors are respected here.

The scrutiny of engagement in marketing indicates the emergence of several engagement sub-forms, including customer engagement (Patterson, Yu & De Ruyter, 2006), customer engagement behaviors (CEBs; Van Doorn et al., 2010), customer brand engagement (CBE; Hollebeek, 2011), consumer engagement (Vivek 2009), and engagement more generically (Higgins & Scholer, 2009). This is partly due to the fact that consumer engagement can occur, and companies can try to engage consumers with different objects such as product, service, brand, other customers, community or company itself.

The multidimensionality - cognitive, emotional and behavioral dimensions - of engagement is emphasized by many marketing researchers (e.g. Patterson et al. 2006, Van Doorn et al. 2010; Brodie et al. 2011; Hollebeek 2011, Mollen and Wilson 2010, Vivek et al. 2012). The perspectives from which researchers have defined and studied the concept can be used as categorization: a psychological state (Patterson et al. 2006; Brodie et al. 2011), a behavioral manifestation (e.g. Van Doorn et al. 2010) and a process (Bowden 2009; Greve et al. 2014). Patterson et al. (2006) define customer engagement for a service organization as the level of customer's physical, cognitive and emotional presence in his/her relationship with the organization. In other words, they regard it as a psychological state, and argue that it can be characterized by a degree of vigor, dedication, absorption and interaction. Widely used, general definition of customer engagement comes from Brodie et al. (2011, 261), who define it as a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent / object (e.g. a brand) in relationships. It exists as a dynamic, iterative process within service relationships that co-create value. Thus, engaged consumers play a key role in viral marketing activity by providing referrals and / or recommendations for specific products, services, and/or brands to others.

In the marketing literature the concept of customer engagement has a strong behavioral focus (So et al 2016, 65); it is considered as one of the most important dimensions, and is commonly regarded as pertaining to activities (e.g. Muntinga et al. 2011) or participation (e.g. Vivek et al. 2012) leading to customer engagement. For example, the Marketing Science Institute (2010) describes the concept as "customers' behavioral manifestation toward a brand or firm beyond purchase, which results from motivational drivers including word-of-mouth activity, recommendations, customer-to-customer interactions, blogging, writing reviews, and other similar activities". The academic literature (e.g. Van Doorn et al. 2010; Bijmolt et al. 2010; Verhoef et al. 2010) likewise demonstrates the behavioral orientation. Van Doorn et al. (2010) give widely accepted definition of customer engagement behavior (CEB). They suggests that CEBs go beyond transactions, and may be specifically defined as a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers (Van Doorn et al. 2010). Verhoef et al. (2010, 247) adapted Van Doorn's et al. (2010) definition and define customer engagement "as a behavioral manifestation toward the brand or firm that goes beyond transactions." Different from Van Doorn et al. (2010) and Verhoef et al. (2010), Kumar et al. (2010) thinks that customer engagement should include transactions (Kumar et al. 2010). Most agree with Van Doorn et al., though. Greve (2014, 204) suggests that customer engagement shows up as customers' actions, or rather behavior: an engaged customer performs certain actions that a disengaged customer does not. Engaged customers for example provide ideas and suggestions, do some of the work, collaborate, co-create, buy, recommend a brand or product to family, friends or colleagues and provide feedback (Iqbal, M. 2011) (Greve 2014, 204).

However, many researchers argue that the conceptualization of customer engagement needs to go beyond a pure action focus to incorporate both psychological and behavioral dimensions (e.g. Patterson et al. 2006; Hollebeek 2011; Vivek 2009; Brodie et al. 2011). According to So et al. (2016, 65) pure

behavioral participation in customer engagement activities does not necessarily mean true customer engagement with a brand. For example, a customer can engage in a brand discussion forum to acquire product information or reduce perceived risks (Brodie et al. 2013), rather than to be connected to the brand. A fully engaged customer must have an enduring psychological connection with the brand in addition to the behavioral participation, and therefore a multidimensional approach is needed to define the concept (So et al. 2016, 65). According to Vivek et al. (2012, 133) customer engagement is "the intensity of an individual's participation in and connection with an organization's offerings or organizational activities, which either the customer or the organization initiates". They argue that it may be manifested cognitively, affectively, behaviorally or socially. The cognitive and affective elements of customer engagement incorporate the experiences and feelings of customers whereas the behavioral and social elements capture the participation by current and potential customers, both within and outside of the exchange situations (Vivek et al. 2012). Greve (2014, 203) includes all the three perspective and suggests that customer engagement can be defined as (1) a psychological process of the customer that leads to the formation of loyalty, (2) a customer's behavioral manifestation towards a brand or firm, beyond purchase, resulting from motivational drivers, and (3) a psychological state that is characterized by a degree of power, dedication, absorption, and interaction.

There also exist other sub-forms of customer engagement than CEB. Two important ones to the context of this study are customer brand engagement (CBE) and customer online engagement. Hollebeek (2011, 555) is the first to propose consumer brand engagement conceptualization, and her definition of CBE is "the level of a customer's motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional, and behavioral activity in brand interactions". Briefly, the concept addresses specific interactions between a focal customer and a particular brand (Hollebeek 2011, 559). Key CBE themes are immersion, passion and activation, and they represent the degree to which a customer is prepared to delve into relevant cognitive, emotional and behavioral resources in specific interactions with a focal brand (Hollebeek 2011, 565).

Online engagement represents another sub-form of customer engagement. Braojos-Gomez, Benitez-Amado & Llorens-Montes (2015) categorize it into two types: social online customer engagement and conventional online customer engagement. Social online customer engagement is enabled by social media (e.g. the one in online communities), whereas conventional online customer engagement is enabled by web technology (Braojos-Gomez et al. 2015). Online engagement is defined as a commitment to an active relationship with a brand as personified by the website or other computer-mediated entities designed to communicate brand value (Mollen and Wilson 2010, 919; Brodie et al. 2013, 105). Thus, it is customer engagement with a key focus on communication via Internet. Critical distinction to offline customer engagement is the nature of online media allowing customers not only to engage in one-way communication (e.g. word-of-mouth) but also to discuss and interact in e.g. discussion forums and blogs, socialize easily with the company and the brand – and each other (Mollen and Wilson 2010, 919; Greve 2014, 204).

After taking a look at the previous attempts to conceptualize consumer engagement, the researcher now ends up with the best-suited definition for the context of this study. Firstly, consumer engagement results from different kind of consumer engagement behavior, beyond the actual buying, and marketing efforts that aim at influencing that behavior. However, true consumer engagement goes beyond behavioral dimension. Therefore, based on the previous attempts, the working definition of consumer engagement is the level of a person's cognitive, emotional and behavioral presence in interactions and connections with the brand or firm's offerings or activities, often involving others within an online brand community created around the brand / offering / activity (adapted from Chan et al.'s (2014, 81) and Vivek et al (2014, 401) studies in the similar context). Engaged individuals include current as well as prospective customers.

# 2.2.3. Distinguishing consumer engagement from participation, involvement, commitment and loyalty

Despite the increasing use of consumer engagement term, limited marketing research defines how the term differs from similar relational expressions (Brodie et al. 2011). According to many researchers (e.g. Abdul-Ghani et al. 2010; Brodie et al. 2011, 261; 2013, 107), it has a central role in network governing service relationships in which other relational concepts are antecedents and / or consequences in an iterative consumer engagement processes. Especially, the roles of participation and involvement have been emphasized (e.g. Zaichkowsky 1985; Brodie et al. 2011). However, it may be argued that there is no difference between consumer participation and involvement, nor commitment and loyalty, when compared to engagement process. Yet, most of the researchers agree that there is a clear distinction (e.g. Bowden 2009, 70).

Zaichkowsky (1985) and Abdul-Ghani et al. (2010) differentiate involvement from engagement by suggesting that the latter describes an active relationship, whereas the former may comprise only mental connections. They also note that the co-creation of value and interactive experiences can be used to separate engagement from involvement. Mollen and Wilson (2010) distinguish engagement and involvement with following three explanations: (1) Consumer involvement demands a consumption object, which is normally defined as a product category, whereas in customer engagement, the object can be e.g. a brand or a company. (2) Engagement goes beyond involvement in terms of comprehending an active relationship with a brand. (3) Engagement requires more than just the exercise of cognition; it demands the satisfaction of experiential and instrumental values. Brodie et al. (2011) distinguish engagement from involvement and participation by that customer engagement reflects a customer's psychological state, which is motivated by the individual's specific interactive experiences with a focused engagement object (e.g. a brand), and by stating that the specific customer engagement stage occurs within broader dynamic processes. The concepts of involvement and participation, therefore, may be viewed as customer engagement antecedents, rather than dimensions (Brodie et al. 2011, 264). They are often used to describe behavioral dimensions of consumer engagement.

The terms commitment and loyalty are also often discussed in relation with consumer engagement. According to Crosby and Taylor (1983), customer is committed when his or her values, self-image and attitudes are strongly linked to a specific choice alternative. Commitment is therefore associated with a specific attitudinal position on an issue, and not just mere interest in that issue, as is the case with involvement (Muncy and Hunt 2001). However, Beatty, Kahle and Homer (1988) find involvement to contribute to the development of commitment, and therefore customers that have high levels of commitment are usually more highly involved as well. Customer loyalty is closely related to commitment, but still distinct (Beatty et al. 1988). It is often mainly evaluated by behavioral terms, and thus, it is proposed that commitment implies brand loyalty but not vice versa. This means that brand-loyal customers may switch brands whereas brand-commitment customers are much less likely to switch brands due to their strong attitudinal beliefs (Warrington and Shim 2000).

# 2.3. Consumer engagement in the context of online brand communities

Brand communities have attracted considerable researcher and practitioner attention, largely due to their increased use and acceptance by both customers and firms (Brodie et al. 2013). Online brand communities (OBCs) on social media are highly relevant to the study of consumer engagement because of their interactive and dynamic nature (Kaplan & Haenlein 2010), and because they support the creation of multi-way relationships between consumers and brands and among consumers (Ouwersloot & Odekerken-Schröder 2008; Stokbürger-Sauer 2010). This section concentrates on the unique characteristics of OBCs and consumer engagegement in the context of OBCs.

#### 2.3.1 Brand community definition

Reincorporating the studies of the complex relationship between brands and consumers (Fournier 1998; Oliver 1999) into consumer community construct, a concept of brand community came to the forefront of the marketing scene, sharing the spotlight with a brand tribe construct (Arnould et al. 2002; Solomon 2003; Holt

2004). McWilliam (2002) predicted that community might replace relationship as a new marketing buzzword.

Muniz and O'Guinn (2001, 412) first introduced the concept of brand communities to the marketing literature, defining them as "specialized, non-geographically bound communities, based on a structured set of social relationships among admirers of a brand". In fact, brand communities are specialized consumer communities; they differ from traditional communities due to their commercial character, and members' common interest in and enthusiasm for a brand (Zaglia 2013, 217). Much like other communities, Muniz and O'Guinn (2001) suggest that all of these brand communities are marked by the following three factors:

- (1) A shared consciousness, that is, i.e. a sense of belonging to an ingroup, thanks to a brand that is patronized by all of the group members. This can also be described as a "we-ness", or a sense that members "sort of know each other" at some level, even if they have never met;
- (2) Rituals and traditions that surround the brand. The community's shared history, culture and consciousness inculcate certain behavioral norms and values that typically center on shared consumption experiences with the brand; and
- (3) A sense of moral responsibility, which is a felt sense of duty or responsibility to the community as a whole.

Briefly, they provide a platform for consumers to share similar interests and exchange information about their experiences in an open and interactive space, as well as to help and support others with product- or brand-related issues (Muniz and O'Guinn 2001). Therefore, in case individuals feel a sense of belonging for, and also identify with the brand community and the other community members, they can be classified as brand community members (Zaglia 2013, 218). Even though each brand community has a unique purpose, the one universal is that

they represent an explicit marketing investment on behalf of the firm to develop long-term connections with their current and potential consumers (Zaglia 2013).

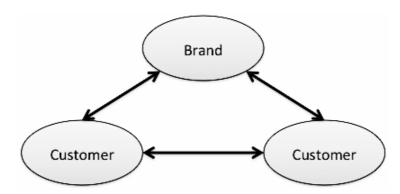


Figure 3. Brand Community Triad (Muniz and O'Guinn 2001)

McAlexander et al. (2002, 39) note that a brand community is often defined in terms of the relationships in which the customer is situated, including relationships between the customer and the brand, between the customer and the company, between the customer and the product in use, and among fellow customers (which in fact explains the scrutiny of brand community research). Muniz and O'Guinn (2001) envision a brand community as a customer–customer–brand triad (see Figure 3). Thus, granting community member status to the branded product and to the marketer situates both the customer–brand dyad (the traditional focus of brand loyalty scholars) and the customer–customer–brand triad (Muniz and O'Guinn's [2001] elemental brand community relationship) within a more complex web of relationships. McAlexander et al. (2002, 39) elaborate on Muniz and O'Guinn's (2001) model (see Figure 4), by taking a customer-centric perspective to the brand community. Figure 4 therefore places customer in the center and illustrates that the community, its existence and meaningfulness, revolves around customer experience rather than the brand.

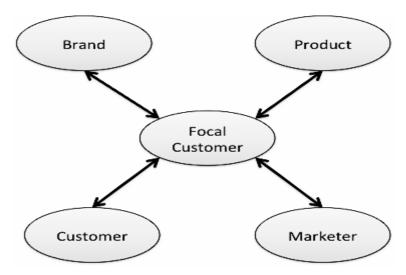


Figure 4. Customer-Centric Model of Brand community (McAlexander et al. 2002)

Brand community studies, in contrast to traditional literature on brand communication, pays attention to the company-to-consumers paradigm, while a brand community describes a new paradigm of consumers-to-consumers communication (McAlexander et al. 2002). Due to this nature, brand communities assert considerable claims on the ownership of the brand. The impassioned and empowered consumer collectives assert more channel power and make claims on core competencies previosly reserved for the marketer (O'Guinn and Muniz 2005, 268). Consumers now increasingly see brands as shared cultural property rather than as privately owned intellectual property (Holt 2004). Here rises the question; to which extent can or should communities be controlled? Instead of controlling or managing by traditional means, companies need to find new ways how they can turn brand communities into strategic assets.

# 2.3.2. Characteristics of online brand community

Not surprisingly, quite a lot has changed due to the rise of online brand communities in the beginning of 21<sup>st</sup> century (Baldus et al. 2015, 798). Firstly, it is important to acknowledge that there are different types of online communities. Armstrong and Hagel (1996) categorize B2C virtual communities into four types depending on the needs they aim to fulfill: interest communities (allowing people to interact on the basis of a shared interest for a specific topic), relationship communities (inside which members share life experience and find emotional and social support), fantasy communities (allowing the consumer to get involved in a

virtual world), and transactional communities (which can foster commercial exchanges). Porter (2004) distinguishes commercial communities, which are related to the sale of products from non-commercial communities.

Muniz and O'Guinn (2001) definition of brand community (specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand) applies to an online brand community (OBC), except OBCs exist only in the cyberspace. They represent a network of relationships between consumers and the brand, product, fellow consumers, and the marketer (See Figure 4; McAlexander et al. 2002). Chan et al. (2014, 81) suggest that for an organization, the function of an online brand community is threefold: First, OBC serves as an additional channel to communicate with customers and receive customer feedback on products and services. Second, it establishes a link between current and potential customers, and develops and maintains long-term relationships with customers who are attached to the brand. And finally, it facilitates the development of customers' brand loyalty and commitment.

Hence, the rise of new media channels such as OBCs has provided companies with new opportunities to connect with their customers through interactions other than the actual transaction (Vivek et al. 2012, 138; Greve 2014, 204). Thus, now that the nature of OBCs is understood, the research proceeds to examine consumer engagement in the context of OBC.

#### 2.3.3. Consumer engagement in OBCs

The increasing usage of smartphones and the emergence of online social media enable customers to interact easily with other consumers outside of actual service consumption (Verhoef et al. 2010; Greve 2014, 204), thus allowing firms to encourage their customers to become effective advocates for the brand (Malthouse et al. 2013). Sashi (2012, 264) stresses that these interactions change the traditional roles of seller and customer in exchange relationships and expands the role of customers by including them in the value adding process as co-creators of value. Indeed customers often add value by generating content and even become ardent advocates for the seller's products and can influence purchase

decisions of others in peer-to-peer interactions (Sashi 2012, 254). Social media enables customers to participate in value adding and marketing mix decisions / strategic choices by connecting and interacting not only with sellers, but also with other customers and non-customers (Sashi 2012, 267). Such beyond-purchase interactions are the behavioral manifestation of consumer online engagement (Van Doorn et al. 2010; Verhoef, Reinartz, and Krafft 2010; So et al. 2016, 64).

Due to the rise and increasing power of online brand communities, Algesheimer, Dholakia and Herrmann (2005) introduce the concept of brand community engagement. They define it as "the positive influences of identifying with the brand community through the consumer's intrinsic motivation to interact or co-operate with community members". OBC engagement means that members are interested in helping other members, keen to participate in joint activities, to act volitionally in ways that the community endorses, and in ways that enhance the OBC's value for themselves and others (Algesheimer et al. 2005). Although Algesheimer et al. (2005) refer to brand community engagement merely as an attitude (being interested in), an actual participation behavior is required as well. This is in line with Van Doorn et al.'s (2010) definition, which states that customer engagement goes beyond attitude and that it is the customers' behavioral manifestation toward a brand or firm, beyond purchase, that results from their motivational drivers.

Brodie et al. (2011) thus suggest that OBC engagement is identification with the OBC that results in interactive participation in the OBC (Brodie et al. 2011). As follows, consumer engagement is considered as an interactive, experiential process, based on individuals' engagement with specific objects (e.g. brands, organizations), and / or other brand community members (Brodie et al. 2013, 112). Dessart et al. (2016, 401) emphasize the importance of undestanding the multiple foci of consumer engagement in OBCs, as consumers tend to engage with different foci simultaneously. Previously also Hammedi et al. (2014, 799) suggested that solely consumer-community identity has positive, strong effects on members' behaviors within the community, and therefore the brand might not be the sole reason for membership; identification with the community as a group or attraction with individual members can also drive such connections. Also,

community members have interest in gaining access and sharing information about more than just the brand itself, such as related products or family activities (Hammedi et al. 2014, 800).

The variety of foci is particularly relevant in online contexts where the opportunities of interaction are magnified and at the same time subject to considerable complexity. For example, engagement with a Facebook brand page involves interactions with other users, the platform and the brand (Dessart et al. 2016, 417). A full appreciation of what it means to be engaged is made possible only by accounting for different foci of engagement (Brodie et al. 2013; Vivek et al. 2014). Brodie et al. (2013, 110) find that the highly engaged members show all the three (Muniz and O'Guinn, 2001) elements of brand community; shared consciousness, shared rituals and traditions, and a sense of moral responsibility. Consumer engagement in OBC will be operanationalized in detail later, in chapter 2.4.2.

## 2.3.4 Antecedents and consequences of consumer engagement in OBCs

Quite a few researchers have attempted to model process of consumer engagement, including its antecedents and consequences (e.g. Bowden 2009; Brodie et al. 2011a, 2011b; Brodie et al. 2013; Sashi et al. 2012; Van Doorn et al. 2010; Verhoef, Reinartz and Krafft 2010; Vivek, Beatty & Morgan 2012). When examining consumer engagement in longitudinal research designs, the nature of specific constructs acting as engagement antecedents or consequences may also be debated (Hollebeek et al. 2014, 162). Thus, antecedents and consequenses may switch places across different studies. This is due to fact that especially in OBC context, consumer engagement is not a fixed point, but rather a two-way process that does not follow an orderly, sequential progression of phases over time and is rather interplay of relevant sub-processes (Sashi 2012, 255; Brodie et al. 2013, 111). For example Sashi et al. (2012, 264) emphasize that customer loyalty is necessary for achieving customer engagement, even though most regard loyalty as a consequence of engagement. Consumer engagement behaviors (CEBs) are considered as both antecedents and consequenses of overall engagement. However, in this study placing antecedents and consequences in the nomological network is secondary and rather than presenting consumer engagement process, the research next presents important CEBs, their triggers as well as outcomes of consumer engagement from organizational perspective.

As mentioned, in this research consumer engagement is considered going beyond engagement behaviors, including the other engagement dimensions. CEBs include include multiple behaviors such as WOM activity, recommendations, helping other consumers, blogging and writing reviews (Van Doorn et al. 2010, 253 & Verhoef et al. 2010, 249). Most researchers regard these, participation and involvement of current or potential customers, as antecedents of consumer engagement (e.g. Vivek et al. 2012, 127 & Verhoef et al. 2010, 249).

So, what triggers the engagement behaviors? Van Doorn et al. (2010, 257) separate the factors into the customer-based, firm-based and context-based. Customer-based factors consist of attitudinal factors (Van Doorn et al. 2010, 257). These include for example customer satisfaction (Anderson and Mittal 2000; Palmatier et al. 2006), brand commitment (Garbarino and Johnson 1999), trust (de Matos and Rossi 2008), brand attachment (Schau, Muniz, and Arnould 2009), and brand performance perceptions (Mittal, Kumar, and Tsiros 1999). Consumer's goals also affect CEBs and in many cases, the goals themselves can influence how the brand is used and consequently how consumers engage with the brand (Van Doorn et al. 2010, 257). Also consumer resources such as time and effort, and in some cases money, have a role (Van Doorn et al. 2010, 257).

Firm-based factors concern characteristics of the brand (Van Doorn et al. 2010, 258). First, brands with high reputation or high levels of brand equity are likely to engender higher levels of positive CEBs (de Matos and Rossi 2008; Keller 1998; Walsh et al. 2009). However, in cases of failure, the negative fallout in terms of CEB may be higher as well. Other firm-based antecedents include the reputation and size of the firm, and the industry (Van Doorn et al. 2010, 257). Context-based factors affecting CEBs may largely arise from the political, economic, social, technological, environmental and legal aspects of the society within which firms and customers exist (Van Doorn et al. 2010, 258). Van Doorn et al. (2010, 258) also suggest that the competitors and their actions create a strong contextual force

affecting customer engagement. These factors should be analyzed in the light of other one another, not in isolation (Van Doorn et al. 2010, 258).

Researchers agree that consumer engagement should produce several relational outcomes, such as trust, connection, value perceptions, loyalty, satisfaction, WOM activity, affective commitment, emotional bonding, delight, brand—community involvement, new product advantages, customer retention and advocacy (Brodie et al. 2011a, 2011b; Vivek et al. 2012; Brodie et al. 2013; Sashi et al. 2012; Bowden 2009; Verhoef et al. 2010). To clarify, Wirtz et al. (2013, 234) divide outcomes into online brand community outcomes and brand outcomes (that are also affected by OBC outcomes). The ones concerning online brand community include commitment, participation, as well as satisfaction and loyalty (Wirtz et al. 2013, 234). Satisfaction with the OBC has a direct effect on consumers' intention to carry out behaviors such as saying positive things about the brand, recommending it to others, and remaining loyal to it in their purchasing decisions (Wirtz et al. 2013, 234). Stronger community engagement has also been shown to lead to lasting membership continuance (Algesheimer et al. 2005).

In terms of brand outcomes, it is believed that active consumer engagement in online brand communities is likely to strengthen the brand through supporting brand commitment, engagement, satisfaction and loyalty (Wirtz et al. 2013, 234). A consumer's engagement in an OBC not surprisingly also enhances his or her overall brand engagement (Wirtz et al. 2013, 235). Online communities have been found to strengthen the relationship with the brand, enhance brand commitment, and online community members have been found to build stronger associations with the brand than consumers who are not participating (Kim J.W. et al. 2008). Van Doorn et al. (2010, 259-260) emphasize financial consequences due to referral and WOM behavior, they also suggest consumer engagement has reputational consequences as well as regard highly engaged customers as a crucial source of knowledge for instance in helping firms in development of new products.

Now that the nature of consumer engagement in the context of OBCs is clarified, the research proceeds to take a company-centric approach in order to examine managing consumer engagement (its antecedents and consequences) in OBCs.

## 2.4 Managing consumer engagement in OBCs

Why should, and moreover how can, companies manage consumer engagement in online brand communities? The extent to which organizations can manage focal consumer engagement processes, and the extent to which these are self-managing, is still largely undiscovered research area. This section clarifies the understanding of the question up-to-date.

Armstrong and Hagel (1996, 135), namely stressed that "by creating strong online communities, businesses will be able to build customer loyalty to a degree that today's marketers can only dream of". And so today, several trends point to the need for organizations to strongly consider the establishment and management of OBCs (Wirtz et al. 2013, 235). Thus, many companies are increasingly focusing on building, managing, and maintaining brand communities (e.g. McAlexander et al. 2002; Muniz and O'Guinn 2001; Baldus 2015). Brands presume that consumers who join their online community will become more engaged, which should improve the economic outcomes for those firms (Hammedi et al. 2015, 777-778).

However, marketing managers still require better consumer insights into the motivations to participate in brand communities and the resulting attitudinal and financial benefits to the brand (Baldus 2015, 978). Researchers (e.g. Van Doorn et al. 2010, 263) also emphasize the need for further understanding on how consumer engagement can be managed in ways that benefit the focal firm, its employees and customers.

The prior studies that focus on managing communities mainly regard community management as facilitative and enabling operation (Cova & Pace 2006; Fournier & Lee 2009; Boon, Pitt & Salehi-Sangari (2015); Sibai, De Valck, Farrell & Rudd 2015). However, in this research, "managing" goes beyond facilitative role, and it

is considered as strategic level actions that are triggered by consumer engagement in online brand communities. In other words, it means how companies can, through concrete managerial actions, manage the online community engagement. MSI Research Priorities (2010–12, 4) state, "many organizations see customer engagement as a route for creating, building, and enhancing customer-organization relationships and ultimately improving business performance". Based on this, the prior literature and supported by empirical part (chapter 5), in this research managing consumer engagement in online brand communities consist of building, utilizing, measuring and enhancing the level of consumer engagement. These sub-processes will be delved into next.

# 2.4.1 Building consumer engagement in OBCs

According to Fournier and Lee (2009, 111), effective marketers contribute to a community's content creation by facilitating and supporting the emergence of favorable circumstances for the community to grow and thrive. They think that instead of aiming to control the community, the company should rather be directed by it. Similarly, Schau et al. (2009, 40) argue that delegating control to consumers enhances their commitment and boosts brand equity.

Wirtz et al. (2013, 237) suggest that companies should take responsibility for governing the OBCs by providing support and by replacing control with a balance of structure and flexibility. They should create and maintain conditions in which communities can thrive (Wirtz et al. 2013, 237), as what engaged consumers do largely depends on what companies allow and what technology enables them to do (Greve 2014, 204). Van Doorn et al. (2010, 262) thus note that critical here is giving engaged consumers a site or platform to express their ideas and thoughts. But firstly, the company must define a "community frame" that should be appealing enough to attract potential members to join the community, interact and become loyal. The community frame consists of three dimensions; the first one is the project, that represents the community's goal(s) and mission(s), the purpose for which people will join and interact; the second is the discourse, that portrays the community's identity, its values, codes, traditions and hierarchy (the basis of members' identification); and the last one is the space, that hosts the members'

interactions (Arnone et al. 2010, 100). Therefore, the right tools, technologies and platforms are critical in building consumer engagement.

In order to build and maintain strong online communities, companies' must understand members' personal and social needs, and do everything possible to support their self-motivated engagement to the community (Fournier & Lee 2009, 106). Managers must identify the various needs of community members that create the intrinsic motivations for joining and participating in online communities (Hammedi et al. 2014, 798; Dimmick, Chen & Zhan 2014). It is crucial to understand these consumer motivations when starting to build, foster and sustain consumer engagement (Porter et al. 2011, 82). According to Baldus et al. (2015, 979), there are different types of engagement that propel people to interact with an online community. Broadly, these factors are social status enhancement, social interaction, belonging, valuable information search (learning more about using the product) and having fun (Hennig-Thurau et al. 2004 & Nambisan and Baron 2007; Porter et al. 2011, 85).

Even though the relationships are two-way, underlining the social element of customer engagement, often the organization takes the initiative to engage the customer (Vivek et al. 2012, 131) One way to enhance engagement is to promote member participation (Porter et al. 2011). Porter et al. (2011, 86) suggest three efforts (for a company) that are effective in promoting participation; 1) encouraging content creation; 2) cultivating connections among members and between members and community as a whole; 3) and creating enjoyable experiences. Porter et al. (2011, 93) suggest that effective way to motivate cooperation is to empower online community members by mobilizing member leaders, asking inspiring ideas from members, and polling members for strategic insights (Porter et al. 2011, 93).

Vivek et al. (2012, 137) recognize that there is a great opportunity for organizations to engage customers by supporting customer-initiated engagement by focusing on non-customers and potential customers. Building relationship and therefore engaging with noncustomers and potential can reduce acquisition costs

(Vivek et al. 2014, 417). Focusing on individuals who interact with the brand but do not necessarily purchase anything or at least are not planning to purchase anything, and on the events and activities engaged by the consumers, including alternative evaluation and decision-making, are essential in managing engagement (Vivek et al. 2012, 127).

### 2.4.2 Measuring consumer engagement in OBCs

Facebook and other social networks provide analytics for businesses to measure engagement and calculate engagement rates. Even though they provide important information for companies, they only capture the behavioral dimension (participation) of consumer engagement. For measurement, consumer engagement is a complex construct since its cognitive and emotional sides are not easy to measure (Van doorn et al. 2010).

Followingly, engagement agency SocialMetrics calls for a measure of engagement with relational metrics, which also include sentiment (Insead Knowledge 2014). These recommendations are being implemented: Facebook has encouraged consumers to express their feelings by using the like button for years and has now added sentiment buttons, love, laugh, surprise, sadness and anger (Peterson 2015). For businesses, these reactions will offer a new, potentially more accurate way to measure sentiment (Peterson 2015). The call has been recognized within academic research, and the scholars have recently advanced in developing scales for measuring consumer engagement that take into account not only behavioral but also cognitive and emotional dimensions of consumer engagement. This is important for companies as in order to fully measure and manage engagement; they need to look beyond just behavioural site metrics such as engagement rates (e.g. Brodie et al. 2011, 2013).

Today, the best scales to measure consumer engagement as a multidimensional concept come from Vivek et al. (2014), Hollebeek et al. (2014) Baldus et al. (2015) and Dessart et al. (2016). Hollebeek et al. (2014, 154) developed a 10-item scale especially for consumer-brand engagement (CBE engagement) and derive dimensions of cognitive processing, affection and activation. Cognitive processing

is defined as "a consumer's level of brand-related thought processing in a particular consumer/brand interaction" (cognitive CBE dimension). Affection is "a consumer's degree of positive brand-related affect in a particular consumer/brand interaction" (emotional CBE dimension). And activation refers to "a consumer's level of energy, effort and time spent on a brand in a particular consumer/brand interaction" (behavioral CBE dimension) (Hollebeek et al. 2014, 154). Vivek et al. (2014, 416) likewise present a 10-item scale that acknowledges the three consumer engagement dimensions, which they regard as –conscious attention, enthused participation, and social connection.

Although both Vivek et al. (2014) and Hollebeek et al. (2014)'s scales view engagement as a multi-dimensional and interactive concept and model engagement with different brands, they do not seem easily applicable for any other foci of engagement (Dessart et al. 2016, 406). Specifically, in Hollebeek et al. (2014), consumer engagement is captured with items pertaining to activation, usage of a brand. This cannot easily be extended to another focus, for example other community members, without losing its substantive meaning (Dessart et al. 2016, 406).

Dessart et al. (2016, 417) provide a scale of engagement in the OBC context, and take into account the multiple foci of engagement. They clarify the dimensionality of engagement by proposing three dimension and seven sub-dimensions of engagement. The conceptualisation supports the existence of the recognised three-dimensionality of consumer engagement (Brodie et al., 2011, 2013; Hollebeek et al., 2014), but also adds detail into these (Dessart et al. 2016, 418). In an effort to operationalise the behavioural aspect of engagement, this study elaborates on the notion that behavioural engagement is a level of energy, effort and time spend (Hollebeek et al., 2014) and clarifies its exact nature through three dimensions (sharing, learning and endorsing). The cognitive interest (Vivek et al., 2014) is conceptually refined with attention and absorption (Higgins & Scholer, 2009; Schaufeli, Salanova, González-Romá, & Bakker, 2002). Lastly, the emotional aspect of engagement, which past research defines as a general degree of e.g. positive brand-related affect (Hollebeek et al., 2014), is here

operated through measures of enthusiasm and enjoyment, both recognised to be enduring forms of affect related to a specific focus (Schaufeli et al., 2002). These conceptual and methodological refinements contribute to construct clarity and rigorously add operational precision to the constructs previously identified by Hollebeek et al. (2014) and Vivek et al. (2014) (Dessart et al. 2016, 418). Baldus et al. (2015, 978-979) identify 11 independent motivations, which also present engagement dimensions, for brand community engagement (the compelling intrinsic motivations to continue interacting with an online brand community), and test the scale's predictive power for participation in an online brand community. The scale of online brand community engagement is a reliable and valid tool for measuring consumer motivations for interacting with an online brand community. 11 engagement dimensions / motivations are presented below (see Table 2)

Table 2. Online Brand Community Engagement Dimensions (Baldus et al. 2015, 981)

Engagement	
dimensions	Definitions
Brand influence	The degree to which a community member wants to influence the brand.
Brand passion	The ardent affection a community member has for the brand.
Connecting	The extent to which a community member feels that being a member of the brand community connects them to someting bigger than themselves.
Helping	The degree to which a community member wants to help fellow community members by sharing knowledge, experience or time.
Like-minded discussion	The extent to which a community member is interested in talking with people similar to themselves about the brand.
Rewards (hedonic)	The degree to which the community member wants to gain hedonic rewards (e.g., fun, enjoyment, entertainment, friendly environment, and social status) through their participation in the community.
Rewards (utilitarian)	The degree to which the community member wants to gain utilitarian rewards (e.g., monetary rewards, time savings, deals or incentives, merchandise, and prizes) through their participation in the community.
Seeking assistance	The degree to which a community member wants to receive help from fellow community members who share their knowledge, experience, or time with them.
Self-expression	The degree to which a community member feels that the community provides them with a forum where they can express their true interests and opinions.

Up-to-date information	The degree to which a community member feels that the brand community helps them to stay informed or keep up-to-date with brand and product related information
Validation	A community member's feeling of the extent to which other community members affirm the importance of their opinions, ideas, and interests.

Baldus et al. (2015, 984) find that the engagement dimensions can explain consumers' participation intentions. However, the directionality of the effects reveals a complex story. Specifically, two of the engagement dimensions (Seeking Assistance and Up-to-Date Information) had significant, negative effects on participation. Thus, consumers primarily motivated by a need for information are less inclined to participate and only join the community to get an answer. This suggests that community managers may need to find new ways to engage their information seekers to increase their connections with the brand if they want to draw them into becoming more active community members. (Baldus et al. 2015, 984)

Although the scales (e.g. Baldus et al. 2015) that take into account all the dimensions are not adapted by a large amount of companies yet in order to measure engagement, the high behavioral focus of consumer engagement concept makes measuring it (with e.g. social networks metrics) an appropriate proxy of consumers' level of engagement. Following, engagement level based on behavioral dimension can be used to predict, for example, firms' financial and reputational results (Van doorn et al. 2010).

#### 2.4.3 Utilizing consumer engagement in OBCs

At first it is important to recognize different forms of consumer engagement, motivations behind it, as well as having tools and metrics for measuring it. After that, companies must evaluate its likely consequences in terms of both short- and long-term objectives, and thereafter decide their managerial actions – for utilizing and enhancing consumer engagement (Van Doorn et al. 2010, 262).

Dessart et al. (2016, 418) emphasize that in order to manage or affect change in consumer attitudes, beliefs and behaviours, it is essential to accurately determine their root causes.

Baldus et al. (2015, 984) and Dessart et al. (2016, 418) suggest profiling current and potential community members based on the scale (of consumers motivations to engage in an online brand community) as a way to utilize consumer engagement. The idea is that with improved understanding of what compels consumers to actions within their specific community, the firms could develop strategic marketing actions to best engage their community base and activate them for specialized marketing efforts that rely on lead users as seeds for their messages (e.g. Kozinets et al. 2010). Leveraging the measures (scale of motivations) introduced by Baldus et al. (2015, 984), firms can better identify their own community members who are passionate about the brand, want to help others understand the brand, and want to connect with something bigger than themselves.

Consumers could be pre-screened and recruited for community interaction based on their motivational profiles. For example, if a firm sought to develop a sub-group within their community focused on idea generation for new products, (SALOMON & Sports tracker) they could productively isolate consumers who are driven by a need for up-to-date information and brand influence and likely experience stronger involvement, improved idea generation compared if they just pulled community members at random. (Baldus 2015, 984)

However, the communities are no longer comprised of lead users who can be activated exclusively by product information and access to new products (Baldus et al. 2015, 984). With a more heterogeneous audience with a range of motivations, firms must better understand the motivational composition of their communities before launching communication efforts within the community (e.g. Kozinets, de Valck, Wojnicki, & Wilner 2010). Specifically, it appears prudent for community manager to micro-segment their community members to understand the motivations of each one of them and then develop tailored communication for

each individual that are designed to activate their specific motivations (Baldus et al. 2015, 984). Based on formed precise engagement profiles, managers can classify and target consumers with more relevant and appropriate content. For instance, consumers with high attention but little enjoyment might respond entirely differently to marketing efforts than low-attention, high-enjoyment users (Dessart et al. 2016, 418).

However, before consumer engagement can be fully utilized, the positive potential of its specific forms must be leveraged internally and externally. This calls for setting up effective information systems and processes, and is a key challenge for most organizations. (Van Doorn et al. 2010, 262)

Wirtz et al. (2013, 229) divide organizational outcomes of consumer OBC engagement, or the ways to utilize it, into two areas. First area concerns structural outcomes that is comprised of idea generation and flexible and integrated firm structure. Since members openly exchange their opinions and experiences, OBCs become valuable source of consumer data that will aid the organization in its market research. This way organizations access the voice of loyal consumers and gain insight into their needs, desirable features of new products, and trends for future product or service development (Kim, J.H. et al. 2008, 409). Many researchers, as cited by Brodie et al. (2011, 252), recognize that engaged customers may have an important role in new product/service development (Hoyer et al. 2010), and in co-creating experience and value (Brakus, Schmitt, and Zarantello 2009; Prahalad and Ramaswamy 2004). Hoyer et al. (2010) extensively discuss effects of customer co-creation in new product development, which they define as "a collaborative activity in which consumers actively contribute and select various elements of a new product offering". Companies can also utilize OBC engagement for a positive change in company culture: OBCs promote increased level of communication, opportunity for collaboration across departments and geographical locations that often results in greater productivity and decreased deficiencies (Benhoff and Li 2008).

Second area of organizational outcomes of OBC engagement is related to brand equity and consists of higher sales as well as improved brand image and relationship with customers. (Wirtz et al. 2013, 229) By stimulating customer engagement activities on social networking sites, companies can leverage from enhancing brand loyalty (Brodie et al. 2013), increasing sales (Doohwang et al. 2011) and generating positive WOM communication (Libai et al. 2010), and can retain competitiveness in today's intense marketing environment (Algesheimer et al. 2005). By managing brand communities effectively companies can increase brand advocacy as well as reduce marketing and advertising costs (Wirtz et al. 2013, 229). OBCs are effective "tools" for influencing sales. They have a direct positive impact on immediate purchase intention (Blazevic et al. 2013), and are effective tools for retaining both experienced and novice consumers (Adjei et al. 2010).

## 2.4.4 Enhancing the level of consumer engagement in OBCs

Obviously, despite that consumers' engagement levels may fluctuate during a particular brand interaction and across brand interactions over time (Hollebeek et al. 2014, 162), companies aim at increasing individuals' engagement levels. But how can companies and brands affect consumers' engagement levels with their actions?

Firstly, engagement can be increased with quality-content. Especially, social media posts, with such as user-generated content and influencer association attain higher levels of consumer engagement (Vivek et al. 2012). Also, providing affordances for epistemic experience, such as product features and educational content, as well attain higher levels of consumer engagement. These drive consumer engagement by satisfying consumers' desire for creativity and problem solving (Tafesse 2015, 430).

The mentioned, making actions based on profiling consumers to sub-groups and practising targeted communication, are also ways to enhance current levels of engagement. Lead user campaigns can increase engagement as firms can encourage and reward consumers to become more active on the site to receive

maximal relationship benefits from the community (Gummerus et al. 2012, 870). This way companies can extrinsically motivate consumers to meet their needs and, at the same time, intertwine these needs with their desire to create value for themselves and for the company or brand (Van Doorn et al. 2010). Lead users can, for example, be given an exclusive access to certain information and privileges that basic members and non-members cannot enjoy (Porter et al. 2011, 92). This leads their increased willingness to cooperate in new product development and to stay loyal to the company (Porter et al. 2011, 92). Also these further engagement initiatives give unprecedented opportunities to customers to influence other customers and noncustomers, especially through social connections (Vivek et al. 2014, 416). Engaged customers are a more credible voice of the brand. They not only help other customers recognize their needs, but also make others see how a brand can meet those needs, thus blurring the boundaries between a business's role and a customer's role (Vivek et al. 2014, 416).

Vivek et al. (2014, 416) suggest that actually only by initiating and managing ongoing connections with consumers, brands and businesses can expect deeper engagement with customers leading to enduring relational ties. But, in the long run, the loyalty of customers is not gained from delighting them but rather through managing relationship with for example personalized service experience (Bowden 2009, 71). Vivek et al. (2014, 416) emphasize continued engagement of the customers before, during, and after a purchase transaction, and suggest it enhances the relationships that stand the test of time and competition.

Brodie et al. (2013, 112) suggest that businesses increasingly need to listen to and "engage in engaging" consumers in brand communications, which consumers perceive to be, as Brodie calls it, "non-commercially driven". It is suggested that therefore knowledge sharing, educating, and enabling consumers to co-develop, become important tasks for marketers (Andersen 2005 & Ramaswamy 2009).

So far, the focus has been on the positive sides of consumer engagement, as well as opportunities and advantages OBCs offer. However, managing engagement in

OBCs and OBCs themselves present numerous challenges to organizations and their brands (see e.g. Cova & Cova 2002; Fournier & Lee 2009; Schau, Muñiz & Arnould 2009; Wirtz et a. 2013). Therefore, in the next section the researcher focuses on the organizational challenges, and downsides, of online community engagement.

# 2.4.5 Challenges of managing consumer engagement in OBCs

Managing consumer engagement is challenging as it involves the engagement behaviors as well as the emotional or psychological side of engagement. Furthermore, the fact that consumer engagement is not a fixed point that can be reached but a process that evolves over time (e.g. Sashi 2012, 255; Van Doorn et al. 2010, 253), makes managing it increasingly challenging. Although most managers believe that engaging customers through online communities can create various benefits and significant value, it is also clear that they sense significant financial risk. As one executive put it, when a firm executes a customer engagement strategy, "there is no room for error." (Porter et al. 2011, 81) Indeed, among the many Fortune 1000 companies that sponsor virtual communities, more than half might actually destroy value for themselves and their customers (Gartner Inc. 2010).

Cova and Cova (2002) find that online communities resist managerial control and company's authority, and emphasize that the control shifts from company to the consumers. Managing an OBC requires allocation of sufficient resources and the development of relevant expertise (Wirtz et al. 2013, 237). But most importantly, it requires an organization-wide commitment and willingness to work across functional boundaries (Fournier and Lee 2009). One of the challenges of managing OBCs is that OBCs can become a magnet for anti-brand comments and discussion (Wirtz et al. 2013, 236). Consumers can use them to express their negative thoughts of the brand or product. Managing this is a difficult task, as members of course need to feel the freedom to express their opinions for the community to function well (Wirtz et al. 2013, 237).

The engagement of consumers is another challenge, critical to an OBC's success (Fournier and Lee 2009). As mentioned, before promoting participation and motivating cooperation, it is important to understand consumer needs and motivations for engaging (Porter et al. 2011). Therefore, the development of adequate communication between consumers and employees should be done first when aiming at engaging community members (Wirtz et al. 2013, 237). According to Ramaswamy (2009, 33) "without organizational capabilities that align outside-in 'customer to employee' experience with inside-out 'employee to customer' experience, the co-creation of value with clients would be difficult to achieve". Wirtz et al. (2013, 237) points that overall, whether and how much the organization and its brands enjoy the benefits and suffer from the negative effects of OBCs depends on the quality of communication within the community. Furthermore, Baldus et al. (2015, 984) emphasize that failing to tailor messages based on consumer profiles could result in alienating some community members. However, despite the challenges concerning managing engagement in online brand communities, the possibilities far exceed the risks (Wirtz et al. 2013, 238).

## 3. Research methodology: qualitatuve explorative case study

The empirical part of this study was conducted by interviewing the company representatives from different management levels in order to achieve a comprehensive picture of managing Sports Tracker online brand community at Amer Sports. Also secondary data provided by the case company was utilized to support the interviews. This chapter characterizes the form of research, explains data analysis, introduces the interviewees as well as justifies the chosen methods, and finally scrutinizes the reliability and validity of the study.

#### 3.1 Qualitative research

The forms of conducting empirical research are commonly divided into quantitative and qualitative methods. Quantitative analysis aims at finding causalities and correlations from numerical data while qualitative analysis strives to describe, understand and interpret different phenomena in our reality. In qualitative research, the objective is to thoroughly understand some real-life phenomenon or situation (Hirsjärvi, Remes & Sajavaara 2004, 152). According to Eskola & Suoranta (2003) basic characteristics for qualitative analysis include the using of the perspective of the researched, theoretical or discretionary sampling and the position of the researcher. Typically used research methods in qualitative research are interviews, observation and text analysis (Metsämuuronen 2005, 222). As this study aims at improving understanding and deliver valuable knowledge of a novel phenomenon as well as processes taking place inside a company, the choice to use qualitative research methods was rather easy.

Interviews are the most common way of gathering information in qualitative analysis. The aim of interviews is to gather information systematically. The interviews can be divided into four categories: structured, half-structured, theme and open interviews. A structured interview leaves as such no space for free discussion, because the order and format of the questions and answer choices are given to the interviewee. A half-structured interview differs from structured one only by having no prepared answering options. In a theme interview, only the discussion areas ("themes") are prepared beforehand, and thus leave room left for open discussion and can result in very different answers by the interviewees. An

open interview reminds a normal discussion situation. (Eskola & Suoranta 2003, 85–86)

The qualitative research method is at times criticized for its small sample groups, which lead to the information being highly subjective and also to a great extent left to the interpretation of the researcher. Nevertheless this research method offers the possibility to include in-depth motivations and feelings of the interviewees and thus serves a very different purpose compared to quantitative research. (McDaniel & Gates 2013, 80-82)

#### 3.2. Exploratory Case study

Qualitative exploratory case study design is an analysis of a given case, which in this research is managing consumer engagement in Sports Tracker online brand community (Creswell 2005). Exploratory design is used to explore a given phenomenon or case to develop better understandings of the unknown (Creswell 2005). Even though exploratory is often defined in terms of a mixed-methods design, it uses qualitative means to gather data (Creswell 2005). Therefore, as the research on phenomenon in question has been rather limited, the choice of qualitative exploratory approach was natural.

Although some argue about the nature of case study as a design, methodology, or method (VanWynsberghe & Khan 2007), the components of a case study research allow for an in-depth understanding of the particular case (Leedy & Ormrod, 2005; Mackey & Gass, 2005; Merriam, 1998). In order for the research design to qualify as a case study, Yin (2003) suggests five important elements: a) Research questions, b) Propositions, if applicable, c) Unit of analysis, d) Logic which links the data collected to the propositions, and e) Criteria for the interpretation of the data or findings. Using Yin's (2003) criteria, the first component, research questions, is fulfilled by the type of questions being asked. In this research the questions reflect the characteristics of an exploratory case study as they are "what" and "how" questions in order to understand the phenomenon from many perspectives. A proposition, an assumption about the topic being studied, is the second component of Yin's (2003) criteria. It is not met in this research, but as Yin

(2003) describes, they may not be applicable for some case studies, especially for those wishing to explore a relatively unexplored research areas – such as managing consumer engagement in an online community. Therefore, the fact that this proposed case study has an exploratory nature allows propositions not to be included and still qualifies as a case study (Yin 2003). Furthermore, there is a purpose, of which Yin (2003) proposes to be necessary component of a case study when there are no propositions.

The unit of analysis is considered as the phenomenon for which evidence is collected (Yin 2003), which in this case is the organization's way of managing consumer engagement. Because, there is no propositions, nor is there logic linking data to them. But, due to the exploratory nature of the study, this is approved. However, as this research has a purpose, to gain deeper knowledge on managing consumer engagement in multi-brand company by utilizing its online community, a link from data to the purpose can be made. By linking data acquired from interviews to the purpose, Yin's (2003) last element, interpretation of the findings, is met. The criteria for interpreting the findings is essential (Yin 2003), and in this research it is formed so that the data relates to the consumer engagement in online communities and is from the perspective of a company's managers and directors.

Therefore, the chosen method for this research is an exploratory case study, as this is the first research to present a framework for managing consumer engagement in online brand communites. The research strives for deeper understanding of largery unknown and new phenomenon, and aims at being able to give recommendations and finding new research areas. To back-up the chosen qualitative method even further, as brought up in the literature review, the large part of existent studies of consumer engagement in online communities are either quantititave or only conceptual. The lack of qualitative empirical research from the perspective of organizations, and therefore the lack of fully understanding the ways of managing phenomenon, prevents the companies to find reliable ways to manage consumer enagegement.

#### 3.3. Data collection

The data collection method for this qualitative research could be characterized as a semi-structured theme interviews. When the purpose of the gathered data is to reveal the 'what' and 'how' and furthermore find explanations to 'why', nonstructured, such as half-structured or in-depth interviews are often used (Saunders et al. 2007, 313). The questions were formed beforehand, but the decision to let the interview just flow was consciously made. The theme-interview suited the situation also because the researcher was familiar with the topic, Amer Sports as a company as well as Sports Tracker and its online community. Furthermore, it became clear that not all of the interviewees should be asked precisely the same questions as they were experts in different areas and worked on different management levels. Therefore, by phrasing the questions in a different manner more coherent results could be accomplished. Thus, the characteristics of a semistructured theme interview were actualized. However, the researcher had to make sure all the necessary questions were answered and directed the discussion towards the right path when necessary. In addition, secondary data from 1000head word-of-mouth agency was used to support the interviews. The agency delivers monthly reports for Sports Tracker, and in this research the reports from March 2016 and April 2016 were utilized. The reports present Sports Tracker's consumer engagement strategy, including social media metrics and their development.

There is no absolute measure for the amount of interviews for a qualitative study in literature. The sufficient amount of interviewees is usually found when the final interview does not bring any new information to the material. (Hirsjärvi & Hurme 2009) Therefore, the researcher used own consideration in determing the number of interviewees. As this research characterizes as a case study, there were only a certain amount of people responsible for managing consumer engagement at Sports Tracker online community and thus, there were four in-depth interviews with different level managers and directors that have a word in managing consumer engagement in Sports Tracker online community. The goal was to formulate a thorough picture of management process of consumer engagement in

order to see whether or not the upper-level strategy is utilized at the operational level.

However, since the researcher may use own consideration in determing the number of interviewees, researcher found it would be useful to interview a manager responsible for consumer engagement at some Amer Sports brand. Salomon was chosen as there is huge potential to utilize Sports Tracker's consumer engagement (Amer Sports 2015), as well as because Salomon is considered as a forerunner at consumer engagement at Amer Sports. Also, the cooperation in managing consumer engagement is best utilized between Sports Tracker and Salomon (Digital Marketing Manager 2016). No more brands in addition to Salomon was chosen as the answers were already adequate and the reasearcher found that the answers could not be utilized to large extent in order to fulfill for the main purpose of this research. Hence, there were total of five in-depth interviews, which took from 60 minutes to 90 minutes each. The interviews were recorded and they add up to approximately 40 pages (Arial font 12, spacing 1,5) of transcribed speech. The interviews were conducted in the summer of 2016 between May and June, three of them were face-to-face and two phone interviews, because of geographical distance.

Table 3. List of Interviewees

Company	Role
Amer Sports	Chief Digital Officer, Member of Executive board
Amer Sports	Business Unit Director, Digital Services/Solutions
Sports Tracker	Digital Marketing Manager
Sports Tracker	Concept Designer
Salomon	Digital Marketing Manager, Salomon

The list of interviewees and their roles at Amer Sports is represented in the Table 3. Interview with Chief Digital Officer was conducted at first in order to get strategic level understanding of consumer engagement at Amer Sports as well as to decide which other facets to interview. Chief Digital Officer (2016) is responsible for the digitalization and the digital strategy at Amer Sports level and the whole digital solutions business unit raports to him. Business Unit Director (2016) is responsible

for Amer Sports' Digital Services/Solutions, which connects all the Amer Sports digital solutions (Suunto, Sports Tracker etc.). At the moment, the most important project for Business Unit Director is building a digital business platform that serves at Amer Sports level.

Digital Marketing Manager (2016) of Sports Tracker has been with Sports Tracker since 2011, so before its aquisiton, and been responsible for consumer engagement from the very beginning. For a year her role has been to build cooperation with Sports Tracker and Amer Sports brands as well as to take care of Sports Tracker community (Digital Marketing Manager 2016). Concept Designer (2016) is responsible for designing new features for the Sports Tracker mobile application. Concept Designer (2016) likewise joined Amer Sports at the acquisition, before of which he already worked for four years at Sports Tracker (Concept Designer 2016). The interviewee that was chosen from Salomon was the brand's Digital Marketing Manager (Digital Marketing Manager, Salomon 2016). Currently Salomon's Digital Marketing Manager (2016) is responsible for the brand's content marketing and social media presence on global level. He is responsible for directing the global teams with tools and operation models, and thus orchestrating Salomon's social media. Interviewing Salomon's Digital Marketing Manager (2016) was also a justifiable choise as he has over 10 years of experience in practising digital marketing from the perspective of social media.

The data analysis followed to some extent the framework given by Tuomi and Sarajärvi (2009):

- 1. Deciding, what is important in the data
- 2a. Going through the data and marking the factors found important based on the previous decision
- 2b. All else is left out
- 2c. The marked factors are separated from the other data
- 3. Categorizing, theming or otherwise handling the data
- 4. Writing a summary.

The themes and interview questions were formed beforehand based on theory and research questions and thus implied which is going to be important. That made process of theming more simple. The total of seven themes emerged from the interviews. The themes were consistent in all the interviews, but as mentioned the phraising of questions under the themes was decided depending on the role of the interviewee. After transcribing the Finnish interviews, they were translated to English. After the English translation, all the interviewees' answers were moved to one separate document. This way it was easier and more efficient to recognize rising themes and evaluate similarities and differences as well as leave inaccurate parts out. This way, the structure and core for the empirical part was easily reacognized.

#### 3.4. Reliability and validity

Although researches commonly strive to produce accurate work and thus avoid mistakes, reliability and validity vary according to the empirical study. Reliability refers to the extent to which the study has produced objective results – are the results independent of the researcher? Validity on the other hand refers to the ability of the research method to measure the wanted factors. Nevertheless these terms are more accurate in quantitative research for it can be argued that qualitative research can, if ever, only partly fulfil these demands. Since qualitative research is based on individuals' subjective views the results cannot be taken out of the context and thus if the interviews were repeated, the answers could easily vary. Furthermore in qualitative research reliability may suffer from for instance the interviewee not being honest or not understanding the question. The researcher could also modify the answers towards a certain trend and leave out outliers. Misunderstandings are possible for both parties. (Hirsjärvi, Remes & Sajavaara, 1997, 213; Tuomi & Sarajärvi 2009)

Because aiming at gathering deeper knowledge on a largely undiscovered phenomenon with an exploratory case study approach, the extent to which the results may be generalized is left for the reader to decide. This research by no means pursues to say a final word on how to manage consumer engagement in online brand communities in different industries and companies of different size.

However, through a very thorough literature review on the subject and exploration of a given case, this research suggests concrete means to manage consumer engagement in the context of online brand communities.

# 4. Results and findings: Managing Sports Tracker online brand communities at Amer Sports Oyj

In this chapter the results of the empirical study are discussed and analyzed within the presented theoretical framework (See Figure 1). At first the case is introduced. After presenting the case company and the case, the findings of the empirical study are discussed and mirrored through existing literature. Structure is formed by the seven themes that were emphasized during the interview but it also follows the structure of the theoretical part in order to create a convenient reading experience.

The first theme discusses what consumer engagement in online communities actually means, the second one is focused on Amer Sports level consumer engagement strategy and its possible value in a global multi-brand company such as Amer Sports. The third theme presents Sports Tracker's consumer engagement strategy and its key focus poins.

As the main goal of this research is to create a comprehensive view how case company is building, measuring, utilizing and enhancing consumer engagement in Sports Tracker's online brand communities, each of the sub-processes present one theme, but utilizing and enhancing are discussed under one theme due to the similiraties in those. Finally, the last theme discusses the organizational challenges concerning managing consumer enagagement. Dialogue between theoretical part and empirical findings remains throughout the chapter.

#### 4.1. Case presentation

This section is focused on presenting the case company Amer Sports Oyj, Sports Tracker online brand community as well as the given case.

#### 4.1.1. Amer Sports Oyi

Amer Sports is a global sporting goods company with internationally recognized brands including Wilson, Salomon, Atomic, Precor, Suunto, Arc'teryx and Mavic. It is a Finnish company of which shares are listed on the NASDAQ OMX Helsinki stock exchange. Amer Sports' technically advanced sports equipment, apparel, footwear, and accessories cover a wide range of sports, including tennis,

badminton, golf, American football, baseball, basketball, alpine skiing, snowboarding, cross-country skiing, fitness training, cycling, running, hiking, and diving. Amer Sports' business is balanced through its broad portfolio of sports and products and a presence in all major markets. Amer Sports sells its products to trade customers (including sporting goods chains, specialty retailers, mass merchants, fitness clubs and distributors) and directly to consumers through brand stores, factory outlets, and e-commerce. In December 2015 the Amer Sports sales network covered 34 countries. (Amer Sports 2016a)

The strategy of Amer Sports emphasizes excellence in consumer-centric product creation. Through continuous research and development, Amer Sports seeks to develop new and better sporting goods that appeal to consumers and its trade customers. Products are designed to improve the performance of all athletes and help them achieve their goals, and provide them with more enjoyment from their activity of choice. (Amer Sports 2016a)

In 2015, Amer Sports net sales totaled EUR 2,534.4 million. At the end of the year, the company's market capitalization was EUR 3,164.7 million and the Group employed 7,954 people. (Amer Sports 2016a)

Salomon is a globally known brand, headquartered in Annecy (France) and born in 1947. Salomon is committed to deliver innovation and progression to mountain sports and offer a vast range of products including footwear, apparel and equipment for multiple sports such as snowboarding, adventure racing, mountaineering, hiking and trail running. (Amer Sports 2016b) For this reseach Salomon was chosen because, as mentioned, there lies a huge potential in Sports Tracker community, which can be utilized in Amer Sports level and all the brands, especially Salomon and Mavic, because of the range of sports they are in (Amer Sports 2015). Furthermore, it rose up in the interviews that currently in comparition to other Amer brands, Sports Tracker has the best cooperation with Salomon (in social media). Also, the interviewees phraised Salomon as a forerunner in content marketing and consumer engagement at Amer Sports.

## 4.1.2. Sports tracker – A social digital computer

Sports Tracker is the first personal sports computer, an award-winning mobile application and online service (Sports Tracker 2016). Sports Tracker was found as a spin-off from Nokia in 2009 (Amer Sports 2015). It has over 25 million downloads globally and there are over two million monthly active users in more than 200 countries (Amer Sports 2015a). The idea is that by joining the Sports Tracker service and downloading the free application to a smartphone, consumer can easily track and analyze his / her exercises, set goals and share workouts and photos to friends and other similar-minded people via the Sports Tracker community, Facebook, Twitter and Instagram. Sports Tracker's mission is to help people train better and connect them through sports and live, healthier, happier lives (Sports Tracker 2016). In the future, Sports Tracker aims to be a world-class application, and among the top five applications on the market (Concept Designer 2016).

In 2015, Amer Sports bought Sports Tracker and the company running it (Chief Digital Officer 2016). The role of Sports Tracker at Amer Sports is to be a digital accelerator for Amer Sports brands (Amer Sports 2015). According to Business Unit Director (Amer Sports 2015) Sports Tracker brings new opportunities for brands like for example Salomon and Mavic, and there are a lot of synergies with Suunto. Amer Sports brought the team that has been behind Sports Tracker from the beginning and thus possesses years of experience in building digital services. Therefore, Business Unit Director (Amer Sports 2015) sees that by combining their skills with the skills of Amer Sports exisiting team, there is a great opportunity to build next level digital sports services.

## 4.1.3. Case: Sports Tracker OBC at Amer Sports Oyj

The choice to focus on managing Sports Tracker Online brand community is due to the huge commercial potential that Sports Tracker consumer base (community) presents for Amer Sports. The consumer base of two million monthly active users is planned to serve as a consistent digital platform for all the Amer Sports brands. Hence, Sports Tracker community could be utilized in building consumer database from where Amer Sports could find consumer profiles and make increasingly

targeted marketing as well as customized commercial offers. This will be elaborated in results and findings.

Sports Tracker has an own online brand community to which all the trackers automatically get access. In this online community, it is possible to share own exercises, keep training diary, explore what other trackers have done, get friends, like and comment friends' exercises, as well as ask help in training and application use from Sports Tracker team. Furthermore, it is possible to buy other Amer Sports brand products through the online community (note: at the time of the interviews, the online store was not launched yet). In addition, Sports Tracker has Twitter, Facebook and Instagram where they for example share users' training photos of which the users post to their own social media accounts or Sports Tracker online community. The management of these social network online communities is also included in this study.

#### 4.2. Conceptualization of consumer engagement in Sports Tracker OBC

Business Unit Director (2016) emphasizes that the role of Sports Tracker's own OBC is to get closer to the consumers by opening a dialog, and interacting with them. OBCs' function to create multi-way long-term relationships with current and potential consumers was highlighted in theoretical part as well (e.g. Kaplan et al. 2010; Zaglia 2013). Consumer engagement at Sports Tracker OBC is defined as creating and maintaining a relationship (Digital Marketing Manager 2016). It is considered to be critical, as without it, it is so much easier for consumers to switch to another brand and leave the community (Digital Marketing Manager; Concept Designer 2016).

"The goal of our OBC is that the consumers form a relationship with the brand, application and other consumers. Because of the formed emotional bond, they wish to stay as our consumers and find it more difficult to switch to competitors."

(Digital Marketing Manager 2016)

Opportunities in consumer engagement in online communities are also based on the social relationships between consumers, not just a connection with the brand. Consumers want to stay in the online community because of their social network. (Concept Designer 2016) The theoretical part also recognized the bond motivating the consumer to remain in a relationship with an organization (e.g. Vivek et al. 2014, 413). Behind this bond are also consumer's social connections with other community members, and not only the consumer-brand relationship. Theoretical part addressed this phenomenon as multiple foci of consumer engagement in OBCs (Dessart et al. 2016, 401). A full appreciation of what it means to be engaged is made possible only by accounting for different foci of engagement (Brodie et al. 2013; Vivek et al. 2014). Hence, social connections strengthen consumer brand relationships (e.g. Fournier 2009). At Sports Tracker OBC consumers may be engaged with the application (product), the community, and Amer Sports as a company.

Another risen theme of consumer engagement in the context of online communitites was how consumers participate in the conversation (Digital Marketing Manager; Concept Designer 2016). Also theory addressed the strong behavioral focus of consumer engagement within marketing literature (e.g. So et al 2016, 65; Vivek et al. 2012; e.g. Van Doorn et al. 2010; Verhoef et al. 2010) Sports Tracker's Concept Designer (2016) explains participation in Sports Tracker OBC as follows:

"Consumers actively and consciously do something with us. This creates interactive discussion in which we are not regarded as a robot."

(Concept Designer 2016)

However, in theoretical part, it was emphasized that purely behavioral participation usually does not mean true engagement with the brand as it may lack emotional dimension of engagement, which leads to deeper relationship (Brodie et al. 2013; Vivek et al. 2014; Baldus et al. 2015). For example, a customer can engage in a brand discussion forum to acquire product information or reduce perceived risks (Brodie et al. 2013), rather than to be connected with the brand. That is why mentioned emotional bond, connection, is found important part of consumer engagement at Sports Tracker (Digital Marketing Manager; Concept Designer

2016). Therefore, following prior literature (e.g. Vivek et al. 2014) Amer Sports recognizes engagement is formed in the combination of the experiences and feelings as well as participation of current and potential customers, both within and outside of the exchange situations.

#### 4.3. The value of consumer engagement

Both Chief Digital Officer (2016) and Business Unit Director (2016) emphasize the high importance of consumer engagement for Amer Sports.

"Considering consumer engagement as the sum of consumers' interest and loyalty towards different brands and all the brands together, it tells the large part of future value of Amer Sports."

(Chief Digital Officer 2016)

The role of consumer engagement towards the brands and products has become more important as consumers' channel behavior is changing. People buy from the channels they prefer but, at the end, engagement is a significant reason in the choice of brand / product. That is why consumer engagement is very topical for Amer Sports and why the ways to manage it are discussed in the executive board meetings. As for now, there does not exist Amer Sports level strategy to manage all the brands' online communities, however Amer Sports plans to launch a more consistent strategy for managing their multiple online communities. For this purpose, Amer Sports is creating a new operational environment and developing the mentioned digital consumer platform where all the happenings online can be traced to one consumer identity throughout different brand touch points. Following, one of the most important goals for whole Amer Sports is to have an engaged consumer base: they have an exact quantitive goal about the size (not mentioned) of consumer database. (Chief Digital Officer 2016)

Here Sports Tracker becomes valuable. Sports Tracker's OBCs are considered as a very important channel to build the Amer Sports level consumer base as Sports Tracker can be consistently utilized to serve consumers of many Amer Sports brands at the same time. Therefore, Amer Sports level strategy for consumer

engagement is based on utilizing Sports Tracker OBCs. (Chief Digital Officer; Business Unit Director 2016) The database is illustrated in Figure 5.

"One day Sports Tracker will serve as a consistent digital consumer platform for all the Amer Sports brands."

(Business Unit Director 2016)



Figure 5. Engaged Consumer Base at Amer Sports

This huge commercial potential in Sports Tracker OBCs is the reason for Sports Tracker's acquisition (Digital Marketing Manager 2016), and why Amer Sports is currently especially focusing on the development of Sports Tracker and utilizing its OBCs (Business Unit Director 2016). Hence, the role of consumer engagement at

Sports Tracker OBC is very important at Amer Sports level, as it can be used as a passage to the other Amer Sports brands. Following, when level of engagement grows at Sports Tracker OBC, other brands benefit as well. Next Sports Tracker's own consumer engagement strategy is presented.

#### 4.4. Consumer engagement strategy at Sports Tracker

"Sports Tracker online community is quite unique, as it is not telling a story only about its own brand but also about other Amer Sports brands,"

Digital Marketing Manager (2016) explains the role of Sports Tracker OBC. Sports Tracker has a new strategy aiming at increased engagement with four main objectives / strategic focus points: 1) brand building, 2) community building, 3) educating and 4) partnerships. In brand building they aim at increasing awareness about Sports Tracker among social community and community building is about increasing engagement (activity) levels with audiences across social presences. Sports Tracker also aims at educating community about premium trials and functionality, as well as increasing awareness about other Amer Sports brands and driving online traffic there. (Digital Marketing Manager 2016; Social Report March 2016).

The last focus point, partnerships, is the one highlighted above by Chief Digital Officer (2016) and Business Unit Director (2016) and extremely important in utilizing engagement at Amer Sports level. Chief Digital Officer (2016) explains that the ultimate goal of utilizing Sports Tracker OBC is to increase traffic to other Amer Sports brands' websites and e-stores as well as to sell brands' products in Sports Tracker's e-store (see Figure 5). Therefore, even though consumer engagement in OBCs is considered as a route for creating, building, and enhancing relationships between consumers, ultimately it aims at improving business performance (MSI Research Priorities 2010–12, 4). Also, when asked about the purpose of managing consumer engagement in Sports Tarcker OBCs, Business Unit Director (2016) answers: "ultimately, to make the trade". This goes in line with why MSI Research Priorities regard consumer engagement in OBCs so important. Business Unit Director (2016) explains that the trade happens through

finding out what consumers want to hear and thereafter creating and targeting personalized commercial communication for them – building and utilizing the relationship.

Now that the role of Sports Tracker OBC, meaning and potential value of consumer engagement as well as Sports Tracker's engagement strategy have been discussed, the research moves forward to take a deeper look at how Sports Tracker OBC engagement is actually managed, by dividing management into parts of building, measuring, utilizing and enhancing engagement. Also, the interview with Salomon's Digital Marketing Manager (2016) is utilized when found useful.

## 4.5. Building consumer engagement

By following prior literature and the interviews, this section is divided into four parts. It rose that consumer engagement in OBCs is build by providing a platform and conditions for engagement, understanding consumers' motivations to engage in OBCs, promoting participation as well as creating interesting content. Interviewees brought up many similar ways to build engagement that were acknowledged in prior literature, but also some differences came up.

#### 4.5.1. Providing a platform

At Sports Tracker, because it is a mobile application, the user interface development, its simplicity and functionality, is considered to be critical if not the most important part of building consumer engagement (Chief Digital Officer; Concept Designer 2016). However, to build engagement, there must be a site or platform for consumers to express their ideas and thoughts (e.g. Van Doorn et al. 2010, 262). What consumers do largely depends on what companies allow, and technology enables them to do (Greve 2014, 204; Wirtz et al. 2013). Here Sports Tracker OBC and social networks come into picture. Concept Designer (2016) brings up that there still are many deficiencies in Sports Tracker's own OBC, and they should be developing new easy forms for social networking (sharing and talking) for members.

## 4.5.2. Understanding consumers' motivations

Secondly, it is crucial for managers to identify and understand consumers' intrinsic motivations to join and participate in online communities, when starting to build, foster and sustain consumer engagement (Porter et al. 2011, 82; Hammedi et al. 2014, 798; Dimmick, Chen & Zhan 2014). Sports Tracker has defined the motivations of their consumers to use the application and join the community (Business Unit Director 2016). Based on consumers' motivations, they have formed four different consumer groups:

- 1. Competitive athletes; the ones who want to show off how fast, long and often they do sports. They want to be the best and act as role models to others.
- 2. Fitness conscious / Weight watchers; they track how much they do sports and set goals based on e.g. BMI.
- 3. Adventurous consumer; the ones who like to write diaries and find new routes in different cities.
- 4. Social athletes; Community experience is central motivator among this group. (Business Unit Director 2016)

Baldus et al. (2015, 979) defined there are different types of engagement that propel people to interact with an online community: social status enhancement, social interaction, belonging, valuable information search (learning more about using the product) and having fun (Hennig-Thurau et al. 2004; Nambisan and Baron 2007; Porter et al. 2011, 85). Number 1 and 4 illustrate social motivations, number 2 need for information and number 3 having fun. Business Unit Director (2016) emphasizes that the consumer groups are not mutually exclusive and thus, for example the feeling of belonging to a group of likeminded people (here: the same sports) could motivate all the four groups. At Sports Tracker, the social aspect of consumer engagement is considered as the most important motivation in the context of online communities (Business Unit Director 2016; Concept Designer 2016) However, as a multi-brand company, Amer Sports has a credibility in the field of sports and many consumers consider Sports Tracker as "a role model" who possesses a large amount of information and expertise (Digital Marketing Manager 2016). Therefore, also the consumers' motivation to find valuable information in

the community has a large role in this case (e.g. Baldus et al. 2015, 979). It seems that the motivations are thoroughly understood at Sports Tracker, and thus for that part they have good means to build consumer engagement.

## 4.5.3. Promoting participation

Obviously, in building engagement in OBC, it is critical to get consumers to participate in an online community (e.g. Porter et al. 2011, 86). Even though the relationships are two-way, often the organization is the one to take the initiative to engage the customer (Vivek et al. 2012, 131). When companies try to activate the community members, the question about company's role within the community emerges. Digital Marketing Manager (2016) defines Sports Tracker's role in online community as follows:

"We are an enabler, whose role is to get members actively interact with each other."

(Digital Marketing Manager 2016)

As an enabler, Sports Tracker creates conversation about Amer Sports's brands and brand-related topics and shares interesting content within the community (Digital Marketing Manager 2016). This fits the definition of large number of studies in theoretical part, which regarded community management as a facilitative and enabling operation (Cova & Pace 2006; Fournier & Lee 2009; Boon, Pitt & Salehi-Sangari 2015; Sibai, De Valck, Farrell & Rudd 2015). Digital Marketing Manager (2016) point out that even though Sport Tracker is taking part in the conversation in the community, they are considering it in the future: should they totally let consumers rule and be just facilitators? Is company-consumer conversation artificial? Fournier and Lee (2009, 111) suggested that effective marketers contribute to a community's content creation by facilitating and supporting the emergence of favorable circumstances for the community to grow and thrive, and that instead of aiming to control the community, the company should rather be directed by it. Schau et al. (2009, 40) argues that giving control to consumers enhances consumers' commitment and boosts brand equity. Vivek et al. (2014, 416) supported the fact that engaged customers are a more credible voice of the brand, and that user-generated content and influencer association attain higher levels of consumer engagement. Here, Sports Tracker has a special chance they can and will try to get brand ambassadors and athletes from other Amer Sports brands to act as advocates for them (Digital Marketing Manager 2016). For example, Sports Tracker could give control of Sports Tracker's Instagram feed for some Amer Sports brand athletes (presenting consumers) for a while (Social media report March 2016).

Still, because activating members is important, Sports Tracker has tried different ways in order to activate community members. Digital Marketing Manager (2016) tells that they have tried competitions in which it has been possible to win an Amer Sport product-package. However, they have learned that the prizes do not increase engagement and thus have dropped them (Digital Marketing Manager 2016). It has been found that the questionnaires such as Twitter polls about development and content ideas are more successful than competitions (Digital Marketing Manager 2016). Also aligning Porter (2011), this way company empowers consumers, e.g. asking inspiring ideas from them, but does not seem to control them. Giving prizes may communicate company's power. This way marketing communication is more authentic and does not seem too truculent.

Porter et al. (2011, 86, 93) suggested efforts to promote participation among community members; asking inspiring ideas from members, polling members for strategic insights, encouraging content creation, cultivating connections between members and community as a whole, and creating enjoyable experiences. The mentioned activation campaigns (e.g. Twitter polls) are examples of "using" consumers as a source for inspiring ideas and encouraging them to create content. However, as found by Baldus et al. (2015, 984), the consumers who are primarily motivated by a need for information have negative effects on participation: they only join the community to get an answer. At Sports Tracker, this could imply the weight watchers and the ones who see them as a role model and a channel to find inspiration. Another thing that Sports Tracker is not yet doing but they recognize would be beneficial is arranging community events (Chief Digital Officer; Digital Marketing Manager 2016). This supports Porter's (2011)

suggestion to foster connections among the community members and to create enjoyable experiences. Digital Marketing Manager (2016) recognizes community events, such as biking races or events in brands' retail stores would bring community members together and build the relationship, which is essential for emotional dimension of engagement.

#### 4.5.4. Content creation

Creating interesting content is considered important in building consumer engagement at Sports Tracker. Figure 6 illustrates Sports Tracker's multi-sport content principles of the way in which content is created to the communities. When posting Sports Tracker finds it important to have a desired outcome for the post, the other brands should be mentioned delicately and the products tied to the benefits (e.g. weight loss) of using Sports Tracker, without forgetting the importance of timeliness of posts (Social media report March 2016). Following these, Sports Tracker is able to create additional value with content to the online community members and build engagement (Business Unit Director 2016).



Figure 6. Content Principles at Sports Tracker

More specifically, Sports Tracker has content pillars that are in line with their four strategic goals; partnerships, community love, get active and product and premium. The one connected to the partnerships goal is about integrating Amer brand content into the conversation in a way that enhances the community

experience and adds educational, entertaining and/or inspirational to the community value. Here Digital Marketing Manager (2016) emphasizes the consistency of the content between all the brands. However, this is quite challenging as Digital Marketing Manager (2016) is alone responsible for managing Sports Tracker's OBC and social media channels (Twitter, Facebook, Instagram). Currently the cooperation is best with Salomon as they communicate their campaigns to Sports Tracker in advance so that Sports Tracker can talk about similar topics to their community member. In the future, it would be ideal if all the brand channels interacted (Digital Marketing Manager 2016).

The second pillar aims at increasing community love by facilitating conversation and engagement via community questions and content themes, personally interacting with the community. This also illustrates Sports Tracker's ways to activate members. Get active represents weekly content designed to motivate the fans to use the application and share their workouts. Last pillar concerns educating community about Sports Tracker premium via informative posts that highlight premium features and benefits whilst driving traffic to the Sports Tracker site. (Digital Marketing Manager; Social media report March 2016) Furthermore, in producing interesting content Business Unit Director (2016) emphasizes that Sports Tracker needs to follow trends vey closely as consumers rarely tell what they are interested in. It is company's role to find out.

Even though Sports Tracker has specific content strategy, they do not have lots of own content; they mainly share content created by members. Thus, next step for Sports Tracker is to start increasingly produce own content and including other brands into it. Important here is that all the Amer Sports brands' content should be beneficial rather than commercial for the community. (Digital Marketing Manager 2016) By creating own content, as found by Van Doorn et al. (2010), Sports Tracker can more easily extrinsically motivate consumers to meet their needs and, at the same time, intertwine these needs with their desire to create value for themselves. Salomon has lots of own content in the interview with Salomon's Digital Marketing Manager (DMM, Salomon 2016), it rose that content creation is considered as the most important part in building consumer engagement at the

brand. According to him, building consumer engagement is content marketing which consists of creating interesting content, which builds the brand image in a right way and triggers conversation within the community.

"The content creates conversation which builds engagement."

"Content is key to engagement."

(DMM, Salomon 2016)

## 4.6. Measuring consumer engagement

"Actions are always measurable" (Chief Digital Officer 2016)

Not surprisingly, both strategic level directors highlight the importance of measuring consumer engagement (Chief Digital Officer; Business Unit Director 2016). It is considered as critical in managing consumer engagement successfully. Currently, at Amer Sports level, the consumer engagement is followed with different metrics including conversion rates of how many site visitors visit again and / or buy from them; net promoters implying how engaged the community is; and permissions indicating how many consumers allows Amer Sports to approach them with commercial offers (Chief Digital Officer 2016). Business Unit Director (2016) emphasizes that these meters are used in various industries, and are not Amer Sports community specific. The numbers are also followed from the key competitors (Chief Digital Officer 2016).

At Sports Tracker, consumer engagement is measured with number of downloads (who downloaded the application), number of views, and active user numbers (consumers who use the application at least once a month) and social media metrics, which are presented next (Business Unit Director & Digital Marketing Manager 2016). As mentioned, Sports Tracker uses a partner, Word of Mouth agency 1000heads, to measure their consumer engagement in social media channels. The four strategic focus points (brand building, community building, educating, partnerships) are followed with different social media metrics. Brand building is followed with post reaches, impressions and share of conversation;

community building with the size and growth of the community as well as engagement rates; education with number of posts, total reach of posts and link clicks; and lastly the focus point of partnerships is followed with the number of posts which mention some other Amer Sports brands, and how many consumers are reached by those posts (Digital Marketing Manager 2016).

Business Unit Director (2016) emphasizes that their point to measure consumer engagement is acquiring deep understanding of consumer behavior.

"For us, the registrations and active user numbers do not matter as much as the fact what consumers really do. In order to make numbers matter, we need to be present in consumers' lives"

(Business Unit Director 2016)

Hence, they are not satisfied only with numbers provided by metrics. Therefore they perform Big Data based segment analysis and derive segment graphs, which illustrate engagement and commitment levels. Those graphs are used to calculate means and to find groups of individuals who perform in similar ways as well as making conclusions how to increase engagement levels (Business Unit Director 2016).

Consumer engagement with its cognitive and emotional dimensions is very complex construct to measure, and many available metrics today (e.g social networks analytics, engagement rates) capture only the behavioral dimension of engagement (participation) (e.g. Van Doorn et al. 2010). Thus, even though Sports Tracker's metrics provide valuable information for the company, they do not capture the total of engagement. Following, a large number of companies today concentrate only on behavioral side of engagement, including Amer Sports. However, referring to Business Unit Director (2016), Amer Sports does not settle for number given by metrics. They use those only as a basis for searching different consumer groups participating in same ways. That illustrates that Amer Sports is interested in different motivations for consumers to participate.

For Salomon consumer engagement is one of the most important metric as rather than emphasizing the size of their fan base, like many other brands, Salomon finds it more important how consumers participate in the content they share (DMM, Salomon 2016). Even though currently Salomon is calculating engagement rate with basic formula (=the reach of the post divided by likes, comments and shares), it is recognized that the measurement should go beyond that. Salomon's Digital Marketing Manager (2016) finds the current way of calculating somewhat misleading because the different actions (likes, comments and shares) are given same values. This is about to be changed so that for example a share, which indicates higher level of engagement than just a like, is going to get bigger value (DMM, Salomon 2016). As mentioned in theory, Facebook has made an effort to enhance the measurement of engagement beyond basic engagement rate by presenting relational metrics, which also include sentiment (Insead Knowledge 2014). Instead of only providing possibility to express feelings by "liking" posts, Facebook has added sentiment buttons, love, laugh, surprise, sadness and anger (Peterson 2015). These reactions are presumed to offer a new, potentially more accurate way to measure sentiment (Peterson 2015). Even though these sentiments still mainly concern behavioral dimension of engagement, they give the company more valuable information that can be used when calculating individual engagement levels and profiling consumers.

Hence, the measurement of consumer engagement is found to be critical at Amer Sports. However, metrics that take into account cognitive and emotional dimensions of consumer engagement aren't used yet. Adapting and utilizing the metrics from Vivek et al. (2014), Hollebeek et al. (2014), Baldus et al. (2015) and Dessart et al. (2016) will be very important in order to manage engagement in the future (e.g. Brodie et al. 2011, 2013). However, since the high behavioral focus of consumer engagement concept in marketing and OBCs, the metrics presented by Amer Sports that capture behavioral dimension (or participation or activation) give valuable information for the company about consumers' level of engagement, and thus can be used to predict, for example, firm's financial and reputational results (e.g. Van doorn et al. 2010). Also, the fact that Amer Sports is utilizing numbers

with segment graphs is one step closer for understanding and managing true engagement.

## 4.7. Utilizing and Enhancing Consumer Engagement

So, after building and measuring consumer engagement, the companies must find ways to utilize the engagement (Van Doorn et al. 2010, 262). The goal of this section is also to discuss how Sports Tracker is trying to enhance current consumers' engagement levels in OBCs with their actions and what they plan to do in the future. At Sports Tracker consumer engagement is utilized by following their strategic focus points of brand building, community building, educating, and partnerships. This section is divided into three themes that rose from the interviews: profiling consumers, making commercial offers and new product development.

## 4.7.1 Profiling consumers

Chief Digital Officer (2016) tells that Sports Tracker is utilizing consumer engagement with collecting all the data about consumers from different channels (Sports Tracker OBC, application, social networks), creating consumer segments based on the consumers' actions, analyzing those segments, and making them interested in Amer Sports' other products and services as well as making customized offers and producing carefully designed contents.

"Data analytics makes it possible to form consumer segments even more accurately and target content for the consumers' preferences."

(Chief Digital Officer 2016)

With better understanding of consumers Amer Sports can offer relevant content as well as make personalized offers through engagement: for example, if a person is interested in biking, personalized communication would mean proposing a new tire for his / her exact purposes (e.g. depending on the ground and / or distance) (Business Unit Director 2016). Also Chief Digital Officer (2016) tells that as communities enable brands and companies to learn more about the consumers, they have an opportunity to make more relevant and less truculent marketing. Thus, the nature of marketing turns towards more informative one, and company's

operations become smoother and more pleasant in the eyes of consumers (Chief Digital Officer 2016).

It was also emphasized in theoretical part that the motivations of consumers to join a community and engage are increasingly heterogeneous. Following, the communities are no longer comprised of lead users who can be activated by exclusively providing product information and access to new products, and therefore firms must understand different consumer groups before launching communication efforts within the community. (E.g. Baldus et al. 2015, 984) Baldus et al. (2015, 984) and Dessart et al. (2016, 418) suggest profiling current and potential community members based on the scale of consumers' motivations to engage in an online brand community as a way to utilize consumer engagement. It is important for a community manager to micro-segment the community members to understand the motivations of each one of them and then develop tailored communication designed to activate each individual's specific motivations (Baldus et al. 2015, 984). Dessart et al. (2016, 418) suggested that based on the formed precise engagement profiles, managers can classify and target consumers with more relevant and appropriate content. Thus, it is not a surprise that profiling consumers and making consumer segments is considered as very important way to utlize consumer engagement at Amer Sports (Chief Digital Officer 2016; Business Unit Director 2016).

#### 4.7.2 Commercial offers

Based on consumer segments, Amer Sports can make delicate commercial offers, and in that way consumer engagement in OBCs can be utilized to increase sales (e.g. Brodie et al. 2013 & Doohwang et al. 2011). However, the trade is not the only goal anymore (Business Unit Director 2016).

"Using the purchased product is at least as important as the trade itself. We do not benefit if an expensive pair of running shoes is stored in the closet."

(Business Unit Director 2016)

Hence, it is not important to sell a pair of running shoes, but to sell them for the right individuals. The "right consumer" is probably down to buy more shoes, or other Amer products, and becomes an advocate for other consumers. Also, if for example a consumer is using Sports Tracker application when playing tennis, Amer Sports gets valuable data of the use. On the basis of data Amer can make new commercial offers that benefit the consumer and the company itself. Thus, in today's world using running shoes or a tennis racket is value itself. In addition, Business Unit Director (2016) tells that in the future Amer Sports aims at utilizing wearable technology (e.g. tennis rackets and skis) for enhancing consumer engagement. These products are designed to take signals from the environment and make personalized offers on the mobile screen for consumers. For example, if the skis were too worn out, wearable technology would easily let consumer know it is time to buy new ones. (Business Unit Director 2016) Therefore, Business Unit Director (2016) finds analyzing consumer behavior and the use of the product increasingly important. Consumers' role expands and they become part of value adding process as co-creators of value (e.g. Sashi et al. 2012, 264). And this way of utilizing consumer engagement brings the company additional sales and monetary value.

One recognized way to enhance consumer engagement at Sports Tracker so that it benefits Amer Sports, is adding an online shop of Amer Sports brands to Sports Tracker application and OBC. This will be done in the future and thereafter Amer Sports can easily make customized product offers for the community members (Concept Designer 2016). In theory, Bowden (2009, 71) suggested that in the long run, the loyalty of consumers is not gained from delighting them but rather through managing relationship with personalized service experience. Vivek et al. (2014, 416) emphasized continued engagement of the consumers before, during, and after a transaction. The presented examples of not only selling products but selling them to "right consumers", as well as initiatives on wearable technology and online store imply that Amer Sports considers being present in consumer's life throughout the product life cycle and the continuity of engagement as important.

## 4.7.3 Product and service development

Chief Digital Officer (2016) tells that for Sports Tracker, utilizing consumer engagement means service and product development, which is done by listening to consumers, analyzing and following consumer feedback. In theory, it was mentioned that engaged customers are considered to have an important role in new product/service development (Hoyer et al. 2010), and in co-creating experience and value in many companies (Brakus, et al. 2009; Prahalad et al. 2004). Business Unit Director (2016) states that engagament in Sports Tracker online brand communities gives Amer Sports such valuable consumer data that it would be almost impossible to fulfill value promise without it.

# "Without engagement we would act blind" Business Unit Director (2016)

OBCs role as a valuable source of consumer data, a channel to access the voice of consumers and gain insight into their needs, was also highlighted in theory (Kim et al. 2008, 409). Sports Tracker recognizes that formed data-based consumer profiles (segments) can be very useful especially for product development. Digital Marketing Manager (2016) and Concept Designer (2016) tell that aiming at utilizing consumer engagement for product development Sports Tracker actively follows consumer feedback from every channel; they have a huge data bank from where they take direct requests as well as try to find weak signals by dividing feedback into rarity-axels. Concept Designer (2016) elaborates that utilizing customer feedback has an essential role in beating the today's competition.

Baldus et al. (2015, 984) emphasized that it is not unusual for companies to create a sub-group within a community particularly focused on idea generation for new products. Baldus et al. (2015, 984) found that if companies isolate consumers who are driven by a need for up-to-date information (negative effects on participations) from the ones who are driven by brand influence (likely to experience stronger involvement), they are most likely to get improved idea generation relating new product and service development compared if they just pulled community members at random. Company can increase engagement as engouraging and

rewarding consumers to become more active on the site to receive maximal relationship benefits from the community (Gummerus et al. 2012, 870). Sports Tracker also has a sub-group, which is formed of active individuals and is meant for beta-testing the application (Concept Designer 2016).

Business Unit Director (2016) points out that even though it is useless to develop something the consumer does not ask for, in the case of digital services (Sports Tracker application) the consumer rarely knows what she or he wants. And, services produce value only when used, so there is no use of developing new expensive features if there is no consumer centricity. Therefore, in order to create the best possible service experience, Sports Tracker needs to interpret trends, consumers' hopes and technologies (Business Unit Director 2016). Hence again, data analysis and profiling have a central role, as company cannot expect to get all the information for product development from consumers' participation.

# 4.8. Challenges in managing consumer engagement in OBCs

In this section researcher considers perceived risks as well as challenges in managing consumer engagement in online brand communities. Some same risks were brought up in theory, but to large extent the interviewees brought up different things than the ones discussed in theory.

Sports Tracker is very satisfied with their engagement levels (Digital Marketing Manager 2016), however the challenge rises from how to explosively increase the amount of members in community (Chief Digital Officer 2016) without threatening the existent engagement levels. But actions must be made in order to grow the community whilst maintaining the engagement levels.

Salomon's Digital Marketing Manager highlights that if company's fan base grows fast in social media, engagement rate is usually affected rate negatively. Salomon's engagement rate is very high compared to their competitors as they have focused on attracting quality fans, but that is also why they are not competing for example with Nike in social media presence. (Digital Marketing Manager, Salomon 2016). Neither does Sports Tracker believe in "buying" new fans in order

to enhance engagement (Digital Marketing Manager 2016). Also, according to Sports Tracker's social report media April 2016, only 11% of new fans acquired that month were as a result of paid advertising. Chief Digital Officer (2016) presents optimizing, testing and analyzing results as a way to enhance the level of engagement, but does not bring up the worry of dropping engagement levels if the community is growing. However, Digital Marketing Manager at Salomon (2016) also similarly emphasizes social media optimization, including optimizing the form, the time and the amount of words to social media content, as a safe way to maintain engagement.

Chief Digital Officer (2016) recognizes a financial risk in managing consumer engagement, as also found by Porter et al. (2011, 81), Sashi (2012, 255) and Van Doorn et al. (2010). Chief Digital Officer (2016) explains that as they are getting more and more consumer information, they need to be very careful not to waste that information with spamming, and thus sacrificing engagement levels. Baldus et al. (2015, 984) also emphasized that failing to tailor the messages could result in alienating some community members. Also it rose that another content-related challenge is keeping all the content interesting and beneficial (Digital Marketing Managers at Sports Tracekr and Salomon 2016). So, even though making highly customized commercial offers through Sports Tracker is regarded as a way to enhance engagement at Amer Sports, there is also a risk: could a consumer consider these very personal commercial offers "as too much" (Concept Designer 2016)? And therefore, could they have a negative effect on engagement?

The increasingly personalized communications brings up another risk. The risks concerning information security rise as increased amount of consumer information is at use (Chief Digital Officer 2016). However, Amer Sports invests a lot in managing information security risks and they have a feeling that consumers rely on them on this (Chief Digital Officer 2016). In addition to information security issues, managing the huge amount of data brings its own challenges; here the competent team and right tools are essential (Chief Digital Officer 2016). Concept Designer (2016) tells that Sports Tracker is still at early phase in data analytics and finding the relations between social media data to increase in user numbers

and active current members will be critical in the future. Digital Marketing Manager (2016) considers finding the right metrics and analytics for revealing the value of customer engagement as the biggest challenge. She elaborates that she constantly battles making the Sports Tracker community's value measurable as well as how to communicate that value to the others, to the ones who do not necessary understand its value, in the large company such as Amer Sports (Digital Marketing Manager 2016).

Also brand anti-groups, social harassment and negativity bring challenges to the management of online community engagement (Concept Designer 2016). As consumer engagement has huge possibilities in terms of positive WOM, Business Unit Director (2016) and Digital Marketing Manager (2016) emphasize that it is very important to listen to consumers as in cases of negative sentiment, online communities are the first channels where it shows. Becoming a magnet for anti-brand comments and discussion is widely recognized challenge of managing online brand communities (e.g. Wirtz et al. 2013, 236). Furthermore, managing negative comments is considered difficult task as community members of course need to feel the freedom to express their opinions (Wirtz et al. 2013, 237).

Lastly, as utilizing consumer engagement means for example including consumers in the product development process, the ways of acting and thinking must be turned from product-centric towards more consumer-centric one. This means a huge change in company's culture, which requires change management. (Business Unit Director 2016) Thus, Business Unit Director (2016) actually considers changing the ways of acting as the biggest challenge in managing consumer engagament. This supports Fournier and Lee (2009) who state that an organization-wide commitment and willingness to work across functional boundaries is needed for successfully utilizing consumer engagement. Even though the interviewees found some risks as well as challenges, they support theory (e.g. Wirtz et al. 2013, 238) by finding the benefits of managing consumer engagement in online communities to exceed the risks associated with it by far.

#### 5. Discussion and conclusions

The final chapter of the research summarizes the empirical findings and answers the research questions, as well as deduces the theoretical and managerial implications. The chapter finishes with determining the limitations and suggesting the future research directions concerning this emerging research field.

#### 5.1. Summarized results and conclusions

The main objective of the study was to enhance knowledge on managing consumer engagement in online brand communities. The researcher approached the goal from the perspective of different level managers in the case company aiming at creating a useful model for managing consumer engagement. The main objective was approached with three sub-research question. First was to clarify the meaning of blurry consumer engagement concept in the context of OBCs, second determining its potential value and benefits, and last one aimed at understanding the recognized sub-processes (building, measuring, utilizing and enhancing) of managing consumer engagement in OBCs. Now the findings are summarized.

## 5.1.1. Meaning and value of consumer engagement in OBCs

Prior literature recognized consumer engagement as a vague and context-specific concept with no one established term (e.g. Patterson et al. 2006; Brodie et al. 2011; 2013; Van Doorn et al. 2010). Thus, with the first sub-research question the research aimed at enhancing knowledge on the concept from the perspective of management and in the context of OBCs. It was found that case company recognizes the concept as a relationship, an emotional bond, between consumer and the company / brand(s) / and community. It covers participation, but moreover it consists of the experiences and feelings of current and potential consumers both within and outside of the exchange situations. However, there are slight differencies between strategic and operational levels about the meaning of the concept. Top management emphasizes the measurement of the concept and considers it as a measurable variable whereas the operational level managers highlight it as a personal relationship with the consumer. However, strategic and operational levels recognize the both sides of the concept, the emphasis is just different. Still, this leaves the researcher to consider whether there is a larger

uncertainty of the meaning of engagement concept at Amer Sports level, among all the brands, and whether this uncertainty affects its management.

The second sub-research question aimed at clarifying the potential value and benefits of consumer engagement. First of all, Amer Sports recognizes consumer engagement to form a large part of the future value of the company. To elaborate, in today's highly competitive environment managers are constantly challenged how to best retain their profitable customers as switching to other brands is easier than ever. As consumer behavior is changing and consumers are no longer loyal to the brands, engagement, with its behavioral, cognitive and emotional dimensions is the bond that increases consumers' loyalty towards the firms and / or brands. Hence, practitioners' capability to measure and quantify consumer engagement levels, and assess these relative to other performance metrics, can generate enhanced understanding of consumers which leads to increased consumer loyalty, and to better business performance. Thus, smartly managing engagement may be firms' best way to compete in today's business environment. That is why Amer Sports regards consumer engagement as a key strategic focus point.

Consumer engagement creates short-term financial benefits as well as value for firms in the future. Repeat purchasing and cross-buying are examples of short-term financial benefits, whereas reducing of new and existing consumers defections as well as increasing their (new and existing consumers) shares of development of new products, and their overall willingness to participate represent future value. Through Sports Tracker OBC, there is a possibility to engage huge amount of consumers with Amer Sports as the company plans to use Sports Tracker as a consistent digital consumer platform for all the Amer Sports brands (Figure 5). This new operational environment makes it possible to develop Amer Sports level consumer engagement strategy and bring the brands, today somewhat distant, closer together. To achieve this, one of the most important strategic focus points at Sports Tracker's engagement strategy today is increasing awareness about other Amer Sports brands and utilizing Sports Tracker OBC by increasing traffic to brands' websites and e-stores, as well as to sell brands'

products in Sports Tracker's e-store. Hence, it is obvious that engagement in OBCs creates commerical value and benefits for the companies. However, firms' actions must be right, and for that purpose next section answers the last sub-research question and proposes a model for managing consumer engagement in OBCs by dividing management into the sub-processes of building, measuring as well as utilizing and enhancing engagement.

# 5.1.2. Model for managing consumer engagement in OBCs

As introduced, in this study managing consumer enagagement consists of identified sub-processes of building, measuring, and utilizing and enhancing engagement. The goal was to create a comprehensive view how the case company Amer Sports is building, measuring, utilizing and enhancing consumer engagement of Sports Tracker's OBCs. The created management model is illustrated in Figure 7. The black framework presents the context of OBCs. Consumer engagement is regarded as an antecedent and a consequence of managing consumer engagement and it is present in all of the sub-processes. Important is that all the processes should happen simultaneously as consumer engagement is not a fixed point, or one event (e.g. in comparision to a transaction). Next, each sub-process of managing consumer engagement is discussed by taking into account the possible challenges.

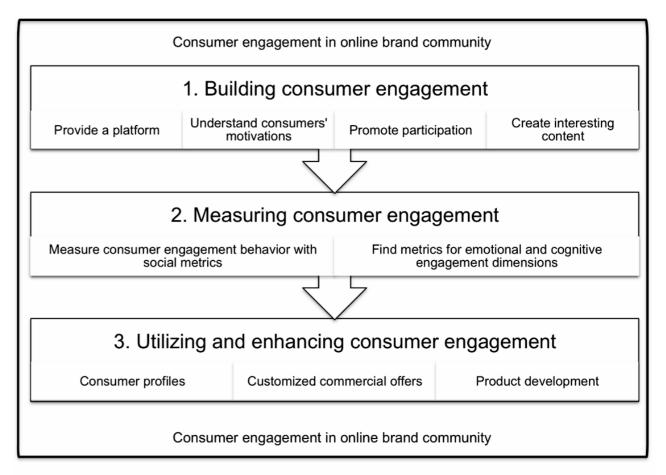


Figure 7. Managing Consumer Engagement in OBCs

# **Building consumer engagement**

Firstly, in building engagement in online brand communities, it is important to make sure the technologies and platforms are in order and allow consumers to participate in the community. Second part of building engagement is to form an understanding of the consumers' motivations to join the community and participate. Theoretical part recognized consumers mainly join OBC for social status enhancement, social interaction, belonging, valuable information search (learning more about using the product) and having fun (Hennig-Thurau et al. 2004 & Nambisan and Baron 2007; Porter 2011). Sports Tracker has formed four diffent groups based on motivations: competitive athletes or role models, who are motivated by the competition and social status enhancement, the fitness people who are motivated by e.g weight loss and use community for finding insipiration and to get social support, then there are the adventurous consumer motivated by

explorations and having fun and lastly the social athletes for whom the community experience is the largest motivator for joining the community. However, these motivations to join and engage in an OBC are not mutually exclusive. Even though the social athletes have pivotal social motivation, social motivations such as belonging can be found in most of the consumer groups. However, a consumer motivated only by a need to find information from the community may not have any social motivations. But all in all, in the context of community, the social aspect is found very important. It is at least as important as relationship with the company or brand, and therefore social motivations of consumers must be well understood and taken into account when building engagement.

Third part of building engagement is promoting participation. Here, defining company's role within the community is very important, as the company does not want to seem too controlling or too pushy with their activation initiatives. The whole point of OBCs is letting consumers interact freely. Therefore, Sports Tracker has taken an enabling role, only directing conversation to positive paths and promoting participation. For instance, questionnaries inquiring preferable content themes from community members are found to be a good way to activate consumers. This way consumers' participation creates additional value for the consumers and the company. Furthermore, by asking content ideas from members, the company does not only persuade consumers motivated by social factors to participate but also the ones motivated by the need for information. Information seekers have a chance to tell what kind of information they are missing. This could be one solution to the problem that identifies information-seeking motivation to have negative effect of consumers' participation in the online community (Baldus 2015). Another recognized way to promote participation is to cultivate stronger relationships between members by arranging community events.

Last theme that was emphasized for building engagement is content creation. Even though Sports Tracker has a content strategy and specific content principles (see Figure 6) to follow, they still do not have lots of own content. Own content creatons would be beneficial to manipulate and intervine consumers' motivations to engage in online community. Here, Sports Tracker has a possibility to

benchmark other Amer Sports brands, such as Salomon, a forerunner Amer brand at content creation, and circulate brands' content. The content should be beneficial and interesting and not seem too pushy. Future goal is to have consistent content strategy between all the brands through the combined consumer database (see Figure 5). However, there is a challenge; how to keep the consistency within the content but appear personal in the eyes of consumer? Another challenge is keeping all the content interesting. However, here Sports Tracker has a great opportunity to utilize the proven questionnaires for community members. They activate the community members, and at the same time facilitate company's job to produce interesting content.

# Measuring consumer engagement

Second sub-process of managing engagement is measuring it. Measurement is found at the same time to be the most critical and the most difficult part of managing consumer engagement in OBCs. The ultimate purpose for measuring consumer engagement is gaining a deeper understanding of consumer behavior, what consumers really do, as well as the motivations behind engagement. At Sports Tracker, measuring behavioral dimension (participation) of consumer engagement is taken care of with different metrics including number of downloads, active user numbers and social media metrics. Due to high behavioral focus of consumer engagement concept in marketing, these metrics provide Amer Sports with valuable information about consumers' level of engagement and enable the company to perform segment analysis and find consumers acting similarly. Hence, they can make confusions on how engagement should be utilized and enhanced.

However, the behavioral metrics overlook the emotional and cognitive dimensions of consumer engagement, which are important in order to understand consumers' motivations. Even though the case company is interested in different motivations of consumers, true engagement is very complex construct to measure due these emotional and cognitive dimensions. Those would be critical to capture, as for example the emotional dimension, representing the emotional bond between consumer and company / brand / community members, was emphasized by the

company. Thus, in the future, Amer Sports could adapt the novel engagement scales (Baldus 2015 & Dessart 2016) and test them for Sports Tracker OBC. This study did not have a chance to test the scales as they were introduced during the research process. It was found interesting that even though all the interviewees brought up finding the metrics and data analysis for engagement as challenging, none of them mentioned the challenge of measuring consumer engagement is due to the emotional and cognitive dimensions of engagement. Nor did they mention that measuring is increasingly challenging due to the fact that consumer engagement is a process that evolves over time (e.g. Sashi 2012 & Van Doorn et al. 2010).

# Utilizing and enhancing consumer engagement

Last sub-process of managing consumer engagement in online brand communities combines ways to utilize it and enhancing its level. The first proposed way to utilize engagement is profiling consumers based on the segment analysis. This is increasingly important in today's online communities as consumers have increasingly heterogeneous motivations to engage and the communites are not only composed of lead users. Based on the precise engagement profiles, managers can classify and target consumers with more relevant and appropriate content. Profiles enable companies to make personalized commercial offers at individual level. Members of Sports Tracker online brand community can get different product offers depending on the sports they prefer and their location; where one can get an offer for a new pair of running shoes based on the kilometres run with the old ones, the other can be proposed with detailed cycling equipment specialized for his / her location. Hence, in order to manage engagement successfully, the consumers must use the products. In case they do not, they most likely do not participate in the community and company cannot utilize the benefits of the purchase. Thus, the focus in utilizing consumer engagement should be directed towards the use of the product rather than selling products. Hence, the company's presence in consumer's life beyond the transaction during the entire pruduct life cycle is the subtlety and potential of consumer engagement. Ultimately, analyzing consumer behavior and after-sales activity brings additional sales and monetary value for the company.

Another way to utilize consumer engagement in OBCs concerns product development. By establishing sub-groups within community of carefully chosen individuals for new feature testing and acquiring information, the companies do not have to act blind in development and mistakes are avoided. At the same time, active community members may get additional benefits for their activity. However, there is a catch. Especially when talking about digital products / mobile applications such as Sports Tracker, consumers rarely know what they want. Hence, trend following combined with data analysis plays a central role as the company cannot expect to get all the information for product development directly by asking consumers.

Thus, by utilizing consumer engagement in Sports Tracker OBC, Amer Sports aims at building a larger consumer database (see Figure 5), from where they can find precise consumer segments, and make customized commercial offers of any brand's products for consumers, and maybe find new needs for consumers. This way consumer becomes more loyal and switching to other company becomes harder as they are now engaged with multiple items (company, brand and community). This reminds Apple, as the loyalty of Apple's customers is based on the benefits of having many Apple products. IPhone and Mac laptop sync well together, thus delivering additional value to the consumer and preventing him / her to buy other brand's products. By joining a Sports Tracker community the consumer will join "the community of other brands" as well.

However, there is a challenge when aiming at enhancing the level of consumer engagement and growing the consumer base at the same time. A fast growth in the consumer base usually means that engagement levels drop. However, the main long-term goal at Amer Sports level is to grow their consumer base, which means that Sports Tracker OBC should grow as well. So, there is a question: how can Sports Tracker reach the goal of a bigger consumer base without risking level of engagement? There are differences between strategic level directors and

operational level managers what they consider to be most important in managing consumer engagement. The top management (Amer Sports level) considers the sales-related goal as the most important and thinks it will be achieved by explosively growing consumer base. The operational level however emphasizes the quality of the growth, and thus maintaining the good engagement level as the most important. In other words, strategic directors emphasize the massive growth of consumer base whereas the operation level managers highlight the good level of engagement. In order to manage the risk in a way that meets the goals of both facets, Sports Tracker needs to utilize current engagement with the given examples, including customized with commercial offers, while also building more authentic, non-commercial, relationship with consumers so that they do not feel ruled by the company.

#### 5.2 Theoretical contributions

The importance of new engagement studies has been extensively emphasized in marketing research lately. Researching consumer engagement in varying contexts, and from different perspectives has been a trend for a few years (MSI 2014-2016). A trend, which does not seem to be ending at any time soon. Following The Marketing Science Institute, this research addresses a call for further research on consumer engagement by contributing to the study of consumer engagement in the context of OBCs. This research serves as an important step towards enhancing knowledge on managing consumer engagement in OBCs by clarifying the conceptual meaning of the concept and its potential value and moreover by suggesting a management model with three subprocesses (see Figure 7).

To large extent, the previous research concerning consumer engagement has been conceptual (e.g. Brodie et al. 2011), and thus this research with its qualitative approach aiming to acquire further knowledge on managing consumer engagement was called for. In the context of OBCs, the previous literature has approached consumer engagement with quantitative approach either by presenting a model of antecedents and consequences of consumer engagement (Wirtz et al. 2013 & Brodie et al. 2013) or more recently presenting scales for the

operationalization and measurement of the concept (Baldus et al. 2015; Dessart et al. 2016; Vivek et al. 2014 & Hollebeek et al. 2014). Therefore, by studying the phenomenon from the perspectives of managers, this research enriches the consumer-focused research field of consumer engagement. Hence, this research presents quite a few theoretical contributions.

The research is inline with the previous research by describing consumer engagement as relationship, an emotional bond, between consumer and the company / brand(s) / and community. Thus suggesting that solely behavioral engagement (participation) does not usually mean true engagement as it may lack the important emotional dimension of engagement, which leads to deeper relationship forming (Brodie et al. 2013; Vivek et al. 2014; Baldus et al. 2015). Further, the findings support Dessart et al (2016) recognition of multiple engagement foci. A full appreciation of what it means to be engaged is made possible only by accounting for different foci of engagement. This research contributes to the prior research by not disregard the role of potential customers, as they can be members of online brand community just like the existing ones can.

Even though, it is extremely important to understand the nature of consumer engagement in different contexts, the managers and companies long for suggestions what they should do with consumer engagement. The previous research approaching consumer engagement from the organizational perspective has mainly focused on the outcomes of consumer engagement, precisely the effect of consumer engagement behaviors such as WOM (Van Doorn et al. 2010; Verhoef et al. 2010; Vivek et al 2012; Bowden 2009; Sashi 2012). The previous literature mainly suggests managing OBCs as a facilative action (Arnone et al. 2010 & Sibai et al. 2015) except for Porter (2011), who suggests a model for sustaining engagement through online brand communities. However, Porter's et al. (2011) model covers only engagement behavior.

This research suggests that managing consumer engagement should be considered as a strategic level process, thus opening eyes for new opportunities in managing consumer engagement in OBCs. This research is the first to present a

management model and propose sub-processes (building, measuring, utilizing and enhancing) of which managing consumer engagement consist of in the context of OBC. The research also contributes to the prior literature by suggesting that managing consumer engagement should cover all the known engagement dimensions (emotional, behavioral and cognitive). Particularly the role of emotional dimension is emphasized in the context of OBCs. Finally, with respect to Baldus et al. (2015), being able to measure the emotional and cognitive dimensions of engagement is addressed as critical especially in the future.

# 5.3. Managerial implications

This study offers several managerial implications as consumer engagement has a growing importance in managing companies, brands and online brand communities. The study provides support for the need of marketers to enhance the knowledge of managing consumer engagement in OBCs, and regards consumer engagement as a strategic imperative for establishing and sustaining a competitive advantage and as a valuable predictor of future business performance.

This study enhances the knowledge of managers regarding the nature of consumer engagement and how engagement in OBCs can be build, measured as well as utilized and enhanced. The model (see Figure 7) summarizes the findings and suggests there must be a thorough understanding of consumers' motivations to engage, delicate data analysis, consumer profiling, followed by high quality communication and personalized product offers. In enhancing engagement levels, businesses must seek active involvement of potential and existing customers in all phases of the product life cycle, from birth to death. By utilizing consumer engagement in OBCs, the companies create relationships with new consumers and enhance the existing relationships. Not forgetting that cultivating the relationships between members companies make it harder for consumers to switch to another brand. These actions ultimately lead to improved business performance.

Furthermore, especially the top management of multi-brand companies, such as the case company, should recognize that there is a huge potential in their OBCs. The OBCs can be utilized in order to create a combined digital platform that works as a modern CRM channel combining consumers and consumer information from all the brands. By uniting consumers, companies can serve them better with varying product offers, and therefore the companies not only get a bigger but also more loyal consumer base. Hence, the research suggests that managing consumer engagement in OBCs may present future competitive edge.

#### 5.3. Limitations and future research directions

The aim of this research was not to say a final word how consumer engagement in online brand communities should be managed, but rather open the eyes of academics to start exploring the emerging management process of consumer engagement. Due to the novelty of research field and the nature of the explorative case study approach, the study possesses several limitations, which limit generalization of the results. The results are based on the primary and secondary data from only one company. The model for managing consumer engagement in OBCs is formed by studying a mullti-brand company, which aims at utilizing one of their products' (Sport Tracker's) online brand community engagement in order to build a large consumer database which combines all of their brands. Because of the uniqueness of the case, the model for managing consumer engagement should be critically generalized in the use of other, especially in the small and medium sized companies. However, the identified sub-processes are also a result of a very extensive literature review and further supported by this study. That indicates it would be advisable to test the model and continue its development in other companies.

This research, as one of the first attempts to study management of consumer engagement in consumer goods industry, was able to present suggestions for companies aiming at building, measuring as well as utilizing and enhancing consumer engagement in their OBCs. However, due to the novelty of research field the true potential of managing consumer engagement still remains largely unexplored. Therefore, quite many future research possibilities were recognized. Firstly, this research identifies the measurement of engagement with itse emotional and cognitive dimensions as not only very challenging but also very

critical in order to manage it successfully. Therefore, future research may focus solely on measuring consumer engagement in OBCs by testing the scales of OBC engagement motivations from Baldus (2015) and Dessart (2016) that capture engagement beyond behavioral dimension. Thus, more thorough understanding of managing consumer engagement would be achieved.

Furthermore, the other identified sub-processes of managing engagement, building as well as utilizing and enhancing it, could also be studied separately and more closely, by testing them in different contexts. Further research may also wish to test the management model in various industries and try to reviel differencies between industries. Also, it would be interesting to investigate the managerial applicability of the model, within specific online environments such as Facebook or Instagram.

Future research should also explore the mechanisms through which online brand community engagement affects loyalty to the brand outside of the community and if marketing actions that are calibrated based on brand community engagement can provide better results than previous tactics. Moreover, further research is needed concerning the multiple foci of consumer engagement in the context of online brand communities. It would be interesting to see if engagement with different foci leads to different results in terms of loyalty or commitment. In other words, whether or not there are differencies if the consumer is engaged with the brand or with the community. In addition, it would be interesting to study correlation between consumer engagement and product-sales with a quantitative research approach.

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#### **APPENDICES**

Appendix 1. The Theme Interview

# **Background**

 Briefly tell about yourself, your current role and job description at Amer Sports.

# Theme 1. Conceptualization of consumer engagement

- How do you describe consumer engagement (Amer Sports / Sports
   Tracker) in online brand communities? What do you mean by it?
  - O What does consumer engagement consists of?

# Theme 2. Consumer engagement strategy at Amer Sports

- What are the greatest possibilities in consumer engagement for Amer Sports? On strategic and operational level.
- What are the goals (long and short-term) related to consumer engagement at Amer Sports / Sports Tracker?
- What actions do you take to achieve the mentioned goals?
- What is the value of consumer engagement to the firm? How important is it?

# Theme 3. The role of Sports Tracker OBCs and consumer engagement strategy at Sports Tracker

- What is the Sports Tracker online brand community about / what is its purpose / why does it exist?
- Why do consumers take part in the community?
- How would you describe the company's role in the community?
- What are the benefits of online communities to the firm?
- How are the communities managed?

 What does managing consumer engagement in online communities consists of? In your opinion.

# Theme 4. Building consumer engagement

- What does the company do to engage consumers within the community?
- How do you motive consumers to participate?

# Theme 5. Measuring consumer engagement

- How do you measure consumer engagement?
- Do you profile different consumers based on engagement levels? How?
   What actions you take based on these different profiles?

## Theme 6. Utilizing and enhancing consumer engagement

- How do you utilize consumer engagement?
  - O What is consumers' role in service development?
  - o How is consumer engagement connected to product sales?
- How do you think you could enhance the level of consumer engagement?

### Theme 7. Challenges of managing consumer engagement in OBCs

- What are the major challenges in managing consumer engagement?
- How do you approach these challenges?

# **Discussion**

 Any other subjects you would like to bring up related to consumer engagement in online brand communities at Amer Sports