

# From Virtual Communities to Virtual Enterprises: A Business Perspective

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# Overview

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# Definitions & Context

- Virtual Communities are *"social aggregations that emerge from the Net when enough people carry on those public discussions long enough, with sufficient human feeling, to form webs of social relationships in cyberspace."*

Rheingold (1993)

- Virtual Enterprises *"strategically use information technology to link people, assets and ideas, perhaps using virtual communities."*

O'Brien (2002)

# Virtual Communities: The Business Perspective

Many organisations use web sites:

- ⚙ To interact with customers (e-business and e-commerce)
- ⚙ To generate customer revenue and sell products (B2C e-commerce)
- ⚙ To evaluate customer opinions and feedback (C2C e-commerce)
- ⚙ To enable stakeholders to adopt a more interactive supporting role through a variety of online processes (B2B e-commerce)

# Hagel & Armstrong (1997): The Virtual Community Business Model

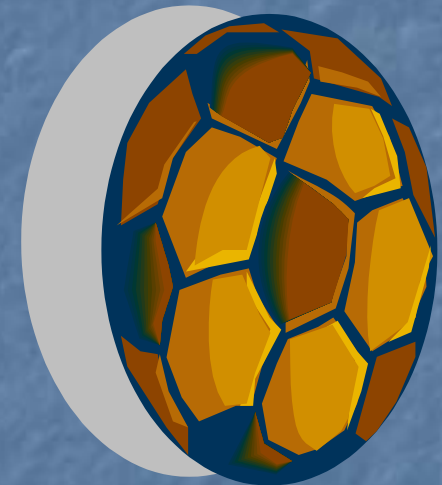
- Distinctive focus and emphasis on member-generated content
- Integration of content and communication
- Choice among competing publishers and vendors
- Commercial orientation and communication features
- Four community types: Transaction, Interest, Relationship and Fantasy

# Towards Virtual Enterprises

- Football (soccer) is now one of the most lucrative and commercially developed sporting industries - competition in both sporting and business terms is fierce and critical for success/survival
- Professional football clubs are seeking to exploit every opportunity to promote identity, generate revenue and enhance customer (fan) loyalty
- Collaboration with competitors still embryonic (mostly between different sports), but there is virtual interaction between clubs and their fans

# Some Questions ...

- Virtual communities play a role – but to what extent?
- Virtual enterprises – is this possible in a football context?
- From cost control to innovation to new product design ...
- External interactions between autonomous entities, integrate components & value systems, can lead to beneficial collective behaviour e.g. trust



# Method: Football Clubs

- 23 football clubs from English Premier League plus 3 from lower divisions
- Web site (virtual community) functionality audit and e-mail questionnaire sent to the web site administrators
- Questionnaire derived from Virtual Community Business Model - used criteria to evaluate content, purpose, success and future directions for the virtual communities

## Web Site Audit:

- Transaction-oriented features (48%), interest-oriented features (36%), fantasy-oriented features (14%), relationship-oriented features (2%)
- For "Top Six" clubs - transaction-oriented activities (70% of the share)

# Results: Football Clubs



Questionnaire Results: Five clubs responded (19%):

- *Communities of interest generally higher on the list of priorities*
- *Keeping the site up to date and being ahead of the media vital to success*
- *Interaction a strong feature of success*
- *Accessibility, ease of use, regular updates, good navigational structure, well-designed look and feel that entices fans to explore the site and return regularly, exclusive content wherever possible*
- *More personalised service, foreign language mirror version of site, create dedicated sections for members, more use of streaming media, better communication features*

Follow-Up Audit undertaken August 2004 after the first results from the 2002/03 season ...

# Developments: Football Clubs

- Manchester United have since integrated a message board feature
- Now the majority of clubs offer online ticket sales, often through membership-based loyalty schemes
- Chelsea - use a "virtual chat flat" and "chat Bod" as an effort to integrate community of interest with community of fantasy
- Member-to-member communication not moderated on some sites which may encourage interaction
- Everton - use a dedicated auction site used to sell exclusive club memorabilia
- Bolton - mismatch between dedicated area for fans and area for "Interaction", putting content in confusing locations ...

# Conclusions: Football Clubs

- (English Premier League) Football clubs still have a long way to go towards becoming effective virtual communities, let alone interacting with others as virtual enterprises
- Clubs seem to be struggling to find consistent ways to encourage interaction and collaboration
- Relationship and fantasy community aspects need a lot more development and integration with the rest of the virtual community
- Size of club often affects the focus of the virtual community (e.g. transaction vs. interest emphasis, ease of navigation, providing overall value for members)
- Lots of unanswered questions about the numbers of fans using the sites, levels of interaction, measures of performance and success

# The Nuclear Debate



- Pro-nuclear movement – military, government, corporations, scientific, etc.
- Anti-nuclear movement – protest groups, environmentalists, etc.
- Some organisations are neither – educational, etc.
- Nuclear energy, power and waste
- Organise fundraising, influence media and society, organise protest activities, etc.
  
- What are the two “sides” in the debate doing with respect to the Internet?

# Method: The Nuclear Debate

- 300+ email questionnaires sent to webmasters and email addresses of nuclear-related sites
- Most of these were anti-nuclear in terms of their perceived orientation
- Many pro-nuclear related sites used web forms to request information, very few of these responded
- Asked for general information, online strategies, off-line strategies, etc.
- 26 useful responses were received – plus a lot of broken links, occasional forwarding to other sites

# Results: The Nuclear Debate

- Most responding sites were in the USA and established before 2000
- Many described themselves (genuinely?) as research or educational institutions, funded through grants and subscriptions, involved in all three nuclear industries
- Biggest category of Internet usage was awareness, member information/subscriptions, and lobbying activities (interest and transaction communities)
- Off-line activities included attending exhibitions, fundraising, publications, meetings, etc.
- Online activities were expected to gradually supplement or even replace off-line activities over time
- Pro-nuclear movement was better organised, with greater collaboration between the participants

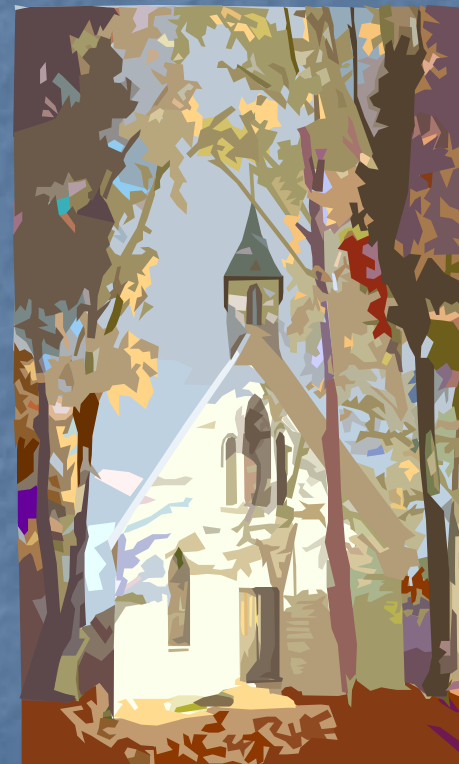
# The Church in Cyberspace

- [www.ShipofFools.com](http://www.ShipofFools.com) was launched in 1998 with 9,000 registered members (mostly from US) to facilitate debate and discuss religious issues – with elements of satire and theological humour
- Communities of Interest and Relationship – e.g. bulletin boards, discussion threads often un-moderated
- Ten Commandments = “house rules” were used to govern behaviour in cyberspace
- Could they do “virtual worship”? If so, it would need to be more visual and have participative interactions with access to a personal and sacred space

- 'The Ark' was a community of Fantasy experiment
- Cost £15K, funded mostly through sponsorship, developed by SpecialMoves.Com (from Plymouth!)
- 1,000 people applied, 12 took part, all played biblical characters in real-time on the Internet
- Ran for 40 days/nights, 1,000+ logged on every day to see live feeds or reviews ... "Big Brother" style model

# The Virtual Church

- Launched “Church-of-Fools” on May 11<sup>th</sup> 2004, which ran for 3 months, by Day 9 there were over 41,000 visits to the church
- Participants chose characters, made them kneel, chose costumes, gestures, dialogue boxes, download movies as sermons, etc. – *Visual & Interactive*
- Average of 7,337 per day over 52 days of the project
- Some were there for a laugh – but could be “smitten” for breaking rules and their avatars removed from the environment



# 'Church of Fools' and 'The Ark'



<http://specialmoves.com/portfolio/church-of-fools/>



<http://specialmoves.com/portfolio/the-ark/>

- New vocabulary – ‘trolls’ (troublemakers), ‘ragers’ (disruptors) – even had a participant turn up named Satan!
- People even began to worship the vending machines!!!
- Online questionnaire: 58% were male, 50% were under 30, 39% not regular church-goers
- Marriage online (Janke & Thomas, May 8<sup>th</sup> 1996) – also used a virtual environment and avatars

# Discussion: The Virtual Church

- Issues around the use of the word “virtual” – people were physically (spiritually) involved in prayer were they not?
- Collected £3,000 via texts from mobile phones and credit card donations - even collections can occur in cyberspace! (Community of Transaction?)
- Benefits: interaction and discussion of issues, diversity of viewpoint/location/background of participants, accessibility from home or work for disabled/elderly people, community orientation (develop familiarity), huge presence of many non-Christians and opportunities for theological discussion
- Pay-for-content opportunities are numerous
- Will churches actually ever be sanctioned in cyberspace?

# Directions & Future Work

- The Business of Football – how can third party stakeholders facilitate the move towards successful virtual enterprises?
- Include the fans' perspective and collaborative benefits, consider other leagues, countries and sports ... are there successful community features, commonalities and identifiable trends?
- The Nuclear Debate – will the anti-nuclear side of the debate ever have the resources to compete – or should they be trying to collaborate more?
- The Virtual Church – multiple religions, faiths, and the collaborative or business opportunities that occur in cyberspace – impact on physical churches?
- On the Horizon – 'community-ware' = blogs, wikis, etc. – platforms that support online communities

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