A Balancing Act: Governance in a Virtual P3 Community

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This research explores how online communities of consumer volunteers govern themselves in the absence of contractual agreements or formal hierarchies to regulate member behavior. We propose two governance mechanisms, normative and meritocratic, that lend themselves to the organization of community forms of collaboration and explore in a netnographic study how they operate in a virtual P3 community for technical support. We find that meritocratic governance through online feedback systems leads to a community divide by creating status groups, profoundly altering the social dynamics of the community.

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EXTENDED ABSTRACT

Introduction
Since the wide-spread diffusion of networking technologies, consumers convene in various online community contexts to collectively produce and consume content relevant to their needs and interests. As a result, community forms of production and consumption of information, word-of-mouth, advice, entertainment, and even physical products are gaining in importance and have been heralded as ideal forms of collaboration (e.g., Kozinets, Hemetsberger, and Schau 2008). Much of the existing literature paints an almost utopian picture of online community, describing it as an environment characterized by altruism, mutuality, and social capital, in which consumers voluntarily sacrifice time and effort and work together to produce collective outcomes (e.g., Giesler 2006; Kozinets et al. 2008; Mathwick, Wiertz, and de Ruyter 2008). But like most voluntary social collectives that produce a public good, online communities are faced with the collective action problem, since members who free-ride can benefit equally from the public good that the community produces—for example, knowledge—as members who actively contribute to its production (Olson 1965; Wasko and Faraj 2005). Therefore, these communities have a regulatory interest to align potentially self-interested actors into producing a shared good. Yet little is known about how self-organizing online consumer communities govern themselves to encourage collaborative contribution to the shared community resource while discouraging free-riding.

Background
We propose that online communities can rely on two governance mechanisms to enhance collective action: normative governance, and meritocratic governance. Normative governance relies on the regulatory power of the specific social norms that emerge in the community through social interaction, and are enforced through peer pressure (Feldman 1984). Social norms are formed in any social group, and serve as explicit and/or implicit guidelines of appropriate behavior. As such, social norms are thought to be pro-social in nature and to foster social cohesiveness.

Meritocratic governance, in contrast, operates through non-economic incentives that accrue to individuals when they contribute to the collective community resource (Coleman 1990). One of the most powerful incentives for collective action in the community context is the attainment of social status (Lampel and Bhalla 2007), for example as enabled by online feedback systems. Feedback systems not only provide an evaluation of a member’s individual contributions, but on an aggregate level, also of the member him/herself. As such, each participant constructs an online identity that is first and foremost characterized by the highly visible cumulative evaluation received through the feedback system. Prior research has consistently found that this not only fosters trust between members and improves the quality of contributions, but also motivates repeated contribution behavior, as participants strive to enhance their social status in the community (Dellarocas 2003; Lampel and Bhalla 2007; Moon and Sproull 2008).

The meritocratic governance approach incorporated through online feedback systems has dramatically risen in importance and is considered the solution to instilling trust and stabilizing virtual communities (Dellarocas 2003). Most online market places (most famously eBay), online review sites (e.g., Tripadvisor), as well as open source communities have implemented online feedback systems. Extensive studies in recent years (e.g., Dellarocas 2003; Moon and Sproull 2008) have succeeded in demonstrating their positive effect on a variety of beneficial member behaviors. However, the potential dark sides of such systems have received much less attention. We speculate that by providing visual means of status distinction, effectively creating status groups, online feedback systems might lead to conflict between those members who are recognized by the system and have achieved status and those who have not. Status is by definition a scarce social resource that introduces competition: if status was easily attainable, its value would diminish (Weber 1978). Hence, status holders should be bent on maintaining their privileged position, while those without status should be bent on improving theirs. A number of key questions arise when considering the effect of status on those who have attained it as compared to those who have not. For example, does the elevated status of some community members facilitate or inhibit community exchange? Do all members, regardless of status, have an equal say in shaping the social norms of their community?

Method
This study was set in the context of a virtual peer-to-peer problem-solving (P3) community (Mathwick et al. 2008), which is a type of online creative consumer community (Kozinets et al. 2008) that focuses on the exchange of advice and best practice with regards to consumption-related problems (in our case, technical support). Netnography was used to explore governance, meritocracy, social norms, and status groups in this particular context (Kozinets 2002).

Findings
We find that both normative and meritocratic governance mechanisms operate in the community and that meritocratic governance enabled through online feedback systems indeed has a dark side. The online feedback system provides visual status symbols to members, effectively creating status groups. We find evidence that the high-status group is using its advantageous position to shape the community purely according to its taste and to dominate the low-status members. Our results show a widening disconnect between status groups as low-status members feel intimidated and unwanted and disengage from the community.

References


