CHAPTER 1

INTRODUCTION

1.1. Background

There are four trends reshaping the world of business – technological advances and the speed with which new technologies are created and copied, the loss of geographic advantage resulting from globalization, the shake-up of traditionally stable industries as a result of deregulation and the rising power of the consumer and their ability to get what they want, when they want it, from whomever they want. With this in mind, the relationship experience becomes one of the greatest competitive aspects for a business’s survival. This has made companies realize the significance of the four levers of Customer Value Management – Retention, Efficiency (understanding cost to serve), Acquisition and Penetration (cross-sell and up-sell). The buzzword of globalization holds no meaning without the concept of what is being termed as ‘Digitization’. Further, with the internet having built an open network where information can flow freely, innovation, entrepreneurship and democracy are fast thriving over the world. The collaborative web along with the E-enterprise, has brought into vogue, the use of emergent internal and external online communities within companies, or between companies and their partners or customers. This, along with organisational willingness to take risks has created new opportunities for companies in the domain of innovation, internet based collaboration and co-creation. Innovation processes are continuous and appropriate human capital is fast becoming a scarce resource. Distinctive capabilities coupled with institutional excellence now spell sources of competitive advantage. Organisations are transforming from hierarchical, bureaucratic, functional, pyramid structures to interconnected subsystems, characterized by flexibility, employee empowerment, and flat or networked structures. People, knowledge and capabilities are the key organisational assets. Ad hoc workgroups and online communities, both organisational and standalone are constantly forming and operating in diverse locations over widespread geographic areas, countries and companies. Geographic proximity is no longer essential for people working together, courtesy the advances made in the field of Information and Communication Technology. People are engaged in project-based work with an ever changing and increasing circle of colleagues,
customers and partners, many of whom they have never met. As companies understand the implications of targeting strategic customers and effectively using customer profitability analysis, choosing the right customer set selectively and relating with them in more meaningful ways by incorporating more interactive approaches helps significantly. The value of targeting the right kind of customers has become so important that the entire success and failure of an organisation depends on customer acquisition and retention. It is for this reason that technology has become very important in marketing in the form of CRM. To provide a wholesome understanding about customers, effective data generation and data analysis is very important. Backed with appropriate data mining, organisations can reap such benefits.

1.2. The Concept of Customer Relationship Management, E-CRM, Online Communities and Customer Experience Management

1.2.1. Customer Relationship Management

Customers in the current era are much more empowered today and selling to them requires a far more strategic approach which CRM hopes to fulfil. Organisations are not only attempting to interpret the needs of the customers based on their buying behaviour, but are also predicting their future needs. CRM enables firms to customise offerings for customers and when offerings are customised, the perceived value gets enhanced. The perceived value is equated with perceived quality by customers, leading to enhancement of customer satisfaction. This emphasises the need for integration along the value chain and aligning and integrating organisational processes back through the supply chain to enable better value delivery to the end customer. CRM can be viewed as an application of one-to-one marketing and relationship marketing, responding to an individual customer on the basis of what the customer says and what else is known about that customer (Peppers, Rogers and Dorf, 1999). It is a management approach that enables organisations to identify, attract, and increase retention of profitable customers by managing relationships with them (Hobby, J., 1999) and further identifying strategically significant customers (Buttle, F., 2001). “CRM is an IT enabled business strategy, the outcomes of which optimize profitability, revenue and customer satisfaction by organizing around customer segments fostering customer-satisfying behaviour and implementing a customer-centric process” (Gartner group, 2008). The IDIC framework (Identify, Differentiate, Interact and Customise) of
CRM lays emphasis on explaining the process of converting existing customers into loyal customers. It is useful in understanding the process to be adopted for building relationships with existing customers. In this context, business enterprises have increasingly taken advantage of the power of the internet to build relationships with the customers in the electronic marketplace, to build Structural, Financial, Social and Customisation Bonds with consumers to reduce Consumer Defection, increase Consumer Retention and for taking the consumers ahead on psychological steps across relationship stages between the organisation and consumer. E-CRM comprises technology facilitated interfaces with customers in a broad E-business context which goes beyond the web.

Customer Relationship Management is a comprehensive business strategy to empower the internal functioning of an organisation with the aim to identify, acquire, deliver, develop and retain customers. With the use of ever changing technology, this process seeks to integrate various functions of an organisation, such that it becomes effective and efficient in the long run. This enables the organisation to have a high customer share and market share to gain a long term competitive advantage. It is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information, to both understand customers and co-create value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications. CRM Tools help companies capture relevant product and service behaviour data, create new distribution channels, develop new pricing models, build communities, process transactions faster and provide better information to the front line. Also included are functions for managing logistics and the supply chain more efficiently, as also catalysing collaborative E-Commerce. Alignment of incentives and metrics, deployment of knowledge management systems, tracking customer defection and retention levels and customer service satisfaction levels are other contributions of CRM Technology (Buttle., F., 2004).
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1.2.2. E-CRM

E-CRM comprises activities to manage customer relationships by using the Internet, web browsers or other electronic touch points. A higher degree of interactivity possessed by these channels further allows companies to engage in dialogue, organize consumer redressal, solicit feedback, respond to controversies and establish and sustain long-term customer relationships. Existing companies are being challenged to rethink the most basic business relationship-the one between the organisation and its customers. The three components of the E-CRM framework are Operational CRM, Analytical CRM and Collaborative CRM. Operational CRM aims at combining sales, support and marketing databases into a single repository that tracks and manages interactions with customers, thereby focusing on improving the efficiency of customer interactions. Analytical CRM comprises the analysis of customer data for strategic or tactical purposes to enhance both customer and firm value. Analytical CRM aids decision making using various tools ranging from simple spreadsheet analysis to sophisticated data mining (Tanner, Jr., John, F., Ahearne, M., Leigh, T. W., Mason, C.H. and Moncrief, W.C., 2005). Collaborative CRM facilitates interactions between customers and companies and between members of the company around customer information to improve communication and coordination, to raise customer switching costs and to increase customer intimacy and retention.

1.2.3. Online Communities

An online community is a group of people with some shared interest who connect and interact with each other over time. Relationship of some sort is implied. The dawn of the information age found groups communicating electronically rather than face to face. A computer mediated community uses social software to regulate the activities of the participants. These are places where people gather to share knowledge, build recognition and tap opportunities. Initially sensed to be resource pools for value addition, where people ventured to fulfill their need for self-actualization, participation in online communities and forums started as a medium for exchange of ideas and information, and now organisations have started using these communities for marketing through consumer evangelism and support. A web based communication model utilizes the features of the network for B2C as well as peer to peer communication. On the Internet, electronic tribes structured around consumer interests have been growing rapidly. To be
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Effective in this new environment, managers must consider the strategic implications of the existence of different types of both virtual community and community participation (Kozinets, R., 1999). The interest in online communities from a marketing perspective is driven by the belief that the complex network of personal relationships and increasing identification with the group as a community provide a foundation for a very attractive business model (Farquhar, J. and Rowley, J, 2006). An online community is a potential source of loyalty, commitment, and increased retention of participants. Online communities create value for all of their stakeholders including the host members and any third parties such as advertisers. They can be used for value exploration in the consumer cognitive space and enhancement of the relational equity of the firm. When enough members actively participate, and as relationships, trust, and reciprocity build up in the community, the community fulfills its goals and can even achieve collective goals and actions for the benefit of all.

*An online community can only be built, maintained and leveraged for the benefit of achieving the customer relationship management goals of an organisation when both the organisation and consumers perceive great value in it.* Online technologies provide the ability to refine marketing actions, while reducing the cost of routine sales as well as building loyalty, these systems help in identifying community members who are most strategically significant to the companies. A participant’s primary purpose for joining the community can be an interest, need, information exchange, or service. Thus based on these dimensions, communities can be understood better, as a strategic marketing tool for companies. Many business online communities are created for good Customer Relationship Management (CRM) and Customer Experience Management (CEM). Online business communities maintained for effective Customer Relationship Management can help to reduce price sensitivity, enable price premiums, and create opportunities for up and cross selling. The communities create barriers for customers to exit and for competitors to enter and facilitate database development, (O Malley and Tynan, 2000). Today’s online community participants come from all walks of life. Hence online communities appear to have significant potential for organisations trying to interact and build relationships with their consumers. Here customer orientation is given a new meaning and the contents and processes of exchange between companies and customers are reconsidered if firms want to retain their customers and cooperate with them (Broniarczyk, S.M. and Nakamoto, K., 2002). What deserves a significant mention is that online communities represent a set of core values like
consumer culture, building consumer perceived value, conviviality, and strong democracy, thereby building consumer equity and consumer retention.

1.2.4. Customer Experience Management

The limitations of CRM's internal orientation and technology-obsession led to the rise of Customer Experience Management. CEM focuses on designing and delivering loyalty-building experiences. CEM is not just about using technology, but about mapping the actual consumer experience and the variation in the consumer thought process which results due to any new methods or processes adopted by the organisations.

*Customer Experience Management (CEM) is the process of understanding and managing customers’ interactions with and perceptions about the company/brand. The goal of CEM is to improve the customer experience in order to optimize customer loyalty.*

Top businesses who have implemented CEM programs realize that these programs can be data intensive, generating millions of data points about their customers’ attitudes, online behaviours, and even their interactions with a given employee, just to name a few. To optimize the value from these data, companies need to apply appropriate analytics to provide insights about how to increase customer loyalty. To be differentiated, increasingly relevant and able to charge a premium, organisations have to move beyond delivering ‘goods’ and ‘services’ to staging experiences. The mind-set must be away from focusing merely on what employees do, to one of how the tasks are actually performed. The emotional component is as important as the rational elements. The ability to design and deliver a unique and distinctive customer experience is your competitive advantage. With the explosion of digital media and smart devices, customers are becoming incredibly sophisticated, elusive, and empowered. As a result, the dynamics that govern the relationship between brands and customers is evolving. But even in this era of engagement and “two-way” conversations, the reality is that the relationship businesses hope to have with customers through these new devices, applications, or networks and their true state are not one in the same. In fact, it is woefully one-sided, and usually not to the advantage of customers, which for all intents and purposes still affects businesses. Rather than examine the role new technologies and platforms can play in improving customer relationships and experiences, many businesses invest in “attendance” strategies where a brand is present in both trendy and established channels, but not defining meaningful experiences or outcomes. Simply stated,
businesses are underestimating the significance of customer experiences. Some of the biggest trends today-mobile, real-time are changing how consumers discover and share information and connect with one another. Technology aside, consumers are driving the rapid adoption of technology because of the capabilities that are unlocked through each device. From self expression and validation to communication and connections to knowledge and collaboration, new opportunities unfold with each new device and platform. As smart and connected technology matures beyond a luxury into everyday commodities, consumer expectations only inflate. As a result, functionality, connectedness, and experiences emerge as the lures for attention. For brands to compete for attention now takes something greater than mere presence in the right channels or support for the most popular devices.

Good Customer Experience Management is possible when organisations tap their employee resource base appropriately. Online Communities can be useful tools for CEM by being good Collaboration Enablers. This can be done by harnessing collaborative intelligence, increasing employee connectivity on operational issues, stimulating learning for faster responsiveness/velocity and maintaining cross organisational business networks. Customer Experience Management is a prime driver for enhancing customer equity.

Customer Experience Management practitioners rely heavily on customer feedback as the source of their insights, yet businesses have many different sources of business data that could provide additional customer insight. These data sources fall into these general buckets:
1. Operational
2. Financial
3. Constituency (includes employees, partners)
4. Customer Feedback
These disparate data sources can be used to improve organisational ability to extract insights about the reasons behind customer loyalty and sustained business growth.

1.3. Need of the study

A detailed literature review helped understand the lacunae in the existing literature. Significant research had been undertaken by researchers worldwide with respect to classifying online
community typologies, understanding individuals online, the role of online community in shaping and impacting individual behaviour, the power of social networks and so on. While research has been pursued in the domains of CRM, CRM using Online Communities on the internet seemingly appeared to be an untapped area. Also use of Online Communities as a useful tool for Customer Experience Management was an untouched arena. Approaching the same web tool from an Internet Marketing and CRM perspective appears to having been inadequately handled. As part of my previous work in my previous organisation “Standard Chartered Bank” I have worked with Content data, Contextual data and Analytical data. There are three fundamentally different types of CRM information resources-content data, contextual data and analytical data. Each requires different tools and methods for appropriate management and use within an organisational CRM strategy. It is the effective integration of information across these resources that drives an organisational CRM strategy and related business intelligence processes. The web appeared to be a useful domain in the light of new age developments and Online Communities appeared to be fascinating. Hence Online Communities appeared to be a good tool to explore for my research work. An online community acts as a repository for content and contextual data and the combination of this data enables effective analysis of customer relationships and trends over time. While content data comprises the information captured about individual events and customer encounters, it is primarily fact based information. The contextual data aims at providing a detailed context for the consumer related information to facilitate decision making. Further, analytical data aims at reflecting the relationship of fact data to contextual data for a specific point of time. The effective integration of information content and context drives analytic applications which evaluate the relationship of encounters under various contextual circumstances to identify predictable trends in customer behaviours. The resulting information analysis can then be incorporated into a business intelligence process. The online communities can be used for better campaign management and customer analysis of content.

CRM applications have focused on extending traditional contact management applications through the collection and maintenance of more robust contextual customer information. An online community can be used in this reference by preserving the context of the consumer
interaction. An important role in CRM is the process of applying lessons learnt from customer information to enhance business and customer relationship behaviours.

Knowing customer behaviours over time and in the proper context provides companies with the baseline information needed to adapt business decisions and operational behaviours to maximize results. This information also reinforces successful practices and defines the future customer interactions and behaviours likely to generate desired business results.

*I proceeded to derive both research questions and hypotheses to test within future studies after considering already published research in the domain.*

1.4. Aim of the Research

*The online communities can be used for various CRM functionalities like campaign management, consumer segmentation, response management and response modelling, contact management and account management.* Business Online communities can hence serve as an online platform for campaign management, providing an opportunity to segment consumers on the basis of their interactions with the organisation, rather than those based on simple demographics. Appropriate targeting strategies can be developed for different consumer segments. Consumers interacting with organisations can be segmented on the basis of their Individual Network Values, their Degree of Participation, their Emotional Attachment or even with respect to their profit or relationship potential. Online communities can be used for aiding sales professionals in building a deeper understanding of target accounts with complete history of all the accounts with some contextual information comprising details of interactions with partner organisations.

The models developed for respective campaigns can be used for future segmentation and targeting efforts. If a suitable model is developed, for consumer profiling or portfolio analysis, then the model can be run for other segments to find better prospects. They can be made the targets of subsequent campaigns. *This research thesis aims at developing 4 specific models for response modelling/prediction/consumer profiling.*
These were-

1. **Consumer Trustworthiness Regression model using Netnography (CTR)**
2. **Co-creation model using INV based on Metcalf Law (C-INV)**
4. **Business Online Community Credibility model (BOCC)**

### 1.5. Research Objectives

This research thesis focuses on studying the ability of online communities, as a channel to serve as an interface between organisation and consumer and aid the organisation in achieving its CRM goals. This is accomplished through the following research objectives-

1. Develop a model to analyze the usage of online consumer communities for identifying the components that build consumer trustworthiness for an organisation.

2. Create a framework for calculating the value of an online community based on its customers.

2. a. Identification of determinants of Individual Network Value (INV) and Community Network Value (CNV) and creation of a framework to use INV as a basis for identifying consumer co-creators.

3. Creation of a framework for selection of consumers demonstrating high future profit or relationship potential and devise strategies to impact consumer price sensitivity for expensive, medium and low cost products for organisations.

4. Creation of a model for identifying the credibility of a business online community from a community manager’s perspective.

To accomplish Research Objective 1, Netnography was conducted on 40 online product communities of Apple. Research objectives 2 and 3 were accomplished through self designed Research Instruments (RI-1 and RI-2), (Annexure II) Research objective 4 was also accomplished through self designed Research Instrument (RI-3), (Annexure II.).
1.6. Research Methodology

I have applied the research technique of Netnography, which is very specific to the online domain for formulation of two sets of research instruments. With the help of Netnography, Online Community research can be done by either actively integrating the members of the community or passively monitoring the community and integrating the gathered information, knowledge and ideas into the new product development process, (Kozinets, Robert V., 2002).

The following Netnography methods were used for the formulation of the two research instruments-

- Gaining entree into the community or group I wanted to investigate
- Gathering and analyzing data
- Ensuring trustworthiness of data interpretation
- Conducting ethical research
- Member checking, or getting feedback from participants (Hammersley, M. and Atkinson, P., 1995; Lincoln, Y. and Guba., E 1985; Wolcott, H.F., 1994)

Netnography of 40 online product communities of Apple and one online community of Dell was conducted for building Consumer Trustworthiness Regression Model. The sampling techniques involved “online intercept random sampling” as well as “snow ball sampling” for collection of data for research instrument RI-1, for formulating Co-creation Model using INV based on Metcalf Law (C-INV) and for formulating Consumer Price Sensitivity Model using K-means cluster analysis (CPS). In total, the Research Instrument-RI-1 was sent to 300 online community consumers, of which 219 responded, thus making the response rate to be 73%. The data collection for calculation of INV values using the framework created, which led to the formulation of Co-creation Model using INV based on Metcalf Law (C-INV), has been done across communities of four companies, namely Apple (Apple I Pad), Cisco (Cisco Collaboration Community), Dell (Ideastorm) and Microsoft (Microsoft Dynamics CRM) using “online intercept random sampling Technique”. These companies are the only ones where information with regard to the last date of consumer’s participation was available to facilitate online intercept sampling technique. For research Instrument RI-2 which led to the formulation of Consumer Price Sensitivity Model using K-means cluster analysis (CPS), the data was collected across
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200 consumers from the 40 online product communities of Apple using online intercept sampling technique. In these communities of Apple, the information with regard to the last date of consumer’s participation was available to facilitate online intercept sampling technique.

Statistical Package for Social Sciences (SPSS) version 17.0 was used for statistical analyses of the collected and tabulated data. The following statistical techniques have been used for analyses across all the three research instruments—Correlation, Regression, Prediction, Factor Analysis, Simplex Tableau Method of Linear Programming, Hierarchical Clustering, K-means Clustering and consumer profiling.

1.7. Significance of the Study

In the present era there has been significant technological advancements which led to the move towards mobile and multiple screens, the era of online paradigm and the trend of cloud whereby everybody expects access to data anytime, anywhere enabled via the cloud, this has changed the way business is done today. A statistical analysis of internet trends for 2011 reveals a humongous growth in the number of email accounts (over 3 million), websites (over 555 million), domain names (over 95 million), and over 2.1 billion internet users worldwide. The digital space is hence, too valuable, as companies struggle to capture consumer data, and digital tools offer companies with major opportunities. Digital media is giving organisations the ability to access more data and insights, ability to reduce costs in business processes through greater use of technology, and also resulting in the emergence of new business models and new revenue streams. The internet offers many advantages to businesses, such as the ability to reach new segments since products can be sold globally rather than locally or regionally, and the potential to reduce cost through streamlining of the supply chain. In the twenty-first century, e-commerce and online interactivity have reached a stage of steady growth. Decisions have been made easier in the era of the cloud. As business applications are moving to the cloud, the shift from traditional software models to the Internet has steadily gained. With the advent of cloud computing, companies pay for what they need, as the shared infrastructure implies usage of the services like a utility, wherein companies pay only for what they need with options for scalability and automatic upgrades. The ability to access vast information resources within a matter of
minutes and to communicate across huge distances at ever lower costs while maintaining quality levels along with dramatic changes in competition, technology, and workforce values are causing organisations to search for new and more human ways of increasing productivity and competitiveness. Newer systems support collaboration and employee interaction. In view of the increased need for the organisation to communicate with its consumers, the internet provides an excellent low cost solution for better connectivity between the organisation and its partners. Organisations are waking up to the need of extending business processes beyond corporate firewalls which implies inclusion of people outside the company as readily as they do people inside the firm.

Companies with the online applications are increasing day by day and they are providing internet access to consumers with a convenient and an inexpensive way for becoming the member of internet community. By the way of providing better quality and quantity of available information on the internet, it is also generating high interest among consumers. Customers have hidden or overt preferences which marketers can reveal by building a learning relationship. Earlier, marketers were attempting to interpret consumer needs on the basis of their buying behaviours. Now, with the arrival of consumer generated media, marketers have another avenue to learn about the consumer. The objective is to keep the consumers satisfied and keep them loyal towards the company or brand.

1.8. Scope of the Study

This research thesis focuses on studying the ability of online communities, as a channel to serve as an interface between organisation and consumer and aid the organisation in achieving its CRM goals. Using the CRM concept of response modelling four specific models have been developed. Organisations build online communities as part of their Customer Relationship Management (CRM) initiatives. The work traces the need for organisations to study the role of greater consumer participation and reciprocity which increases trustworthiness of certain consumers. There is a need for hosting the appropriate content on an organisational initiative which by matching consumer requirements helps develop a relationship between organisation and consumer. Peer-to-peer consumer interaction is useful and relevant incentives to consumer evangelists will be in the long term organisational interest. Concepts of business online
communities-coupled with commerce, content and communication - are widely discussed as the essential components of a successful organisational web presence. In a marketing context, the significance of a community can be viewed as an extension of the relationship marketing paradigm. The organisations need to have a mechanism in place, which is useful to identify significant consumers. Co-creation might be viewed as an aspect of customer knowledge competence which encompasses the processes that generate knowledge about specific customers. Co-creation can generate significant new value from existing assets and established customer relationships. An online community can be built and managed for informing product innovation and engaging customers in co-creation of a consumption experience. It requires companies and customers to exert more effort than traditional transactions because it is about building relationships, not completing purchases. Companies seek more value in product or service offerings, are more price sensitive and are further quiet likely to go with a more trusted source. Organisations will benefit by identifying consumers who exhibit the most uniform behaviour across all product typologies. I hope to contribute to the literature by empirically testing and validating the models created. Organisations will benefit more from creating focussed groups which specialise in particular community objectives. Communities will gain as they become ubiquitous, are able to speed up diverse aspects of business and life, are able to meet consumer/member expectations, allow reciprocity and sharing, and aid specialisation along with virtual value activities.

1.9. Limitations of the Study

Online communities represent a new age digital tool, in a relatively lesser explored medium from the perspective of research in management. This brings up constraints of data availability both regarding data to be collected from individual companies as well as communities. A significant limitation can be viewed in the context of the database of online communities. As I scouted around for databases of online communities, the entire data set ended at a 100 companies with multiple communities. Contacting the consumers or members of various online communities was a great challenge in itself as the virtual domain while offering several benefits also posed restrictions in the context of physical proximity to respondents. Data could be collected from online community members who had to be approached through online intercept sampling.
technique, which made it a very tedious, time consuming task. Future research opportunities exist in the context of the scale and volume of the members that can be contacted. The further validation of the models could be done by collecting data across bigger sample sizes and multiple consumer online communities.

1.10. Structure of the Thesis

This research thesis focuses on studying the ability of online communities, as a channel to serve as an interface between organisation and consumer and contribute to the twin objectives of Customer Relationship Management and Customer Experience Management. This has been accomplished through various research models formulated during the study. A model has been developed to analyze the usage of online consumer communities for identifying the components that build consumer trustworthiness for an organisation. A framework for calculating the value of an online community based on its customers has been created. Further, a Co-creation model using INV based on Metcalf Law (C-INV) is formulated which helps to identify consumer co-creators, for new product development and sharing innovative ideas. Based on Metcalf’s Law, online communities will signify more value to the parent organisation when they have more users. The comparisons of Community Network Value (CNV) of different product communities (say, of Apple) is also reflective of product performance from a consumer perspective. Product communities with high CNV are reflective of greater consumer appreciation, association and engagement than those with low CNV. Further, the ConsumerPrice Sensitivity Model using K-means cluster analysis (CPS) attempts to study the usage of online communities to study consumer price sensitivity in the context of the type of product purchased, i.e. expensive, medium or low cost products. The objective is to enable organisations to identify consumers demonstrating future profit or relationship potential and devise strategies to impact price sensitivity by responding to price search intentions, improving product perceptions, improving consumer experiences, informing consumers about new schemes and improving product perceived value. The Business Online Community Credibility model (BOCC) was developed by incorporating the perspective of the community manager to measure the credibility of an online community by incorporating the concepts of community dynamics, co-creation, collaboration enabler, CRM goals, return on investment and customer life time value. The entire
Chapter 1 introduces the concept of the Internet and how the digital world is reshaping the business paradigms in recent years. It is a preface to the thesis. It traces the concepts of Online Communities, Customer Relationship Management, E-CRM and Customer Experience Management and proceeds to spell out a detailed need of the study, outlines the research objectives, scope and limitations of the study. It also highlights the significance of the study and reasons out the perusal of research in the domain of CRM using Online Communities and use of Online Communities as a useful tool for Customer Experience Management. The research objectives and the methodologies adapted to accomplish those have been clearly stated.

Chapter 2 proceeds through a detailed literature review on the various dimensions of Customer Relationship Management, Online Communities, salient features of online communities, usage of online communities for various CRM functionalities and types, Customer Experience Management, Web 2.0 Internet marketing, Metcalf’s Law, Consumer Price sensitivity, Key Account Management, Customer Lifetime Value, Customer Portfolio Analysis, E-Commerce, Internets Role in E-Commerce and various price effects in online domain. The exhaustive review of the research literature helps identify niche areas for perusal of further research. The chapter also discusses the previous established research work which has been conducted in the domain of online communities.

Chapter 3 discusses the theoretical framework and methodology adopted in the study. It outlines the various dimensions of the study and research objectives and the set of methodologies adapted to accomplish those objectives. It explains in detail the pilot study conducted for the identification of an appropriate online tool for the study after a comparative analysis of three online tools. Netnography, which is a new qualitative, interpretive research methodology, that uses internet optimized ethnographic research techniques to study the online communities, has been applied, for the formulation of the research instrument. Further the procedures followed for the collection of data and selection of the sample of online community consumers and online communities.
community managers have been outlined. The tools and techniques followed for analyzing the data for the study are also dealt in this section.

*Using the concept of response modelling, four specific models have been developed during the entire research study. These are detailed in this chapter:*

(i) **Consumer Trustworthiness Regression** model using Netnography (CTR)
(ii) **Co-creation model** using INV based on Metcalf Law (C-INV)
(iii) **Consumer Price Sensitivity** model using K-means cluster analysis (CPS)
(iv) **Business Online Community Credibility** model (BOCC) using Linear Programming

This chapter describes in detail the various parameters and determinants which form the basis of the questions for the three self designed research instruments – RI-1, RI-2 and RI-3. Statistical Package for Social Sciences (SPSS) version 17.0 was used for statistical analyses of the collected and tabulated data. The following statistical techniques have been used for analyses across all the three research instruments—**Correlation, Regression, Prediction, Factor Analysis, Simplex Tableau Method of Linear Programming, Hierarchical Clustering, K-means Clustering and consumer profiling.**

**Chapter 4** details out the entire analysis of the three Research Instruments created- RI-1, RI-2 and RI-3. It also presents the analysis and findings of the four specific models which have been developed during the entire research study.

**Chapter 5** summarizes the conclusions of the various models and research instruments which have been formulated for the research study. It also talks about the implications to the managers and organisations model wise to facilitate well directed endeavours towards building business relationships in the B2B and B2C context. Organisational success is significantly a focus of building relationships-not completing purchases. Finally it discusses the limitations and scope for future work in the arena of using online communities for achieving twin objectives of an
organisation i.e. CRM and CEM. While organisations stand to gain significantly from introducing Online Communities in their CRM tool boxes, it is by adopting the right strategies that they will be able to leverage these tools.