38 THE ROLE OF VIRTUAL COMMUNITIES IN THE ENGLISH PREMIER FOOTBALL LEAGUE

Hayley Henderson & Brendan D'Cruz
University College Northampton
UK

Virtual communities exist within many football web sites to enable them to interact with fans, conduct business, develop relationships and participate in virtual activities. This paper describes the application of the Hagel & Armstrong (1997) Virtual Community Business Model to the English Premier Football League. The investigation considered the functionality of virtual communities in the English Premier League and also in some lower divisions. The findings suggest that most football clubs are yet to realise the full potential of member-to-member interaction and collaboration, and have only just begun to exploit the various business opportunities that are offered. In order to improve on current activities the football club web sites need to have dedicated sections that cater for the different types of virtual community, and allow members to actively communicate with each other. The paper will outline the trends and suggest strategies for developing football club virtual communities within the wider business and sporting context.

1. INTRODUCTION

Virtual communities are rapidly growing in number as increasing numbers of people continue to go online, and are *"shaping the way people shop, learn, work and even meet new friends and associates"* (Cothrel, 1999, p52). These communities can be described as tools that enable people to interact and share common interests, ideas, and feelings over the Internet usually by way of conferences or discussion forums, for example email lists, chat rooms, instant messaging and personal web pages. Professional virtual communities have since come to encompass other aspects that allow members to purchase goods or services, develop collaborative and supportive relationships, or participate in a linked community that can only exist within a virtual world. Hagel & Armstrong (1997) proposed that virtual community types fall into four categories: transaction, interest, relationship and fantasy. The four categories help to make up the "Virtual

Community Business Model" that focuses primarily on the social and commercial benefits that can be gained from virtual communities. In this study the model was applied to the football industry, that has become one of the most commercial and lucrative industries of all time, and one that has tried to exploit every business opportunity in the quest for revenue (Tomlinson, 2002). The English Premier Football League was chosen as the focus of this investigation due to its recognisable global appeal and profitable business opportunities. It appears that a full investigation into the role and success of professional virtual communities within the football industry has not been carried out before, and as a result any findings and conclusions made here may provide a useful insight into this commercially significant area. The purpose of this study was to identify the role of virtual communities, evaluate their effectiveness, and suggest the features that would combine to make a successful virtual community for any football club. This may lead to a better understanding of how clubs in a fiercely competitive industry can better collaborate and cooperate with both customers (fans) and potentially competitors in achieving the real benefits of virtual enterprises.

2. THE VIRTUAL COMMUNITY BUSINESS MODEL

The Hagel and Armstrong (1997) model focuses on the social and commercial benefits that can be gained from virtual communities, and has five defining characteristics: member focus, integration of content and communication, emphasis on member-generated content, choice among competing vendors, and commercially motivated community organisers. The model is based on the fact that members share their experiences of products with each other, which then generates valuable content for the community of members in general. As a result there is increased member interaction and increased member-generated content. The theory is that increased interaction and content will appeal to new members, that will make current members more loyal and subsequently more transactions will be carried out by them (Hagel and Armstrong, 1997). The model defines four community types relating to members' needs and interests: communities of transaction, communities of interest, relationship communities and fantasy-orientated communities. Hagel & Armstrong (1997) argued that most virtual communities only exist to meet a limited number of member needs, and believe that not catering for all of the four needs within the community types means that considerable commercial opportunities are being missed. Hagel & Armstrong (1997, p136) also state that *"organisers offer participants the greatest range of services when they address all four needs within the same community."* This investigation will attempt to outline and clarify the features that make up a successful community using a checklist based on Hagel and Armstrong's model, and feedback received from the football clubs themselves.

3. VIRTUAL COMMUNITIES IN FOOTBALL

Football is the world's most popular and lucrative sport played by people of all ages across the world. Every aspect of the game is a business opportunity waiting to be

exploited and marketed to fans in order to increase profit (Tomlinson, 2002). Web sites have been developed in recent years as a mechanism for reaching fans, assessing fan reaction and selling club merchandise. The global reach and interest in the sport has meant that fans have become major financial contributors to the game, and have helped to put football clubs in the position they are today. Many football clubs have established web sites that inform fans of club developments, allow them to sell club merchandise, generate support and request fan reaction. Within some club web sites there are virtual communities whose primary function is to facilitate discussion and monitor fan perceptions. For example, Duffy (1999) describes how the Arsenal web site received 300 messages when a referee allowed a disputed goal against Arsenal. The messages ranged from that of support to disgust, and resulted in the media contacting the web site administrator to determine fan reaction. The obvious popularity of this web site was a major advantage to Arsenal football club because it enabled Arsenal executives to visit chat rooms to get a sense of the public relations situation they would need to handle. Duffy (1999) also argues that the Arsenal virtual community has *"become a strong, leveragable link between the club and its supporters"* as opposed to just a chat room for fans. The site is part of the club's marketing and commercial strategy, and has enabled fans to adopt a more active role in supporting the team. The goal of the virtual football enterprise is the success of the club, and therefore club management, the fans, the shareholders, financial backers, and the players are all inextricably linked through a variety of online processes.

4. FOOTBALL CLUBS AS VIRTUAL ENTERPRISES

Virtual enterprises and online communities are introducing whole new ways of shopping, learning, working, and interacting with other (Ouzounis & Tschammer, 2001). They enable an enterprise to share common interests, resources and competencies as well as to facilitate the purchase of products and services on-line. O'Brien (2002) suggests that virtual enterprises strategically use information technology to link people, assets and ideas, perhaps using virtual communities. Cothrel (1999) highlighted how virtual communities differ from any other group of people using the same computer network and argued that *"a virtual community differs in that its members interact with one another not only on a one-to-one basis but on a many-to-many basis."* It appears that the many-to-many interactions act as the driving force behind virtual communities, and this can be seen in the way that enterprises such as amazon.com and e-Bay effectively use member interaction to sell products and thus generate revenue. Williams & Cothrel (2000) also argued that *"only those web sites that allow for public consumer-to-consumer interaction are true online communities."* Virtual communities are thus enabling enterprises to build new relationships with their customers, suppliers and stakeholders. In traditional enterprises the communication has flowed from the company to the consumer, but virtual communities have unlocked the potential benefits of dialogue and interaction from consumer-to-consumer using a number of mechanisms.

There has been vast interest in virtual communities as a business platform, and it comes as no surprise that football clubs are beginning to adopt on-line strategies

as a mechanism for increasing customer base and revenue, stabilising income streams, and enhancing customer loyalty. Additionally, professional virtual communities can be used to obtain feedback from the fans that can support investment decisions and business development activities. Williams & Cothrel (2000, p2) argued that *"the ability to create and manage virtual communities will become a distinguishing feature of nearly every successful business."* Hagel & Armstrong (1997, p11) believe *"that the profit motive will in fact create new forms of virtual communities whose strong commercial element will enhance and expand the basic requirements of community - trust and commitment."* Despite the obvious benefits of a virtual community to a football club, the cost and effort required to build and maintain may act as a deterrent as well as an incentive for some clubs. However, once established, the virtual community can offer vital information and a clearer insight into customer (fan) needs and beliefs, which can result in many benefits for the organisation. Armstrong and Hagel (1996, p134) argued that by *"providing consumers with the ability to interact with one another in addition to the company, businesses can build new and deeper relationships with customers."* It is also argued that both the social and commercial needs of members need to be met in order to create and maintain a successful on-line community. The football industry is a suitable vehicle for investigating these issues given that the success or failure of many clubs (for example the problems at Leeds United) can depend on the financial as well as sport-related involvement that the fans as both members and customers can provide.

5. METHOD

Twenty-three football clubs from the English Premier League were used during this investigation into virtual communities, three of which had been relegated from the 2001/2002 season. The twenty-three football clubs were: Arsenal, Aston Villa, Birmingham, Blackburn, Bolton, Charlton Athletic, Chelsea, Derby, Everton, Fulham, Ipswich, Leeds, Leicester, Liverpool, Manchester City, Manchester United, Middlesbrough, Newcastle, Sunderland, Tottenham, West Bromwich Albion and West Ham. Despite the fact that English Premier League teams were the main focus of this investigation, comparisons with lower leagues were thought to be useful when rating the success of the bigger and often richer clubs. As a result it was decided that some lower division football club web sites would also be used to indicate the current state of virtual communities within each of the lower divisions. Burnley was chosen from Division One, Northampton Town was chosen in Division Two and Carlisle United was chosen from Division Three. The main research instruments used for the study were a web site functionality audit that was devised and conducted, and a supporting electronic questionnaire that was distributed independently to the web site administrators of each of the twenty-six football clubs. The questionnaire was designed to consider the content, purpose, success and future direction of each of the virtual communities. All clubs were given an equal opportunity to respond and thus increase their understanding of the future of virtual communities in football, but a lack of response by any club would

not significantly detriment this study. However, without a definite response the ideas, opinions, objectives and future plans of clubs that did not reply could not formally be considered, thus the findings of this analysis cannot readily be generalised to their circumstances. The web site audit used a set of criteria to identify the features within each of the virtual communities from the categories proposed by Hagel & Armstrong (1997). The features were placed into one of four virtual community types as detailed below:

- *Communities of Transaction* - Trading Zone, Auction, Online Betting, Online Sales, Online Ticket Sales, Financial Services, Mobile Zone
- *Communities of Interest (with Communication Features)* - Message Board, Chat Room, Instant Messaging, Real-Time Chat, Email List, Email Account, Personal Web Pages, Shared Calendars, Guest Books, Downloads, Event Screening, Links
- *Relationship Communities* - Racism Information
- *Fantasy Communities* - Virtual Games, Virtual Environments

6. FINDINGS

6.1 Web Site Audit Results

The nature of the virtual community activity was recorded based on the number of features from each community type within a given club, and was then used to identify the 'typical' virtual community profile within English Premier League Football. It appears that the typical profile does not appear for any one particular club, but the club closest to the profile was Derby County. West Ham United, Birmingham and Carlisle also came very close to meeting the typical profile across all categories. In order to establish which community type had the biggest presence amongst the entire group, each community type present was calculated as a percentage. It was found that transaction orientated activities (48%) were the most popular within the communities, followed by interest (36%), fantasy (14%) and finally relationship (2%). At the time of the audit, the "top six" clubs were named as Arsenal, Chelsea, Leeds, Liverpool, Manchester United and Newcastle United. The study revealed that these six football clubs were concentrating their efforts on selling goods to their members such that transaction orientated community activities were again the most popular with 70% of the overall share. Although this is not wholly surprising, it is difficult to understand why the top six football clubs have chosen to focus their efforts predominantly on one service and community type when it is possible to satisfy a whole range of member needs through other features. It is suggested that of the football clubs involved in this investigation, the top six had the means to invest more money into their virtual communities and subsequently provide more services to meet more member needs. The results clearly indicated that Manchester United has focused on the transaction processes within their community, whilst Liverpool and Arsenal have focused on creating a much broader type of virtual community. Indeed the largest transaction orientated

communities belong to Manchester United, West Bromwich Albion, Leicester City, Bolton and Blackburn. The majority of the football clubs seem to be moving towards integrating a larger community of interest into their virtual communities, but are less developed in the fantasy and relationship areas. For example, Ipswich Town is successful in the fact that it clearly has the largest interest community, however it fails to deliver in the fantasy and relationship areas which means that it fails to meet a significant number of member needs. This type of uneven community distribution can also be seen for Middlesbrough football club.

Given the emphasis on communication features and collaboration within this study, it is important to highlight the number of communication features that each football club has included in their virtual communities. The highest number of communication features within a virtual community is four, as held by Ipswich Town that can boast a message board, chat forum and instant messaging among its communication features. It is surprising to see the number of virtual communities without any communication features, especially when these clubs include two of the top six: Manchester United and Newcastle United. It is also interesting to discover that the lower division football clubs have managed to invest time and money in developing communication features for their members when they clearly do not have as many resources as the Premier League clubs. The most popular communication feature is the message board, which allow members to interact and post messages to each other. The chat forum is the next most popular communication feature, and represents a move towards a more interactive approach. Evidently football clubs are investing the majority of their resources in developing their transaction orientated communities and features such as online betting, auctions and online sales. The findings from this study highlight the popularity of online betting and online sales within the English Premiership clubs, suggesting that member-to-member interaction facilities are being neglected. For example trading zones that enable members to communicate with each other are much less popular than other additional features within the virtual communities. A surprising result from this analysis is the small number of football clubs that offer an online ticket sales service to their members. It was expected that this service would have been paramount to football clubs given that ticket sales generate a continuous and stable income for all football clubs.

6.2 Questionnaire Results

Twenty-six football clubs were sent the questionnaire and five replied (19%). It is clear from the qualitative feedback from responding clubs that the community of interest is higher on their list of priorities than other types of community. The factors that football clubs consider integral to success were varied. Derby County stated that *"accurate, trustworthy prescient news and information on all aspects of the club's business"* was important to the success of their virtual community. Ipswich Town also commented on the importance of news and information in their response by stating that vital to success was *"keeping the site up to date and being ahead of the media"*. These responses are consistent with Burnley that stated that *"a high number of members"* should be considered integral to success. Although member interaction should be available in successful virtual communities, none of

Derby County, Ipswich or Burnley actually mentioned that interaction or member participation was considered integral to the success of their virtual communities. Sunderland responded with *"interaction"* as the single factor integral to their success. Everton was more comprehensive in its answer by stating: *"Accessibility for all, ease of use, regular updates, providing interested, well-written and well-ordered comprehensive content about all aspects of the club at all times, good navigational structure, and well-designed look and feel that entices fans to explore the site, and to return regularly, exclusive content wherever possible."* In terms of future plans for these virtual communities, thus indicating the level of awareness and knowledge that football clubs have about developing this area, this study revealed some tentative directions from the respondents. Derby County believed that the communication features within their virtual community were satisfactory and planned to focus their efforts on developing a range of streaming media. Everton wanted to target their fan base, offer a more personalised service to their fans and increase usage of the web site by developing a foreign language mirror version of the official club website, also creating dedicated sections for members of their supporters clubs (adults, regional and junior). Sunderland appeared to be considering the concept of communication within their community by planning to develop discussion forums, chat forums and personal sites for their members.

7. DISCUSSION

All the football clubs involved in this investigation have incorporated aspects of a virtual community into their web sites. However it is unlikely that any of the football clubs has realised the full potential of a virtual community. A successful virtual community should allow members to interact, help drive the business forward, but it appears from the results that the majority of football clubs prefer the business-to-consumer interaction that is facilitated by a more transaction orientated community. This does not form the basis of a true virtual community as argued by Williams & Cothrel (2000), who state that *"only those web sites that allow for public consumer-to-consumer interaction are true online communities."*

If content cannot be generated by members through chat rooms or message boards, then football clubs cannot accurately monitor the mood of fans or argue that they fully understand what their fans are thinking or want to buy. Football clubs in this category that do not facilitate member-to-member interaction include Everton, Charlton Athletic, Manchester United and Newcastle United. The most popular and possibly most basic of the communication features is the message board, which allows members to post messages on a virtual board and wait for a response from other members. It is difficult to understand why at the time of the audit both Manchester United and Newcastle United had not incorporated the most basic of communication facilities into their virtual communities, whereas Burnley, Northampton Town and Carlisle from the lower divisions had already done so. In fact it could be suggested that it is a conscious decision on behalf of Manchester United and Newcastle United not to facilitate communication because this would not directly constitute a significant source of revenue.

It is true that revenue is an ever-important factor for football clubs, and web sites can be used as a very useful vehicle for generating income. However it is difficult to understand from a commercial perspective why Manchester United, possibly the richest club in the world, would focus on one community type and adopt an on-line strategy that seeks mainly to generate and increase its revenue further. Smaller clubs such as Burnley will have greater success within their communities because they incorporate features from all four of the community types. This may enable further commercial development (or perhaps even sporting survival) given the financial benefits of interaction and involvement of the fans as customers. Sixteen out of the twenty-six football clubs had incorporated a video lounge feature that demands a subscription fee before members can access video footage, highlights and player interviews. It could be argued that despite the fact that this may be a rewarding feature for fans, it may also be perceived as another profit motivated scheme by the football clubs to generate revenue. Manchester United offers two video lounge features, "MUTV" and "SEE RED", which offer delayed streaming of matches, match highlights and interviews. However both services require a separate subscription fee from their members. The mobile zone is another feature that is gradually gaining popularity with some clubs.

When accessing the official football club web sites, it is often very difficult to locate the virtual community due to the fact that the community is often segmented and distributed throughout the web site. For example within the Leeds United website, the chat forum is a sub heading of 'fun stuff' and the virtual tour is a sub heading of 'interactive' which makes some features difficult to locate. Some clubs do manage to make their virtual community more accessible by separating a number of features into one category. For example Middlesborough places its message board, links, competitions and feedback facility under the heading "The Fans", or Ipswich Town that places its fans' forum with links and feedback under the heading "Fans". The most successful and user-friendly "Fan Zone" belongs to West Ham United, which separates its chat forum, message board and newsletters from the main website into a sub-section that is clear and easy to use. Although this seems a step in the right direction, it is still not ideal and no football club owns a complete and separate virtual community within their web site to meet all of the four different member needs. It appears that the bigger and more successful clubs, for example Manchester United and Newcastle United, have chosen to target only one of the four needs. Armstrong & Hagel (1996, p136) argue that *"organisers offer participants the greatest range of services when they address all four needs within the same community."* Only five out of the twenty-six clubs investigated address all four needs, and it is true to say that their communities offer a wider range of services. However it is not true to say that these are the best virtual communities within the English Premier Football League. This investigation included features that do not necessarily facilitate interaction within the interest category, so it is misleading to state that certain clubs are satisfying all four needs. The clubs that are in reality satisfying all four needs are Arsenal, Fulham, Liverpool and Burnley, however within this category it is Liverpool and Arsenal that are capable of facilitating different types of member interaction by offering more than one communication feature. The role of the virtual communities in the web sites where they exist is to increase profit and inform/update fans on the

current success of the club. The role of the communication features where they exist within these communities is to facilitate member-to-member interaction in order for the football clubs to gain an appreciation of what fans are thinking and how they are feeling, essentially market research. As virtual enterprises, none of the clubs had established formal links with each other, perhaps due to the highly competitive nature of football clubs and sport in general.

8. CONCLUSION

Overall, it seems that the football clubs investigated were yet to realise the many benefits of member-to-member interaction and collaboration, and had little knowledge about this potential. As the football industry moves further into the realm of virtual enterprises, it is important that clubs facilitate collaboration with their customer base, and ultimately they may be able to facilitate collaborative and beneficial activities with each other. Some of this is already happening across different sports (e.g. Manchester United and their collaboration with the New York Yankees of baseball), but these developments appear to be embryonic. The technical infrastructure within football clubs needs to be investigated and analysed in order to establish the collaborative technology that is required to enable virtual communities to share and integrate business processes. The authors are currently undertaking an investigation into how electronically-mediated Customer Relationship Management (e-CRM) through third party providers is being used in the English football leagues, and this may provide further insights into the development of football clubs as virtual enterprises. Additionally, the customer perspective that has been missed here may be interesting to explore, because the fans are the real users of virtual communities, so future work should consider how this can lead to enhanced loyalty, changes in fan behaviour and customer-directed strategic development of the football clubs themselves.

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