Economic Issues of Online Professional Communities

Ettore Bolisani
University of Padova, Italy

Enrico Scarso
University of Padova, Italy

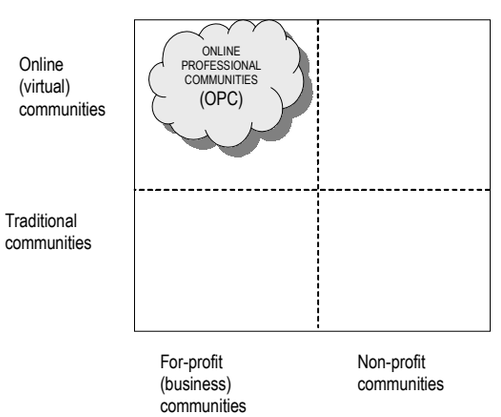
Matteo Di Biagi
University of Padova, Italy

INTRODUCTION AND BACKGROUND

The term *online professional community* (OPC) is employed here to identify groups of professionals sharing information and knowledge for business purposes by means of Internet-based technologies (see also Plant, 2004). It is not our aim to thoroughly discuss the concept of community, but since this term may be used with various shades of meaning, it is thus convenient to indicate more precisely where our definition can be placed in the broader picture (Figure 1). This will be made by discussing two important dimensions that are relevant here.

First, a distinction can be made between non-profit communities (e.g., groups of people sharing cultural interests, hobbies, and so on) and communities having a business purpose. A community of practice, that is, a group of people sharing insights, experience, and competence on a particular domain in order to deepen their expertise on an ongoing basis (Brown & Duguid, 2001; Maier, 2002; Wenger, McDermott & Snyder, 2002), can generally be placed in the latter category.

Figure 1. Online professional communities within the broader concept of community



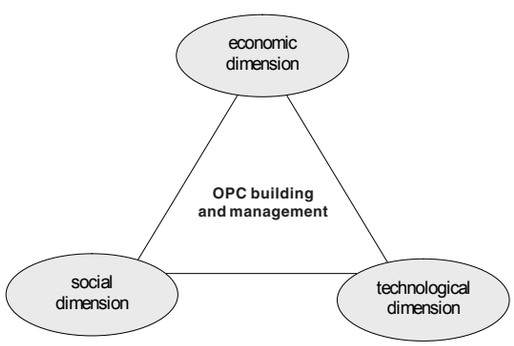
The second relevant feature pertains to the infrastructure supporting relations among members. We can distinguish between traditional communities, where interactions are based on conventional means (i.e., face-to-face contacts, meetings, publications, etc.) and communities whose nature is closely intertwined with the use of network technologies (namely, the Internet). Such communities are generally called online or virtual communities. Even if there is a lack of consensus about the definition of online community (de Souza & Preece, 2004; Kardaras, Karakostas & Papathanassiou, 2003), the concept generally indicates a collective group of entities (individual or organizations) who interact though an electronic medium for a common purpose or interest (Plant, 2004; Preece, 2000). In other words, online communities develop around a shared idea or task, rather than a physical place. Thus, members can interact and share knowledge across organizational boundaries, geographical barriers, and time zones (Johnson, 2001).

By combining the two illustrated factors, we will focus on OPCs as a particular type of virtual community whose aim is to enhance the business potentials of its participants. Several examples of such communities can now be found in professional fields (e.g., legal practice, medical practice, fiscal consulting, engineering and product design, informatics), where they are used to combine and integrate com-

petencies of professionals specializing in different fields. Those OPCs also represent an emerging field of experimentation of new profitable business models (Plant, 2004).

As a result, the issue of creating and managing OPCs necessarily has multiple dimensions (de Souza & Preece, 2004; Dyer & Nobeoka, 2000; von Krogh, 2002): a social dimension (i.e., the nature and structure of relations among participants), a technological dimension (namely, the technical infrastructure used to communicate and exchange knowledge), and an economic dimension (i.e., the value and costs of participation). While the social and the sociotechnical perspective still dominate the studies of virtual communities (Koh & Kim, 2004), the economic side is less considered. The aim of this article is to explicitly analyze this element and its relationships with the others (Figure 2). In doing this, we argue that a knowledge management view can be particularly useful to understand (a) the economic mechanisms underpinning the social processes of knowledge transfers in an OPC and (b) the relations of such economic mechanisms with the technological infrastructure used to perform those processes.

Figure 2. Dimensions of analysis



ONLINE PROFESSIONAL COMMUNITIES AND KM

Many scholars (Ardichvili, Page & Wentling, 2003; Pan & Leidner, 2003; Sharratt & Usoro, 2003) underline that the communities of practice represent a good example of social context where KM activities and strategies can be effectively implemented. In other terms, since a community is considered an effective tool for knowledge creation and sharing, its success can be seen and understood through KM lens. Again, when OPCs are considered, technologies (or better, Knowledge Management Systems—KMS) have to be included in the analysis.

With this purpose, it is appropriate to draw attention to some key elements that define KM activities. An essential starting point is the working definition of knowledge, commonly adopted in the KM literature: knowledge can be regarded as actionable information, that is, used to make business decisions or take actions. This notion emphasizes two key aspects that are relevant for our purpose: (a) knowledge differs from pure information or simple data, meaning that the "bits processed by computers" or transferred through the Internet do not (yet) represent knowledge; and (b) knowledge is built on data and information, since it is the active involvement of the individual that transforms them into knowledge, hence, decisions.

In KM studies, knowledge has also been frequently distinguished based on (a) different forms

Table 1. Cultivating a community: A list of key issues from a KM view

• Understanding the main hurdles hindering the exchange of knowledge among members
• Making knowledge easy to use by organizing it according to the natural way in which members think about their practice
• Evaluating how the community brings benefits to its members by sharing knowledge
• Motivating people to share knowledge
• Developing trust by ensuring that members do not misuse the shared knowledge (e.g., by taking advantage of confidential information), that the community is a source of reliable information, etc.
• Establishing coordinating roles such as sponsors, champions, facilitators, practice leaders, and infomediaries
• Making the access easy through the development of the technological infrastructure for KM