

# Business Models and Revenue Generation: Conceptualising the Development of Economic Value for Online Member Owned Communities

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## Abstract

This work argues for the development of online member run communities based on increasing their economic value through adopting revenue streams strategically aligned with a coherent business model. Whilst there is a plethora of material on marketing and consumer culture in online communities, there exists a clear gap regarding the study of income generation and business model strategy. Consequently, the focus question here is about the better exploitation of business models and commercial opportunities by member owned communities, in a C2C context. Using a hypothetical case example of a fitness community, this paper analyses how a business model can shape revenue generating activities for its members. This conceptual paper furthers our understanding of the economic value of online communities, providing the potential basis for a new stream of research in a neglected area of inquiry.

## Keywords

Business Model, Online Members, Communities, Revenue

## 1. Introduction

Online communities, which can usually either be member run or company sponsored, are a ubiquitous feature of the business environment (Scarpi, 2010; Wang et al., 2020). The binding interest of member run communities can be based in such attractions as online skating, cars, mineral collecting, e-sports, model building, travel, crafts, gaming, beauty, and gyms (Kozinets, 2015). These communities are forms of social associations entered and continued, through discussions over the internet, where content is organised and shared amongst like-minded members. Within these communities, the dominant focus is not geography, but a common interest-based relationship network (Sheth, 2017;

Carlson et al., 2019). Over time, various features of communities have been extensively studied. These include the motivations of members to join a community, types and level of member engagement and the value attached to continued membership (Schembri & Latimer, 2016; Black & Veloutsou, 2017; Kaur et al., 2020). The internet, without which online communities would not exist, has proven to be not only a key driver of economic growth (Apăvăloaie, 2014), but it also represents a way like-minded people can come together in a flexible fashion within many different types of communities, to develop relationships (Global Web Index, 2018; Ardley et al., 2022; Martínez-López et al., 2016). This means that the Internet, unlike earlier forms of communication, has successfully engendered a dynamic interactive framework (Tickle et al., 2011; Zaglia, 2013), where its tools have created the potential for a permanent dialogue amongst people (Kim et al., 2010; Wang et al., 2020).

Whilst communities are a pervasive internet phenomenon with a good deal of attention being paid to company sponsored ones like Apple (Apple, 2024), limited research has been devoted to the issue of how the member sponsored variety, which are not brand controlled, can develop, and sustain a business model and raise revenue (Clemons, 2009; Iskoujina et al., 2017; Spaulding, 2010). In member owned communities, with many of them possessing large numbers of followers, participants often take advantage of the free services of such sites, to initially connect and stay connected. In what is essentially a consumer-to-consumer market, members will share user-created content such as photos, conversations, videos, live streaming events, bookmarks, and blogs. A critical issue for many of these communities, is the status of these free services and how these can be monetised, with profits returned to the community for its benefit (Iskoujina et al., 2017). This is about the economic value that communities can generate, and there are a significant number of blogs, websites and forums that devote space to this topic, for example [thinkific.com](#) (2024) and [audiense.com](#) (2024).

## 2. The Focus Problem

The key question this paper asks is how can a business model strategy be used to shape economic value within online member owned communities and what forms of revenue generation should be adopted? In other words, we focus on the issue of finding ways to better exploit the commercial opportunities that might potentially be available for member owned communities, many of which are only partly professionally operated. We argue that this must involve the twin tasks of examining not only approaches to business model thinking, but also, the different types of revenue streams that are available. The authors determined early on that it was beyond the scope of this paper to conduct empirical case study examinations of member run communities and business models. Due to the lack of theoretical and practical activity in this area, it was deemed that a necessary first stage is to set out a broad conceptual framework regarding business model implementation, revenue generation and communities. A result of

this is that we envisage primary research work can then be undertaken.

### 3. An Outline of the Paper

This paper firstly classifies the different types of communities, differentiating between organisation sponsored and member owned. This is followed by a section on why people are motivated to join online communities. Next, the characteristics of communities are examined. This is followed by a discussion highlighting the nature of a business model and the important role it can play in shaping the commercial activities of a member run community. In this context, the paper then examines a variety of ways in which communities can potentially raise revenue. For the next stage, the authors introduce the hypothetical online fitness community, “LiveInGym”. Following this, the paper applies an imagined and schematic business model to LiveInGym. This provides the basis to then, in the next section, identify and explain revenue generation activities. Finally, the conclusion draws together some key points of analysis.

### 4. Classifying Communities

Porter’s (2004) classification of online communities is probably the most widely accepted one (Martínez-López et al., 2016). Porter established a typology of online communities comprised of two main categories, these being member-initiated, or organisation sponsored. For Porter, member-initiated communities are those where the community was established by, and remains managed by, the members. A good example of this is the camera community, the Nikonians ([nikonians.org](http://nikonians.org), 2024). Member initiated communities, like these emerge due to user’s desire to be connected digitally with people with similar passions, and objectives. Consequently, members create, maintain organise and run the community (Teichmann et al., 2015; Plant, 2004).

Organisation sponsored communities are ones that are backed by commercial interests, created, in most cases, around their brand (Antorini et al., 2012). This is represented by for example, the Dell Community (Bayus, 2013). An additional way to differentiate between member-initiated and organisation sponsored communities, is to categorise some of the former as being hobby-based communities. The idea of the hobby encapsulates that of a freely chosen activity that provides the means to experience pleasure with others who are also strongly committed to the interest in question. For example, mineral collectors and individuals who like crafts, for example needlework, can come together in communities that support and nurture the hobby (Kouhia, 2020; McGill, 2020). Fans of brands, celebrities, and film can also organise as a collective, to observe and enjoy their shared interests and passions (Kozinets, 2015).

### 5. Member Motivation to Join and Engage in an Online Community

The motivation to be in a community, has considerable bearing on what mem-

bers are prepared to do on behalf of that community, and it can indicate what they might accept, in terms of content and payment for the services provided. Many studies have attempted to explain why consumers join online communities (Wang et al., 2020; Carlson et al., 2019; Martínez-López et al., 2016). These explanations include sharing information, discussing, and then contributing ideas for the communities benefit and the seeking of social support (Dessart, 2017; Brodie et al., 2013). Other approaches point to motives associated with seeking leisure and an immersion in forms of fantasy worlds (Boulaire et al., 2008). Further explanations for participation are building group relationships and establishing a sense of status (Muniz Jr. & O'Guinn, 2001). This factor of prestige achievement can often be enhanced through the completion of various content-based tasks by members, representing the idea of co creation within the community (Ind et al., 2020; Utami et al., 2021). This suggests that members can become active in providing content for other members to enjoy, content that could be paid for.

## 6. The Attributes of Online Communities

Porter (2004) has usefully identified the attributes of all communities into a five P framework. Firstly, there is Purpose, which describes the community's key theme. For example, a home gym community would be themed to encompass conversations about achieving greater levels of fitness using personal equipment, within a person's house, which has a spare room or a garage. Place defines the site of the community, i.e., completely online, or partially online. For the gym some activity would be based in the home and some online, e.g., joining a virtual fitness class. Platform is the design form that allows the interaction to take place. Here, the various social media platforms are popular choices for communities (Garay & Morales, 2020). Population means the type of interactions that occur; this might be individual to individual, small group, large social networks, or even sizeable public online gatherings. Finally, there is Profit, or what can also be termed as the return on interaction, and whether the community creates concrete economic value (Porter, 2004).

Whilst the Nikonians and some other member owned communities engage in revenue raising, like the Adult fans of Lego, where the iconic brick can be bought and sold (see Bricklink, 2024), the literature reveals relatively little treatment of this topic (Iskoujina et al., 2017; Martínez-López et al., 2016). However, member-initiated communities must be aware of the profit model attribute if they want to monetise their activities. In practice, founders and other members may perceive in the community as an entrepreneurial opportunity, where they find themselves driven by a desire to be enterprising, where rewards are sought (Martínez-Rodríguez et al., 2020; Cutolo & Grimaldi, 2023). Added to this, members might find they have the need to achieve, and to acquire independence and autonomy, away perhaps, from any other existing occupational constraints

(Cassar 2007).

## 7. Theory and Method: Online Member Communities, the Role of a Business Model

Profit is brought into sharp focus when we consider the role of business models in a member owned community. Osterwalder and Pigneur (2010) argue that a business model describes the justification for how an organisation creates, delivers, and captures value. Significantly, a business model is not a business plan, but it is more than just a business concept, its role being to demonstrate the economic attractiveness of a venture (Schindehutte et al., 2009). When a member owned community adopts a business model, it should be viewed as an interrelated set of choices, used to systematically develop strategic and operational activities around a logical framework (Baden-Fuller & Morgan, 2010). The adoption of such a model will immediately put the community on a systematic commercial footing. The exact nature of the model adopted must be based on a structured template that is integrated, composed of an infrastructure, of partners, activities, and resources, a customer relationship segment, and a channel of distribution. There must also be an offer, the value proposition, and crucially, the model should be financially costed and profitable, with a robust revenue stream in place (Ricart, 2023; Schindehutte et al., 2009). For a community, as for any type of enterprise, the business model should be flexible and able to facilitate a strategic renewal when required, where it can be used to underpin the business plan.

A business model represents for the community, a platform from which to operate commercially and is probably the most important concept when thinking about creating a feasible, balanced, sustainable and profitable enterprise (Ricart, 2023). In the context of this paper, the community must ask of itself what their business model is, and to continuously assess whether it is working properly, and if it needs revising. Accordingly, adopting a business model will force community members to think through what the core value proposition is, which can then direct the production of logical commercial decisions. Schindehutte et al. (2009) usefully explain a business model as being the architecture of the business, enabling key operating variables to be identified and combined in various ways to facilitate enterprise activity. For Ricart (2023), this represents the core theory behind the business model. In sections ten and eleven here, the authors demonstrate the operation, of a business model, showing how it can drive the whole online community enterprise.

Although generally relatively similar, there are variations in business model templates (Schindehutte et al., 2009; Ricart, 2023). One of these is presented by Morris et al. (2005). This variant is adopted later in this paper. It represents, an appropriate theoretical and conceptual structure through which to not only analyse revenue generation activity in online communities, but to also be the basis for member's strategic innovations. Morris et al. (2005) suggest that an organisation must address the following six categories, and to implement these in a

methodological fashion. The community must decide how it will 1) create value 2) for whom 3) identify its internal sources of advantage 4) find a market position 5) determine how it will make money and finally 6) decide on its future scope and ambition. In addition to this, the model is also composed of three levels, these being the foundation, the proprietary and the rules level, see **Figure 1**. The foundation level addresses the six categories in basic terms by stating what is being provided in each component, whilst the proprietary level indicates how the firm differs from competitors, in each of the six categories. The rules level then goes on to offer up day to day operational details for each of the six categories.

A development in recent years has been around digital business model thinking, and the production of a suitable canvas. Consequently, there are many papers that look at business models in the context of online operations for firms (Wikström & Ellonen, 2012; Cristofaro, 2020). So, in addition to physical offerings being services and products, companies can also provide digital offerings to their clients and customers. These extras, also known as digital servitization features (Kohtamäki et al., 2019), provide the possibility for revenue generation in the forms of cloud services and data sharing with customers and suppliers. This digital component can also include software and sensors in products and the use of artificial intelligence (Gebauer et al., 2020). It is clearly important to be aware of these new technological developments and, where necessary, build them into existing offerings. However, this does not mean radically changing the existing business model templates discussed above, as the newer technologies must still be related to key questions regarding value propositions, value creation processes and profits (Gebauer et al., 2020; Linde et al., 2020).

For a member run community, what also needs to be considered in the context of adopting a business model and the undertaking of revenue raising activity, are several other strategic issues, perhaps not immediately recognisable (Tollin, 2008). Whilst Tollin's focus is on the work of marketing managers, it is a useful discussion of the requirements and pitfalls of innovation. Firstly, there are

Six questions	Foundation	Proprietary	Rules
How do we create value?	Basic structure	Uniqueness	Processes
•Who do we create value for?			
•What is our source of competence?	Relational, knowledge intensive network of members	Exclusive relationships with selected manufacturers means members are provided with special products	fitness products dispatched to members within 48 hours
•How do we competitively position ourselves?			
•How do we make money?			
•What are our time scope and size ambitions?			

**Figure 1.** A business model template based on Morris et al. (2005).

always risks involved in operating in a new manner (Schindehutte et al., 2009), so the community must be cognisant of these. Finance might need to be raised before any commercial undertaking is managed. How is this to be done? New skills might be needed by members and their confidence built, to implement financial and business strategies. Further, there may well be some opposition, by some community members, perhaps ethical in nature, to the commercialisation process. This needs to be effectively managed if it is to be overcome. In practice, by adopting strategic business model thinking, some of these barriers can be understood and then acted on, as category three of the Morris et al. (2005) model will direct the community to think about what internal competencies and sources of advantage it might have, or not have. These can then be addressed over time, in a structured fashion.

## 8. Revenue Generation and Member Owned Communities

For the purposes of this paper, six revenue streams have been identified and discussed. These are the advertising revenue stream, the subscription stream, the production stream, the affiliate stream, the research and development stream and the marketing services stream. These categories are by no means exhaustive of the possible revenue streams open to businesses but have been interpreted and adapted in order to specifically fit member run communities, as perceived by the authors. Some potential streams, for example the brokerage variety (Rappa, 2010) and the directory services stream (Iskoujina et al., 2017), have not been included. These are viewed as being not very relevant to member owned communities. The brokerage revenue stream is a case in point. It organises the conditions for brokers to bring buyers and sellers together, facilitating transactions in the community. Community members could just as well engage with each other in performing these types of activities, without the added cost of an external agent, who charges for each transaction. It also would potentially, be resented by members of communities who often want to take on more roles for themselves in a co-creative capacity (Chen et al., 2018).

Firstly, in the *advertising revenue stream*, some web content on the community site is paid for by an external advertiser (Zeng et al., 2009; Lumpkin & Dess, 2004). The benefit is that the advertising revenue stream adds value by providing free, or low-cost content to a specialised audience, potentially producing a share of revenue (Wilson, 2011). For material placed on the community site, maybe in the form of simple banners for example, advertisers can be charged, depending on the number of purchases they achieve through the community platform. Further, there is classified advertising, which lists items for sale from other community members, or from the consumer public, something that can be time limited to maintain the sites currency.

Classified advertisements can also provide a source of interest for members, but this needs monitoring to ensure the appropriate business ethics are in place when sales between members occur. Of further relevance to the community is

animated video and audio based interactive advertising content, both as forms of engagement and ways to raise revenue (Hollebeek et al., 2017; Santos et al., 2022). A company sponsor can also be considered, one providing a flow of income, in return for posting useful content on the site, where their brands are being promoted and featured. However, if a company sponsor is located and used, care must be taken to ensure that they do not dominate the site at community member's expense. Additionally, there are social media influencers, representing a fast growing and highly significant area of marketing, if used judiciously (Ioanid et al., 2015; Van Driel & Dumitrica, 2021).

In the *subscription-based revenue stream*, periodic fees, often yearly, are charged for use of services or content by members. This can add revenue and value by leveraging the brand name of the community (Lumpkin & Dess, 2004; Iskoujina et al., 2017). Potentially, a wide range of services can be charged for. This could allow for the provision of high-quality information to members or, for them to be able to access essential services. Members will expect something significant in return for payment. This might include sources of expert information, or access to special events, whether on or off online, or a combination of both. This might mean that site managers will need to provide new high-quality content on a regular basis, for example access to video and streaming content from a known expert or celebrity. A fee also acts as a signal to non-members who are thinking of joining, that the site offers something of value (Iskoujina et al., 2017).

A *production-based stream* can be used to add value, by selling a range of products and or services, that come from manufacturers, and external providers, rather than by anything they produce by themselves (Clemons, 2009; Lumpkin & Dess, 2004). An external production-based stream means contacting reliable manufacturers of products to sell on the community site, which need to reflect the ethos and brand value of the community and be mutually supportive. The brand equity of the site could be damaged if partner brands as suppliers do not meet member's expectations (Brodie et al., 2013). The community also needs to be careful that not too much of its resources gets redirected from the maintenance and development of the online community. However, it can be argued that the products would have access to a niche market with the potential to build on existing trust and loyalty of members, who in turn, act as brand advocates for manufacturers and the community. The key issue is that profits and revenue is achieved by acquiring products, marking up the price, and reselling them at a profit.

The community can have links on its own site to one or more other commercial organisations, which pay the community fees for sending customers to them, this is the *affiliate revenue stream* (Edelman & Brandi, 2015). This can also provide purchasing opportunities the other way round, where another firm could push customers to the community site for its products and services. Either way, community members are pressed in the direction of a chosen site through some form of click pay through process. This type of revenue stream can be



useful but complex, so although it can produce income, it can be time consuming to find the right sort of partners, with whom it can be also difficult to ensure that satisfactory terms are made (Kingsnorth, 2016). It is important to ascertain the correct level of fees to be paid by partners and that they do not inflate prices to customers to cover these (Patrick & Hee, 2019; Kingsnorth, 2016). Equally, the community does not want to pay excessive fees to partner sites it sends its members too. The two strong potential advantages to the affiliate revenue stream for a community, are that a good volume of potential customers could be driven to the members site, prepared to buy goods and services there, and these customers might also become valued members of the community at some later point in time.

The *research and development revenue stream* means businesses can collaborate with online communities to develop or test new product and markets, where the former serves as a source of open innovation (von Hippel, 2005). This can provide an excellent opportunity for the community to showcase innovative products and services, to create a continued sense of anticipation and interest on the part of existing and potentially new community members (Pitta & Fowler, 2005). In this scenario, online member communities can receive finance from one or two or more firms i.e., a consortium of companies, to ensure the success of various research and development projects (Spaulding, 2010). Members can try out various products, in various ways and the results communicated to the company in question. A potential problem might involve an over exposure of new items to be tested by members and/or an over reliance on companies, where the community's image and ethos could become weakened. Members may balk at the site being used in an instrumental way by outside companies, if they see the latter taking too much of a role in the development of the community and its discussions.

Finally, there is the member *marketing services revenue stream* (Iskoujina et al., 2017; Ind et al., 2020). This approach employs the idea of co creation in the community (Antorini & Muniz, 2013; Chen et al., 2018), where the skills of members are used as a resource. Revenue becomes dependent on voluntary contributions, as members add material that can be charged for. The site can capitalise on existing member loyalty, and further, members as advocates can promote the community brand through social media, where the recruitment of new members can lead to further purchases of products or services (Chen et al., 2018). The knowledge of existing members means they are likely to know the community needs intimately, where they may have a range of skills that can utilised to develop outputs for sale. These can be products like souvenirs and relevant merchandise, or expert custom services and feeds. Co creation in a community is proving to be an important way for the member site to develop.

## 9. The LiveInGym Community

To illustrate a business model in use, and its associated revenue streams, we use

the hypothetical case of LiveInGym, a community comprising members who have set up gyms and fitness facilities in their own homes, rather than visiting a commercial enterprise. There are abundant communities like these to be found on the internet, with people often preferring to work out at home, supported by an online social network (Zeng et al., 2017). For Falardeau et al. (2021), at-home fitness solutions are here to stay. These home-based gyms and fitness areas could be in consumers garages, spare rooms, or any general living space available. There are very many variations on this type of community, so our case example represents what is an amalgam of their characteristics and is not based on any existing one. Despite these variations and the types and range of equipment members possess, most have some form of commitment to fitness, exercise, and training, based within their homes, using features like weights, rowing and running machines and cross trainers. For LiveInGym, and for any member owned community, obtaining revenue could lead to such features as an improved web site, services to members, improved external communication's and possibly, financial returns for administrators of the site, thus placing the whole undertaking on a professional basis.

In a hypothetical context, LiveInGym, can be said to conform to the classic model of a community, set out by Muniz Jr. and O'Guinn (2001). This comprises consciousness of a kind, which is the implicit connection community members feel towards one another and fitness. Also, the community possesses some rituals and traditions, for example no offensive posts are allowed and the community will share stories, like posts of successful weight lifts and how these were achieved by members. And additionally present, is moral responsibility, meaning a sense of duty to the community exists, through helping other members in various ways, like with dietary issues for example.

## 10. LiveInGym: Adopting a Business Model

Drawing on the template of Morris et al. (2005), we set out a schematic business model for LiveInGym. **Figure 1** provides an illustration of the template with a relevant example in the third category.

The community must firstly decide how it will create value. In this case it is primarily offering a mix of gym related services, with some physical products provided by manufacturers, like weights and training shoes. Some customisations could be available for services, with online individual advice about diet, and training programmes. The online member site should strive to offer on a continuous basis, a range of value creating practices (Schau et al., 2009), that enhances the worth of the community. These value practices should include features that promote user engagement, encourage use of services, get members to network with each other and to ensure the community's external image is heightened.

Secondly, the model must show for whom the value is being provided. The community is based around member-to-member contact, operating internation-

ally, with most activity being downstream recipients of services and products. Transactions are long term and relational, where members constitute the single market segment. The internal source of advantage, being the third component, is the strength of the relational network of the gym members who support each other. Other internal competencies will be based in the knowledge held about members and their requirements, and their interests regarding fitness and gym equipment. Most members will have knowledge that can be shared to benefit all. In terms of finding a market position, the fourth category, this is about differentiation. This could be given expression through unique relationships with manufacturers and additionally, a wide range of services could be provided for members. The image projected by the community could be one of efficiency, reliability, dependability, and mutual support.

Fifthly, the key economic question of how the community makes money, and profits, must be addressed. Fixed costs are likely to be low in terms of running the online gym, but variable costs are very likely to be incurred, for example payment to a celebrity sportsperson for a special video or live streaming event, which may not be offered for free. Initially volumes of sales will be likely low but have the potential to increase to medium levels. It is important to also identify the type of margins required. Again, the medium level is likely much more suited to the community, as high margins mean that the prices are too expensive for members, and low margins might mean quality is compromised. What also needs to be established is the number of revenue drivers, in other words, the number of products and services to be offered. This will help to provide a clear view of costs and income. Have too many, or too few sources, might mean jeopardising the community's future.

Sixthly, LiveInGym must decide on its future scope and ambition, and is about the investment model to be adopted by the community. Members will need to decide if it is to just survive or does it wish to grow and if so, by how much. This needs careful consideration in terms of future possible revenue and resource issues. Finally, the model addresses the rules level which has to offer up operational details for each of the six categories. For LiveInGym, this might mean that goods from manufacturers going to members, should always be delivered within forty-eight hours, and as another example, prices for personal video training will not exceed a stated amount. Rules of operation need not be complex but must help day to day activity to run smoothly and should be in place for each of the six categories we have examined here.

## **11. LiveInGym: From Business Model to Revenue Streams**

Based on the above outline business model and determined by it, a combination of revenue streams could potentially be utilised by LiveInGym. One approach is to ensure that members pay a subscription, and for this some minimal levels of product and service must be provided. All members could receive a regular digitally interactive magazine and there could be different categories of member, i.e.,

with founder members perhaps paying a higher fee. A subscription charge would act as an indicator of value and as well as the magazine, the provision of content for members on the community page could be considered, like free health checks or advice on training. Special competitions and events could be showcased online for members with fitness personalities exhibiting their skills and giving instructions on use of equipment. Competitions in online communities are especially important, in an era of gamification (Xi & Hamari, 2020), but they must be appropriate to the market position of the community as set by the business model. Member subscriptions could be linked to the advertising revenue stream, where members could promote their products and services, as well as manufacturers and personal trainers doing similar. All this would be linked to fitness, where charges could be made for advertising activity.

Another revenue generating approach is the member marketing services variety. There is likely to be in the community, some qualified members with skills that could be shared with other members. For example, video-based classes dealing with a range of interests could be put on the site and paid for when used by members. There might be sessions included for members with different levels of ability and physical fitness. There could also be disability services provided for relevant members. Interests to cater for might include areas such as nutrition, exercises, and fitness advice. It may be that members have skills in different types of workouts, for example, lower body experts, meaning a firm basis for differential advantage exists. There might also be skills held by members linked to a geographic region which would be of interest. Other members may have won gym-based competitions and expert advice could be offered to all members in such features as rowing machines and self-defence for example. If the member marketing services revenue stream is implemented alongside a member subscription, then careful consideration must be paid to how the two approaches might be able to complement each other. In all cases, it is important that the useability of the community site must be contextualised to member's needs, where any entertainment feature draw people in (Sung et al., 2010).

Other alternatives can also be suggested for the community, provided they can be accommodated to fit the business model. Firstly, by selling a range of products that come from manufacturers in the fitness industry, then the community would be able to adopt the production revenue stream, which can add value. This would also enable the community to make use of both the advertising revenue stream and the research and development stream. Some companies could advertise their products for sale on the site and additionally, members would probably enjoy testing any new products for these firms. This could be the basis for some innovative content, where maybe the new products could be made available at special prices. There are several reputable well-known companies whose products could be stocked and tested in a variety of areas and dispatched to members. In turn, this could potentially be considered as a special feature that might be linked to the subscription revenue stream, as an added

feature of membership. Also, manufacturers could also be encouraged to provide some online content in addition to their products, which could be free or charged for.

Relatedly, it might be that some members have skills in making products that are fitness based. However, caution would be necessary in selling these products in terms of health and safety, where rigorous testing would be required, prior to any commercialisation. It is suggested that all these approaches are preferable to adopting the affiliate model, where much time could be spent and perhaps wasted, in finding partners, some of whom might be relatively small and unknown. Finally, it is important to emphasise that these revenue streams must fit comfortably inside the business model of the community and all commercial decisions linked back to it. An example of incompatibility might arise for example if a fitness class appears to represent a high margin for the community when the business model is set at medium margins. Issues like this must be carefully appraised for all members run communities, to ensure all decision making is compatible with the aims and structure of the agreed business model.

## 12. Conclusion

Without much doubt, a well devised business model can assist the development of a community, providing a good degree of commercial discipline to the process of creating a business plan and implementing revenue streams. With large numbers of online member communities in many areas, we argue that the topic of this paper, that of economic value, is as important as the study of each community's culture. Given this, the purpose of the preceding section was not to include an extensive body of detail about the operation of revenue streams, and business models for communities, as this can be worked through by members. Alternatively, the intention was to illustrate the importance of a strategic framework when contemplating setting revenue streams and what the latter might look like. Although much has been written about online communities, little attention is paid specifically to member communities and how revenue drivers can be successfully integrated into a coherent and commercial business model. Whilst key papers by authorities such as Porter (2004), Clemons (2009) and Lumpkin & Dess (2004) raise important questions about online business strategies, there is no well-established body of research that looks specifically at member communities and revenue in a business model context. Also, much of the work like that of Rappa (2010) and Osterwalder & Pigneur (2010), focuses on firms and internet business models, and not member communities. This gap represents a space which this paper has attempted to reduce, inviting further work on the topic.

So, despite the sparsity of both conceptual and empirical work on the topic, the authors suggest their question has been answered. Undoubtedly, there are a wide range of creative business model types and revenue generating approaches that can be considered for use, certainly not limited to the ones we propose. And

it is true to say that members of many different types of communities clearly recognise the potential economic value of their collective, given the number of questions about revenue generation raised on different social media platforms. Based on this, we argue that many communities, ranging from line dancing to car clubs, to model makers, to mineral collectors, can be positively engaged in research and consulted with widely before a particular course of action is adopted. With members committed to their community, research on business models and methods of revenue generation should be more easily accomplished than with the wider consumer public. Here, the starting point for research and discussion in a community wanting to acquire income, is to recognise that a business model must be thought through and adopted, and then wrapped around particular methods of generating revenue.

Although our case example relates to fitness, what has been discussed can be viewed as relevant to most consumer-to-consumer communities. When it comes to income, it may be the case that an integrated revenue raising approach be utilised, where more than one type of stream is used by the community in question. However, what might work for one community may not work for another, meaning that each case must be evaluated in the context of the business model agreed on, member aims, their values and existing operating structures. This raises some very interesting questions for further research. It is therefore anticipated that this paper has helped reveal what is possible to research and develop, in terms of generating economic value for member owned communities. This means that the potential exists for conducting further extensive work on the commercial opportunities for member communities, in terms of both theory development and practical implementation.

### Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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