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# SHOULD I STAY OR SHOULD I GO: THE ROLE OF REFERRALS ON ONLINE COMMUNITY MEMBER TURNOVER AND TENURE

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# SHOULD I STAY OR SHOULD I GO: THE ROLE OF REFERRALS ON ONLINE COMMUNITY MEMBER TURNOVER AND TENURE

*Research-in-Progress*

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## **Abstract**

*Communities are often faced with challenges associated with attracting and maintaining a membership base, which affects their ability to develop a pool of resources and ultimately impacts their sustainability. A potential resolution to this challenge lies in the members of the community referring non-members to the community – member referrals. While community joining has been acknowledged as important stage in the life cycle of community members; however, the way in which a member becomes aware of a community and its resulting influence on their engagement with the community has not been examined. This research-in-progress paper outlines the examination of the role of referrals on member turnover and tenure. Drawing upon theories of referrals from organizational behavior and marketing, the paper theorizes that referrals have the potential to facilitate the awareness of, and interest in, a community, which ultimately influences new members to return to, and stay, in a community.*

**Keywords:** Online communities, Social media, Referrals, Turnover, Tenure, Participation

## **Introduction**

The emergence of technologies aimed at helping people connect, communicate, and collaborate coupled with individuals' desire to interact with like-minded others has led to the formation of a wide variety of online communities (Preece 2001). These communities support a broad range of activities, such as open source software (Lakhani et al. 2003; Lee et al. 2003; Von Krogh et al. 2003), technical support (Smith et al. 1997), financial investing (Campbell 2001; Porak 2001), and hobbies (Preece et al. 1998). These interests represent a minute sampling from the universe of available discussion topics found in online communities.

The popularity and prevalence of online communities has led to the creation of competing communities that are organized around similar topics of interest and offer users comparable benefits (Wang et al. 2006). Despite these similarities, communities are able to create their own uniqueness due in part to their specific members, leaders, social structures, and norms of interaction. At first blush, the abundance of available alternatives for potential members may be perceived as a favorable situation. As online communities have been used by over 84 percent of Internet users (Horrigan 2001), the possibility of one finding others who share even an obscure interest and interacting with is great. Given a population of users with diverse interests and a universe of accessible communities there is potentially a community for everyone.

However, as indicated by the high member turnover rates typical to online communities finding the right community remains a challenge. While some community-oriented ventures have been able to achieve extreme levels of success (e.g., MySpace, Facebook, and Wikipedia) success is not the norm (Butler 1999; Crowston et al. 2002). Rather, communities commonly confront challenges associated with maintaining a membership base (Butler 2001). This is one reason why member turnover has become a key metric commonly used by community administrators to assess the health of their community (Johnston 2007). Due to the high turnover rates typical to online communities, they find themselves heavily reliant on their ability to attract new members to stave off the widespread loss of members (Lampe et al. 2005). While a reliance on attracting new members is one strategy for dealing with the issue of high member turnover, a complementary approach might be to focus on reducing attrition rates.

The challenge of maintaining an engaged membership is not new to online communities; nor are they a particularly new area of inquiry for community researchers. In fact, over the past decade a rich body of research aimed at better understanding the dynamics of member activity and turnover within online communities has been developed. For example, work on member socialization (e.g., Ahuja et al. 2003; Burnett et al. 2003; Von KroghSpaeth et al. 2003) has sought to identify how members learn the rules and norms of the community. Work on content contribution has identified a variety of factors that lead members to contribute content (e.g., Andrews 2002; Barreto et al. 2002; Constant et al. 1996; Hall et al. 2004; Jeppesen et al. 2006; Preece 2001; Wasko et al. 2005; Wiertz et al. 2007). Yet despite these efforts, continued engagement and member turnover remain core challenges to online communities (Johnston 2007).

One potential limitation of this body of work is that it has largely sought to understand participation, or both the active and passive involvement of a member with a community, by examining factors that influence an individual once one becomes a member in a community. However, this work has overlooked the possibility of the influence of factors exerted prior to the moment of membership. For example, some sources of information about the community available to potential members could be more accurate, or influential, than others. As such, how a potential member becomes aware of the community might affect what one knows about the community prior to joining. Ultimately, when an individual decides to join, this may possibly influence their engagement within the community. For this reason, a better understanding of pre-membership influences should be examined to determine their impact.

To obtain a better understanding of the impact referrals have on shaping online communities, several key aspects of community joining need to be examined. First, aspects of the community joining process need to be conceptualized. Second, the potential impact of aspects associated with the joining process and tenure will be theorized. Answering these questions can provide useful information for community managers that wrestle with attracting and maintaining active members (Butler 2001; Hall 2001; Williams et al. 2000).

To examine these research questions a process model linking community joining and engagement is developed. Then, drawing upon literatures from marketing and organizational recruiting, where referrals have been found to play an important role, several key mechanisms underlying member-based referrals are discussed. These discussions lead to the development of propositions about how interpersonal referrals will significantly impact the

engagement of members, particularly their returning to and tenure within the community. The paper closes with an overview of the methodology that will be used in this research-in-progress study, as well as potential implications for research and practice this paper could make.

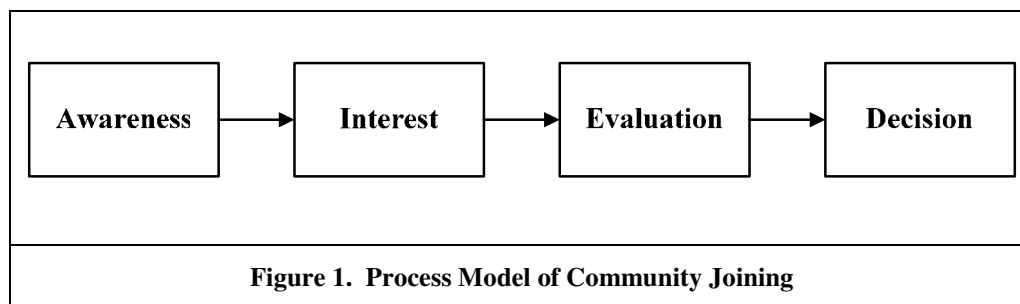
## Online Community Joining

For communities to be successful, they must not only be able to attract new members but also be able to *retain* these members in order to sustain themselves (Mcgrath 1984). Across various contexts, people seek to be affiliated with environments that they believe will best match their personal preferences and help them to fulfill their needs and desires. Commonality is one of the defining characteristics of online communities and includes common goals (Dennis et al. 1998), common interests (Ridings et al. 2004), common values (Figallo 1998), and common needs (Preece et al. 2003). The similarity of an individual to that of an organization has been found to impact one's feelings towards, and involvement within, the organization, especially in voluntary organizations (Knoke 1990).

The resource based view of online communities (Butler 2001) posits that the perceived value of benefits a community can offer is a primary factor in new members' evaluation of a community. The process model of community joining highlights that the decision to be either actively or passively active in a community is not a singular decision, but rather a process; it has the implicit assumption that not only does an individual possess an awareness of the community's existence, but also that one is already a member of the community. Consistent with existing perspectives on participation, this perspective only explains a members' behavior once in the community; however, it does not account for how participation decisions might be influenced by aspects that are exerted prior to the moment of membership – joining processes.

Joining a community is the point at which an individual becomes a member of the community. Membership is defined as formal registration with the community, which provides a member the ability to engage with the community infrastructure (i.e., technology, content, and members). Members are exposed to the conversations generated by other members of the community in that they read messages and have the ability to contribute (but do not necessarily have to contribute). This behavioral definition of membership was selected over the psychological definitions often considered in studies of communities (e.g. Roberts 1998) as many of the organizational benefits of communities (e.g. knowledge transfer, social support, information awareness) are predicated on the assumption that individuals can engage in, or at the very least are exposed to, the community's conversations.

While benefit evaluation may be an important factor in the decision to engage a community, this abstract perspective of costs and benefits does not fully account for the processes involved in becoming aware of, and ultimately, joining a community. One way to understand this aspect of community life is to view membership choices in a community similar to that of an adoption or purchase decision in which a product's benefits are weighed against its costs (Ratchford 1982). These types of decisions are not an isolated choice whether or not to adopt/buy, but rather, they are the result of a series of steps involving the awareness of, interest in, evaluation of, and decision to use a product or service (e.g., Bruyn et al. 2004; Rogers 1962), as illustrated in Figure 1.



In the *awareness* stage, an individual first learns that the community exists, but may not have interest in the community or not yet have enough information about the community to determine if they have an interest in or understanding of the potential benefits the community can offer. In the *interest* stage, an individual has already obtained an awareness of the community and develops a curiosity in the community that leads them to learn more about it. The next step is the *evaluation* stage. In this stage a potential member has obtained enough information about the community to determine if it potentially fits his or her needs and offers enough potential benefits that the

individual might consider formally joining the community; however, the individual has yet to make a decision with respect to this. The final stage is the *decision* stage where the individual takes an observable action related to membership in the community, such as deciding to register and become a formal community member<sup>1</sup>. The processes are thought to be hierarchical in nature, in that each decision stage is conditional on the previous stage. Although, the stages can occur concurrently should an individual become aware through exposure to a very persuasive source (e.g., an enthusiastic peer) (Bruynand Lilien 2004).

### **Member Referrals**

Online communities can be conceptualized as virtual spaces embedded within networks of individuals (Garton et al. 1999). While much attention has been paid to the development of behaviors and social networks *within* a specific online community, members also have pre-existing ties with other individuals outside the boundaries of the community. Using this perspective, a member's engagement with a community may be influenced by members' contacts outside of the community. If accessible, these pre-existing ties could be an untapped resource for community administrators who are seeking to develop their communities.

One such method for activating these ties is via member-based word-of-mouth, which can increase the awareness of the community among potential members. The word-of-mouth process can lead to member referrals, a process in which existing members recommend the community to individuals with whom they have contact outside the community. While the importance of referrals for online communities has been highlighted in practitioner-oriented work (e.g., Kim 2000), these discussions of recommendations and their implications have been based largely on anecdotal evidence. At a minimum, referrals are beneficial to a community because they serve as an additional way of introducing more people to the community. While this may be true, it only suggests that referrals are useful for increasing community size.

On one hand, recommendations tap into members' personal networks seem to run counter to the search oriented, wide open nature of the Internet. Generally, the content of online communities is freely accessible to anyone to view, regardless of membership status. The availability of a community's archived activity, coupled with the ability to explore these resources with the use of a search engine, allows potential members to read content and make judgments about the community for themselves. This would seem to reduce the need to rely on members' external relationships. On the other hand, there is reason to expect that referrals might be beneficial not just because they get additional members, but because of who and how they get them. The impersonal nature of search tools may leave open the opportunity that a personal referral can have a stronger impact as they can provide a significant channel for information and influence due to the nature of the referral relationship.

One of the defining characteristics of a referral is that it utilizes preexisting social connections for interpersonal communication. One of the main principles of these person-to-person connections is homophily, which states that contact between similar people occurs at a higher rate than among dissimilar people (Mcpherson et al. 2001, p. 416). Homophily can arise due to similarities in status or values. Status homophily is related to socio-demographic dimensions such as race, ethnicity, sex, religion, or age. Status homophily increases the likelihood of referrals occurring, while also influencing the flow of information between referrer (i.e., existing member) and referee (i.e., potential member) (Brown et al. 1987). Value homophily is tied to personally held values, attitudes, and beliefs (Lazarsfeld et al. 1954). Value homophily has been found to be an important source of influence on people's behavior (Mcpherson et al. 1987), especially as an influencing factor in creating relationships (McphersonSmith-Lovin et al. 2001). One explanation for this is that the similarity of attitudes, beliefs, and values influences the level of individual attraction and interaction (Huston et al. 1978). Both status and value homophily have been found to impact the behavior of individuals, playing an important role in the formation of social groups (McphersonSmith-Lovin et al. 2001).

It has been proposed (Arndt 1967) that commonality is one of the primary conditions needed to exist in order to support information flow between referral source and recipient in word-of-mouth (WOM). The homophilous nature

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<sup>1</sup> Based on an individual's assessment of the potential benefits a community has to offer, the result of the decision stage may be that a member decides not join the community as a formal member. However, individuals can easily surf from community to community seeking whatever information is available, and then moving on in search of better resources. The focus of this study is to understand the members (i.e., registered members) of a community, or those users that have the ability to fully participate in the community. As such, non-registered users of a community site are not part of the current inquiry.

of referral associations (e.g., Fernandez et al. 2000; Granovetter 1995; Myers et al. 1951; Rees et al. 1970; Ullman 1966) can exude informational influence. First, a referral is able to generate additional interest in the recipient as the commonality serves as a cue to the recipient that the product/service to which they are being referred might be of interest to them as it is to the source (Bruynand Lilien 2004). Second, homophily increases the influence of the referral source with a recipient for personalized decisions, especially where trust is important. This influence is attributable to the fact that the source of the message is viewed as being similar and possessing similar values to the recipient. These factors suggest that a successful referral (i.e., one in which an individual joins the community), will more likely result in individuals joining the community who are more similar in status, values, and interests to current members of the community. In contrast, the general, even random discovery processes associated with Internet search, this is not as likely to benefit from this type of selection.

Relying on individuals to search for and find a community may provide communities the potential advantage of being exposed to a larger number of individuals. However, given the number of available alternatives and low search costs, if the community fails to live up to a new member's initial expectations, it is less likely they will return. For referred members, the homophily that often underlies a successful member referral would increase the chances that commonality between the community and the new member would exist. At a minimum, it would be expected that the referrer felt the referee should have some interest in common with those of the community, thus increasing the level of attraction to the community. It is still possible that a community does not meet expectations for new referred members. However, in this case, the referred member should be more receptive that the community will be beneficial for them as shared similarities between themselves and the referrer will serve as a cue of interest. (Bruynand Lilien 2004). This would lead the referee to believe the community would be of interest to them as well. Additionally, the referee's post usage perceptions can still be influenced by the referrer (Bone 1992; Burzynski et al. 1977; Galletta et al. 1995). Upon joining, even if the referee's initial exposure to the community led them to think it may not be interesting to them, the referrer could alter this perception, leading a referee to try to use the community again.

It has been estimated that as many as four out of five web site visitors are first time visitors, and that the majority of them will never make a return visit (Cothrel 2000). Potential members differ with respect to their initial expectations about the community and the way in which they move through the process of joining and participation in a community. Potential participants make their decision to join and remain with a community based on expected costs and benefits (Brinthaup et al. 1991). A critical step in moving through the participation process is the initial decision to return to the community, as one cannot participate unless they are present in the community. The influences associated with homophily will increase the likelihood of awareness by selecting individuals that might be predisposed to have more in common with the community than non-referred members, generate interest based on referrer oriented cues, and influence the evaluation by referred members. The collective influences associated with homophily, that often underlie a successful member referral, suggest that referrals can facilitate the joining process, which will lead to referred members returning to the community more frequently after their initial visit than non-referred members.

***P1: Referred members will be more likely to return to the community after they formally join.***

While referrals might lead to differences in the short term in getting members to return after joining, referrals may also provide long-term advantages. In the long term, people seek to be part of an environment they believe will be a fit (e.g., person-environment fit, person-organization fit), one that matches their personal preferences and helps one to fulfill their needs and desires (Diener et al. 1984; Pervin 1989). In organizational contexts, the person-organization fit that comes from the congruence between the values, benefits, goals, and needs of an individual has been found to influence the performance of a variety of individual behaviors, in particular the decision to self-select into, and remain with, an organization (Hoffman et al. 2006; Kristof-Brown 1996).

A community's values, goals, and benefits are generated and exchanged through its ongoing conversations. The nature and volume of communication activity can play an integral role not only in individuals' decisions to join, but also in their decision to continue, or terminate, their involvement with a community (Jones et al. 2004; Lakhiani and Von Hippel 2003). However, the experiential nature of a community membership may make it challenging for a new member to accurately assess values, goals, and benefits initially. The decision to leave a community can be impacted by a member's experiences with the community failing to meet their initial assessments.

One reason is that a member could find the ongoing conversations of the community to contain uninteresting information. While part of judgment of interest can be attributed to a member's changing personal interests, how interesting conversations are found to be is in part influenced by the nature of conversation within the community. For example, the number of useful conversations can also influence a member's decision to leave a community, as the ongoing development of new content serves as an important mechanism in bringing people back over time (Armstrong et al. 1996; Lakhiani and Von Hippel 2003). Additionally, the quality can also be detrimental, especially if the discussion is uninteresting (e.g., same topics continuously discussed), unfocused (e.g., incoherent or off-topic posts), or overwhelming (e.g., too much content, resulting in information overload).

Additionally, several of the dynamics of online community membership (i.e., people and technology) can create feelings of member-community un-attraction (Mittilä et al. 2005), causing members to leave. First, other members in the community can impact the decision to leave a community as members play a role in creating the atmosphere of a community. However, when members are clannish, aggressive, or overly protective, new members may feel unwelcome (Mittilä and Mäntymäki 2005). As many of the norms are developed and propagated by the members of a community, a perceived inaccuracy in the fairness in which rules are applied, or a misunderstanding of the rules of operation, can also result in a member choosing to leave. Finally, should the technical functionality of a community become an issue (e.g., slow response times, complicated to use, hard to find information), individuals may decide to leave.

These non-attraction factors highlight the importance of individual experience, as community characteristics are not fully evident until an individual joins a community and is able to experience these features first hand. However, referral sources can utilize their experiences to explicate these factors (Jovanovic 1979). Non-referred members do not have access to this type of experiential information and, in essence, have to learn on their own in order to determine what membership entails. In undertaking the process of seeking a community that best matches their specific needs, individuals incur search costs (Bakos 1997). For these non-referred members, Internet search results identify communities that may, or may not, fit what the individual is looking for, as one's interests may not fit with those of the community. In situations where the community is not exactly what an individual is looking for, he or she can choose to remain in the community and incur a fit cost (Bakos 1997). While search costs are a factor, the ability of electronic search technologies (i.e., search engines) to facilitate the search process, coupled with the number of available alternatives, reduces these costs. As a result, it would be expected that an individual may join a community, but if it were not a fit for them, they would continue to seek a community that provides benefits that fulfill their needs.

On the other hand, referred members are able to make a better assessment of the experiential aspects of the community prior to joining due to a pre-joining informational advantage, which is afforded to them by referrer's ability to share experiential information with them. As a result, a referred member would have a more realistic perspective of a community's values, goal, benefits and culture; ultimately, of what membership would be like prior to joining (Wanous 1980). Compared to non-referred members who lack this informational advantage, there is a higher likelihood that the community would meet a referred member's a priori expectations, resulting in a better person-community fit. As a result, referred members are more likely to remain with the community for a longer amount of time than non-referred members.

***P2: Referred members will have a longer tenure with the community than non-referred members.***

## **Methodology**

Data to test the hypotheses will be from PseudoCommunity (a pseudonym). Built and run on a commercial thread-based bulletin board platform, PseudoCommunity is promoted as a "general discussion" community, with the goal of supporting social conversation amongst its members. PseudoCommunity is a small (54,000 registered members), public community (no restriction as to who may join or membership fees) that has been in operation for close to two years (at time of data collection). The community hosts regular, voluntary, and informal social interactions amongst its members, and the focus is the sustaining activity of conversation. A broad range of conversational topics arise in this community, including current events, sports, entertainment, fashion, politics, philosophy, technology, and anime, among many others. Members do not occupy any particular professional, technical, or cultural niche. Though the sheer size of the community has led its owner/administrator to group threads into categories to help members organize their conversations, PseudoCommunity maintains its identity as a single online community, hosted by a single owner/administrator.

Data will be culled from the archival data and records stored in the server logs of PseudoCommunity (a pseudonym). Members can join the community as either a referred or non-referred member. The measure of a referral will be determined on the basis of a new member indicating they were referred when they formally joined (i.e., registered) the community. Referral status is indicated by a numeric code in a new member's record that indicates the member of the community that referred them, or in the case of non-referred members a zero is recorded. A measure to assess if a member made a return visit to the community on any day after the one they joined, a dichotomous variable was created. This measure will be calculated based on a comparison of the date the member joined the community to the date the member last visited the community, if the dates were not equal, indicating the member returned to the community on any day after the one they joined, a value of 1 (yes), otherwise a 0, (no). Measure of tenure will be calculated based on the amount of time (days) between the day the member formally joined the community (i.e., when the member registered with the community and created a user name that provides them full participation rights and the last time they visited the community over eight periods. This method follows established procedures of calculated tenure in an online community environment (von Krogh et al. 2003) as individuals typically do not formally terminate their relationship with the community, but rather just stop visiting.

## Discussion

Having many members who frequently visit a site signals to others that the community is active and vibrant, with a critical mass of like-minded individuals (Markus 1990). It also suggests that others have implicitly affirmed the value of the community by investing their own time consuming its resources, and that there is a diverse population with whom to engage in conversations and establish social bonds. Due to the importance of maintaining a membership base (Butler 2001) member turnover has become a key metric commonly used by community administrators to assess the health of their community (Johnston 2007). As such, obtaining a better understanding of the factors that might reducing attrition rates, in particularly those prior to the point of membership, is an important issue for community researchers and administrators. Towards this objective, this study theorizes the role of informational sources available to joining the community influence return and turnover rates. This study has the potential to contribute to the referral literature in several ways. While several studies have examined online communities as the communication channel for referrals (Bickart et al. 2001; Gruen et al. 2006; McWilliam 2000), the online community as the focus of the referral has not been investigated. This represents an interesting context because, unlike typical purchase decisions, the decision to use the community is not a singular one-off choice. An individual can choose to become a member and never return, as such continued membership in a community is a set of repeating choices.

It is worthy to note, that this study does not argue that pre-information sources are not the only factor influencing member return rates and turnover. There is the potential that other social influences could also be at play. For example, individuals may be more likely to join a site that does not match their interests simply because a friend, or several friends, have joined wish to participate in activities with those friends. However, knowing a friend is present in a community allows one to know that a group has desirable features in advance (i.e., the ability to interact with friends). Therefore, those who know a friend is present in a group have advance knowledge of the benefits they will receive from membership in the community. As such, the influence of pre-information does not preclude the impact of influences once one has become a member in the community, and vice-versa. While this study and its data may not conclusively eliminate the influence of other factors, at a minimum it provides an initial test of the hypotheses. That is, if the hypotheses are rejected this data, then they are not supported, and this avenue of theoretical questioning should not be pursued. If they are supported, then at a minimum it provides evidence that the proposed hypotheses (and the associated theoretical claims) are potentially supported, and hence it is worthwhile to pursue work that would provide more conclusive support for them.

For administrators, this study could identify the importance of existing members as a community resource that can be used to grow and develop the community, not only through contribution, as past research has focused, but through member referrals. Referrals are potentially valuable to a community because they make individuals aware of the community's existence, thus growing the number of members in the community; however, they might also be useful for attracting members that stay in the community longer than other members (if supported). This study has the potential to inform administrators to know if, and how, referrals might potentially be used as a tool to strategically shape a community.



### **Potential Limitations and Future Research**

This study is potentially subject to several important limitations. The first of these concerns is related to the measurement of a member referrals, as an individual may be referred to the community via word-of-mouth processes, but when a member joins the community they may not state (fill-in the referrer's name on the online form) that they were indeed referred to the community. However, this is no different from referrals in traditional organizational studies, where a job applicant might become aware of an organization and related job opportunities via a referral source, but not formally reveal that they have been referred to the organization (Fernandez and Weinberg 1997). Furthermore, the issue of a non-reported referral is not relevant for referred members who joined via a referral link embedded in an e-mail sent to them, as the referral is recorded automatically. A second limitation is that data were gathered from a single community (albeit a general interest community) calls into question the generalizability of the results, which only repeated replication in other communities could determine. In addition, as the data were gathered from bulletin board based discussion community, generalizability to communities utilizing various other technological platforms, such as knowledge bases, FAQ sites, wiki, or video sites where people can engage without formally joining is a potentially limitation, and area that should be examined by future research. A final limitation as a result of the design of the study is the decision to focus only on member returning to and tenure with the community, but not other forms of participation, such as reading and postings. Future research could study to examine the role of referrals on these specific member behaviors.

In addition to these limitations, future research could build upon this work to study to see what extent referred members make use of the informational advantage. Further, an examination into participation patterns of referred members, and testing to see if they participate in a manner similar to those that referred them, should be explored. Finally, future work could examine how referrals relate to prior work on online community behaviors, such as the socialization processes of referred members or the sense of commonality referred members feel towards the community?

### **Conclusion**

Community joining has been acknowledged as important stage in the life cycle of community members (e.g., Kim 2000); however, the way in which a member becomes aware of a community and its resulting influence on their engagement with the community has not been examined. While the importance of referrals for online communities has been highlighted in practitioner-oriented work, these recommendations have been based largely on anecdotal evidence. The true impact of referrals on shaping online communities and member's engagement with a community has not been previously theorized. This research-in-progress study takes step towards understanding the impact referrals have on engagement within online communities.

Opposed to search techniques that may make the community available to a broader sea of potential members, referrals might provide access to richer pools (FernandezCastilla et al. 2000; Fernandez et al. 1997) of people that might be more predisposed to have more in common with the community than non-referred members. This paper theorizes that referrals can facilitate the awareness of, interest in, and ultimately the decision to join and stay in a community in various ways. First, a referral provides access to a pool of potential members that might be predisposed to like the community due to similarities with existing members. Second, the pre-existing contact between the referrer and the referee facilitate information flow between the two parties, which might allow referred members to learn more about the community prior to joining. If the forthcoming research supports these, it suggests referrals might not only attract people to the community, but could also impact if new members stay in the community or not.

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