Use of Embedded Brand Community Networks for Brand Co-creation

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Abstract

Although social media has seen prolific growth in recent years, very little attention has been given to embedded brand communities within these media channels and their impact on brands. This paper discusses how brand communities emerging within social networking sites can be used as a valuable branding tool in collaborative marketing. We present a conceptual framework using social network theory and self-determination theory to demonstrate how an individual’s relational perspective and structural position within any embedded brand community network in social media can help in predicting an individual’s motivation to participate, peer-to-peer information flow and influence susceptibility.

Introduction

The rise of embedded brand communities within social media has transformed consumers from passive information receivers into hyper-interactive information creating social actors (Prahalad and Ramaswamy, 2004; Campbell et al, 2010). Embedded brand communities (EBC) attempt to corral a network of widely dispersed consumers into salient locations, in social networking sites (SNSs) such as Facebook, Twitter and LinkedIn. Facebook’s brand pages are one example of an embedded brand community where individuals share ideas and feelings about products and services they use without regard to geographic or social barriers. As consumers continue to form online social ties and encourage each other to act and speak out, they also co-create value, help each other make better purchase decisions, and provide invaluable feedback to companies. EBCs are facilitating the creation of a highly networked society where consumers form social ties that actively shape their attitudes (Earls, 2009).

New consumer activism has put businesses under pressure to partner with consumers in co-creating brands. Marketers have begun redefining their function in order to integrate EBCs and harness their potential for generating social capital (Ellison et al, 2007). The aim of creating an EBC is to implement value-driven marketing (Fournier, 1998).

Though businesses are gradually adjusting to this power shift, they face a challenge in devising appropriate integrated marketing communication (IMC) strategies for working with these communities to co-create brand value and foster relationships with consumers. Understanding this many-to-many collaboration marketing requires knowledge of the relationships that exist in these networks and also the motives for why an individual performs the activity (Kotler et al, 2010; Wellman and Gulia, 1997; Ryan and Deci, 2000)

This research uses social network theory to investigate the combined effect of individual’s motivations and social ties in brand co-creation. The study builds on the existing social network literature regarding the importance of using network concepts to explain relationship ties and their
effects on brand commitment behaviour (Iacobucci and Hopkins, 1992; Reingen, 1987). Past network studies have specifically used either relational perspective (strength of ties) or structural perspective (actor’s strategic position) separately to study consumer behaviour phenomenon such as word-of-mouth in referral networks (Reingen, 1987); opinion leadership within consumer networks (Watts and Todds, 2007 and Lee et al, 2010). In this study we aim to integrate these two perspectives to examine consumer behaviour in online social networks, such as EBCs of social media. Such assimilation is a novel way to study network phenomenon in consumer behaviour.

**Literature Review**

**Importance of Brand Community**

The concept of “brand community” is relatively new to marketing; however, it is being recognised as an important tool for facilitating consumer-brand relationship (Koh et al, 2007; McAlexander et al, 2002; Sukoco and Wu, 2010). Because it aids in substantiating consumer’s self-concept and social identity (Fournier and Lee, 2008). Research proves consumers participate in brand communities to satisfy personal motives, such as social enhancement, self-efficacy and purposive value (information seeking, incentive seeking) (Dholakia et al, 2004). On the other hand, social influences created in a brand community are seen as providing individuals with credible, relevant information that affects their behaviour (Bagozzi and Dholakia, 2002; Algesheimer et al, 2005).

Previously, the concept of brand community was primarily associated with cult brands, like Harley-Davidson (Algesheimer et al, 2005), but recently, social media’s interactive technology platforms have brought about rapid growth in various types of online communities (Ridings and Gefen, 2004), particularly global brand communities (Fournier and Lee, 2009) where large numbers of people interact. Fischer et al. (1996), Rheingold (2000) and Wellman and Gulia (1997) claim such online brand communities derive knowledge from each other through resource exchanges, thus instilling a feeling of communion. Such a collaboration to create knowledge for consumption, helps influencing each others’ attitudes and behaviours, and satisfies the need for self-concept and social identity (Kaplan and Haenlein, 2010).

**Embedded Brand Community, Brand Commitment Behaviour and Brand Co-creation**

Social media facilitates EBCs, which encourage rapid, global exchanges of information and feedback about products and services at a low cost (Kietzmann et al, 2011). These exchanges create value for consumers and marketers in the form of information. Marketers are forced to abandon their role of broadcasters and become aggregators of such brand communities (Cova and Pace, 2006). Vargo and Lush (2004) explain this using their service-dominant logic in which such collaboration occurs to create value. Kim et al (2008) suggests consumer’s online brand community participation leads to brand commitment behaviour. Traditionally, brand commitment behaviour is described as emotional attachment to a brand (Fournier, 1998) that leads to repeat purchase behaviour (Bhattacharya, 1998), positive word-of-mouth (Westbrooke 1987; and Reingen, 1987) greater customer participation (McWilliam, 2000).

However, in age of collaborative marketing, brand commitment behaviour should lead to an act of ‘co-creation of value’ for the brand. This study has termed the co-creation as ‘brand co-creation’ (BCC). Co-creation refers to the process or activity by which both consumers and producers participate in creating value for a product (Prahalad and Ramaswamy, 2004). Because value is multidimensional, it can take the form of repeat purchase behaviour, positive word-of-mouth, crossover buying, etc.

Utilising embedded brand communities successfully means avoiding appearing inauthentic and intrusive and not leading to media clutter (Avery and Fournier, 2011). It means providing a sustainable, personalised experience that motivates consumers for brand co-creation and fosters
consumer’s brand loyalty. For this, we must understand the relationship dynamics within these networks (Ko and Koh, 2007; Prahalad and Ramaswamy, 2004)

Empirical research suggests consumer communities are networks comprising direct and indirect ties between consumers; ties are relationships that are established due to either direct or indirect interactions/linkages between any two actors of a network. These ties or links influence individual’s behaviours, such as word-of-mouth (Vilpponen et al, 2006), brand choice (Iacobucci, 1996), new product adoption (Czepiel 1974; Goldenberg et al, 2001) and opinion formation (Watts and Dodds, 2007).

Iacobucci and Hopkins (1992) and Webster and Morrison (2004) suggest marketing is relational in nature; therefore, to understand these network relations, social network theory will be used. In this study individual’s ‘brand community participation’ (BCP) will act as mediator to the subsequent, brand co-creation (BCC).

**Conceptual Framework**

Our literature review resulted in a preliminary conceptual framework shown in Figure 1. The framework suggests individual’s motivations are responsible for their participation in EBCs. These communities are a form of social network, a composite of interactions and connections. Our proposed framework has been developed by integrating self-determination theory and social network theory to establish the individual’s relational (motivation type) and structural (strategic location) configuration in a way that helps in mapping the individuals within the EBC to predict their BCC.

**Theoretical Background**

Ryan and Deci’s (2000) self-determination theory describes an individual’s ‘motivation’ is responsible for his or her intention to perform an activity. When this activity is performed out of interest, then it is termed as ‘intrinsically motivated’ and if performed only for the underlying outcomes, then it is called ‘extrinsically motivated’. The innate psychological needs guiding an individual’s motivation are 1) autonomy 2) relatedness and 3) competence. Literature concludes an individual’s ‘motivation’ is an important construct to be considered in his or her participation in online communities (Shen and Khalifa, 2010).

Social network theory is a valuable tool for assessing many types of social structures (Cummings and Cross, 2003; Gordon et al, 1997). It states social structures are made up of nodes (actors) and ties (linkages between these nodes). These ties are channels for “flow” of resources, thus making the actors and their actions in the network interdependent rather than autonomous units (Wasserman and Faust, 2007). A network structure can demonstrate the characteristics and influence the outcomes of an individual’s position within the network.

This study is limited to constructs that directly reflect the realities of embedded brand community settings. The discussion focuses on relational concepts and structural concepts that seem to strongly affect an individual’s personal motivations and social influences to participate in an EBC and the subsequent brand co-creation.

Relationally, this study is concerned with the number of actors as well as the quality of direct and indirect ties – with the brand and with each other. Since these ties are formed in a social network we have termed them ‘social ties’. Structurally, the location of each actor within the network indicates his or her position and role in the information flow, in influencing others and his or her susceptibility to be influenced by others.
The constructs considered in the conceptual framework are outlined below:

1. Motivations
Online community research indicates that individual’s main motivations for using online community settings are: 1) purposive value, 2) a sense of belonging, 3) self-efficacy, and 4) entertainment (Kim et al, 2008 and Muniz and O'Guinn, 2001).

According to SDT, an EBC is a supportive environment (Miller and Prior, 2010) in which individuals are either intrinsically or extrinsically motivated to participate in order to satisfy certain motives (Ryan and Deci, 2000). Intrinsically motivated consumers will have higher BCP than extrinsically motivated individuals. The motivation type will be determined by a relational network measure called ‘tie strength’: a multidimensional construct that represents closeness, intimacy, support, and association in a dyadic relationship (Brown et al, 2007). The frequency of contact with the brand will dictate an individual’s motivation type.

2. Social ties
In a virtual network such as an EBC, resource exchange can only occur through participation (Muniz and O'Guinn, 2001). Studies show that an individual’s participation is described as interaction with others by taking part in specific community activities that allow for observation of members’ behaviours within the community (Ardichvili et al, 2003; Shang et al, 2006). The interactions that exist amongst a social group form social ties. Research has shown that an individual can occupy structural positions within a network that afford greater access to information, resources and opportunities (Lee et al, 2010).

Using social network analysis measures like degree centrality, betweeness centrality, cohesion density and group centrality, this study will analyse three types of social ties normally formed due to an individual’s structural location in a network.

2.1 Social ties with brand experts: Some individual gain structurally advantageous positions, becoming central within one’s network. Every network consists of actors who are more influential than others and are the focal point of information within their group (Freeman, 1979). They are active (continuously working towards maintaining contacts), help in opinion forming and rapid influencing as their position in the network permit high dissemination of information (Watts and Dodds, 2007).

This position is measured by the ‘degree centrality’ of the actor. Centrality can be measured by either the number of ties (quantity) or the configuration of ties (strategic location). This study concerned with both degree centrality (number of ties) and betweenness centrality (a location measure). Freeman (1979) defines degree centrality as the number of ties directly linked to the focal actor. Betweenness centrality is defined as the extent to which an individual falls between pairs of other people on the shortest path connecting the individual in the network (Freeman,1979), in a way that an actor holds a position in network such that he/she provides links to the otherwise unconnected individuals.

2.2 Social ties within sub-groups: A social network is made of smaller sub-groups formed due to direct ties with each other. According to Granovetter (1983) networks which exhibit a tendency of transitivity help in the emergence of sub-groups that have unique characteristics. Closely knitted members have strong tie strength and influence each others’ preferences and behaviours. This is due to multiple redundant paths of communication, which implies that these members are readily available as sources of information and influence. To study the social influence within such a sub-group, we use a standard cohesion measure of collective actor density (Borgatti, Jones, and Everett, 1998).
2.3 Social ties outside sub-groups: In groups, there is a possibility that only one or two actors are linked to outside central actors who inform and influence the group. Carrington and Wasserman (2005) suggest a measure of group centrality is effective in this scenario. From a marketer’s point of view, such an arrangement is beneficial and therefore should be encouraged because information can be dispersed faster and others can be influenced (Carrington and Wasserman, 2005).

3. Brand community participation and brand co-creation

Individuals committed to an organisation will commit themselves to actions that support it (Dutton and Dukriech, 1991). This commitment is revealed through their brand commitment behaviour (Dholakia, Bagozzi and Pearo, 2004; Fournier and Lee, 2009; and Muniz and O’Guinn, 2001). Kim et al (2008) suggests reciprocity among community members will lead to community commitment behaviour. This study assumes reciprocity is seen in social interactions among community members and that through this the participant’s community commitment levels are established, leading to the act of co-creating value for the brand or ‘brand co-creation’. Therefore, as proposed in the model, brand community participation will influence brand co-creation.

With the help of the above conceptual framework we propose the following hypotheses.

H1a: Intrinsic motivated individuals will have more tie strength and therefore high brand community participation.
H1b: Extrinsic motivated individuals will have less tie strength and therefore less brand community participation.
H2a: The higher the centrality of an actor, the more the influence on social ties and thus the higher the community participation.
H2b: The higher the betweenness centrality of an actor, the more the influence on social ties and the higher the community participation.
H2c: The higher the density within a sub-group, the more influence there will be on social ties, thus the higher the community participation.
H2d: The higher the group centrality of an intrinsically motivated sub-group, the more influence social ties will have on an extrinsically motivated consumer, thus the higher the community participation.
H3: The higher the brand community participation, the higher the brand commitment behaviour.

Conclusion

This research proposes the use of archival and survey method to construct ties and interaction patterns among network users. The resultant data sets will be analysed using UCINET
software (Borgatti, Everett and Freeman, 2002). All the network measures will be tested for association with the dependent variable. The SPSS application will be used to analyse the relationship between independent and dependent variables. A multiple regression method, which allows testing the association between one dependent and the two independent variables, will be used.

This study will aid in understanding consumer’s specific motives of participation, will demonstrate the social roles consumers play in brand co-creation, and will map the existence and influence of sub-groups in driving micro- and macro-level information within EBC networks. It will also reveal new forms of consumer organisations (i.e. embedded brand communities) that can be employed as branding tools for co-creating a brand.

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