The effects of value co-creation practices on building harmonious brand community and achieving brand loyalty on social media in China

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ABSTRACT

Social media activities generated by consumers in brand communities are claimed to have a potentially game-changing impact on interaction among brand entities and brand building. In this article, we explore whether value co-creation practices in brand community have positive effects on the consumer-brand and consumer-other consumers' relationships, as well as, community commitment and brand loyalty. A survey based empirical study with 286 respondents was conducted. The results of structural equation modeling show that four value co-creation practices positively influence consumer-other consumers' relationships and only two of the four positively influence consumer-brand relationships. The consumer-brand-consumer triad relationships could significantly enhance brand loyalty directly, as well as indirectly through community commitment. Finally, theoretical and managerial implications are discussed.

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1. Introduction

For researchers and marketers, through the relationship marketing or building consumer relationships, to improve consumer loyalty has been an important issue (Berry, 1995; Payne & Frow, 2005). A brand community is "a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand" (Muniz & O'Guinn, 2001), which provides a new, important and effective means for establishing the deep and long term bonds between consumers and brands (Thompson & Sinha, 2008). In brand communities these consumer-centric, relational and co-creative practices are increasingly paraded as backbone of good ties between consumers and the elements of community (McAlexander, Schouten, & Koenig, 2002). Marketing scholars invest considerable effort to understand the various practices' roles in the nurture process of harmonious relationships within brand community (Muniz & O'Guinn, 2001; Nuttavuthisit, 2010; Schouten, McAlexander, & Koenig, 2007).

The rapidly growing popularity of social networking technologies has provided brand community with a new platform and opportunity to retain existing customer and attract new one (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). Due to the characteristics of brand community based on social media, such as no time constraint, non-geographically bound, high information

transparency, and multi-party communication, it has become an important platform for placing a variety of value co-creation practices, where consumers can easily share consumption experiences and interact with each other (Muniz & Schau, 2005), and brand managers can "listen to" and interact with their consumers (Kaplan & Haenlein, 2010). Schau, Muñiz, and Arnould (2009) systematically organized four thematic categories: social networking, community engagement, impression management, and brand use to represent a constellation of practices coalesce to create value-added brand community experiences, such as sharing information, perpetuating the history and culture of the brand, and providing assistance. Although many researches point out that these common practices had an important influence on fostering loyal consumers (Leigh, Peters, & Shelton, 2006; McAlexander et al., 2002; Muniz & O'Guinn, 2001; Muniz & Schau, 2005), there are few literatures interpret the specific role process from the empirical perspective.

In response, taking the perspective of building solid relationships in brand community, this paper pursues an empirical investigation to show how value co-creation practices influence the consumer-brand-consumer triad relationships in brand community, and brand loyalty. Furthermore, we study how the effects of brand community translate to brand loyalty. In doing so, we believe that community commitment has a key role, which has been neglected in previous studies.

The remainder of this article is organized as follows. We begin with a brief review of the theoretical background of important

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concepts such as brand community and value co-creation practices. Then we develop our hypotheses which relate to our conceptual model of how value co-creation practices can influence the construction of harmonious brand community, community commitment, and brand loyalty. Finally, we report the results of our study. We conclude with a discussion of our findings, limitations of our research and avenues for future research.

2. Literature review

Brand community is essentially "a group of consumers with a shared enthusiasm for a certain brand and a well-developed social identity, with members who engage jointly in the group action to achieve the collective goals and/or express mutual feelings and commitment" (Bagozzi & Dholakia, 2006). In brand communities, consumers are usually self-motivated and enthusiastic in exchanging, sharing and debating ideas, and contribute to the improvement of products and services, which play an important role in developing consumer-brand loyalty via relational marketing (Anderson & Weitz, 1992). The social relationships built within a brand community can create consumer exit barriers and maintain the longevity of consumer loyalty (Algesheimer, Dholakia, & Herrmann, 2005; McAlexander et al., 2002).

As a second generation of web development and design features, social media websites facilitate communication, information sharing, and collaboration among people (Paris, Lee, & Seery, 2010). The combination of both brand community and social media brings out the brand community based on social media, whose distinctive platform for hundreds of thousands of consumers who share common interests about brands is the main differentiator compared with the traditional brand community. With the aid of social media, brand communities provide available venues where marketers can obtain insight into consumers' needs, and where the relationship between brand and consumers is established at negligible costs (Kim, Sung, & Kang, 2014; McWilliam, 2012; Webb, Ireland, Hitt, Kistruck, & Tihanyi, 2011). Compared to traditional community, brand communities based on social media have both lower entrance and exit barriers. It is relatively easy for people to become a member of community due to the less strict requirements are needed. The advanced communication technology led people to approach and evaluate brands without any time and geographical constraints. Instead, they can easily discard unwanted alternatives. So, there may be a need for more and better efforts in bringing people to the brand community based on social media and retain them as loyal consumers.

Numerous studies have pointed out that value co-creation practices strengthen the interaction among members of a brand community, which helps bring members closer together and increase member affective connection to the brand, and become crucial in their brand choice (Carlson, Suter, & Brown, 2008; Lemon, Rust, & Zeithaml, 2001; Zaglia, 2013). A new stream in the marketing literature indicates customers need no longer be mere passive recipients of value propositions offered by firms but co-creators of value, product innovation and competitive strategy (Payne, Storbacka, Frow, & Knox, 2009; Prahalad & Ramaswamy, 2004). The new understandings emphasize that the firm does not create and deliver value to the passive consumers, but through interaction and dialogue embeds value into the co-creation process between the firm and active consumers. The move the focus of marketing to a process of co-creating value through a series practices of exchange and interaction with consumers (See-To & Ho, 2014), that is developing a service orientation based on processes of collective value creation (Vargo & Lusch, 2004). Seeking opportunity and gaining a competitive advantage in the new environment, many businesses

are responding by engaging their consumers to actively involve into the process of joint value creation.

Due to brand community based on social media platforms, the growth of Internet-based interest groups, and widespread high-bandwidth communication and social interaction technologies, the firms and consumers are now informed, connected, networked, and empowered on a scale as never before. Through this medium, consumers' activities regarding innovation and interactions within a community become more efficient and effective (Lee, Kim, & Kim, 2012; Lee, Xiong, & Hu, 2012). Social media based on information technology enables the combination of competences, capabilities and knowledge that underpin value co-creation in dynamic relationships with their partners (Srivastava & Gnyawali, 2011). Specially, it introduces unprecedented direct-to-consumer processes and creates new distribution channels, which increasingly affect the brand promotion and bridging the gap between the firm and consumer, and among consumers (Hyde, 2008; Pan & Li, 2011). Despite the emerging role of social media, little is known about how value co-creation practices in brand community based on social media enables the construction of harmonious brand community. Next, we explore the effects of value co-creation practices happen within the brand communities on the relationship between consumers, brand, and other consumers, and depict how these relationships can enhance community commitment and brand loyalty.

3. Development of the model and the hypotheses

3.1. Effects of value co-creation practices on consumer-brand and consumer-other consumers' relationships

The process of collective value creation in brand community is mainly driven by a set of practices: social networking, community engagement, impression management and brand use. These practices include a variety of specific activities, such as welcoming, empathizing, milestoning, documenting, evangelizing, justifying, customizing, commoditizing and so on (Schau et al., 2009). Through these practices in brand communities, members obtain the continuous interaction and in-depth understanding of brand, which facilitates the formation of a triad consisting of consumers, brand and other consumers (Muniz & O'Guinn, 2001). Social capital theory indicates that frequent interpersonal interactions would be propitious to establish and strengthen the social networks and trustworthy relationships, and enhance the togetherness of brand communities (Chang & Chuang, 2011; Lee, Kim, & Kim, 2012; Lee, Xiong, & Hu, 2012); thus promoting the identification with the brand (Algesheimer et al., 2005). For instance, Muniz and Schau's (2005) study of the Apple Newton brand community found that even six years after Apple Computer Inc. had officially discontinued the Newton product, users still relied on themselves, as well as the larger community, to keep their Newtons operating and advocate the products' use to outsiders. During observing a jeep brand community, McAlexander et al. (2002) reported that participants shared their driving experiences in the form of ritual storytelling facilitated by a Jeep Brandfest event and skilled jeep drivers helped neophytes make a difficult stream crossing, which result in strengthening ties among all elements of brand community.

With the advent of social media, consumers are more frequently exposed to the brand's pages, comments, fans and marketers, which facilities communication, information dissemination and the capability of members to be in touch with each other in brand community. So, the platform of social network provides favorable condition to carry out value co-creation practices (i.e., social networking, community engagement, impression management and