Technological Forecasting & Social Change xxx (xxxx) xxx–xxx

Contents lists available at ScienceDirect

Technological Forecasting & Social Change

journal homepage: www.elsevier.com/locate/techfore

Technology-enabled community data for gaining pre-release brand insights

Pradeep Kumar Ponnamma Divakaran

Marketing Department, Rennes School of Business, 2 rue Robert d'Arbrissel CS 76522, 35065 Rennes Cedex, France

ARTICLE INFO

Keywords:
Online community
Brand awareness
Brand favourability
Brand equity
Sales prediction

ABSTRACT

In the past, studies have investigated brand equity only in the ‘post-launch’ context, hence missing opportunities to make early corrections in cases of negative favourability. Using technology-enabled online community data, this study examines whether ‘pre-launch’ brand favourability can predict community's post-launch purchase decisions, by introducing a new construct called community-based brand equity (CoBBE). This study also investigates whether CoBBE can predict future sales of new products. Weekly data are collected for eight weeks before and after product launch from a movie-based online community for a period of 16 months. The results show that community-based variables such as pre-launch brand awareness level, brand favourability and brand strength have a significant influence on 1) community members' post-release purchase decisions both in the opening week as well as the entire lifetime of products, and 2) satisfaction level. The study also finds that CoBBE is a significant predictor of future market sales, thus showing the usefulness of CoBBE as an early warning diagnostic tool which will enable movie studios to gain early brand-related insights as well as to make early corrective actions when needed.

1. Introduction

Most research on brand knowledge and brand equity is conceptualized and measured after products are launched in the market. This post-launch, post-consumption focus on branding is obvious, as it is difficult to conceptualize and measure brand equity before product launch due to limited access to branding data from consumers before launch. However, an increase in new product preannouncement (NPPA) behaviour by firms creates adequate *awareness* among potential customers, who form strong brand *associations* long before the product is launched in the market. Based on this premise, a new tool is developed in this study to measure *prelaunch brand equity* as and when it evolves. Such a tool will help brand managers take very early corrective measures if necessary. Hence, measurement of the brand equity of upcoming products can be used as a vital diagnostic tool.

Measuring “pre-launch” brand equity using traditional market research method is difficult because during the pre-launch period the number of potential customers who are *aware* of the upcoming product (and also those who have developed strong *associations*) is low compared to the number of customers who have developed strong associations in the post-release, post-consumption period. Moreover, these few people are geographically scattered, which makes it difficult for brand managers to identify and track these people. Subsequently, it is difficult to interview or survey them to measure pre-release brand equity of an upcoming product.

However, this study demonstrates that this problem in tracking those customers can be overcome by using one of the latest and fastest growing organizational forms (such as web 2.0 enabled online communities) enabled by the greatest technology phenomenon of all times – the Internet. Such online communities, *brings together people with shared interests and passion for a specific product, even though they may be geographically distributed* across different places. Hence online communities will allow brand managers to easily track consumers in one place (online communities) even if they are geographically scattered and hence allow brand managers to gain useful consumer insights on brand associations as and when they evolve. The growing importance and relevance of such online communities are further highlighted by the increasing number of new brand-based communities which are being created either by firms or consumers or also from the growing number of research articles on brand communities being published in academic journals.

Existing literature shows that there are a number of useful perspectives concerning brand equity such as 1) the firm perspective, 2) the product perspective (e.g., product, service, personal brands) and 3) the individual perspective (e.g., customer based brand equity, employee based brand equity (King and Grace, 2010). The current study adds a new perspective to the branding literature-a **community perspective**.

The main objectives of this study are the following: 1) to show that online community data can be used to study branding concepts such as brand awareness, brand favourability, and brand equity. 2) To show that these branding concepts can be measured even before a product is launched in the market by using community data. 3) To study brand

---

E-mail address: pradeep.divakaran@rennes-sb.com.

http://dx.doi.org/10.1016/j.techfore.2017.09.024
Received 12 May 2016; Received in revised form 4 April 2017; Accepted 26 September 2017
0040-1625/ © 2017 Elsevier Inc. All rights reserved.

equity at the "community level" by introducing a new construct called community-based brand equity (CoBBE). 4) To provide internal and external validity to the above mentioned community-based branding concepts by linking them to future adoption decisions of community members, their satisfaction as well as future market sales.

In order to understand why it is useful to measure brand equity prior to launch, it is important to first understand the traditional context of measuring brand equity after product release. Traditionally, brand equity is measured after a product is introduced in the market. However, marketing and promotional activities starts long before a product are launched in the market. It is quite logical that traditionally brand equity is measured after product launch than before launch because more people are aware of the brand only after product launch and it also allows sufficient number of potential consumers to form their opinions about an upcoming product. However, only few people are aware of upcoming products before launch and it is difficult to reach out these individuals using traditional market research methods as they are geographically scattered. But with the advent of modern technologies especially the Internet-enabled online communities allows people with common interests to come together and share their feelings online by posting their comments. Market researchers can tap into these users generated data and make sense out of this data. Moreover, there is a growing trend of firms preannouncing the launch of their upcoming products long before they are launched in the market, which allows sufficient time for potential consumers to develop their opinion, attitude, preferences, etc., and about the upcoming products which they shared online. Therefore, in this study, an attempt is made to tap into such user generated data in order to gather useful insights about brand formation.

Measuring brand equity of the product release is the present norm followed by firms. However, in some product cases such as short lifecycle products like movies, not much change can be made after product launch. The scope for taking corrective actions are fewer during post-release period compared to if the same information was available before product release. For example, the brand managers know in advance if the brand awareness level of their upcoming product is lower and if the brand favourability is low, then the managers can launch new marketing and communication programs in order to improve both brand awareness and brand favourability. In the case of movies, every Friday most eight movies are released on average and the online community data can inform production houses about what is the relative brand awareness level and brand favourability of the movie compared to competitor.

In this study, brand equity and its dynamic pattern of evolution is analysed throughout its entire life span from preannouncement to product launch. This study also explores the association between a community's prelaunch brand favourability and its post-launch purchase decisions. Weekly data are collected for eight weeks before and after product launch from a movie-based online community. The findings show that overall brand favourability (i.e., either positive or negative) remains relatively unchanged from the time of evolution to throughout the prelaunch period and continues to maintain the same overall favourability even after the product is launched. Moreover, the results show that there is a carryover effect for brand favourability each week. The results also indicate that the pre-launch brand favourability has a significant impact on consumers' post-release purchase decisions; this finding provides validity to the prelaunch brand equity construct developed in this study.

2. Theoretical background and hypothesis development

Online or virtual communities are best described as a social relationship aggregation, facilitated by internet-based technology, in which users communicate and build personal relationships (Hagel and Armstrong, 1997; Kozinets, 2002; Rheingold, 1993). Prior studies have explained the positive influences of online communities such as improving brand image, recommendation behaviour and users intention to continue community membership (Woisetschläger et al., 2008), innovation generation and diffusion (Yoshida et al., 2014), etc.

Pre-announcements of forthcoming products create much excitement among consumers, who then participate in online discussions about the upcoming products (Nagard-Assayag and Manceau, 2001). Such online participation during the prelaunch period allows consumers to seek and share information, form opinions, share their likes and dislikes, etc. Whenever consumers participate in online discussions, they leave a digital footprint in the form of comments and reviews, which can be further analysed to gather useful customer insights. Several prior studies have investigated online customer behaviour especially from a branding perspective (Bambauer-Sachse and Mangold, 2011; Barnes et al., 2015; Gensler et al., 2013; Gyrd-Jones and Kornum, 2013; Khim-Yong et al., 2013; Kim and Ko, 2012; Smith et al., 2012; Zaglia, 2013).

Customer based brand equity is high when the consumer has a high level of awareness and familiarity with the brand and holds strong, favourable, and unique brand associations in memory (Keller, 2013). The concept of brand equity is defined in a number of different ways for different purposes and there is no common viewpoint that has emerged on how to conceptualize and measure brand equity. Despite all the different views, most observers agree that brand equity consists of the marketing effects uniquely attributable to a brand (ibid). Adapted from Kevin Keller's (1993, 2013) definition of customer-based brand equity, in the current study a new concept of ***community-based brand equity*** (CoBBE) is introduced. CoBBE is defined as the differential effect that brand knowledge has on a community's response to the marketing of that brand. In other words, a brand is said to have a positive (negative) CoBBE if community members can react more favourably to the product, price, promotion, or distribution of the brand than they do to the same marketing mix element when it is attributed to fictitiously name or unnamed the version of the product or service. Thus, the level of analysis in CoBBE is a "community" of customers (i.e., an online community) and not an "individual" customer.

According to Keller (2013) brand knowledge is the source of brand equity and brand knowledge consists of a brand node in the memory and a variety of associations linked to it. Brand knowledge has two components such as brand awareness and brand image or associations (ibid). Brand awareness level is determined by the strength of the brand node while the brand image is determined by the variety of associations. It is important to note that brand image begins to form only after brand awareness is created. In other words, creating brand awareness level is the first step in creating brand equity followed by creating brand image or associations. Brand image can be favourable or unfavourable depending on how the mass market perceives the brand to be. If the majority of market views the brand with positive feelings, attitudes, preferences, etc., then the **brand favorability** is high for the brand, otherwise the brand is said to be unfavourable or least favoured by the market (low brand favorability). **Brand awareness** helps consumers with brand recognition and brand recall, and has learning advantages, consideration advantages, and choice advantages (Keller, 2013). In this context of creating brand awareness, pre-release **advertising** plays a dual role of being informative as well as a persuasive (Elberse and Anand, 2007; Healey, 1974; Joshi and Hanssens, 2009; Keller, 2013; Lavidge and Steiner, 1961; Mahajan et al., 1984). In the context of an online community comprised of passionate consumers, pre-release advertisements create excitement among consumers who participate in online discussions.

In the case of movies, **advertising** provides information about the opening date, main cast, some of the storyline, etc. Critics' reviews provide useful information to moviegoers and because movie critics are mostly independent from the studios, their views offer value that supplements the advertising (Liu, 2006). Hence, both advertising and critical reviews satisfy a potential moviegoers' need for information. According to Eliashberg et al. (2006) consumers progress through the

Download English Version:

https://daneshyari.com/en/article/7255765

Download Persian Version:

https://daneshyari.com/article/7255765

Daneshyari.com