Examining branding co-creation in brand communities on social media: Applying the paradigm of Stimulus-Organism-Response

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ABSTRACT

This paper examines the antecedents of branding co-creation that include social networking sites'(SNSs) participation motivations, customer participation, brand trust and brand loyalty in social media brand communities by applying the "Stimulus-Organism-Response paradigm". The survey method was used to gather data from 407 social media users. Data were analysed using structural equation modeling techniques. The findings reveal that SNSs' participation motivations positively influence customer participation, which in turn significantly affects brand trust and brand loyalty. Consequently, both brand trust and brand loyalty positively influence branding co-creation in brand communities on social media. Furthermore, brand trust contributes as a mediator between customer participation and brand loyalty on social media brand communities. Although studies on relationships examined through the lens of the Stimulus-Organism-Response paradigm are popular, to the authors' surprise there is scant literature examining the relationships between SNSs' participation motivations, customer participation in social media brand communities, brand trust, brand loyalty and branding co-creation.

1. Introduction

In marketing theory, the concept of co-creation has emerged as a prominent field of study.

Co-creation involves the processes by which a company and its customers jointly participate in value creation (Prahalad and Ramaswamy, 2004). At first, Alderson (1965) advocated an ecological framework to study marketing systems with specific mention of cultural ecology, thereby pioneering a broader view of marketing. Consequently, Vargo and Lusch (2004) proposed Service Dominant (S-D) Logic (Vargo and Lusch, 2016) to denote actor–environmental interaction, energy flow and mutual service provision. Vargo and Lusch (2014) define a service ecosystem as "a relatively self-contained, self-adjusting system of resource". According to the S-D logic concept, consumers are supposed to create "value-in-use" and "co-create value" with companies, retain their own identity (Denegri-Knott and Molesworth, 2010) and build social networks (Holt, 1995). Recently, a number of studies in marketing have concentrated on co-creation as a paradigm shift. The concept of co-creation has gained significant attention in the areas of marketing and more recently branding (Hatch and Schultz, 2010). Several researchers have emphasised how

customers and companies interact collaboratively for value co-creation (Grönroos, 2006).

The emergence of social media facilitates a range of new means to communicate, interact and involve customers (Nambisan and Baron, 2007), and it assists value co-creation (Zwass, 2010). Nowadays, customers can create online brand communities, which may have an influence on insights regarding brand (McAlexander, Schouten, & Koenig, 2002). With social media sites, customers can interact actively with each other in online brand communities and can share stories about the brand (Hajli, Shanmugam, Papagiannidis, Zahay, & Richard, 2017). Gradually, online communities on social media sites are providing a platform to customers to interact and jointly contribute to the process of co-creation (Zwass, 2010).

The concepts of social media and brand community meet at an important juncture: community or socialness. The concept of brand communities recently captured the attention of several marketing researchers and practitioners (Brodie, Ilic, Juric, & Hollebeek, 2013; Kang, Tang, & Fiore, 2014; Zhang and Luo, 2016). Due to the rapid proliferation of Internet and increased ubiquity of social media, brand communities and online platforms are hugely studied in social aspects. Empirical studies are also conducted on combined conceptualization of

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brand communities and social media (Habibi, Laroche, & Richard, 2014; Laroche, Habibi, & Richard, 2013).

Prior studies in the area of online communities exhibited that participation in brand communities leads to the creation of brand value (Schau, Muñiz, & Arnould, 2009).In social media, participation occurs in brand communities through the posting of reviews, comments, rating, sharing experience etc. Thus, participation of customers on discussion forums of any brand community may positively or negatively impact brand reputation/brand image (Veloutsou and Moutinho, 2009). Literature also supports the idea that customer participation affects brand in various aspects, for example, brand trust, brand loyalty, brand equity etc. (Casaló, Flavian, & Guinaliu, 2007; Chae and Ko, 2016; Gummerus, Liljander, Weman, & Pihlström, 2012; Hennig-Thurau et al., 2010).

Although there is an abundance of studies on branding in general, scant research is available on empirically examined branding co-creation in brand communities in a social media context. Additionally, past studies (see Christian Franklin, Mainelli, & Pay, 2014; Hajli et al., 2017) have also emphasised the usefulness of online communities' effectiveness as a significant marketing instrument for co-creation of branding. The role of online brand communities on social media in strengthening the relationship between customer and brand has been of considerable academic interest (Kang et al., 2014; Khan, 2017; Teichmann, Stokburger-Sauer, Plank, & Strobl, 2015). Various brands have established their brand communities on social media sites to communicate, promote and advertise their new offerings to their customers and to encourage them to participate in order to create customer–brand relationships (Zaglia, 2013). Brand communities as a marketing tool facilitate the social interactions among customers (Algesheimer, Dholakia, & Herrmann, 2005). Moreover, the increased penetration and usage rate of social media among the users of emerging countries, such as India, provide a huge scope for studying relevant issues related to branding co-creation in social media communities (Hajli et al., 2017).

The present paper addresses the above-discussed research gaps by applying the "Stimulus-Organism-Response (SOR)" paradigm to investigate customers' motivations for participation in brand communities on social media that leads to customer participation, which finally results in brand trust, brand loyalty, and branding co-creation. However, while prior literature on branding is abundant, still there is little research in the context of branding co-creation in social media brand communities (Hajli et al., 2017). Brand communities enable users to interact on social platforms, and they are valuable marketing tools for companies. Thus, more research regarding branding co-creation with customers is required, and the present study intends to address this research gap. Thus, this paper is one of the pioneering studies that examines empirically whether and how customers' participation in social media brand communities leads to branding co-creation. We hope that the present study will fill the research gap in the marketing literature, which until now has lacked research on motivating factors affecting customer participation results in branding co-creation.

This paper is structured as follows: initially, we review the literature concerning the main constructs of the article. Next, we propose hypotheses and develop a research model. After that, we discuss research methods adopted and describe the research findings. Finally, we describe the discussion followed by implications, limitations and future research directions.

2. Theoretical background

2.1. Stimulus-Organism-Response (S-O-R) framework

Mehrabian and Russell (1974) initially proposed the "S-O-R framework", which was later modified by Jacoby (2002). This framework suggests that some environmental aspects provoke the individual's emotional and cognitive condition, resulting in certain behavioural outcomes (Donovan and Rositer, 1982). Researchers (see Mollen and

Wilson, 2010; Rose, Clark, Samouel, & Hair, 2012; Eroglu, Machleit, & Davis, 2003) extended this framework to website experience, consumer behaviour areas and computer experience etc. This paper applies the "S-O-R framework" in the domain of consumer behaviour.

The "S-O-R framework" includes three components: stimulus, organism, and response. The first "*stimulus*" component refers to "the influence that arouses the individual (Eroglu, Machleit, & Davis, 2001)". In social media brand communities, the stimulus is the motivations for participation in communities that affect the internal state of customers (Wang and Fesenmaier, 2003). The present paper considers the motivations (building interpersonal relationships, entertainment, information seeking, brand likeability and incentives) for participation on social media sites to be the stimuli for customers. We propose that all these motivations have a significant influence on customer participation in brand communities, specifically in the case of social media.

The "*organism*" as a second component refers to the customers' affective and cognitive condition and it consists of the entire processes that intervene between both stimuli and responses to the customers (Loureiro and Ribeiro, 2011). Affective position reveals the feelings and emotions expressed by customers following the stimuli. According to Eroglu et al. (2001), cognitive position refers to "everything that goes in the consumers' minds concerning the acquisition, processing, retention, and retrieval of information". Thus, customers process stimuli into meaningful information, which further assists their decision making (Loureiro and Ribeiro, 2011). In this study, three dimensions of customer participation in SNSs' brand communities (informational, attitudinal and actionable) are considered (Kamboj and Rahman, 2017). We therefore propose that customers' participation as an "organism" with SNSs' brand communities will be influenced by the environmental cues (for example, SNSs' participation motivations) that influence the affective and cognitive state of customers. We base this proposal on our belief that online communities in the environment of "computer-mediated communication (CMC)" such as SNSs on social media (Boyd and Ellison, 2007) may provide the information necessary to satisfy the customers' cognitive and affective needs (Shang, Chen, & Liao, 2006).

The last component of "S-O-R framework" is 'response', which refers to the consequences of customer participation in brand communities on social media, in the form of customers' behaviour towards the brand (Donovan and Rositer, 1982). Various brand researchers have argued that an important outcome of consumer behaviour in terms of brand communities is to build loyalty towards the brand (McAlexander et al., 2002; Schau et al., 2009). Similarly, online communities as a social structure (i.e. communities on social media) significantly influence trust and loyalty (Habibi et al., 2014; Laroche, Habibi, Richard, & Sankaranarayanan, 2012, Laroche et al., 2013). Brand communities on social media persuade customer participation and allow them to participate in branding co-creation (Hajli et al., 2017; Wang and Hajli, 2014). Based on the above discussions, in the present paper, we investigate brand trust, brand loyalty and branding co-creation as outcomes of customer participation in social media brand communities.

2.2. Social media brand communities and customer participation

According to Kaplan and Haenlein (2010), "social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of User Generated Content". Habibi et al. (2014) explained five aspects which make SNSs' brand communities distinctive and different from online brand communities. The first is about the "*social context*" i.e. "Web 2.0 technologies", with which members can acquire huge information (location, profiles, family status, pictures, and gender) with reference to their fellow members easily. The second dimension is "*structure*"; there is no implicit and explicit structure in social media brand communities (Habibi et al., 2014). The third factor is "*scale*"; social media brand communities can have millions of members as brand admirers or fans. The fourth dimension is "*storytelling*"; it is presented in