

# CONSUMER INITIATED ONLINE BRAND COMMUNITIES & THEIR IMPACT ON BUYING BEHAVIOUR

MohitSolanki<sup>1</sup>, Mohit Dhawan<sup>2</sup>, Ripusudan Adhikari<sup>3</sup>, Nancy Yadav<sup>4</sup>

<sup>1234</sup>Delhi School of Management, DTU, (India)

## ABSTRACT

*Increasingly, consumers are using internet as a tool for pre-purchase information gathering. While technical details and specifications about the product or service can be gleaned from the brand web sites, online brand communities are becoming essential conduits for customer to customer sharing of product information, reviews and experiences. Despite the wide use of the term engagement in the context of online brand communities, the meaning and foundations underlying this term remain unexplored in the literature till date. The paper develops and estimates a conceptual model of how various aspects of customers' relationship with brand community influence their purchase intention. This paper studies the effect of four independent variables related to consumer initiated OBC's namely, quality information, community engagement, community commitment and membership continuance intention on the behavioral intention and buying behavior of consumers who engage themselves in communication over such communities. Two questions were answered during the analysis: i) how characteristics of consumer initiated online brand communities affect the community commitment and ii) the brand loyalty of members. Engaged consumers display increased consumer loyalty, empowerment, satisfaction, emotional bonding, connection, trust and commitment. The paper ends with a discussion of implications for practice of such online brand communities and further scope and research.*

**Keywords:** *Buying Behavior, Consumer Behavior, Online brand communities [OBCs], PurchaseIntention.*

## I. INTRODUCTION

According to Jang et al. (2008) ,The OBC's initiated by consumers can impact other consumers in terms of information, disadvantages, advantages and experiences of products without bothering about affecting other consumers' attitude and behavior toward that particular products. The study/ research by McAlexander et al. (2003) suggested that the possible outcome from an OBC is always enhanced brand loyalty as consumers act as advocates for brands. Noted researcher McAlexander et al. (2003) suggested that an OBC can have an effect on consumer loyalty. Thus, understanding of factors that have effect on consumer-initiated online community commitment will help the companies who run brands to understand how to increase consumers' loyalty towards the brand in order to build up the company's business.

In this age of Digital Marketing , Marketers have become interested in acquiring knowledge about, organizing, and facilitating OBC's (e.g. Schouten ,McAlexander, and Koenig 2002), which are established on a structured

set of relationships among followers/fans of a brand (Muniz and O'Guinn 2001, p. 412). A lot of explanations underlie this interest, which include the ability of online brand communities to influence members' actions and perceptions, often in persistent and broad-based fashions (e.g., Muniz and Schau 2005); to easily disseminate information (e.g., Brown, Kozinets, and Sherry 2003); to learn about consumer ratings of latest offerings, competitive actions, and so forth; and to tap opportunities to engage and collaborate with loyal customers (e.g., Franke and Shah 2003). In the present-day hostile marketing environment which is many a times hostile too, many marketers believe that the facilitation of online brand communities is both cost effective and powerful.

The aim of this paper is to understand the effect of four factors related to consumer initiated online brand communities namely, quality information, community engagement, community commitment and membership continuance intention on the purchase of consumers who engage themselves in communication over such communities and help brands identify major factors on which they can focus on so that such online brand communities can have a positive impact on consumers purchase intention and brand loyalty.

## II. LITERATURE REVIEW

A proper review of existing literature is essential and of high importance to have a proper bird's eye view of knowing the views and studies of the academics and researchers of the present times.

It helps the researcher gain an insight into the dimensions of the possible research and the further contributions to be made. It also aids in ensuring that something is new added to the field of research, instead of a mere repetition of existing research. It further presents as a way of improvising existing research.

Online brand communities act as a medium for communication to get established between customers. By monitoring the information exchanged over such communities, a firm enhances its capability to understand its customers (Kozinets 2007; Williams and Cothrel 2000) and they also lead to an expansion in customer allegiance (Hagel and Armstrong 1997; Thompson and Sinha 2008). Since the online brand communities pose such an importance, attempts have been made to understand them by examining many cases and concerns. A major part of their research has proved that recognition with OBCs leads to favorable results and outcomes (Algesheimer et al. 2005; Thompson and Sinha 2008), produces reframing experiences in members (Muniz and Schau 2005), and assists in relaunching yesteryear brands (Brown et al. 2003). Also, (Bhattacharya and Sen (2003)) another observation was that the consumer-company identification, often intensified by such communities is the fundamental psychological foundation for marketing alliances. Even though such past work has already been done, a lot of breaches are still evident in OBC's and how they affect purchase intention research. Although we do have some valuable insights provided by the existing research, it is still comparatively deficient in theory based research on the fundamental mechanisms which help in achieving desired brand community objectives—i.e., customer-to-customer communications. The motive of sustaining an online brand community is to ease customer-to-customer communications (Hagel and Armstrong 1997; Williams and Cothrel 2000) and thus research that emphasizes on understanding customer-to-customer communications becomes all-important. The efficacy of these forums cannot be comprehended and optimized without appreciating the particular causal linkages between elements of C2C communications and performance outcomes. The need for such work is further emphasized by the Marketing Science Institute in its 2008– 2010 Research Priorities

booklet, which states, “In today’s digital world , understanding customer-to-customer communications and how they affect decisions is particularly important” (p. 3). There has been a recent study which has begun to fill this gap. It does so by inspecting a few elements of C2C communication. This information provides valuable insight for the information seeker subject to whether they have a learning orientation or decision making orientation (Weiss et al. 2008). However, certain things this study does not deal with are how C2C communication impacts actual purchase intentions, customer relationships with the firm, the influence of the type of information exchanged between customers (e.g., positive or negative product information), or the effect of where the discussion forum is hosted. Therefore, certain crucial and vital questions still remain unresolved like how C2C communication impacts firms and the causal mechanisms through which firm objectives are attained. This study fulfils these needs by examining the following research questions:

- How the characteristics of consumer initiated online brand communities affect the community commitment.
- How the characteristics of consumer initiated online brand communities affect the brand loyalty of members.

Answers to these questions should allow for more effective use of OBCs to enhance Brand performance. Through a series of intervening variables we model the dimensions of online Consumer to consumer communications as the basic mechanisms through which OBCs enhance customer-firm relationships, and subsequently, customer purchase intention (Hagel and Armstrong 1997; Williams and Cothrel 2000). Although there may be other factors/variables that play a role in the effectiveness of OBCs, it is clear that the nature and quality of communications ought to be of prime importance (Hagel and Armstrong 1997; Williams and Cothrel 2000). It is also the primary/basic mechanism through which desired OBC goals are achieved.

### III. RESEARCH METHODOLOGY

The purpose of the study is to analyze the impact of consumer initiated online brand communities on the buying behavior of customers. The impact of various factors was studied using an exploratory cum descriptive approach.

An Online Questionnaire was designed for the same. The study is based upon the analysis of primary data collected through floatation of an Online Questionnaire. The questionnaire is a prominent tool for primary data collection which consists of a set of questions used for collecting information and data from individuals (CDC (2008)).

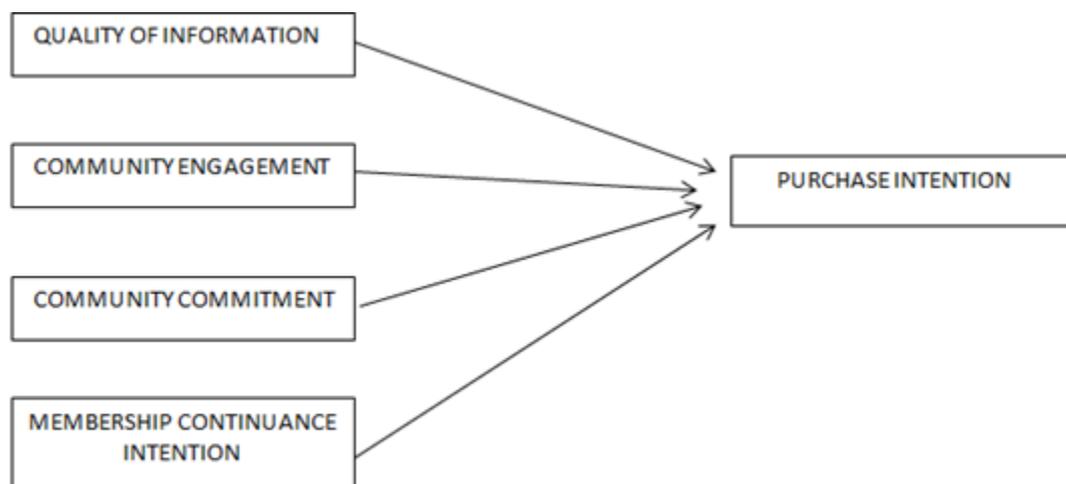
The Questionnaire made use of the Likert Scale, which is a very common format used for surveys in which the respondents rank the quality of their responses either from high to low or from low to high (Albaum, G. (1997). The Likert scale revisited. *Journal-Market research society*, 39, 331-348.).

The questionnaire design is according to the four factors of model that include Quality of Information, Community Engagement, Community Commitment and Membership Continuance Intention. A 5-point Likert scale was chosen for better understanding of the responses of individuals by attaching the labels to each point in the scale and the mid-point of the scale was set as the neutral response point.

The Likert Scale used was as follows:

1: Strongly Disagree, 2: Disagree, 3: Neutral, 4: Agree, 5: Strongly Agree The research model used for this study is depicted below in pictorial form. The model aided this study in order to understand the purchase intention of customer.

The model, consists of four important determinants for understanding purchase intention of the users. They are : (1) Quality of Information, which decides the degree to which a customer believes that information exchanged in online community is excellent, up to date or not ; (2) Community Engagement, which describes the degree of engagement of customer in community; (3) Community Commitment, which describes the degree to which a customer believes that if he trusts the community & he is part of it; and (4) Membership Continuance Intention, which describes the degree that customer wants to continue with community.



**Fig. 1 Research Model**

## **IV. DATA ANALYSIS & REPORTING**

### **4.1 Overview of Respondent**

In the surveyed 200 people, 76% were male & 24% were female with majority of respondents in the age group of 21-30. Out of 200 people, 67 people (33.5%) followed brand community while other 133 (66.5%) doesn't follow any brand community, which signifies that there are less users of brand community & brands must promote their communities to tap more customers.

### **4.2 Research Hypothesis**

H 0- NULL HYPOTHESIS – There is no positive relation between purchase intention & four factors i.e quality of information, community commitment, community engagement & membership continuance intention.

H 1- ALTERNATE HYPOTHESIS - There is positive relation between purchase intention & four factors i.e. quality of information, community commitment, community engagement & membership continuance intention.

Using ANOVA we find out significance value to be 0.002 which is less than 0.05 implying that null hypothesis is rejected.

Tolerance is above than 0.20 for all factors & VIF, Variation Inflation Factor is above 2.5 for all factors which depicts that multi collinearity is not an issue here.

Here KMO, Kaiser Meyer Olkin, measure of sampling adequacy value is 0.733 which is considered to be good value as KMO values above 0.6 is considered to be good. Moreover, Barlett’s test of sphericity value is 0.00, which is less than 0.05 implying we can continue this study.

Eigen value in scree plot is coming to be greater than 4 factors, implying questionnaire statements cannot be reduced than 4 factors.

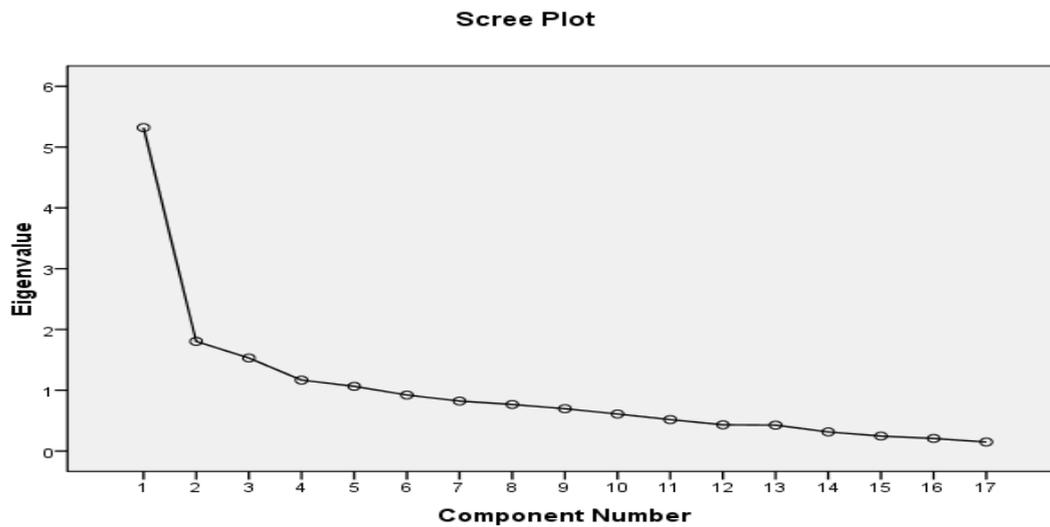


Fig.2 Scree Plot

R value of model =0.494

R square value =0.244

Adjusted R square value =0.192

The multiple linear regression equation for model is given as:

$$(1) Y = .045 A + .032 B + .453 C + .044 D + 1.656$$

Here Y = Purchase Intention

Whereas A= Quality of information, B= Community Engagement, C= Community Commitment, D= Membership Continuance Intention

t VALUE TABLE	
Coefficient	t value
A	.350
B	.235
C	2.5
D	.45

## V. FINDINGS

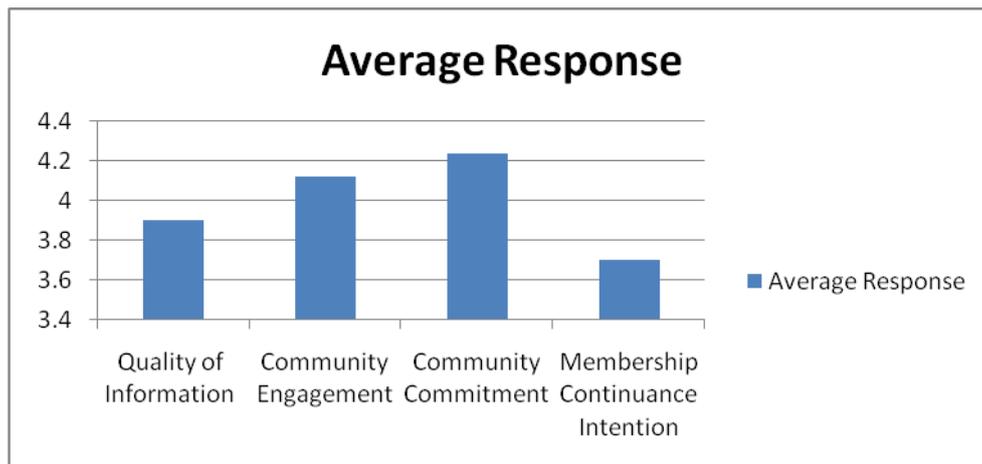
The findings, with respect to the objectives of the paper are as follows:

1. There is positive relation between Purchase intention & four factors of model that is Quality of information exchanged, Community engagement, Community Commitment, & Membership continuance intention.

2. Community Commitment is major factor responsible for purchase intention. The average response value of community commitment is 4.24, and its t value is 2.5, highest among all the four factors depicting the same.

3. Community Engagement is also important factor. How person engages with others, how frequent engages becomes vital for purchase intention.

4. Quality of information exchanged & membership continuance intention, both are not so important factors. Will person subscribe to community for long time, whether the information exchanged is relevant or not, these things affect purchase intention little.



## VI. CONCLUSION

The result of this research shows that there are two independent factors, which are community commitment and community engagement which affect buying behavior & purchase intention while another two factors, which are quality of information and Membership Continuance Intention have little effect on buying behavior. In addition, online brand communities affects the consumer buying behavior, so more brand should use this medium to engage with customers & increase their profitability.

## VII. FUTURE SCOPE

The study conducted to investigate the effect of brand communities on the buying behavior have average age group of the survey respondents as 18-30 years. Future studies can focus on different age groups.

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