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# The Role of Social Network Websites in Consumer-Brand Relationship

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#### To the Graduate Council:

I am submitting herewith a dissertation written by Hyejune Park entitled "The Role of Social Network Websites in Consumer-Brand Relationship." I have examined the final electronic copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Retail, Hospitality, and Tourism Management.

Youn-Kyung Kim, Major Professor

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Vice Provost and Dean of the Graduate School

(Original signatures are on file with official student records.)

# The Role of Social Network Websites in Consumer-Brand Relationship

### **A Dissertation**

**Presented for the Doctor of Philosophy Degree** 

The University of Tennessee, Knoxville

**Hyejune Park** 

December, 2011

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I thank Christ Jesus my Lord, who has strengthened me, because He considered me faithful, putting me into the wonderful ministry of research and teaching (1 Timothy1:12).

#### **ABSTRACT**

This research explored the phenomenon of online social network in the context of consumer-brand relationship. The specific research objectives were: (a) to examine whether perceived benefits of a Brand's Social Network Website (BSN) predict BSN relationship quality; (b) to investigate whether perceived benefits of BSN predict perceived relationship investment; (c) to examine if online social connection strengthens the relationship between perceived benefits of BSN and BSN relationship quality; (d) to examine if experience with BSN strengthens the relationship between perceived benefits of BSN and BSN relationship quality; (e) to investigate whether BSN relationship quality predicts brand relationship quality; (f) to examine whether BSN relationship investment predicts brand relationship quality; (h) to investigate whether brand relationship quality predicts customer loyalty toward BSN; (i) to examine whether brand relationship quality predicts customer loyalty toward BSN; (i) to investigate whether customer loyalty toward BSN predicts customer loyalty toward the brand.

This research employed a mixed-method approach to overcome the weaknesses in a single method approach and to provide stronger evidence for a conclusion. First, qualitative analyses explored the unique context of BSN, which was not much investigated in prior research. Specifically, Brand Pages of 22 apparel brands and 10 restaurant/coffeehouse brands, chosen as research settings, were investigated to validate the proposed research constructs. Second, quantitative analyses utilized an online self-administered cross-sectional survey method. A total of 501 complete responses collected from consumer panels of marketing research firm were used.

The results suggested that BSN benefits are important drivers of relationship mediators (i.e., BSN relationship quality, perceived relationship investment), which in turn positively influence BRQ. However, functional benefits did not influence BSN relationship quality. In addition, while customer loyalty toward BSN was predicted by both BSN relationship quality and BRQ, it did not positively influence the loyalty toward the brand. Specifically, BSN loyalty did not influence behavioral loyalty and negatively influenced willingness to pay price premium. Further discussion about the results, implications, and suggestions for future research were provided.

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#### **CHAPTER 1: INTRODUCTION**

This research explores the phenomenon of online social network in the context of consumer-brand relationship. To introduce the research phenomenon, this chapter begins by defining the research problem addressing the significance of social network websites in current marketing practices. The next section describes potential contributions to the knowledge in consumer literature by addressing major research gaps and raising questions that address timely and critical issues in the current literature. Then, research purposes with specific research objectives are laid out based on the research gaps identified and research questions. While brief, how these research objectives are structured and addressed in this research is explained with the conceptual framework figure. Finally, research setting chosen as a representative platform of a brand community of interest in this research is explained.

#### **Defining the Problem**

Online social networks have changed not only the way people communicate, work and play, but the way they consume products and brands (*The Economist*, 2010). Social commerce, broadly defined as a subset of electronic commerce that uses social media to enhance the online purchase experience (Marsden, 2010a), has enhanced consumption experiences in such aspects as product discovery (ATG Research, 2010), product usage behavior (Algesheimer et al., 2005; Trusov et al., 2010), product referral (Kozinets et al., 2010; Stephen & Toubia, 2010), and product cocreation (Kim et al., 2008). In 2010, the volume of goods sold through social media reached \$5 billion, and this number is expected to rise sixfold by 2015 (Anderson et al., 2010). Industry

reports and academic research also consistently indicate that the firm's marketing activities through social media such as a social network website (e.g., Facebook) are essential in creating meaningful consumer-brand relationships (Harter et al., 2010; Hennig-Thurau et al., 2010). The basic principle behind these social marketing activities is that a brand's social network platform can change the way the brand is connected to consumers by building personalized, direct relationships with them (Marsden, 2010a).

Today, it is not uncommon for many organizations including profit and non-profit sectors to implement their e-commerce media campaigns with social network websites (e.g., "visit us on Facebook," "Follow us on Twitter"). Particularly, these social platforms provide many consumer brands with a strategic social venue that captures customers and engages with them. Market researchers have agreed that a social network website (SN) is radically changing the marketing landscape and will continue to be a critical driver of successful marketing communication (Anderson et al., 2010; Madden, 2009). Furthermore, SN particularly draws attention of scholars and practitioners because it facilitates a new way of developing a relationship by providing an alternative way to connect with people (Ellison et al., 2007). In a personal relationship context, SNs can be used to create new social ties or to maintain existing relationships while they could decrease the quality of interpersonal relationships (e.g., detracting from face-to-face time with others (Nie, 2001; Trusov et al., 2009). Researchers also indicate that SNs have brought some difference to the meaning or nature of "being a friend" (boyd, 2006; Kornblum, 2009). As SNs have created such terms as "Friends," "Fans," "Followers," and "Contacts," whose meanings may differ from those in the everyday life context, the traditional meaning of these words can potentially be misleading (boyd & Ellison, 2008). For example, the meanings of friends in an SN

environment could range from close acquaintances to virtual strangers. In a sense, SNs encourage their users to make as many friends as possible through their websites, and some people, especially those who are young, befriend each other in a SN to establish their social success and simply to feel accepted or connected (Kornblum, 2009).

The current study expects that, as in the case of personal relationships, new meanings of relationship or new forms of relationship building process in a business-to-consumer (B2C) context might also occur in an SN environment. For instance, when consumers become a "Fan" or "Followers" for certain brands via SNs, what does that really mean? As shown in the anecdotal evidence in press, is it a beginning of a meaningful consumer-brand relationship (Solis, 2010) or a possible "pseudo" relationship created by a particular context of SN (boyd, 2006; Kornblum, 2009)? To provide some insights into such questions, this study develops a series of research hypotheses based upon theories and literature in online consumer community, relationship marketing in consumer environments, brand relationship quality, and interpersonal communication. Particularly, the relationships among relationship benefits (perceived BSN benefits), relationship mediators (BSN relationship quality, perceived relationship investment, brand relationship quality), and relationship benefits (loyalty) are measured.

In this research, BSN is defined as a company-generated online brand community using a social network website such as Facebook (detailed description of the research site is provided in Research Site section in Chapter 1). Regarding a social network website, boyd and Ellison (2008) define it as a web-based service that allows individuals to construct a profile within a bounded system, to articulate a list of other users with whom they are connected, and to view and traverse their list of connections. Although the term "social networking website" also appears in

the literature, networking—relationship initiation often between strangers—is not the primary practice on many of these sites (boyd & Ellison, 2008). Thus, this study uses the term "social network website," emphasizing articulating and making visible the existing social networks (boyd & Ellison, 2008). The concept of BSN is distinguished from both the platform (i.e., community built in a SN) and the content (i.e., specific content and features exclusively available in a SN) of other types of online brand communities (e.g., discussion forums being hosted on an independently-owned website, an online community belonging to a retail company) (Dholakia et al., 2009; Schau et al., 2009). More discussion about the specific nature of BSN will be presented in Chapter 2.

#### **Contributions to Knowledge**

First, while recent academic and commercial studies have investigated how to monetize the phenomenon of social network (Marsden, 2010a; Stephen & Toubia, 2010), relatively little consumer research has examined what kinds of cognitive and motivational processes consumers go through in the social network environment. This research attempts to fill the gap in the literature by exploring this new phenomenon in the specific context of consumer-brand relationship. The nature of the relationship-building process and the meaning of this relationship, which is specific to the online social network, allude to the idea that it may also influence the relationship that consumers develop with brands via online social network. This study proposes that the perceived benefits of a certain brand's social network website (BSN) have a positive effect on the consumer's relationship with BSN as well as perceived relationship investment made by the brand. This research also proposes that online social connection and experience with

BSN moderate the relationship between the BSN benefits and the BSN relationship quality. These moderating effects are proposed to illuminate the unique nature of consumer-brand relationships framed in the context of BSN.

Second, the current literature on online consumer communities has gaps in two aspects: community platform and community content. In terms of community platform, researchers so far have examined online communities such as newsgroups (Hung & Li, 2007; Kozinets, 2002) and discussion forums being hosted on an independently-owned website or residing on a company's website (Adjei et al., 2010; Hsu et al., 2007). Despite the current growth and popularity in marketing, little research has investigated the online brand community in the specific context of a SN. The concept of a brand's social network (BSN) introduced in this research is expected to elucidate the natures and characteristics of consumer behavior and interactions different from those of other types of online consumer communities. As indicated by Nambisan and Watt (2011), communities within social network websites may be "much more dynamic and serve a totally different purpose" (p. 890) than other types of online communities. In fact, prior research has not investigated unique natures of BSN including a higher level of interaction volume and frequency, different demographics of members, and different functions of the community (Hart et al., 2008; Nambisan & Watt, 2011).

In terms of community content, the current literature is focused on the communities that are functional and utilitarian in nature, such as P3 communities and brand communities that are heavily information focused (Adjei et al., 2010; Dholakia et al., 2009; Mathwick et al., 2008; Wiertz & de Ruyter, 2007). This may be because many researchers find "the generally more focused and more information-laden content provided by the members . . . [in the online

community] . . . to be more useful to their investigation than the more social information available in . . . [the community]" (Kozinets, 2002, p. 63). While this could be true, recent research in the phenomenon of online social network (Stephen & Toubia, 2010; Trusov et al., 2009; 2010) and the accumulative body of knowledge in the brand community (McAlexander et al., 2002; Schouten et al., 2007; Thompson & Sinha, 2008) signal the need to examine a specific type of brand community, BSN. Therefore, the current research contributes to the literature and responds to the call of several researchers (e.g., Hennig-Thurau et al., 2010; Libai et al., 2010) for a more systematic study that examines how online communities such as Facebook can be used for brand communication, what benefits a brand must offer to community members, and how consumers' behavior in the virtual world can be transferred to their actual brand loyalty behavior.

Third, this research identifies specific benefits that consumers derive from using BSN. While research on other types of online communities has identified motivations of community participation (Wasko & Faraj, 2005; Wu & Sukoco, 2010) or perceived values of communities (Mathwick et al., 2008), empirical research that examines the benefits of online communities within a SN is scarce. This research identifies specific BSN benefits through a comprehensive literature review and qualitative examination and tests the direct relationships between these benefits and outcomes consisting of BSN relationship quality and perceived relationship investment.

Fourth, this research introduces the concept of "BSN relationship quality" based on the argument that consumers can develop relationships with certain brands' SNs when they engage in BSN. Social response theory (Nass et al., 1995; Reese & Nass, 1996) suggests that people

perceive media as real people and places even when they believe it is not reasonable to do so. Drawing upon this theory, researchers argue that people often confuse what is presented (i.e., media) with what is actually behind the screen (i.e., reality). Also, researchers discover that consumers interact with a retail website as though it is a social entity that has human-like characteristics (Holzwarth et al., 2006; Wang et al., 2007). This study expects that the unique nature of BSN amplifies consumers' tendency to respond socially to the media in that BSN enables consumers to build personalized relationships and interact with the brand in real-time (Harter et al., 2010).

Lastly, this research contributes to the existing literature on customer loyalty by examining the relationship between BSN relationship quality and customer loyalty in two different contexts: BSN and brand. Specifically, it is proposed that the BSN relationship quality facilitates certain types of loyalty behavior in an online-specific context (i.e., BSN word-of-mouth, BSN stickiness), which ultimately predicts the loyalty toward the brand (i.e., willingness to pay price premium, behavioral loyalty). As online consumer communities serve as another major venue that consumers interact with brands as well as other consumers (Baird & Parasnis, 2011), researchers have begun to consider specific types of customer loyalty behavior suitable for this new environment (e.g., e word-of-mouth (e-WOM), referral) (Kumar et al., 2010). Therefore, this research attempts to separate the customer loyalty toward the brand from the customer loyalty toward the brand's SN.

#### **Research Purpose**

The purposes of this study are threefold. First, this study attempts to determine whether the perceived benefits of BSN lead to BSN relationship quality and the perceived relationship investment made by the brand. For this purpose, following research objectives are developed:

- (1) To examine whether perceived benefits of BSN predict BSN relationship quality
- (2) To investigate whether perceived benefits of BSN predict perceived relationship investment

Second, this study investigates whether the relationships between perceived benefits of BSN and BSN relationship quality is contingent upon online social connection and experience with BSN. For this purpose, following research objective is developed:

- (1) To examine if online social connection strengthens the relationship between perceived benefits of BSN and BSN relationship quality
- (2) To examine if experience with BSN strengthens the relationship between perceived benefits of BSN and BSN relationship quality

Third, this study examines whether BSN relationship quality and the perceived relationship investment serve as key antecedents of overall brand relationship quality, which predicts consumer loyalty toward both BSN and the brand. For this purpose, following research objectives are developed:

- (1) To investigate whether BSN relationship quality predicts brand relationship quality
- (2) To examine whether BSN relationship quality predicts customer loyalty toward BSN

- (3) To investigate whether perceived relationship investment predicts brand relationship quality
- (4) To investigate whether brand relationship quality predicts customer loyalty toward BSN
- (5) To examine whether brand relationship quality predicts customer loyalty toward the brand
- (6) To investigate whether customer loyalty toward BSN predicts customer loyalty toward the brand

These research objectives are structured based upon the relationship framework suggested by previous researchers (Iacobucci & Ostrom, 1996; Sirdeshmukh et al., 2002). The relational view of the B2C relationship as opposed to its transactional view emphasizes that building and maintaining a relationship between a company and consumers are more important than providing one-time efficiency or profit to attract consumers (Li et al., 2006). Aggarwal (2004) contends that consumers use principles of relationship as a guide in their interactions with the brand in two ways: (a) as a lens to evaluate the actions of the brand and (b) as a tool to guide their own behavior. In the current study, consumer-brand relationship is viewed through a filter of social platform, BSN. This view illustrates that consumers deepen the relationship with the brand when they perceive that their relationship with the brand's SN is beneficial. The basic notion of this relational view is depicted in Figure 1.

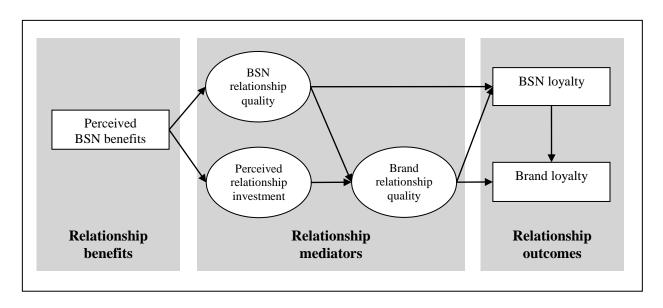


Figure 1. Conceptual framework

#### **Research Setting**

This research focuses on the online brand community built on the social network website (i.e., BSN). Of the many social network websites, Facebook (www.facebook.com) is selected as a research setting for this study because of its popularity and prominence of BSN practice. Industry data show that Facebook is undoubtedly one of the most popular social network websites in terms of its number of users and marketing power (Ellison et al., 2007; Morrison, 2010; Peppitone, 2010). As one of the fastest growing applications of social commerce, Facebook commerce (i.e., f-commerce) currently controls more than half of the U.S. traffic to social media websites with more than 600 million active users in over 210 countries (Socialbakers.com, 2011). Industry data also suggest the prevalence of BSN on Facebook. According to the business industry data, 60% of the world's top retailers have an active presence on Facebook (Cripps, 2010) and 68% of U.S. retailers have acquired their customers through

Facebook (Shop.org, 2010). Although precise statistical data are not available, most of top retail brands have developed their own web pages on Facebook, cultivating their brand communities and engaging their consumers in diverse ways (Morrissey, 2009).

As such, what is practiced on Facebook exemplifies current marketers' efforts to develop a meaningful relationship with their customers. While this specific research site is selected for the sake of data analyses, general characteristics and nature of BSN discussed throughout the paper will not be limited to this particular website. That is, theoretical foundations and hypotheses development encompass a wide range of brand communities. Further details about the research setting and sample will be provided in Chapter 3, followed by discussion and implications in Chapter 5.

#### **CHAPTER 2: LITERATURE REVIEW**

This chapter is composed of two parts. The first section provides a comprehensive review of the theories and literature supporting the current research. Specifically, this research applies foundational ideas from online consumer community, relationship marketing in consumer environments, brand relationship quality, and interpersonal communication to explain the unique nature of consumer-brand relationship<sup>1</sup> in the context of BSN. In the second section, the theoretical foundations discussed in the first section build a set of hypotheses to test the study purposes.

#### **Theoretical Foundations**

The medium is the message. Any understanding of social and cultural change is impossible without a knowledge of the way media work as environments.

McLuhan (1967)

#### **Online Consumer Community (OCC)**

Scholars have identified various types of consumer communities to conceptualize social gatherings with regard to consumption-related activities. Although it is hard to find the consumer community in a purely offline context because the Internet provides convenient supports for these social organizations, several researchers focus on the consumer brand community

<sup>&</sup>lt;sup>1</sup> While this research distinguishes the construct "relationship with BSN" from the "relationship with brand," the relationship with BSN can be discussed under the overarching concept of consumer-brand relationship. In existing literature, such terms as consumer-brand relationship and brand relationship are interchangeably used as a term referring to the relationship that consumers develop with a brand in diverse contexts (Aggarwal, 2004).

concentrated on the geo-temporal events or activities that bring consumers physically together. This type of brand community has been labeled as a "brandfest" (McAlexander & Schouten, 1998) and often exemplified by such traditional brand communities as HOG for Harley-Davidson owners' group and Jeep Jamborees for Jeep owners' group (McAlexander et al., 2002; Schouten et al., 2007).

This research is interested in the consumer community developed in the online context, which will be referred to as online consumer community (OCC) hereafter. With the emergence and growth of user-generated content published in an online environment such as weblogs and forums (Loewenfeld & Kilian, 2009), various types of OCCs have become of greater importance to the companies seeking to build a consumer-brand relationship. The OCC is a relatively new phenomenon, and its operationalization still varies across studies (Lee et al., 2003; Porter & Donthu, 2008). This is evidenced by multiple names identified in past research, such as online product communities (Nambisan & Watt, 2011), online brand communities (Adjei et al., 2010), virtual communities (Bagozzi & Dholakia, 2002), virtual consumer communities (Hung & Li, 2007), virtual P3 communities (Mathwick et al., 2008), and virtual consumption communities (Kozinets, 1999) (see Table 1). Thus, a standardized definition and conceptualization of OCC in the current literature are lacking.

**Overview.** To delve into the concept of OCC, it is necessary to discuss how scholars have viewed and conceptualized a variety of OCCs. Table 1 presents different types of OCCs explored by previous researchers. The different types of communities listed in Table 1 can be broadly categorized into two types of communities: (a) the community built around a specific

brand and (b) the community of general consumption-related topics (e.g., certain diseases, technologies). For instance, communities such as brand community, virtual brand community, and online brand community are the aggregations of consumers for a particular brand, whereas communities such as virtual community, e-community, virtual P3 community, and online community are built around general consumption-related issues. Indeed, Mathwick et al. (2008) differentiate a virtual P3 community from a brand community in that ". . . a brand-specific focus is not a precondition of virtual P3 community formation; rather, the primary raison d'être is peerto-peer problem-solving activity related to consumption experiences of any type" (p. 833).

In this research, the concept of OCC includes both (a) the community of brands (i.e., online brand community) and (b) the community of general consumption-related activities, and it is defined as a group of consumers who share common interest about particular brands or general consumption-related issues in an online environment. Hence, OCC is a broad category of consumer community, and thus conceptually encompasses many different types of online consumer communities listed in Table 1. BSN, the focus of this research, also belongs to OCC as it reflects part of OCC conceptualization (i.e., the online consumer community built around particular brands). Particularly, the online consumer community built around a specific brand is labeled in this research as online brand community (OBC) and defined as a group of consumers who share a common interest about a particular brand in an online environment (see Table 2).

Table 1. Definitions of online consumer communities

Term	Definition	Source
Virtual community	"Social aggregations that emerge from the net when enough people carry on public discussions long enough, with sufficient human feeling, to form webs of personal relationships in cyber space a group of people who may or may not meet one another face to face, and how exchange words and ideas through the mediation of computer bulletin boards and networks" (p. 6)	Rheingold (1993)
	"A cyber space supported by information technology centered upon the communications and interactions of participants to generate specific domain knowledge that enables the participants to perform common functions and to learn from, contribute to, and collectively build upon that knowledge" (p. 153)	Hsu et a. (2007)
	"An aggregation of individuals or business partners who interact based on a shared interest, where the interaction is at least partially supported and/or mediated by technology and guided by certain protocols and norms" (p. 115)	Porter & Donthu (2008)
Virtual community of consumption	"Affiliative groups whose online interactions are based upon shared enthusiasm for, and knowledge of, a specific consumption activity or related group of activities" (p. 254)	Kozinets (1999)
E-community	"Social aggregations of critical masses of people on the Internet who engage in public discussions, interactions in chat rooms, and information exchanges with sufficient human feeling on matters of common interest to form webs of personal relationships" (p. 416)	Kannan et al. (2000)
Brand community <sup>1</sup>	"A specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand" (p. 423)	Muniz & O'Guinn (2001)
Virtual P3 (peer- to-peer problem solving) community	"Self-organizing, open activity systems focused on a shared practice that exists primarily through computer-mediated communication" (p. 37)	Wasko & Faraj (2005)
Small group brand community <sup>2</sup>	"communities typically fewer than ten or so [members] plus a few passengers, that have close friendships with one another and engage in regular and frequent face-to-face interactions" (p. 46)	Bagozzi & Dholakia (2006)
Psychological brand community  Social brand community	"A group of brand admirers who perceive a sense of community with other brand admirers, yet do not hold membership or engage in social interactions" (p. 285)  "A social community of brand admirers who acknowledge membership in the community and engage in structured social relations" (p. 284)	Carlson et al. (2008)

Table 1. (Continued)

Term	Definition	Source
Online community	"An aggregation of people who share a common interest and communicate through electronic mailing lists, chat rooms, Internet user groups or any other computer-mediated mechanism" (p. 410)	Kim et al. (2008)
Virtual brand community	"A cyber space on the basis of attachment to commercial brands" (p. 432)	Sung et al. (2010)
Online brand community <sup>3</sup>	N/A	e.g., Adjei et al. (2010), Thompson & Sinha (2008)

Note:

Classification of OCC. Researchers identify different types of OCC based on community management (e.g., consumer-generated, company-generated) (Loewenfeld & Kilian, 2009; Porter & Donthu, 2008) and consumer needs (e.g., transaction support, relationship building) (Kannan et al., 2000). Recently, as the commercial-oriented purpose of online communities is more emphasized in the industry compared to the pure social-oriented purpose of communities (Porter & Donthu, 2008), firm-sponsored online communities have been explored by many researchers (e.g., Adjei et al, 2010; Dholakia et al., 2009; Schau et al., 2009). These studies highlight the role of a company's effort in driving value from the sponsorship of the community and the marketing impact of the community.

This research classifies types of OCC based on two criteria: community management and topics of community (see Table 2). As regards to the community management dimension, the level of a hosting or sponsoring company's controlling or interfering with the interaction among community members varies: a weak level (e.g., providing a link to a sponsor company's official website in the community website) (Kim et al., 2008; Mathwick et al., 2008), a moderate level

<sup>&</sup>lt;sup>1</sup> The concept of brand community encompasses both online and offline contexts.

<sup>&</sup>lt;sup>2</sup> No formal definition was provided in the paper.

<sup>&</sup>lt;sup>3</sup> Although a formal definition was not found in the literature, when researchers refer to "online brand community," most of them adopt the Muniz and O'Guinn's (2001) definition of brand community to the online context.

(e.g., a host firm employees' participation and moderation in the community) (Wiertz & de Ruyer, 2007), and a strong level (e.g., a company's providing a customer service on their company website) (Dholakia et al., 2009). The community topic dimension included two types of communities (i.e., community of a brand, community of general consumption-related issues) as well as communities for a combination of these two. Examples include companies' sponsored or hosted communities organized based on a sponsor's products (e.g., a particular brand's computer hardware and software) as well as more general issues (e.g., technical support for other technical issues) (e.g., Mathwick et al., 2008; Wiertz & de Ruyer, 2007).

Based on these two criteria (i.e., community management, topics of community), BSN can be categorized as a community centered around brands, which is managed by both consumers and a company (see the round area in Table 2). Because making clear distinctions between different types of community is difficult, one might place BSN in a company-focused brand community (i.e., a very right column of Table 1), which a company manages to a strong degree and pursues commercially-oriented goals within that community.

Table 2. Classification of different types of OCC, OBC, and BSN

	_		OBC B	SSN→
	Brand	e.g., Muniz & Schau, (2005), Sung et al. (2010)	e.g., Bagozzi & Dholakia (2006)	e.g., Algesheimer et al. (2005)
Topic of community	Brand & general		e.g., Mathwick et al. (2008), Wiertz & de Ruyer (2007)	e.g., Wu & Sukoco (2010)
	General	e.g., Bagozzi & Dholakia (2002), Jayanti & Singh (2010), Hsu et al., (2007)	e.g., Chan & Li (2010), Kim et al. (2008)	e.g., Dholakia (2009)
		Consumer- focused <sup>1</sup>	Consumer & company <sup>2</sup>	Company- focused <sup>3</sup>

#### **Community management**

Note:

Formats and content of OCC. Researchers have investigated various platforms of online communities such as boards (e.g., electronic bulletin boards, also called newsgroups or usenet groups) (Adjei et al., 2010; Hsu et al., 2007; Mathwick et al., 2008), independent web pages such as consumer product review websites (Schau et al., 2009), and chat rooms (Bagozzi & Dholakia, 2002; White, 1999). As the online environment has significantly evolved, some formats of communities such as lists (also called email listservs) are not as much used as the old days. Instead, new types of communication forums such as blogs (Brown et al., 2007; Koziets et al., 2010) and SNs (Jansen et al., 2009; Sung et al., 2010) are emerging fast as a new platform of a brand community.

In terms of product/service categories of OCCs, extant research on both brand communities and communities of general consumption-related activities have examined (a)

<sup>&</sup>lt;sup>1</sup> Consumer-generated community; no participation or control by company

<sup>&</sup>lt;sup>2</sup> Company-generated community; moderated level of participation or control by company

<sup>&</sup>lt;sup>3</sup> Company-generated community; stronger level of participation or control by company

utilitarian products/services such as woodworking equipment, microprocessor and 3D video cards, computer software, and physical diseases (Adjei et al., 2010; Cromie & Ewing, 2009; Jayanti & Singh, 2010; Mathwick et al., 2008; Nambisan & Watt, 2011; Thompson & Sinha, 2008); (b) highly experiential products such as TV series, movies, and video games (Brown et al., 2003; Brown et al., 2007; Kozinets, 2001; Loewenfeld & Kilian, 2009; Schau & Muniz, 2004); and (c) products somewhere between these two types including coffee, automobiles, computers, and basketball shoes (Algesheimer et al., 2005; Belk & Tumbat, 2002; Brown et al., 2003; Füller et al., 2007; Kozinets, 2002; Leigh et al., 2006; Loewenfeld & Kilian, 2009; Muniz & Schau, 2005; Schouten et al., 2007).

Consumer motivation. One of the prominent issues discussed in current OCC literature is the consumer's motivation to participate in OCC. Especially in the community focused on instrumental purposes including knowledge sharing and problem solving, individual members' participation in the community and their willingness to share knowledge are critical issues (Schroer & Hertel, 2009; Wasko & Faraj, 2005; Wu & Sukoco, 2010). One of the key concepts that explain this motivation is reciprocity. Chan and Lee (2010) define the reciprocity in the online community environment as "voluntary and discretionary behaviors in terms of giving help to not only those who help the giver but also other members in the ... [community] . . . who need help and who would provide assistance on request" (p. 1034). Their finding indicates that the norm of reciprocity has a positive impact on the community commitment. Wasko and Faraj (2005) also discuss that ties among members in online community, although weak, do exist, and that a strong sense of reciprocity facilitates the practice of an online community. As another

concept explaining consumer motivation, members engage in the community because they perceive that helping others with difficult problems is fun or interesting and makes them feel good (Wasko & Faraj, 2005). In fact, the norm of voluntarism as a form of proactive engagement strongly fosters social capital that creates the social and informational value of the community (Mathwick et al., 2008).

It should be noted, however, that the norm of reciprocity or voluntarism is predominantly explored in the studies of communities that are functional and utilitarian in nature. These community examples are a P3 community of computer software, eBay Help Forums, and a national legal professional association (Dholakia et al., 2009; Mathwick et al., 2008; Wasko & Faraj, 2005). What remains less clear is the consumer's motivation to participate in the community that emphasizes hedonic and social aspects of experiences (e.g., BSN). The two types of OCCs based on the community affiliation identified by Fournier and Lee (2009) (see Table 3) may provide insight into this question. According to this criterion (i.e., Pool vs. Web), firm-sponsored brand communities residing in a SN can be categorized as Pool-type of communities where people share a set of abstract beliefs and build loose associations with one another. These people are united by shared values that emotionally connect with the brand. On the other hand, P3 communities or brandfests could belong to Web-type of communities where members have similar needs or goals, often forming strong associations with other members. Dholakia et al. (2009) note that getting to know each other is essential in P3 communities to give and receive assistance quickly and fully. They further contend that "answering questions posed by other members, introducing new discussion topics, and contributing new knowledge to the community are all ways of networking" (p. 214). In this sense, one may argue that P3

communities are more social than BSN because members' one-to-one relationships are stronger than those of BSN. However, it must be acknowledged that building relationship per se is not the general orientation of P3 communities. Rather, members build webs within a community for the purpose of peer-to-peer support. In contrast, engaging in conversation and interacting with each other may not be necessarily for some other purposes in BSN. Therefore, it can be argued that Pools are more social and hedonic communities and Webs are more functional and utilitarian in nature, despite their different strengths in personal relationships among members.

Table 3. Two types of OCC and their characteristics

Community type	Pools	Webs
Affiliation form		
Affiliation characteristics	<ul> <li>Members have a strong association with a shared activity or shared values</li> <li>Members share a set of abstract beliefs but have loose associations with one another</li> </ul>	Community members have strong associations with others who have similar needs
OCC examples	<ul> <li>Most of OBCs (e.g., Apple Enthusiasts, Starbucks Gossip, Newton)</li> <li>BSN (e.g., brand communities via Facebook or Twitter)</li> </ul>	<ul> <li>Brandfest (e.g., HOG, Jeep Jamborees)</li> <li>P3 community (e.g., technology support group, cancer survivor network)</li> </ul>
Principal consumer needs or desires	Emotional connection with a brand	Bonding with members coming from brand affiliation
Principal motivation	Collaborative behavior fostered by collective value creation of the community	<ul> <li>Norm of reciprocity among individual members</li> <li>Norm of voluntarism ("enjoyment of helping others")</li> </ul>
Emphasized role and value	<ul> <li>Role of the company in driving value from the sponsorship of communities</li> <li>Role of community deriving from collaborative cocreation activities</li> </ul>	Role of consumers in driving value from the interaction and peer-to-peer support

The current research suggests that the consumer's motivation to engage in community can vary for these two types of communities. As described in Table 3, members of Webs, especially those who are members in the brandfest-type of community, are generally more interested in the social links that come from brand affiliations than they are in the brand itself (Fournier & Lee, 2009). Since they have similar needs and goals such as knowledge sharing and problem solving, members' voluntary participation and interactions are important drivers of

community practice. This is not the case for Pools members whose needs and goals are relatively weak. While little research has provided systematic analysis of the consumer motivation for Pool-type of communities, one notable exception is Schau et al.'s (2009) study of how brand community practices create value. In their study of brand communities using a meta-analytic approach to prior research on collective consumer behavior, Schau et al. identify the value-creating practices across nine brand communities comprising a variety of product categories. They assert that the community practices characterized as four categories (i.e., social networking, impression management, community engagement, brand use) work together to enhance the value of the community.

While this argument is not limited to Pools but encompasses a diverse range of other types of communities, it does provide some insight into a question on what motivates members of Pools to engage in and to construct a stronger community. Unlike the members of Webs who are likely to achieve a social identity through self awareness of their membership in a group, members of Pools may achieve membership and identity derived from various types of value-creating practices of the community, such as social networking and community engagement.

Schau et al. (2009) argue that these practices can create and enhance ties among members, create favorable impression of the brand and brand community, reinforce members' engagement with the brand community, and enable improved use of the brand. Thus, various experiences derived from the practices (e.g., sharing thoughts and ideas about brands, directing at other members or the company regarding particular issues, creating and modifying their own brand product) can serve as important drivers of community engagement for members of Pools. If more practices lead to a stronger brand community, marketers should foster a broad array of practices so that

members of Pools may engage in the brand as well as the brand community as co-creatve brand partners (Vargo & Lusch, 2005).

#### **Brand's Social Network Website (BSN)**

As described in Table 2, BSN can be discussed in a broad conceptualization of OCC as it shares several characteristics in common. Like other types of online brand communities, BSN is composed of consumers who possess a social identification to some degree with others who are interested in a particular brand (Bagozzi & Dholakia, 2002; Schouten et al., 2002). Although the level of commitment and engagement might differ (Algesheimer et al, 2005), visitors of a certain brand's SN feel connected to other members in the community (Anderson et al., 2010). Also, BSN is an open social organization because anyone who is interested in a particular brand can freely join the brand's SN (Muniz & O'Guinn, 2001). However, status hierarchies of members that most brand communities have (Muniz & O'Guinn) do not exist in BSN because BSN allows every member to be equal in access to site content or organizational structure (Libai et al., 2010). In other words, "differentiating between those who are true believers in the brand and those who are merely opportunistic" (Muniz & O'Guinn, 2001, p. 419) is not a common concern for members in BSN.

BSN contains some distinctive characteristics compared to other types of online brand communities. As discussed above, consumers who visit BSN are not necessarily "brand enthusiasts" or "active loyalists," while this is the case with other types of brand communities (Muniz & Schau, 2005; Schau et al., 2009). As opposed to "brandfest" type of community which concentrates on brand owners' and potential owners' engaging in brand consumption and celebrations (e.g., HOG, Jeep Jamborees) (McAlexander & Schouten, 1998), consumers join the

BSN for a variety of reasons including getting exclusive offers and deals and following promotional events (Sung et al., 2010). This indicates that a mix of intrinsic and extrinsic motivations influences consumers' participation in this community. Thus, in BSN, consumers' relationships with the brand do not necessarily precede or serve as a basis for joining and participating in the community. Also, consumers in BSN might vary in their level of interest and participation as well as in their knowledge of and attachment to the brand.

As another unique nature of BSN, the venue (e.g., Facebook) that consumers are connected to the brand is where they have been already connected to their personal contacts. This is reflected by two types of social commerce strategies that are (a) social media on e-commerce platforms and (b) e-commerce on social media platforms (Marsden, 2010). Thus, the quick and convenient nature of membership formation may affect the process of consumer-brand relationship formation (Ray, 2010). Some researchers, however, criticize this aspect of BSN because the convenience fostered by the community may create the shallow, transient nature of online interactions resulting from the anonymity of web encounters and weak social ties compared to the off-line world (Fournier & Lee, 2009). In fact, industry reports reveal that one of the reasons for visiting a particular brand's SN is someone else's recommendation (ExactTarget, 2010; Social Media Tracker, 2010; Solis, 2010). This indicates that social relationships already formed among consumers through a SN can influence their attitudes and choice behaviors regarding the brand in the environment of BSN. Interestingly, Marsden (2009) points out that some principles applying to the persuasion context in social psychology can explain consumer behavior in the social commerce context. Marsden maintains that the principles such as social proof ("people follow the lead of similar others") and liking ("people

like those like them, who like them") (Cialdini, 2001) illustrate how friends and peer groups can influence brand attitudes and behaviors within the BSN context. In addition, a variety of features exclusively available in the social network website (e.g., "Like" button, News Feed) facilitates interactions among people, leading to easier and faster recommendations or referrals.

#### **Relationship Marketing in Consumer Environments**

Relationship marketing (RM), defined as "marketing activities directed towards establishing, developing, and maintaining successful relational exchange" (Morgan & Hunt, 1994, p. 22), has drawn much attention from both business practitioners and academic researchers over the past two decades. Consistent with a traditional conceptualization of marketing phenomena (i.e., exchanges occurring within relational framework) (Bagozzi, 1975), RM researchers view the relationships in diverse commercial settings as long-term interactions that involve dynamic processes (Dwyer et al., 1987; Spekman & Johnston, 1986).

Iacobucci and Ostrom (1996) distinguish RM practices in three commercial settings: business marketing (B2B), service marketing (service provider-to-client), and consumer marketing (B2C). Among these three areas, consumer marketing has received the least attention from RM researchers (De Wulf et al., 2001; Sheth & Parvatiyar, 1995). Researchers provide two possible reasons for this lack of research. First, early RM researchers tended to focus on partnerships developed between persons (e.g., manufacturer-to-supplier, service provider partnerships) rather than the relationship formed at the level of a brand or a retailer (e.g., brand-to-person, retailer-to-person) (Fournier, 1998). Second, relationship marketing was considered as a completely new phenomenon, particularly in consumer markets, as illustrated by database

marketing, affinity marketing, and regional marketing practices focused on developing direct relationships with consumers (Sheth & Parvatiyar, 1995). However, several academic researchers (e.g., Copulsky & Wolf, 1990; O'Malley & Tynan, 2000; Stone et al., 1996) have challenged this contention by suggesting that RM is conceptually distinct from direct or database marketing activities in that those marketing efforts focus on achieving immediate sales while RM emphasizes long-term interaction leading to emotional or social bonds with customers.

According to Sheth and Parvatiyar (1995), the basic assumption of RM in consumer environments is that consumers like to reduce choices by engaging in relationships with marketers. They explain that consumers do so because reducing choices enables consumers to achieve greater efficiency and to reduce the task of information processing as well as the perceived risks for future choices. In their effort to investigate RM in the consumer-retailer context, De Wulf et al. (2001) develop a research model, which illustrates the effect of relationship marketing tactics on consumes' perceived relationship investment, which ultimately influences relationship quality and behavioral loyalty. They note that "although an allencompassing theory of relationship marketing is still lacking . . . the principle of reciprocity is considered a useful framework for investigating exchange relationships" (p. 34). Thus, the principle of reciprocity (e.g., "you should give benefits to those who give you benefits") (Gouldner, 1960, p. 170) can be applied to a consumer context. Further, De Wulf et al. suggest that a retailer's investment in relationship marketing creates some kind of psychological ties that motivate consumers to maintain the relationship with the retailer and set an expectation of reciprocation.

Another major stream of RM research in consumer environments is consumer-brand relationship research. Fournier's (1998) seminal work on a relationship theory in the brand context ignited numerous studies on consumer-brand relationship. All of these studies are based on the assumption that brands can serve as relationship partners (e.g., Aggarwal, 2004; Brown et al., 2003; Chaudhuri & Holbrook, 2001; Kirmani, 2009). Fournier's work not only advanced the RM theory that was lacking behind RM practices (Sheth & Parvatiyar, 1995), but significantly contributed to the consumer behavior literature. One of the contributions is the development of the brand relationship quality (BRQ) construct, which measures overall brand relationship quality, depth, and strength. Based on the literature in human relationship and her qualitative inquiry, Fournier identifies six dimensions of BRQ. These dimensions include love and passion, self-connection, commitment, inter-dependence, intimacy, and brand partner quality. These six BRQ dimensions have stimulated many other studies to capture diverse aspects of consumer-brand relationships including brand attachment, brand loyalty, and brand experience (Brakus et al., 2009; Oliver, 1999; Park et al., 2010).

### **Relationship Quality of BSN**

Despite some debate about the idea that consumers want to have relationships with marketers (e.g., Dixon & Pomomareff, 2010; Noble & Phillips, 2004; Wolk, 2008), it is now apparent that the human motivation to form interpersonal affection is found in the interactions between people and marketers such as brands and retail websites (Ashworth et al., 2009; Escalas, 2004; Li et al., 2006; Park et al., 2009). Interestingly, building personalized relationships with consumers (Harter et al., 2010) and interacting with consumers in real-time through BSN (Dholakia et al.,

2009) directly reflect the notion that retail brands or websites could be perceived as human characters (Fournier, 1998; Plummer, 1985).

"These are guys you'd like to have a beer with . . . I follow them on Twitter and half the stuff they say isn't about the brand. It's not just trying to drive you to the site to buy" (Brustein, 2010)

The above excerpt from a consumer interview illuminates that current marketers have become more "social" in that consumers perceive marketers as not merely trying to make money from them but trying to be engaged with them in a more casual manner. In other words, brands endeavor to position themselves as focused on the communal relationship characterized as mutual support rather than on the economic exchange relationship (Clark & Mills, 1979). Social psychologists have distinguished these two types of relationships based on the norms that govern giving and receiving a benefit (Aggarwal, 2009). In a communal relationship (e.g., friendship, romantic relationships, family relationship), people give benefits to others by expressing a concern for a partner and are less likely to ask for repayments. With the exchange relationship, people give benefits in response to the receipt of a benefit and are less likely to keep track of others' needs (Clark, 1981; Clark et al., 1989). Harter et al. (2010) also argue that social media are central to the "humanization" of the company because they create a personalized customer experience around trust and transparency and facilitate the formation of an active consumer community.

Since social media create this kind of consumer-brand interaction that would not otherwise occur, it raises some interesting questions. In the consumer interview excerpt above, when consumers say "these . . . guys," to whom are they exactly referring? Is it the brand itself, brand management, or someone who responds to their comments on the website? How can this

BSN-specific nature of brand relationship be addressed in consumer research? To address these questions, this study conjectures that consumers can develop a relationship with a certain brand's SN. This concept is derived from social response theory that advocates the social aspect of human-media interactions (Nass et al., 1995; Reeves & Nass, 1996). Because humans are social animals strongly biased toward social relationships (Moon, 2000), people treat media (e.g., computers, television) as social actors even when they are fully aware that the media do not possess human traits (Nass et al., 1995; Reeves & Nass, 1996). Viewing the tendency to respond socially to media as mindless behavior, the theory postulates that people "tend to be lazy information processors" (Moon, 2000, p. 325) avoiding extensive thought or deliberation. Thus, when people try to use mental shortcuts, they unconsciously and automatically assume that the media is real life. In short, when media exhibit human-like characteristics, people perceive them as real people and places, and the rules that apply to social relationships regulate human responses to media (Reeves & Nass, 1996).

Drawing upon the social response theory, the concept of BSN relationship quality asserts that when consumers interact with a BSN as if it were a social actor. These consumers may form a relationship with the BSN website that potentially influences BRQ. Consistent with the BRQ construct (Fournier, 1998), BSN relationship quality is defined in this research as *consumers'* overall assessment of the strength of their relationship with the BSN. Consumers may interact with a certain brand's SN that is designed to portray a representative of the brand such that BSN itself is a social actor with whom they can actually build a relationship. As illustrated in the consumer interview excerpt presented in the beginning of this section, when consumers perceive a certain brand's SN as a social character that actually responds to their opinions and concerns in

a personal manner and in real-time, they are likely to "mindlessly" (Nass & Moon, 2000, p. 81) engage in BSN.

Several theories provide ample evidence for the conceptualization of BSN relationship quality. Early researchers in the communication area explained the social aspects of media and communication technology by integrating social theory and media characteristics theory. For example, Fulk et al. (1987) contend that media usage behavior can be influenced by a set of social cues, such as perception of media characteristics, attitudes toward communication media, individual difference, and media experience and knowledge, influenced by the social information processing theory proposing that the individual's sense making is socially constructed (Pfeffer, 1982; Salancik & Pfeffer, 1977, 1978), The concept of social presence, defined as "the degree to which the medium permits users to experience others as being psychologically present" (Fulk et al., 1987, p. 531), further explains a communication medium's ability to transmit non-verbal cues such as sociability, warmth, personalness, and sensitivity (Short et al., 1976). The recognition that media use occurs in a social context has led researchers to explore diverse consumer behavior issues in the online environment. Researchers have found that social presence has a direct or indirect impact on such outcomes as customers' online purchase intention, loyalty, trust in e-commerce, and continuous usage intention of website (Cyr et al., 2007; Gefen & Straub, 2004; Mantymaki & Salo, 2010).

More recently, several other researchers provide empirical evidence for the contention that consumers can have a relationship with a certain website. Emphasizing the relational view rather than the transactional view of B2C relationships, Li et al. (2006) assert that consumers develop a relationship with the website of an e-vendor because of human motivation to form

attachment to objects as well as to people. Based upon personal relationship theory, Li et al. contend that three elements facilitate the relationship between consumers and the e-commerce website. The first element is interdependence. When using an e-commerce website, consumers tend to depend on the website to fulfill their particular needs such as obtaining information and purchasing products, while the website depends on consumers' input including feedback, comments, and reviews. Interaction between consumers and the website is another element to facilitate the relationship. While using the website, consumers follow programmed interactive dialogs and interfaces of the website. Thus, consumers' interactions with the website (e.g., providing feedback and comments engaging in real-time chatting) indicate the active processes of providing inputs to and receiving outputs from the website. The last element is attribution to dispositions of the other party. When consumers receive the outputs that they expected from the website such as on-time delivery of information or products, consumers may attribute what the website does for them to the website itself or the retailer's reliability and credibility.

A growing body of research in human-media interaction and relationship marketing also provides compelling evidence for the existence of BSN relationship quality. Based upon social response theory, researchers suggest that consumers react to a certain retail website in a similar way to human interactions (Holzwarth et al., 2006; Wang et al., 2007). These studies provide the empirical evidence that people treat certain websites as social actors rather than only as communication or transaction tools. When consumers perceive social cues such as avatars enhancing interactivity and playing a social role in the website, they exhibit more positive responses to the website (e.g., greater perceived value of a website), which in turn lead to retailer patronage (e.g., positive attitudes toward the product, loyalty intentions).

Furthermore, Brown et al.'s (2007) study adds strong validity to the conceptualization of BSN relationship quality derived from the BRQ construct. In their study of online communities of an experiential product (i.e., TV programs), Brown et al. assert that the customer relationship with the brand can be extended to the customer relationship with the online community website:

The idea of using the consumer-brand relationship concept to describe the consumer-online community relationship has considerable face validity. Both brands and consumption-focused online community web sites share the characteristics of being inanimate, nebulous constructions concerning a market offering from a company. It is generally accepted within the literature that brands can develop personalities and that consumers can have some kind of "relationship" with brands . . . It is a logical extension that such concepts may also be applicable to websites as well (p. 5).

Other pieces of evidence that support the conceptualization of BSN relationship quality can be found in the past research on brand community that proposes similar yet different concepts. For example, Lowenfeld and Kilian (2009) develop the construct of "brand community quality," illustrating key success factors for establishing brand communities. This construct is composed of three second-order dimensions: customer-brand relationship composed of brand-member interaction, enduring brand involvement, identification with brand; customer-customer relationship composed of mutual member support, commonalities among members, friendship among members; and customer-community relationship composed of need fulfillment within company, social identity within company, influence on community. Algesheimer et al.'s (2005) "brand community identification," which they operationalize as the strength of the consumer's relationship with the community, is also conceptualized in a similar way. They explain that a consumer's identification with the brand community involves both cognitive component (e.g., "I see myself as a part of the brand community") and affective component (e.g., "I am very attached to the community"), and that it influences community engagement and perceptions of

normative pressure from other group members. In addition, Adjei et al. (2010) focus on C2C communication in online brand communities as a key construct that directs customer purchase behavior. Drawing upon uncertainty reduction theory, they contend that "online communication quality" reduces the level of uncertainty about the firm and its products, which positively influences customer purchase behavior. Their online communication quality construct is comprised of four facets: relevance of information exchanged, frequency of information, duration/length of interaction, and timeliness of information exchanged.

# Brand Attachment and a Strategic Brand Exemplar

Researchers agree that brand equity is built up based on a strong relationship between a consumer and a brand. This agreement is reflected in the numerous branding studies that have been conducted in the context of consumer-brand relationships over the past decades (e.g., Aggarwal, 2004; Breivik & Thorbjørnsen, 2008; Commuri, 2009; Fournier, 1998; Ji, 2002; Woodside, 2004). Park and his colleagues (2009, 2010) propose that brand attachment is a critical driver of brand equity. Park et al. (2010), in particular, demonstrate that brand-self connection and prominence are critical indicators of brand attachment. Also, in their conceptual exploration of brand attachment, Park et al. (2009) suggest that brand attachment predicting various brand equity-relevant behaviors such as recommendation and paying a price premium is contingent on (a) the type of goals that consumers desire to achieve through brand relationships and (b) the type of marketing activities that enable consumers to accomplish these goals. They conclude that these two factors—consumers' goals, marketing activities—are drivers of brand attachment.

To illustrate the interaction between consumers' goals and marketing activities, Park et al. (2009) introduce the concept of a strategic brand exemplar. They define a strategic brand exemplar as "the self-associated symbol . . . that represents the core benefits of a brand described in terms of 'when' (time of usage), 'where' (place of usage), 'how' (the manner in which a brand is used), 'why' (reason for its use) and/or 'whom' (target customers)" (p. 11-12). They emphasize that a strategic brand exemplar is not merely a symbol or logo but a specific episode or instance that triggers thoughts about the brand's benefits as well as strong self-related affection such as self-enrichment and self-gratification. In a nutshell, a strategic brand exemplar helps consumers retrieve the brand meaning and brand memory that contain self-relevant information and create a strong consumer-brand connection.

## **Hypotheses Development**

#### **Perceived BSN Benefits**

The association that perceived BSN benefits have with relationship quality or perceived relationship investment has rarely been investigated empirically. This study investigates specific BSN benefits and their associations with relationship quality and perceived relationship investment. Based on the theoretical foundation and previous literature, this research identifies specific benefits that consumers derive from using BSN.

OCC benefits. To identify specific benefits that consumers derive from BSN, a comprehensive literature review was conducted. Given that OCC is a broader concept than BSN or OBC, the current research reviews the extant research on OCC focusing on the antecedent

variables of various types of consumer engagement in OCC. Previous studies identified various predictors of consumer engagement in OCC, such as motivations (Wasko & Faraj, 2005), benefits (Dholakia et al., 2009), value (Mathwick et al., 2008), trust (Hsu et al., 2007), and overall online experiences (Nambisan & Watt, 2011). This section attempts to review and synthesize different types of predictors for consumer engagement in OCC to understand BSN benefits in a comprehensive view.

This study uses a deductive approach to examine benefits that consumers may perceive from using BSN. The deductive analysis begins by identifying theories and concepts that would help explain what benefits consumers seek from using BSN or why they engage in BSN. Holbrook (1999) contends that consumer value is an experience that results from the consumption of various benefits. Researchers have conceptualized consumer perceived value in multiple ways, for example, as a tradeoff between quality and price (Zeithaml, 1988) or consisting of multiple dimensions (Sweeney & Soutar, 2001). From numerous studies on consumer value, two value dimensions appear to be most universal: utilitarian value and hedonic value. Likewise, consumption benefits have been explained based on the utilitarian versus hedonic dimension (Batra & Ahtola, 1990; Childers et al., 2001; Chitturi et al., 2008; Crowley et al., 1992). Utilitarian benefits refer to pragmatic and instrumental benefits of consumption offerings, whereas hedonic benefits represent affective, experiential benefits that satisfy hedonic needs for sensory pleasure. In the context of BSN, the functional, instrumental, and practical benefits resulting from using BSN are utilitarian benefits, while aesthetic, experiential, and enjoyment-related benefits derived from using BSN are hedonic benefits. Therefore, viewing

BSN benefits in the framework of utilitarian versus hedonic benefits provides a useful theoretical perspective.

In the consumer behavior literature, serving as causal factors that direct consumers' behavior toward attaining their needs (Assael, 1998), benefits and motivations have been frequently used interchangeably as reflected in their contextually similar definitions (e.g., Alcañiz et al., 2004). Motivations are "the underlying needs/factors that initiate the purchase decision process" (Peltier & Schribrowsky, 1992, p. 55), while benefits are "the key evaluative criteria that buyers are seeking in that purchase" (p. 55). Thus, several factors that were used as motivations (e.g., motivations for joining a particular brand's SN) were also employed as benefits in this study. However, some motivation variables that do not conceptually match benefits (e.g., "because someone recommended it to me") are excluded.

Review of academic literature. To identify key constructs explored in previous OCC research, a literature search in different scientific databases was employed. First, top 10 academic journals that were ranked in the list of the Top 50 Published Marketing Journals (Steward & Lewis, 2010) were selected as a sampling frame of this study. These include Journal of Marketing, Journal of Marketing Research, Journal of Consumer Research, Marketing Science, Journal of Retailing, Journal of the Academy of Marketing Science, Journal of Advertising Research, Management Science, Journal of Advertising, and Journal of Business Research. In each of these 10 journals, three key words including "brand community," "online

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<sup>&</sup>lt;sup>2</sup> Although *Harvard Business Review* ranked as 7th in this list is a research-based journal, it was excluded in this paper because of its focus on managerial issues and suggestions for business practitioners rather than theory-based approaches to marketing problems for academicians. Instead, *Journal of Business Research* ranked as 11th in the list was included as a sample of this study.

community," and "virtual community" were entered. This journal-by-journal search used EBSCO and Elsevier ScienceDirect search engines. Second, articles and working papers on OCC were searched on the Internet, using Google Scholar search engine. The same three key words were used in this second round of the literature search. After excluding studies that were not relevant to the topic of this study, a total of 60 studies on OCC published in 2002-2010 were obtained. For the purpose of this paper, the final sample of this study was limited to the quantitative studies that provided the constructs that can conceptually correspond to the consumer engagement in OCC and its predictors. Of the 60 studies, a total of 18 studies were quantitative studies that explored the concept of consumer engagement in OCC or related topics and thus considered as the final sample of this study.

As part of the coding process, all constructs modeled in each of the 18 studies were carefully examined to determine whether they could be classified as the construct of consumer engagement in OCC or its antecedent variables. For example, such constructs as "desire to participate in the community" (Bagozzi & Dholakia, 2002), "online community commitment" (Kim et al., 2008; Mathwick et al., 2008), and "knowledge sharing behavior" (Hsu et al., 2007; Wu & Sukoco, 2010) were categorized as the construct of "consumer engagement in OCC" because they all conceptually represented different types or degrees of consumer engagement in OCC. After identifying the concept of consumer engagement in OCC for each sample study, the rest of the variables in the research model were examined to determine whether they could be the predictors or outcomes of the engagement.<sup>3</sup> Although the outcome variables were not the focus of this review, for the sake of model completeness, those concepts were also investigated. Table

<sup>&</sup>lt;sup>3</sup> Moderating variables posited in these relationships were not included in the coding procedure.

4 presents a list of the 18 studies with the key constructs consisting of consumer engagement in OCC, its antecedents and outcome variables.

Table 4. Consumer engagement in OCC and its predictors and outcomes identified in previous studies

Sources	Context/Platform/Host of the community	Antecedents <sup>4</sup>		Engagement	Outcomes <sup>5</sup>
		First level	Second level		
Adjei et al. (2010)	<ul> <li>Two online forums for users of high quality woodworking equipment</li> <li>A discussion forum residing on the corporate website, a discussion forum hosted on an independently-owned website (Yahoo Groups) for a particular brand of woodworking equipment</li> </ul>		Online C2C communication quality	Uncertainty reduction	[Purchase behavior] Depth of purchase, breath of purchase
Algesheimer et al. (2005)	<ul> <li>Two European car clubs organized around specific car brands</li> <li>Face-to-face meeting (on a regular basis) as well as online communication (e.g., email lists, bulletin boards)</li> <li>Firm-sponsored (a voluntary organization received significant financial support from the respective car company and its dealers)</li> </ul>		Brand relationship quality, Brand community identification,	Community engagement, Normative community pressure, Reactance	[Loyalty intention] Brand loyalty intentions, Membership continuous intentions, Community recommendation intentions, Community participation intentions [Loyalty behavior] Brand purchase behavior, Community membership duration, Community recommendation behavior, Community participation behavior

<sup>&</sup>lt;sup>4</sup> When the antecedents of engagement construct were posited as two-layer variables such that the second level of antecedent variable is the mediator between the first level of antecedent and the engagement), these two set of antecedents were separately presented in a split cell of Table 1.

<sup>&</sup>lt;sup>5</sup> A few of studies in the final sample distinguished the outcome variables of the engagement as two-layer variables (i.e., the first level of outcome variable is the mediator between the engagement and the second level of outcome). In these cases, the two set of outcome variables were separately presented in a split cell of Table 1.

Table 4. (Continued)

Sources	Context/Platform/Host of the community	Antecedents <sup>4</sup>	Engagement	Outcomes <sup>5</sup>
Bagozzi & Dholakia (2002)	Virtual chat rooms (e.g., Yahoo Chat, AOL Chat, MSN) for various topics (e.g., sports, age group, general interests)	Attitudes, Positive & negative anticipated emotions, Subjective norm, Group norms, Desire, Past behavior, Perceived behavioral control, Social identity	Desire to participate, Weintentions	
Bagozzi & Dholakia (2006)	<ul> <li>A local HOG (Harley Owners Group) chapter</li> <li>Face-to-face meeting, small riding group, etc<sup>6</sup></li> <li>Sponsored by a company</li> </ul>	Social identity, Desire (formed by attitudes, positive/negative emotions, subjective norms, perceived behavioral control), Social intention, Brand identification	Group behavior (i.e., the frequency of engagement in shared activities with one's brand community), Brand behavior (e.g., purchase behavior of brand products)	
Carlson et al. (2008)	<ul> <li>3 online discussion groups centered on a well-known, U.Sbased theme park</li> <li>Message boards supported by Yahoo.com</li> </ul>	Identification with brand, identification with group	Psychological sense of brand community (i.e., the degree to which an individual perceives relational bonds with other brand users)	Brand commitm ent Brand preference, Intention to attend brand events, WOM promotion, Brand celebration
Chan & Li (2010)	<ul> <li>A Chinese virtual community of consumption for beauty products</li> <li>A cosmetic message board of www.onlylady.com</li> </ul>	Structured –based features, Social bond, Enjoyment	Reciprocating behaviors	Community commitment, Co-shopping

<sup>&</sup>lt;sup>6</sup> Whether or not the members of this community have online interactions was not clearly stated in the paper. However, since it is known that HOG chapters generally have some kind of online interactions in their community, this community deemed to be an OCC and was included in the current study.

Table 4. (Continued)

Sources	Context/Platform/Host of	A	ntecedents <sup>4</sup>	Engagement	Out	comes <sup>5</sup>
	the community					
Dholakia et al. (2009)	Two P3 communities (i.e., Help Forums of eBay for specific topics regarding using eBay, a P3 community hosted by a global B2B software firm)	[Perceived quality] Diverse information, Updated information, Accurate information [Ability] Ability to communicate with other members, Ability to provide and display reputations, Ability to customize the site	Learning, Social identification, Functional benefits, Social benefits	[Motivation to participate] Helping oneself, Helping others		
Hsu et al. (2007)	39 communities including discussion forums of Yahoo Groups and professional associations in 9 areas (e.g., engineering, entertainment, business, politics, health)		[Environment] Economy- based trust, Information-based trust, Identification-based trust [Person] Knowledge sharing self-efficacy, personal outcome expectations, community-related outcome expectations	[Knowledge sharing behavior]		
Kim et al. (2008)	<ul> <li>An online community of herbs operated by a major cosmetics company</li> <li>A website including general information, discussion groups, games, a chat room, and a link to the company website</li> </ul>		Member support, Community value, Member contribution, Freedom of expression	Online community commitment	Brand commitment	Brand loyalty intentions (purchase intentions, cross-over buying, WOM, co-production, participation)

Table 4. (Continued)

Sources	Context/Platform/Host of the		Antecedents	s <sup>4</sup>	Engagement	Outcomes <sup>5</sup>
	community					
Mantymaki & Salo (2010)	<ul> <li>Users of a social network website (Habbo.com)</li> <li>Data collected through online survey published in the portal website</li> </ul>	Social presence	Trust in staff,	trust in other users	N/A <sup>7</sup>	[Loyalty] Continuous use intention, purchase intention
Mathwick et al. (2008)	<ul> <li>P3 community sponsored by a firm (software for digital media creation and editing, multimedia authoring, web development)</li> <li>Asynchronous discussion boards dedicated to each of the sponsor's various product lines, which are linked to the firm's website</li> </ul>	[Social capital] Reciprocity norm, Voluntarism, Social trust	Informational	value, Social value	Community commitment	
Nambisan & Watt (2011)	Four firm-hosted online product communities (i.e., IBM's Lotus Notes, Adobe's Dreamweaver, Intel's Network connectivity, Microsoft's Office Suite)		the overall ex- derive from the online commu	unity experience (i.e., perience customers neir interactions in an unity) comprised of donic, sociability, riences	N/A	Attitude toward product, Attitude toward company, Perception of overall service quality
Porter & Donthu (2008)	A virtual community sponsored by marketers (e.g., Ford, Samsung, smaller firms that sell consumer products)	Perceived effort to (a) provide quality content, (b) foster member embeddedness, (c) encourage interaction	Belief about a sponsor's sense of (a) shared values, (b) respect, (c) opportunis m	Trust in a community sponsor	N/A	Willingness to share personal information, Willingness to cooperate in new product development, Loyalty intentions

<sup>.</sup> 

<sup>&</sup>lt;sup>7</sup> The research model for several studies did not include the concept that can conceptually correspond to the consumer engagement.

Table 4. (Continued)

Sources	Context/Platform/Host of the		Antecedents <sup>4</sup>	Engagement	Outcomes <sup>5</sup>
	community				
Schroer & Hertel (2009)	<ul> <li>Contributors of Wikipedia project</li> <li>Data collected using mailing list of German Wikipedia project</li> </ul>		Norm-oriented motives, costs and benefits, collective motives, identification, task characteristics (& intrinsic motivation)	Engagement, Satisfaction with the engagement	
Sung et al. (2010)	<ul> <li>10 brand communities in three social network websites in South Korea</li> <li>7 marketer generated community (MP3 player, digital camera, automobiles, motorcycles, cell phones, computers), 3 consumergenerated community (food, wallpaper)</li> </ul>		[Community usage motivation] Interpersonal utility, Brand likeability, Entertainment seeking, Informational seeking, Incentive seeking, Convenience seeking	Community commitment, Community satisfaction, Community intention	
Wasko & Faraj (2005)	<ul> <li>An electronic network of practice of a national legal professional association in the U.S</li> <li>Message boards</li> </ul>		Individual motivations (reputation, enjoy helping), structural capital (centrality), cognitive capital (self-rated expertise, tenure in the field), relational capital (commitment, reciprocity)	Knowledge contribution (the extent, the total # of messages)	
Wiertz & de Ruyter (2007)	<ul> <li>A firm-hosted online technical support community (a large computer hard- and software supplier)</li> <li>Asynchronous discussion boards</li> </ul>	[Relational social capital] Reciprocity, Commitment to community, Commitment to host firm		Knowledge contribution	

Table 4. (Continued)

Sources	Context/Platform/Host of the	Antecedents <sup>4</sup>	Engagement	Outcomes <sup>5</sup>
	community			
Wu & Sukoco (2010)	<ul> <li>A community of iPhone users in Thailand</li> <li>iPhone discussion board of the website for general technology products (www.pdamobiz.com)</li> </ul>	[Multi-motives] Achievement, Affiliation, Power	[Knowledge sharing behavior] Co- production, Co- consumption	[Behavioral intentions] Intention to participate, Intention to recommend, Intention to be loyal

Result. Among 18 studies in the final sample, 13 studies explored OCC built around one or more particular brands while five studies examined the community of general consumption-related topics. In terms of the community format, discussion boards residing on the corporate website or being hosted on an independently-owned website (e.g., Yahoo Groups) were the predominant forms of communities. For other formats of communities, virtual chat rooms and communities built in social network websites were also observed. After reviewing the antecedents of consumer engagement in OCC from 18 sample studies, three concepts were emerged as the major benefits that consumers seek from using OCC. Those include social, informational, and hedonic aspects of OCC benefits. Table 5 provides the constructs determined as these benefits, and their definitions and measurement items. Each benefit dimension is separately discussed in the following sections.

Table 5. Antecedents of consumer engagement in OCC

Benefit	Construct	Definition <sup>1</sup>	Source
dimension			
	Social identity (i.e., cognitive social identity, affective social identity)		Bagozzi & Dholakia (2006)
	Psychological sense of brand community	"The degree to which an individual perceives relational bonds with other brand users" (p. 286)	Carlson et al. (2008)
	Identification with brand, Identification with group		
	Social bond		Chan & Li (2010)
	Social identification		Dholakia et al.
	Social benefits		(2009)
Social benefit	Identification-based trust	"members' trust due to emotional interaction among members in virtual communities" (p. 160)	Hsu et al. (2007)
	Trust in other users		Mantymaki & Salo (2010)
	Social value		Mathwick et al. (2008)
	Sociability experience	"the social experience customers derive from the interactions in the online product community" (p. 3)	Nambisan & Watt (2011)
	Social identification <sup>2</sup>		Schroer & Hertel (2009)
	Relational capital (i.e., commitment, reciprocity)		Wakso & Faraj (2005)
	Affiliation motive	"members' interest in having relationships with others inside the community" (p. 12)	Wu & Sukoco (2010)
	Structured-based features		Chan & Li (2010)
	Learning		Dholkia et al. (2009)
	Functional benefits		
	Economy-based trust	"members' trust toward virtual communities due to decreased costs and increased benefits in time, knowledge, and advantage" (p. 157)	Hsu et al. (2007)
Informatio nal benefit	Informational value		Mathwick et al. (2008)
	Pragmatic experience	"the pragmatic or utilitarian value the customer experiences from the interactions in the online product community" (p. 3)	Nambisan & Watt (2011)
	Perceived effort to provide quality content	"A customer's belief that their sponsor is making efforts to provide community members with access to quality information" (p. 116)	Porter & Donthu (2008)
	Information seeking		Sung et al. (2010)

Table 5. (Continued)

Benefit dimension	Construct	Definition <sup>1</sup>	Source
	Positive anticipated emotions		Bagozzi & Dholakia (2006)
Hedonic benefit	Enjoyment Hedonic experience	"the intrinsic value the customer derives from the interactions in the online product community" (p. 3)	Chan & Li (2010) Nambisan & Watt (2011)
	Intrinsic motivation (second order factor) Entertainment seeking		Schroer & Hertel (2009) Sung et al. (2010)

Note.

Social benefit. Online communities are socially-oriented by nature. Thus, they often tend to be socially supportive even when they are not explicitly designed to be (Mathwick et al., 2008). Nine out of 18 studies discussed some kinds of social motivations or benefits as important antecedents of consumer engagement in OCC. Bagozzi and Dholakia (2006) applied the theory of planned behavior to argue that a consumer's social intention to perform a group act forms the basis of participation in small group brand communities. They also used the social identity theory (Taifel, 1978) to assert that a person achieves a social identity through self-awareness of his membership in a group.

The concept of social identity has been also used to explain consumer behavior in brand communities such that consumers who strongly identify themselves with a particular brand are more likely to participate in that brand's community. Algesheimer et al. (2005) argue that the identification with the brand community positively influences the consumer's intrinsic motivation to interact and cooperate with community members. Dholakia et al. (2009) also argue

<sup>&</sup>lt;sup>1</sup> The definitions of constructs are presented only when the formal definitions are provided in the original study.

<sup>&</sup>lt;sup>2</sup> The three measure items were not provided in Schroer & Hertel (2009) article. These four items are based on the original source that Schroer and Hertel identify in their article. Item wordings may be different from what Schroer and Hertel actually used in their study.

that the social identification with the P3 community (i.e., an individual member's innate need for belonging and for acceptance by other members) leads to the individual's perception of social benefits, which eventually predict the willingness to help other members in the community. Similarly, Schroer and Hertel (2009) contend that members' identification with a community is positively associated with the extent of their engagement as well as their satisfaction with the engagement.

Several researchers used the social capital theory to conceptualize the social aspect of consumer engagement in OCC. Mathwick et al. (2008) find that social capital determined by voluntarism, reciprocity, and social trust creates social value, that is, value of the social support systems available from a P3 community. Also, Wasko and Faraj (2005) argue that the social capital constituted by relational capital, structural capital, and cognitive capital facilitates the participation and exchange of knowledge among members in OCC. As other kinds of social antecedents, Wu and Sukoco (2010) discuss that the affiliation motive, a member's interest in having relationship with other members in the community, is one of the major forces that shape consumers' desire to participate in knowledge and information sharing. Similarly, Chan and Li (2010) suggest that the social bonds that the community members establish with other members facilitate their reciprocating behaviors in OCC such as information sharing and helping others. In addition, several researchers contend that trust in other members in the community positively influences engagement in OCC such as the intention to continuously use the community and knowledge sharing behavior (Hsu et al., 2007; Mantymaki & Salo, 2010).

Informational benefit. The second most frequently identified construct as a predictor of consumer engagement in OCC is informational benefits. Dholakia et al. (2009) argue that the primary reason for visiting P3 communities for most consumers is to achieve an instrumental goal. Functional benefits derived from the direct, information-based support are thus posited as one of the key antecedents of motivations to participate in the community. Mathwick et al. (2008) also assert that the primary objective behind initial website visits can be information seeking. Thus, in their study, the creation of an information resource and the sharing of knowledge were posited as the indicators of members' commitment to the community.

Hsu et al. (2007) also argue that the economy-based trust (i.e., the trust toward the community due to increased value in time, knowledge, and advantage) and information-based trust positively influence members' knowledge sharing behavior. They contend that consumers' perceived value of information obtained from the online community and their perceptions of saving time and cost in getting that information significantly influence members' knowledge sharing behavior.

Hedonic benefit. The third benefit dimension that emerged from the analysis of sample studies was the hedonic aspect of OCC benefits. Enjoyment involving an interaction experience such as pleasure and involvement with the computer has been employed as a critical component of online experience in many consumer studies (Hoffman & Novak, 1996; Mathwick et al., 2002). However, compared to the previous two benefit dimensions, hedonic benefits have not been much emphasized in OCC research so far. This is probably because prior research on OCC was primarily focused on information-based communities (e.g., P3 communities), which mainly

emphasize utilitarian aspects including exchange knowledge with others and practical problem solving.

While not as frequent as other two dimensions, hedonic benefits did appear in several studies. For example, Chan and Li (2010) find that the individual enjoyment of a virtual community positively affects members' intention to display and receive helping behaviors.

Bagozzi and Dholakia (2006) also demonstrate that positive emotions of delight and happiness significantly enhance members' desire to participate in a community. In their study on Korean consumer motivations for using social network websites, Sung et al. (2010) find that entertainment seeking (e.g., "because it is enjoyable," "to be entertained") is one of the unique benefits that BSN provides to their customers.

Review of industry literature. The review of academic studies on OCC provides a comprehensive view of benefits that consumers derive from general online consumer communities. Given that BSN has its own unique characteristics and nature, further review of OBC in the specific context of a SN is necessary. Table 6 presents five distinct types of BSN benefits identified from the second round of literature review focusing on trade journals and industry reports on social commerce and online consumer community. As shown in the Table 6, the first three benefits (i.e., social, informational, hedonic) are similar to those found in the academic literature on OCC, whereas the other two benefits (i.e., economic benefit, brand support) represent BSN-specific benefits found in this second round of literature review. Among these two BSN-specific benefits, "brand support" was deemed inappropriate to be included in the BSN benefits. While it explains some psychological benefit that consumers may obtain through

connecting to their favorite brand's SN (e.g., "I can show others that I like or support this brand by joining in this brand's FB page"), this dimension seems more of a consumer's motivation to "express" their brand likability rather than the benefit that BSN provides to consumers.

Table 6. The result of industry review literature: BSN benefits

BSN benefit dimensions	Description	Sources
Social benefit	Being connected with other people who like the	Cecere (2010), Compete
Social beliefit	same brand	(2009) <sup>1</sup> , Ellis (2010),
Informational	Acquiring information about products or brands	ExactTarget (2010) <sup>2</sup> , Internet
benefit		Advertising Bureau (2010) <sup>3</sup> ,
Hedonic benefit	Having fun	Social Media Tracker (2010) <sup>4</sup> , Solis (2010), Spector (2010) <sup>5</sup> ,
Economic benefit	Obtaining monetary incentive (e.g., special offers, promotional deals)	Waterhouse et al., (2011) <sup>6</sup>
Brand support	Expressing one's brand support	

*Note:* In the case of a consumer survey report, following is the research sample identified in each source:

Therefore, from this second round of review, economic benefit was added as a fourth benefit construct of BSN. Indeed, a considerable amount of industry data show that the most important reason that consumers are engaged with a brand or a company through SN is to obtain tangible value, such as receiving discounts or coupons and purchasing product or services (Baird & Parasnis, 2011; Social Media Tracker, 2010). This dimension was also verified in Sung et al.'s (2010) research on consumer motivations for using brand communities in social network websites. Their finding shows that incentive seeking (e.g., receiving coupons, promotional deals

<sup>&</sup>lt;sup>1</sup> U.S. consumers who use Facebook (Compete, 2009)

<sup>&</sup>lt;sup>2</sup> 1,500 Facebook users (ExactTarget, 2010)

<sup>&</sup>lt;sup>3</sup> 3,000 consumers who use Facebook across the UK, France, and Germany (Internet Advertising Bureau, 2010)

<sup>&</sup>lt;sup>4</sup> 37,600 Internet users in 54 countries (e.g., U.S., U.K., France, Italy, China, Brazil, Russia, India, Spain, etc) (Social Media Tracker, 2010)

<sup>&</sup>lt;sup>5</sup> U.S. consumers aged 18 and more, who are fans of at least one brand (Spector, 2010)

<sup>&</sup>lt;sup>6</sup> 2,498 UK consumers (Waterhouse et al., 2011)

or free samples) is one of the significant predictors of community commitment and future community participation intention.

In summary, four benefits that consumers derive from using BSN are identified in this comprehensive review: social, informational, hedonic, and economic benefits. This research builds upon a deductive approach to explain these benefits using utilitarian versus hedonic dimensions (Batra & Ahtola, 1990; Voss et al., 2003). As previously discussed, social and hedonic benefits can be categorized into hedonic benefits while informational and economic benefits can be categorized into utilitarian benefits. While slightly different, the conceptual domains of these two benefits were in line with two components of online consumer communities' benefits and values identified by previous researchers. Dholakia et al.'s (2009) study confirmed that P3 communities' social benefits and functional benefits positively influenced consumers' participation including seeking assistance and helping others. Mathwick et al. (2008) also found that P3 communities' social value and information value determined consumers' commitment to the community. Overall, this theoretical approach calls for some empirical evidence because the theories suggest that social and hedonic benefits can be represented by hedonic benefits and informational and economic benefits can be represented by utilitarian benefits. Therefore, while four BSN benefit constructs are proposed in this review, the dimensions of these constructs will be determined in later analyses (see Preliminary Analyses in Chapter 3).

Social penetration theory suggests that people will continue to strengthen the relationship with partners if they perceive that the relationship is beneficial (Altman & Taylor, 1973).

Likewise, consumers may build a relationship with BSN if they perceive that the relationship is beneficial for their lives. As previously discussed, the relationship that consumers develop with BSN is conceptualized in this study as BSN relationship quality. It can be argued that when consumers perceive the benefits of BSN, they can perceive a relationship quality with BSN. First, the social aspect of BSN such as sharing thoughts and ideas about brands and having conversation with other members can be essential for consumers in creating close relationship with the community. The benefit of diverse information provided by BSN can be another strong driver of BSN relationship quality. In addition, compared to communities that are functional and utilitarian in nature, entertaining experiences derived from using BSN are expected to positively influence a consumer's relationship with BSN. Lastly, economic benefits offered from BSN such as receiving discounts and promotional deals is hypothesized as a unique predictor of relationship quality that consumers develop with BSN. Thus,

H1: The perceived BSN benefits will have a positive effect on BSN relationship quality such that:

H1a: Social benefit will have a positive effect on BSN relationship quality.

H1b: Informational benefit will have a positive effect on BSN relationship quality.

H1c: Hedonic benefit will have a positive effect on BSN relationship quality.

H1d: Economic benefit will have a positive effect on BSN relationship quality.

#### **Perceived Relationship Investment**

Perceived relationship investment is defined as "a consumer's perception of the extent to which a retailer devotes resources, efforts, and attention aimed at maintaining or enhancing relationships

with regular customers that do not have outside value and cannot be recovered if these relationships are terminated" (De Wulf et al., 2001, p. 35). If consumers perceive that a retailer makes a relationship investment, they exhibit a stronger level of relationship quality in reciprocation of that investment effort. The perception of a retailer's particular relationship marketing tactics including direct mail, preferential treatment, interpersonal communication, and tangible rewards plays a positive role in affecting consumers' perceived relationship investment (De Wulf et al., 2001).

In this study, a consumer's perception of BSN benefits is positioned as a predictor that positively influences perceived relationship investment made by a brand. Nowadays, social media, particularly BSN, serves as a new, essential platform where consumers build a relationship with a brand, in addition to the traditional channels such as in-store promotions and TV commercials (Hennig-Thurau et al., 2010; Kumar et al., 2010). Therefore, it is plausible to expect that the perceived benefits that BSN provides to consumers largely contribute to consumers' perceptions of the relationship investment made by the brand. First, as noted by many researchers, BSN becomes a major venue that provides a meaningful interaction between consumers and a brand (Harter et al., 2010; Hennig-Thurau et al., 2010). This social interaction of BSN can create a positive perception of a brand's relationship investment. Also, informational benefit derived from using BSN is crucial for consumers' perceived relationship investment because diverse information ranging from company overview to new product update is one of the essential resources that consumers would seek from BSN. Third, when consumers are entertained by browsing or participating in BSN and perceive enjoyment from that experience, it can create a positive perception of a brand's effort toward enhancing the relationship with them. Lastly,

economic benefits offered by BSN can play a critical role in creating psychological bonds that encourage customers to stay in the relationship with BSN. Thus,

H2: The perceived BSN benefits will have a positive effect on perceived relationship investment such that:

H2a: Social benefit will have a positive effect on perceived relationship investment.

H2b: Informational benefit will have a positive effect on perceived relationship investment.

H2c: Hedonic benefit will have a positive effect on perceived relationship investment.

H2d: Economic benefit will have a positive effect on perceived relationship investment.

#### The Moderating Role of Personal Characteristics

Nass and Moon (2000) indicate that "orientations to computers are derived from a host of individual, situational, and technological variables" (p. 82). In this study, it is presumed that consumers perceive and use BSN in different ways depending on their individual, situational, and technological variances. While some researchers provide evidence that consumers with certain personal and environmental characteristics are more involved in online communities than are others (*Businessweek*, 2010; Hsu et al., 2007; Kozinets, 1999), researchers have not examined the specific factors that explain different consumer behaviors in the BSN environment. Based on the literature, consumer differences that can explain variances in BSN behaviors are identified. These factors include online social connection and experience with BSN.

Online social connection (OSC). Online social connection (OSC) is defined as "the extent to which an individual believes that online communication is an important part of that

individual's social life" (Ledbetter, 2009, p. 472). Ledbetter et al. (2011) argue that OSC is one of the fundamental orientations influencing the individual's attitudes toward media and media usage behavior, which in turn influences both creation and interpretation of online messages. Specifically, Ledbetter et al. find that OSC is associated with positive relational outcomes such that OSC positively influences the frequency of Facebook communication with the individual's friends (e.g., writing on Wall, sending friends a private message). The concept of OSC is also similar to online interaction propensity developed by Wiertz and Ruyter (2007). In their study of firm-hosted commercial online communities, Wiertz and Ruyter find that the tendency of interacting with others in an online environment strengthens the relationship between members' commitment to the community and their actual participation in the community.

Therefore, it is logical to assume that an online communication-prone individual will be more likely to build stronger relationships with community members and the collective as a whole. Also, because interactions in online communities are computer-mediated, an individual who tends to engage in online communication to a greater extent may be more receptive to BSN and more likely to develop their needs for entertainment in their use of BSN. Therefore, social and hedonic benefits of BSN as determinants of the relationship quality with BSN will become more important for people with greater OSC. Hence, with greater OSC, (a) the relationship between the social benefits of BSN and BSN relationship quality and (b) the relationship between hedonic benefit of BSN and BSN relationship quality will be strengthened. Thus,

H3: Online social connection moderates the positive relationship between perceived BSN benefits and BSN relationship quality such that:

H3a: With stronger online social-connection, the positive relationship between social benefit and BSN relationship quality will be strengthened.

H3b: With stronger online social-connection, the positive relationship between hedonic benefit and BSN relationship quality will be strengthened.

Experience with BSN. Researchers contend that the perceived utilitarian value of the online community, such as information resources and economic-based benefits (e.g., saving cost and time), is more prominent among less-experienced members of the community (Bagozzi & Dholakia, 2006; Hsu et al., 2007; Mathwick et al., 2008). In other words, when it comes to the participation and interaction in the online community, "initial participation by novice users is driven by specific task-oriented goals" (Bagozzi & Dholakia, 2006, p. 1111). Since consumers who have less experience with the community may have less degree of familiarity of the content and culture of the community, they may value more tangible resources of the community including informational and economic benefits of BSN. As they gain more experience with the community, they may develop a further level of relationship that is based on emotion or social ties with others in the community (Hsu et al., 2007).

Therefore, consumers who have less experience with BSN will tend to focus more on the functional benefits of BSN (i.e., informational benefit, economic benefit), and these two benefits will become more important to them. Hence, with lesser experience with BSN, the relationship between functional benefits and BSN relationship quality will become stronger. Thus,

H4: Experience with BSN moderates the positive relationship between perceived BSN benefits and BSN relationship quality such that:

H4a: With lesser experience with BSN, the positive relationship between informational benefit and BSN relationship quality will be strengthened. H4b: With lesser experience with BSN, the positive relationship between economic benefit and BSN relationship quality will be strengthened.

#### **BSN Relationship Quality**

BSN relationship quality is defined in this research as consumers' overall assessment of the strength of their relationship with the BSN. This construct is posited as a key construct that predicts BRQ. While Algesheimer et al. (2005) suggest a reverse relationship (i.e., BRQ precedes and contributes to the relationship with the brand community), this result reflects the specific nature of the community examined in their study. Algesheimer et al. examine car clubs where members meet face-to-face regularly and engage in many social activities and events such as boat trips, parties, and drives to distant events. This community receives significant financial support from the car company and its dealers, and requires prior ownership of the brand product for community participation. Thus, it seems reasonable that the member's preexisting brand relationship precedes his or her relationship with the brand community.

In contrast, several other researchers indicate that consumer interaction or communication quality in the brand community affects consumer perception or loyalty toward the brand (Adjei et al., 2010; Jansen et al., 2009; Kim et al., 2008; McAlexander et al., 2002). Bagozzi and Dholakia (2006) find that social identity with the brand community can contribute to the consumer's identification with the brand. This finding highlights the importance of brand community as an effective marketing program that delivers powerful returns. They suggest that brand community can be an effective means of recruiting novice customers and making them attached and loyal to the brand.

The evidence for the effect of BSN relationship quality on BRQ is also found in Park et al.'s (2009) argument that a brand's marketing activities can create consumers' brand attachment to the extent that such activities foster self-related associations. They contend that a strategic

brand exemplar is a key component that companies must adopt to develop a strong consumerbrand relationship. Thus, fulfilling marketing activities via BSN may facilitate a strong
relationship with the brand as well as with BSN. More specifically, BSN can play a critical role
in making a strategic exemplar that is salient and readily accessible, which is one of the most
important issues in developing strong brand attachment (Park et al., 2009). It is obvious that
consumers have increasing opportunities to interact with brands through BSN (ATG Research,
2010). Various marketing tools used in BSN such as sharing brand information and philosophy
and playing brand-related video clips to consumers who visit BSN might facilitate their mental
representation process of brand memory (Park et al., 2009). In addition, as consumers can
directly communicate with one another regardless of distance and time, BRQ are likely to be
more common in the online setting than in the offline setting (Park et a., 2005). In other words,
because of the interactive potential of the Internet facilitating two-way communication between
actors, marketers may be able to develop such a relationship more actively and perhaps more
easily in an online environment.

Furthermore, it has been acknowledged that consumers who visit a certain brand's SN typically spend more time devoted to the brand regardless of their reason for visiting those websites. To illustrate, the time spent together is significantly correlated to relationship satisfaction (Kilbourne et al., 1990; Kingston & Nock, 1987; Orthner, 1975; White, 1983). Also, consumers using SN (i.e., Facebook and Twitter users) spend 1.5 times more online than the average Internet users and they spend more money online than average Internet users (Comscore, 2010). Furthermore, after connecting with the brand through BSN, more than 60% of consumers are likely to recommend the brand and more than 50% of consumers are likely to buy the brand

(Bailey, 2010). Although these pieces of evidence cannot directly measure whether consumers engaged in BSN are more likely to be satisfied with the brand, it alludes to the idea that BSN can positively influence consumers' relationship satisfaction with the brand and thus play an important role in predicting BRQ.

Researchers also stress that, to create a strong connection between a brand and consumers, episodes or exemplars must be presented to consumers as vivid, typical, affective, and rich in memory associations (Escalas, 2004; Park et al., 2009). Because BSN enables consumers to create and construct their own episodic memories (e.g., reviewing products, discussing about the brand with other consumers) as well as semantic or abstract representations (e.g., posting pictures), it functions as an effective tool to cue and represent brand memory (Hennig-Thurau et al., 2010). Through BSN, consumers are not only provided more detailed information about products and brands but they are also given more chances to create their own narratives or stories about brands (ATG Research, 2010). Derived from these findings, it is proposed that the relationship quality of BSN can positively influence BRQ. Thus,

H5: BSN relationship quality will have a positive effect on brand relationship quality.

#### **BSN Loyalty**

As online communities serve as another major venue that consumers interact with brands as well as other consumers, researchers have begun to consider specific types of customer loyalty suitable for this new environment. Kumar et al. (2010) argue that customers should not be evaluated solely by their purchase behavior but by more comprehensive value dimensions including their referral behavior (e.g., making recommendations to others), influencing behavior (e.g., sharing information, WOM), and knowledge behavior (e.g., participating in a co-creation

process, engaging in a brand community). They further argue that because the online environment offers numerous venues to consumers for sharing their experiences with others, companies need to understand social mechanisms and networks in both offline and online contexts in their marketing campaigns.

As the rise of new media (e.g., websites, digital communication/information channels) significantly changes the marketing environment, consumers exhibit new types of brand attitudes and behavior (Adjei et al., 2010; Haenlein & Kaplan, 2009). For example, consumers exhibit a "new media brand engagement" (Hennig-Thurau et al., 2010, p. 314) such as creating and watching YouTube videos about the brand, engaging in BSN, and reading companies' or other consumers' blogs. Also, a tremendous number of consumer reviews and evaluations about brands and products are nowadays exchanged via these new media channels (Keller Fay, 2006). Central to these new media phenomena, BSN functions as an important consumer forum that facilitates consumers to exchange their thoughts and ideas about brands (Baird & Parasnis, 2011).

Given that consumer interactions in online communities are qualitatively different from those in traditional offline communities (Brown et al., 2007) and that online communities (e.g., BSN) complement their real-world counterparts (Hennig-Thurau et al., 2010), it seems logical to classify customer loyalty constructs into two separate contexts, BSN and brand. This research differentiates customer loyalty for BSN from customer loyalty for brand and suggests a direct link between BSN relationship quality and BSN loyalty. This relationship is strongly supported by extant literature that shows a positive relationship between relationship quality and customer loyalty (De Wulf et al., 2001; Hennig-Thurau & Klee, 1997; Moorman et al., 1993). Likewise, if consumers develop a relationship with a certain brand's SN (i.e., BSN relationship quality), they

are more likely to exhibit positive WOM on the brand's SN website (i.e., BSN WOM) and intention to continuously use it (i.e., BSN stickiness)<sup>8</sup>. Thus,

H6: BSN relationship quality will have a positive effect on BSN loyalty such that:

H6a: BSN relationship quality will have a positive effect on BSN WOM.

H6b: BSN relationship quality will have a positive effect on BSN stickiness.

### **Brand Relationship Quality**

According to the theory of reciprocal action (Gouldner, 1960), individuals feel obligations to others partly because of the moral norm. That is, individuals feel they should give benefits to those who give them benefits. Researchers suggest that the norm of reciprocity is also present in consumer-marketer relationships (Bagozzi, 1995; Kang & Ridgway, 1996) and channel relationships (e.g., manufacturer-supplier relationships) (Bergen et al., 1992). In a similar vein, De Wulf et al. (2001) support the view that consumers exhibit loyalty to certain marketers in reciprocation of these marketers' friendliness. More specifically, when consumers perceive the efforts of retailers to maintain a relationship, they demonstrate a higher level of relationship quality as well as behavioral loyalty.

The concept of reciprocity has been explored as an important norm in OCC in prior research. Chan and Li (2010) contend that members in the online community feel a sense of duty and obligation to both other members and the community. Although the current research focuses on reciprocity between individual members and a community as a whole, this reciprocity is not much different from the reciprocity among individual members. Consumers' participation and

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<sup>&</sup>lt;sup>8</sup> The relationship between BSN relationship quality and brand loyalty is hypothesized as a full mediation by BRQ (as opposed to a partial mediation for the relationship between BSN relationship quality and BSN loyalty), which is well-documented in literature (e.g., Aggarwal, 2009; Rauyruen & Miller, 2007).

engagement in the community is facilitated by a strong sense of reciprocity as a form of belief in the community (Wasko & Faraj, 2005). Similarly, consumers' belief that the company is making certain efforts in the online community positively influences their favorable beliefs about and trust in the company (Porter & Donthu, 2008). Thus,

H7: Perceived relationship investment will have a positive effect on brand relationship quality.

BRQ is a critical antecedent of customer loyalty in diverse contexts, such as consumer products (Fournier & Yao, 1997), B2B (Rauyruen & Miller, 2007), and retail settings (Aggarwal, 2004; Too et al., 2001). Consistent with these findings, this study proposes two direct links: (a) between BRQ and BSN loyalty and (b) between BRQ and brand loyalty. In terms of the link between BRQ and BSN loyalty, consumers' strong relationship with the brand will positively influence their intentions for the continuous use of BSN and positive BSN WOM. This relationship is supported by the finding that one of the key consumers' motivations to join in BSN is to support their favorite brand (Compete, 2009; Spector, 2010). Also, based on the well-established attitude-intention link in consumer research, it is plausible to expect that once consumers develop a relationship with a brand as well as the brand's SN, they are likely to continuously use the brand's SN. Thus, when consumers have an existing relationship with a brand, their BSN loyalty comes naturally. Thus,

H8: Brand relationship quality will have a positive effect on BSN loyalty such that:

H8a: Brand relationship quality will have a positive effect on BSN WOM. H8b: Brand relationship quality will have a positive effect on BSN stickiness. It is well documented in the literature that BRQ predicts brand loyalty (Aggarwal, 2009; Rauyruen & Miller, 2007; Too et al., 2001). Although the link between BRQ and brand loyalty is well supported in the previous literature (Aggarwal, 2009; Rauyruen & Miller, 2007; Too et al., 2001), this relationship is included in the model for the sake of completeness. Consistent with prior research, it is hypothesized that consumers with a strong relationship with a brand are willing to pay price premium for the brand (Keller, 1993; Thompson et al., 2005). Also, BRQ is posited to generate direct and tangible returns and thus increase behavioral loyalty toward the brand (Fournier et al., 1994). Thus,

H9: Brand relationship quality will have a positive effect on brand loyalty such that:

H9a: Brand relationship quality will have a positive effect on willingness to pay price premium.

H9b: Brand relationship quality will have a positive effect on behavioral loyalty.

### **Brand Loyalty**

For decades, many marketers and researchers have sought out to build a meaningful brand loyalty in the area of relationship marketing (Chaudhuri & Holbrook, 2001; Price & Arnold., 1999). As previously discussed, this study classifies the customer loyalty construct into two subconstructs: loyalty for BSN and loyalty for brands. Recently, many researchers have argued that customer loyalty behavior specific to the online context such as e-WOM is a major part of online consumer interactions that direct consumer behavior (Gruen et al., 2006; Liu, 2006). As illustrated in a variety of marketing efforts to take advantage of social network in an online environment such as referral reward programs, WOM campaigns, and Internet-based viral marketing campaigns, companies strive to understand the mechanisms of consumer behavior in an online context and the resultant value of doing it (Kumar et al., 2010).

In addition to loyalty specific to the online context, the participation and engagement in a brand community may positively influence the loyalty for the brand. McAlexander et al. (2002) claim that participation in brandfests enhances positive feelings about the brand and product category. Fournier and Lee (2009) also argue that members' engagement and participation in the brand community that is social and relational in nature can result in brand loyalty. Other researchers also indicate that consumer interaction or communication quality in the brand community leads to loyalty behavior toward the brand (Adjei et al., 2010; Jansen et al., 2009; Kim et al., 2008; McAlexander et al., 2002). Based on these arguments, it is hypothesized that the loyalty toward a brand's SN (i.e., BSN WOM, BSN stickiness) positively influences the loyalty toward the brand (i.e., willingness to pay price premium, behavioral loyalty). Thus,

H10: BSN loyalty will have a positive effect on brand loyalty such that:

H10a: BSN WOM will have a positive effect on willingness to pay price premium.

H10b: BSN WOM will have a positive effect on behavioral loyalty.

H10c: BSN stickiness will have a positive effect on willingness to pay price

premium.

H10d: BSN stickiness will have a positive effect on behavioral loyalty.

### **CHAPTER 3: METHODS**

This chapter is composed of five sections. The first section summarizes the research hypotheses proposed in Chapter 2. The next section presents the research design used to gather data and test hypotheses. This research employs a mixed-method approach to overcome the weaknesses in a single method approach and to provide stronger evidence for a conclusion through convergence and corroboration of findings (Johnson & Onwuegbuzie, 2004). The rationale for adoption of this approach, research setting, and data collection methods are explained in this section. The third section presents the qualitative exploration of BSN. The sampling method and procedure of qualitative analysis is explained followed by the result of data analysis. The fourth section explains the quantitative data analysis plan including sampling method, procedure, survey description, and survey instrument development. The fifth section presents the result of preliminary analyses. Specifically, two sets of constructs (i.e., BSN benefits, BSN relationship quality) are evaluated in terms of their hierarchical relations between constructs and multidimensionality, as suggested in Chapter 2. The final measurement reflecting the result of these analyses is also presented in this section. Based on this result, revised research hypotheses are introduced in the next section. The last section provides descriptive statistics to profile the characteristics of respondents and to check the data distribution.

## **Summary of Proposed Research Hypotheses**

H1: The perceived BSN benefits will have a positive effect on BSN relationship quality such that:

H1a: Social benefit will have a positive effect on BSN relationship quality.

H1b: Informational benefit will have a positive effect on BSN relationship quality.

H1c: Hedonic benefit will have a positive effect on BSN relationship quality.

H1d: Economic benefit will have a positive effect on BSN relationship quality.

H2: The perceived BSN benefits will have a positive effect on perceived relationship investment such that:

H2a: Social benefit will have a positive effect on perceived relationship investment.

H2b: Informational benefit will have a positive effect on perceived relationship investment.

H2c: Hedonic benefit will have a positive effect on perceived relationship investment.

H2d: Economic benefit will have a positive effect on perceived relationship investment.

H3: Online social connection moderates the positive relationship between perceived BSN benefits and BSN relationship quality such that:

H3a: With stronger online social-connection, the positive relationship between social benefit and BSN relationship quality will be strengthened.

H3b: With stronger online social-connection, the positive relationship between hedonic benefit and BSN relationship quality will be strengthened.

H4: Experience with BSN moderates the positive relationship between perceived BSN benefits and BSN relationship quality such that:

H4a: With lesser experience with BSN, the positive relationship between informational benefit and BSN relationship quality will be strengthened.

H4b: With lesser experience with BSN, the positive relationship between economic benefit and BSN relationship quality will be strengthened.

H5: BSN relationship quality will have a positive effect on brand relationship quality.

H6: BSN relationship quality will have a positive effect on BSN loyalty such that:

H6a: BSN relationship quality will have a positive effect on BSN WOM.

H6b: BSN relationship quality will have a positive effect on BSN stickiness.

H7: Perceived relationship investment will have a positive effect on brand relationship quality.

H8: Brand relationship quality will have a positive effect on BSN loyalty such that:

H8a: Brand relationship quality will have a positive effect on BSN WOM.

H8b: Brand relationship quality will have a positive effect on BSN stickiness.

H9: Brand relationship quality will have a positive effect on brand loyalty such that:

H9a: Brand relationship quality will have a positive effect on willingness to pay price premium.

H9b: Brand relationship quality will have a positive effect on behavioral loyalty.

H10: BSN loyalty will have a positive effect on brand loyalty such that:

H10a: BSN WOM will have a positive effect on willingness to pay price premium.

H10b: BSN WOM will have a positive effect on behavioral loyalty.

H10c: BSN stickiness will have a positive effect on willingness to pay price premium.

H10d: BSN stickiness will have a positive effect on behavioral loyalty.

## **Research Design**

The hypotheses developed in Chapter 2 predict the role of BSN on consumer-brand relationships, as reflected in the conceptual framework. A non-experimental survey design was considered as a viable quantitative approach to empirically testing the hypotheses proposed in this research. In addition, to validate the constructs relevant to the unique environment of OCC, qualitative analyses of the content and textual discourse in the actual community were necessary. Thus, this research uses two major sources of data. First, this research utilizes an online self-administered cross-sectional survey method to collect quantitative data. Compared to traditional selfadministered methods (e.g., pencil-and-paper), online data collection techniques offer numerous advantages including faster response times, cost-effectiveness, wider geographical reach, and efficiency of data management (Albaum et al., 2010; Malhotra, 2008). Also, researchers can utilize a variety of design options (e.g., branching respondents automatically to a subset of questions, forced answering) that can potentially reduce sources of response error associated with ineligible responses and item omission (Miller, 2006). Furthermore, the anonymous nature of the Internet environment allows respondents to be less biased toward social desirability in their answers (Kreuter et al., 2008). Particularly, for the current research on online consumer

behavior, using an online survey is reasonable given that the research sample may be comfortable with online communication, and that the normal mode of communication for them could be electronic in nature (Carlson et al., 2008; Couper & Miller, 2008).

Second, this research also uses a qualitative approach to mitigate any concerns over common method bias. For this analysis, data were collected from a host of different sources including observations of community behavior, analyses of the textual data on members' communication, and actual participation in the community. The researcher observed the structures and content of individual sample communities and classified them by subject and topic based on their relevancy to the research topic of interest. The unique characteristics of BSN including BSN benefits and BSN relationship quality were captured through this analysis.

### **Research Setting**

As briefly discussed in the Research Setting in Chapter 1, the current research selects the social network website, Facebook (www.facebook.com) as a representative platform of BSN.

Specifically, a Brand Page<sup>9</sup>, offered as one of the menus on Facebook, is the setting of this research. A Page menu is currently offered for Facebook members with a slogan "Connect with your fans on Facebook" and allows Facebook users to set up their own page for following six categories: (a) local business or place, (b) company, organization, or institution, (c) brand or product, (d) artist, band or public figure, (e) entertainment, and (f) cause or community. In this research, the third category, the Page of brand or product, is observed and is referred to as Brand Page. Thus, Brand Page in this research is operationalized as a company-generated online brand

<sup>&</sup>lt;sup>9</sup> For more detailed explanation of Page, see "Create a Page" http://www.facebook.com/pages/create.php and "Facebook Platforms Policies" http://developers.facebook.com/policy/

community on Facebook.<sup>10</sup> Brand Page and BSN may be interchangeably used in this paper when they refer to the same meaning or context.

To create a Brand Page on the Facebook website, users need to determine the Page for detailed product categories, such as appliances, clothing, drugs, electronics, furniture, and home décor. After the product category is determined, users can simply type the name of the brand or product that becomes the name of the community. Once created, this Page is available to everyone on the web, and the content posted to the Page becomes public information (Facebook Pages, 2011). Brand Page is basically operated within the Facebook website, as is an individual's personal web page on Facebook. These Pages are basically aggregations of Facebook members, although non-members of Facebook still can access to the Page through the URL address of an individual Page (e.g., www.facebook.com/cocacola). However, posting ability for both members and non-members may be limited depending on how the administrator of a Page selects its initial setting of the Page. For instance, many of Brand Pages permit only those who click a "Like" button on their Page to write a comment on the Wall, one of the Facebook website features that allow people to post messages.

Although brand communities residing on a single social network website (i.e., Facebook) provide a high level of homogeneity across multiple brands' communities in terms of basic structure of the community and the demographics of membership, this research selects two particular product/service categories including apparel and restaurants/coffeehouses as they had to meet the following criteria. First, this research examines BSN in the context of consumer-brand relationships and thus contains such constructs as brand loyalty and brand relationship

<sup>&</sup>lt;sup>10</sup> Thus, Pages for a specific product or model (e.g., Apple iPad, Starbucks Frappuccino) or Pages for a certain product regardless of the brand (e.g., sports cars, chocolate cake) is excluded in the conceptualization of Brand Page for this study.

quality. This entails selecting (a) heavily branded and (b) routinely purchased products/services (Caroll & Ahuvia, 2006). Apparel and restaurants/coffeehouses, covering a wide variety of consumer brands, are a few of product or service categories that satisfy these two conditions. For instance, apparel is one of the best-selling product categories through online sites (Kwon & Lennon, 2009) and has been used extensively in previous branding research as it elicits high levels of emotion and involvement (e.g., Sprott et al., 2009; Swaminathan et al., 2009). Restaurant/coffeehouse is another frequently consumed service category, which has often been linked to such concepts as highly symbolic consumption, experiential consumption, and branded retail experience (Kim, 2001; Meng & Elliott, 2008). Second, both apparel and restaurant/coffeehouse brands successfully utilize brand communities on Facebook (Carpenter, 2011; Tobin, 2011). Socialbakers.com (2001), a Facebook statistics portal website, provides a list of top Brand Pages based on the number of people who are connected (i.e., click the "Like" button on the Page). 11 According to this list, apparel was ranked as the top product category (see Table 7). Following snack and consumer technology, restaurant/coffeehouse was ranked as the fourth category. While snack and consumer technology brands utilize interesting brand communities on Facebook, the average price points were either too low for snack brands or too high for consumer technology brands, compared to apparel brands. This was important because the involvement level for various product categories influences an extent of information seeking (Adjei et al., 2010), thereby leading to different types of consumer interaction or engagement in

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<sup>&</sup>quot;Connecting to" a Brand Page means becoming a member of that brand's Page on Facebook. Currently, the Brand Page on Facebook does not require a formal process of member registration. Instead, visitors can be connected to a particular brand's Page simply by clicking a "Like" button on top of that brand's Page. Previously, connecting to a brand on Facebook used to be referred to as "becoming a fan." However, Facebook has recently changed the language for Pages from "Fan" to "Like" in order to promote consistency across the site (i.e., people can connect with a brand in a more casual, light-weight way just as they are connect with other people) (Help Center, 2011).

BSN. In fact, qualitative analyses conducted in this study revealed that many Brand Pages for snack products focused entertaining experiences of the community because consumers do not seek heavy information about or monetary benefits from \$3.49 chips or cookies. They strive to engage community members with chit-chat conversations or consumer events specifically designed for the Facebook Brand Page applications such as consumer polls and pop quizzes regarding the topics usually not related to the brand.

Table 7. Top 100 Brand Pages on Facebook by number of members

Product/service	Number	Brand name	
categories <sup>2</sup>	of		
	brands		
Apparel	26	Converse All Star, Converse, Victoria's Secret, Adidas originals, ZARA,	
		Nike Football, H&M, Burberry, Lacoste, DC shoes, Puma, Gucci,	
		Forever 21, Nike, Levi's, Adidas Football, CHANEL, Ralph Lauren,	
		Dolce & Gabbana, Bershka, Louis Vuitton, Vans, Mango, Old Navy,	
		Coach	
Snack	16	Oreo, Skittles, Pringles, Ferrero Rocher, Starburst, Reese's, 5 Gum,	
		Dippin' Dots, Kit Kat, Lay's, Skittles, Frito Lay, life Savers Gummies,	
		Stride Gum, Trident Chewing Gum, Cadbury Crème Egg	
Consumer technology	14	PlayStation, iTunes, Windows Live Messenger, iPod, xbox, Blackberry,	
		Sony Ericsson, Nokia, iPhone, Adobe Photoshop, eBuddy, Tata	
		Docomo, Vodafone Zoozoos, Windows	
Restaurant/coffeehouse	11	Starbucks, McDonald's, Subway, Taco Bell, Starbucks Frappuccino,	
		Buffalo Wild Wings, Chick-fil-A, Pizza Hut, Dunkin Donuts, Domino's	
		Pizza, Hard Rock Café	
Drink/Alcohol	10	Coca-cola, Red Bull, Monster Energy, Dr. Pepper, Mountain Dew, Pepsi,	
		Sprite, Slurpee, Arizona Iced Tea, Jack Daniel's Tennessee Whiskey	
Discount/Specialty	7	Walmart, Kohl's, Target, Best Buy, Ben & Jerry's, MAC Cosmetics,	
retailer		Macy's	
Car/Motorcycle	5	BMW, Ferrari, Audi USA, Mercedes-Benz, Harley Davidson	
Etc	11	Google, Disney, Disney Pixar, Barbie, Nutella, Kellogg's Pop-Tarts,	
		Nutella Italy, Skins, Shameless, Tattoos by myttoos.com, explotar	
		burbujitas de plastic	

Note:

<sup>2</sup> Product/service categories are made by the current researcher.

#### **Data Collection**

Data were collected from two different sources. For qualitative data, Brand Pages of 22 apparel brands and 10 restaurant/coffeehouse brands, ranked in the Top 100 Brand Pages (Socialbakers.com, 2010), were investigated. Since quantitative analysis involved an iterative process throughout the research process, the content and the structure as well as the discourse in the community were continuously observed and collected for six months, from January 2011 to

<sup>&</sup>lt;sup>1</sup>It should be noted that this list is based on the brands that Socialbaker.com currently index in its database. Thus, some of the Brand Pages identified in this list (e.g., Lay's, Starbucks Frappuccino) do not fit to the definition of Brand Page made in this study as they are communities for specific products, rather than a brand in general.

June 2011. Quantitative data were collected from consumer panels of a marketing research company, C&T (Consumer & Technology) Marketing Group, from June 14 to June 21 in 2011. More details about the sampling process and data collection procedure for two different data are provided in following separate sections of Qualitative Exploration and Quantitative Data Analysis Plan.

# **Qualitative Exploration**

To analyze the consumer behavior in the environment of BSN, understanding the nature of communication via the discourse and interactions is crucial. The qualitative exploration of BSN offers an initial step toward gaining a good understanding of the practice of BSN and validating the research constructs proposed in this study. Specifically, the purpose of the qualitative analysis is twofold. First, it explores the unique context of BSN, which has not been much investigated in prior research. While the existing literature on OCC provides the theoretical background to explain the consumer behavior on BSN, it is necessary to understand and identify the unique characteristics of communication and community interactions specific to the BSN environment. Therefore, the tastes, desires, and other needs of Facebook Brand Pages were closely examined throughout the research. Second, the qualitative data were used to validate the proposed research constructs. Specifically, the concept of BSN benefits and BSN relationship quality were verified by investigating the structure and the content of the Brand Pages. Overall, the results of the qualitative analysis provided support for the conceptualization of the research constructs and research hypotheses.

## **Sampling**

Following the data collection guideline delineated by Kozinets (2002), the sampling procedure followed purposive sampling of communities. Results were interpreted based on the findings of a particular sample (Brand Pages for 22 apparel brands and 10 restaurant/coffeehouse brands), and apparently off-topic messages that were not central to the topics of interest, based on the judgment of the researcher, were excluded from analyses. While this method has a drawback in that the result may not be generalized to groups outside the chosen community, it allows researchers to deeply understand the cultures of communities of interest. As previously discussed, the research setting is the Brand Page on Facebook for apparel and restaurant/coffeehouse categories. Among them, Brand Pages for 22 apparel brands and 10 restaurant/coffeehouse brands<sup>12</sup> were chosen. The following list indicates the brands included in this analysis: (a) apparel brands of Converse, Victoria's Secret, Adidas originals, ZARA, H&M, Burberry, Lacoste, DC shoes, Puma, Gucci, Forever 21, Nike, Levi's, Chanel, Ralph Lauren, Dolce & Gabbana, Bershka, Louis Vuitton, Vans, Mango, Old Navy, and Coach; and (b) restaurant/coffeehouse brands of Starbucks, McDonald's, Subway, Taco Bell, Buffalo Wild Wings, Chick-fil-A, Pizza Hut, Dunkin Donuts, Domino's Pizza, and Hard Rock Café.

#### **Procedure**

The qualitative input was made throughout the research procedures from literature review, to hypotheses development, and to instrument development, rather than in a particular phase of the study. However, the overall procedure of the qualitative analysis can be broadly divided into

<sup>&</sup>lt;sup>12</sup> The Brand Page of Converse All Star, Pink, Adidas Football, Nike Football, and Starbucks Frappuccino were excluded since they were not matched with the definition of Brand Page in the current study (see the note 1 for Table 7).

three steps: (a) community identification, (b) observation and data gathering, and (c) data analysis and interpretation (validation of proposed research constructs). The first step entailed compiling a list of Brand Pages for 32 brands. Each Page was visited and analyzed based on its basic information including the number of members, frequency of posts, content menus, and other descriptions of the community. This analysis provided a brief picture of the top brands' communities and captured the structure and content of the community. In the second step, the researcher observed the communities for a period of six months from January 2011 to June 2011, screening and downloading discourses pertinent to the research topic. During this stage, the researcher became a member of all 32 sample brands' Pages on Facebook. To familiarize herself with the language and culture of the community, the researcher participated in conversations and interactions with the company and other members on the Pages for selected brands. This participation involved exploring particular content of the community that required actual tryout to grasp what they were (e.g., downloading applications provided by a BSN, participating in e-WOM campaigns, watching video clips exclusively available on a BSN) and responding to a company or other members' posts. The researcher did not initiate or lead any discussion or conversation in the community and did not involve in any discourse related to the topic of current research.

For the analysis, the researcher observed what companies and consumers posted every day, downloaded the text data, categorized the relevant information in a coding sheet, and classified them by subject and topic. Unique characteristics of BSN including BSN benefits and BSN relationship quality were captured through this analysis. The third step involved the analysis and interpretation of the data collected in a previous step. Particularly, the concepts of

BSN benefits and BSN relationship quality introduced in this research were validated through this process.

#### Results

Several unique characteristics of BSN as opposed to other types of online brand communities were found through this observation. First of all, the platform of the Facebook Brand Page is designed to exchange the short, instant communications among members, whereas other types of online brand communities (e.g., message boards organized by threads about specific topics) are heavily focused on information exchange. For instance, unlike the "reply" post in a threaded view of a discussion board, the "comment" post on a Brand Page is displayed in a separate box piling up when exceeded more than two or three posts. This interface facilitates interaction among members and allows consumers to view the new posts more quickly and conveniently without scrolling down to look at the other posts. Indeed, the overriding majority of communication was classified as simple, short sentences depicting their instant emotions or immediate responses to others' posts, such as simple "Like" hits. In addition, the BSN is composed of graphical, animated, audio, photographic, or audio-visual data as well as textual data. As shown in Tables 8 and 9, various types of multimedia such as YouTube clips, games and applications, and photo galleries are employed in the menus of Brand Page. This interactive mode of communication in the BSN environment is facilitated by a variety of website features (e.g., Like button, Comments box, Send button, Activity feed).

Because of this unique nature of BSN as opposed to other types of online brand communities, gaining a detailed, nuanced understanding of the experience from the textual discourse may be somewhat difficult. Kozinets (2002) indicates that netnography (i.e.,

ethnography on the Internet) type of investigation may be easier and more useful for more focused and information-laden communities (e.g., P3 communities). Thus, the qualitative investigation employed in this research focuses on observing the *overall* structure and pattern of interactions that occurred in the BSN environment. The next section starts with the community identification with 32 sample Brand Pages on Facebook. The following section describes the unique characteristics of BSN including BSN benefits and BSN relationship quality with an effort to validate the research constructs.

Community Identification. As a first step, the Brand Pages for 22 apparel brands and 10 restaurant/coffeehouse brands chosen as research sites were analyzed based on each community's basic information such as the number of members, posting frequency, and content of the community (see Tables 8 and 9). For the number of posts, only messages posted on Wall, one of the Facebook website features that allow people to post messages, were counted given that (1) all sample brands except a few utilized the Wall as a main platform of communication and interaction with their members (i.e., setting the Wall as the first page of the community website); and (2) the overriding majority of the consumer posts were concentrated on the Wall in most of communities. Because the names of the community content menus do not provide much information, additional descriptions of the community's unique content are provided in the last column of the table.

**Table 8. Brand Pages for apparel sample brands** 

Brand	Number	Number	Content menu	Description
	of members <sup>1</sup>	of posts/day <sup>2</sup>		
Converse	18,306, 917	27.5	Wall, Info, Free music, Video, Photos, Notes, Discussions	<ul> <li>Provided free songs of pop artists to be redeemed as an appreciation of being their fans.</li> <li>Provided video clips about the brand posted by both a company and consumers</li> </ul>
Victoria's Secret	13,860,842	60	Wall, Info, Bombshell Summer Tour, Polyvore, Spotlight, Gift Cards, Wallpaper, Video	<ul> <li>Ran the promotional campaign ("I love my body"), specifically designed to work on Brand Page using social plugins (i.e., publicly sharing the message "I love my body" to others through the Wall, notes, or photos by clicking the campaign symbol)</li> <li>Offered applications for smart phones</li> <li>Offered other promotional campaigns through separate menus (e.g., Bombshell Summer Tour, Polyvore)</li> </ul>
Adidas Originals	10,232,011	24	Wall, Info, Photos, Adidas all videos, Livestream, YouTube, Events, Video	Provided all brand-related photos and videos
ZARA	9,337,821	32	Wall, Info, Photos, YouTube, Events	• Continuously updated their lookbook for the current season (3-5 posts a week)
H&M	7,705,254	70	Wall, Info, Friend Activity, Deals, Your H&M, Photos, H&M Festival Look, Events	<ul> <li>Provided the links to other related websites         (e.g., specific menus on the official company         website, other BSN sites such as Twitter and         YouTube)</li> <li>Presented online catalogue (lookbook) for         the current season</li> </ul>
Burberry	6,593,857	0.7 (no consumer posts allowed)	Wall, Info, Acoustic, Photos, Video	<ul> <li>Presented the music video clips of British artists selected by Burberry, as a collaboration between the brand and artists</li> <li>Provided brand-related photos and videos posted by a company</li> </ul>
Lacoste	6,126,211	0.9 (no consumer posts allowed)	Wall, Info, Welcome, Croc Moods, Photos, Goodies, MyCROC, Video	<ul> <li>Provided application named Croc Moods, that displays the mood (e.g., happy, dreamy, bad mood) and can be published on the Wall of personal FB Page</li> <li>Provided wallpapers and screensavers</li> </ul>

 Table 8. (Continued)

Brand	Number	Number	Content menu	Description
	of	of		<b>.</b>
	members <sup>1</sup>	posts/day <sup>2</sup>		
DC Shoes	5,662,098	36	Wall, Info, YouTube, Photos, Events, Street league Live, Street League, Store locator	Presented the advertising of sponsoring event (Street League Skateboarding) and provided the promotion code for the event participation
Puma	5,385,090	13	Wall, Info, National teams, PUMA social, PUMAVision, Puma group, Photos, Events	Presented its on-going promotional event (National teams) where members upload their own video and get votes from other members
Gucci	5,000,989	0.8 (no consumer posts allowed)	Wall, Info, Gucci Guilty, Gucci Connect, "Eye Want You" Photos, Video	<ul> <li>Presented the advertising of the new perfume collection with related videos, images, and promotional events (e.g., sample give-out)</li> <li>Provide the information about upcoming fashion show</li> </ul>
Forever 21	4,693,378	28	Wall, Info, F21 game, Photos, Discussions, Events, Links, F21 features, Questions	<ul> <li>Offered a game application (i.e., F21 Game)</li> <li>Offered consumer polls (e.g., fashion-related topics) and discussion boards</li> </ul>
Nike	4,699,508	0.2 (no consumer posts allowed)	Wall, Info, Free Arena, Human Chain, Nike, Photos, Reviews, Discussions	<ul> <li>Provided detailed information about its ongoing promotional campaign (Human Chain) with separate menu</li> <li>Offered consumer contest (Free Arena) for creating movie</li> </ul>
Levi's	6,118,978	31	Wall, Info, Photos, Film workshop, Water <less, events,="" girl<="" job="" levi's="" openings,="" td=""><td><ul> <li>Provided the information about sponsoring event (Film Wokshop)</li> <li>Offered applications for searching job openings in Levi's</li> <li>Provided detailed information about its new product line (Water<less) and="" li="" links="" other="" promotional="" related="" to="" videos="" websites<="" with=""> </less)></li></ul></td></less,>	<ul> <li>Provided the information about sponsoring event (Film Wokshop)</li> <li>Offered applications for searching job openings in Levi's</li> <li>Provided detailed information about its new product line (Water<less) and="" li="" links="" other="" promotional="" related="" to="" videos="" websites<="" with=""> </less)></li></ul>
Chanel	4,195,337	0.3 (no consumer posts allowed)	Wall, Info, Video, Cocomademoisel le, Mademoiselle	Provided all brand-related videos (e.g., TV commercials, movie clips that the Chanel were featured, how to use make-up products, etc)

 Table 8. (Continued)

Brand	Number	Number	Content menu	Description
	of members <sup>1</sup>	of posts/day <sup>2</sup>		
Ralph Lauren	3,310,669	21	Wall, Info, Photos, What's New, Romance, Video, Fragrance, UK E-commerce	<ul> <li>Offered the brand news ranging from the media they were featured to lookbook images</li> <li>Presented two separate menus promoting their fragrance (i.e., Romance, Fragrance)</li> </ul>
Dolce & Gabbana	3,109,012	10	Wall, Info, Photos, Video, Events, Tweets, Florrie, Follow us	<ul> <li>Provided the links to related websites         (Follow us) including websites (official         website, fashion shows), BSNs (Twitter,         YouTube, Tumblr, etc), and downloadable         mobile applications</li> <li>Embedded its Twitter site</li> </ul>
Bershka	2,950,894	1.6 (no consumer posts allowed)	Wall, Info, this OR that, Playlist, Photos, Events, Links	<ul> <li>Provided the application where members can vote one product over the other (this or that) by clinking the image of a product, which can be published on a personal FB Page</li> <li>Provided the Top 10 monthly playlist (a collection of YouTube videos)</li> </ul>
Louis Vuitton	2,894,234	0.6 (no consumer posts allowed)	Wall, Info, Welcome, Mon monogram, Photos, Video, Fashion show, Double exposure	<ul> <li>Provided the information about its upcoming fashion show with videos (e.g., exclusive interviews with designers, scenes behind the stage)</li> <li>Provided the link to its website for product customization with a separate menu (Mon monogram)</li> </ul>
Vans	2,690,890	28	Wall, Info, Shop, Offthewall.tv, Hello Kitty, Vans Stickam, International, Flickr	<ul> <li>Offered FB store where members can directly shop the products from the Page</li> <li>Advertised the new product line (Hello Kitty) with detailed information and links to shopping</li> </ul>
Mango	2,262,918	1.3 (no consumer posts allowed)	Wall, Info, YouTube, Welcome, Work it UK, Photos, Events, Discussions	<ul> <li>Provided brand-related photos and videos (e.g., promotional events, ad images)</li> <li>Operated a discussion board where members can freely post brand-related topics and discuss with each other</li> </ul>
Old Navy	2,097,703	28	Wall, Info, Hottest ticket, Fell good, The guy gallery, Latest ad, Shop, Events	<ul> <li>Offered Facebook Store, allowing people to shop their product within their Brand Page</li> <li>Provided monetary incentive (e.g., discount coupons) in a regular manner (e.g., This week's hottest ticket)</li> </ul>

Table 8. (Continued)

Brand	Number of members <sup>1</sup>	Number of posts/day <sup>2</sup>	Content menu	Description
Coach	2,136,892	17	Wall, Info, Welcome to Coach, Store locator, Discussions, Photos	<ul> <li>Presented latest collections, images of celebrities wearing Coach, and advertising video of newest product line</li> <li>Provided a store locator</li> </ul>

Note:

<sup>&</sup>lt;sup>1</sup> As of June 10th, 2011 <sup>2</sup> The average number of messages for one month period (May 15th - June 10th, 2011) posted by both companies and consumers are calculated. The comments (i.e., responding messages to others' main posts) are not counted.

Table 9. Brand Pages for restaurant/coffeehouse sample brands

Brand	Number of	Number of posts/	Content	Description
	members <sup>1</sup>	$day^2$		
Starbucks	22,884,460	298	Wall, Info, Starbucks card, International, Photos, Events, Starbucks Jobs, Video	<ul> <li>Starbucks Card menu allowed consumers to manage their card or to reload friend's card</li> <li>Provided job search application (e.g., Starbucks baristas, supervisors)</li> </ul>
McDonal d's	8,821,854	0.3 (no consumer posts allowed)	Wall, Info, Local, Latest, McCafe, Burgers, Happy Meal, McRib	Provided a link to external websites featuring various product lines (i.e., Latest, McCafe, Burgers, Happy Meal, McRib)
Subway	7,587,998	207	Wall, Info, What's fresh? Breakfast battle, Video, Photos, Twitter feed, House rules	<ul> <li>Presented new product features</li> <li>Offered brand-related videos and photos</li> <li>Provided their Twitter Feed</li> </ul>
Taco Bell	6,892,944	97	Wall, Info, Friend activity, Music, Entertainment, Photos, News, Promos	<ul> <li>Presented their special version of commercial, Super Delicious Ingredient Force (SDIF), with its website link and other related entertaining content</li> <li>Offered the promotional campaign (i.e., giving out a free t-shirt to the Page visitor)</li> <li>Presented their on-going TV commercial video and offered free download of music featured in the commercial</li> </ul>
Buffalo Wild Wings	4,831,177	47	Wall, Info, Flavor Fanatics, Save our season, SCVNGR, Store locator, Photos, Video	<ul> <li>Presented their promotional campaign (i.e., Flavor Fanatics) and related content including games and polls</li> <li>Provided brand-related videos and photos</li> </ul>
Chick-fil-A	4,231,796	93	Wall, Info, About us, Spicy Chicken, Menu, Locator, Events, Photos	<ul> <li>Presented their menus</li> <li>Provided a campaign "Spice up your profile pic" to encourage consumers to share a brand-related picture to others and to connect each other</li> </ul>
Pizza Hut	3,831,895	45	Wall, Info, Mobile Apps, Photos, Polls, Video, Events	<ul> <li>Offered downloadable mobile applications</li> <li>Provided consumer polls about various brand-related topics</li> </ul>

Table 9. (Continued)

Brand	Number of members <sup>1</sup>	Number of posts/ day <sup>2</sup>	Content	Description
Dunkin Donuts	3,602,259	108	Wall, Info, WAYD Mosaic, DDSmart® Talks, Maurice, Dunkin' Perks, Metro NY Promos, Photos	<ul> <li>Presented brand-related news (e.g., DDSmart® Talks, Maurice)</li> <li>Provided news about their promotional campaigns (e.g., Metro NY Promos)</li> <li>Offered free coupons for the consumers who enroll their website</li> </ul>
Domino's Pizza	3,178,111	44	Wall, Info, Memory game, Domino's World, Lunch offer, Photos, Video, Events	<ul> <li>Provided a game (Memory game) where members can win a free gift and donate money to an organization</li> <li>Presented information about menus (Lunch offer) with links to a company website where members can order</li> </ul>
Hard Rock Café	1,961,906	29	Wall, Info, Hard Rock Locations, Battle of the Bands, Events, Photos, Rock Shop, Questions	<ul> <li>Provided news about their promotional campaigns (i.e., Battle of the Bands)</li> <li>Provided the link to the website selling their clothing</li> </ul>

Note:

As shown in Tables 8 and 9, all sample brands utilized "Wall" and "Info" as their primary menus in the community. "Wall," the first page of most of sample brands' Page, served as the central place that members interact and engage with each other. The "Info" menu provided the basic information about the brand such as company overview, mission, links to other related websites and other necessary information. The rest of the community menus were organized with brand-specific content, such as providing the links to other websites (e.g., company official websites, company blogs), presenting time-relevant information (e.g., seasonal promotions, new product release), and utilizing various types of multimedia (e.g., YouTube clip, photo gallery, games and other applications available on Brand Page) to facilitate interaction with members.

<sup>&</sup>lt;sup>1</sup> See the note of Table 8.

<sup>&</sup>lt;sup>2</sup> See the note of Table 8.

Although community content varies by brand, apparel communities were more brandoriented because they focused more on symbolic meanings of brands or brand image, whereas restaurant/coffeehouse communities were more product-oriented because they provided more tangible information, such as brand menus, store locations, and promotional events. For example, communities for many of the restaurant/coffeehouse brands highlighted their seasonal items or promotions for the purpose of driving more sales for a particular period of time. In doing so, restaurant/coffeehouse communities often operated consumer events (e.g., games, consumer contests) linked to their promotional campaigns or presented detailed information about particular items or menus. While advertising new products was also prevalent in the communities for apparel brands, apparel communities promoted them in a more subtle way. For instance, many of apparel brands provided the images of their new product lines in a similar way that they presented their e-catalogue or online version of lookbook. Other sources (e.g., fashion magazines' websites that the brand was featured in, consumer blogs oriented toward fashionrelated content highlighting the brand's products) were also used to promote the brand in a delicate way. This was more evident in the communities of luxury apparel brands such as Gucci, Chanel, and Louis Vuitton. Video clips for fashion collections and other brand-related pictures or articles (e.g., celebrity PR) were often presented as main content on the Wall in the community.

Validation of Research Constructs. The unique environment of BSN influences the nature of community interactions as well as consumers' perceptions of community benefits and relationship quality. Through the investigation of the community structure and the observation of textual discourse, various facets of BSN benefits and BSN relationship quality were captured.

This section discusses the validation of the two research constructs: BSN benefits (i.e., informational, social, hedonic, economic) and BSN relationship quality formed by the sub-

dimensions of commitment, trust, and partner quality.

BSN Benefits. The evidence of four BSN benefits was found in both the content of the

Brand Page and the discourse exchanged among members in the community. The existence of

some of benefits (e.g., economic benefit, informational benefit) was apparent in the community

content because many of BSNs provided such content as monetary offers and information about

the brand and products.

Informational benefit. As discussed, the "Info" menu providing the information about the

brand was one of the essential community content for most of sample brands (see Table 8 and 9).

The observation of the community further verifies that members of the community actively

exchange the information they need. The following is the discourse that illustrates the

informational benefit aspect of Brand Page for restaurant/coffeehouse categories:

*Amber*: Does anyone know if I can get anything DD iced in sugar free?

Valerie: iced coffee I always get splenda in it

Sandra: coffee and ice tea!!

*Amber*: So iced coffee is made to order?

Valerie: Yeah always!

*Amber*: Good to know, thanks!

Eric: Beers in theory it's made to order but my girlfriend ordered an iced latte with milk and Splenda, but it had cream and sugar (pay attention DD!), she has diabetes and she

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had EXTREMELY HIGH blood sugar (she did not know it had sugar in it till she had the life threatening reaction)

*Ian*: I could help you out just order iced latte or iced coffeee with suger free flavour in it..and use splenda,sweet N low or equal as a sugar... and yahhh always drink it with skimmilk to stay safe by diabetes...

It was discovered that members of BSN for restaurant/coffeehouse typically do not engage in serious discussions on product-related information. Rather, as illustrated in the excerpt, they throw simple questions and answers in a casual manner hoping that someone who happens to catch their post would answer their question. The topic of the question varies from a recipe of certain menu items to the information about sales or promotional events. When a member posts such types of questions, more than one member usually answer the question. Below is an example for the apparel brand community:

*Laura*: I used to receive the mailer for \$10 off bra's and the free panties, but since I moved I obviously don't receive them anymore. Is there anyway to re-sign up for this mailer?

Jess: Hey me either!! Wonder wassup with that?!?! I don't even remember how I actually always got those coupons in my previous place! Mayb I'd trace it down, Then i can figure it out how to get them again:)

*Laura*: I signed up for the e-mails but they don't ask for your address. I always got the bra's with the \$10 off!!

Ashley: When they ask you for your phone number in the store it's supposed to be your actual house number, that's how they get your address to send the coupons.

*Laura*: Oh, okay. We don't have a home number. So perhaps that's why I don't get them anymore. Thank you!

It is useful to relate this investigation to the literature on reciprocity in consumer community.

Asking questions about various topics, although not as serious as questions posted in P3

communities, was one of the message types that were frequently posted on Brand Page. Because

the topic of questions was usually simple and required no expertise or special knowledge, as

described in the examples above, the number of responses from other members was typically

high (i.e., on the average, a single question received more than two or three responses). Thus,

members engaged in the community because they perceived helping others and providing

answers were fun and made them feel good (Wasko & Faraj, 2005). Furthermore, information

exchange occurs not only among consumers but between consumers and a company. As

companies realize that consumers engage with them via BSN not simply to feel connected but to

seek more tangible value (Baird & Parasnis, 2011), companies' delivering informational benefits

to members has become one of the essential elements of BSN interactions. While the ways of

managing BSN vary by brand<sup>13</sup>, most of sample brands interacted with consumers to some

degree via communication on BSN. This type of communication typically reflects the company's

responses required to deal with customer inquiries or complaints. The following is the exchange

between a company and consumers:

Heidi: hey i was wondering if i can order your breakfasts at any time? cuz i work the

night shift and am not awake til the p.m.♥

Subway: Hi Heidi, I suggest contacting your local store directly for clarification. All

restaurants are individually owned and operated so pricing and promotions may vary

from location to location.

Heidi: Thanks!

<sup>13</sup> Some brands (e.g., Lacoste, McDonald's, Mango, Gucci, Burberry) did not allow members to post messages on

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While most of consumer-to-company interactions are demonstrated by this type of simple conversational discourse, some of them deal with more serious issues such as consumer complaints and suggestions:

Cameron: OLD NAVY SUXXS!!! I am so not happy right now! Bought a bathing suit 1 week ago! Wore it 2 times! I washed it according to the directions and it fell apart and they wont exchange it for me because it has been washed? I will NEVER shop there again!

*Old Navy*: Cameron, Sorry to hear that you had problems. If your bathing suit is defective, the store should return or exchange it. You can give us a call at 1-800-OLD-NAVY, use the prompts for store questions, then in-store feedback and we should be able to help you out. Thanks, Chris@CustomerRelations

Cameron: Yes...they SHOULD exchange it but they wont because it has been washed...thats where it fell apart. So, basically your poorly made clothing falls apart when washed as directed in the label and washing voids any returns or exchanges. Which s...ays to me that Old Navy sells disposable clothes that can only be worn once or twice. That works well in today's economy. And to answer the next question...I tried 2 different stores and got the same answer. I dont have the money for a new suit...nor do I have the money to spend \$40 in gas driving around to different stores!

Old Navy: Hi Cameron! It won't matter if its been washed or worn if the manager evaluation determines there was a manufacturing defect. Just take it to your local store and have them take a look. Hope this helps! Kathy@CustomerRelations

Social benefit. As indicated by researchers, SN is inherently a social venue (boyd & Ellison, 2008; Wellman, 2001). Therefore, the social benefit of BSN may be best reflected in the nature and overall structure of BSN. The observation of BSN in this research further verifies the fact that BSN indeed becomes a hub of customer activities dealing with brand-related issues as indicated by Baird and Parasnis (2011). For instance, when certain incidents or social issues about a company or a brand arise, the BSN seems to serve as a central place for consumers to aggregate, exchange information and opinions, and solve problems. In other words, consumers utilize BSNs for directly communicating with the company and other consumers regarding the

particular issues. The following example may illustrate this kind of social function of a BSN. Recently, Starbucks was accused of employment discrimination in one of its stores, and this story immediately became the center of discussion on its Brand Page. Thanks to BSNs including Facebook and Twitter, the incident originally posted on one consumer's blog quickly spread. On the Brand Page, the first post about this incident with a link to the original blog post was shown on June 13th, 2011 as follows:

Steven: Hey starbucks, you've lost a customer till you fix this.
"I Know Starbucks is Not an Anti-Gay, Homophobic Company (by Policy) BUT..."
[link to the original consumer blog describing the incident]

Later, in a matter of several hours, more than 70 members posted their opinions about the same incident, which generated more than 100 responses from other members in the community. Some of the members seemed to try to influence other members' behavior and attitudes toward the brand, as seen in the following posts:

Ashley: This is snowballing, guys. Please acknowledge and address this situation.

*Sarah*: I will not make another purchase until this is addressed- and I can assure you that several hundred of my facebook friends will be reading this as well!

As strong public opinion started to be formed within the community, the company started to respond to individuals' posts, hoping that they would calm the commotion and minimize the negative WOM about the brand. The following is an excerpt of the posts that the company made to an individual member almost immediately (they replied to 22 individual consumer posts about this incident in a real-time manner):

*Jim*: Your response to this event will tell us where your values truly are. Choose wisely: [link to the original consumer blog describing the incident]

Starbucks: @Jim: Missy's observations are very concerning and not with our values and who we are as a company. Starbucks has supported the LGBT community since the very early days and we have a zero tolerance for discrimination of any kind. We are looking into this situation as we speak.

Jim: Thank you very much for the response, and we await your findings.

The next day, about 35 hours after the first consumer message posted, the company announced its message on the Wall of its BSN addressing its official response to the situation including a report of an incident and the company's reaction. This example demonstrates that, with this interacting social channel, companies are no longer in control of the relationship. Instead, consumers can drive the conversation by quickly aggregating and connecting with other consumers as well as with a company. This finding may suggest an interesting direction for future research on OCC, particularly a form of company-sponsored or company-generated community. Despite the company's stronger power regarding the structure and content of this type of community (Loewenfeld & Kilian, 2009), consumers may still exert power to generate their own voice within the online community and to influence the company's decision making. However, the degree and type of this consumer power can vary as different brands have different strategies regarding community management. A close examination of interactions between a company and consumers is suggested in future studies.

As another major type of social benefit that consumers derive from a BSN, many consumers share their experiences with the brand to generate emotional connection or to create companionship with other like-minded people. The topics of the discourse ranges from brand-related information to more social, relation-oriented conversation. The following conversations were made among consumers to share the experience with the brand:

Andrew: Has anyone else noticed that the flavor of SB's black Iced Tea has changed over the last couple of months? Not sure that it is an improvement.

*Julia*: I posted about this today & sent an email. Starbucks is not commenting. The tea has changed and not for the better.

*Chris*: I don't thinks the tea is changing. I think it's how it's steeped. Sometimes to very strong or watery as hec. It varies by store. I try to play it by the books and keep the tea consistent. I've cut a lot of complaints that way.

*Rebecca*: I detected a new flavor. I remembered the brewing variations in the old tea but it was simply weak or strong but always fresh. Now it tastes like dishwater and it is happening in different stores. Maybe they changed their water filtering equipment. Until they fix it I may have check out other places.

What is exchanged among these members is not a critical problem to be urgently fixed. Rather, members want to engage someone else who had a similar experience and chat about that. The value of this type of interaction is multiplied when consumers are able to interact with each other instantly and immediately. It was observed that most of the messages posted on the Wall of a Brand Page receive responses from others within hours (at least within a day). This way, the initial poster interacts almost instantly with other posters. The following examples illustrate the social dialogue among consumers to share their brand experience:

Megan: I would love to see a kids menu in the future!! My boys love starbucks but you don't have a very kid friendly menu. For example you sell the little kids tumblers but you don't offer that drink size on the menu!

Carla: I have been saying the same thing!

*Yana*: Im a barista at Starbucks and what isn't listed on the menu but is always available is a "Kids" Hot Chocolate, Apple Juice or Flavored Milk. Any of these come in our Short size (8 oz.) can be hot or cold and are offered at a slightly lower price. I recommend a Kids Vanilla Milk. Hope that helps!

*Megan*: My kids think those drinks are for babies lol! They love the frappachinos and lattes depending on the season.

Carla: Thank you Yana, I never thought of the Vanilla milk, my kids are not aloud to have caffine and they are getting bored with the apple juice and regular milk. Thank you thank you:)

*Nichole*: You can order any drink short and decaf! A short drink is the same as a kids cup and if you get decaf they can have all the fraps and lattes you wish to allow them.

While this may be simply viewed as conversation on ordinary topics, by exchanging opinions and feelings with respect to the similar brand experience, they may "feel that they sort of know each other at some level, even if they have never met" (Muniz & O'Guinn, 2001, p. 418). Muniz and O'Guinn (2001) explain this characteristic of brand community as shared consciousness in that members feel a connection toward one another as they share "we-ness" to some degree. This shared consciousness can be reinforced by the participation of a company in the interaction within a community. The observation of BSNs in this research reveals that companies strive to strengthen the social ties among community members by touching consumers emotionally and motivating them to share their experiences with others. Sometimes, a simple message that is not even directly related to the brand can generate a significant amount of interaction and conversation, as evidenced in the following post:

*Buffalo Wild Wings*: Mmmmmm beer. [company posted the image of beer right below this message]



(Retrieved from www.facebook.com/buffalowildwings)

Surprisingly, this simple post generated 552 comments and 7228 "Like" hits. A few of excerpts of consumer responses are as follows:

*Meghan*: That looks so good right now!

David: I don't drink beer very often, but that looks good.

Scott: Yea that's what I say mmmm....

Kimberly: What's so special about beer? It doesn't smell good and I'd imagine it not tasting good either, so what about it makes lot of people want to drink it?

Hanna: now I'm getting hungry and thirsty!!

Jordan: have that BEER w/ those lovely HOT WING"S

<u>Hedonic benefit</u>. The existence of the hedonic aspect of a BSN was apparent in various types of entertaining content (e.g., games, videos) provided by the Brand Page. Many companies attempt to integrate their community content such as consumer contests and WOM-generating campaigns with entertaining elements by offering a fun, easy way to engage each other. For instance, Nike creates the menu entitled "who is superfly?" using the same title as its recent promotional campaign, and features a series of short vignettes showcasing the 16 top professional football players. Members of the community can choose one football player from those on the list and tell why he deserves to be named the king of speed. Community members can simply click the "Like" button on one of the athletes or send their friends on Facebook an inviting message to the campaign. Each athlete's personal Facebook Page is also linked so that members and fans can directly communicate with the athlete. In addition to this content, the Page provides the link to related websites and video clips. Through this campaign running on Brand

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Page, Nike had more than two million members taking part in the campaign and over five million members visiting the athlete's personal Facebook pages during the first five weeks of the campaign, generating a significant impact on its marketing campaign (AKQA, 2011).

BSNs can also create hedonic experiences while providing tangible benefits to both consumers and the company. As seen in the following example, Taco Bell encourages members to share the campaign with others so that they reach more numbers of the community members. The company announces to its BSN members that once they have seven million members in the community, members get a chance to win one of the 700 limited edition Taco Bell t-shirts.

*Taco Bell*: We are getting REALLY close to 7M Fans! ... Only 60,000 more fans and everyone gets a chance to win one of the 700 limited edition Taco Bell T-Shirts! Hurry & share this post on your wall and tell your friends to "Like" Taco Bell!

Another similar example was found in Domino Pizza, announcing its campaign that if members participate in a puzzle game, they can donate up to ten cents every minute they play to the kids of a certain hospital, and if they win the game, they receive an offer (e.g., free delivery).

Domino Pizza: You play. We give. The kids win. [link to the game website]

A similar type of offer was also found in the apparel brand's community.

Forever 21: Give to Love, Love to Give! Proceeds from your purchase will benefit those in need, so play the Fashion Cents Shopping Game and buy buy! [link to the game website]

As illustrated in the examples above, the companies designed creative ways to engage their members with valued offerings and, at the same time, generated the viral spread of the campaigns by relating the entertaining content to their cause marketing.

Economic benefit. The economic benefits of BSNs were also apparent in the investigation of sample brands' Pages. Seven apparel brands and eight restaurant/coffeehouse brands among 32 sample brands provided the members with some type of monetary benefit such as sales coupon, promotional code for sales, free products, and gift cards. The following is an example of a company's offering of such benefits:

Subway: Grab the Green and get in the game! You could win a 47" Cinema 3D TV from @LGElectronics USA or up to \$100,000 cash! Enter the codes found on Green Lantern 30 oz drinks and DORITOS® Nacho Cheese Chips from SUBWAY, here: http://green.subwayfreshbuzz.com/. Here's a code on us: BKFLXKH9FN!

With the code offered on Subway's BSN, members can have a chance to play the game to win a prize. If members recruit their friends on Facebook to join this promotional event, they can get more codes to participate in the game. This is where viral spread of the event is generated. Some other brands also encourage their members to support the brand's campaigns or events by clicking the "Like" button declaring "I like it" or "I'm in" and by sharing their endorsement with their Facebook friends.

Although this research limits the concept of economic benefit to a type of monetary benefit, the investigation of BSN revealed that there could be another kind of economic benefit that can be potentially conceptualized in a future study. While not as explicit as the monetary offer demonstrated in the examples above, many communities did offer different kinds of rewards, often functioning as an incentive to visit BSNs regularly. That is, if the economic benefit is conceptualized as encompassing both tangible and intangible rewards obtained from BSN, any types of loyalty incentive provided by the BSN, which members receive as a result of

their being a member of the community, can be economic benefit of BSN. For example, apparel brands categorized as luxury brands (e.g., Burberry, Gucci, Chanel, Louis Vuitton) do not provide such offers as discount coupons or free products as it contradicts their brand strategy. Instead, they create the value of the community by carefully selecting a piece of brand-related information from news articles covered by media to exclusive photos or videos (e.g., fashion show, "behind the scene" of shooting) and presenting them so that members can review them in one spot (i.e., BSN). This type of benefit echoes Brustein's (2010) assertion that social commerce is about developing a life-long relationship as opposed to offering a one-time benefit:

... social commerce doesn't usually come naturally. Companies are awkward. They can be rather boorish and self-absorbed, tending to see each interaction as a chance to make money. Many commercial forays into social media have been clumsy, with companies using social media sites simply as another medium to distribute advertising, or trick consumers into making an impulse buy. And that is no way to make friends.

As described in the excerpt above, the BSN may not remain a strong, healthy community by simply encouraging impulse buying with a one-time monetary offer. Rather, it should help consumers make smart shopping decisions by providing right information and curating them in a meaningful way. In relation to this point, recent market analysts point out that the curation of information as well as the creation and consumption of information is becoming important (Rosenbaum, 2011; Solis, 2010) and "the future of social commerce is curation" (Marsden, 2010b). That is, it becomes critical for brands and e-commerce websites to collect and filter the information. When the BSN serves as a tool to select, curate, and present the brand-related content for community members, members may perceive a long-time benefit, which may eventually be perceived as an economic benefit of BSN. Solis (2010) explains the curation of information as follows:

By discovering, organizing, and sharing relevant content from around the Web, curators invest in the integrity and vibrancy of their nicheworks and the relationships that define them. Information becomes currency and the ability to repackage something of interest as a compelling, consumable and also sharable social object is an art. As a result, the social capital of a curator is earned through qualifying, filtering, and refining relevant content and how well objects spark engagement and learning.

As indicated by Solis (2010), various brand-related content curated in BSN may serve as social objects that initiate conversations and interactions among members within a community. Among the sample brands, the Brand Page for most luxury apparel brands function as a curated social marketplace that connects members to likeable content (e.g., brand PR information, brand-related videos, magazines that the brand is featured in, user-generated content, promotional events). Therefore, the economic benefits of BSN may be delivered when members perceive that they can obtain certain content more easily, effectively, and exclusively through BSN. Also, as described in the quote "information becomes currency," how the information is delivered to members via BSN may become an essential benefit that consumers derive from using BSN. Such a post as "Be the first to see a photo of the event!" can be also perceived as an economic benefit as it reinforces the members' understanding that they are "in" the community and receive and share certain benefits, which would not otherwise possible.

analysis of information-laden community and that of social and relational community, the BSN relationship quality construct was discovered through the overall pattern or flow of communication, rather than through the conversation itself. For example, consumers did not explicitly state how much they were committed to the Brand Page; however, "thank you"

comments or "Like" hits to a company post, which often reached to more than hundreds and sometimes thousands, demonstrate their strong connection or affiliation to the Brand Page. Given the nature of this prompt and instant manner of communication on Brand Page, consumers are showing their commitment, trust, and partner quality with BSN, not with a lengthy essay type of posting but with the "Like" button, emoticons, pictures, and Internet slangs.

In addition, it was revealed that the three sub-dimensions of relationship quality (i.e., commitment, trust, partner quality) were often intertwined and expressed with no clear distinction among the dimensions. The following discussions relate to the three relationship components of members' perceptions of the BSN; however, they do not reflect the three clear-cut sub-dimensions of BSN relationship quality.

<u>Commitment.</u> The BSN is a great venue that leads brand enthusiasts to share rituals and traditions that emphasize the unique culture of the brand as well as the community (Muniz & O'Guinn, 2001). User-generated content dedicated to the brand and exclusively available on BSN well illustrate members' commitment to the community. Figure 2 and 3 are examples of collected images of photos and videos created by members of the two brands (i.e., Converse, Dunkin Donuts). By creating these images, members share with others their own creative work for the brand or their personal experience with the brand. When clicked, each post is displayed with its own feedback and responses from other members in the community.



Figure 2. User-generated content dedicated to a shoe brand (Retrieved from www.facebook.com/converse)



Figure 3. User-generated content dedicated to a coffeehouse brand (Retrieved from www.facebook.com/dunkindonuts)

While creating this content is up to members' voluntary participation, it was found that companies sometimes reinforce their members' commitment to the Brand Page by emphasizing

that certain event or content is exclusively available to the community members or that certain information will be first announced on the Brand Page, as shown in following posts:

Laurel: Please open in London!!!

Forever 21: Your dream will come true very soon-- keep checking our Facebook page to stay posted!

#### Here is another example:

Old Navy: Good afternoon, Old Navy fans. We'd like to apologize to those who received a phone call from our One Day Wonder Boy this morning. It was a system error. There's no tank sale tomorrow (Sun 6/12), but it's coming up in June! Stay tuned, FB fans will be the first to know about it.

Jennifer: Thanks Old Navy for letting us know!

Adam: Glad to hear one is coming up! I could use some more tanks.

Patricia: I look forward to when it does take place!

These types of communication can be also related to trust or partner quality as it can be perceived by community members as a BSN's effort to ensure the overall quality of the community. When certain information or content are exclusively available in BSN, it may strengthen the members' trust toward the community content and positively influence the members' perception that they are treated as valuable customers.

<u>Trust.</u> The trust component of BSN relationship quality is probably best illustrated by many of consumer inquiries responded by a company. Members throw out the questions on a variety of topics (e.g., product availability, employment, detailed information about promotional event), not explicitly to the company but to others in the community, and many of these

questions are answered by the company. Note, however, that the degree of this interaction varies by brand. As indicated earlier, some brands (e.g., Lacoste, Nike, McDonalds, Gucci) were geared toward one-way communication, not allowing members to post messages on the Wall. Even among those brands that allow members' posts, some brands (e.g., Taco Bell, Old Navy) responded to members' posts more frequently and routinely than others (e.g., Dunkin Donuts).

The interaction between members and a company via the BSN is essential to facilitating the members' perceptions of the relationship quality including trust, partner quality, and commitment toward the BSN, because conversations between a company and individual members are displayed to and shared with all other members who visit the community. The followings are exchanges between a company and its members that may illustrate the trust component of BSN relationship quality:

Anne: When can we expect to enjoy your peach milkshakes?

Chick-fil-A: Hi Anne, the Peach milkshake is coming to your local Chick-fil-A on July 4!

*Anne*: Awesome, thanks for the confirmation.

Carlos: What are the differences in rigid, scraped rigid, & tumbled rigid in the 505?

*Levi's*: Hey Carlos - Rigid is closest to the raw form of denim, which is pretty stiff. Scraped, is taking the rigid and literally "scraping" the garment to give it a unique finish, but still rigid. Tumbled is a process where the jean is literally tumbled, like in a dryer, to give it a softer, less rigid feel. -Erik (Men's Merchant)

Carlos: Thanks i'll be ordering some rigid then. I have a pair of 505's but i've washed & dryed them & they're no longer in the shape they used to be. I'm gonna go about breaking these in like a raw pair just to see how it'll do. Plus, with the thickness of these jeans they make a good jean to ride horses while wearing.

<u>Partner quality.</u> Consumers may feel partner quality toward the BSN when they are treated as valuable customers and receive continuing interest from the community. This

dimension is in line with the social benefit aspect of BSN because the sense of partner quality can result from the close, personal relationship developed between a company and its members. For the purpose of this kind of relationship building, companies sometimes initiate a casual dialogue by "seeding" conversations or "planting" provocative ideas (Bagozzi & Dholakia, 2002), as illustrated in following exchanges:

Pizza Hut: You are what you eat. What does your favorite pizza say about you?

Theresa: that im spicy and cheesy

*Blake*: I like pepperoni, extra cheese, and veggies...no mushrooms!!! Pepperoni...I can be zesty and tastey;), extra cheese...I can be extra cheesy hahaha like right now....and veggies...I like to take care of myself...and no mushrooms....well I just have good taste that's all! ^\_^

*Hunter*: it says that i am so the opposite of a vegetarian! Yeah meat lovers!!!

Jill: That I like bacon

Amanda: I'm Cheesey.

When members perceive that the community is interested in their opinions and encourages them to share, they are likely to participate in the dialogues with a company. Here is another example for the apparel brand community:

*H&M*: Have you ever been to a job interview? If yes, how did you dress for it? Tell us and let us know what you would wear to an H&M interview!

*Sharon*: For me is a combination of black & white coz its very formal & professional. Its either black slacks & blazer, or black skirt & blazer with white blouse & black high heel shoes. Tie your hair, show your face, chin up & you're ready to go.

*Maria*: Dress shirt and grey dress pants, I stick to grey, black, and white. They make one look professional!

*Lauren*: I showed up as myself!!! They love that! Totally casual and a bit different... And they hired me...again...:)

*Kathy*: red... it shows confidence

Mina: H&M wear of course!

*Gin*a: Wide orange fleece sweater, corduroy pants, yellow off course, nice offgreen mountain shoes and, unforgettable, a purple hair scrunchy with red dots... Got to luvvv that

*Linda*: The rule I always have heard is: Dress to look like you already work there. I remember I'd even select a perfume that smelled confident/capable! I might not wear perfume nowadays to an interview... too many people don't like fragrance.

While these dialogues demonstrate companies' seeding conversations that encourage sharing, companies sometimes reply to a member's post that does not necessarily need their response, as shown in the following posts:

Pamela: i went shopping with my friend here today!!!! got lots and lots of stuff

Forever 21: Great! What'd you buy?

*Pamela*: We spent like 200 dollars there haha! I got a cardigan, a dress, a belt, and those cool boho ear cuffs. My friend got two skirts, a sweater, a white button up, a tank, two tops, some accesories, a maxi dress, and a nail polish!

When members post their picture to share their experience, the interaction becomes more personal, as demonstrated in the following exchange:

Cheryl:



(Retrieved from www.facebook.com/oldnavy)

*Old Navy:* Aww! Too cute!! Looks like she made a friend! Thanks so much for sharing! Lindsay@CustomerRelations

Cheryl: You are welcome. She did not want to leave your dog, lol!

Some consumers expressed their emotional connection to the community, which can be argued as the overall relationship quality with BSN rather than one specific component of relationship quality, as can be seen in the following post:

Jake: I love having TacoBell as a facebook friend. Beefy 5 layer all day!!

Taco Bell: Thanks Jake!

They also appreciate well-managed community and express their respect for the BSN:

*Jacob*: Dropping by to say you guys are awesome for having a baller, well updated social networking page. Love seeing stuff like this from businesses in this day and age.

Taco Bell: Thanks!

When companies show that they care for and make efforts to develop a quality relationship with customers via BSN, it is likely that members build their emotional connection to the brand as well as the Brand Page.

# **Quantitative Data Analysis Plan**

# **Sampling**

Based on the research setting discussed in a previous section, the population of the quantitative analysis was defined as U.S. consumers who have used Brand Page on Facebook for apparel or restaurants/coffeehouses categories. After the population was identified, the research sample consisted of U.S. adult consumers (18 or older) who have browsed and/or participated in the Brand Page on Facebook for apparel or restaurants/coffeehouses categories during the past two weeks. The sampling frame was drawn from the list of consumer panel members managed by C&T Marketing Group, a U.S. marketing research firm specializing in consumer surveys. The firm managed more than 1.5 million U.S. volunteer opt-in panel members at the time of the survey. Opt-in panels are composed of respondents who voluntarily register to become members of the panel (Callegaro & Disogra, 2008). The firm provides the research sample from its designated sample source, involving random sampling of members within the target group. According to C&T Marketing Group, the firm analyzes and validates the data quality to identify inattentive and fraudulent respondents. Also, to ensure that the survey results are unbiased due to multi-panel membership of participants, the firm monitors the membership participation over time and removes members with activity that suggests the profile of a professional survey taker.

#### **Procedure**

When the researcher provided the marketing research firm with the final draft of survey and approved finished survey set-up, the firm launched the online survey. To invite panel members to take part in the survey, the firm made a standard panel email invitation. Respondents were reimbursed for their participation through Paypal account, which can be used to purchase products through the firm's redemption partners. The survey result indicated that most of respondents completed the survey within 10 minutes.

Data were collected for eight days from June 14 to June 22 in 2011. Among the invited members, a total of 1684 members accessed the survey. Among them, 895 members were screened out during the screening procedure and 288 participants quitted the survey. As a result, 501 completed responses were obtained, as planned. The incidence rate was calculated as a proportion of the number of those who successfully completed the survey to the number of total participants. Total participants include both the participants who successfully completed the survey (i.e., 501 participants) and those who attempted to participate in but did not pass the screening questions (i.e., 895 participants). Thus, the incidence rate 14 was 35.8%.

# **Survey Description**

**Screening questions**. To identify eligible respondents among the panel members contacted, three screening questions were included in the beginning of the survey. Respondents were not given any clue about whether these questions were screening questions or actual survey

1

<sup>&</sup>lt;sup>14</sup> Following the argument that "the term response rate is limited, inconsistently defined, and often abused when reporting metrics for online panels" (Callegaro & Disogra, 2008, p. 1025) and that this term is best to be avoided when reporting research using online panels (Eysenbach, 2004), this research reports incidence rate measuring the incidence of a specific phenomenon (i.e., BSN in a consumer-brand relationship context) among panel members.

questions. The first screening question asked respondents to select the social media websites that they had utilized at the time of the survey. Only those respondents whose answers included Facebook among all options (i.e., Facebook, Twitter, Myspace, LinkedIn, Others) were given the next question. All other respondents were screened out.

In the second screening question, respondents were asked to select the activities that they had done on Facebook during the past two weeks among multiple choices (e.g., browsed any brand's page on Facebook, uploaded pictures to any page on Facebook, posted messages on the Facebook Wall, etc.). Again, only those respondents whose answers included "browsed any brand's page on Facebook" were allowed to proceed to the survey. The time frame of two weeks was determined to prevent potential recall loss in terms of their experience with a Brand Page.

Two weeks also deemed appropriate given that (1) average consumers may not visit a particular brand's Page as frequently as they visit those of their personal contacts and thus it should be longer than a week, and (2) a previous study used the past one-month time frame to measure the online community experience for firm-sponsored online product communities (Nambisan & Watt, 2011) and thus it should be shorter than a month.

The last screening question was designed to identify respondents who had experienced with the Brand Page on Facebook for apparel or restaurant/coffeehouse categories. The question asked participants to select product or service categories for which they had browsed and/or participated in the Brand Page on Facebook during the past two weeks. For this question, the images of Brand Pages for two brands including Starbucks and Gap were presented with the definition of Brand Page on Facebook. The meaning of "browsing" and "participating in" the Brand Page was also explained so that respondents understand the question clearly. In this

research, "browsing" a Brand Page means reading whatever information on the Brand Page or looking at what others have done on the Brand Page. "Participating in" the brand page means actually doing some activities on the Brand Page (e.g., becoming a member of the Brand Page by clicking a "Like" button on top of the front brand page, posting a comment in any of platforms such as Wall and Discussions, clicking a "Like" button as a response to any postings, uploading pictures, participating in the poll or other events). Only those respondents whose answers included apparel or restaurant '5/coffeehouse category out of all categories including consumer technology, snack, and retail discount/specialty stores were further provided the main survey questions. These three screening questions, designed as a multiple choice rather than a simple yes/no question, were aimed to increase accuracy of respondent qualification by preventing false reporting. These screening questions prevented ineligible members from proceeding to the main survey.

Main survey questions. Those who passed all three screening questions were first asked to provide the name of the brand for which they had frequently visited. Because respondents could be positively biased toward having favorable attitudes toward the brands they selected, the instruction stated that the brand does "not" (with a capital, underlined font in the survey) have to be their favorite brand. In addition, several constructs measuring brand relationship, such as BRQ and brand loyalty, were useful to assess the respondents' general attitudes toward the brand. The results indicated that while the respondents' BRQ and brand loyalty were somewhat biased toward a positive side, none of them were significantly skewed. Thus, the concern about

<sup>&</sup>lt;sup>15</sup> In the multiple choice options for this question, a restaurant category was broken down into three sub-categories including fast food/fast casual restaurants, casual theme/upscale casual restaurants, and fine dining restaurants. This classification is based on Line et al.'s (in press) definition of restaurant type by five criteria (e.g., service quality, atmospheric level). Given that the types of restaurants may vary by individual's understanding, this specific category with examples were designed to help respondents to clearly understand the question.

potential bias of respondents' community evaluation was reduced. The brand name that an individual respondent provided in this question was automatically embedded in all remaining questions regarding the brand and BSN. As a result, all constructs framed in the research model except "online social connection" were measured for the respondent's experience associated with a specific brand and its SN.

In the next question, respondents were asked to identify the product/service category of the brand they provided in the previous question. This question was designed to prevent false reporting in relation to the brand name they provided in the previous question. In the pre-test, two respondents actually provided the brand name for neither category (i.e., apparel, restaurant/coffeehouse) and completed the survey based on that brand. By reassuring that the brand they provided must belong to one of the two product/service categories designated, the researcher attempted to minimize cases generated from false reporting or careless mistakes.

The remaining section was composed of questions under separate sections with following topics: behavioral loyalty, Brand Page on Facebook, online communication behavior, and demographic information. A conscious attempt was made to avoid measurement artifacts. This included assessing key dependent variables (e.g., brand loyalty) prior to their predictors (e.g., BRQ, BSN-related constructs) (Caroll & Ahuvia, 2006) and placing items within each construct in a random order.

#### **Survey Instrument Development**

The measurement scales employed in this research were adapted from the literature and modified to be tailored to the BSN context. The final measurement items were refined based on the following four steps: literature search, a content validity test, a pre-test and final revision.

Literature Search: Initial Item Generation. Measurement items were generated from a review of literature in consumer-brand relationship, relationship marketing, brand community, and consumer online behavior and adapted to correspond with the BSN context. In this section, sources used in the development of each scale are provided along with the operational definition of the construct in the scaleAll of items except "behavioral loyalty" and "experience with BSN" were measured on a 7-point Likert scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). Table 10 shows the original scale items for the constructs used in this study (the final measurement items are summarized in Table 12).

Table 10. Original scale items for constructs

Construct name in this	Construct name in	Scales	Reliability <sup>1</sup>	Source
study	original study			
Social benefit	Social benefit perceptions	<ul> <li>The social aspects of the eBay forums are important to me.</li> <li>In the eBay forums, I get to know other people who are interested in eBay.</li> <li>I enjoy the conversational interactions in the eBay forums.</li> <li>I enjoy communicating with other eBay forum members.</li> </ul>	0.92	Dholakia et al. (2009)
Informational benefit	Functional benefit perceptions	<ul> <li>The information provided by the eBay forums is valuable.</li> <li>The information provided by the eBay forums is useful.</li> <li>The eBay forums provide information at an appropriate level of detail.</li> <li>In the eBay forums, there are good features that help me to accomplish my tasks.</li> </ul>	0.93	Dholakia et al. (2009)
Hedonic benefit	Enjoyment	<ul> <li>I enjoy browsing and/or participating in this message board.</li> <li>Browsing and/or participating in this message board enriches my life.</li> <li>Overall, I enjoy browsing and/or participating in this message board.</li> </ul>	0.90	Chan & Li (2010)
Economic	Recognition for contribution to community	<ul> <li>The community provides proper rewards to activate members for their efforts.</li> <li>The community provides strong supports for various active member activities.</li> <li>The community shows proper gratitude to actively participating members.</li> </ul>	0.935	Kim et al. (2008)
benefit	Incentive seeking	<ul> <li>I visit this brand community</li> <li>To get a reward for my continued participation</li> <li>Because the community offers incentives (e.g., cyber money, coupons, promotional deals or free samples).</li> <li>Because the community gives me loyalty incentives for my continued participation</li> </ul>	0.60	Sung et al. (2010)

Table 10. (Continued)

Construct name in this study	Construct name in original study	Scales	Reliability <sup>1</sup>	Source
Commitment  BSN relationship quality		<ul> <li>This game site plays an important role in my daily life.</li> <li>I feel something amiss when I stop using this game site.</li> <li>I have made a commitment to this game site.</li> <li>I keep this game site in mind all the time.</li> <li>I am willing to make sacrifices to keep using this game site.</li> <li>I will stay with this game site through good times and bad.</li> </ul>	0.92	Park et al.
	Trust	<ul> <li>This game site is reliable and dependable.</li> <li>I have a lot of respect for this game site.</li> <li>I feel safe and secure when I use this game site.</li> <li>This game site adds a sense of stability to my life.</li> </ul>	0.88	(2005)
	Partner quality	<ul> <li>This game site treats me like a valuable customer.</li> <li>This game site shows continuing interest in me.</li> <li>This game site takes good care of me.</li> </ul>	0.86	
Perceived relationship investment	Perceived relationship investment	<ul> <li>This store makes efforts to increase regular customers' loyalty.</li> <li>This store makes various efforts to improve its tie with regular customers.</li> <li>This store really cares about keeping regular customers.</li> </ul>	$N/A^2$	De Wulf et al. (2001)
Brand relationship quality	Brand relationship quality	<ul> <li>{#brand} says a lot about the kind of person I am.</li> <li>{#brand}'s image and my self-image are similar in many respects.</li> <li>{#brand} plays an important role in my life.</li> </ul>	0.81	Algesheim er et al. (2005)
BSN WOM	Positive WOM	<ul> <li>I have recommended this brand to lots of people.</li> <li>I 'talk up' this brand to my friends.</li> <li>I try to spread the good-word about this brand.</li> <li>I give this brand tons of positive word-of-mouth advertising.</li> </ul>	N/A <sup>3</sup>	Carroll & Ahuvia (2006)
BSN stickiness	Behavioral intention to use	<ul> <li>I plan to use the Web in the future.</li> <li>I intend to continue using the Web in the future.</li> <li>I expect my use of the Web to continue in the future.</li> </ul>	0.97	Agarwal & Karahanna (2000)

Table 10. (Continued)

Construct	Construct	Scales	Reliability <sup>1</sup>	Source
name in this study	name in original study			
Willingness to pay a price premium	Willingness to pay a price premium	<ul> <li>I would be willing to pay a higher price at this store over other similar stores.</li> <li>I prefer to shop at this store, even if another store advertises a lower price.</li> <li>What percentage of your total expenditures for clothing do you spend in this store?</li> <li>Of the 10 times you select a store to buy</li> </ul>	0.72, 0.78 <sup>4</sup> N/A <sup>5</sup>	Chaudhuri & Ligas (2009)
loyalty	loyalty	<ul><li>clothes at, how many times do you select this store?</li><li>How often do you buy clothes in this store compared to other stores where you buy clothes?</li></ul>		al. (2001)
Online social connection	Online social connection	<ul> <li>If I couldn't communicate online, I would feel "out of loop" with my friends.</li> <li>If I lost Internet access, I think I would probably lose contact with many of my friends.</li> <li>Without the Internet, my social life would be drastically different.</li> <li>I would communicate less with my friends if I couldn't talk with them online.</li> <li>Losing Internet access would not change my social life at all.</li> <li>Online communication is not an important part of my social life.</li> </ul>	N/A <sup>6</sup>	Ledbetter (2009)

Note:

<sup>&</sup>lt;sup>2</sup> Values provided in the Table are composite reliability scores except for following studies using Cronbach  $\alpha$  (Kim et al., 2008; Park et al., 2005; Sung et al., 2010).

<sup>&</sup>lt;sup>2</sup>Although the reliability scores of individual constructs were not provided in the original paper, De Wulf et al. (2001) stated that all scales used in their paper demonstrated good reliabilities satisfying following two criteria: composite reliability ranging between .60 and .80 and the average variance extracted exceeding .50.

<sup>&</sup>lt;sup>3</sup> Although the reliability scores of individual constructs were not provided in the original paper, Carroll and Ahuvia (2006) reported that the coefficient alpha for all scales used in the study ranged from .84 to .94.

<sup>4</sup> The study was replicated in two different retail settings: a specialty food store (Study 1) and a traditional grocery

<sup>&</sup>lt;sup>4</sup> The study was replicated in two different retail settings: a specialty food store (Study 1) and a traditional grocery store (Study 2). Thus, composite reliability score for each study was reported.

<sup>&</sup>lt;sup>5</sup> Although the reliability scores of individual constructs were not provided in the original paper, De Wulf et al. (2001) stated that all scales used in their paper demonstrated good reliabilities satisfying following two criteria: composite reliability ranging between .60 and .80 and the average variance extracted exceeding .50.

<sup>&</sup>lt;sup>6</sup> Although the reliability scores of individual constructs were not provided in the original paper, Ledbetter (2009) reported that Cronbach's α for several dimensions including online social connection construct ranged from .70 to .87.

Social benefit. As revealed by a review of literature, many of researchers have explored motivations or benefits of using OCCs, which are related to social aspects. In this study, the social benefit of a BSN is defined as a consumer's perception of the extent to which BSN offers social benefits including interaction or communication with other consumers. Based on this definition, items are adopted from Dholakia et al. (2009), who measured consumers' perceived social benefit of firm-hosted virtual P3 communities (i.e., eBay Help Forums, a P3 community hosted by a global B2B software firm). While these measures were developed in the context of P3 communities, the content of items also reflected the social aspect of BSN.

Informational benefit. In this study, the informational benefit of BSN measures a consumer's perception of the extent to which a BSN offers informational resources such as brand information and news on products, events or activities. Four measures for functional benefit perceptions developed by Dholakia et al. (2009) were again modified for the BSN context.

Dholakia et al. indicate that the functional benefits of P3 communities are derived from the direct, information-based support provided by the community in solving the specific issue. This also applies to BSN where one of the primary reasons for the consumer visit is seeking information about products or brands.

Hedonic benefit. In this study, hedonic benefit of the BSN is defined as a consumer's perception of the extent to which BSN offers the entertaining aspect of consumer experience. As revealed in the literature, extant research on OCC is predominantly focused on the utilitarian aspects of communities, and the hedonic aspects of OCC are relatively less emphasized. However, several researchers have explored the individual enjoyment of and an interaction experience with the online community (e.g., Bagozzi & Dholakia, 2006; Chan & Li, 2010;

Nambisan & Watt, 2011; Schroer & Hertel, 2009). Among those studies, items used by Chan and Li (2010), which were originated from Mangleburg et al. (2004) and Webster and Martocchio (1992), were adapted in this study. In their study of online communities of beauty products, Chan and Li found that consumers' perceived enjoyment of an online community positively influenced the consumers' engagement (i.e., reciprocating behaviors) in the community.

Economic benefit. An economic benefit of the BSN is defined in this study as a consumer's perception of the extent to which BSN offers economic incentive such as special offers and promotional deals. Compared to the other three BSN benefit constructs, economic benefit has not been much explored in prior academic studies because it is a unique benefit that only BSN provides to the members. This study adapts items from two studies (Kim et al., 2008; Sung et al., 2010) that capture the concepts of "recognition for contribution to community" and "incentive seeking," respectively. As reflected in the names of original scales, both scales measure some extrinsic motivation for receiving rewards or incentives in the online community. However, given that neither scale accurately reflects the economic benefits of BSN, modifications were made to tailor them to the BSN context. For example, several terms relevant only to a specific type of brand community, such as cyber money and active members, were removed in the statement. Also, too vaguely worded items (e.g., proper gratitude, proper rewards) were also modified to reflect specific benefits of BSN, such as updates on upcoming sales, special offers (e.g., discounts, promotions), emerged in the qualitative investigation.

**BSN relationship quality.** As discussed in Chapter 2, using the consumer-brand relationship concept for conceptualizing the consumer-online brand community relationship demonstrates considerable face validity because both concepts share common characteristics

(Brown et al., 2007). BSN relationship quality is defined in this study as a consumer's overall assessment of the strength of his or her relationship with the BSN. Hennig-Thurau and Klee (1997) argue that consumers' perception of service quality is a critical component of their overall perception of relationship quality because the exchange of service is a fundamental feature in buyer-seller relationship. Also, in their conceptualization of relationship quality in a B2B context (i.e., courier delivery service industry), Rauyruen and Miller (2007) view perceived service quality as a basic component of relationship quality in addition to other components such as trust and commitment. Therefore, based on the literature and their suitability to the context of BSN, three dimensions—commitment, trust, and partner quality—were selected to best represent the concept of BSN relationship quality. Items measuring these three dimensions were adapted from Park et al.'s (2005) study that examines a consumer-brand relationship in an online setting (i.e., Internet game site).

Perceived relationship investment. De Wulf et al.'s (2001) three scale items for perceived relationship investment were adapted for the BSN context. Following De Wulf et al.'s definition, this construct is defined here as a consumer's perception of the extent to which a brand devotes resources, efforts, and attention aimed at maintaining or enhancing relationships with the consumer.

*Brand relationship quality*. Brand relationship quality has been measured in a number of ways. While different measures of BRQ construct have been suggested by various researchers (e.g., Adjei et al., 2010; Ashworth et al., 2009; Fournier, 2000), the current research employs three measures for BRQ from Algesheimer et al.'s (2005) study of brand community.

**BSN WOM.** BSN WOM is defined in this study as the degree to which a consumer praises a BSN to others. Although a number of scale items measure the WOM construct, this study adapts four items from Carroll and Ahuvia (2006) to reflect the context of BSN.

*BSN stickiness*. BSN stickiness conceptualizing behavioral intention to use BSN is defined in this study as a consumer's repetitive visits to and uses of the BSN because of a deeply held commitment to reuse the website consistently in the future, despite situational influences and marketing efforts that have the potential to cause switching behavior (Li et al., 2006). Items measuring this construct were adapted from Agarwal and Karahanna's (2000) study, which originally measured behavioral intention to use Web.

Willingness to pay price premium. As one of the constructs that assess consumers' brand loyalty, this study chose willingness to pay price premium, defined here as the propensity of a consumer to pay a higher price for a particular brand item despite the availability of a similar item elsewhere at a lower price (Chaudhuri & Ligas, 2009). Two items from Chaudhuri and Ligas (2009) that measured customer loyalty in the retail store context were modified to suit the context of loyalty toward a brand.

*Behavioral loyalty*. Although a consumer's behavioral loyalty has been measured in a number of ways, this study adopted De Wulf et al.'s (2001) conceptualization of behavioral loyalty. Following their definition, behavioral loyalty is here defined as loyalty based on a consumer's purchasing frequency and amount spent for a brand compared with the amount spent for other brands which the consumer would have bought. Three open-ended questions were used for this measure.

Online social connection. Following the definition of OSC by Ledbetter (2009), online social connection is defined as the extent to which a consumer believes that online communication is an important part of the consumer's social life. Original items are adopted from Ledbetter (2009), which were also utilized by Ledbetter et al. (2011) in the study of communication behavior among Facebook users.

Experience with BSN. Experience with BSN was measured by asking when respondents first visited the Brand Page for the specific brand they provided in the survey. Five-point rating scale (1 = "6 months or less ago," 2 = "More than 6 months but less than 1 year ago," 3 = "Between 1 year and 1.5 years," 4 = "More than 1.5 years but less than 2 years ago," 5 = "2 years or more ago") was used. Since respondents were asked to provide the brand name for which they had "frequently" visited, it was assumed that they had a certain level of experience with the Brand Page they provided. Therefore, using a single item measuring a first visit time of BSN deemed appropriate for the measurement of the experience with BSN.

Qualitative investigation of BSN benefits. To enhance face validities of the BSN benefit constructs, the following steps were additionally taken. Twenty nine undergraduate students taking a Consumers in the Marketplace course at the University of Tennessee participated in the study as part of the course requirement. During one of their class sessions covering social media marketing, they were asked to list the reasons why they visited the Brand Page on Facebook. The open-ended questionnaire included additional questions about some basic information about their use of Facebook Brand Page, such as use frequency, the website of the brand which they previously visited, and the level of brand interest. All students reported that

they had Facebook account and visited the website. Among them, 21 students reported that they had visited or been a member of a certain brand's Page on Facebook. Most students listed five or less reasons for visiting a Brand Page. In the next class session, the same students were formed into groups (four to five students in each group) and were asked to collate and synthesize the answers that they provided in the survey questionnaire from the previous class session. They were also asked to discuss any other possible reasons that general consumers might visit a certain brand's Brand Page on Facebook or benefits that consumers might derive from visiting those Brand Pages. Most groups provided 10 or less reasons or benefits.

The researcher coded the answers provided in this second group activity based upon the possible categories for BSN benefits. A total of 81 items were provided from this qualitative input. Some of the examples for each benefit are as follows. For informational benefits, students listed product update, company information, product search (e.g., e-catalog, product support information), brand news, and idea generation (e.g., fashion tips, getting ideas). Economic benefits included promotional offers, discount codes for online purchases, coupons to print out for in-store purchases, promotions/sales information, incentive to follow the Brand Page, special prizes, and other incentives. Students also listed hedonic benefits such as to have fun, to relieve boredom, and to be entertained. Finally, social benefits that students listed were to find people who like the same brand, to socialize, to share experience, and to see what other members have posted about the products. In addition to these lists, four responses were categorized as "others" as they did not belong to any of the four benefits. Those included "to support the company," "to support the brand," "to show your support," and "shopping." First three items reflected "brand support" dimension which deemed inappropriate to be included as BSN benefits in Chapter 2,

and shopping was excluded due to a significant low percentage of response. In brief, the result of this analysis showed that the answers provided by students were clearly represented by the four BSN benefit constructs identified in a literature review.

Content Validity Test. The measurement items for all constructs were reviewed by a group of expert judges through two sessions (i.e., one session with four academic researchers and the other session with 11 doctoral students majoring in Retail, Hospitality, and Tourism Management) at the University of Tennessee. Experts were provided an explanation of the study context, the definition of each construct, and the overall research model. Then they evaluated each item with respect to wording, fit with construct, item clarity, readability, and completeness. Revisions were made based on the judges' feedbacks for the pre-test.

**Pre-test.** A pre-test survey was administered to refine the measurement items generated from the previous steps. A convenience sample of undergraduate students was recruited from three different courses at the department of Retail, Hospitality, and Tourism Management at the University of Tennessee. An incentive for participation was extra course credit. To ensure that participants were motivated to exert effort, the objective of the study and the brief instruction of the survey were provided to the students. A total of 81 usable surveys were obtained. To check the unidimensionality of the constructs, composite reliabilities of all constructs were measured. The reliabilities ranged from 0.778 to 0.964, demonstrating satisfactory levels of internal consistency (Nunnally & Bernstein, 1994).

Table 11. Reliabilities of constructs: Pre-test

Constructs	Number of items	Composite reliability
Social benefit	4	0.851
Informational benefit	4	0.870
Hedonic benefit	3	0.835
Economic benefit	3	0.778
BSN relationship quality	13	0.964
Perceived relationship investment	3	0.897
Brand relationship quality	3	0.895
BSN WOM	4	0.943
BSN stickiness	3	0.919
Willingness to pay price premium	2	0.936
Behavioral loyalty	3	0.789
Online social connection	6	0.802

**Final Revision.** Based on the results of pre-test, content validity of the refined items was examined by four expert judges (three doctoral students specializing in Retail, Hospitality, and Tourism Management and one academic faculty member). At this stage, not only measurement items but the overall flow of the questions and the content of the survey (e.g., question text, other descriptions) were reviewed. Small revisions to the final version of the questionnaire were made. Examples included "I give {#brand}'s FB page *tons* of positive word-of-mouth advertising," to "I give {#brand}'s FB page *lots* of positive word-of-mouth advertising"; and "I feel something amiss when I stop using {#brand}'s FB page." Some other wordings in the instruction of questions were slightly modified.

# **Preliminary Analyses**

Prior to performing the main data analyses, preliminary analyses were conducted to evaluate the two sets of constructs: BSN benefits and BSN relationship quality. Specifically, their hierarchical

relations between constructs and multidimensionality were assessed to determine the best way to measure these two constructs. First, four BSN benefits, which were suggested to be categorized into two distinct dimensions (i.e., utilitarian and hedonic benefits) in Chapter 2, were assessed in terms of the structure and relationships among constructs. Second, BSN relationship quality, which was adapted from the brand relationship quality construct originally modeled as a second-order factor, was evaluated in terms of its multidimensionality. Although the same preliminary analyses with a pre-test data suggested similar results<sup>16</sup>, from a methodological standpoint, the small sample size (N=81) precluded the conclusion of construct dimensions. Thus, the constructs were evaluated with the main data.

#### **Construct Evaluation**

BSN benefits. Although four different BSN benefits emerged in the literature review, a deductive approach for identifying these benefits suggested that the BSN benefit constructs could be combined into two dimensions in terms of utilitarian (i.e., informational, economic) and hedonic (i.e., social, hedonic) aspect of BSN benefits (Batra & Ahtola, 1990; Childers et al., 2001; Crowley et al., 1992). Given this theoretical suggestion, several alternative ways to measure these constructs were considered. First, each pair of two BSN benefits could be treated as a second-order construct such that (a) utilitarian benefit is reflected by informational benefit and economic benefit and (b) hedonic benefit is reflected by social benefit and hedonic benefit.

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 $<sup>^{16}</sup>$  For BSN benefits, the correlation of constructs was 0.762 (p < 0.01) between information benefit and economic benefit and 0.628 (p < 0.01) between social benefit and hedonic benefit. Similar to the result of the analysis with main data, the correlation between information and hedonic benefit was also high (0.678). The correlations of other pairs were less than 0.50. Also, all three dimensions of BSN relationship quality were highly correlated (p < 0.01) with the correlation coefficient of 0.814 between BCO and BTR, 0.798 between BCO and PQ, and 0.671 between BCO and PQ.

Second, each pair of two BSN benefits could be treated as a first-order factor such that (a) utilitarian benefit is measured by the indicators of both informational and economic benefits and (b) hedonic benefit is measured by the indicators of both social and hedonic benefits. As an initial method to measure these constructs, the structures of BSN benefit constructs were assessed by examining correlations of all items for BSN benefit constructs as well as correlations of constructs.

The result revealed high correlation coefficients (p < 0.01) among items particularly between (a) informational benefit and economic benefit (ranging from 0.610 to 771) and (b) social benefit and hedonic benefit (ranging from 0.492 to 710). This indicated that each of the two constructs could measure a similar concept for the context of BSN and could be combined together, supporting the theoretical standpoint taken in Chapter 2. Although informational benefit and hedonic benefit were also highly correlated (ranging from 0.595 to 0.828), given that aforementioned pairs of constructs received a strong theoretical support, the researcher decided to combine these pairs of constructs as the same constructs, that is, hedonic and social benefits as experiential benefits and informational and economic benefits and functional benefits. In addition, high correlations of constructs within a dimension (i.e., utilitarian, hedonic) indicated that they could be measuring a similar concept. The correlation of constructs was 0.812 between informational benefit and economic benefit and 0.826 between social and hedonic benefit. Thus, treating them as a first-order factor deemed more proper than a second-order factor. Based on this theoretical and empirical judgment, BSN benefit constructs were categorized into two

distinct dimensions<sup>17</sup>: (a) experiential benefits composed of informational benefits and economic benefits and (b) functional benefits composed of social and hedonic benefits.

BSN relationship quality. The three dimensions of BSN relationship quality (i.e., commitment, trust, partner quality) also appeared to be highly correlated with each other. The correlation of constructs was 0.856 between commitment and trust, 0.837 between partner quality and commitment, and 0.900 between partner quality and trust. Thus, BSN relationship quality as a higher-order construct consisting of multi-dimensions was not clearly represented. This result was also corroborated by the Qualitative Exploration of BSN in that three relationship components reflected in the interaction and communication on BSN were not clearly distinctive but conceptually related to each other. Thus, while acknowledging that the three dimensions—commitment, trust, partner quality—best represent the concept of BSN relationship quality, the researcher decided to treat BSN relationship quality as a first-order factor reflected by a total of 13 indicators of all three dimensions.

#### **Final Measurement**

Based on the result of preliminary analyses, final constructs with their measurement items are organized in Table 12.

<sup>&</sup>lt;sup>17</sup> Since the term "hedonic benefit" originally identified in the literature review in this research was repeated in the "hedonic benefit" used as a dyadic dimension of hedonic vs. utilitarian dimensions in consumer literature, to avoid confusion, another term "experiential benefit" was used as a final term. The term "functional benefit" also replaced "utilitarian benefit."

Table 12. Summary of final measures

Construct	Measures
Experiential	The social aspects of {#brand}'s FB page are important to me.
benefit	• On {#brand}'s FB page, I get to know other people who are interested in this brand.
	• I enjoy the conversational interactions on {#brand}'s FB page.
	• I enjoy communicating with other members on {#brand}'s FB page.
	• I enjoy browsing and/or participating in {#brand}'s FB page.
	Browsing and/or participating in {#brand} 's FB page enriches my life.
	• Overall, I enjoy browsing and/or participating in {#brand} 's FB page.
Functional	• The information provided by {#brand}'s FB page is valuable.
benefit	• The information provided by {#brand}'s FB page is useful.
	• {#brand}'s FB page provides information at an appropriate level of detail.
	• On {#brand}'s FB page, there are good features that help me to accomplish my tasks.
	• {#brand}'s FB page provides special offers (e.g., discounts, promotions) to me.
	• {#brand}'s FB page provides updates on upcoming sales.
	• {#brand}'s FB page gives me loyalty incentives for my continued participation.
BSN	• {#brand}'s FB page plays an important role in my daily life.
relationship	• I feel something is amiss when I stop using {#brand}'s FB page.
quality	• I have made a commitment to {#brand} 's FB page.
	• I keep {#brand}'s FB page in mind all the time.
	• I am willing to make sacrifices to keep using {#brand} 's FB page.
	• I will stay with {#brand}'s FB page through good times and bad times.
	• {#brand}'s FB page is reliable and dependable.
	• I have lots of respect for {#brand}'s FB page.
	• I feel safe and secure when I use {#brand}'s FB page.
	• {#brand}'s FB page adds a sense of stability to my life.
	• {#brand}'s FB page treats me like a valuable customer.
	• {#brand}'s FB page shows continuing interest in me.
	• {#brand}'s FB page takes good care of me.
Perceived	• {#brand} makes efforts to increase customers' loyalty.
relationship	• {#brand} makes various efforts to improve its tie with customers.
investment	• {#brand} really cares about keeping customers.
Brand	• {#brand} says a lot about the kind of person I am.
relationship	• {#brand}'s image and my self-image are similar in many respects.
quality	• {#brand} plays an important role in my life.
BSN WOM	• I have recommended {#brand}'s FB page to lots of people.
	• I 'talk up' {#brand}'s FB page to my friends.
	• I try to spread the good word about {#brand}'s FB page.
	• I give {#brand}'s FB page lots of positive word-of-mouth advertising.
BSN	• I plan to keep using {#brand}'s FB page in the future.
stickiness	• I intend to continue using {#brand}'s FB page in the future.
	• I expect my use of {#brand}'s FB page to continue in the future.
Willingness	• I would be willing to pay a higher price for {#brand} over other similar brands.
to pay price	• I prefer to purchase from {#brand} even if another brand advertises a lower price.
premium	

Table 12. (Continued)

Construct	Measures				
Behavioral loyalty	• What percentage of your total expenditures for {#category} do you spend with {#brand}? Please enter a number between 0 and 100.				
	<ul> <li>How often do you spend with {#brand} compared to other brands in {#category} category?</li> <li>Very rarely</li> </ul>				
	<ul><li>Rarely</li><li>Occasionally</li></ul>				
	<ul><li>Frequently</li><li>Very frequently</li></ul>				
	• Of the ten times you select a brand for {#category}, how many times do you choose {#brand}? Please enter a number between 0 and 10.				
Online social	If I couldn't communicate online, I would feel 'out of loop' with my friends.				
connection	If I lost Internet access, I think I would probably lose contact with many of my friends.				
	Without the Internet, my social life would be drastically different.				
	I would communicate less with my friends if I couldn't talk with them online.				
	Losing Internet access would not change my social life at all.				
	Online communication is not an important part of my social life.				
Experience	When did you first visit {#brand}'s page on Facebook?				
with BSN	o 6 months or less ago				
	o More than 6 months but less than 1 year ago				
	o Between 1 year and 1.5 years				
	o More than 1.5 years but less than 2 years ago				
	o 2 years or more ago				

#### Note:

The name of a particular brand, which individual respondent typed in one of their questions, was automatically embedded in the spot of {#brand}. In the same fashion, the name of product/service category, which respondents identified in one of their questions, was automatically embedded in the spot of {#brand}.

# **Revised Research Hypotheses**

Based on the results of qualitative exploration and a preliminary analysis in this chapter, proposed research hypotheses are revised as follows:

H1: The perceived BSN benefits will have a positive effect on BSN relationship quality such that:

H1a: Experiential benefit will have a positive effect on BSN relationship quality.

H1b: Functional benefit will have a positive effect on BSN relationship quality.

H2: The perceived BSN benefits will have a positive effect on perceived relationship investment such that:

H2a: Experiential benefit will have a positive effect on perceived relationship investment.

H2b: Functional benefit will have a positive effect on perceived relationship investment.

H3: Online social connection moderates the positive relationship between perceived BSN benefits and BSN relationship quality such that:

With stronger online social-connection, the positive relationship between experiential benefit and BSN relationship quality will be strengthened.

H4: Experience with BSN moderates the positive relationship between perceived BSN benefits and BSN relationship quality such that:

With lesser experience with BSN, the positive relationship between functional benefit and BSN relationship quality will be strengthened.

H5: BSN relationship quality will have a positive effect on brand relationship quality.

H6: BSN relationship quality will have a positive effect on BSN loyalty such that:

H6a: BSN relationship quality will have a positive effect on BSN WOM.

H6b: BSN relationship quality will have a positive effect on BSN stickiness.

H7: Perceived relationship investment will have a positive effect on brand relationship quality.

H8: Brand relationship quality will have a positive effect on BSN loyalty such that:

H8a: Brand relationship quality will have a positive effect on BSN WOM.

H8b: Brand relationship quality will have a positive effect on BSN stickiness.

H9: Brand relationship quality will have a positive effect on brand loyalty such that:

H9a: Brand relationship quality will have a positive effect on willingness to pay price premium.

H9b: Brand relationship quality will have a positive effect on behavioral loyalty.

H10: BSN loyalty will have a positive effect on brand loyalty such that:

H10a: BSN WOM will have a positive effect on willingness to pay price premium.

H10b: BSN WOM will have a positive effect on behavioral loyalty.

H10c: BSN stickiness will have a positive effect on willingness to pay price premium.

H10d: BSN stickiness will have a positive effect on behavioral loyalty.

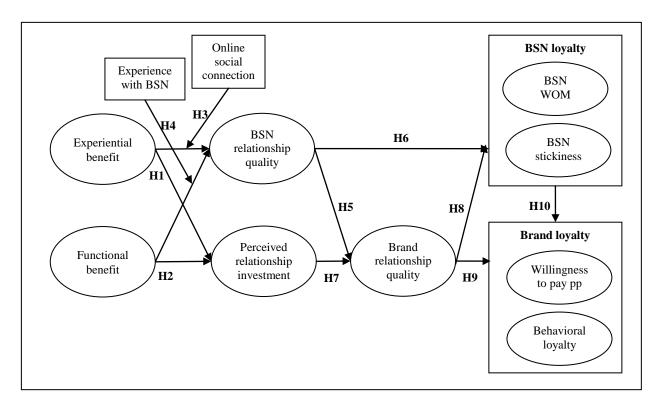


Figure 4. Research model

# **Descriptive Statistics**

Demographic Characteristics of Respondents. An overview of the demographic characteristics of respondents is provided in Table 13. Their ages ranged from 19 to 56 with the mean age of 37.67 (standard deviation 8.72). Specifically, 22.3% were aged 18-30; 40.1% were aged 31-40; 28.3% were aged 41-50; and 9.3% were aged 51-60. A total of 64% of respondents were female. With respect to ethnicity, more than three quarters of the respondents (78.7%) were Caucasian, followed by Asian or Pacific Islander (8.2%), African-American (6.7%), and Hispanic (5.7%). The majority of respondents (85%) attended some college or earned bachelor's or a higher degree of education. Also, respondents represented all income categories ranging from under \$20,000 to over \$100,000. While the proportion of the respondents was distributed

fairly evenly throughout all income groups, 20.1% of respondents reported over \$100,000, followed by \$70,000 to \$79,999 (12.9%) and \$50,000 to \$59,999 (11.6%).

Table 13. Demographic characteristics of respondents

Demographics			Frequency			Percentage	
		Apparel	Restaurant/ coffeehouse	Total	Apparel	Restaurant/ coffeehouse	Total
Gender	Male	50	90	140	35.5%	36.3%	36%
	Female	91	158	249	64.5%	63.7%	64%
Age	18-30	40	47	87	28.4%	19.0%	22.3%
	31-40	67	89	156	47.5%	35.9%	40.1%
	41-50	27	83	110	19.1%	33.4%	28.3%
	51-60	7	29	36	5.0%	11.7%	9.3%
	60+	0	0	0	0.0%	0.0%	0.0%
Ethnicity	Caucasian	110	196	306	78.0%	79.0%	78.7%
	African-American	12	14	26	8.5%	5.6%	6.7%
	Hispanic	6	16	22	4.3%	6.5%	5.7%
	Asian or Pacific Islander	12	20	32	8.5%	8.1%	8.2%
	Native American	0	0	0	0.0%	0.0%	0.0%
	Other	141	2	3	0.7%	0.8%	0.8%
Income	Under \$20,000	7	14	21	5.0%	5.6%	5.4%
	\$20,000 to \$29,999	8	20	28	5.7%	8.1%	7.2%
	\$30,000 to \$39,999	7	31	38	5.0%	12.5%	9.8%
	\$40,000 to \$49,999	10	21	31	7.1%	8.5%	8.0%
	\$50,000 to \$59,999	13	32	45	9.2%	12.9%	11.6%
	\$60,000 to \$69,999	16	18	34	11.3%	7.3%	8.7%
	\$70,000 to \$79,999	23	27	50	16.3%	10.9%	12.9%
	\$80,000 to \$89,999	13	20	33	9.2%	8.1%	8.5%
	\$90,000 to \$99,999	12	19	31	8.5%	7.7%	8.0%
	Over \$100,000	32	46	78	22.7%	18.5%	20.1%

Table 14. (Continued)

Demographics		Frequency			Percentage		
Education	High school or less	8	28	36	5.7%	11.3%	9.3%
	Vocational/Technical school (2 year)	6	16	22	4.3%	6.5%	5.7%
	Some college	38	56	94	27.0%	22.6%	24.2%
	College graduate (4 year)	61	97	158	43.3%	39.1%	40.6%
	Graduate degree (Master's, PhD)	19	40	59	13.5%	16.1%	15.2%
	Professional degree (MD, JD, etc)	8	9	17	5.7%	3.6%	4.4%
	Other	1	2	3	0.7%	0.8%	0.8%

Note:

Residence information measured by a respondent's residential zip code is not presented in this Table.

**Product/Service Category.** Among a total of 389 respondents, 141 respondents selected a brand in the apparel category and 248 respondents opted for the restaurant/coffeehouse category (see Table 14). To detect any notable discrepancies in demographic characteristics between apparel and restaurant/coffeehouse categories, two statistical analyses (i.e., t-tests,  $\chi^2$  tests) were performed. The result revealed that the respondents who opted for the apparel category were younger and had higher income than the respondents who chose the restaurant/coffeehouse category (see Table 15). No significant differences in gender, ethnicity, and education were found between two groups (see Table 16).

**Table 15. Frequency of product categories** 

Brand Category	Frequency	Percent
Apparel	141	36.2%
Restaurant/Coffeehouse	248	63.8%
Total	389	100%

Table 16. Sample comparison: t-tests

Variable	Category	N	Mean	t-statistic	p-value
Age	Apparel	141	35.15	-4.539	0.00
	Restaurant/coffeehouse	248	39.10		
Income <sup>1</sup>	Apparel	141	6.65	2.295	0.02
	Restaurant/coffeehouse	248	5.96		

Note:

Table 17. Sample comparison: χ2 tests

Variable	$\chi^2$	df	p-value
Gender	0.027	1	0.913
Ethnicity	1.916	4	0.751
Education	6.211	6	0.400

<sup>&</sup>lt;sup>1</sup> Mean scores are based on a 10-point rating scale (1 = "under \$20,000," 2 = "\$20,000 to \$29,999," 3 = "\$30,000 to \$39,999," 4 = "\$40,000 to \$49,999," 5 = "\$50,000 to \$59,999," 6 = "\$60,000 to \$69,999," 7 = "\$70,000 to \$79,999," 8 = "\$80,000 to \$89,999," 9 = "\$90,000 to \$99,999," 10 = "over \$100,000").

Data Distribution. The descriptive statistics of measurement items are shown in Table 17. Most items except for behavioral loyalty were worded as statements and rated based on a seven-point Likert scale anchored by "strongly disagree" to "strongly agree." Means for Likert scale items ranged from 3.61 to 5.65, standard deviation ranged from 1.177 to 2.093, and min/max value for all items achieved the full range of 1 to 7. To check the univariate normality of data, values for skewness and kurtosis were calculated. The absolute values of skewness values ranged from 0.001 to 0.994, and the absolute value of kurtosis ranged from 0.003 to 1.291. If either (or both) skewness and kurtosis has absolute values greater than 3.0, the distribution of the item considered as non-normal (Bollen, 1989). As seen in Table 17, none of the items raised concerns for univariate nonnormality of the data.

Table 18. Assessment of normality

Con	struct	Item	Min	Max	Mean	STD	Skewness	Kurtosis
Experiential	benefit	SB1	1	7	4.65	1.703	-0.402	-0.621
•		SB2	1	7	4.80	1.660	-0.500	-0.542
		SB3	1	7	4.88	1.460	-0.358	-0.355
			1	7	4.44	1.761	-0.268	-0.854
		HB1	1	7	5.34	1.325	-0.574	0.011
		HB2	1	7	4.62	1.741	-0.362	-0.730
		HB3	1	7	5.31	1.311	-0.428	-0.203
Functional be	enefit	IB1	1	7	5.48	1.267	-0.690	0.156
		IB2	1	7	5.48	1.198	-0.587	0.256
		IB3	1	7	5.37	1.248	-0.532	0.034
		IB4	1	7	4.91	1.562	-0.580	-0.299
		EB1	1	7	5.65	1.253	-0.902	0.916
		EB2	1	7	5.59	1.177	-0.550	-0.228
		EB3	1	7	5.01	1.575	-0.661	-0.098
BSN	Commitment	BCO1	1	7	3.86	1.932	0.037	-1.167
relationship	Communicati	BCO2	1	7	3.61	1.942	0.156	-1.152
quality		BCO3	1	7	4.52	1.771	-0.373	-0.682
quanty		BCO4	1	7	4.04	2.037	-0.159	-1.270
		BCO5	1	7	3.86	2.013	0.021	-1.245
		BCO6	1	7	4.77	1.597	-0.449	-0.315
	Trust	BTR1	1	7	5.40	1.264	-0.764	0.740
	Trust	BTR1	1	7	5.09	1.389	-0.704	0.006
		BTR3	1	7	5.16	1.524	-0.471	0.000
		BTR4	1	7	4.01	2.003	-0.776	-1.175
	Partner	PQ1	1	7	5.12	1.417	-0.148	-0.028
	quality	PQ2	1	7	4.66	1.621	-0.333	-0.028
	quanty	PQ3	1	7	4.71	1.669	-0.462	-0.382
Perceived rel	ationshin	PRI1	1	7	5.32	1.304	-0.560	0.074
investment	ationship	PRI2	1	7	5.28	1.378	-0.625	0.074
mvestment		PRI3	1	7	5.29	1.319	-0.593	0.209
Brand relatio	nchin quality	BRQ1	1	7	4.61	1.716	-0.520	-0.486
Diana iciano	nsinp quanty	BRQ2	1	7	4.84	1.544	-0.503	-0.146
		BRQ3	1	7	4.70	1.685	-0.424	-0.140
BSN WOM		WOM1	1	7	4.48	1.842	-0.424	-0.467
DSN WOM		WOM1 WOM2	1	7	4.30	1.864	-0.417	-0.865
		WOM2 WOM3	1	7	4.70	1.718	-0.290	-0.503
		WOM3 WOM4	1	7	4.62	1.718	-0.302	-0.571
DCNI atialrinasa		ST1	1	7		1.797	-0.403	
BSN stickiness				7	5.45			0.788
		ST2 ST3	1	7	5.44	1.387	-0.896 0.706	0.794
Willingnass	o nou nrico		1	7	5.31	1.435	-0.706	0.209
Willingness t	to pay price	PP1	1		4.73	1.687	-0.552	-0.419
premium	14	PP2	1	7	4.99	1.535	-0.649	-0.003
Behavioral lo	oyaity	BE1	0	100	41.20	30.260	0.456	-1.043
		BE2	1	5	3.32	1.044	-0.427	-0.101
		BE3	0	10	5.51	2.968	-0.001	-1.255

Table 17. (Continued)

Construct	Item	Min	Max	Mean	STD	Skewness	Kurtosis
Online social connection <sup>1</sup>	OSC1	1	7	5.39	1.649	-0.994	0.291
	OSC2	1	7	5.17	1.662	-0.697	-0.353
	OSC3	1	7	5.20	1.661	-0.729	-0.320
	OSC4	1	7	5.31	1.580	-0.891	0.215
	OSC5	1	7	4.61	2.093	-0.358	-1.231
	OSC6	1	7	4.63	2.067	-0.326	-1.291
Experience with BSN <sup>2</sup>	EXP	1	5	1.91	1.213	1.294	0.677

Note:

The reliabilities of constructs are presented in Table 18. According to Nunnally and Bernstein (1994), the composite reliability should be above .70 for good internal consistency. The reliabilities ranged from 0.789 to 0.964, demonstrating satisfactory levels of internal consistency.

Table 19. Reliabilities of constructs

Constructs	Number of items	Composite reliability
Experiential benefit	7	0.946
Functional benefit	7	0.923
BSN relationship quality	13	0.964
Perceived relationship investment	3	0.897
Brand relationship quality	3	0.895
BSN WOM	4	0.943
BSN stickiness	3	0.919
Willingness to pay price premium	2	0.936
Behavioral loyalty	3	0.789
Online social connection	6	0.802

<sup>&</sup>lt;sup>1</sup>OSC5 and OSC6 are reverse-coded items.

<sup>&</sup>lt;sup>2</sup> Mean scores are based on a 5-point rating scale (1 = "6 months or less ago," 2 = "More than 6 months but less than 1 year ago," 3 = "Between 1 year and 1.5 years," 4 = "More than 1.5 years but less than 2 years ago," 5 = "2 years or more ago").

### **CHAPTER 4: DATA ANALYSES AND RESULTS**

This chapter presents a detailed analysis of the hypotheses developed in Chapter 2 and Chapter 3. The research hypotheses were tested using structural equation modeling (SEM) with AMOS 18.0. The two-step approach (Anderson & Gerbing, 1988) was used to validate the measurement model and to test the proposed hypotheses. Specifically, confirmatory factor analysis (CFA) was first conducted in order to identify whether the measurement items reliably reflected the hypothesized latent constructs. Based on the validated measurement model, SEM was then used to examine the causal relationships among latent constructs. The two sections in this chapter present each of these two steps: measurement model evaluation using CFA and hypotheses tests using SEM.

### **Measurement Model Evaluation**

### **CFA on Individual Construct**

CFA was conducted for each of 10 constructs separately. The constructs that have three or less measurement items (i.e., perceived relationship investment, brand relationship quality, BSN stickiness, willingness to pay price premium, behavioral loyalty) resulted in zero degrees of freedom.

**Model Improvement.** To improve the models, three statistical criteria were used to evaluate the models: standardized regression weights, standardized residual covariance, and modification indices (MIs). A standardized regression weight less than 0.4 is unacceptable due to measurement error (Singh, 1995). Also, high standardized residual covariance (i.e., absolute

values greater than 2.58) indicates a substantial prediction error (Joreskog & Sorbom, 1988). MI is a univariate index that estimates the amount of an unestimated relationship to improve the overall fit of the model (Joreskog & Sorbom, 1988). Excessively high MI indicates a sign of misfit.

Based on these criteria, several problematic items were flagged. First, for functional benefit, IB4 had a high standardized residual covariance (2.915) and were cross-loaded with EB3 (MI=44.380). The examination of the items revealed that IB4 seems to measure a broader concept compared to the other three measures. IB4 stated "website features" that help consumers to accomplish their tasks ("On {#brand}'s FB page, there are good features that help me to accomplish my tasks.") whereas the other three items explicitly stated the perceived benefits of "information" provided by a BSN (see Table 12). By removing IB4 from the functional benefit factor, the items of this construct became more coherent. Regarding the item EB3 ("{#brand}'s FB page gives me loyalty incentives for my continued participation."), it is possible that the definition of "loyalty incentives" was not clear to respondents. While "special offers" or "updates on upcoming sales" used in other two items are clear and easy terms commonly used on BSN, the term "loyalty incentive" may have been an abstract concept that respondents had to guess. Since face validity of EB3 was somewhat lacking, eliminating this item was deemed reasonable. For experiential benefit, HB1 and HB3 had a high standardized residual covariance (2.948) as well as a significantly high MI (122.232). A high correlation between these two items was not surprising because the two items were worded almost same (i.e., HB1: "I enjoy browsing and/or participating in {#brand}'s FB page"; HB2: "Overall, I enjoy browsing and/or participating in {#brand}'s FB page").

Second, for BSN relationship quality, BTR2 and PQ1 had a high standardized residual covariance (3.465) as well as a significantly high MI (136.496). In addition, BTR1 was crossloaded to each of three other items (PQ1, BTR2, BTR3) with MI, 76.463, 59.341, and 90.624, respectively. This item also had a high standardized residual covariance with these same items (3.616, 3.490, 3.895), indicating a substantial prediction error. It is possible that four items of BTR1, BTR2, BTR3, and PQ1 could be more about a consumer's perception of the functionality of the website whereas the rest of nine items could represent a consumer's emotional tie with the website. For example, BTR1 stated that "{#brand}'s FB page is reliable and dependable." Respondents' rating on this item may have been based on the technological stability or reputation of the website itself (i.e., Facebook) rather than their emotional connection to the website. Similarly, respondents may have used a similar evaluation criteria when rating BTR2 stating that "I have lots of respect for {#brand}'s FB page." BTR3, "I feel safe and secure when I use {#brand}'s FB page," was also similar in that respondents could have evaluated the statement based on the reputation of the website. Further, it was revealed that respondents rated these four items including BTR1, BTR2, BTR3, and PQ1 more highly than other items of BSN relationship quality. While the mean scores of other items ranged from 3.61 to 4.77, the mean scores of BTR1, BTR2, BTR3, and PQ1 was 5.40, 5.09, 5.16, and 5.12, respectively. Thus, it can be speculated that the reputation of the website has influenced respondents' positive ratings on these four items regardless of their emotional tie with a BSN.

Lastly, for the OSC construct, the standardized regression weights for OSC5 (0.202) and OSC6 (0.121) were lower than desired values, and the standardized residual covariance between OSC5 and OSC6 (9.522) was significantly higher than the threshold value. Moreover, these two

items were cross-loaded (MI = 96.498). This result was somehow legitimate given that OSC5 and OSC6 were the only items that were negatively worded for the OSC construct (OSC5: "Losing Internet access would not change my social life at all"; OSC6: "Online communication is not an important part of my social life"). Further examination of the data revealed that the mean scores of these two items were relatively low (i.e., mean score of OSC5 = 4.61, mean score of OSC6 = 4.62) compared to those of other four items (i.e., mean scores of OSC1-OSC4 ranged from 5.17 to 5.39). This suggests that negatively-worded items could have caused response errors.

Based on the lack of face validity for several items discussed so far, the following ten items were eliminated: two items for functional benefit (IB4, EB3), two items for experiential benefit (HB1, HB3), three items for BSN relationship quality (BTR1, BTR2, BTR3, PQ1) and two items for OSC (OSC5, OSC6) (see Table 19).

Table 20. Fit statistics of CFA on individual construct: Refined model

Construct	Eliminated	Number of	$\chi^2(\mathbf{df})$	$\chi^2/df$	CFI	RMSE	TLI
	items	items for				A	
		refined model					
Functional	IB4, EB3	5	55.850(5)	11.170	0.964	0.162	0.927
benefit							
Experiential	HB1, HB3	5	21.996 (5)	4.399	0.990	0.094	0.979
benefit							
BSN	BTR1,	9	326.413(35)	9.326	0.928	0.146	0.907
relationship	BTR2,						
quality	BTR3, PQ1						
Perceived		3	N/A	N/A	N/A	0.776	N/A
relationship							
investment							
Brand		3	N/A	N/A	N/A	0.772	N/A
relationship							
quality							
BSN WOM		4	13.311(2)	6.655	0.992	0.121	0.977
BSN stickiness		3	N/A	N/A	N/A	0.850	N/A
Willingness to		2	N/A	N/A	N/A	0.911	N/A
pay price							
premium							
Behavioral		3	N/A	N/A	N/A	0.580	N/A
loyalty							
Online social	OSC5,	4	4.390(2)	2.195	0.997	0.055	0.992
connection	OSC6						

## **Measurement Model**

CFA was conducted for the measurement model that comprises all latent constructs except "experience with BSN" that had a single measurement item. Correlation matrix of constructs is presented in Table 20.

Table 21. Correlation matrix of constructs

Construct	EXB	FUB	BSNRQ	PRI	BRQ	WOM	ST	PP	BL	OSC
EXB	1.00									
FUB	.722	1.00								
BSN RQ	.909	.648	1.00							
PRI	.713	.873	.697	1.00						
BRQ	.844	.730	.899	.827	1.00					
WOM	.882	.664	.922	.708	.833	1.00				
ST	.651	.848	.658	.884	.729	.676	1.00			
PP	.737	.725	.796	.811	.930	.767	.680	1.00		
BL	.213	.224	.216	.302	.286	.270	.216	.362	1.00	
OSC	.478	.482	.442	.454	.504	.376	.361	.456	.112	1.00

*Note:* 

EXB=Experiential benefit, FUB=Functional benefit, BSN RQ=BSN relationship quality, PRI=Perceived relationship investment, BRQ=Brand relationship quality, PRI=Perceived relationship investment, WOM=BSN WOM, ST=BSN stickiness, PP=Willingness to pay price premium, BL=Behavioral loyalty, OSC=Online social connection

Model fit of the measurement model was assessed by the chi-square ( $\chi^2$ ) tests, the ratio of chi-square to degrees of freedom, the comparative fit index (CFI), the Tucker-Lewis index (TLI), and the room mean square error of approximation (RMSEA). The fit of the initial measurement model was acceptable:  $\chi^2(774) = 2194.469$ ,  $\chi^2/df = 2.835$ , CFI = 0.916, TLI = 0.907, RMSEA = 0.069 (see Table 21).

Table 22. Initial measurement model: Fit statistics

Sample	$\chi^2(\mathbf{df})$	χ²/df	CFI	TLI	RMSEA
Total (N=389)	2194.469 (774)	2.835	0.916	0.907	0.069
Apparel (N=141)	1427.800(774)	1.845	0.893	0.881	0.078
Restaurant/coffeehouse	1846.178(774)	2.385	0.904	0.893	0.075
(N=248)					

**Model Improvement.** To improve the measurement model, all measurement items were examined in terms of standardized regression weights, standardized residual covariance, and modification indices. While the standardized regression weight for BE2 (0.459) was slightly

above the threshold value, this item had high standardized residual covariance with 12 other items suggesting both potential measurement error and substantial prediction error. This result was somewhat reasonable because BE2 was an ordinal (at most interval) scale measuring how often respondents spent with a particular brand compared to the other brands while the rest of two items, BE1 and BE3, were ratio scales (see Table 12). Because different levels of measurement involve different levels of (a) sensitivity to data analyses and (b) restriction of assumptions regarding the relationships of scores, measuring a single concept with these three items may have caused some measurement errors. Thus, BE2 was dropped from the model, making all behavioral loyalty items composed of only ratio scales, not a mix of different measurement types.

In addition, high MIs were associated with error terms of nineteen paired items as follows: SB2-SB4, SB4-HB2, IB1-EB2, EB1-EB2, PQ2-PQ3, BCO6-PQ3, BCO5-PQ3, BCO5-BTR4, BCO5-BCO6, BCO4-PQ2, BCO3-BCO6, BCO3-BCO5, BCO2-BCO5, BCO2-BCO6, BCO1-PQ3, BCO1-BCO6, BCO1-BCO5, BCO1-BCO2, and WOM2-WOM4. Correlating within-factor error terms is acceptable when theoretical or empirical evidence indicates that shared effects might exist between items based on the particular measurement instrument that are in addition to the correlations of the common factor being measured (Gerbing & Anderson, 1984; Joreskog, 1993). Thus, the respective error variance was correlated to improve the fit of the measurement model. The refinement of the model resulted in the improved model fit:  $\chi^2$ (676) = 1589.377,  $\chi^{2/}$ df = 2.351, CFI = 0.945, TLI = 0.936, RMSEA = 0.059 (see Table 22). The final measurement items in Table 23 were employed in SEM.

Table 23. Final measurement model: Fit statistics

Sample	$\chi^2(\mathbf{df})$	$\chi^2/df$	CFI	TLI	RMSEA
Total (N=389)	1589.377(676)	2.351	0.945	0.936	0.059
Apparel <sup>1</sup> (N=141)	1173.297(689)	1.703	0.919	0.908	0.071
Restaurant/coffeehouse <sup>2</sup>	1400.187(679)	2.062	0.934	0.924	0.066
(N=248)					

#### Note:

<sup>&</sup>lt;sup>1</sup> The following error variance was correlated to improve model fit: SB2-SB4, EB1-EB2, BCO1-BCO6, BCO1-

BCO5, BCO1-PQ3

The following error variance was correlated to improve model fit: SB2-SB4, EB1-EB2, BCO1-PQ3, BCO1-BCO6, BCO1-BCO5, BCO2-BCO3, BCO2-BCO5, BCO2-BCO6, BCO3-BCO5, BCO3-BCO6, BCO5-BCO6, BTR4, BCO5-PQ3, BCO6-PQ3, PQ2-PQ3, WOM2-WOM4

Table 24. Final measurement model: Factor loadings and reliability

Construct	Scale items	Factor loading	t-value	Composite reliability
Experiential	<b>SB1:</b> The social aspects of {#brand} 's FB page are	0.890	-	0.932
benefit	important to me. <b>SB2:</b> On {#brand}'s FB page, I get to know other people who are interested in this brand.	0.799	21.024***	
	SB3: I enjoy the conversational interactions on {#brand}'s FB page.	0.812	21.626***	
	<b>SB4:</b> I enjoy communicating with other members on	0.883	25.580***	
	{#brand}'s FB page. <b>HB2:</b> Browsing and/or participating in {#brand}'s FB page enriches my life.	0.890	25.769***	
Functional	<b>IB1:</b> The information provided by {#brand} 's FB page	0.862	-	0.918
benefit	is valuable. <b>IB2:</b> The information provided by {#brand}'s FB page is useful.	0.872	23.069***	
	<b>IB3:</b> {#brand} 's FB page provides information at an appropriate level of detail.	0.876	23.196***	
	EB1: {#brand}'s FB page provides special offers (e.g., discounts, promotions) to me.	0.750	17.666***	
	EB2: {#brand}'s FB page provides updates on upcoming sales.	0.791	18.032***	
BSN	BCO1: {#brand}'s FB page plays an important role in	0.880	-	0.964
relationship quality	my daily life. <b>BCO2:</b> I feel something is amiss when I stop using {#brand}'s FB page.	0.844	26.515***	
	<b>BCO3:</b> I have made a commitment to {#brand}'s FB	0.865	24.266***	
	page. <b>BCO4:</b> I keep {#brand}'s FB page in mind all the time.	0.868	24.545***	
	BCO5: I am willing to make sacrifices to keep using	0.896	30.512***	
	{#brand}'s FB page. <b>BCO6:</b> I will stay with {#brand}'s FB page through good times and bad times.	0.846	20.379***	
	BTR4: {#brand} 's FB page adds a sense of stability to my life.	0.906	27.079***	
	PQ2: {#brand}'s FB page shows continuing interest in	0.846	23.059***	
	PQ3: {#brand}'s FB page takes good care of me.	0.828	19.886***	
Perceived	<b>PRI1:</b> {#brand} makes efforts to increase customers'	0.863	22.218***	0.897
relationship investment	loyalty. <b>PRI2:</b> {#brand} makes various efforts to improve its tie with customers.	0.866	22.394***	
	PRI3: {#brand} really cares about keeping customers.	0.858	-	
Brand	<b>BR1:</b> {#brand} says a lot about the kind of person I am.	0.832	22.136***	0.894
relationship quality	<b>BR2:</b> {#brand}'s image and my self-image are similar in many respects.	0.864	23.839***	
	<b>BR3:</b> {#brand} plays an important role in my life.	0.882	-	

Table 23. (Continued)

Construct	Scale items	Factor loading	t-value	Composite reliability
BSN WOM	<b>WOM1:</b> I have recommended {#brand}'s FB page to	0.915	29.966***	0.947
	lots of people.			
	<b>WOM2:</b> I 'talk up' {#brand}'s FB page to my friends.	0.887	24.240***	
	WOM3: I try to spread the good word about	0.901	28.476***	
	{#brand}'s FB page.			
	<b>WOM4:</b> I give {#brand}'s FB page lots of positive	0.911	-	
	word-of-mouth advertising.			
BSN	ST1: I plan to keep using {#brand}'s FB page in the	0.907	25.490***	0.919
stickiness	future.		ale ale ale	
	ST2: I intend to continue using {#brand} 's FB page in	0.885	24.450***	
	the future.	0.05.6		
	ST3: I expect my use of {#brand}'s FB page to	0.876	-	
	continue in the future.	0.014	***	0.070
Willingness to	<b>PP1:</b> I would be willing to pay a higher price for	0.864	21.777***	0.858
pay price	{#brand} over other similar brands.	0.070		
premium	<b>PP2:</b> I prefer to purchase from {#brand} even if another	0.870	-	
D 1 1 1	brand advertises a lower price.	0.765		0.067
Behavioral	<b>BL1:</b> What percentage of your total expenditures for	0.765	-	0.867
loyalty	{#category} do you spend with {#brand}? Please enter a number between 0 and 100.			
	BL3: Of the ten times you select a brand for			
	{#category}, how many times do you choose {#brand}?	0.975	7.459***	
	Please enter a number between 0 and 10.	0.973	7.439	
Online social	OSC1: If I couldn't communicate online, I would feel	0.701	15.110***	0.895
connection	'out of loop' with my friends.	0.701	13.110	0.675
Connection	OSC2: If I lost Internet access, I think I would probably			
	lose contact with many of my friends.	0.893	21.155***	
	<b>OSC3:</b> Without the Internet, my social life would be	0.075		
	drastically different.	0.872	20.023***	
	<b>OSC4:</b> I would communicate less with my friends if I			
	couldn't talk with them online.	0.823	-	
Note:	I .	1	L	

Note:

Construct Validity. The construct validities of the latent constructs were evaluated by both convergent and discriminant validity. Convergent validity is demonstrated when all item loadings are statistically significant and greater than or equal to 0.70 (Hulland et al., 1996; Nunnally & Bernstein, 1994). Factor loadings for all 40 items were significant (p < 0.001) and exceeded the recommended level of 0.70 (see Table 23). Also, the average variance extracted

<sup>\*\*\*</sup> Significant at p < 0.001

(AVE) for all latent variables was greater than the recommended threshold value of 0.50 (ranging from 0.68 to 0.92) (Fornell & Larcker, 1981) (see Table 24).

Table 25. Construct validity<sup>1</sup> of the final measurement model

Construct <sup>2</sup>	EXB	FUB	BSNRQ	PRI	BRQ	WOM	ST	PP	BL	OSC
EXB	0.73									
FUB	0.55	0.69								
BSNRQ	0.85	0.44	0.92							
PRI	0.52	0.76	0.50	0.74						
BRQ	0.73	0.53	0.82	0.68	0.74					
WOM	0.79	0.44	0.85	0.50	0.69	0.82				
ST	0.44	0.72	0.46	0.78	0.53	0.45	0.79			
PP	0.56	0.53	0.65	0.66	0.86	0.58	0.46	0.75		
BL	0.04	0.04	0.05	0.08	0.07	0.07	0.04	0.12	0.77	
OSC	0.24	0.24	0.19	0.17	0.25	0.14	0.13	0.21	0.01	0.68

Note:

Discriminant validity was assessed in several ways. First, a series of nested models were specified that constrained the covariance between pairs of constructs. Constrained models (i.e., constraining the correlation between pairs of constructs to 1) were then compared to the baseline model which allowed parameters to correlate freely. The condition of discriminant validity is met if the difference of the chi-square statistics between the constrained and the standard model is significant (Anderson & Gerbing, 1988). The chi-square difference tests indicated that discriminant validities existed among all of the ten constructs. Next, to test a stronger level of discriminant validity, a more conservative test was conducted by examining AVE and shared variance between all possible pairs of latent variables. When AVE exceeds shared variance (i.e., squared correlation coefficients) between all possible pairs of latent variables, discriminant

<sup>&</sup>lt;sup>1</sup>Diagonal entries show the average variance extracted by the construct and off-diagonal entries represent the variance shared (squared correlation) between constructs.

<sup>&</sup>lt;sup>2</sup>EXB = Experiential benefit, FUB = Functional benefit, BSN RQ = BSN relationship quality, PRI = Perceived relationship investment, WOM = BSN WOM, ST = BSN stickiness, PP = Willingness to pay price premium, BL = Behavioral loyalty

validity is supported (Fornell & Larcker, 1981). Out of 45 possible combinations, six pairs of constructs (EXB-BSNRQ, EXB-WOM, FUB-PRI, FUB-ST, PRI-ST, BRQ-PP) were highly correlated and exceeded their own AVE (see Table 24). These constructs were mainly associated with BSN benefits and loyalty-related variables, which were likely to be conceptually intertwined. Given that the conceptual similarities among these variables were unavoidable and all constructs met the criteria for the first chi-square tests, lack of discrimination for six pairs of variables deemed not problematic.

# **Structural Model Evaluation and Hypotheses Tests**

The proposed research model and the hypothesized relationships among constructs were tested in the structural model. The fit indices of the structural model were:  $\chi^2(559) = 1617.373$ ,  $\chi^{2/}df = 2.893$ , CFI = 0.931, TLI = 0.922, RMSEA = 0.070 (see Table 25).

Table 26. Structural model: Fit statistics

Sample	$\chi^2(\mathbf{df})$	$\chi^2/df$	CFI	TLI	RMSEA
Total (N=389)	1617.373(559)	2.893	0.931	0.922	0.070
Apparel (N=141)	1092.052(572)	1.909	0.906	0.896	0.081
Restaurant/coffeehouse (N=248)	1361.743(561)	2.427	0.921	0.911	0.076

H1: BSN benefit  $\Rightarrow$  BSN relationship quality. While experiential benefit significantly influenced BSN relationship quality ( $\beta = 0.963$ , p < 0.001), functional benefit did not influence BSN relationship quality ( $\beta = -0.049$ , p = 0.279). Thus, H1a was supported, while H1b was not supported.

H2: BSN benefit  $\rightarrow$  Perceived relationship investment. Both experiential benefit ( $\beta$  = 0.180, p < 0.001) and functional benefit ( $\beta$  = 0.743, p < 0.001) significantly influenced perceived relationship investment, which supported H2a and H2b.

H3: Moderating effect of OSC on the relationship between experiential benefit and **BSN relationship quality.** The moderating effect of OSC was tested through multi-group analysis: splitting the sample into sub-groups according to whether respondents scored high or low on the measurement items of OSC. The mean score for respondents' OSC was 5.27. Thus, respondents who rated higher than 5.27 on OSC (N = 178) were categorized into the "high" group and respondents who rated lower than 5.27 on OSC (N = 211) were categorized into the "low" group. Next, comparative analysis of each path between the two groups (i.e., high vs. low group) was conducted. The difference in chi-square values between the unconstrained model (i.e., all paths were constrained to be equal except for the link between experiential benefit and BSN relationship quality) and the constrained model (i.e., all paths were constrained to be equal across high- and low-OSC groups) determines whether OSC acts as a moderating variable. The chisquare difference test revealed that there was no significant difference between the two groups in the paths from experiential benefit to BSN relationship quality ( $\Delta \chi^2 = 1.897$ , p = 0.168) (see Table 26). Thus, H3 hypothesizing the moderating effect of OSC on the relationship between experiential benefit and BSN relationship quality was not supported.

Table 27. Moderating effect of OSC

Structural path	Standardized re	$\chi^2$ difference	
	High group	(df=1)	
Experiential benefit → BSN	0.896***	1.005***	1.897
relationship quality			

## H4: Moderating effect of experience with BSN on the relationship between

functional benefit and BSN relationship quality. The moderating effect of experience with BSN was tested through multi-group analysis: splitting the sample into sub-groups according to whether respondents scored high or low on the measurement items of experience with BSN. The mean score for respondents' OSC was 1.91. Thus, respondents who rated higher than 1.91 on OSC (N = 185) were categorized into the "high" group and respondents who rated lower than 1.91 on OSC (N = 204) were categorized into the "low" group. Next, comparative analysis of each path between the two groups (i.e., high vs. low group) was conducted. The difference in chi-square values between the unconstrained model (i.e., all paths were constrained to be equal except for the link between functional benefit and BSN relationship quality) and the constrained model (i.e., all paths were constrained to be equal across high- and low-experience with BSN groups) determines whether experience with BSN acts as a moderating variable. The chi-square difference test revealed that there was no significant difference between the two groups in the paths from experiential benefit to BSN relationship quality ( $\Delta \chi^2 = 0.428$ , p = 0.513) (see Table 27). Thus, H3 hypothesizing the moderating effect of OSC on the relationship between experiential benefit and BSN relationship quality was not supported.

Table 28. Moderating effect of experience with BSN

Structural path	Standardized re	$\chi^2$ difference	
	High group	Low group	(df=1)
Functional benefit → BSN	0.050	0.031	0.428
relationship quality			

**H5: BSN** relationship quality  $\Rightarrow$  **BRQ.** The relationship between BSN relationship quality and BRQ was significant ( $\beta = 0.603$ , p < 0.001). Consequently, there was strong support for H5.

**H6: BSN** relationship quality  $\rightarrow$  **BSN** loyalty. BSN relationship quality significantly influenced BSN WOM, supporting H6a. The path weight was 0.702 (p < 0.001); However, BSN relationship quality and BSN stickiness turned out to have a significant inverse relationship ( $\beta$  = -0.829, p < 0.001). Thus, H6b was not supported.

H7: Perceived relationship investment  $\rightarrow$  BRQ. The effect of perceived relationship investment on BRQ was significant:  $\beta = 0.485$ , p < 0.001. Thus, H7 was supported.

**H8:** BRQ  $\rightarrow$  BSN loyalty. BRQ significantly influenced both BSN WOM ( $\beta$  = 0.239, p < 0.001) and BSN stickiness ( $\beta$  = 1.590, p < 0.001), supporting H8a and H8b.

**H9: BRQ**  $\rightarrow$  **Brand loyalty.** H9a hypothesizing the effect of BRQ on willingness to pay price premium was supported ( $\beta = 1.344$ , p < 0.001). However, H9b hypothesizing the relationship between BRQ and behavioral loyalty was not supported ( $\beta = 0.226$ , p = 0.328).

H10: BSN loyalty → Brand loyalty. Hypothesis 10 tested four different relationships between BSN loyalty (i.e., BSN WOM, BSN stickiness) and brand loyalty (i.e., willingness to pay price premium, behavioral loyalty). However, none of the relationships were supported.

The results of hypotheses test are shown in Table 28. As additional findings, same hypotheses were tested with two sub-groups of sample (i.e., apparel, restaurants/coffeehouses). These results are also summarized in Table 28.

Table 29. Results of hypotheses tests

			Total (N = 389)			Apparel (N = 141)		Restaurant/coffeehouse			
	.1	G 1	G. 1	`	·′	G. 1		r ·	G. 1	(N = 248)	-
Hypo	otheses	Structural path	Std	S.E	t-value	Std	S.E	t-value	Std	S.E	t-value
	1	_	Est		***	Est		***	Est		***
H1	H1a	Experiential benefit → BSN RQ	0.963	0.065	16.680***	0.921	0.107	9.375***	1.009	0.087	13.475***
	H1b	Functional benefit → BSN RQ	-0.049	0.071	-1.083	-0.014	0.119	-0.171	-0.102	0.095	-1.750
	H2a	Experiential benefit → Perceived	0.180	0.039	3.443***	0.353	0.058	4.565***	0.089	0.052	1.259
H2		relationship investment									
	H2b	Functional benefit → Perceived	0.743	0.062	12.357***	0.636	0.085	7.642***	0.800	0.087	9.598***
		relationship investment									
H5		BSN RQ → BRQ	0.603	0.036	13.885***	0.618	0.067	7.599***	0.585	0.040	11.808***
Н6	Н6а	BSN RQ → BSN WOM	0.702	0.075	9.008***	0.494	0.148	3.301***	0.711	0.082	8.104***
	H6b	BSN RQ → BSN stickiness	-0.829	0.130	-4.682***	-1.588	0.263	-3.503***	-0.634	0.139	-3.635***
H7		Perceived relationship investment →	0.485	0.050	12.032***	0.450	0.089	6.139***	0.523	0.063	10.648***
		BRQ									
Н8	H8a	BRQ → BSN WOM	0.239	0.085	3.235***	0.466	0.176	3.150**	0.218	0.095	2.631**
	H8b	BRQ → BSN stickiness	1.590	0.161	8.778***	2.255	0.322	4.887***	1.428	0.177	7.863***
Н9	H9a	BRQ → Willing to pay price	1.344	0.140	8.909***	1.561	0.308	4.921***	1.326	0.159	7.543***
		premium									
	H9b	BRQ → Behavioral loyalty	0.226	3.597	0.979	0.077	5.048	0.177	0.181	3.831	0.745
	H10a	BSN WOM → Willingness to pay	-0.271	0.077	-2.838**	-0.734	0.200	-2.990**	-0.106	0.078	-1.075
H1		price premium									
0	H10b	BSN WOM → Behavioral loyalty	0.076	1.931	0.532	0.132	3.158	0.408	0.166	1.906	1.201
	H10c	BSN stickiness → Willingness to	-0.254	0.099	-2.693**	-0.038	0.202	-0.262	-0.384	0.115	-3.094
		pay price premium									
	H10d	BSN stickiness → Behavioral	-0.042	2.055	-0.357	0.072	2.812	0.427	-0.099	2.348	-0.684
		loyalty									

*Note:*\*\*\*\* p < .001, \*\*p < .01, \*p < .05

### **CHAPTER 5: DISCUSSION AND IMPLICATIONS**

This research explored the phenomenon of online social network to delve into the consumer-brand relationship. The proposed research model rested on the premises that BSN benefits positively influence BSN relationship quality and perceived relationship investment, which in turn influence brand relationship quality and that brand relationship quality positively influence customer loyalty toward both a brand and the brand's SN. This chapter first discusses how the findings of this research address the research purposes and how they can be related to theoretical and practical implications. The next section points out limitations of this research and provides future research directions. Lastly, conclusions of the research are presented.

## **Discussion of Findings**

### Effect of BSN Benefits on BSN Relationship Quality

One of the major findings of this research is that it identified two distinct dimensions of BSN benefits (i.e., experiential, functional benefits) through a comprehensive literature review and an empirical validation. Given the exploratory nature of the research on BSN benefits, a deductive approach was taken to guide the examination of benefit concepts. A classic theory of utilitarian and hedonic dimensions of consumer perceived benefits (Batra & Ahtola, 1990; Childers et al., 2001; Chitturi et al., 2008) suggested that four perceived BSN benefits initially identified (i.e., social, informational, hedonic, and economic benefits) could be categorized into two distinct dimensions: utilitarian benefits and hedonic benefits. This theoretical suggestion was further verified by conducting analyses with both pre-test data and main data. Analyses with both data

sets revealed high correlations (a) between social and hedonic benefits and (b) between informational and economic benefits, indicating that two benefits in each pair could measure a similar concept. Thus, the two distinct BSN benefits were employed in the revised hypotheses:

(a) experiential benefits composed of social and hedonic benefits and (b) functional benefits composed of informational and economic benefits.

Further, this research hypothesized that these two BSN benefits positively influenced BSN relationship quality. The result showed mixed evidence. While experiential benefits positively influenced BSN relationship quality, functional benefits did not. First, the positive impact of experiential benefits on BSN relationship quality confirms the idea that BSN is a conversational environment that needs to be social, interactive, and entertaining, not a commerce/shopping environment (Chaney, 2010). Nevertheless, this does not suggest that BSN is not about selling. Rather, various experiential features on BSN can make the business-toconsumer business smoother and more efficient, as suggested by the qualitative findings. Strategies such as posting messages to engage with members, informing and educating, pacing postings, and providing entertaining content must be implemented in a way that improves consumers' overall shopping experience and brand engagement. Therefore, marketers should adapt to the conversational context of their BSN and seek to be social and interactive while they make sure their "experientially-oriented" content on BSN does not get in the way of commerce. By facilitating and curating conversations among members in the community (Marsden 2010b), BSN may effectively improve the experiential benefits of the community.

Interestingly, no empirical support was found for a positive effect of functional benefits on BSN relationship quality. This result contradicts the argument of some industry reports that

obtaining tangible benefits is one of the key motivations for consumers to be connected to BSN (Baird & Parasnis, 2011; Social Media Tracker, 2010). The insignificant effect of functional benefits may be attributed to the general trend that most of brands currently provide functional benefits (e.g., information about the brand, promotional events) via a BSN to some extent. As for the informational benefits, as evidenced by the observation of Brand Pages, brand information (e.g., company overview, promotion details) becomes one of the default menus of BSNs, and the content and the amount of information are also similar across brands. Therefore, while obtaining brand information is one of the essential benefits that consumers seek from the BSN, it may not necessarily enhance consumers' overall assessment of the strength of their relationship with the BSN. In addition, with regard to economic benefits, it was found that many consumers seemed to get accustomed to receiving monetary benefits (e.g., promotional coupons, redemption codes) that are widely distributed by BSN marketers. Thus, some boredom effect may result from a repeated offer.

*Joana*: 15% a single item? When will the Barker's Bones type coupons be back? 15% off a single item does nothing for me considering I generally spend \$150+++!!! C'mon Old Navy, make some coupons that get us excited!

As demonstrated in this member's comment on the brand's promotional offering, it is possible that a regular manner of offering such benefits wears out its effect on the emotional tie between the member and the community. Moreover, some offers can even disappoint consumers, resulting in backfire in the form of negative attitudes toward BSN. It seems that economic rewards may not qualify as a strong driver of a consumer's relationship with the community. This could be a discouraging finding for those brands that make efforts to provide such benefits as a key strategy on BSN. This result also implies that offering only economic benefits via the

BSN may not generate a positive communal relationship while they may lead to an enhanced exchange relationship. Although offering one-time promotional give-aways can boost consumers' visits and thus the norm of exchange relationship (e.g., give-and-take) may work, it may be "no way to make friends" (Brustein, 2010).

Therefore, marketers should focus on providing long-term benefits on their BSNs to develop more meaningful and persistent relationships with their customers. For example, the BSN can be an effective forum to exchange opinions about the brand, and to learn from customer feedback and conversations in order to improve product and service design (Li, 2010). Thus, it is recommended that companies identify unmet needs and opportunities for specific products, accelerate new product and service development, and utilize BSN as a venue to test a market for new products. This kind of interaction can influence consumers' perceptions of functional benefits, which is necessary for maintaining their relationship with the BSN.

# Effect of BSN Benefits on Perceived Relationship Investment

With regard to the effects of BSN benefits on perceived relationship investment, both experiential benefit and functional benefit significantly influenced perceived relationship investment. This result shows that various facets of the benefits of BSN can positively influence consumers' perceptions that companies devote their efforts to enhancing the relationship with them.

Although the effects of BSN benefits on perceived relationship investment could hold similar marketing implications to those on BSN relationship quality, there is a clear distinction between these two outcome variables of BSN benefits. First, while BSN relationship quality is a consumer's assessment of the BSN itself, perceived relationship investment is a consumer's

evaluation of a brand in general. Also, perceived relationship investment addresses a consumer-brand relationship in a cognitive framework (e.g., "this brand makes efforts to increase customers' loyalty"), whereas BSN relationship quality views a consumer's relationship with a brand through a relatively more emotional lens (e.g., "I feel something is amiss when I stop using this brand's FB page").

Regarding this difference between the two constructs in this research, functional benefit, which was not a significant predictor of BSN relationship quality, turned out to be a significant predictor of perceived relationship investment. The disparate effects of BSN benefits on BSN relationship quality and perceived relationship investment suggests that, although consumers may have varying degrees of relationship with a brand's SN, their cognitive perception of the brand's effort toward making a relationship with them through a BSN can be positive. This finding is of significant managerial importance because, from a consumer's perspective, a brand's social presence on the web (i.e., having BSN) can be one of the vital criteria in judging a brand's overall relationship marketing effort. Consumers may feel frustrated at the absence of a BSN or poor management of a BSN for the brand of their interest. As indicated by Pookulangara and Koesler (2011), "not incorporating social networks as a part of the marketing mix . . . [can be] . . . not only poor customer service, but also a surefire way to lost consumers" (p. 352). Some even predicted that Facebook will be a top-three channel for all retailers within two or three years (Morrison, 2010). Taken all together, to survive in the competitive marketplace, companies should strive to enhance the relationship with customers by cultivating a strong, healthy BSN.

### Moderating Effects of Online Social Connection and Experience with BSN

This research failed to confirm the moderating effects of OSC and experience with a BSN. First, the moderating effect of OSC on the relationship between experiential benefits and BSN relationship quality was not supported. That is, there were no differences between consumers who had high OSC tendency and those with low OSC tendency in the relationships between the perceived experiential benefits and BSN relationship quality. Also, the moderating effect of experience with the BSN on the relationship between functional benefits and BSN relationship quality was not supported. Originally, the main effect between functional benefits and BSN relationship quality was not significant. Therefore, it can be concluded that, regardless of the experience with a BSN, the insignificant relationship between functional benefits and BSN relationship quality remained same.

However, for both moderating effects, a potential limitation regarding categorization of moderating variables into high and low groups should be noted. First, for OSC, the mean-split method resulted in consumers who rated less than 5.27 into "Low" group because the responses of OSC in the research sample were somewhat biased toward high tendency of OSC (mean = 5.27 on a 7-point scale). Second, for experience with BSN, since it was measured by an ordinal variable (1 = "6 months or less ago," 2 = "More than 6 months but less than 1 year ago," 3 = "Between 1 year and 1.5 years," 4 = "More than 1.5 years but less than 2 years ago," 5 = "2 years or more ago"), the mean score (1.91) was calculated based on this 5-point rating scale may not have been valid method to group the respondents. Given this methodological limitation, future research may use other methods to group the respondents (e.g., trichotomizing the respondents, a median-split method) with larger sample. They may also test the moderating

effect by constructing a regression model to test interactive effects of moderator variables and BSN benefits on BSN relationship quality.

Effect of BSN Relationship Quality on BSN Loyalty

This research presented conceptual development and an empirical validation of BSN relationship

quality. The concept of BSN relationship quality was built upon the social response theory (Nass

et al., 1995; Reese & Nass, 1996) that provides a fresh idea to explain a new consumer-brand

relationship influenced by social media. The evidence of BSN relationship quality was validated

in both qualitative and quantitative analyses in this research suggests that consumers can develop

a relationship with a brand's SN as they do for their personal relationships.

Daniel: Hey taco bell u should comment and like this XP

Taco Bell likes this.

Taco Bell: Hey David! :-)

As demonstrated in the exchange above, by utilizing programmed interactive interfaces and

dialogues of BSN (e.g., clicking the "Like" button, expecting a brand's comment on their post),

consumers interacted with the BSN as if it were a social actor rather than a merely a

communication or transaction tool.

Further, this research revealed that BSN relationship quality positively influenced BRQ,

which in turn predicted BSN loyalty. In addition, BSN relationship quality also had a direct

effect on BSN loyalty. First, both relationships (a) between BSN relationship quality and BRQ

and (b) between BRQ and BSN loyalty were supported as expected. This finding confirms the

idea that BSN can be a good tool for consumers to facilitate the interaction with a brand and

create their narratives and stories regarding the brand (Hennig-Thurau et al., 2001), which can

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eventually influence a relationship with as well as loyalty toward the brand. Practically, this link suggests that BSNs can be an effective means of attracting consumers and emotionally attaching them to the brand. Once they establish a relationship with the brand through interactions on a BSN, they may continuously use the BSN and exhibit loyalty intention toward BSN.

Second, for the direct effect of BSN relationship quality on BSN loyalty, mixed results were discovered. While the positive effect of BSN relationship quality on BSN WOM was supported, the effect of BSN relationship quality on BSN stickiness turned out to be negative. However, further examination of the results suggested the presence of suppressor effects where a predictor variable has a beta coefficient with an opposite sign in its correlation with the criterion (Cohen & Cohen, 1975; Paulhus et al., 2004). Net suppression occurs when high correlation between predictor variables makes the initial variable share more information with the other predictor variable than with dependent variables (Hicks & Patrick, 2006; Krus & Wilkinson, 1986). Thus, inclusion of both predictors in the same regression model may result in a reversal of the sign for the initial predictor and an increase of the beta coefficient for the other predictor. In this case, a negative beta coefficient of BSN relationship quality ( $\beta = -0.829$ ) and the positive correlation between BSN relationship quality and BRQ ( $\gamma = 0.628$ ) could be associated with a negative net suppression (Krus & Wilkinson, 1986). Because BSN relationship quality had higher correlation with BRQ ( $\gamma = 0.836$ ) than it did with BSN stickiness ( $\gamma = 0.628$ ), the highly correlated predictor variables (i.e., BSN relationship quality, BRQ) in the regression model might have caused a reversal of the sign for BSN relationship quality ( $\beta = -0.829$ ) and an increase in the validity of BRQ ( $\beta = 0.702$ ). After eliminating BRQ from the model, a significant positive relationship between BSN relationship quality and BSN stickiness ( $\beta = 0.533$ , p < 0.001) was found. Therefore, it could be interpreted that BSN relationship quality influenced BSN stickiness in a positive way and that BRQ playing the role as a net suppressor had more predictive power than BSN relationship quality toward BSN stickiness.

In brief, these results imply that BSN relationship quality positively influenced both BSN WOM and BSN stickiness. This highlights the importance of creating a psychological tie between consumers and a BSN (i.e., BSN relationship quality) because it can directly influence consumers' intention to use BSN as well as willingness to spread good words about BSN to others. This link also implies that BSN loyalty can be developed without an aid of BRQ, which may not be the case for other types of online brand communities (e.g., brandfest, P3 communities). As previously discussed in Chapter 2, consumers' visit to BSN may be driven by a mix of intrinsic (e.g., BRQ) and extrinsic motivations (e.g., others' recommendation, monetary rewards) (Solis, 2010; Sung et al., 2010). While fostering the community with those who have rather weak association or cohesion can be challenging, it can also be an opportunity for many companies that want to recruit new consumers through BSN. By designing BSN as friendly for both novice and experienced consumers, marketers can effectively deliver the brand identity and information and advertise and promote the brand through this channel.

## **Effect of BSN Loyalty on Brand Loyalty**

This research hypothesized positive relationships between BSN loyalty (i.e., BSN WOM, BSN stickiness) and brand loyalty (i.e., willingness to pay price premium, behavioral loyalty).

Surprisingly, none of these relationships was supported. First, neither BSN WOM nor BSN stickiness predicted behavioral loyalty. This finding suggests that consumers' loyalty toward the brand's SN may not indicate their preferred choice of the brand over others in an actual purchase

situation. If this is the case, what would be the ultimate outcome of BSN loyalty is a question that needs to be further examined. This is a critical issue especially for companies that desire to monetize this social network phenomenon. If BSN loyalty predicted by the relationship with BSN and BRQ is not transformed into brand loyalty, it is also likely that BSN loyalty can be driven by some other factors, which were not considered in this research. Therefore, further research can be conducted to identify a comprehensive list of motivations of actual BSN usage.

Also, this finding suggests that marketers should not evaluate the value of the BSN solely by quantitative measures (e.g., number of members, click-through rate on links) as they can indicate some spurious brand loyalty. The absence of direct causality between BSN loyalty and brand loyalty indicates that consumers' visits or participation in a BSN alone do not guarantee that they have true loyalty with the brand. However, it should be noted that, because this research employed a cross-sectional analysis, a long-term effect of BSN loyalty was not captured. Thus, it is suggested that this finding should not be taken as a final conclusion, but rather as a preliminary finding that provokes further thoughts regarding the role of BSN on the consumer-brand relationship. Employing different loyalty measures can be also considered. Behavioral loyalty in this research could have failed to distinguish thoughtless habits from felt loyalties or random purchases from situationally-driven brand use patterns (Fournier & Yao, 1997). Also some measurement error could have influenced the result. 18

<sup>&</sup>lt;sup>18</sup> The relationship between BRQ and behavioral loyalty, which has been strongly supported in previous research (Aggarwal, 2009; Rauyruen & Miller, 2007; Too et al., 2001), turned out to be insignificant in this research. This signaled that there could have been some measurement error in constructing behavioral loyalty. Behavioral loyalty, originally having three item measures, resulted in the elimination of one item during the refinement of a measurement model due to its high standardized residual covariance and low standardized regression weight. Thus, the construct with two indicators (i.e., two ratio varaibles) may have caused some estimation problem associated with model identification (Kline, 2005).

Second, two BSN loyalty constructs showed significant negative effects on willingness to pay a price premium. That is, consumers' loyalty toward the brand's SN was negatively associated with their willingness to pay a price premium for the brand. A possible explanation for this result is that people who actively search for some rewarding incentives through their regular visits to the BSN are more likely to be price-conscious for that particular brand. If this is true, monetary rewards (e.g., discount coupons, redemption codes) offered on BSN may have reinforced the consumers' beliefs that they should not spend more money on the brand than its regular price. This provides important implications to current practices of BSN. If price discounting is not a brand's major strategy, tactics focused on functional benefits (e.g., using the Wall as mainly rewarding members' participation, posting same or similar price promotion information repeatedly, posting news about deals, events, and offers too frequently) simply to drive more consumers' visits to BSN may not be viable. Because this kind of content on the BSN can give impression to consumers that the brand can be discounted more than it should be, marketers should avoid this adverse effect of BSN by making a balance between their overall brand strategy and the strategy to facilitate engagement on BSN.

Another possible explanation for this negative effect of BSN loyalty is that BSN loyalty comprises multiple components, with some components leading to positive outcomes and others to neutral or negative states. For example, spreading the good word about the brand's SN lead to positive outcomes (i.e., strong loyalty toward the brand), whereas some extrinsic motivations to recommend a brand's SN (e.g., to receive a reward for recommending a particular brand's SN) mainly generated from BSN marketing may not necessarily lead to positive outcomes. BSN loyalty measured by WOM behavior and usage intention in this research may result in different

outcomes depending on some individual or situational variables. Therefore, from a theoretical perspective, determining loyalty constructs that best capture the mechanisms behind the establishment of brand loyalty formation in the context of BSN seems critical. It will allow both researchers and marketers to understand essential dimensions of customer loyalty that could be exerted in the context of both brand and BSN.

### **Limitations and Directions for Future Research**

The findings of this research should be interpreted with caution as all research suffers from inherent shortcomings (McGrath, 1981). First of all, many questions particularly about BSNs (e.g., BSN benefits, BSN relationship quality) central to the research model asked to answer based on a specific website (i.e., a Brand Page for the brand that respondents provided in the survey). This method assumed that respondents deliberately recalled their feelings, thoughts, and the overall experience with the brand's SN as well as the brand when they answered the questions. However, it was uncontrollable to monitor if respondents answered each question in this expected way. One of the techniques to minimize this limitation can be conducting data collection in a lab environment where participants can actually browse and participate in a brand's SN. Allowing participants to have some time to experience and evaluate the community before answering questions may minimize the potential bias resulting from the data collection method relying on the respondents' recall and self-reporting.

In relation to this point, the research failed to ensure that respondents had enough experience with the particular Brand Page to answer the questions regarding the specific characteristics of the community. While the variation in the community experience among

respondents was expected, detailed analyses<sup>19</sup> revealed that almost half of respondents (49.4%) visited the community twice or less a month, and 56% of respondents reported that they spent five or less minutes on the community per visit. Also, the variable "experience with BSN" indicated that more than half of respondents (52.4%) reported that the first time they visited the community was six months or less ago. Given this information, it can be speculated that many of respondents relied on a limited experience with the community in answering questions about the BSN. It was also possible that respondents who had experience with multiple brands' Pages on Facebook could have been confused in their clear evaluation of one single brand's Page because Brand Pages basically shared a similar layout, content, and frame provided by Facebook. To diminish this limitation, future research can focus on a specific brand's community (e.g., Brand Page of Starbucks) and recruit research participants directly from that community. In this way, researchers can obtain more detailed and focused findings from the community members' rich experience.

Some limitations resulting from participants' self-report and capturing the concept with survey instrument are inherent in quantitative research. Although this research employed a mixed-method approach to attenuate the effects of these limitations, a future study could develop a research design for more a comprehensive understanding of the relationships hypothesized in this research. In-depth interviews with community members would provide richer description of BSN behavior and deeper understanding of why consumers engage with a brand's SN and how the engagement influences their attitudes and behavior toward the brand. Also, this research

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<sup>&</sup>lt;sup>19</sup> To obtain some additional information about respondents' behavior as a member of BSN, two questions about respondents' frequency of community visit were asked. Respondents reported that, on average, they visited the community for the brand they provided 4.76 times per month (with a standard deviation of 6.808). Also, the mean of minutes per visit they spent on the community was 10.38 (with a standard deviation of 12.562).

employed an observation of the community to validate the proposed research variables (i.e., BSN benefits, BSN relationship quality). However, interviewing with members of the actual community can provide greater depth of understanding each concept as well as interrelationships among research variables.

A cross-sectional design is another limitation of this research. Particularly, the research model in this study contains several constructs that have possibilities of reverse causality. For example, as discussed in Chapter 2, extant research shows inconsistent findings with regard to the direction of a relationship between BSN relationship quality and BRQ (e.g., Algesheimer et al., 2005; Bagozzi & Dholakia, 2006). Given the unique nature of BSN (e.g., both intrinsic and extrinsic motivations exist in the use of BSN), this research viewed that BRQ did not necessarily serve as a basis for joining and participating in BSN and posited that BSN relationship quality positively influence BRQ. While this hypothesis was supported, there exists a possibility that consumers' pre-existing relationship quality with the brand influences the relationship with BSN. As a compelling argument about this issue, the relationship between BSN relationship quality and BRQ is ongoing and reciprocal such that concepts influence each other over time. Therefore, a longitudinal analysis tracking the changes in consumers' relationship with both brand and BSN may validate the conclusion of the relationship.

Another area of future research is a group comparison in terms of the brand relationship strength. Although it was impossible to conduct a group comparison in this research due to small sample size, future research can recruit research participants based on relationship with or attitudes toward the brand (e.g., strong, moderate, weak level). For instance, the role of BSN on consumer-brand relationship can be different for consumers who already have a strong

relationship with a brand versus those who have a marginal relationship with the brand. By comparing the research model across different groups, a better understanding of the dynamics of consumer-brand relationship in a BSN context could be achieved. To think differently, the construct BRQ can be a possible moderator on the relationships hypothesized in the current research model. For example, if consumers already have established a strong level of relationship with a certain brand, their BRQ may moderate the relationships among constructs (e.g., the relationship between BSN benefits and BSN relationship quality, the relationship between BSN loyalty and brand loyalty), resulting in stronger impact compared to those who do not have such a strong level of BRQ. Also, this research focused on BSNs for two product/service categories: apparel and restaurants/coffeehouses. Future research can examine BSNs for other product/service categories that are in different involvement levels.

Lastly, a suppression effect resulted from constructing highly correlated variables in one research model suggests that future research can develop a more parsimonious model.

Specifically, researchers can focus on part of the links hypothesized in the model of this research. Potential moderators for those relationships (e.g., importance of product class, consumers' main motives to visit BSN) can be also tested to obtain more detailed and focused implications. Also, as already discussed, researchers may need to determine the loyalty constructs that capture the current study context more accurately. An in-depth qualitative inquiry will be useful to find out the most suitable constructs.

#### **Conclusions**

The goal of this research was to explore the phenomenon of social network websites in the context of the consumer-brand relationship. Particularly, this research built a research model in the relationship framework by investigating the relationships among relational benefits (i.e., BSN benefits), relational mediators (i.e., BSN relationship quality, perceived relationship investment, BRQ), and relational outcomes (i.e., BSN loyalty, brand loyalty). The results suggest that BSN benefits are important drivers of relationship mediators (i.e., BSN relationship quality, perceived relationship investment), which in turn positively influence BRQ. However, functional benefits did not influence BSN relationship quality, underscoring the importance of providing long-term benefits on BSN for building more meaningful and persistent relationships with customers. In addition, while customer loyalty toward the BSN was predicted by both BSN relationship quality and BRQ, it did not positively influence the loyalty toward the brand. Specifically, BSN loyalty did not influence willingness to pay price premium. Thus, consumers' visits or participations in a BSN alone do not guarantee that they have true loyalty with the brand. Furthermore, the negative effects of BSN loyalty on willingness to pay price premium suggest that marketers should make a balance between their overall brand strategy and the strategy to facilitate engagement on a BSN. The results offer exciting avenues for both marketers and researchers to dig deeper into the minds of consumers to provide vital consumer experience through the BSN to generate ultimate customer loyalty.

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# **APPENDIX**

## **Appendix A: Survey Instrument (Main Test)**

### Which of the following social media websites do you utilize? (select all that apply)

- o Facebook
- o Twitter
- MySpace
- o LinkedIn
- Others (Please specify it)

## During the past two weeks, which of the following have you done on Facebook? (select all that apply)

- o Browsed any brand's page on Facebook (e.g., www.facebook.com/cocacola or www.facebook.com/nike)
- Uploaded pictures to any page on Facebook
- o Posted messages on the Facebook Wall
- o Participated in a chat with a friend
- o Browsed advertisements on the right hand side of your screen
- o Others (Please specify it)

Now that you answered that you have browsed a brand's page on Facebook, I would like you to answer more specific questions about that experience. In this survey, the term "brand page on Facebook" is defined as <u>a Facebook page that a retail brand initiates and organizes</u> (not a page that consumers generate). For example, the pictures below are the images for the official brand page on Facebook for Starbucks and Gap.



In this survey, "browsing" the brand page means reading whatever information on the brand page or looking at what others have done on the brand page while "participating in" the brand page means actually doing some activities on the brand page such as becoming a fan of the brand by clicking a "Like" button on top of the front brand page, posting a comment in any of platforms such as Wall and Discussions, clicking a "Like" button as a response to any postings, uploading pictures, participating in the poll or other events, etc.

Select <u>product or service categories</u> for which you have browsed and/or participated in the brand page on Facebook in the past two weeks (select all that apply)

- o Apparel brands (e.g., Converse, Gap, Nike, Levi's, Victoria Secret, etc)
- o Fast food/casual restaurants (e.g., McDonalds, Chick-fil-A, Subway, Buffalo Wild Wings, Panera Bread, etc)
- Coffeehouses (e.g., Starbucks, Dunkin Donuts, Coffee Republic, etc)
- Casual theme/upscale casual restaurants (e.g., TGI Friday's, Ruby Tuesday, PF Chang's, etc)
- Fine dining restaurants
- Snack brands (e.g., Oreo, Skittles, Ferrero Rocher, Starburst, etc)
- Consumer technology product brands (e.g., iTunes, Blackberry, PlayStation, Window Live Messenger, Xbox, etc)
- Retail discount/specialty stores (e.g., Walmart, Target, Best Buy, Body Shop, etc)
- Others (Please specify it)

Please think for a moment about any brand pages on Facebook that you have selected in a previous question. Among those brand pages, I would like you to pick **ONE brand page you frequently visit among "apparel" or "restaurant/coffeehouse" categories.** *The brand does <u>NOT</u> have to be your favorite brand.* Please write the name of this brand in the space below:

#### Which category does {#brand} belong to?

Note: Some examples for restaurants include <u>fast food/casual restaurants</u> (e.g., McDonalds, Chick-fil-A, Subway, Buffalo Wild Wings, Panera Bread, etc), and <u>casual theme/upscale casual restaurants</u> (e.g., TGI Friday's, Ruby Tuesday, PF Chang's, Houston's, etc). Some examples for <u>coffeehouses</u> include Starbucks, Dunkin Donuts, Coffee Republic, etc.

- o Apparel brands (e.g., Converse, Gap, Nike, Levi's, Victoria Secret, etc)
- o Fast food/casual restaurants (e.g., McDonalds, Chick-fil-A, Subway, Buffalo Wild Wings, Panera Bread, etc)
- o Coffeehouses (e.g., Starbucks, Dunkin Donuts, Coffee Republic, etc)
- o Casual theme/upscale casual restaurants (e.g., TGI Friday's, Ruby Tuesday, PF Chang's, etc)
- Fine dining restaurants

### When did you first visit {#brand}'s page on Facebook?

- o 6 months or less ago
- o More than 6 months but less than 1 year ago
- Between 1 year and 1.5 years
- More than 1.5 years but less than 2 years ago
- o 2 years or more ago

What percentage of your total expenditures for {xxx} do you spend with {#brand}?  (Please enter a number between 0 and 100).  ——————
How many times per month do you typically visit {#brand}'s page on Facebook?  (Times per month)  —————
How often do you spend with {#brand} compared to other brands in {#category} category?
<ul> <li>Very rarely</li> <li>Rarely</li> <li>Occasionally</li> <li>Frequently</li> <li>Very frequently</li> </ul>
On average, how many minutes do you spend on {#brand}'s FB page per visit?  (Minutes per visit)  ———————————————————————————————————
Of the ten times you select a brand for {#category}, how many times do you choose {#brand}?  (Please enter a number between 0 and 10.)

Below are several items that explore **your thoughts about {#brand}**. Please indicate the extent to which you agree or disagree with each statement. Please indicate the answer that best indicates your perceptions about **{#brand}**.

	Strongly Disagree						Strongly Agree
{#brand} gives me a feeling of trust.	1	2	3	4	5	6	7
The thought of not being able to use {#brand} disturbs me.	1	2	3	4	5	6	7
I really love {#brand}.	1	2	3	4	5	6	7
I have unique feelings for {#brand}.	1	2	3	4	5	6	7
I'm very loyal to {#brand}.	1	2	3	4	5	6	7
I have trust in {#brand}.	1	2	3	4	5	6	7
{#brand} and I are perfect for each other.	1	2	3	4	5	6	7
I am willing to make sacrifices to keep purchasing from	1	2	3	4	5	6	7
{#brand}.							
I no longer look for alternatives for {#brand}.	1	2	3	4	5	6	7
I have a high-quality relationship with {#brand}.	1	2	3	4	5	6	7
I am happy with the efforts {#brand} is making towards	1	2	3	4	5	6	7
customers like me.							
{#brand} gives me a trustworthy impression.	1	2	3	4	5	6	7
I am satisfied with the relationship I have with {#brand}.	1	2	3	4	5	6	7

Now, I would like you to think for a moment about **{#brand} brand page on Facebook (FB)** (<u>"FB" represents Facebook in the statements throughout the survey</u>). Try to consider your feelings, thoughts, and the overall experience with that brand page when you actually browsed and/or participated in that page. Please indicate the extent to which you agree or disagree with the following statements.

	Strongly Disagree						Strongly Agree
I enjoy the conversational interactions on {#brand}'s FB page.	1	2	3	4	5	6	7
The information provided by {#brand}'s FB page is valuable.	1	2	3	4	5	6	7
I enjoy browsing and/or participating in {#brand}'s FB page.	1	2	3	4	5	6	7
On {#brand}'s FB page, I get to know other people who are	1	2	3	4	5	6	7
interested in this brand.							
The information provided by {#brand}'s FB page is useful.	1	2	3	4	5	6	7
{#brand}'s FB page provides special offers (e.g., discounts,	1	2	3	4	5	6	7
promotions) to me.							
The social aspects of {#brand}'s FB page are important to me.	1	2	3	4	5	6	7
I enjoy communicating with other members on {#brand}'s FB	1	2	3	4	5	6	7
page.							
{#brand}'s FB page provides information at an appropriate level	1	2	3	4	5	6	7
of detail.							
Browsing and/or participating in {#brand}'s FB page enriches	1	2	3	4	5	6	7
my life.	1	2	3	4	5	6	7
{#brand}'s FB page provides updates on upcoming sales.	1	2	3	4	5	6	7
On {#brand}'s FB page, there are good features that help me to	1	2	3	4	5	6	7
accomplish my tasks.							
Overall, I enjoy browsing and/or participating in {#brand}'s FB	1	2	3	4	5	6	7
page.							
{#brand}'s FB page gives me loyalty incentives for my continued	1	2	3	4	5	6	7
participation.							

The following set of statements relates to your thoughts and feelings toward **{#brand}'s brand page on Facebook** in more detail. There are no right or wrong answers. Please provide the answer that best indicates your perceptions about **{#brand}'s Facebook page**.

	Strongly Disagree						Strongly Agree
{#brand}'s FB page plays an important role in my daily life.	1	2	3	4	5	6	7
{#brand}'s FB page is reliable and dependable.	1	2	3	4	5	6	7
I 'talk up' {#brand}'s FB page to my friends.	1	2	3	4	5	6	7
{#brand}'s FB page treats me like a valuable customer.	1	2	3	4	5	6	7
I have lots of respect for {#brand}'s FB page.	1	2	3	4	5	6	7
I plan to keep using {#brand}'s FB page in the future.	1	2	3	4	5	6	7
I have made a commitment to {#brand}'s FB page.	1	2	3	4	5	6	7
I try to spread the good word about {#brand}'s FB page.	1	2	3	4	5	6	7
I keep {#brand}'s FB page in mind all the time.	1	2	3	4	5	6	7
I intend to continue using {#brand}'s FB page in the future.	1	2	3	4	5	6	7
I feel something is amiss when I stop using {#brand}'s FB page.	1	2	3	4	5	6	7
{#brand}'s FB page shows continuing interest in me.	1	2	3	4	5	6	7
I am willing to make sacrifices to keep using {#brand}'s FB page.	1	2	3	4	5	6	7
I feel safe and secure when I use {#brand}'s FB page.	1	2	3	4	5	6	7
I have recommended {#brand}'s FB page to lots of people.	1	2	3	4	5	6	7
I will stay with {#brand}'s FB page through good times and bad	1	2	3	4	5	6	7
times.							
{#brand}'s FB page adds a sense of stability to my life.	1	2	3	4	5	6	7
I expect my use of {#brand}'s FB page to continue in the future.	1	2	3	4	5	6	7
{#brand}'s FB page takes good care of me.	1	2	3	4	5	6	7
I give {#brand}'s FB page lots of positive word-of-mouth	1	2	3	4	5	6	7
advertising.							

Below are several items that explore **your thoughts about {#brand}.** Please indicate the extent to which you agree or disagree with each statement. Please indicate the answer that best indicates your perceptions about **{#brand}**.

	Strongly Disagree						Strongly Agree
{#brand} says a lot about the kind of person I am.	1	2	3	4	5	6	7
{#brand} makes efforts to increase customers' loyalty.	1	2	3	4	5	6	7
I would be willing to pay a higher price for {#brand} over other	1	2	3	4	5	6	7
similar brands.							
{#brand} makes various efforts to improve its tie with	1	2	3	4	5	6	7
customers.							
{#brand}'s image and my self-image are similar in many	1	2	3	4	5	6	7
respects.							
I prefer to purchase from {#brand} even if another brand	1	2	3	4	5	6	7
advertises a lower price.							
{#brand} really cares about keeping customers.	1	2	3	4	5	6	7
{#brand} plays an important role in my life.	1	2	3	4	5	6	7

The following questions concern your overall online experience or attitude as well as your skills and/or experience with brand pages on Facebook. Please indicate the extent to which you agree or disagree with the following statements.

	Strongly Disagree						Strongly Agree
If I couldn't communicate online, I would feel 'out of loop' with	1	2	3	4	5	6	7
my friends.							
Social network websites are a source of information I use when	1	2	3	4	5	6	7
I am deciding to buy something.							
If I lost Internet access, I think I would probably lose contact	1	2	3	4	5	6	7
with many of my friends.							
Without the Internet, my social life would be drastically	1	2	3	4	5	6	7
different.							
I often browse consumer review websites or blogs to learn	1	2	3	4	5	6	7
about brands or products.							
I would communicate less with my friends if I couldn't talk with	1	2	3	4	5	6	7
them online.							
Losing Internet access would not change my social life at all.	1	2	3	4	5	6	7
Online communication is not an important part of my social life.	1	2	3	4	5	6	7
I often browse social network websites to learn about brands or	1	2	3	4	5	6	7
products.							
I am extremely skilled at browsing/participating in brand pages	1	2	3	4	5	6	7
on Facebook.							
I consider myself knowledgeable about efficient techniques for	1	2	3	4	5	6	7
browsing/participating in brand pages on Facebook.	1	2	3	4	5	6	7
I know how to do what I want to do on brand pages on	1	2	3	4	5	6	7
Facebook.							
Consumer review websites or blogs are a source of information	1	2	3	4	5	6	7
I use when I am deciding to buy something.							

Please indicate **your opinions about using Facebook** by checking one point in each row below. If the way you feel about using Facebook is well described by one end of the scale, you should indicate the point closest to the end of the scale.

Using Facebook for me is	Worthless	0	0	0	0	0	Worthwhile
Using Facebook for me is	Not useful	0	0	0	0	0	Useful
Using Facebook for me is	Not productive	0	0	0	0	0	Productive
Using Facebook for me is	Sad	0	0	0	0	0	Нарру
Using Facebook for me is	Annoying	0	0	0	0	0	Pleasing
Using Facebook for me is	Not fun	0	0	0	0	0	Fun
Using Facebook for me is	Not friendly	0	0	0	0	0	Friendly
Using Facebook for me is	Lonesome	0	0	0	0	0	Communal
Using Facebook for me is	Impersonal	0	0	0	0	0	Personal
Using Facebook for me is	Difficult	0	0	0	0	0	Easy
Using Facebook for me is	Tiring	0	0	0	0	0	Not tiring
Using Facebook for me is	Stressful	0	0	0	0	0	Not stressful

What is	s your sex?
0	Female
0	Male
What is	s your age?
Please	indicate the highest level of education completed.
0	High school or less
0	Vocational/Technical school (2 year)
0	Some college
0	College graduate (4 year)
0	Graduate degree (Master's, PhD)
0	Professional degree (MD, JD, etc)
0	Other (Please specify it)
What is	s your ethnic background?
0	Caucasian
0	African-American
0	Hispanic
0	Asian or Pacific Islander
0	Native American
0	Other (Please specify it)
What is	s your annual household income (before taxes)?
	Hadar \$20,000
0	Under \$20,000 \$20, 000 to \$29,999
0	\$30, 000 to \$39,999
0	\$40, 000 to \$49,999
0	\$50, 000 to \$59,999
0	\$60, 000 to \$69,999
0	\$70, 000 to \$79,999
0	\$80, 000 to \$89,999
0	\$90, 000 to \$99,999
0	Over \$100,000
What is	s your residential zip code?

### **VITA**

Hyejune Park holds a Bachelor of Science in Fashion Marketing from Keimyung University, South Korea and a Master of Science in Apparel Business from Virginia Tech. She has taught a class in Consumers in Marketplace at the University of Tennessee. Her primary research interests fall under the areas of consumer experience in the multichannel environment, online consumer interaction, apparel shopping motivations and behavior, apparel retail strategies, and brand relationship and loyalty. She has published articles in journals including *Journal of Global Fashion Marketing, International Journal of Retail & Distribution Management, Research Journal of Textiles & Apparel*, and *Journal of International Consumer Marketing*. She will teach at State University of New York, Oneonta, as an Assistant Professor of Fashion and Textiles from August, 2011.