Ana Pinto de Lima

ISCTE –IUL ISCTE Business School

Av.ª das Forças Armadas, 1649-026 Lisbon

Portugal

ana.pintolima@gmail.com

Pedro Dionísio

ISCTE –IUL ISCTE Business School

Av.ª das Forças Armadas, 1649-026 Lisbon

Portugal

pedro.dionisio@iscte.pt

Carlos Brito

University of Porto - School of Economics

Rua Dr. Roberto Frias - 4200-464 Oporto

Portugal

cbrito@fep.up.pt

The interdependence between brands and brand communities

Abstract

Marketers live under increasing pressure to demonstrate the profitability of marketing actions, given the investments conceded. Therefore, the biggest challenge that these professionals have to face is to focus on building brand equity, as well as on the definition of the factors which contribute to increasing the efficiency of the marketing effort. Brands are a key factor for the management of any company and have a leading role in a modern society. A distinctive feature of modern marketing has been its focus on the creation of differentiated brands. The contemporary consumer gets involved in social groups which represent collective mobilization activities and substantiate the equity of interacting and sharing feelings and emotions. Brand communities are a current phenomenon of great importance for organizations, making it crucial to know the influence that brand communities have on brand equity.

Our aim is to conduct a study targeting a brand community from the motor industry and apprehend the relationship established among its members, the community's degree of importance in the choice of its members and how the existence of this community contributes to the brand's equity in what concerns involvement, popularity and brand image. Brand equity is the dependent variable, while the brand community is the independent variable. The methodological approach is primarily qualitative, leaving a corroborant quantitative analysis.

Key words: brand, brand equity, awareness, attachment, loyalty, brand community, participation, involvement.

1. Introduction

Globalized markets and the ease with which the material differences between products are diluted, make the brand concept a key part in the identification and differentiation function. We can thus see the development of a brand market, well beyond a goods market. The fragmentation of society leads to the resurgence of individualism initiatives, balanced by reorganization and social cooperation actions around issues that may contribute to the alliance and cohesion of a group of people. A group of users and admirers of a certain brand, who engage in joint actions as to achieve collective goals and/or to express mutual feelings, experiences and compromises are known as brand communities (Stokburger-Sauer, 2010). In the social context regarding consumption, these communities should be analyzed not only when it comes to interactions but also when it regards the direct and indirect impact they have on organizations.

The main research problem in this project has to do with the study of interdependence between brands and brand communities. The interest in this relationship comes from the fact that these

concepts are relevant for organizations, as customers invest in brands and may be part of communities where they share emotions being, simultaneously, co-creators of identity and meanings for a certain brand. The objective of this study is to analyze the relation and effect of a brand community in brand equity. On section 2 we will continue by displaying a brief approach to the existent literature on brands' equity, being section 3 about brand communities. Section 4 refers the conceptual model and research hypothesis and on section 5 one will find theoretical and practical contributions. Section 6 presents a proposition of a methodological approach, followed by the conclusion.

2. Brand Equity

According to Farquhar (1990), the first brands emerged in the early years of the XVI century. Back then, the famous Whisky distillers would accommodate their products in small wooden boxes or barrels, where they insisted on burning the producer's name. This was a way of identifying the product's origin and producer, as well as of preventing them from being replaced by other products of dubious quality. The truth is that this basic objective is still of great importance for brands, nowadays. In the XIX century a new design for this concept emerged- the brand is used to enhance a product's perceived equity according to certain associations (Farquhar, 1990). One of the most valuable assets organizations have is the association of their brands to products and services. An imperative presented to today's managers is the ability to create brands able to deliver a strong long-lasting promise, making the brand increasingly powerful (Keller, 2008). Kotler (2003) claims that brands should be regarded as the seller's promise to supply his buyers with a variety of features, benefits and services.

In Keller's opinion (2008, p. 11), a brand is a name which influences consumers in the selection process, being one of the main criteria. Hence, the power of a brand comes from its ability to represent and relate to its consumer. For Keller (2008, p.12) "a brand starts to exist when it achieves the power to influence the market". The brand equity is an intangible asset, based on the market, that can be used to enhance companies' performances (Bick, 2009) in competitive and globalized markets, with more informed customers.

Understanding the dimensions of brand equity equals building competitive wealth barriers and units for the brand (Yoo, Donthu, & Lee, 2000). In the market's perspective, strong brands of a certain product category have a clear equity for the market, as well as for the company. The source of the equity added comes from an easy acceptance in the market and the wide distribution held by a strong brand (Farquhar, 1990). In the consumer's point of view, the brand equity reflects in the increasing strength of attitude of a certain product from a certain brand. Keller (1993) approached the concept of brand equity strictly from the consumer's psychology point of view and defined it

as the differential effect of the brand knowledge in the consumer's response to the brand's marketing actions. Keller (1993) states that the brand equity depends mainly on the brand knowledge, according to the correlational memory regarding two components: the brand knowledge and the brand image (associations related to attributes, benefits and attitudes). Keller (1993) follows the path of brand equity based on the client and defines brand equity as the evaluations of the consumer's response to a brand. To Keller (1993) the brand knowledge is defined in accordance to two components: the brand's awareness and the brand's image. The first dimension to consider is brand awareness, which is related to the strength in the connection of the brand with the consumer's memory, allowing him to develop the ability to identify and recognize a brand in different circumstances and identify how easily this process occurs. Brand awareness is simply the ease with which the recognition and recollection of a brand occur, a process that can take place according to either an assisted or a spontaneous awareness.

As for brand image, it is related to one's perceptions concerning a brand, reflected in the consumer's memory according to the existing associations. It is the brand's meaning to the consumer, which he retains in his memory. All the contact between the brand and the consumer contribute to the brand image, as well as to create associations intended to become positive and long-lasting. Brand knowledge is thus defined in terms of awareness and brand image, being conceptualized according to the characteristics and relation of brand associations.

The consumer's response to marketing campaigns is based on his perceptions, preferences and behaviors generated by marketing (Keller, 1993). The power of a brand lies in the consumers' mind and in what they have experienced and learned about the brand while interacting with it. Keller (2008) puts forward the concept of involvement as a way of adding the loyalty to the relationship which is established between the brand and the customer. Thus, the author suggests the existence of the following categories of involvement between the brand and the customer: behavioral loyalty- associated to recurrent purchases as well as their volume, regarded as a low level of loyalty, once the purchase may take place according to the brand's availability, the customer's involvement not being significant enough for a real resonance; connection attitude- in this category the brand is regarded not only as a mere positive attitude, once a preference and a connection prevail. In this category, loyalty can trigger a sense of community is a brand's users, leading to the following category, the sense of community- that implies a connection, identification and sharing of information among customers.

Finally, when customers are willing to invest their time, energy, money or other resources besides what they already spend when purchasing or using a product from a certain brand, active involvement, the higher level of proximity, is achieved.

3. Brand communities

The act of buying is a way of structuring and giving meaning both to the world and to the relationships established between people. In the final stage of modernity to post-modernity (Van Rajj, 1998) and, more specifically, in a consumer culture (Slater, 1997), products and their signal value and consumption take a leading role in the creation of meanings for individuals (Solomon, 1983; Fournier, 1998), thus affecting the individual's differentiation and integration in the social world.

A brand community can be described as an expert community with no geographic boundaries, built upon a structured set of social relations shared by a brand's followers. The brand communities' main characteristic is the awareness of the existence of a shared possession, as well as of traditions, rituals and a sense of moral and social responsibility. Brand communities are part of a brand's social construction and play a vital role in the brand's final legacy (Muniz Jr & O'Guinn, 2001). Brand communities are social entities that reflect the inclusion of brands in the consumer's daily routine, serving not only as a connection between the consumer and a brand but also between consumers (Muniz Jr & O'Guinn, 2001). Brand communities are spaces where the fidelity to a brand is intense, manifested and nurtured by the emotional connections the brand was able to establish with these customers. Muniz e O'Guinn (2001) mentions the three essential elements to a brand community: the first and most important element refers to a consciousness of kind, which is the intrinsic connection that members feel towards each other; it's a collective feeling of shared difference. The consciousness of kind is a shared recognition, a way of thinking about certain things that goes beyond shared attitudes or perceived similarities. Members feel a relevant connection with the brand but above all they feel a strong bond with the other community elements, the connection being far more important than the "thing". The consciousness of kind transcends geographic boundaries.

The second element comprises the common traditions and rituals that help perpetuate the community and its history, culture and awareness of belonging. Traditions and rituals represent essential social processes where the community's signification is reproduced and transmitted within and outside the community. These rituals and traditions are generally focused on the use of experiences shared with the brand, acting as a way of maintaining the brand community's culture.

These rituals may seem insignificant at first, but their aim is to perpetuate the awareness of belonging, as any time members engage in such rituals and traditions, the impact in their involvement, as well as their status in the community, increase.

The third element is the sense of moral responsibility, a feeling of recognition of the right or obligation towards not only the community as a whole, but also towards its individual members.

This feeling of moral responsibility is the trigger to collective actions, also contributing to the group cohesion. Brand communities play key roles on behalf of the brand, since they promote the

dissemination of information and experiences, perpetuating the history and culture of the brand. A strong brand community can create a strong relationship of allegiance and compromise between individuals with a certain brand (Keller 1998), making a powerful sense of community more valuable to an organization than a brand with a weak sense of community (Muniz Jr & O'Guinn, 2001). They are one of the many options that individuals have to gather in groups in order to create and promote social relationships, thus maximizing their social capital (Stokburger-Sauer, 2010). These brand communities are promising, based on the assumption that the relationships established with consumers who share the same opinion are more effective and credible in inducing a connection between customers and a certain brand, leading them to a higher level of commitment and loyalty (Bagozzi & Dholakia, 2006).

4- Conceptual model and research hypothesis

The objective of the conceptual model is to find answers to the research problem we defined.
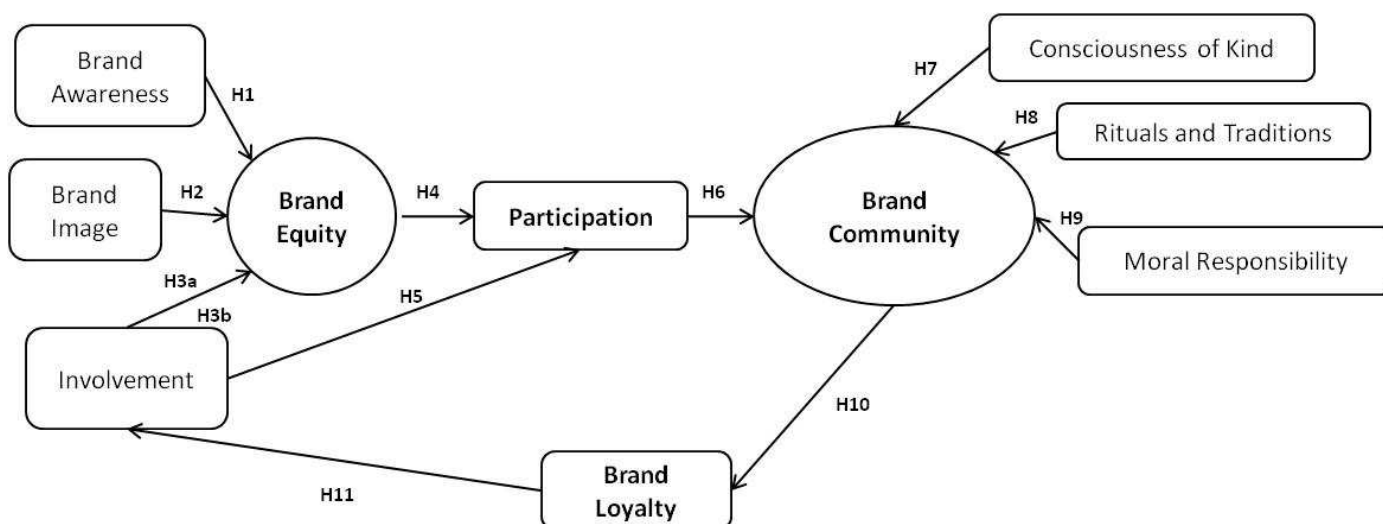
Source: Self-developed

Popularity may affect the consumer's perceptions and attitudes, being an inducer of a brand choice (Aaker, 1996). According to Keller (2008) popularity is defined by the ability of consumers to remember and recognize the brand under different conditions and to establish a connection to certain previously memorized associations. Hypothesis 1: The higher the brand popularity, the bigger the brand value.

Keller (1993) claims that the image relates to one's perceptions of a certain brand, reflected according to the associations present in the consumer's memory. To sum up, it's what the brand means to consumers and is, therefore, retained in their memory. Every contact between the brand and the consumer contributes to the brand image, as well as in creating associations intended to become positive and long-lasting. Hypothesis 2: The more positive the brand image, the higher the brand value.

Keller (2008) fosters the concept of involvement, aggregating loyalty to the relationship established between the brand and the customer. Hence, loyalty can trigger a sense of community for brand users, a sense of community that involves the binding, identification and sharing of information among consumers. Finally, when customers are willing to invest their time, energy, money or other resources besides what they already spend when purchasing or using a product from a certain brand, active involvement, the higher level of proximity, is achieved. Hypothesis 3a: The greater the emotional involvement, the higher the brand value.

Perceived quality is an important component of brand equity (Aaker, 1991; Kapferer, 1991, Kamakura and Russell 1993). Perceived quality is the "consumer's judgment about the overall excellence of a product or its superiority (Zeithaml, 1988, p.3). The combination of perceived quality and brand associations can boost the demand for a certain brand and consequently the satisfaction obtained with the experience. Perceived quality is the perception of consumers, that is, the intangible evaluation and receptivity regarding the brand based on the benefits, credibility and performance of the product to which the brand is associated (Aaker, 1991). Yoo et al. (2000) states that perceived quality influences positively the brand value. Hypothesis 3b: The greater the functional involvement (perceived quality), the higher the brand value.

One of the components of the resonance is the feeling of belonging, which reveals the identification with a brand community that can help consumers develop a sense of familiarity towards other consumers of the brand. Brands involve relationships based in 2 resonance scales: intensity and activity. Intensity concerns the strength in the connection between attitude and sense of community, while activity is related to how often the consumer buys and uses the brand (Keller, 2008). A fundamental feature of the participation in a brand community is the continued acquisition and use of brand products (Algesheim, Dholakia, & Herrmann, 2005). Hypothesis 4: A strong brand equity influences customer's participation in the brand community.

The consumer involvement is related to individuals who are or may be involved with a brand as well as with all the communication activities that may generate involvement in people who are exposed to the brand's marketing actions (Graffigna, 2010). The concept of engagement ought to include a component of behavioral activation that includes a co-creation of social and interactive sharing, creating cooperative and participation dimensions (Hoeffler & Keller, 2002). The consumer's involvement represents the level of motivational expression of a client regarding a brand, depending on his mind characterized by a degree of activation, identification and interaction with the brand (Hollebeek, 2010). Still according to Brito (2010) the concept of engagement is assumed as a broad terminology which intends to comprise several main issues of the consumer's

relationship with a brand, this concept being similar to what Keller (2008) designates as brand resonance. Hypothesis 5: A strong level of involvement of the consumer with the brand definitely contributes to the intention of participating in a brand community

Being part of a brand community requires commitment and loyalty to that community (Algesheim, et al., 2005). Regular participation in the community's collective activities helps achieving the group's collective goals (Bagozzi & Dholakia, 2006). The level of participation is essential to perpetuate the community (Algesheim, et al., 2005) and generate a higher level of involvement with the brand community (Casaló et al., 2010). Hypothesis 6: Active participation in brand communities has influence on the unity of its members.

The sense of belonging or consciousness of kind represents an intrinsic connection that members feel towards one another and the collective sense in relation to others, who are not in the community. It's about sharing an awareness about certain things and is more than just common behaviors or perceived similarities (Muñiz Jr & O'Guinn, 2001). It's the main reason why brand communities can be so powerful when influencing someone's behavior (Vianello, 2011). Hypothesis 7: The existence of a sense of belonging in brand communities contributes to the cohesion of the members.

Traditions and rituals represent essential social processes where the community's signification is reproduced and transmitted within and outside the community, allowing its perpetuation while sharing its story, culture and awareness. Whenever activities implying rituals or traditions are performed, the members' sense of awareness and legitimacy towards their community increases (Muniz Jr & O'Guinn, 2001). Rituals and traditions are not equally intensive in all brand communities and vary according to the brand's age (Schau e Muniz 2002), as a brand of more seniority is likely to have more history and traditions to celebrate. Hypothesis 8: The existence of tradition and rituals within a brand community contributes to the cohesion of its members.

A sense of moral responsibility may be described as a self awareness of the rights and obligations members have regarding not only the community but also other members. This leads to collective actions whenever the community feels threatened (Muniz & O'Guinn Jr, 2001). These actions are a way of recruiting new members (Vianello, 2011), as while participating, members acquire a sense of moral responsibility (McAlexander et al., 2002). 9: The moral responsibility of brand communities contributes to the cohesion of the members

Loyalty has traditionally been approached as a reflection of a repeat purchase behavior and expression of a favorable attitude towards this behavior (Jacoby and Chestnut, 1978). Loyalty refers to the tendency to be loyal to a particular brand and can be demonstrated by the intention to buy the brand in a primary option (Oliver, 1997). A brand community may generate a strong sense of social loyalty and lead to a full commitment to a certain brand (Jacoby and Chestnut, 1978, Keller 1998). Members of a brand community should be regarded as passionate individuals and active believers (Muniz Jr & O'Guinn, 2001). The activities of a brand community involving a brand reinforce its members' sense of loyalty contributing to the sustainable development of a brand's reliability (Madupu & Cooley, 2010). Loyalty to the brand community comes as a result of both the belief and perception of its members that what they obtain from their participation is more than what they would get for not participating (Casaló, Flavian & Guinalíu, 2010). Hypothesis 10: A brand community contributes to the loyalty of its members to the brand.

According to Algesheimer et al., (2005), when consumers are actively involved in a brand community, their commitment, identification and emotional ties towards the brand are likely to increase, which may favor the maintenance of high levels of consumer loyalty to the brand supported by the community (Koh, 2004). A strong relationship between a brand and its consumers brings positive results for both the parties in the relationship (Stokburger Sauer, 2010), as the consumer satisfies its social needs through the construction and maintenance of relationships, while the brand benefits from the loyalty and support provided by its consumers (Algesheimer, et al., 2005); (J. H. McAlexander, Schouten, & Koenig, 2002); (Fournier, 1998). Brand communities are, therefore, an instrument that contributes to strengthen the relationship between consumers and brands (Muniz Jr & O'Guinn, 2001). Customers' fulfillment has a major positive effect on their loyalty to the brand (McAlexander J., Kim, & Roberts, 2003). The accumulation of satisfying experiences affects the way in which satisfaction and brand communities contribute to the customer's loyalty (Oliver 1999; McAlexander et al. 2002). Hypothesis 11: Community members' loyalty towards the brand contributes to a greater involvement of members with the brand.

5. Theoretical and practical contribution

Our goal is to understand how brand equity contributes to people's involvement and loyalty to a brand and how these two concepts are interrelated. Forthcoming results from this study may contribute to the way companies manage their relationship with brand communities, cooperating in the apprehension of motivations, relations and perceptions generated within each community. The proximity of the company to the brand community enables the recognition of inputs generated by the members and assist in the creation of brand equity. The outcome of this study is expected to

allow us to grasp the aspects of greater influence on the community's attitudes and behaviors and understand the extent to which it represents an asset to brand equity. The practical contribution is therefore focused on how companies should manage generated associations and perceptions about brands and how the nature and dynamics of the community can generate value for the brand. For that reason, analyzing and understanding the things consumers appreciate, what they say, share and how they relate to the brand is a way for companies to be able to boost this relationship. Managers should facilitate and promote the sharing of experiences among consumers in order to strengthen brand communities.

6. Methodological approach

The brand communities chosen to implement this study are those related to the use, in Portugal, of scooters Piaggio Vespa, a two-wheeled motorized vehicle that apart from its transportation function is known by the emblematic worship of fun and freedom and the high levels of emotion and involvement of its consumers and followers. Piaggio Vespa fan clubs are not difficult to find in Portugal. They are truly organized around this corporate brand, being, therefore, an ideal target of study. The objective is to attend an event sponsored by the brand community where interactions, relationships between members and their impact on brand value can be calculated. In order to test the hypotheses we have set, it will become necessary to implement a quantitative methodology, although preceded by a qualitative approach. Steps to implement:

exploratory stage - data collection based on focus group and ethnography by observing and participating in selected brand communities. It involves mingling in and observing the activities of Piaggio Vespa community members;

evidential step- use of quantitative analysis tools to test the hypotheses as well as some inputs obtained in the exploratory stage. The target will be set on a random sample of participants which will be asked to fill in a questionnaire, in order to test the conceptual model and understand the relationship between the variables.

7. Conclusion

This study is meant to be a contribution to an important and current issue in society, where brands and consumers establish a relationship based on their actions and social habits. Still in an early stage concerning its development and the research involved, the next steps will be taken towards the research's architecture, regarding data collection and processing.

The methodology used in data collection and analysis allows us to understand and interpret the attitudes and behavior of brand communities and their influence on the loyalty of its members, as well as and their contribution to brand equity.

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