

## Research: Online brand communities and brand loyalty

A recent study into online brand communities looked into the extent to which brand communities contribute to the creation of brand commitment, and whether these breed more loyal customers. There are four factors that can explain why a community will or will not boost commitment to a brand:

1. Quality of the information available to the community: this concerns the quality of the obtained information.
2. Quality of the systems: this covers the possibility of quickly and easily finding information within the community.
3. Interaction between the members: this relates to, for example, message boards, chat and messenger facilities.
4. Rewarding of members: this refers to monetary rewards, psychological rewards and, for example, upgrading or downgrading membership privileges.

Communities come in two forms. Firstly, there are consumer-initiated communities: these communities are built by the members themselves. Secondly, there are company-initiated communities, set up by the brand owner in order to enter into a relationship with the customer and receive feedback from the customer. The objective of this study was to find out whether a brand community actually contributes to brand loyalty and what factors exert the most influence.

The study was run by way of an online questionnaire among 250 respondents from seven brand communities in Korea (for brands from the mobile telephony and automotive sectors). Respondents themselves had to indicate whether their community was a consumer-initiated community or a company-initiated one. The results for consumer-initiated communities and company-initiated communities turn out to differ greatly.

The study explores online brand community commitment (degree of positive feelings members have towards the community). In the case of consumer-initiated communities it turns out that, as expected, all four mentioned factors play a role. Things are different in the case of company-initiated communities. Membership of these communities is often not fully voluntary and can even be obligatory (to get software updates, for example). In that case interaction between members and the rewards members get emerge as the most important drivers of online brand community commitment. The two other factors, the

information available to the community and the quality of the systems, do not play a demonstrable role in achieving commitment.

The main conclusion is that community commitment breeds brand loyalty. A high level of commitment will generate more word-of-mouth advertising and repeat purchases. When studying community commitment, two factors emerge as dominant commitment drivers. The main factor is member rewarding. The second important factor is the interaction among members and between members and hosts of the community. It is therefore advisable to develop strategies to support brand communities. That can include providing physical places for offline activities and/or making funds available for the organisation of community meetings. Or, for example, inviting community leaders (people that are particularly active in the community) for a visit to the company. The authors also come up with some advice for communities. In case of consumer-initiated communities, it is important to limit brand owner involvement (through excessive sponsoring, for example), as this could curtail the spontaneity of community members. Where company-initiated communities are concerned, the brand owner should mainly focus on optimizing the quality of the information and the quality of the systems. It is advisable for both types of communities to facilitate interaction between members, by way of bulletin boards, chat or messenger systems, for example.

#### *Reference(s)*

Jang, H., Olfman, L., Ko, I., Koh, J. and Kim, K. (2008), The influence of on-line brand community characteristics on community commitment and brand loyalty. *International Journal of Electronic Commerce*, vol.12, no.3, p.57-80. \*

\* : available in the EURIB library.