

The Effects of Consumer Engagement Behavior on the Growth of Social Media Brand Community: Evidence from an SME

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ABSTRACT

In recent years, there has been increasing attention to how consumers' roles and behaviors can shape and affect social media based brand communities. In this study the authors examine the dynamic relationships between specific consumer engagement behaviors and the growth rate of social media brand community over time. The results of their study suggest that the overall consumer engagement behavior has a significant predictive relationship with the growth rate of brand community in both short term and long term. While each type of positive consumer engagement behavior alone is not a significant indicator of the growth rate of brand community, a combination of them, as a whole, has a positive predictive relationship with the growth rate of brand community. When the effect of promotional posts is taken into consideration, consumer sharing is found to have relatively stronger and faster predictive relationship with the growth rate of brand community, followed by commenting and liking, than other consumer engaging activities. Negative consumer engagement behaviors in general do not play a significant role in predicting the growth rate of brand community in long term, but it does lead to adverse effect in the short term. This study sheds insights on the dynamic effects of consumer engagement behavior in building and growing social media based brand communities.

KEYWORDS

Brand Community, Consumer Engagement, Dynamic Relationships, SME, Social Media

INTRODUCTION

Social media are fundamentally impacting the way we communicate and interact with each other. They are shifting the paradigm of information flow and consumer interactions (Kaplan & Haenlein, 2010). Some well-known social media platforms include Facebook, Twitter, LinkedIn, and YouTube. These social media platforms have rapidly grown in size over the last few years. For example, as of June 30, 2016, the online social networking site Facebook has over 1.7 billion monthly active users and this number continues to grow rapidly (Facebook, 2016). Individuals and businesses can create a Facebook page for free. These pages allow firms to connect with their customers, market their products and services, create a two-way communication channel to send messages to and receive feedbacks from their customers, and build their online brand community (e.g., Aral et al., 2013; Goh, Heng, & Lin, 2013).

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Brand community has been widely recognized for its significant role in achieving organizational benefits (e.g., Muniz & O'Guinn 2001; McAlexander, Schouten, & Koenig, 2002; Schau, Muñiz, & Arnould, 2009). These include learning customers' perceptions of product offerings, influencing community members' evaluations and actions, gaining and enhancing customer loyalty, increasing market efficiency, etc. To take advantage of the capabilities of both social media and brand community, organizations have started using social networking sites to support the creation and development of online brand communities (Fournier & Lee, 2009; Kaplan & Haenlein, 2010; Goh, Heng, & Lin, 2013; Park & Kim, 2014). There are brand fan pages on Facebook with millions of users. For example, Jeep has more than 1.5 million members as of May 10, 2013. The potential benefits of having a strong online brand community have been widely recognized for building customer loyalty, lowering marketing costs, enhancing brand images, and attracting new customers to grow the business (Kim, Choi, Qualls et al., 2008; Schau, Muñiz, & Arnould, 2009; Laroche et al., 2012).

Recent studies suggest that consumers are becoming pivotal in engaging in the conversations between firms and consumers and among consumers themselves in social media brand communities (Habibi, Laroche, & Richard, 2014; Hollebeek, Glynn, & Brodie, 2014). Such conversations enable consumers to integrate their own brand-related experiences and thoughts into the process of brand community building. Traditionally, firms have most control on their marketing messages and brand management. However, in the current digital era, consumers are now more empowered than ever before to create and share their own brand stories through liking, commenting, and sharing activities on the social media. The consumer-generated content can be instantly passed onto thousands of other online users through consumers' social networks. As Scott Cook, the co-founder of Intuit, emphasizes: "A brand is no longer what we tell the consumer it is – it is what consumers tell each other it is." (Savitz, 2012).

Traditionally, customers are considered as exogenous to the firm and as passive recipients of the firm's active value creation efforts (Deshpande, 1983). In recent years a new perspective of customers has emerged, based on which, customers can co-create value and even become endogenous to the firm (Schau, Muñiz, & Arnould, 2009). In this new shift, online brand communities play the role of a catalyst and provide a platform for co-creation of value and customer engagement (e.g., Fournier & Lee, 2009; Laroche et al., 2012).

Customer engagement has been viewed as a behavioral construct that expands beyond purchase behavior. Customer engagement behavior is specifically defined as a customer's behavioral manifestations, beyond purchase, that have a brand or firm focus (Van Doorn, Lemon, Mittal et al., 2010). Customer engagement is important in building a long-term, sustainable competitive advantage and is tied to a firm's ability to retain, sustain, and nurture its customer base (Gruca & Rego, 2005). With the new perspective of co-creation between a firm and its customers, customer engagement is expected to play a vital role in growing and nurturing the firm's customer base, particularly in social media based brand communities (Gummerus, Liljander, Weman et al., 2012; Hollebeek, Glynn, & Brodie, 2014). Few studies have examined how consumer engagement behavior may affect the building and growth of a social media brand community over time.

In the context of social media brand communities, consumers are empowered to create and share their own brand stories through posting, commenting, sharing, and other engagement behaviors (Fournier & Lee, 2009). Prior studies have used metrics, such as: number of likes, number of comments, and number of shares, to measure customer engagement (e.g, Cvijikj & Michahelles, 2013; Lee, Hosanagar, & Nair, 2014; Murdough 2009). The goal of this study is to shed light on the dynamic effects of consumer engagement behavior on the growth rate of social media brand community. Specifically, this study seeks to address the following questions:

1. Is there a significant relationship between consumer engagement behavior and the growth rate of social media brand community?

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