Chapter 35
Social Media and Online Brand Communities

Madina Ansarin
University of Gloucestershire, UK

Wilson Ozuem
University of Gloucestershire, UK

ABSTRACT

It is widely recognised that a better understanding of social media and its implications is essential for formulating effective branding strategies in evolving Computer-Mediated Marketing Environments (CMMES). However, few studies have examined how social media influences brand image in the luxury sector. The current study intends to examine whether increased exposure through social media influences brand image in technologically infused marketing environments. Drawing on extant literature from various perspectives (in areas such as marketing, information management, and communications studies), this chapter examines exposure to social media and how this influences consumer perceptions of luxury fashion brands. The current analysis develops a critical examination of social media and the perceived prevalence on brand image by elucidating overwhelming perspectives in the evolving technological marketing environments.

INTRODUCTION

Consumers have embraced the Internet and the social community it has supported in the recent past. Market research has been going through changes and developments in social communications. Social media has changed traditional brand manager–consumer relationships by empowering consumers to communicate with each other instantly (Christodoulides & Jevons, 2011). The rise of Web 2.0 has transformed the way content is generated on the Web. Previous studies have addressed social media by examining its role and influence on customer equity (Kumar & George, 2007; Dann & Dann, 2011; Kim & Ko, 2011) and purchase intention (Kim & Lee, 2009; Park, Ko, & Kim, 2010). What these studies have in common is that they consider social media sites as online applications—platforms and media that facilitate interactions amongst customers, enabling deeper relationships between them. Kim and Ko (2012), for

example, presented a statistical analysis of social media on customer equity. Others presented illustrative statistical evidence of the influence of social media on brand relationships (McAlexander, Schoulten, & Koenig, 2002; Dou, Lim, Su, Zhou, & Cui, 2010; Cova & White, 2010; Sukoco & Wu, 2010). Despite these preliminary studies in the evolving technological tapestry, much is still unknown about how social media influences brand relationships and brand images in the luxury fashion sector. Drawing from a social constructivist perspective and breaking with the trend towards quantitative research, the current chapter aims to examine consumer brand perceptions of the evolving interactive market space. Thus, the purpose of this study is to examine how social media facilitates interactions and brand relations in emerging technological environments.

Kim and Ko's (2011) work on social media and customer equity is helpful in considering the importance of social media on customer equity and brand perceptions. Kim and Ko note that " the brand's social media platforms offer venues for customers to engage in sincere and friendly communications with the brand and other users, so the brand's intended actions on the social communication scene were positively affecting relationship equity and brand equity as well" (p. 1484). Kim and Ko suggest that social media leverages and facilitates informal relationships within customer social network activities, but they offer few suggestions on how social media creates effective online brand communities. The current chapter develops this in seeking to examine how consumer participation and experiences in social media influence brand perceptions and relationships.

THE LUXURY INDUSTRY AND SOCIAL MEDIA

The luxury industry has changed significantly in the last decade; the consumption of luxury fashion goods has become more popular since "luxury" is no longer considered to be a niche for a higher level of society. Historically, the concept of luxury played a significant role in societies as a benchmark of knowledge and social class (Okonkwo, 2007). Now luxury brands as a social marker play a crucial role in our creation of identity; more people are enjoying luxury goods as a means of material comfort and personal fulfilment by associating themselves with exclusivity, craftsmanship, and uniqueness through their experience rather than monetary value (Kapferer & Bastein, 2009; Okonkwo, 2007; Yeoman & McMahon-Beattie, 2010). Today, "luxury goods" are associated with experience and indulgence, which connect with consumers.

With growing interest in using social media as a means to attract more customers through effective communications, luxury brands have started to incorporate e-business into their strategies. Viral marketing, buzz marketing, and social media marketing have become more influential marketing tools on Web 2.0 using social media platforms such Facebook, Twitter, and many others to create buzz or word-of-mouth promotion. This targets social media users, who, by being present in online communities, benefit not only from sharing news and information but also from receiving advice and recommendations from other users. Therefore, marketers focus on online brand communities, which are the Web-based communities of traditional brand communities defined by Muniz and O'Guinn (2011) as a distinct group of users without territorial limits bounded by mutual interest in a particular brand. Brand communities are seen by many academics and practitioners as great business opportunities to effectively influence customers' purchasing behaviours and to more deeply understand customers by monitoring their views and opinions (Adjei, Noble, & Noble, 2010; Kozinets, 2007; Cothrel & Williams, 2010). With global populations having an online presence nearing two billion (Okonkwo, 2010), this makes the Internet a place where

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