

Chapter 5

The Effect of Social Networks on Branding: A Factorial Analysis Approach

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ABSTRACT

The Internet is currently the largest computer network in use. Because everyone can use it, and join the network. The main role is that the internet allows to exchange information freely. Corporate communication modes jostled following the advent of the internet and more specifically social networking. Many victims of online business communication crisis affecting sustainably their brand. A real challenge for today's companies needs to understand the characteristics of these new media and to establish an effective communication strategy in order to maintain and improve its image among its customers. This research looks at whether social networks have an effect on the brand image. Several dimensions for assessing this concept will be identified through an empirical study.

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INTRODUCTION

Being close to customers is a major challenge for companies, even if it is intangible and difficult to assess, it is the result of having a large portfolio of loyal customers. More precisely, winning that loyalty requires proximity to the business and the brand at the same time, which is increasingly difficult to obtain in a globalized business world.

The main challenge for companies in the last years is to develop that emotional closeness as well as the virtual closeness, i.e. to move from a geographical proximity to a virtual proximity.

The evolution of Internet has enabled the creation of new communication tools and frameworks for companies and individuals. For example, today all companies have to deal with social networks, which allow them to manage their images and brands, increase their incomes and enrich their experience on the web market which offers completely new opportunities that are previously nonexistent and absent.

Creative employees present the kernel of success for the new businesses that have emerged after the advent of Web 2.0, by hiring: social media manager, community manager, web content manager, and search engine marketing specialist.

The companies developed their social media strategies by focusing on two key concerns. The first concern was the control of the brand presence and image in social media, and how to respond to the opportunities that social media presents to fans to impact on the brand. The second concern was how to strike an appropriate balance between strategies that deliver short-term revenue, and those that build longer term brand loyalty (Jeff, et al., 2014), also, the companies use social networks as a true marketing tool: it is considered as a mean of communication, sales promotion, and prospecting.

Today, the majority of consumers learn about products through social networks; the consumer feels closer to a company and a brand will often be true, but will also be its ambassador and presenter for other customers or potential companies and institutions (Adamy, 2013). The customer, in this case, will withstand the stresses of competitors and will defend the brand in case of an emergency or harmful rumors. There is therefore both a behavioral component and of course an emotional component to the concept of brand loyalty. These attachment and proximity phenomena are observable for both consumer and business-to-business brands.

As an example, Apple implemented a client data base, where real “fans” are customers who have a thorough knowledge of Apple products and services; also, news and buyers are considered as strong supporters of the brand. And as initiative, Steve Jobs also wished to inform the fans about the evolution of his brand, by launching, in June 2011, a new web site *cupidino.com* a dating site dedicated to Apple fans. First, the customer must answer a questionnaire about Apple products

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