

# To be or not to be in social media: How brand loyalty is affected by social media?

Michel Laroche\*, Mohammad Reza Habibi, Marie-Odile Richard<sup>1</sup>

Department of Marketing, John Molson School of Business, Concordia University, 1455 de Maisonneuve West, Montréal, Québec, Canada H3G 1M8

## ARTICLE INFO

### Article history:

Available online 14 August 2012

### Keywords:

Social media  
Brand community  
Brand trust  
Brand loyalty  
Customer centric model

## ABSTRACT

There is an ongoing debate over the activities of brands and companies in social media. Some researchers believe social media provide a unique opportunity for brands to foster their relationships with customers, while others believe the contrary. Taking the perspective of the brand community building plus the brand trust and loyalty literatures, our goal is to show how brand communities based on social media influence elements of the customer centric model (i.e., the relationships among focal customer and brand, product, company, and other customers) and brand loyalty. A survey-based empirical study with 441 respondents was conducted. The results of structural equation modeling show that brand communities established on social media have positive effects on customer/product, customer/brand, customer/company and customer/other customers relationships, which in turn have positive effects on brand trust, and trust has positive effects on brand loyalty. We find that brand trust has a fully mediating role in converting the effects of enhanced relationships in brand community to brand loyalty. The implications for marketing practice and future research are discussed.

© 2012 Elsevier Ltd. All rights reserved.

## 1. Introduction

There is an ongoing debate over the issue of branding in social media. Facebook alone, a hallmark of social media, has over 955 million active users, who log on at least once every 30 days. Half of these active users actually log on every day.<sup>2</sup> On average, consumers devote almost one third of their time to consumption of online social media (Lang, 2010). Due to the popularity and ability of virtual communities to connect different likeminded people and businesses (Hagel & Armstrong, 1997; Wellman & Gulia, 1999), some industry sages and researchers enthusiastically encourage businesses to be present in social media and to take advantage of it if they are to survive (Kaplan & Haenlein, 2010). On the other hand, others call brands “uninvited crashers” of social media (Fournier & Avery, 2011, p. 193) implying that social media are for connecting people not brands. So, the issues of if and how social media is the place for branding activities has remained unresolved.

Despite the importance of branding and the high adoption rate of social media, very few specific, empirical studies (e.g., Hsu & Tsou, 2011) have dealt with these issues. Most studies

concerning marketing and branding in social media include descriptive narratives of social media, its definition, characteristics and consequently some advice and strategies for marketers and businesses in taking advantage of its opportunities and overcoming its challenges (Edelman, 2010; Hanna, Rohm, & Crittenden, 2011; Kaplan & Haenlein, 2010; Kietzmann, Hermkens, & McCarthy, 2011). So there is an important need in the literature to explore the effects of branding on marketing variables related to social media.

In taking the perspective of brand community building (McAlexander, Schouten, & Koenig, 2002; Muniz & O’Guinn, 2001), our goal is to show how brand communities based on social media influence elements of the customer centric model (i.e., relationships between focal customer and brand, product, company, and other customers) and brand loyalty. Furthermore, we study how the effects of brand community translate to brand loyalty. In doing so, we believe that brand trust has a key role, which has been neglected in previous studies.

We first develop a model to show how social media based brand communities could cement relationships among customers, marketers, product, brand, and other customers, and how these relationships could enhance brand trust and loyalty. Then, we test the model and hypotheses quantitatively using structural equations modeling with survey data from a sample of social media website users who are members of different brand communities on the social media websites. We conclude with a discussion of marketing significance, theoretical and practical implications, limitations, and avenues for future research.

\* Corresponding author. Tel.: +1 514 848 2424x2942; fax: +1 514 848 4576.

E-mail addresses: [laroche@jmsb.concordia.ca](mailto:laroche@jmsb.concordia.ca) (M. Laroche),

[mo.habi@jmasb.concordia.ca](mailto:mo.habi@jmasb.concordia.ca) (M.R. Habibi), [odile10@hotmail.com](mailto:odile10@hotmail.com) (M.-O. Richard).

<sup>1</sup> Tel.: +1 514 738 3520.

<sup>2</sup> <http://www.facebook.com/press/info.php?statistics>.

## 2. Social media based brand community

A social media based brand community is composed of two concepts; social media and brand community that we briefly discuss. There are different definitions for social media, but we rely on Kaplan and Haenlein (2010, p. 61) who state: “a group of internet based applications that builds on the ideological and technological foundations of Web 2.0, and it allows the creation and exchange of user-generated content.” This definition implies that the content is not consumed by people passively. Instead, it is produced, shared and consumed by users actively generating content (UGC). There are many researches focusing on the importance of UGC in different contexts. There are many different platforms for social media such as social networking, text messaging, photo sharing, wikis, weblogs, and discussion forums (Harris, 2009); however, it is mostly coined with such popular Internet based applications as YouTube, Wikipedia, Facebook, Twitter, and Second Life.

Muniz and O’Guinn (2001, p. 412) define a brand community as a “specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand.” The context of these communities is consumption of a good or a service. Like every other community, a brand community is made up of its entities including its members, their relationships and the sharing of essential resources either emotional or material. However, McAlexander et al. (2002, p. 38) argue that the most important thing being shared in a brand community is the “creation and negotiation of meaning.” Other benefits of brand communities are facilitating information sharing, cementing the history and the culture of a brand, providing assistance to consumers, and positively influencing brand loyalty (Muniz & O’Guinn, 2001).

According to the social media and brand community literatures, people have their own incentives to join. One essential psychological need is to feel socially connected (Sarason, 1974); therefore, joining social media and connecting with people fulfills a need for belongingness (Gangadharbhatla, 2008; Tardini & Cantoni, 2005). Desire for social interaction is stated as one of the motivations of consumers to engage in content generation activities in online environments (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Shopping, researching, entertainment and making money are some other purposes of contributing in social media (Zhou, Zhang, Chenting, & Zhou, 2011a). In contrast with researchers who claim that the lack of proximity and physical co-presence inherent in social media environments results in weak ties (Constant, Sproull, & Kiesler, 1996; Granovetter, 1973), others showed that these ties could bring people together and encourage members to have deep levels of engagement in society (Tardini & Cantoni, 2005; Wellman, 1997). People also join brand communities to fulfill their need to be identified with groups or symbols they wish to associate with, or that are desirable to them (Elliott & Wattanasuwan, 1998; Grayson & Martinec, 2004; Schembri, Merrilees, & Kristiansen, 2010).

Furthermore, brand communities support their members in terms of sharing necessary information from various sources (Szmigin & Reppel, 2001) and emphasizing different values (Schau, Muniz, & Arnould, 2009). Brand communities provide opportunities for being in touch with highly devoted customers (Anderson, 2005), for communicating effectively with other customers and obtaining valuable information from them (Von Hippel, 2005), and for co-creating value from closely interacting with other customers (Schau et al., 2009). Perhaps the most important advantage for companies in supporting brand communities is increasing brand loyalty, which is called the “Holy Grail” for businesses (McAlexander et al., 2002, p. 38). The advantages of social media as a highly efficient communication and distribution channel (Kaplan & Haenlein, 2010), as a powerful means of influencing customer perceptions and behavior (Williams & Cothrell, 2000), and of bringing

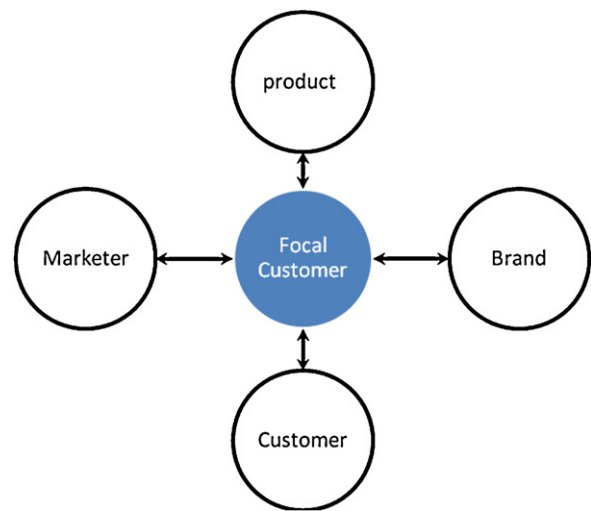


Fig. 1. Customer centric model of brand community (McAlexander et al., 2002, p. 39).

together different/likeminded people (Hagel & Armstrong, 1997; Wellman & Gulia, 1999) are motivating brand managers to participate in social media.

With the advancement of technology, the previously geographically bounded concept of brand communities is now transcending geography (Muniz & O’Guinn, 2001). Regarding the motivations for joining social media and brand communities for both people and brand managers, the concepts of social media and brand communities have become closer to each other. The intersection of brand communities and social media leads to a concept that we call *social media based brand community*. For example, famous brand communities such as Jeep or Harley Davidson (Schau et al., 2009) already established their brand communities on social media platforms such as Facebook and MySpace (Kaplan & Haenlein, 2010). We believe these communities, like other communities, have in common one characteristic, i.e., being instrumental to human well-being (McAlexander et al., 2002, p. 38). As Rheingold (1991) stated people use the new technology to do what they always did, so people use these new communities for the same purposes. Our goal is to show how these brand communities could affect brand elements and loyalty. We now develop our hypotheses.

### 3. Development of the model and the hypotheses

#### 3.1. Customer centric model of brand community and social media

The first models of brand community were comprised a triad of customer–customer–brand (Muniz & O’Guinn, 2001); however, McAlexander et al. (2002) added other entities that are related to the concept of brand community, i.e., product and company. Fig. 1 depicts the customer centric model of brand community.

As defined by McAlexander et al. (2002, p. 38), “a community is made up of its entities and the relationships among them”. So, a social media based brand community includes entities such as brand, product, customer, company, and social media, which is the platform for that community to exist. McAlexander and his colleagues showed that events such as brandfests bring members and other elements of a community to a high-context interaction. During these interactions meaningful consumption experiences, useful information and other valuable resources are shared among members and marketers reciprocally, which results in strengthening ties among all elements of the customer centric model of brand community (McAlexander et al., 2002). We believe that social media

could also provide for such high-context interactions among elements of a brand community. When a member logs on a social media platform and explores the brand page, comments, shares a photo or experience, interacts with marketers, asks questions about the brand or the product or answers comments, that member is participating in the community activities and the invisible community becomes visible. In these interactions resources are being exchanged, information and value are being shared among members, so that the ties could be cemented in such communities.

Thus, to the degree in which they support information sharing and welfare of the members, and strengthen bonds among them, brand communities based on social media – like offline brand communities – cement entities of the customer centric model of brand community, i.e., relationships between customers and brand, product, company and other customers. Thus:

**H1.** Social media based brand communities have positive effects on the: (a) customer/product relationship; (b) customer/brand relationship; (c) customer/company relationship; and (d) customer/other customers relationships.

### 3.2. Brand trust and brand loyalty

There is agreement among brand researchers that one of the main consequence of building and enhancing brand communities and consumer experience within the context of brand community is to make customers loyal to the brand (McAlexander & Schouten, 1998; McAlexander et al., 2002; Muniz & O'Guinn 2001; Schau et al., 2009; Schouten & McAlexander, 1995; Zhou, Jin, Vogel, Fang, & Chen, 2011b). Even McAlexander et al. (2002) assert that the cumulative effects of enhanced relationships in the customer centric model eventually result in customer loyalty; however, despite this and other qualitative evidence, it is still not clear how the process of increasing brand loyalty in brand communities looks like.

According to the loyalty and trust literatures, trust is one of the main antecedents of loyalty (Chaudhuri & Holbrook, 2001; Chiu, Huang, & Yen, 2010; Harris & Goode, 2004; Hong & Cho, 2011; Kim, Chung, & Lee, 2011; Zhou et al., 2011a). Considering that online communities, as a social structure, have positive effects on trust and loyalty (Ba, 2001; Walden, 2000), we argue that the enhanced relationships in the customer centric model of brand community should increase brand trust, which has a positive effect on brand loyalty, i.e., brand trust has a mediating role in translating the effects of brand community into brand loyalty.

Chaudhuri and Holbrook (2001, p. 82) define brand trust as “the willingness of the average consumer to rely on the ability of the brand to perform its stated function.” When a situation presents uncertainty, information asymmetry or fear of opportunism, trust plays a crucial role in decreasing the uncertainty and the lack of information. It makes customers feel comfortable with their trusted brand (Chiu et al., 2010; Doney & Cannon, 1997; Gefen, Karahanna, & Straub, 2003; Moorman, Zaltman, & Deshpande, 1992; Pavlou, Liang, & Xue, 2007). We surmise there are at least two mechanisms through which enhanced relationships between customers and brand elements could increase brand trust. First, repeated interactions and long term relationships are counted as key in developing trust (Holmes, 1991). Enhanced relationships with customers and elements of brand community necessarily increase relationships and contacts between the brand and customers so that brand trust would be positively affected. Furthermore, relationship enhancement happens concurrently with information sharing and dissemination between different elements of the brand, which decreases information asymmetry, reduces uncertainty and increases predictability of the brand (Ba, 2001; Lewicki & Bunker, 1995) which results in trust enhancement. So we hypothesize that:

**H2a.** The customer/product relationship has a direct positive effect on brand trust.

**H2b.** The customer/brand relationship has a direct positive effect on brand trust.

**H2c.** The customer/company relationship has a direct positive effect on brand trust.

**H2d.** Customer/other customers relationships have direct positive effects on brand trust.

The relationship between trust and loyalty has been examined in different contexts. It is well-supported that trust is one antecedent of loyalty (Chaudhuri & Holbrook, 2001; Chiu et al., 2010; Harris & Goode, 2004; Kim et al., 2011; Zhou et al., 2011b). We also hypothesize this relationship to test it in the context of social media based brand communities and to test if brand trust has a partial or full mediating role. Thus:

**H3.** Brand trust positively influences brand loyalty.

## 4. Method and findings

### 4.1. Subjects and procedure

Our target population consists of people who are members of a brand community in any social media platform. So, the questionnaire was sent through several posts in websites such as Facebook, MySpace, and Twitter along with distribution lists. We introduced the questionnaire as an opinion survey, and we asked participants to list the brand communities they are a member of and follow on social media. Furthermore, we asked them to keep in mind these brand communities while answering the questions. With this procedure, which is consistent with previous studies in online contexts (Bagozzi & Dholakia, 2006; Steenkamp & Geyskens, 2006), we collected 441 valid responses (48.9% male). The age range of the participants varied between 18 and 55.

### 4.2. Measures

The measures of all the constructs in the model were based on the literature. However, they were slightly modified to suit the context of the study. We adopted and modified items developed by Srinivasan, Anderson, and Ponnnavolu (2002) to measure community. We modified it aiming to capture the degree to which members feel bonded to each other, share information and experience, and the extent to which they find these exchanges useful. The initial scale had six items (5 options Likert scale). The scales for the customer's relationship with *product*, *brand*, *company* and *other customers* were originally developed by McAlexander et al. (2002). We used three out of the four items scale originally developed by Chaudhuri and Holbrook (2001) for brand trust. We derived a three items measure from Delgado-Ballester, Manuera-Aleman, and Yague-Guillen (2003) for brand loyalty. All items were 5 point Likert-type scales.

Before running structural equation modeling to test the hypotheses, for purifying and validating the measures, we first conducted an exploratory factor analysis (EFA) and subsequently reliability analysis to calculate Cronbach's alpha for the scale items to ensure internal consistency (Cronbach, 1970). All the items loaded properly on their intended scale except three items of social media based brand community that were deleted because they loaded very low on the intended construct. The 7 scales together explain almost 73% of the total variance. Then we calculated Cronbach's alphas for each construct. Table 1 shows the descriptive statistics and Cronbach's alphas of the final constructs. As it is

**Table 1**  
Means, standard deviations, reliability statistics for construct measures.

Constructs	No of items	Mean	Standard deviation	Cronbach's $\alpha$
Online brand community (OB)	3	5.88	1.808	0.660
Product (P)	4	6.43	2.107	0.731
Brand (B)	3	5.60	1.763	0.728
Company (Com)	2	3.83	1.253	0.727
Other customers (Oo)	3	6.02	2.045	0.719
Brand loyalty (L)	3	6.73	2.715	0.856
Brand trust (BT)	3	5.26	1.56	0.617

shown the reliability measure ranged from 0.617 to 0.856, which shows satisfactory levels of internal consistency.

Next, we conducted confirmatory factor analysis (CFA) using EQS measurement model. First, we found a very good model fit for a CFA with all 7 scales as free (unrestricted model);  $\chi^2 = 300.00$ ,  $df = 168$ ,  $p$ -value = 0.00, CFI (Bentler, 1990) = 0.96 and RMSEA = 0.04. Table 2 shows the factor loadings and  $R$ -squares of each item (please refer to Appendix for the questions).

Then we tested a restricted model in which all the correlations between latent variables were set to 1.00, resulting to  $\chi^2$  value of 942.541 with 190 degrees of freedom, RMSEA = 0.09 and CFI = 0.75. Comparing these two models we reject the restricted model in favor of the free model ( $\chi^2$  difference of 642.54,  $df = 22$ ). Furthermore, to show that the factors are orthogonal we compared the free model with another restricted model, in which all the correlations among factors were set to zero. This model resulted in  $\chi^2 = 1185.4$  with 189 degrees of freedom. We reject this model too in favor of the free model ( $\chi^2$  difference = 885.4,  $df = 21$ ). As another evidence for convergent and discriminant validity we compared the correlation between all the measures in the table. Almost all within construct correlations were larger than correlations among between construct items, implying convergent and discriminant validity.

Following these steps we test the hypotheses using structural equation modeling in the next part.

#### 4.3. Results

We used EQS 6.1 to test the model and estimate the path coefficients in Fig. 2.

**Table 2**  
Items factor loadings.

Construct	Item	Factor loading	$R$ -square
Brand community	Ob4	0.502	0.252
	Ob5	0.648	0.420
	Ob6	0.724	0.525
Consumer/product relationship	P1	0.615	0.378
	P2	0.718	0.516
	P3	0.638	0.407
	P4	0.59	0.349
Consumer/brand relationship	B1	0.685	0.469
	B2	0.709	0.503
	B3	0.670	0.449
Customer/company relationship	Com1	0.772	0.595
	Com2	0.741	0.549
Customer/other customer relationships	Oo1	0.673	0.453
	Oo2	0.713	0.508
	Oo3	0.657	0.432
Brand trust	Bt1	0.644	0.415
	Bt2	0.575	0.331
	Bt3	0.539	0.291
Loyalty	L1	0.794	0.630
	L2	0.857	0.735
	L3	0.803	0.645

#### 4.4. Structural model estimation

The fit indices for the full model are  $\chi^2(173) = 365.597$ ,  $p < 0.001$ , RMSEA = 0.05, GFI = 0.926, and CFI = 0.935. Although the  $\chi^2$  test is significant ( $p < 0.05$ ) all the other statistics are within acceptable ranges. This indicates an acceptable model fit (For a review of fit indices see Browne & Cudeck, 1993; Bagozzi & Yi, 1988).

As predicted, strong support was found for the effects of social media based brand community on the four elements of the customer centric model of brand community, i.e., customer relationships with the product, the brand, the company and other customers. The coefficient values for the four relationships are respectively: 0.723, 1.059, 1.258, and 1.369. All of these relationships are significant at  $p < 0.05$ , providing support for H1a, H1b, H1c and H1d. Fig. 3 summarizes these and other results.

All the effects of the customer relationships with brand elements on brand trust are supported as well. The customer/product relationship has a significant, positive effect on brand trust ( $\beta = 0.397$ ,  $p < 0.05$ ), supporting H2a. The customer/other customers relationship also has a positive significant effect on brand trust, supporting H2d ( $\beta = 0.375$ ,  $p < 0.05$ ). The effect of the customer/company relationship on brand trust is also significant ( $\beta = 0.114$ ,  $p < 0.05$ ), supporting H2c. The effect of customer/brand relationship on brand trust (H2b) is also supported ( $\beta = 0.178$ ,  $p < 0.05$ ).

Finally, the relationship of brand trust on brand loyalty is positive and significant ( $\beta = 0.729$ ,  $p < 0.001$ ), so H3 is supported. The findings reveal that brand trust mediates the effect of customer/product, customer/brand, customer/company, and customer/other customers relationships on brand loyalty. We run another test with brand trust as a partial mediator to examine whether it has a partial or full mediating role in the model. We added direct relationships from the four elements (i.e., customer/brand, customer/product, customer/company and customer/other customers relationships) to brand loyalty in the base model (Fig. 2). In testing the new model with the same SEM procedure, none of the new relationships were found to be significant and the model fit did not improve. This implies that brand trust fully mediates the effects of the customer relationship with the four elements (brand, product, company, other consumers) on brand loyalty.

## 5. Discussion and implications

As discussed, there is a debate over the issues of social media, marketing and branding activities on social media, and few systematic studies with clear empirical results can be relied upon. Beside few exceptions, all we find in the literature are descriptive narratives about social media, its capabilities, and potentials in leveraging business activities. In addition, there are contradictions among scholars on these issues. For example some believe that social media is an ideal environment for businesses to reach their customers, while others believe brands crash the environment that is supposed to be for people and their friends (Fournier & Avery, 2011; Kaplan & Haenlein, 2010).



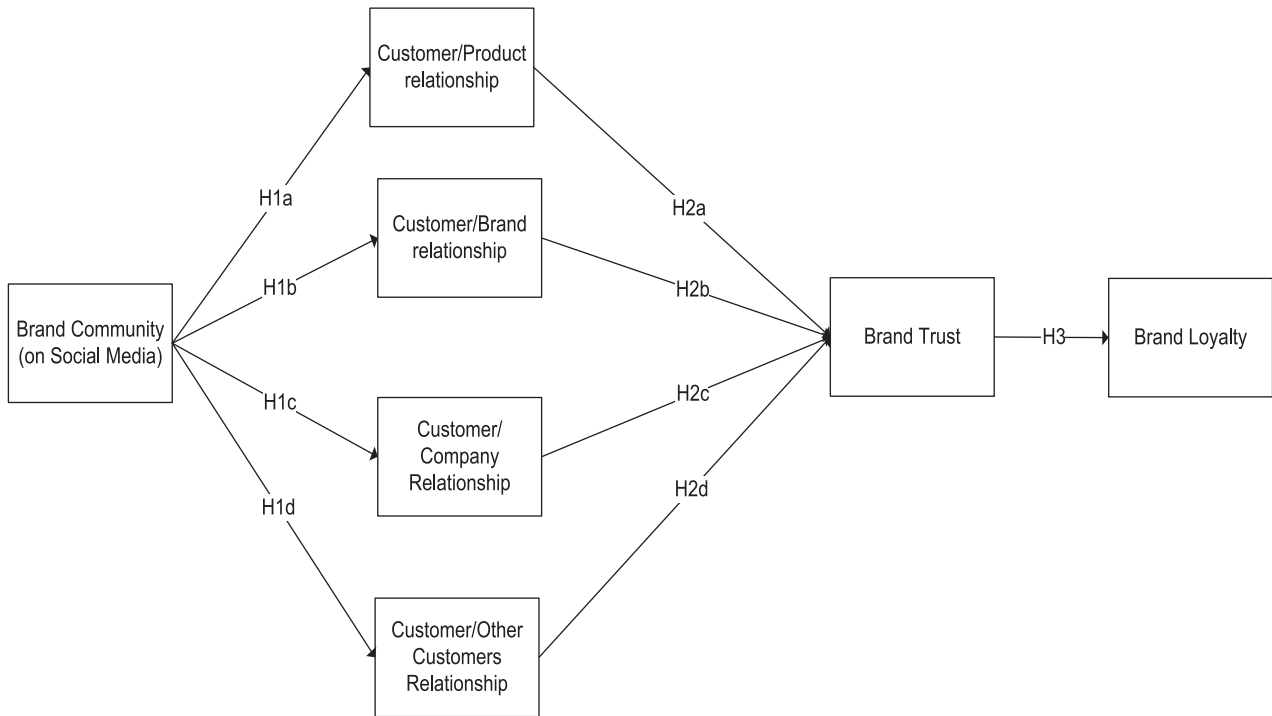


Fig. 2. Model of the effects of brand community (on social media).

Our purpose was to fill this gap, partly, and help other researchers to shed more light on these issues. Our study took the brand community perspective to examine if there are some benefits for brands in a social media context and to show how these benefits could be realized. Drawing on the brand community literature, we developed a unique model of the process by which a brand community can affect brand loyalty. Then we tested, supported and validated our model and hypotheses in the context of social media. We conclude that brand communities operating on social media can enhance brand trust and loyalty by improving customer relationship with the brand, other consumers, the company and the products. Our finding is somehow consistent with other studies that found participation in social

virtual communities positively influences brand loyalty (Casaló, Flavián, & Guinalú, 2010; Kardaras, Karakostas, & Papathanassiou, 2003).

An interesting observation from the final model is that the path through consumer relationship has the highest coefficients. This is consistent with the main characteristic of social media which is user generated content. Some researchers call social media as “people’s media” or “people’s web” which implies that the main goal of social media is to bring people together and to facilitate interactions among them (e.g., Fournier & Avery, 2011). This finding is consistent with this and shows practitioners that they should enhance customers relationships with each other to enhance loyalty and trust.

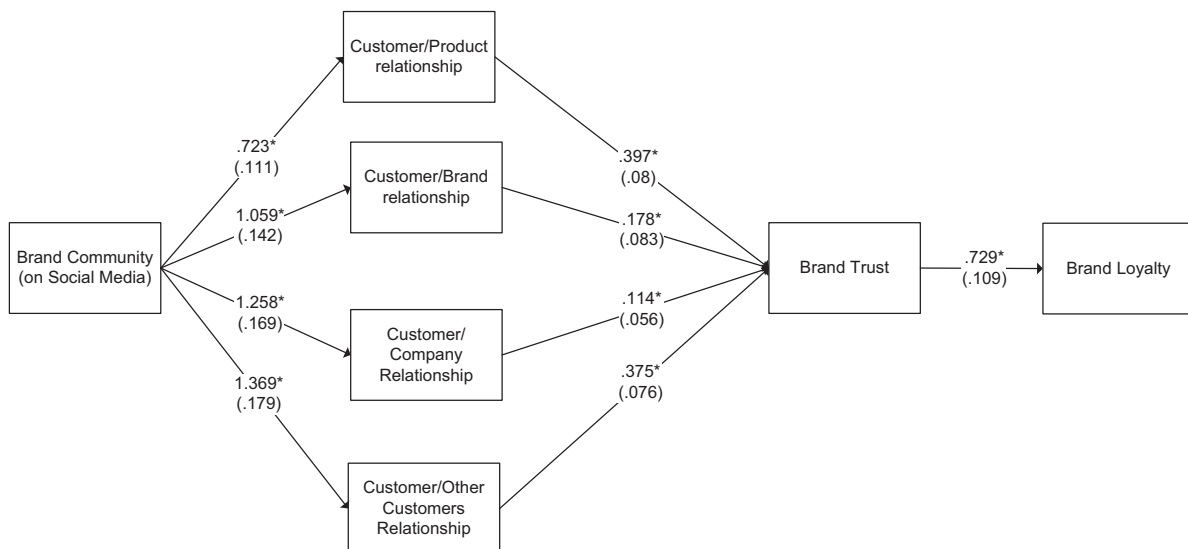


Fig. 3. Estimated model. \* $p < 0.05$ . Note: unstandardized coefficients are used and standard errors are in parentheses.

Our study contributes to the existing brand community and social media literatures and provides its own theoretical implications as well. First, we developed a new model of how a brand community can affect brand loyalty. As discussed earlier, previous studies emphasized that one main function of brand communities is to increase brand loyalty but our model shows how this can happen. We especially identified the role of brand trust as a translator of these effects, a role which was mostly neglected in previous studies. Although we tested our model in the context of social media, we believe this model might be valid in other contexts as well. Second, as some researchers stated, social media has its own unique characteristics that demand researchers to treat it as a distinct research area (Hu & Kettinger, 2008; Soliman & Beaudry, 2010), and this research extends the concept of brand community to social media and helps scholars have more insight about brands operating in social media contexts.

This study also helps practitioners in their involvement with social media. The vast reach, being placeless, having low cost, and the popularity of social media motivate all marketers to try to take advantage of it in different ways. Our model and results show that with creating and enhancing brand communities based on social media, and by facilitating feelings of community, usefulness, information sharing, and strengthening the social bonds among members and other elements of the brand, marketers can increase brand trust and loyalty.

### 5.1. Limitations and future research

Our goal was to show how brand communities based on social media can, in general, affect customer relationships with brand elements as well as brand loyalty. Toward this goal and using the elements of brand community, we tested our model in the context of social media. Surveying a random sample of users of social media and brand communities allows us to have generalizable results; however, in future research other possible moderating and mediating variables, such as brand type, culture, characteristics and facilities of the community on social media, could be included to produce deeper insights about how these relationships act in different situations.

Although our findings show that brand communities based on social media could produce positive effects for brands, it might be considered that social media is not always an ideal environment for brands in which to operate. In some cases it might be a risky environment for businesses (Fournier & Avery, 2011), as customers are becoming more powerful than ever before. They can easily interact, speak and broadcast their thoughts while companies have less power to manage the information available about them in the new space (Kaplan & Haenlein, 2010). Moreover, customers could easily get involved in online complaints if they are dissatisfied, or upset with the brand (Ward & Ostrom, 2006). Mangold and Faulds (2009) give some interesting examples of how fatal the negative user generated information could be. Therefore, we advise businesses to be cautious about their activities on social media in terms of establishing their brand communities as well as other efforts, and researchers to conduct more studies about the potential negative consequences of social media based brand communities and introduce effective techniques to manage communities in such environments.

Brand communities are dynamic phenomena with dynamic effects and interactions among their elements (McAlexander et al., 2002; Schau et al., 2009). So, one of the interesting avenues for future research might be to trace this dynamism in the context of social media to see how the effects evolve over time. Due to the achievability of social media platforms, conducting these types of study might be easier than before. So, longitudinal studies could

enable researchers to create more insight about the dynamic interactions among the community elements.

## 6. Conclusion

We showed the role of brand communities in enhancing customer relationships with elements of the brand community elaborated by McAlexander et al. (2002). To the extent that a brand community based on social media acts to provide benefits to its members, to facilitate information sharing and to enhance customers' bonds to each other, it cements the customers' relationships with the brand, the product, the company and other customers. These enhanced relationships result in enhanced brand loyalty, but we showed that brand trust has a fully mediating role in this process. All in all, our findings show how social media could be a platform for brands to achieve the same desired outcome from their brand community activities; that is having more loyal customers.

## Acknowledgements

The authors gratefully acknowledge the financial support of the Social Sciences and Humanities Research Council of Canada.

## Appendix. Summary of measures

1	Brand community	Ob4 – The members of this community benefit from the community Ob5 – The members share a common bond with other members of the community Ob6 – The members are strongly affiliated with other members
2	Product	P1 – I love the product of the brand P2 – I am proud of the product P3 – The product is one of my prized possessions P4 – The product is fun to use
3	Brand	B1 – I value the heritage of the brand B2 – If I were to replace the product, I would replace it with another product of the same brand B3 – My brand is of the highest quality
4	Company	Com1 – The COMPANY understands my needs Com2 – The COMPANY cares about my opinions
5	Other customers	Oo1 – I have met wonderful people because of the community Oo2 – I have a feeling of kinship with the other owners Oo3 – I have an interest in the community because of the other owners of the brands
6	Brand loyalty	L1 – I consider myself to be loyal to the brand L2 – If the brand is not available at the store, I would buy the same brand from some other store L3 – I am willing to pay more for my brand
7	Brand trust	BT1 – My brand gives me everything that I expect out of the product BT2 – I rely on my brand BT3 – My brand never disappoints me

## References

- Anderson, P. H. (2005). Relationship marketing and brand involvement of professionals through web-enhanced brand communities: The case of Coloplast. *Industrial Marketing Management*, 34(3), 285–297.
- Ba, S. (2001). Establishing online trust through a community responsibility system. *Decision Support System*, 31, 323–336.
- Bagozzi, R., & Yi, Y. (1988). On evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(Spring), 74–94.

- Bagozzi, R., & Dholakia, U. (2006). Open source software communities: A study of participation in Linux user groups. *Management Science*, 52(7), 1099–1115.
- Bentler, P. M. (1990). Comparative fit indexes in structural models. *Psychological Bulletin*, 107(2), 238–246.
- Browne, M., & Cudeck, R. (1993). Alternative ways of assessing model fit. In K. A. Bollen, & J. S. Long (Eds.), *Testing structural equation models* (pp. 136–162). Newbury Park, CA: Sage.
- Casaló, L. V., Flavián, C., & Gualini, M. (2010). Relationship quality, community promotion and brand loyalty in virtual communities: Evidence from free software communities. *International Journal of Information Management*, 30(4), 357–367.
- Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty. *Journal of Marketing*, 65(April), 81–93.
- Chiu, C. M., Huang, H. Y., & Yen, C. H. (2010). Antecedents of online trust in online auctions. *Electronic Commerce Research and Application*, 9, 148–159.
- Constant, D., Sproull, L., & Kiesler, S. (1996). The kindness of strangers: The usefulness of electronic weak ties for technical advice. *Organization Science*, 7(2), 119–135.
- Cronbach, L. J. (1970). *Essentials of psychological testing*. New York: Harper and Row.
- Delgado-Ballester, E., Manuera-Aleman, J. L., & Yague-Guillen, M. J. (2003). Development and validation of a brand trust scale. *International Journal of Market Research*, 45(1), 35–54.
- Doney, P. M., & Cannon, J. P. (1997). An examination of the nature of trust in buyer–seller relationships. *Journal of Marketing*, 61(April), 35–51.
- Edelman, D. C. (2010). Branding in digital age. You're spending your money in all the wrong places. *Harvard Business Review*.
- Elliott, R., & Wattanasuwan, K. (1998). Brands as symbolic resources for the construction of identity. *International Journal of Advertising*, 17(2), 131–144.
- Fournier, S., & Avery, J. (2011). The uninvented brand. *Business Horizons*, 54, 193–207.
- Gangadharbhatla, H. (2008). Facebook me: Collective self esteem, need to belong and Internet self efficacy as predictors of the 1-generations attitudes toward social networking sites. *Journal of Interactive Advertising*, 8(2), 5–15.
- Gefen, D., Karahanna, E., & Straub, D. W. (2003). Trust and TAM in online shopping: An integrated model. *MIS Quarterly*, 27(1), 51–90.
- Granovetter, M. (1973). The strength of weak ties. *American Journal of Sociology*, 78(6), 1360–1380.
- Grayson, K., & Martinec, R. (2004). Consumer perceptions of iconicity and indexicality and their influence on assessments of authentic market offerings. *Journal of Consumer Research*, 31(2), 296–312.
- Hagel, J., & Armstrong, A. G. (1997). *Net gain: Expanding markets through virtual communities*. Boston, MA: Harvard Business School Press.
- Harris, L. C., & Goode, M. M. H. (2004). The four levels of loyalty and the pivotal role of trust: A study of online service dynamics. *Journal of Retailing*, 80, 139–158.
- Harris, R. Social media ecosystem mapped as a wiring diagram. (2009). Retrieved from: <http://www.twitterthoughts.com/social-media-news-analyses/2009/9/3/social-media-ecosystem-mapped-as-a-wiringdiagram.html?printerFriendly=true> Accessed 27.09.10.
- Hanna, R., Rohm, A., & Crittenden, V. L. (2011). We're all connected: The power of social media ecosystem. *Business Horizons*, 54, 265–273.
- Hennig-Thurau, T., Gwinner, K., Walsh, G., & Gremler, D. (2004). Electronic word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the Internet? *Journal of Interactive Marketing*, 18(1), 38–52.
- Holmes, J. G. (1991). Trust and the appraisal process in close relationships. In W. H. Jones, & D. Perlman (Eds.), *Advances in personal relationships 2* (pp. 57–104). London: Jessica Kingsley.
- Hong, I. B., & Cho, H. (2011). The impact of consumer trust on attitudinal loyalty and purchase intentions in B2C e-marketplaces: Intermediary trust vs. seller trust. *International Journal of Information Management*, 31(5), 469–479. <http://dx.doi.org/10.1016/j.ijinfomgt.2011.02.001>
- Hsu, H. Y., & Tsou, H.-T. (2011). Understanding customer experiences in online blog environments. *International Journal of Information Management*, 31(6), 510–523.
- Hu, T., & Kettinger, W. J. (2008). Why people continue to use social networking services: Developing a comprehensive model. In *Proceedings, 29th international conference on information systems Paris, France*.
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53, 59–68.
- Kardaras, D., Karakostas, B., & Papathanassiou, E. (2003). The potential of virtual communities in the insurance industry in the UK and Greece. *International Journal of Information Management*, 23(1), 41–53.
- Kietzmann, J. H., Hermkens, K., & McCarthy, I. P. (2011). Social media? Get serious! Understanding the functional building blocks of social media. *Business Horizons*, 54, 241–251.
- Kim, M., Chung, N., & Lee, C. (2011). The effect of perceived trust on electronic commerce: Shopping online for tourism products and services in South Korea. *Tourism Management*, 32, 256–265.
- Lang, B. (September 2010). Ipsos OTX study: People spend more than half their day consuming media. *The Wrap*.
- Lewicki, R. J., & Bunker, B. (1995). Trust in relationships: A model of trust development and decline. In B. Bunker, & J. Rubin (Eds.), *Conflict, cooperation and justice* (pp. 133–173). San Francisco: Jossey-Bass.
- Mangold, W. G., & Faulds, D. J. (2009). Social media: The new hybrid element of the promotion mix. *Business Horizons*, 52, 357–365.
- McAlexander, J. H., & Schouten, J. W. (1998). Brand-fests: Servicescapes for the cultivation of brand equity. In J. F. Sherry (Ed.), *Servicescapes: The concept of place in contemporary markets* (pp. 377–402). Chicago: American Marketing Association.
- McAlexander, J. H., Schouten, W. J., & Koenig, F. H. (2002). Building brand community. *Journal of Marketing*, 66(1), 38–54.
- Soliman, M. A., & Beaudry, A. (2010). Understanding individual adoption and use of social computing: A user-system fit model and empirical study. *ICIS, Proceedings*, Paper 22. <http://aisel.laisnet.org/icis2010-submissions/22>
- Moorman, C., Zaltman, G., & Deshpande, R. (1992). Relationships between providers and users of market research: The dynamics of trust within and between organizations. *Journal of Marketing Research*, 29(August), 314–328.
- Muniz, M. A., & O'Guinn, C. T. (2001). Brand community. *Journal of Consumer Research*, 27(4), 412–432.
- Pavlou, P. A., Liang, H., & Xue, Y. (2007). Understanding and mitigating uncertainty in online exchange relationships: A principal-agent perspective. *MIS Quarterly*, 31(1), 105–136.
- Rheingold, H. (1991). A slice of life in my virtual community. In L. M. Harasim (Ed.), *Global networks* (pp. 57–80). Cambridge, MA: MIT Press.
- Sarason, S. B. (1974). *The psychological sense of community: Prospects for the community psychology*. San Francisco: Jossey-Bass.
- Schau, J. H., Muniz, M. A., & Arnould, J. E. (2009). How brand community practices create value. *Journal of Marketing*, 73(5), 30–51.
- Schembri, S., Merrilees, B., & Kristiansen, S. (2010). Brand consumption and narrative of the self. *Psychology and Marketing*, 27(6), 623–637.
- Schouten, J. W., & McAlexander, J. H. (1995). Subcultures of consumption: An ethnography of the new bikers. *Journal of Consumer Research*, 22(June), 43–61.
- Srinivasan, S. S., Anderson, R., & Ponnavaolu, K. (2002). Customer loyalty in E-commerce: An exploration of its antecedents and consequences. *Journal of Retailing*, 78(1), 41–50.
- Steenkamp, J. B. E. M., & Geyskens, I. (2006). How country characteristics affect the perceived value of a website. *Journal of Marketing*, 70(3), 136–150.
- Szmigin, I., & Reppel, A. E. (2001). Internet community bonding: The case of macnews.de. *European Journal of Marketing*, 38(5/6), 626–640.
- Tardini, S., & Cantoni, L. A. (2005). A semiotic approach to online communities: Belonging, Interest and identity in websites' and video games' communities. In *Proceedings, IADIS international conference* (pp. 371–378).
- Von Hippel, E. (2005). *Democratizing innovation*. Boston, MA: The MIT Press.
- Walden, E. (2000). Some value propositions of online communities. *Electronic Markets*, 10(4), 244–249.
- Ward, J. C., & Ostrom, A. L. (2006). Complaining to the masses: The role of protest framing in customer-created complaint web sites. *Journal of Consumer Research*, 33(2), 220–230.
- Wellman, B. (1997). An electronic group is virtually a social network. In *Culture of the Internet*. Mahwah: Lawrence Erlbaum, pp. 179–205.
- Wellman, B., & Gulia, M. (1999). Net-surfers don't ride alone: Virtual communities as communities. In B. Wellman (Ed.), *Networks in the global village* (pp. 331–366). Boulder, CO: Westview.
- Williams, L., & Cothrell, J. (2000). Four smart ways to run online communities. *Sloan Management Review*, 41(4), 81–91.
- Zhou, Z., Zhang, Q., Chenting, Su, & Zhou, Nan. (2011a). How do brand communities generate brand relationships? Intermediate mechanisms. *Journal of Business Research*, <http://dx.doi.org/10.1016/j.jbusres.2011.06.034>
- Zhou, Z., Jin, X.-L., Vogel, D. R., Fang, Y., & Chen, X. (2011b). Individual motivations and demographic differences in social virtual world uses: An exploratory investigation in Second Life. *International Journal of Information Management*, 31(3), 261–271. <http://dx.doi.org/10.1016/j.ijinfomgt.2010.07.007>

**Michel Laroche** is Royal Bank Distinguished Professor of Marketing, John Molson School of Business, Concordia University, Montreal (Canada). He published more than 270 articles in journals and proceedings, including the *Journal of Consumer Research* and the *Journal of Advertising Research*, numerous books, and book chapters. He currently serves as managing editor of the *Journal of Business Research* and as member of the board of governors of the Academy of Marketing Science. His main research interests are in consumer behavior, marketing communications and Internet marketing, services marketing, and retailing. Within consumer behavior, he is mostly interested in the role of culture and brand decision processes.

**Mohammad Reza Habibi** is a doctoral candidate in the John Molson School of Business, Concordia University, Montreal (Canada). His main research interests are in the area of social media, brand communities, and Culture, and he has published in *Computers in Human Behavior*.

**Marie-Odile Richard** is a Banting Post-doctoral Fellow in neuromarketing, Concordia University. She received her MSc (Marketing) from Concordia University and her PhD (Marketing) from HEC-University of Montreal. She published more than 32 articles in journals and proceedings, including the *Journal of the Academy of Marketing Science*, *Journal of Advertising Research*, *Journal of Business Research*, and *Journal of Social Psychology*. Her research interests are in marketing communications (including Internet marketing), neuromarketing, services marketing, and cultural effects on individual responses.