

5-2018

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## Recommended Citation

Ma, Teng; Guan, Zhengzhi; Li, Boying; Hou, Fangfang; and Chong, Alain Yee-Loong, "Importance of Community Influence and Meter Message on Brand Value Co-creation: a Study In Social Commerce Research - in - Progress" (2018). *CONF-IRM 2018 Proceedings*. 32.

<http://aisel.aisnet.org/confirm2018/32>

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# IMPORTANCE OF COMMUNITY INFLUENCE AND METER MESSAGE ON BRAND VALUE CO-CREATION: A STUDY IN SOCIAL COMMERCE RESEARCH - IN - PROGRESS

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## ***Abstract:***

Social commerce which emphasizes the importance of customer social networks has attracted increasing research attention. However, most previous studies in this area have focused on purchase decisions, and neglected that other customer behaviors can also benefit firms such as brand value co-creation. Despite that the marketing literature has recognized the important role of customers in brand value co-creation, little research has investigated what factors can contribute to customers' brand value co-creation in social commerce. As social commerce facilitates the social interactions among customers and between customers and marketers, this research tries to explore customers' brand value co-creation in social commerce from two dimensions: other customers and the marketer. It extends our understanding on social commerce by showing how community influences and marketers' message framing can impact customers' intention to co-create brand value in social commerce.

## **Keywords:**

Social commerce, brand value co-creation, community commitment, marketer message framing

## **1. Introduction**

Social commerce can be defined as the commercial activities that are primarily driven by social interactions and consumer-generated content mediated by social networking services (Tajvidi, Wang, Hajli, & Love, 2017). In social commerce, marketers can interact with their customers and customers can actively generate and exchange shopping related information and experiences. One trend of social commerce is that businesses are using social networking sites (SNSs) where marketers can easily create a fan page to interact with customers.

Previous literature has highlighted the important role of customers in promoting the value of a brand. They can be brand value co-creators when they become active participants in a network of marketing relationships (Merz, He, & Vargo, 2009). Customer social networks are important resources for SNS-based social commerce. It is thus crucial for marketers in social commerce to leverage such networks and make customers be voluntarily involved in brand value creation activities, such as co-ideation, co-design and co-marketing (Tajvidi et al., 2017). One good way to establish interactive engagements with customers is building brand communities in SNSs. For example, around 80% of economy hotels in China had built fan pages on *Sina Weibo* to enable their customers to share their feelings and experience as an important part of their brand value co-creation (Feng, 2013). This indicates the importance of brand value co-creation for the survival of these hotels and implies this trend is crucial for all brands. However, most prior studies have focused on how social commerce platform features facilitate direct purchase (Ng, 2013). There still lacks a systematic understanding on factors that motivate customers to participate in brand value co-creation. A customer's intention to create value for the brand is likely to be influenced by both marketers and other customers. Therefore, this study aims to investigate the effects of peer influence factors and marketer message framing on a customer's intention to participate in brand value co-creation.

This study contributes to current literature in the following ways. First, it extends the current social commerce research by incorporating community influences and marketer message framing to understand brand value co-creation intention in social commerce. Second, this study combines the theories of social support, social presence and homophily and examines their roles in shaping community commitment. Third, this study investigates message framing's roles in customer relationship management. Moreover, it can help marketers to better formulate their strategies to stay competitive.

## **2. Theoretical Background and Hypotheses Development**

### **2.1 Brand value co-creation**

The service-dominant logic in marketing literature highlights the relationship with customers. It argues that value can be created when customers become active participants and engage in interactions with the firm (Vargo, Maglio, & Akaka, 2008). It includes activities such as customers' involvement in co-design and co-development of products and co-construction of service experience. Firms can also create brand value together with their customers. The value of a brand lies in providing sustainable differential advantage which contributes to high returns and high customer loyalty. Merz et al. (2009) define brand value co-creation as the creation of brand value through network relationships and social interactions with all stakeholders. It indicates that, instead of passive recipients of brand information, customers can contribute to building brands through the network connecting them and the brand. In SNSs, people who admire the same brand can get together, establish social relationships and form a brand community (Jang, Olfman, Ko, Koh, & Kim, 2008). In the community, customers are connected not only with the brand, but also with each other. They can then carry out activities which are significant for the creation of brand value, such as sharing new

brand information to other members, providing feedbacks in improving brand experience and even designing new products for the brand together. However, despite the growing body of literature focusing on brand building, little has investigated brand value co-creation in social commerce which emphasizes the importance of customer networks. It thus offers researchers opportunities to explore factors impacting consumers' intention to co-create brand value in social commerce.

## **2.2 Community commitment and brand value co-creation**

Commitment plays a key role in the maintenance of a valued relationship (Jang et al., 2008). It emphasizes behavioral intent and psychological attachment (Rusbult, 1983). Community commitment exists when individuals feel psychologically "attached" towards other members in the community, and tend to maintain their involvements and relationships in the community. Community commitment can be related to brand value (Schau, Muñiz, & Arnould, 2009). The psychological attachment to the brand community promotes members' positive attitudes towards the brand and increases the perceived brand value. Prior research demonstrates that community commitment is positively associated with one's brand loyalty (Jang et al., 2008). It implies that community commitment can lead to one's intention to continue and recommend using brands. Moreover, if members tend to maintain the relationship in the community, they are likely to engage in activities such as community engagement practices through which brand value is created (Schau et al., 2009). Therefore, we argue that people who commit to a brand community are more likely to co-create brand value.

**H1** Community commitment is positively associated with people's intention to co-create brand value in social commerce.

## **2.3 Perceived proximity and brand value co-creation**

Perceived proximity reflects one's feeling of closeness to others (Wilson, O'Leary, Metiu, & Jett, 2008). It constitutes of two dimensions: the cognitive dimension which refers to a mental assessment of how close a person seems; and the affective dimension which shows people's perception of proximity subject to emotions and feelings. In online shopping environment, when customers feel familiar with the seller, the psychological distance between them are decreased. Prior research suggests that the decrease of psychological distance reduces the perception of dangers and uncertainties, and promotes trust (Edwards, Jin Kyun, & La Ferle, 2009). The study of O'Leary, Wilson and Metiu (2014) offers evidence that perceived proximity is positively related to relationship quality. They argue that perceived proximity can lead to people's positive attitudes such as satisfaction towards the relationship, which further makes people more willing to work together. Based on it, we argue that in social commerce, when people perceive the marketer as proximate, they are more likely to co-create brand value.

**H2** Perceived proximity to the marketer is positively associated with people's intention to co-create brand value in social commerce.

## **2.4 Social support and community commitment**

Social support refers to an individual's experiences of being cared for, being responded to, and being helped by people in that individual's social group (Cobb, 1976). Information support and emotional support are two mostly studied components of social support. Information support refers to the support which is helpful in solving problems such as providing valuable messages and advices. Emotional support refers to the support that focuses on the psychological side and includes messages with emotional concerns such as caring and empathy. In the social commerce context, people in a brand community with social support tend to share commercial information and recommendations with each other in addition to their sharing of other social information. The high frequency of sharing of supportive information can enhance trust and sense of belonging among members. Social exchange theory argues that if an individual receives benefits from others, there is a high chance that he or she would reciprocate this action (Blau, 1964). This leads to stronger commitment of the member to the brand community. Therefore, the following hypothesis can be posited:

**H3** Social support in a brand community is positively associated with community commitment.

### **2.5 Social presence and community commitment**

Social presence has been defined as the extent to which a medium allows users to experience others as being psychologically present (Fulk, Steinfield, Schmitz, & Power, 1987). Social presence theory prescribes that task performance will be improved if there is a match between the task and the social presence of the medium selected, such that for complex and emotional tasks, media with higher level of social presence are more likely to be preferred. The social presence model (Short, Williams & Christie, 1976) claims that communication media vary in the degree to which they can convey the physical presence of communicators and individuals tend to select the medium that they perceive to have the highest social presence. Similarly, in the social commerce context, individuals are supposed to have higher commitment with the community if they perceive the community has higher social presence. Therefore, the following hypothesis can be posited:

**H4** Social presence in a brand community is positively associated with community commitment.

### **2.6 Homophily and community commitment**

Homophily refers to the degree of similarity among community members based on their beliefs, values, social status, and interests (McPherson, Smith-Lovin, & Cook, 2001). It is the principle that a contact between similar people occurs at a higher rate than among dissimilar people. In a free-choice situation, when a message sender interacts with different receivers, the sender tends to select a receiver who is similar to him or her. Empirical evidences of this phenomenon can be found in a great variety of communication situations (Rogers & Bhowmik, 1970). When group members are homogeneous, they tend to interact frequently and develop strong ties. Therefore, commercial information is more likely to be shared and accepted among community members who are homogeneous. Moreover, the information exchanged and shared is likely to be perceived as credible and trustworthy. Accordingly, in social commerce, homophily can lead to a strong commitment to the brand community because it

facilitates information exchange and helps members to build trust in the community. Therefore, it is proposed that:

**H5** Homophily in a brand community is positively associated with community commitment.

### **2.7 Message subjectivity and perceived proximity**

Message subjectivity indicates the proportions of opinion and fact information in a statement (Wiebe, Wilson, Bruce, Bell, & Martin, 2004). A subjective message is a description of personal opinions or experience about the product or service. In social commerce, compared to objective message which contains the specification and attribute information of product or service, the personalness demonstrated in subjective message is more likely to make people feel that the marketer understands them. Prior study has found that the subjectivity is positively associated with review helpfulness in online shopping (Li, Hou, Guan, Chong, & Pu, 2017). Thus, it is possible that if messages show more personal experience, customers may feel closer to the message sender. Hence, we hypothesize:

**H6** Message subjectivity is positively associated with perceived proximity to the marketer.

### **2.8 Ad-irrelevant message and perceived proximity**

Perceived proximity can be controlled through manipulation of ad-irrelevant cues from the advertisement environment (Kulkarni & Yuan, 2015). In social commerce, such cues can be those ad-irrelevant messages posted by the marketers who add customers as friends on SNSs. When those marketers send certain messages irrelevant to their brands, the message may generate customers' favorable attitudes. Compared to communicating with robotic entity (e.g. web AI), interacting with real person makes customer feel closer with the brand (Ou, Pavlou, & Davison, 2014). Similarly, in SNSs, when marketers keep balanced between ad-relevant and ad-irrelevant messages, they would appear more like a real person rather than a machine always sending advertisements. Besides, social commerce is based on SNS which is expected for social interactions (Tajvidi et al., 2017). When marketers share contents unrelated to advertising message, they appear not assuming customers as merely financial sources. Instead, they give customers a choice that customers can make friends with them without discussing businesses (Schlosser & Shavitt, 2009). In that case, they are less likely to feel exploited by business for money, which enhances customers perceived proximity. Thus, we hypothesize:

**H7** Ad-irrelevance is positively associated with perceived proximity to the marketer.

### **2.9 Emotion-based framing and perceived proximity**

Emotional framing plays an essential role in the message persuasiveness (DeSteno, Wegener, Petty, Rucker, & Braverman, 2004). The emotional framing consists of positive and negative framings. Prior study has emphasized that although message with negative emotion is more likely to be shared, people expressing too much negative emotion are less likely to be favored (Berger, 2014). From emotion regulation perspective, negative emotion motivates people to share concerns with others or to seek for mutual emotional support. However, from impression management perspective, people do not want to be perceived as a negative person

(Berger, 2014). This discourages them to post negative message. Marketers are motivated to maintain a positive brand image. Thus, they are likely to use positive emotion framed message and display themselves as a positive person to increase customers' perceived proximity. We hypothesize:

**H8** Positive emotion in message is positively associated with perceived proximity to the marketer.

### 3. Prospective Research Methodology

Data will be collected using online questionnaire. It is selected because it is a self-report method able to capture respondents' perceptions about social commerce and message framing at scale. All items in the questionnaire will be adapted from previous established studies. For instance, the measurement items of social presence and interactivity are adapted from (Liu, 2003). Due to the limited space, the complete list of measurements will be listed when the study is completed. The survey will be distributed on WeChat and SinaWeibo, and only the responses from people with social commerce experiences will be considered as valid. A professional survey company will be recruited to distribute and collect our online survey according to our requirements. WeChat and SinaWeibo are chosen because they are two of the most popular SNSs in China and are widely used for sharing personal feelings and experiences. Besides, we also want to explore if there is any difference between social media for close friends (i.e. WeChat) and social media for public (i.e. Weibo). Data collected will be analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM).

### Acknowledgement

All the authors contributed equally.

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