How Do Brand Community Integration and UTAUT2 Influence On-line Brand Loyalty?

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Abstract: With drastic advances in information technology, many new social media platforms have been created, such as Facebook and LINE. As firms search for competitive advantages in using these platforms to consolidate old consumers and attract new customers, this research examines two major characteristics of brand community: Brand Community Integration & Consumer Acceptance and Use of Information Technology. We observe how Brand Community Characteristics influence Brand Loyalty and test the mediating effect of Brand Community Identity. An empirical survey investigates the LINE community and shows that Brand Community Characteristics and Brand Community Identity both significantly increase Brand Loyalty and that Brand Community Identity has a mediating effect between Brand Community Characteristics and Brand Loyalty. Results herein suggest that enterprises should obtain members' identity in the community first before building up their Brand Loyalty.
Keywords: LINE, Brand Community Integration, UTAUT2[1], Brand Community Identity, Brand Loyalty.

INTRODUCTION

With the development of information technology, many social networking sites have been created in the Internet, such as blogs that represent users themselves, online community service platforms that provide activities, or community organizations that share information.

These emerging platforms make it easy for consumers to access useful and beneficial information. With consumers or companies creating a wide and greater variety of consumer groups, this new phenomenon is reflected in the increasingly frequent contacts between consumers and businesses. Companies are in need of new and better media to communicate with consumers, and the same situation is occurring among consumers.

The communication among consumers through the Internet, cross-border organizations, and even physical activities shows that the influence of organizational groups and social networks on individual behaviors has been gradually increasing. Online comments on products, comparisons with price/value ratios, and product information have become much more transparent, and consumer groups now have a significant impact on individual consumers' brand awareness, preferences, and loyalty. Therefore, the mode of corporate marketing strategies has evolved in this consumer power revolution. The concept of brand community reflects this new phenomenon and has attracted the attention of industry and academia.

The current literature on communities focuses on factors that affect community loyalty or on factors that affect brand and product loyalty. For the characteristics of online brand community, such as interactions among members as well as acceptance and understanding of the community, an analysis of Brand Community Identity (BCId) or Brand Loyalty (BL) has not yet been thoroughly explored. In view of this, this paper takes brand communities as the research topic, reviews the literature, and conducts a thorough in-depth investigation.

The global population that uses mobile communication software is rapidly increasing. Moreover, mobile social networking software has profoundly influenced our daily lives and dramatically changed the way we communicate.

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[1] Consumer Acceptance and Use of Information Technology is abbreviated as UTAUT2.

Mobile social networking software, such as LINE or WeChat, does not require any difficult technology to form a community group and thus has attracted more and more users. In fact, there are over 18 million LINE users in Taiwan, which is close to 80% of the population [1].

This research takes the LINE community as an example. Through an empirical study, we see that enterprises are not only operating brand communities, but also marketing their own products and services, thus gaining a competitive advantage. Based on the above research background and motivation, the purpose of this paper is to capture the important characteristics of online brand community and to explore the impact of online brand community features on BCId and BL. This study also examines whether BCId has a mediating effect between Brand Community Characteristics (BCC) and BL.

Literature Review and Hypothesis Development

Brand Community Integration (BCI)

Different from the past concept in which the brand and the consumer have a one-to-one relationship that is not influenced by other factors, Until Muniz & O'Guinn [2] proposed that brand community is a customer-other customer-brand triangle. They showed that brands not only affect consumers individually, but also resonate within other customers using the same brand.

McWilliam [3] noted that frequent and active communication and interaction in a community are important factors for increasing consumer acceptance of a brand. Therefore, we should not only focus on the consumers and the brands themselves, but also look into the common culture of the brand community members [4] when constructing a brand community with integrated social relations. McAlexander, Schouten, & Koenig [5] put forth the concept of BCI, presenting it as a customer-centric multi-factor architecture that includes the brand, company, product, and other members' relationships.

The BCI model is multi-dimensional and integrates the relationships among "community members and brands", "community members and companies", "community members and products", and "community members and other community members" into a multi-relational network. Therefore, BCI can be described as a collection of cognitive relationships between a customer and a brand community element. McAlexander, Kim & Roberts [6] also confirmed that customer loyalty changes with the level of satisfaction. The stronger the power of BCI is, the higher customer satisfaction will be, which brings about greater customer loyalty. Similarly, with an increase of favorability via experience activities, members also have a higher willingness to participate in the activities of the brand community, thereby enhancing brand identity.

Consumer Acceptance and Use of Information Technology (UTAUT2)

Many research models related to technology acceptance are used to explore users' intention and actual usage. Viswanath, Michael, Gordon & Fred [7] integrated eight theories to develop Consumer Acceptance and Use of Information Technology (UTAUT2), which is extended by the Unified Acceptance and Use of Technology (UTAUT). The eight theories are Theory of Reasoned Action (TRA), Theory of Diffusion of Innovation, Theory of Planned Behavior (TPB), Social Cognitive Theory, Technology Acceptance Model (TAM), Model of PC Utilization (MPCU), Attention-Relevance-Confidence-Satisfaction Theory (ARCS), and Combined TAM and TPB (C-TAM-TPB).

The four indicators in UTAUT are defined as follows.

- Performance Expectancy (PE): The degree to which the user expects that using the systems will help him or her to gain improvement in job performance.
- Effort Expectancy (EE): The degree of ease associated with the use of the system.
- Social Influence (SI): The degree to which an individual perceives how important others believe he or she should use the new system.
- Facilitating Conditions (FC): The degree to which an individual perceives that infrastructure can be used to apply the new technology.
  Viswanath, Thong & Xu [8] added three new variables into UTAUT2 based on UTAUT. These three variables include the following.
- Hedonic Motivation (HM): The influence of a person's pleasure and pain receptors on his or her willingness to move towards a goal or away from a threat. Users achieve happiness or pleasure from using information technology.
- Price Value (PV): The cognition of benefits and costs gained from information technology systems.
- Habit (HT): Something that you do often and regularly and sometimes without even knowing that you are doing it. It is a powerful indicator used to predict the future use of consumers.

Brand Community Identity (BCId)

The past literature has pointed out that the concept of brand community includes two major components of identity and emotion [9]. In identity, there is an implicit classification process in brand community. In the process, community members form or retain self-awareness in the community membership and stress that they and other members of the community feel similar characteristics. Thus, Algesheimer, Dholakia& Herrmann [10] proposed that BCId refers to community members agreeing to community norms, traditions, habits, goals, and a willingness to promote the brand community. Emotionally, there is "Affective Participation" in identity, which is classified as "Emotionally Committed to Groups" in sociology [11]. Algesheimer *et al.* [10] also adopted "social theory" as a foundation to illustrate the concept of BCId.

Members of BCId regard themselves as part of the community - that is, with a sense of belonging to the brand community. Different from other identities that may form the individual as a uniquely dispersed member, members of BCId here share the same awareness among other members.

Brand Loyalty (BL)

Highly loyal consumers can bring many competitive advantages to a company, such as reducing the cost of marketing campaigns and transactions, increasing positive word of mouth, and fewer failure costs. Far & Hollis [12] divided BL into behavior loyalty and attitude loyalty. Behavior loyalty indicates the behavior of consumers who repeat the purchase of a particular brand. Attitude loyalty denotes that consumers have preference for a particular brand, but do not necessarily execute the actual purchase behavior. Oliver [13] considered that environment and marketing strategies may change consumers' buying behavior, but consumers of BL are unaffected and continue to buy their preferred brands. Thus, loyalty is a very important element in marketing, and enterprises must put more effort to attract potential customers to their official website and retain those customers as loyal consumers. McAlexander *et al.* [5] also proposed that brand relationship with the community can increase the preference for products and brands and help marketers to integrate customers into the brand community in order to establish brand loyalty.

Hypothesis Development

This paper suggests that BCI and UTAUT2 are two important components in brand community. Based on the multi-factor architecture [5] and UTAUT2 [8], we therefore hypothesize the following.
H_1: BCC is expected to have a positive effect on BL.
H_{1-1}: BCI is expected to have a positive effect on BL.
H_{1-2}: UTAUT2 is expected to have a positive effect on BL.

Algesheimer *et al.* [10] found that a stronger community identity results in more regular community involvement, increased perceived value of the brand, and a higher degree of loyalty to the brand. Therefore, enterprises facilitate community activities and community identities that are expected to give consumers long-term BL. This research deems that BL is expected to arise when both attitudes and behaviors exist.
H_2: BCId is expected to have a positive effect on BL.

BCI is a comprehensive measure of customer interaction with the various elements of the community. This research takes brand integration as a representative of the characteristics of community interaction that will affect consumers' BCId.
H_3: BCC is expected to have a positive effect on BCId.
H_{3-1}: BCI is expected to have a positive effect on BCId.
H_{3-2}: UTAUT2 is expected to have a positive effect on BCId.

Proposed Research Model

This research explores the impact of the key features of brand community on BCId and then explores whether or not BCId enhances BL (see proposed research model in Figure 1.).
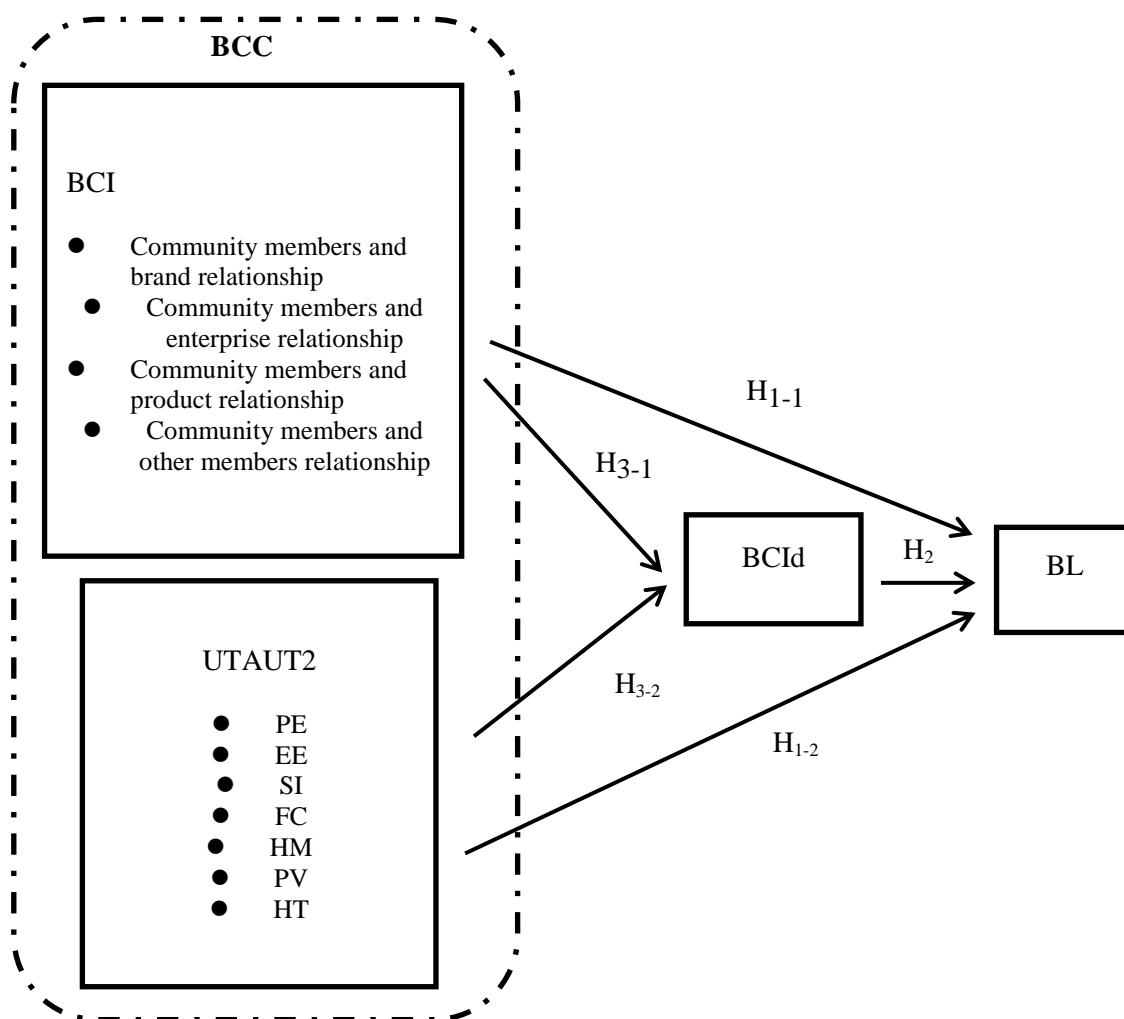
Fig-1: Proposed research model

Method
Definition and Measurement of the Variable

BCId is made up of the following: a sense of belonging of community members to the community, the degree of emotional attachment, the degree of trust and satisfaction, the extent of participation needs, emotional commitment to the community, characteristics and similarities with the community members, and feelings of close relationships among community members and other components [9-11]. This research sees the operational definition of BCId as a measure of the self-awareness of community members, the positive emotional input into the brand community, and the degree of participation contribution.

RESEARCH METHODOLOGY

We design a web-based survey instrument that focuses on LINE users, in order to test the hypotheses proposed above. This research adopts SPSS statistical software as the main tool for data analysis, including reliability analysis, factor analysis, descriptive statistical analysis, Pearson product-moment correlation coefficient analysis, and regression analysis. This paper further analyzes variable pairs among BCC, BCId, and BL, respectively, in order to confirm the causal relationship between the variables and to examine the effect of BCId as a mediator in the model.

DATA COLLECTION

A total of 300 subjects took part in the survey. Thirty-five data points were removed, because of incomplete or repeated answers, resulting in a sample size of 265. The sample includes 116 males (43.77%) and 149 females (56.23%). Most respondents (86.04%) are between 16-30 years of age, and 95.85% of respondents have had more than 1 year of

LINE experience; 97.74% of respondents have signed into LINE in the last week; and 72.45% of respondents in the community took the role of general members. Thus, it is obvious that the respondents in the sample are users of LINE with a higher degree of involvement.

ANALYSIS AND RESULTS

Regression Analysis

This research adopts BCC, BCI, UTAUT2, BCId, and BL as analysis dimensions. We analyze the pairwise comparisons between any two dimensions by using regression analysis of the forced entry variable method in order to explore the causal relationship between each paired dimensions.

Table 1 lists the regression analysis results, and Table 2 presents the regression coefficients. With p value < 0.001 and VIF < 10, the results support hypotheses H_1 to H_{3-2}

Table-1: Regression analysis results

Hypothesis	R^2	Adjusted R^2	F Test	Significance
H_1	0.411	0.409	183.661	***
H_{1-1}	0.36	0.358	148.493	***
H_{1-2}	0.349	0.346	141.242	***
H_2	0.419	0.417	190.331	***
H_3	0.427	0.424	195.7	***
H_{3-1}	0.383	0.38	163.679	***
H_{3-2}	0.353	0.351	144.407	***

Note: ***$p < .001$.

Table-2: Regression coefficients

Hypo-thesis	Dependent variable	Variables	Regression coefficients		t	Significance	VIF
			Unstan-dardized	Stan-dardized			
H_1	BL	(constant)	-0.193		-7.28	0.467	
		BCC	0.952	0.641	13.552	***	1
H_{1-1}	BL	(constant)	0.315		1.24	0.216	
		BCI	0.842	0.6	12.186	***	1
H_{1-2}	BL	(constant)	0.289		1.103	0.271	
		UTAUT2	0.799	0.59	11.885	***	1
H_2	BL	(constant)	0.368		1.666	0.097	
		BCId	0.828	0.647	13.796	***	1
H_3	BCId	(constant)	0.789		3.852	***	
		BCC	0.758	0.653	13.989	***	1
H_{3-1}	BCId	(constant)	1.164		5.974	***	
		BCI	0.679	0.619	12.794	***	1
H_{3-2}	BCId	(constant)	1.203		5.888	***	
		UTAUT2	0.628	0.594	12.002	***	1

Note: ***$p < .001$.

Test of the Mediating Effect of BCId

The test method steps are as follows.

Step 1: Predict dependent variables with independent variables. The standardized regression coefficient must be significant.

Step 2: Predict the mediator with independent variables. The standardized regression coefficient must be significant.

Step3: Predict the dependent variable with both independent variables and mediator.

If the mediator is significant and the independent variable is not significant, then there is a complete mediating effect. If the independent variable and mediator both remain significant, then there is a partial mediating effect [14]. Table 3 shows the test results.

Table-3: Test results

Step	Dependent variable	Variables: BCC (Standardized regression coefficients)	Mediator: BCId	Significance	R^2	Adjusted R^2	F test
Step1	BL	0.641		***	0.411	0.409	183.661
Step2	BCId	0.653		***	0.427	0.424	195.700
Step3	BL	0.381	0.398	Both are ***	0.502	0.498	132.143

Note: ***$p < .001$.

TEST RESULTS

Since the independent variable and mediator both remain significant and the coefficient of BCC in step 3 is less than that in step 1, the test results show that BCId is a partial mediator of BCC and BL. BCC, including BCI and UTAUT2, has factors that enhance the identity of the brand community. Community members who have a consistent identity with the community will thus strengthen their behavior loyalty and attitude loyalty to the brand.

DISCUSSION AND CONCLUSION

Through this empirical study, we find that with an increase of favorability via experience activities, community members will have a higher willingness to participate in the activities of the brand community, thereby enhancing brand identity and brand loyalty. We also discover that higher acceptance and use of community websites by community members results in higher brand community identification of cognition and behavior. Brand loyalty exhibits the same features. In addition, brand community identification is a mediator between brand community characteristics and brand loyalty. Hence, enterprises should obtain community members' identity with the community first before building their brand loyalty.

For company practitioners, this paper suggests the following approaches to promote all kinds of products to continue to be the focus of themes in community discussion by building a consensus of opinion among community members. First, brand communities should be neutral. Brand communities should actively provide solutions for improvement or remediation to product problems criticized by community members rather than negatively use the power of community management to remove unfavorable remarks. Second, the function of the community should be enhanced. Empirical results show that frequent interaction among community members will help increase community members' community identity. Thus, community managers should continually filter garbage information in the community and make the community more useful to members. Community members will thus rely more on the community and community identity will help facilitate sustainable community operations.

Since community members who have a high degree of brand identity will enhance the value of product and brand, enterprises should offer a set of marketing promotion strategies within the brand community in order to facilitate the brand or product marketing. Simultaneously, providing valuable services with community characteristics will help induce community members to participate in brand community, thus gradually increasing their attitude towards brand community identity. Furthermore, community members may use word-of-mouth to make recommendations and repeated purchases. The use of the brand community not only provides a company with one more channel for customer communication, but also offers an opportunity to cultivate this group as loyal supporters, which will help consolidate the company's brand and increase future sales volume.

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