
Hajli N, Shanmugam M, Papagiannidis S, Zahay D, Richard M. [Branding co-creation with members of online brand communities](#). *Journal of Business Research* 2016

DOI: <http://dx.doi.org/10.1016/j.jbusres.2016.08.026>

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Date deposited:

05/09/2016

Embargo release date:

28 February 2018



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Branding co-creation with members of online brand communities

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Acknowledgements: The authors gratefully acknowledge the helpful comments of three reviewers.

Fourth version
August 2016

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Abstract

This article looks at the co-creation of value in the branding process with members of online communities. Three online communities in Iran are analyzed through 45 interviews with members along with three interviews with top managers of the three brands of these communities. A content analysis shows a clear process in that the social interactions of customers in online brand communities with their favorite brands help develop relationship quality and increase customer brand loyalty. The findings suggest that firms may develop their branding strategies using social media and online brand communities through relationship marketing by using an online co-creation strategy. The findings also serve to inform practitioners of the impact of social media on branding and how they can best facilitate these brand relationships.

Keywords: branding co-creation; co-creation of value; social media; relationship marketing; trust; commitment; loyalty; electronics; Iran.

1. Introduction

Social media provide new ways to communicate with customers (Nambisan & Baron, 2007), facilitating the co-creation of value (Zwass, 2010). Since customers can form virtual brand communities these have impacts on brand perceptions (McAlexander, Schouten, & Koenig, 2002). Social media platforms facilitate and strengthen the dynamic interactions within online communities, making it possible for customers to share brand stories with others. Also, social media platforms and other online communities are important spaces for interacting with customers, as they contribute jointly to the co-creation process (Zwass, 2010). Successful management of co-creation maximizes the lifetime value of desirable customer segments (Payne & Frow, 2005) and strengthens the relationships between customers and brands. Beyond creating value for customers (Hadaya & Cassivi, 2012), co-created value helps firms improve the process of identifying customers' needs and wants (Vargo & Lusch, 2004).

Previous research on online communities demonstrated that engagement in brand communities produces value beyond the scope envisioned by the brand itself (Schau, Muñiz, & Arnould, 2009). Brands should build connections with users as they foster a sense of belonging through the engagement process (Yan, 2011). However, while the existing branding literature is abundant, there is little research on understanding branding co-creation in the context of social media-facilitated commerce. This is the motivation behind this study.

Evidence suggests that the effectiveness of online communities as a marketing tool is worth exploration for branding co-creation (Christian, Mainelli, & Pay, 2014; Correia, Medina, Romo, & Contreras-Espinosa, 2014; Kim, Choi, Qualls, & Han, 2008; Yan, 2011). Brand communities facilitate the social interactions of users and are useful marketing tools for firms. Research concerning co-creation of value with customers for branding is needed, and this article aims to close the gap between brand communities, social media and

networking. It draws on relationship quality and loyalty, social media marketing, and co-creation of value used to inspire users to engage with their favorite brands through online brand communities.

Thus, the primary objective is to investigate whether social media applications facilitate the development of relationship quality, and if yes, how relationship quality influences intentions to buy a product and increase loyalty. Second, this article explores how such a process operates in the consumer markets of a developing country like Iran. This objective is important since scant research exists on emerging countries' adoption and use of Internet technology. While technology adoption facilitates growth in underdeveloped countries (Ebrahimiyan, 2003), the perception is that some countries are closed and rigid regarding social media practices. Therefore, it is important to explore whether customers in these countries follow brands online and if they participate in social media communities.

This article first reviews the literature on branding with customers from social media, relationship marketing, and loyalty to develop the research propositions. Next is a discussion of the methodology and the collection of data from three online brand communities in Iran. Finally, it discusses the findings and their theoretical and managerial implications. It concludes by proposing research avenues.

2. Literature review

2.1. Branding with customer using social media

Early research suggested that online communities play a vital role in enhancing and building brand loyalty, improving market penetration, generating positive word of mouth, and creating interest in products (Armstrong & Hagel, 19967). Today, these goals are more important given the role that social media play in facilitating interactions among users and brands (Park, Lee, & Han, 2007). Also, mobile and web-based technologies create interactive platforms for individuals and communities to share, co-create, discuss, and modify user-

generated content (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). Such platforms are catalysts for branding co-creation, the process of branding with customers in an online environment, as opposed to pairing two or more branded products (constituent brands) to form a separate and unique product (composite brand) (Park, Jun, & Shocker, 1996). These create new opportunities for businesses to develop their brand identities. Customers share their experiences on these platforms, and create shared meanings for brands (Muniz & O'Guinn, 2000). This connectivity nurtures members to receive favorable information (Brown & Reingen, 1987) about products from reliable sources within their network, resulting in distinctive brand experiences. Social media platform use is changing the online branding process due to faster information sharing (Chordes, 2009).

Involvement and participation in online communities on social media platforms is an essential part of branding co-creation, due to the rich source of diversity and knowledge these activities embody. Due to the participatory culture, branding shifted from a firm-based activity providing products to customers with little feedback to branding as a collaborative, value co-creation activity in which firms and their stakeholders participate (Merz, He, & Vargo, 2009). In turn, co-creation is a process of engaging customers in creating value (Prahalad and Ramaswamy, 2004) as customers are transformed from passive customers to active players (Vargo & Lusch, 2004). Co-creation of value reflects a participatory culture where people seek the opportunity to contribute to their world's and the firm's search for customer insights on brands (Ind, Iglesias, & Schultz, 2013). For instance, Parmentier (2015) has shown that a business can innovate with users by developing co-creation activities within a brand community, generating valuable innovations by bringing together lead, creative, and other users to generate ideas and new functions, uses, and contents pertaining to innovation.

Researchers suggested various ways of managing the process of value co-creation. Payne, Storbacka, Frow, and Knox (2009) proposed a model consisting of four components:

customers' value-creation process, suppliers' value-creation process, encounters where interactions are creating these experiences, and impacts of additional sources of brand knowledge. Singh and Sonnenburgh (2012) suggested using improvisational theatre to show that in social media brand owners do not tell brand stories alone, but co-create brand performances in collaboration with others. France, Merrilees, and Miller (2015) developed a model with brand engagement, self-congruity and involvement as antecedents to brand co-creation which, in turn, affects brand value and knowledge. They identify the moderating effects of brand interactivity and brand communities on the co-creation of a brand identity.

In a brand community, once online customers intent to co-brand, they provide details of their shopping experiences and information on their favorite brands, and encourage others to purchase (Gensler, Volckner, Liu-Thompkins, & Wiertz, 2013). Such involvement brings significant benefits, as any positive impact on branding increases the differentiation among competitors, strengthens trust, decreases search costs, minimizes perceived risks, and serves as high quality signal from customers' viewpoints (Hosany, Ekinici, & Uysal, 2006; Kim, Kim, Kim, & Kang, 2008). These effects are prominent in social commerce, i.e. the evolution of e-commerce activities on social media platforms (Liang, Ho, Li, & Turban, 2011). Branding with customers using social media platforms is possible with online community participation leading to relationship marketing.

2.2. Relationship marketing

Relationship marketing aims to identify, establish, maintain, enhance and, when necessary, terminate relationships with customers and other stakeholders. In an e-commerce context, it aims to maintain and increase firm profitability, while meeting the objectives of all parties by a mutual exchange and fulfilment of promises (Grönroos, 1994). This article focuses on broad ranges of business-to-customer interactions to improve branding co-creation. Relationship marketing increases customers' commitment to the organization by

offering better value on a continuous basis at a reduced cost (Sheth & Parvatiyar, 2002). This process is achieved through co-creation of value, as it requires managing across and within customer and supplier value creation processes (Payne, Storbacka, & Frow, 2008).

In relationship marketing, the central theme is the quality of the relationship which is the intensity and tightness of a relationship, both of which play a pivotal role in influencing customer loyalty (Palmatier, Dant, Grewal, & Evans, 2006; Yadav, de Valck, Hennig-Thurau, Hoffman, & Spann, 2013). Trust, commitment and long-term orientation emerged as building blocks in relationship marketing theory (Sheth & Parvatiyar, 2002). Morgan and Hunt (1994) elaborated on the roles of commitment and trust to posit the effects of network and cooperation with customers. Also, Crosby, Evans, and Cowles (1990) identified satisfaction as one of the components of relationship quality. Casaló, Flavián, and Guinalú (2010) studied satisfaction as an antecedent and consequence of relationship quality. From a management perspective, past literature reports that relationship quality is one major factor affecting customers' decisions to maintain, build, or withdraw from a relationship (Cheng & Myagmarsuren, 2011). Thus, maintaining a quality relationship with customers has a positive impact on profits.

Consistent with previous studies (Morgan & Hunt, 1994; Sheth & Parvatiyar, 2002), this article focuses on the theme of relationship marketing by examining the dimensions of trust, commitment and satisfaction (Palmatier *et al.*, 2006) and their relationship to loyalty, branding activities and the co-creation of value. Invariably, the trust dimension is viewed as an essential factor for successful relationships (Noor, 2012). It is the confidence index of being willing to depend on a trading partner (Morgan & Hunt, 1994). In relationship marketing, trust is the basis of interpersonal and commercial relationships (Guenzi & Pelloni, 2004). Social media platforms empowered more participation from customers and increased their level of trust in new products introduced by firms. Trust is a catalytic factor in the online

environment of business relationships and is related to a customer's perception of and willingness to participate in and establish relationships with suppliers online (Gefen & Straub, 2000; Gefen, Karahanana, & Straub, 2003). Similarly, in customer relationships the higher the trust, the higher the willingness to consider a brand extension to a similar category (Wu & Yen, 2007). Trust is an important element in most economic and social transactions (Pavlou, 2003). When there is no trust, customers stay away (Reichheld & Scheffer, 2000). We expect trust to be a key element of overall relationship quality.

The commitment aspect of relationship quality is also key to building a successful and productive long-term relationship (Hsu, Liu, & Lee, 2010). Commitment is a significant factor in the creation, building and maintenance of relationships (Dwyer, Schurr, & Sejo, 1987). Commitment is a lasting desire for businesses to maintain a value relationship with their customers (Noor, 2012). Commitment on customers' part is facilitated by their involvement on social media platforms. Customers with high commitment levels are more likely to 'like' a brand that itself fosters relationship stability (Fournier, 1998). Additionally, researchers proposed commitment as an essential construct for successful long-term relationships between buyers and sellers (Lee, Kozar, & Larsen, 2003; Morgan & Hunt, 1994) When customers consider a relationship to be important, commitment continues and even strengthens. Commitment is measured by the willingness of members to participate in online communities.

The final measure of relationship quality is satisfaction. Unlike commitment and trust, satisfaction is customer's overall emotional evaluation of the performance of a product after consumption (Gustafsson, Johnson, & Roos, 2005). Customer satisfaction is an important factor in establishing long-term relationships with customers (Hsu *et al.*, 2010). Customers are satisfied when they have positive attitudes towards the service experiences received (Boulding, Kalra, Staelin, & Zeithaml, 1993). Thus, satisfaction is expected to contribute to

the overall measure of the quality of online relationships.

2.3. Loyalty

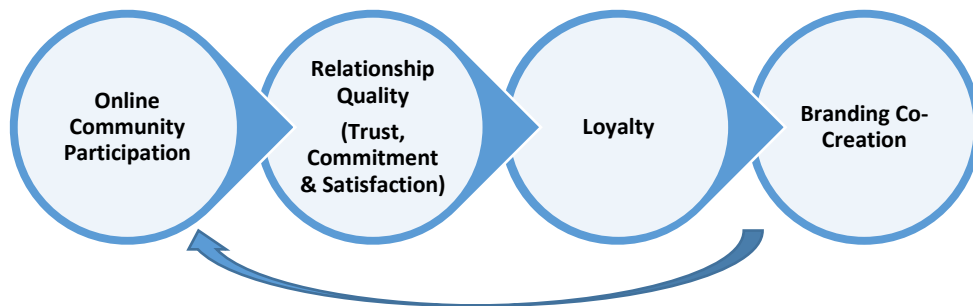
The quality of buyer/seller relationships measured by trust, commitment and satisfaction is related to loyalty on the customer part and is well-established in the relationship literature (Ball, Simões Coelho, & Machás, 2004). Loyalty is a relational outcome variable and one sought after goal in many marketing strategies (Yi & Jeon, 2003). Known for its powerful indication of long-term performance in business relationships (Ittner & Larcker, 2003), seller loyalty is the intention to carry out a diverse set of behaviors that manifest the motivation to maintain exchange relationships (Lam, Shankar, Erramilli, & Murthy, 2004; Sirdeshmukh, Singh, & Sabol, 2002). Customer loyalty on the other hand is an intense commitment to re-purchase a preferred product consistently (Richard & Zhang, 2012). Loyal customers are more profitable than a new one, since they are less sensitive to price, spend more with the firm, and have lower servicing costs. These definitions view loyalty as a combination of behavioral and attitudinal dimensions (Richard & Zhang, 2012) as explored, conceptualized and incorporated by Jacoby (1971). The behavioral component of loyalty focuses on repeated purchases, while the attitudinal component focuses on positive word-of-mouth and price tolerance (Sánchez, Vijande, & Gutiérrez, 2011). Behavioral loyalty includes continuing to purchase from the same supplier, recommending a seller, or increasing the scale of a relationship with a supplier. Attitudinal loyalty refers to customer attachment to a product, brand or organization (McManus & Guilding, 2008), which translates into loyalty towards the brand and the brand community. Thus, customer loyalty is a valuable asset in highly competitive markets (Richard & Zhang, 2012) and is believed to be the best long-term strategy to retain existing customers (Cheng & Myagmarsuren, 2011).

Trust also plays a key role in developing relationships as it affects these dimensions of relationship quality. First, trust plays a role in affecting customer relationship commitment

and customer loyalty (Huang & Chiu, 2006). Accordingly, properly managed social interactions on social media and trust in community serve to maintain and increase customer loyalty (Ng, 2013). Second, commitment is the focal point in the relationship and has contributed the most in predicting customer loyalty (Richard & Zhang, 2012). Lastly, satisfaction is a good way of developing and measuring customer loyalty, since satisfied customers tend to remain loyal to a brand ((Caruana, 2002; Chumpitaz & Paparoidamis, 2004; Huang & Chiu, 2006; Richard & Zhang, 2012; Schultz & Bailey, 2000; Smith & Wright, 2004).

The growth of social media through the dimensions of relationship quality strengthens the dynamic interactions within online communities (Gensler *et al.*, 2013). Social media encourages customers to participate, and empowers them to co-create value and co-brand. This process has a positive impact on developing trust, commitment and satisfaction, and facilitates long-term relationships. In turn, these relationships strengthen intentions to continue buying products, leading to loyalty. Findings have shown that relationship quality increases the odds of customer recommendations to others and intentions to continue buying on social networks (Pentina, Gammoh, Zhang, & Mallin, 2013). This increase in positive actions toward the brand helps reinforce the process, amplifying the benefits and value to the company and its customers. Technically, an increase in loyalty happens when customers' relationship quality improves leading to brand co-creation. Customers' loyalty towards a brand increases as trust, commitment and satisfaction level increase. These relationships and the variables of online community participation, relationship quality (trust, commitment and satisfaction), loyalty and branding co-creation and the iterative process are outlined in Figure 1.

Figure 1: The Role of online communities in the co-creation of value



Following Figure 1, we advance four propositions. The first three propositions relate to the first steps, while the last proposition highlights the iterative nature of the process.

Proposition 1: Customer participation in an online community increases relationship quality between the firm and its customers.

Proposition 2: Improved relationship quality, i.e., (a) trust, (b) commitment and (c) satisfaction, is positively related to increased loyalty towards the brand by customers participating in an online community.

Proposition 3: Increased loyalty towards the brand fosters branding co-creation activities by customers participating in an online community.

Proposition 4: The process of branding co-creation strengthens relationships in the community.

3. Methodology

3.1. Context

To test the relationships in Figure 1, data were collected from Iran, an emerging market. Iranian users have access to social media, although there are restrictions regarding social networking sites such as Facebook. Firms operate their online communities which Iranian customers mainly use to seek product information and the experiences of others. Currently, many Iranian businesses are developing their online brand communities. Although social

commerce is new, people are using these communities to share or seek information and experiences about products or brands. Also, research on Iranian markets shows that electronic word of mouth influences customer's behavior (Jalilvand & Samiei, 2012). Specifically, products and brands related to information and communication technologies and the electronics industry most likely have online communities. The electronics market was selected as the domain since these are clearly defined products with attributes which are easily articulated compared to other product types. Also, users of these products develop strong attachment to them (e.g. mobile phones) through daily use. Both category attributes mean that there is high potential for sharing on social media and therefore would provide sufficient data to analyze.

3.2. Data collection and sampling

Content analysis was applied to data collected from the three most active Iranian online brand communities in consumer electronics. Community A is a social commerce platform for different brands with many technology-related products such as televisions, smartphones, tablets, and cameras. This website has social media tools to facilitate social interactions such as ratings, reviews, recommendations, and forums. Users can post their questions on forums and many users reply to queries. There are more than one million users of this website which directly sells products and allow customers to share their product views and experiences. Community B has different brands of smartphones and tablets. This social commerce website has social media tools and forums with discussions about new brands and products. Online discussions cover a myriad of topics, and experienced customers share information about new products with new customers. It is linked to social media platforms including Facebook, LinkedIn, and Instagram. It has 259,000 members, sells products and each product is associated with a social media tool allowing customers to share their experiences or ask questions. Community C is a website of mobile phone brands with many different products.

There are new technology-related products such as smartwatches and the latest tablet brands. More than 100,000 active users share their product experiences. It also sells directly and is linked to popular social networking sites.

The selected communities were investigated during different months to avoid seasonal bias. Data collection took place between January and April 2014. 45 interviews were conducted by email and telephone with users and three face-to-face interviews with community managers. Emails were sent to users, and messages were posted on the selected communities inviting members to participate in the research. 29 males and 16 females participated in the user interviews; with at least a high school degree. The age range was 20-48. All users had an account such as LinkedIn, Facebook, Twitter or another social networking platform. Their activities included interacting with their brands on these communities, sharing their knowledge and experiences about their favorite brands with other users and acquiring information about new brands and products.

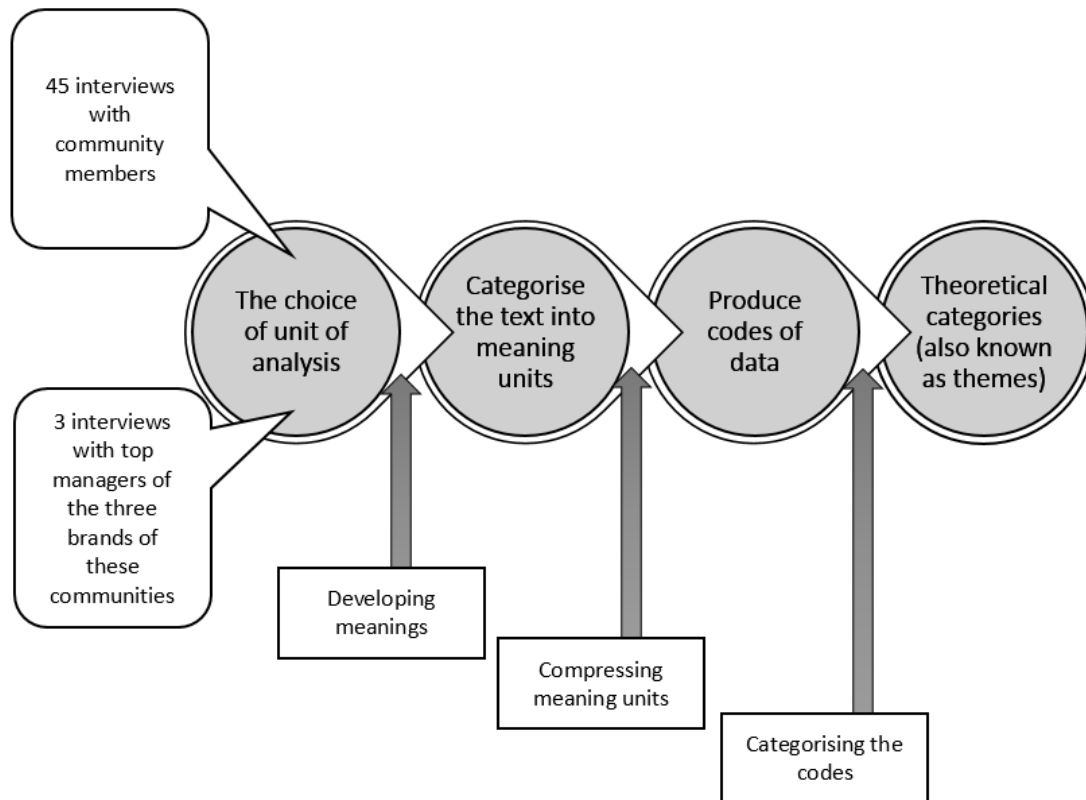
Initially 10 brand managers from these communities were invited for face-to-face interviews. Of these, three accepted; all had top posts in their companies. The roles represented include a sales manager, a managing director, and a regional brand manager. Each appointed one person from their e-commerce department to work on branding through these websites and were knowledgeable about this process. All managers were males, had a university degree, and a positive attitude toward digital marketing using online communities to develop their brands.

3.3. Data analysis

Content analysis was selected since it involves a systematic coding process, leading to discovery of themes through text analysis (Hsiu-Fang & Shannon, 2005). It is useful when analyzing information where conclusions are not easily discernible through superficial analysis, such as online contexts (De Wever, Schellens, Valcke, & Van Keer, 2006). All

interviews were documented and sorted out for analysis. Following this process, each coder read the transcripts after each interview. Figure 2 shows the coding process.

Figure 2. The coding process



The first step was the choice of a unit of analysis, here the individual discussions on the respective online brand communities. Based on this unit of analysis for both interviews and online discussions, users were sorted on two content areas, relationship quality and loyalty. For relationship quality, we have the subcategories of trust, commitment, and satisfaction. We read the text produced through three different sources to develop meanings. This phase helped categorize the text into meaning units. We tried to compress meaning units to produce codes of data. This step was followed by categorizing the codes. This categorization was also helpful in developing broad theoretical categories (i.e. themes) (Eto & Kyngäs, 2008), which showed attitudes and issues (Kassarjian, 1977). Categorizing meanings to generate themes

with two different sources of data was helpful to address the research questions. There were good interactions among authors in checking the data collection and data analysis phases to reach a satisfactory reliability (Riffe, Lacy, & Fico, 2005). We followed several steps from the outset to ensure reliability and validity of the findings. Before others were asked to review the methodology, the coders checked each other's coding processes. Two experts on relationship quality and branding with experience in qualitative research reviewed the coding process (Eto & Kyngäs, 2008). Also, independent judges were invited to review the coding process and findings. Avoiding potential bias in the process of content analysis was important. This led to agreement by independent judges with content analysis of data from three different sources known as inter-coder reliability (Lombard, Snyder-Duch, & Bracken, 2002). To calculate the rates between two coders, we considered percentage agreement between raters per the Kappa Coefficient proposed by Cohen (1960). To calculate reliability among raters we looked at the most common method (Lombard *et al.*, 2002). The results were satisfactory and the level of agreement was above the standard (0.80). Inter-rater reliability for our raters 1 and 2 was 90%.

Then necessary adjustments were made with the themes of the research. After internal reliability and validity, external validity was considered. Having external validity was important and established by using two different sources of data. We first investigated 45 interviews with users of these brand communities. We asked 50% of the participants to check the themes of the research. Ten participants agreed to read our interpretation of the data. The level of agreement was high among these participants. As the interpretation of the data by participants was almost the same, we considered this a signal of external validity. In addition, we also had a good opportunity to verify the findings with the managers interviewed, who also confirmed that they were representative of what was discussed.

4. Findings and discussion

The themes generated from the user and manager interviews support the process outlined in Figure 1 that social media facilitates the social interactions of customers with their favorite brands, who develop high quality relationships, leading to loyalty and brand co-creation. We first present the customer and the manager findings individually and consider the findings altogether. The detailed themes of the research are depicted in Table 1. These themes all reinforce the research propositions and map into the stated process from both managerial and customer perspectives.

4.1. Customers' perspectives

The customer data supports our major themes, as well as the proposition that participation in an online community is related to relationship quality and that these factors in turn (trust, commitment and satisfaction) are related to brand loyalty. Investigation of the online communications of individuals in these online communities shows that social media use empowers customers to share their knowledge, information, and experiences about a brand with other customers via these platforms. This sharing in turn develops into high quality relationships between customers and their brands, built on trust. (Themes 1 and 2). Looking at opinions of individuals about a brand in these communities, the results show that customers search for information about a product or their brand on these communities, and they feel happy and satisfied with the information provided. One participant stated: *'I didn't know that I can use application on the device with this brand in Iran and I found this information on the forum of brand X. I searched for more information as I can have access to lots of information about this brand'*; or: *'it is really good to see that there is forum for a brand that you don't know and have no experience on. Here you may find experiences of other customers, which I presume is very helpful to know a new brand with new functionality.'* Other related data from these communities also support our themes that these communities are helping develop satisfied

customers. (Themes 2 and 3).

Our trust Theme (2) is also highlighted by the results that customers trust a new brand they encounter through online communities. The findings show that trust-building mechanisms through textual information produced through the online discussions of customers on their favorite brand is helpful to the brand. For instance, the statements: *‘I have less risk to use a new brand when I see there is a discussion about positive and negative sides of a brand on these online forum’*, or: *‘I have more trust when I see that there is a sharing environment in online community and I can see the experiences and knowledge of other customers about a brand’*, show that social media platform use facilitates the social interactions of customers on online communities, which is a good source of trust building for a brand.

Table 1: Themes generated

<i>Keywords</i>	<i>Themes</i>
Social interaction	1. Social interaction develops the brand relationship
Trust	2. Social interaction develops trust
Customer satisfaction	3. Social interaction develops customer satisfaction
Commitment	4. Communities bring commitment to the brand
Loyalty	5. Relationship leads to loyalty
	6. Loyalty means returning to the community, commenting, participating
Management participation	7. Managers make efforts to encourage participation

There is also support for Propositions 3 and 4. Quality relationships in business contexts are established by the social interactions of customers. In these online communities, loyalty leads to brand co-creation by customers. In our findings, participants mentioned that their social interactions with their brand communities created a long term, committed relationship with their brand leading to loyalty. For example: *‘I would like to check the websites that I left my comments on my favorite brand or see new comments on my opinion. This has been turned to*

a socializing platform for me to discuss with peers'. This is consistent with the literature suggesting that trust, satisfaction, and commitment influence customer loyalty (Huang & Chiu, 2006), but also indicates the customer being willing to go beyond loyalty to discuss brand meanings and deeper relationships with peers in the community (Themes 4 and 5). Another stated: *'I like to share my experiences with other customers that do not have this brand. I like this product that it is compatible with the Iranian systems. So, why not? Let me share this product with new customers and support my favorite brand'* or *'I really like to read about new products. I remember I bought this mobile phone that I have now by recommendations and reviews available on this online community. I came back and shared my own experience of this new brand. Sometimes, I come back to this community and learn about new applications and sometimes I see that I have answers for some questions by new customers which I then help to answer. I like it.'* These statements are evidence that relationship marketing and loyalty are practical tools for branding co-creation with customers (Themes 5 and 6).

To summarize, from the customers' perspective, the co-creation of value *with* customers instead of co-creation of value *for* customers via online brand communities is a major finding. The process of interaction helps customers create an individual relationship with the brand, instead of relying on mass brand communications. However, this co-creation of value must be accompanied by a sound relationship based on trust that leads to brand loyalty.

4.2. Managers' perspectives

The findings of interviews with the brand managers support all four research propositions. First, managers understand that social media facilitate social interactions which results in trust-building for a brand (part of relationship quality). *'Trust on our brands by our customers is built by interpersonal relationships and our participants say that without trust they cannot have a long term relationship with their brand'*. Another element of relationship quality, commitment, was also found to be important. All managers mentioned that their online brand

communities are developed to increase commitment to the brand and business. The content analysis revealed that online communications by users develops commitment to the brand by facilitating knowledge and experience sharing on these communities. The managers' interviews confirm that customers' sense of belonging to their community can be generated via social media participation. As such, satisfaction, trust, and commitment support one of the research propositions, i.e. that relationship quality functions as a precursor to loyalty and co-creation of value (Themes 1-4).

Similar to finding from customer interviews, interviews with the managers confirm that using an online brand community attracts customers to join this social group and share their experiences. Returning to these communities to update information about their favorite brand or sharing their own brand experiences with their peers in turn strengthen customer commitment to the brand leading to loyalty (Proposition 2). Statements such as: *'I go online to check on other discussions or when I receive a notification from my favorite brand discussion,'* and: *'I also go there to share my own experiences of using this brand with other customers,'* show that satisfied customers return to their favorite online brand community indicating brand loyalty. Thus, loyalty, another research theme, emerges and suggests that the supportive environment produced by online brand communities develops relationship quality and loyalty which businesses on these online communities use for branding co-creation (Theme 5).

We found support for Propositions 3 and 4 in the manager's data. The managers of these online communities confirmed encouraging co-creation with other customers using online brand communities as a specific strategy. The findings support the proposition that online brand communities are powerful tools to facilitate the value of social media for branding co-creation. This research, like Pentina *et al.* (2013), shows that brand relationship quality impacts the likelihood of brand recommendations by customers as well as increasing the intentions to continue using the brand. The findings suggest that social media is a practical tool for branding

co-creation using online communities to establish relationship marketing and loyalty (Theme 6).

4.3. Comparative analysis of the managers' and users' interviews

To further support these relationships, we conducted interviews with managers of these brand communities after the initial user interviews. The data from the users depict customer behavior in the online communities. By interviewing the managers of these online communities we seek their understanding of these social interactions to 'triangulate' the results of the primary analysis.

The managers already had positive attitudes towards online communities as well as a good understanding of the Iranian markets where customers are increasingly using e-commerce and online communities to search for products. However, each manager had a different perspective. Table 2 highlights the differences in perceptions between the managers.

Table 2: Community managers' perceptions regarding co-creation activates and role of brand community

	Manager A	Manager B	Manager C
Communities disseminate information	X	X	X
Customers receive rewards for leaving comments		X	
Customers receive rewards for shopping		X	
Creates trust, prestige and image of good support			X

For manager A, online communities are a good place to disseminate information needed by customers in a cost-effective way. He believes that customers are using online communities and SNSs more than they are viewing the state television stations. As a consequence of evolving technology, he felt compelled to invest in online communities and provide

information about his products to his customers. This manager had little understanding of co-creation of value. However, he believed in developing a strong relationship with customers.

Compared to A, manager B had a greater focus on developing a new brand through online communities. His statement: *'We are here to tell our customers that there is a new brand. We are looking for strategies to motivate them to buy our new product and after the purchase we would give them some discount if they share this product on other social networking sites such as Facebook. We also give them better deals if they do more shopping or leave behind comments about our products'* supports that this firm has the strategy of co-creation of value. This was also confirmed by some customers who said: *'if we share a product in other SNSs we will receive a discount.'*

Manager C had same perceptions as A regarding the belief that having an online community for the products sold both offline and online conveys a prestige image for the brand. In addition, his customers feel that they have good customer support when they have an online community for products that they buy and they can go online and search for more information about these products. However, manager C also thinks that not all customers trust online vendors. Therefore, he plans to attract different offline and online customers to his brand community by establishing a trusted online environment to sell more products online.

The findings show that these brand managers attempt to attract users to their online communities by programs such as email notifications or idea innovation competitions. Their intent is to establish a quality relationship with their customers and persuade existing customers to recommend their new brand to new customers. This is a practical strategy to co-create brand value with customers and to develop a new brand via online communities.

As Table 3 indicates, in spite of the awareness of the managers of the value co-creation process in online communities and their efforts in this regard (Theme 7), there are opportunities for improvement. This lies not in their understanding but in acting to facilitate the process of

value co-creation with their customers in online brand communities. The customers demonstrated a clear path from social interactions, to trust to customer satisfaction, loyalty and brand commitment and behaved so online, consistent with the process in Figure 1. Users shared information, commented and communicated with each other and sought interactions to help them understand and develop loyalty to the brand.

However, whereas managers clearly understood the concepts in our themes, they were not always facilitating that relationship process. Whereas all managers shared information, not all developed a clear set of interactions with their customers. All managers wanted strong, loyal customers, but did not necessarily grasp the importance of social interactions in developing customer satisfaction or that communities can facilitate brand commitment. Managers viewed the process of community management as more of a one-way and traditional marketing effort, i.e., creating communications via email, rewarding members of user communities for shopping, developing idea competitions, rather than taking advantage of specific interactions with customers, and facilitating the communications among customers. What these data say clearly is that the process of creating brand commitment and relationship loyalty occurs when users share information with *each other*, rather than directly with the brand. Managers can facilitate this process of value co-creation by supplementing their own efforts with efforts to make it easier for customers to communicate with each other.

5. Conclusion

Co-creation of value is a unique opportunity for marketing in the social commerce era. Companies are now using social media and digital marketing to co-create brand images with their customers in online brand communities. To investigate this issue, a qualitative study was conducted in an emerging market. Investigation of three online brand communities provided a pool of data from 45 user interviews and three interviews with the managers of these brand communities. Data were content analyzed to investigate the themes of the research: relationship

marketing, loyalty, and branding co-creation.

Table 3: Customer, community manager actions differ in terms of themes

Theme	Customer actions	Managerial actions
1. Social interaction develops brand relationships	Users share knowledge, information and experiences	All managers shared information; not all developed interactions to build brand relationships.
2. Social interaction develops trust	Users trust a new brand in particular if information is shared online	Manager C had a specific program to facilitate and build trust.
3. Social interaction develops customer satisfaction	Users communicate with each other and see that other customers are satisfied, increasing their own satisfaction	Manager B recognized the importance of reward programs as developing interactions leading to satisfaction and commitment.
4. Communities bring commitment to the brand	Users see how others react to the brand and their commitment is strengthened	All managers used brand communities. Manager C focused on building brand prestige.
5. Relationship leads to loyalty	Users that are satisfied return to the brand community again and again.	Manager B sought to manage relationships through loyalty programs.
6. Loyalty means returning to the community, commenting, participating	Users return to the community to share their own experiences, learn from others.	Managers understood the importance of interactions among customers.
7. Managers make efforts to encourage participation	Users did not comment extensively on managerial efforts to encourage community participation.	Managers B and C made a concentrated effort to encourage participation.

The findings indicate that despite cultural and economic differences between Iran and the more developed world, relationship quality theory, loyalty theory, social media research, and co-creation of value can explain customer behavior in social media platforms. These findings mean that social media can help firms in developing or developed markets pursue an effective digital marketing strategy. These findings suggest that companies may develop online brand communities to facilitate the social interactions of customers in order to develop relationship quality and loyalty for branding co-creation purposes. They indicate that the interconnectivities of customers in online brand communities produce relationship marketing and loyalty, which

can be a practical strategy of co-creation of value for branding. Because the research has uncovered an iterative process, the resulting co-creation of brand value can be cycled through online community interactions to strengthen the bonds of brand loyalty.

5.1. Theoretical implications

This research uses a multidisciplinary approach with theories from marketing, information systems, and innovation. Applying relationship marketing and loyalty theories, social media and co-creation perspectives helped establish a theoretical background for branding co-creation using social media platforms. Integrating these theories to develop branding co-creation using social media via relationship marketing concepts is a contribution for understanding branding or new product development. Another contribution is the use of co-creation of value and its application to branding. More work is needed to develop the process of co-creation of value through social media and the role of both customers and managers in the process. Finally, using data from an emerging market like Iran to confirm traditional customer behavior theories with new perspectives such as social media, co-creation of value, and branding reinforces the robust nature of these concepts across cultures.

5.2. Managerial implications

This research has practical implications for businesses. Using social media in the form of online brand communities for branding co-creation is a new opportunity for marketing in the social commerce era. The findings show that businesses may develop their digital marketing strategies for branding co-creation by engaging their customers. They may develop online brand communities to facilitate the social interactions of customers for branding co-creation. Empowered by social media, customers can share their knowledge, experiences and information about a new brand with other customers. Developing a brand using online communities enabled by quality relationship development and customer loyalty has a potential value for businesses seeking to develop new products or brands. However, managers need to

adapt to the new environment and recognize that the process of brand loyalty in online communities often occurs between customers and not between the customer and the brand. Managers must take a facilitating role, which requires adjustments to be successful. In other words, for successful co-creation of branding, managers must make it as easy as possible for customers to share information not only with the brand, but with each other. For example, since the process is iterative, managers can take the information from the brand meanings and encourage customers to continue to share brand meanings with each other, through photo-sharing contests and other customer-to-customer venues.

Managers must also, like C, work to develop trust in the brand across all methods of brand communication. Trust is endemic to all forms of relationship marketing including online communities built through online social interactions. Without trust, the entire process toward brand loyalty and co-creation of value will fail.

In the social commerce era, where customers are increasingly joining online communities, companies may develop their digital marketing strategies to co-create value by co-creating with their customers. Putting customers to work through digital marketing is a practical technique for managers to co-create value with external resources. Another implication is new insights on emerging markets. For businesses trying to market their brands in Iran, this research provides a practical strategy to develop online communities to involve customers in co-creation of value. Despite cultural differences, the process of relationship marketing and its role in branding co-creation is not that different from what might be expected in a more developed country. Branding co-creation using online communities is a useful strategy of co-creation for these businesses. This emerging market can be remotely controlled through virtual communities to test a new product or brand. The findings show that Iranians pay attention to social networking sites and that online brand communities are already established. Finally, digital marketing business models based on social commerce need to take into consideration

how to boost relationship quality to encourage loyalty, which will in turn prompt online customers to co-create in community branding.

One final contribution is how managers benefit from their customers concerning branding. Using online communities and facilitating the social interactions of individuals through social media platforms can be a powerful tool to establish relationship quality and loyalty leading to branding co-creation. Particularly, managers in developing countries can manage existing online communities or develop new platforms to use interconnectivities of individuals for branding co-creation. The possibility of branding through online communities with customers can be a practical strategy for emerging markets.

5.3. Research avenues

Several research avenues can address the limitations of this study. First, 45 interviews and three manager interviews can be a limitation to generalizability. A bigger and more representative sample could be used once the concepts are operationalized into a quantitative model. Although we had three in depth interviews with managers, future research could use more online brand communities with more interviews from the managerial perspective, complemented by corporate data or community data about customer behavior. To this end future research could consider communities managed by the brands themselves. In such cases it may be possible to examine how having a single brand compared to having multiple brands in one community may affect customers. Also, the research investigates three online brand communities focused on consumer electronics. Different types of products will have different customer sets which might imply alternative branding strategies. Therefore, future researchers may study settings based on other product categories. In addition, research in other emerging and developed countries can offer useful insights that would make plausible more robust comparisons with western findings. Researchers could also focus on how to help managers make the transition from traditional marketing techniques to those focusing on contributing to

the process of co-creation of value. Finally, the framework proposed could also be extended, for instance by adding more dimensions to relationship quality or by considering potentially relevant brand-related constructs.

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