

A STUDY OF BUILDING BRAND BY DRIVING-MARKET BEHAVIOR IN ONLINE SOCIAL NETWORK*

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Abstract

Building brand is the need of a company strategy development. In the environment of online social network, There are four indicators contributing to build brand, including driving-market behavior, brand community, brand positioning and brand communication. It indicates that driving-market behavior can influence brand positioning and brand communication effectively and efficiently, especially for reversing existing customer preference, it changes the existing preferences of customers from a negative to a positive evaluation, marketers can apply the rule of reversing existing customer preference to influence the structure of the market and/or the behavior of market players (e.g., customers, competitors, and other stakeholders). Downloading Apps in the brand community has become a new trend in the time of IT, this design in the brand community can generate popularity from existing customers and latent customers, it contributes to brand communication. Brand community really can contribute to brand communication, but social capital, network effect, six degree of separation and viral loop can amplify the effect brand community has on brand communication. After mode study, I will implement case study of Xiao Mi brand, analyzing its competitive situation and showing that how its marketers operate brand marketing. I anticipate that firms need to manage both structure and behavior change, they often appear to move together in practice. My mode study proves that exceptional companies are able to manage the present through short-term, market-driven actions and, simultaneously, consider how to reshape markets by driving them into new competitive spaces. For the future research, I recommend that we should focus on “how much can market behavior be shaped?”, it is interesting to consider the extent to which market behavior can be shaped. The answer to this question may vary quite a bit by the industry involved, and it would be instructive to study variations across industries. In contrast, more traditional business-to-business markets may be less amenable to altering their behaviors.

Keyword: driving-market behavior, social network service, brand community, brand positioning, brand communication

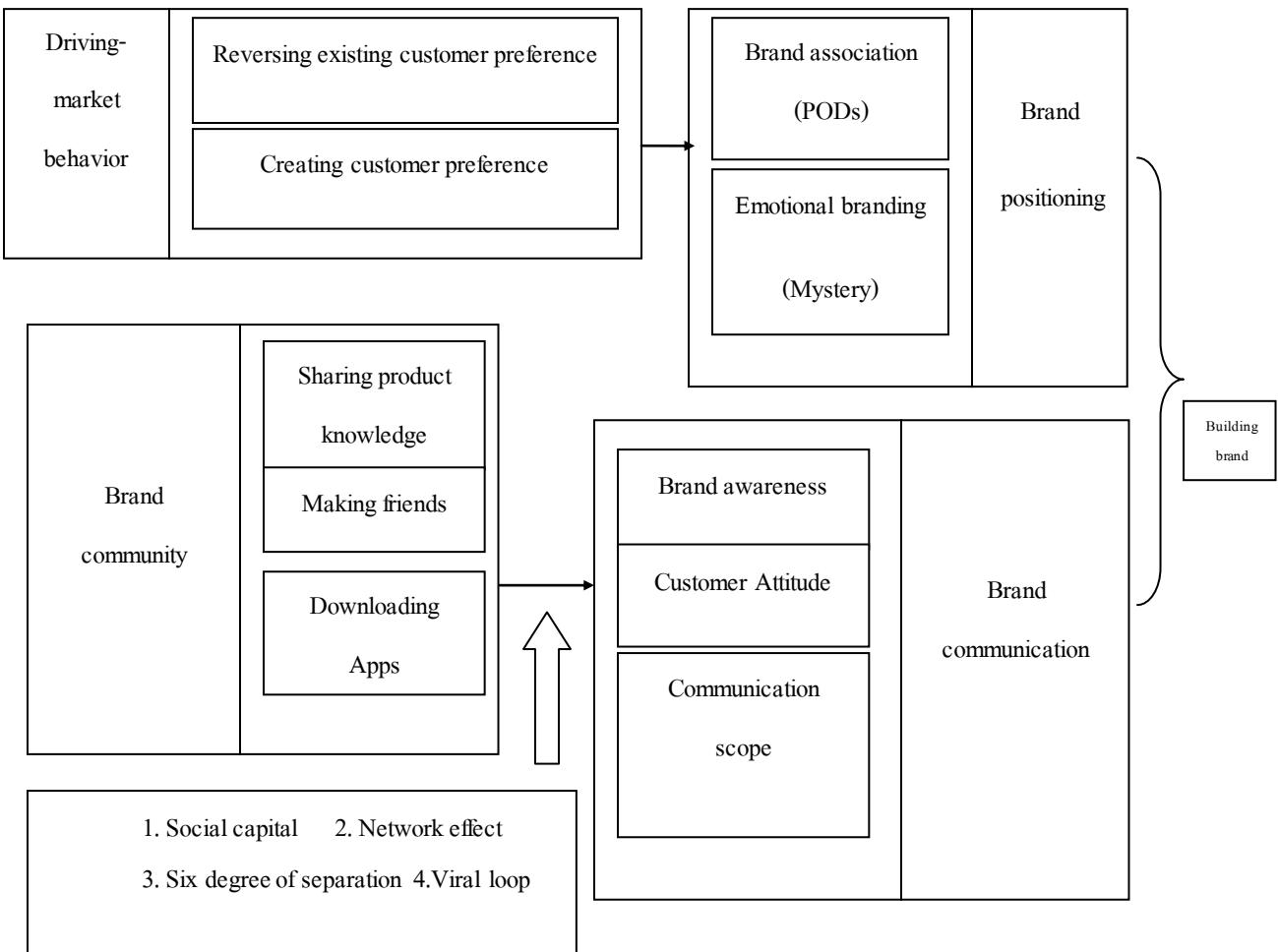
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Introduction

With regard to the success of Xiao Mi brand, my IS attempts to find out what factors contribute to success of Xiao Mi brand and finally how factors affect the process of building brand of Xiao Mi. Marketers of successful 21st-century brands must excel at the strategic brand management process. Strategic brand management combines the design and implementation of marketing activities and programs to build, measure, and manage brand to maximize their value. The strategic brand management process four main steps: identifying and establishing brand positioning, planning and implementing brand marketing, measuring and interpreting brand performance, growing and sustaining brand value. My IS is to study the process that how to build brand to maximize value of marketing activities and programs. Brand positioning and brand communication support building brand. All marketing strategy is built on segmentation, targeting, and positioning (STP). A good brand positioning helps guide marketing strategy by clarifying the brand's essence, identifying the goals it helps the consumer achieve, and showing how it does so in a unique way. Driving-market behavior will be applied to brand positioning in order to conduct a trial that what effect driving-market behavior have on brand positioning. In the new media environment, consumers can be increasingly in control. Consumers not only have more choices of media to use, they also have a choice about whether and how they want to receive commercial contents. Online brand community appears in the online social network, some theories, such as social capital, six degree of separation, network effect and viral loop, can be found in online brand community when marketers engage in brand communication by online brand community. The effects these theories have on brand communication will be studied in my IS. According to main research problems, there are some research questions:

- A: Is driving-market behavior good for brand positioning in Xiao Mi mode?
- B: Is online brand community good for brand communication in Xiao Mi mode?
- C: Can application of social psychology in marketing communication improve efficiency of brand communication?
- D: What is the competitive situation of brand marketing of Xiao Mi Co., Ltd?

Conceptual framework



Objectives

To analyze the relationship between driving-market behavior and brand positioning in Xiao Mi mode; to analyze the relationship between brand community and brand communication; to measure impact of social capital, six degree of separation, network effect and viral loop on brand communication in terms of social psychological processes; to analyze the competitive situation of Xiao Mi brand.

Hypothesis statement

Ha: Driving-market behavior has positive influence on brand positioning.

Hb: Driving-market behavior has positive influence on brand communication.

Hc: Brand community is positively related to brand communication when social capital occurs.

Hd: Brand community is positively related to brand communication when six degree of separation occurs.

He: Brand community is positively related to brand communication when network effect occurs.

Hf: Brand community is positively related to brand communication when viral loop occurs.

Method

Technique and methods

A questionnaire-survey; Case study of Xiao Mi brand.

Sampling design

Target population is Chinese in China, who are from 17 to 31 years old and have the characteristic of wanting lower price, high configuration, fashionable Smartphone. I adopted the online-questionnaire survey and the paper-questionnaire survey, stating on the first page that a person may only fill out the questionnaire if he/she is from 17 to 31 years old. My survey was conducted from August to September, 2013. 100 scales were distributed, and 100 valid samples were returned. 24 respondents were males and 76 respondents were female. The distribution of age show as figure 3, the interval of age from 20 to 22 are main consumer group, which accounts for 50%. College students in the campus accounts for 16%. The time spent in online scanning is between one hour and two hours.

Measures

Driving-market behavior, brand positioning, brand community and brand communication are four main indicators; PODs association and mystery in emotional branding are two dependent variables in brand positioning, Reversing existing customer preference and creating customer preference are independent variables in driving-market behavior; brand awareness, customer attitude, and communication scope are dependent variables in brand communication. Sharing product knowledge, making friends and downloading Apps are independent variables in brand community; Social capital, six degree of separation, network effect and viral loop are intervening variables in the relationship between brand community and brand communication.

Driving-market behavior: Three 5-point likert-type items measured Reversing existing customer preference and creating customer preference, ranging from “never prefer to” to “most pleased”. The items are as follow: (a) Will you prefer to a brand that can offer you the introduction of new benefits that you have not recognized previously? (b) Will you prefer to a brand that is considered as a “new to the world” complete offering? (c) Will you prefer to a brand that has changed your existing preference from a negative to a positive evaluation?

Brand positioning: Four 5-point likert-type items measured PODs association and mystery in emotional branding, ranging from “strongly disagree” to “strongly agree”. The items are as follow: (a) Do you see the brand association as personally relevant to you when you prefer to a brand? (b) Do you think that the product design and marketing offering have supported your desired association when you prefer to a brand? (c) When you prefer to a brand, will you see the brand association as distinctive and superior to its competitors? (d) When you prefer to a brand, do you feel that there are something mysterious attracting you?

Brand community: Three 5-point likert-type items measured Sharing product knowledge, making friends and downloading Apps, ranging from “1 point (worst)” to “5 points (best)”. The items are as follow: (a) Will you attempt to share products knowledge in the brand community? (b) Will you attempt to make friends in the brand community? (c) Will you attempt to download Apps in the brand community?

Brand communication: Three 5-point likert-type items measured brand awareness, customer attitude and communication scope, ranging from “1 point (worst)” to “5 points (best)”. The items are as follow: (a) when you prefer to a brand, are you pleased to introduce it to the people that you know? (b) When you prefer to a brand, do you feel that the brand performance has achieved your expectancy-value? (c) when you prefer to a brand, are you pleased to share your brand knowledge to another media platforms beyond the brand community where you are?

Intervening variables: Six 5-point likert-type items measured Social capital, six degree of separation, network effect and viral loop, ranging from “1 point (worst)” to “5 points (best)”. The items are as follow: (a) What do you think of your interaction level with intra-community members?(b) Is mutual assistance important in the brand community?(c) Is mutual trust important in the brand community?(d) Your friends influence you to join into the brand community, is this fact important to you?(e) Is it possible for you to add a stranger who is a friend of your friend into your friend list in the brand community? (f) Do your friends or relatives have an intention of adopting a product of the brand after you recommend it as a result of some incentives you can receive?

Results

We can see that the disposable income per month of 2001—3000yuan accounts for 52%, the price level of Smartphone that consumers can receive is 1001—2000 and it accounts for 50%, consumers who want high configuration level of Smartphone accounts for 36% cumulatively, the consumers who mind the fashionable appearance design of the Smartphone accounts for 87% cumulatively.

Multiple regressions

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.238	.388		3.190	.002
	Will you prefer to a brand that can offer you the introduction of new benefits that you have not recognized previously?	.048	.101	.052	.477	.635
	Will you prefer to a brand that is considered as a "new to the world" complete offering?	.026	.093	.027	.282	.779
	Will you prefer to a brand that has changed your existing preference from a negative to a positive evaluation?	.242	.071	.356	3.423	.001
	Will you attempt to share products knowledge in the brand community?	.045	.087	.050	.514	.608
	Will you attempt to make friends in the brand community?	.042	.086	.051	.489	.626
	Will you attempt to download Apps in the brand community?	.237	.087	.281	2.734	.007

a. Dependent Variable: Do you see the brand association as personally relevant to you when you prefer to a brand?

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.110	.477		2.327	.022
Will you prefer to a brand that can offer you the introduction of new benefits that you have not recognized previously?	-.113	.124	-.107	-.911	.365
Will you prefer to a brand that is considered as a "new to the world" complete offering?	.100	.115	.091	.874	.384
Will you prefer to a brand that has changed your existing preference from a negative to a positive evaluation?	.115	.087	.148	1.319	.190
Will you attempt to share products knowledge in the brand community?	.207	.107	.204	1.937	.056
Will you attempt to make friends in the brand community?	-.028	.106	-.029	-.263	.794
Will you attempt to download Apps in the brand community?	.242	.106	.252	2.275	.025

a. Dependent Variable: When you prefer to a brand, will you see the brand association as distinctive and superior to its competitors?

Pair 2

Ho: Reversing existing customer preference has no influence if brand association is a variable in brand positioning. (**Reject**)

Ha: Reversing existing customer preference has an influence if brand association is a variable in brand positioning. (**Accept**)

Pair 5

Ho: Downloading Apps has no influence if brand association is a variable in brand positioning. (**Reject**)

Ha: Downloading Apps has an influence if brand association is a variable in brand positioning. (**Accept**)

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.087	.501		2.169	.033
Will you prefer to a brand that can offer you the introduction of new benefits that you have not recognized previously?	.066	.131	.058	.505	.615
Will you prefer to a brand that is considered as a "new to the world" complete offering?	.029	.120	.025	.240	.811
Will you prefer to a brand that has changed your existing preference from a negative to a positive evaluation?	.298	.091	.359	3.268	.002
Will you attempt to share products knowledge in the brand community?	.036	.112	.033	.320	.750
Will you attempt to make friends in the brand community?	.019	.111	.018	.168	.867
Will you attempt to download Apps in the brand community?	.007	.112	.007	.062	.950

a. Dependent Variable: When you prefer to a brand, are you pleased to introduce it to the people that you know?

Pair 2

Ho: Reversing existing customer preference has no influence if brand awareness is a variable in brand communication. (**Reject**)

Ha: Reversing existing customer preference has an influence if brand awareness is a variable in brand communication. (**Accept**)

The correlation is not significant in this table, so intervening variables have influences on dependent variables by independent variables. Intervening variables have the mediating effect. We can see that the disposable income per month of 2001—3000yuan accounts for 52%, the price level of Smartphone that consumers can receive is 1001—2000 and it accounts for 50%, consumers who want high configuration level of Smartphone accounts for 36% cumulatively, the consumers who mind the fashionable appearance design of the Smartphone accounts for 87% cumulatively. According to the statistics analysis, the target market who want lower price, high configuration, fashionable Smartphone existed. Reversing existing customer preference has an influence if brand association is a variable in brand positioning. Downloading Apps has an influence if brand association is a variable in brand positioning. Reversing existing customer preference has an influence if brand awareness is a variable in brand communication. Intervening variables have the mediating effect between independent variables and dependent variables, intervening variables include Social capital, Network effect, Six degree of separation, Viral loop.

Conclusion

My mode is not very good, but it can indicate that driving-market behavior can influence brand positioning and brand communication effectively and efficiently, especially for reversing existing customer preference, it changes the existing preferences of customers from a negative to a positive evaluation, marketers can apply the rule of reversing existing customer preference to influence the structure of the market and/or the behavior of market players (e.g., customers, competitors, and other stakeholders). Downloading Apps in the brand community has become a new trend in the time of IT, this design in the brand community can generate popularity from existing customers and latent customers, it contributes to brand communication. Brand community really can contribute to brand communication, but social capital, network effect, six degree of separation and viral loop can amplify the effect brand community has on brand communication.

Recommendation

I anticipate that firms need to manage both structure and behavior change, they often appear to move together in practice. My mode study proves that exceptional companies are able to manage the present through short-term, market-driven actions and, simultaneously, consider how to reshape markets by driving them into new competitive spaces. For the future research, I recommend that we should focus on “how much can market behavior be shaped?”, it is interesting to consider the extent to which market behavior can be shaped. The answer to this question may vary quite a bit by the industry involved, and it would be instructive to study variations across industries. In contrast, more traditional business-to-business markets may be less amenable to altering their behaviors.

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