The Impact of Online Brand Communities on Indian Telecom Domain Brand Equity
Introduction

- Social networks provide the platform for customers to share content and interact online.
- OBC is a “specialized community, based on a structured set of social relations among admirers of a brand”.
- This study develops a conceptual model to examine and measure the dynamics of OBC in the telecom sector.

HBR study ”your decision is not whether a community is right for your brand. It’s whether you’re willing to do what’s needed to get a brand community right”. ”For a brand community to yield maximum benefit, it must be framed as a high-level strategy supporting business wide goals.”

SAP CMO Jonathan Becher: social interaction is viewed as an “enabler” and “not a goal in itself”. 
OBC Examples

http://crezeo.com/8-flourishing-online-brand-communities-examples/

http://www.momentology.com/4359-10-exceptional-examples-of-brand-communities/

https://community.sears.com/
This is a community by Sears and is for those shoppers who love to research a bit before they buy anything. The result is a prolific community where people write reviews and ultimately, a place where brand loyalty is generated

http://www.starbucks.com/coffeeshouse/learn-more/my-starbucks-idea
This community has led to over 277 implemented innovations and more than 150,000 ideas from customers and members, and this includes free Wi-Fi at Starbucks and skinny drinks

http://www.oracle.com/technetwork/index.html#menu-otn
This community has brought together people who like the products by Oracle Corp. Birthdays, videos, pictures, personal stories, blogs and so much more is shared here
Internet and Mobile Penetration in India

**MOBILE INTERNET USERS IN INDIA 2013-17 (E)**

(in million)

- 2013: 110
- 2014: 159
- 2015: 213
- 2016: 236
- 2017: 314

**INTERNET USERS IN INDIA 2013-17 (P)**

(in million)

- 2013: 189.6
- 2014: 278
- 2015: 354
- 2016: 427
- 2017: 503

**INTERNET PENETRATION**

<table>
<thead>
<tr>
<th>Country</th>
<th>Internet penetration (2014) (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>89.6</td>
</tr>
<tr>
<td>US</td>
<td>86.8</td>
</tr>
<tr>
<td>Japan</td>
<td>86</td>
</tr>
<tr>
<td>Brazil</td>
<td>53.4</td>
</tr>
<tr>
<td>China</td>
<td>46</td>
</tr>
<tr>
<td>India</td>
<td>19.2</td>
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</tbody>
</table>

Source: Internet Live Stats, eMarketer, KPMG in India analysis

**India Internet connections 2013-17 (P)**

(In millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wireless</th>
<th>Wireline</th>
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<tbody>
<tr>
<td>2013</td>
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<td>20</td>
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<td>29</td>
<td>307</td>
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<tr>
<td>2017</td>
<td>27</td>
<td>402</td>
</tr>
</tbody>
</table>

Source: TRAI, China's National Bureau of Statistics, Business Monitor International

**India Signs Up Billionth Mobile-Phone Customer**

Becomes second country to hit the milestone after China

- India crosses 1 billion
- China crosses 1 billion

**Activities performed on smartphones (India)**

- SMS: 45%
- Email: 26%
- Social Networking: 17%
- Apps: 15%
- Browsing: 15%
- Shopping: 13%
- Streaming online music: 7%
- Video/Mobile TV: 8%
- Mobile Banking: 7%

Source: Nielsen mobile consumer report; a global snapshot 2013

# Internet connections  # Mobile phones  Smartphone usage
Study Objectives

- Assess the impact of Online Brand Communities on selected brand equity dimensions of loyalty, awareness, association and perceived brand quality of telecom service providers.
- To devise a conceptual model which can explain the effects of the Online Brand Communities on the value of the brand (brand equity) of telecom service providers.

Study Scope
- Industry scope: Telecom Sector
- Geographic scope: India

Methodology
- Data gathering
- Instrument: Questionnaire
- Medium: Electronic Media
- Sample size: 120 respondents
- Data analysis: Factor and Regression Analysis
- Statistical tool used: SPSS
Importance of OBC in the telecommunication industry

- Evolution of communication methods – from two-way communication to **collaborative communication**.

- **High broadband** penetration, readily available and affordable digital multimedia devices, are the drivers of OBC

- Digitally-enabled **marketing communication models** are a new way of attracting consumer attention and **increase market share**

- **Social networking services** [Facebook, MySpace, Cyworld] are major enablers of OBCs, became a major source of communication for the **new age digitally enabled consumers**
OBC and Web 2.0 technologies in telecom industry

- Web 2.0 relates the transition from Internet-enabled delivery of content (web 1.0) to participation-based communities on Internet.
- Web 2.0 exploit and reinforce the social facet of the OBC through the multiple virtual connections among consumers.
- Web 2.0 can strengthen relationships and easily share brand-related content and interests.
- Web 2.0 technologies help OBC participants to interact with each other, leading to diverse virtual connections among members.
- An OBC is a community created opportunistically aiming to enable members exchange opinions and educate them on the brand offerings.
Determinants of OBC

1. Brand community participation
   • Brand Community participation involves participation level and degree of social involvement and interaction among OBC members.
   • Length of membership determines level of participation and affinity towards brand in building brand equity

2. Brand community generated content
   • The content generated by members of OBC and official brands, will influence their perception and image of the brand and hence subsequent purchase behaviour.
   • OBC enhance organization’s ability to understand customers, monitor information exchanged leading to identify positive consequences that influences brand loyalty.

1. Need for Self-discovery
2. Need for Information

1. User Generated Content
2. Brands content strategy
1. Brand Loyalty
Commitment to repurchase and continue with the brand in turn providing positive word of mouth advocacy.
1. Consumer purchase behaviour
2. Relevance
3. Online customer engagement
4. Consumer satisfaction
5. Listening to consumers
6. Value benefits
7. Compelling reason to come back
8. Switching cost

2. Brand Association
The virtue of interactive and co-creative experience build brand relationships and engaged consumers beyond core purchase decisions. Interplay between engagement and an interactive social manifestation improves nature of understanding and dimensionality of consumer
1. Susceptibility to global consumer culture
2. Brand credibility
3. Brand elements
4. Social enhancement
5. Social integration
6. Need for Entertainment
7. Psychological factors

3. Brand Awareness
Brand awareness consists of Brand recall, cognition and brand recognition by OBC members. The knowledge about value benefits of the brand among OBC members.
1. Advertising
2. Brand recall/familiarity
3. Celebrity endorsements

4. Perceived Brand Quality
OBC members view on brand’s capability to satisfy their expectations and perception about brands quality in fulfilling the member’s demands and expectations.
1. Offer/Sales promotions
2. Perceived Monetary Pricing
3. Positive/Negative Brand Experience
OBC and Brand Equity – relation hypothesis

Impact / Correlation

Brand Community Participation
- Brand Community Generated Content
- Brand loyalty
- Brand association
- Perceived brand quality
- Brand awareness
About the study

- The primary data was collected using a survey.
- The respondents are part of OBCs or participate in such communities.
- The questionnaire consisted of 21 questions which included variables of
  - Brand equity - Brand Loyalty, Brand Awareness and Brand Association
  - OBC related variables - Perceived Brand Quality, Brand Community Generated Content and Brand Community Participation.
- The respondents had to describe what they feel about the online brand communities using a five-point Liker-scale ranging from 5 (strongly agree) to 1.
- The sample size was 120 consisting of
  - Gender: 43% Males and 57% Females.
  - Age: less than 30 years (86%), 30 to 40 years (9%), 40 to 50 years (2%) and greater than 50 years (3%).
Results - Brand Loyalty and Brand Community Participation

- Regression analysis done to test the hypothesis.
- **R Square value** measures the strength of association.
- **R value** is the square root of R-Squared and shows the correlation between the observed and predicted values of dependent variable.
- **Sig.-F** indicates whether the model is significant. If F is 0.000 which is significant at less than the criterion alpha level (p = 0.01) then this signifies 99% confidence in the ability of the model to explain the dependent variable; we can conclude that the regression equation as computed is statistically significant.

### Model Summary for Brand Loyalty and Brand Community Participation

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
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</tbody>
</table>

a. Predictors: (Constant), I feel safe posting my thoughts and feelings on blogs/forums or Facebook posts, I visit Online Brand Communities quite often, I value the official posts by Online brand communities, I purchase product/services from the stores suggested by the members of the community?, I like to get gadget/campaigns/events updates through online communities, I use Online Brand Communities to like, share or post my comments about product/services offered, I believe other people reviews are honest and trust information posted on online community.
### Results and discussion

#### Model Summary for Brand Association and Brand Community Participation

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</table>

a. Predictors: (Constant), I find product information on communities to be helpful in purchase decisions, Information on discount offers/Coupons attract me to associate with brand communities online, I like to discuss about gadgets, share and receive information with others in the online space, Before trying a new product/service, I try to learn what others who possess this product think about it using online community. It gives confidence to shop based on reviews on online communities, I participate in communities for suggestions/grievance redressed, I participate in communities for suggestions/grievance redressed, I use Online Brand Communities to get recommendations on products/services

#### Model Summary for Brand Awareness and Brand Community Participation

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a. Predictors: (Constant), Viral videos/brand icons influence me to join Online Brand Communities, I visit Online Brand communities to participate in quiz, games or other engaging events, Advertising and celebrity endorsements in Online Brand communities create brand awareness

#### Model Summary for Perceived Brand Quality and Brand Community Participation

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<tr>
<th>Model</th>
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<th>Adjusted R Square</th>
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</table>

a. Predictors: (Constant), Negative reviews about product/services on Online Brand Communities affect my purchase decisions, I join the communities to get valid information on products/services, I would like to read others opinion or comments shared about various brands

#### Model Summary for Perceived Brand Quality and Brand Community Generated Content

<table>
<thead>
<tr>
<th>Model</th>
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<th>Adjusted R Square</th>
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### Results and discussion

#### Model Summary for Brand Loyalty and Brand Community Generated Content

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<tr>
<th>Model</th>
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</table>

a. Predictors: (Constant), I feel safe posting my thoughts and feelings on blogs/forums or Facebook posts, I visit Online Brand Communities quite often, I value the official posts by Online brand communities, I purchase product/services from the stores suggested by the members of the community?, I like to get gadget/campaigns/events updates through online communities, I use Online Brand Communities to like, share or post my comments about product/services offered, I believe other people reviews are honest and trust information posted on online community, I purchase online based on information found on Online Brand community.

#### Model Summary for Brand Association and Brand Community Generated Content

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
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#### Model Summary for Brand Awareness and Brand Community Generated Content

<table>
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<th>Model</th>
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</table>

a. Predictors: (Constant), Viral videos/brand icons influence me to join Online Brand Communities?, I visit Online Brand communities to participate in quiz, games or other engaging events, Advertising and celebrity endorsements in Online Brand communities create brand awareness.
Brand Community Participation is strongly correlated to Brand Loyalty, Brand Association, Brand Awareness and Perceived Brand Quality since correlation values are closer to 1.

The same applies to Brand Community generated content.
Results – Reliability Measurement and Verification

- According to Nunally’s study, the scales used are reliable if they have reliability above 0.70. Each construct has the Cronbach’s α coefficients score greater than 0.9, thereby ensuring reliability.
- Principal component analysis is performed on the 21 items, using Varimax with Kaiser normalization oblique rotation.
- Rotation converges in 18 iterations and based on its results, the first four factorial components are considered.

<table>
<thead>
<tr>
<th>Construct</th>
<th>No. of Items</th>
<th>Cronbach’s alpha</th>
<th>Mean</th>
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<td>Brand awareness</td>
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</table>

 reliabilities assessment

Components and explained variance
Additional Work

- Quantify the predicting contribution of OBC for the telecom domain.
- Perform a comparison analysis to OBCs in related domains
- Define OBC structure per market domain
- and accordingly define its members recommended profile
- Assess OBC impact on product marketing
- Integrate data from OBC into the common CRM system
- Develop an OBC management system [CRM2]
Prof. Domb Menachem, Ashkelon Academy, Ashkelon, Israel

Dr. Sujata Joshi, Associate Professor, Symbiosis International University’s, Symbiosis Institute of Telecom Management, India

Arjun Padman, Kadambari Bishnoi, Rucha Upadhye, Research Assistants, Symbiosis Institute of Telecom Management, India