

Brand Community: an examination of loyalty, and the Cult of Mac.

Research question: Can brand community develop customer loyalty in today's era of fragmentation, scepticism and clutter?

It is a shared realisation among marketers that customer loyalty stems from purchase satisfaction, however in the current climate of 'me-too' products, sceptical consumers and media fragmentation, loyalty has become something more complicated to achieve. In this new century, the *satisfaction-loyalty* model may no longer be as relevant to explain the behaviour of consumers (McAlexander, Kim & Roberts, 2003). While there may be many ways to build customer loyalty, this essay will examine the notion of brand community to build long-term loyalty. A range of literature will be examined and an example will be used to further illustrate the theory of *brand community*. I will begin by defining the terms used and by looking at the traditional satisfaction-loyalty model.

Neal, Quester and Hawkins (2003) define loyalty as a consumer's commitment to a brand because they believe it satisfactorily meets their overall needs and they have formed an emotional attachment to the brand. However this definition of loyalty presumes that satisfaction is an antecedent to loyalty. A less presumptuous definition of loyalty, and the one this essay will make use of, states that loyalty is a deeply held:

“...commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, *despite* situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1999, p.34).

Neal et al (2003) goes on to explain that when purchase expectations are fulfilled by a purchase, a consumer will logically have a tendency to repeat that act because the experience was rewarding and therefore reinforcing. However, other studies (Oliver, 1999; Chaudhuri and Holbrook, 2001) suggest that customer loyalty is developed in more complex and dynamic ways. McAlexander, Kim and Roberts (2003) have found that customer satisfaction does have a positive effect on loyalty but only for consumers who were novice users or had less experience with the brand. For the more experienced customer, trust and commitment were found to be more effective drivers of loyalty compared to satisfaction (Garbarino & Johnson, 1999). In comparison, for both new customers and more experienced customers, integration in the brand community was found to be positively associated with developing customer loyalty (McAlexander et al, 2003).

The theory of brand community was first observed by Boorstin in the 1970s, who used the slightly different term of *consumption communities*. He noted that in America there was a shift away from communities as tight bonds between geographically close people, toward “common but tenuous bonds” of brand use and brand affiliation (cited in McAlexander, Schouten & Koening, 2002, p.38). Muniz and O'Guinn (2001) define brand community as a “specialised, non-geographically bound

community based on a structured set of social relationships among admirers of a brand” (p.412). Bagozzi and Dholakia (2006) offer another definition. They define brand communities as “venues where intense brand loyalty is expressed and fostered, and emotional connections with the brand forged in customers” (pp.45-46). It is interesting that the second definition explicitly states that brand communities are places of ‘intense brand loyalty’. This inclusion should demand the attention of advertisers and marketers who believe price promotion has eroded loyalty in market savvy consumers. Bagozzi and Dholakia go on to state that at the heart of the effectiveness of brand community is the idea that “forming relationships with other like-minded consumers who share one's interest in the brand will be credible and impactful in persuading and bonding customers to the brand, leading them to make more purchase behaviors and be more loyal” (pp.45-46).

Like any other community, brand communities display certain distinct characteristics. These elements, identified by Muniz and O’Guinn (2001), include rituals and traditions, a sense of shared consciousness and a feeling of moral responsibility. Of these elements, shared consciousness (or consciousness of kind) is deemed to be the most important (Muniz & O’Guinn). Consciousness of kind is an intrinsic connection that is felt toward other members and a sense of difference compared to non-members. Community groups also share rituals and traditions, which create a shared history and culture, and a sense of duty or obligation to individual members and the whole community. Muniz and O’Guinn do however point out that while similar to geographic, social and virtual communities, brand communities do have a brand at their centre and thus exist within a commercial, mass mediated ethos and exhibit particular types of communication.

Insight about the members of brand communities has also been uncovered. In contrast to Muniz and O’Guinn (2001), who conceptualise relationships within a brand community as a customer-brand-customer triad, McAlexander, Schouten and Koenig (2002) also include the product experience and the marketing institution as part of the community. They suggest that the community is customer-centric and that the meaningfulness of the community exists within the customer experience rather than revolving around the brand. Customers only interact with brands which add to their perceived identity. Muniz and Schau (2005) compare community members to religious followers. They suggest that humans find community in brands, especially the underdog brands and those that are “marginalised, stigmatised and left behind” (p.746). Community members are not “boosters of a false consciousness who foolishly exchanges economic participation for limited cultural capital and social connection” (Muniz & O’Guinn, 2001, p.428). Rather, brand community members use the brand to consciously create a range of personal identities.

The development of a consumer community around a brand is beneficial to the brand and business for a range of reasons. Brand communities can overcome some of the problems which traditional marketing and advertising practice cannot; these include fragmentation of the media and the clutter

associated with mass media campaigns (Bagozzi and Dholakia, 2006). In this climate, marketers and advertisers need new ways of reaching and interacting with consumers; brand communities offer some assistance. McAlexander, Schouten and Koenig (2002) describe the benefits to a firm as “many and diverse”. They suggest that community-integrated customers serve as brand missionaries who deliver brand messages into other communities. Customers who are part of a brand community also display certain beneficial attitudes or characteristics. Berry (as cited in McAlexander et al, 2002, p.51) stated that integrated community members are more forgiving about product failures or lapses in service quality. They are also less likely to switch between brands, may dismiss the superior performance of other products, are more likely to give the company feedback and are a strong market for brand extensions and licensed products (McAlexander et al, 2002).

The theory of brand community sits within the more general movement toward consumer empowerment. This empowered consumer may be developing because consumers are increasingly in control of the distribution systems (Salzman as cited in Cincotta, 2007). Firms are moving to an ideology where customers are viewed as partners who may undertake “information gathering and decision making” (Bagozzi and Dholakia, 2006, 45-46). Consumers are becoming more involved and active in their relationship with brands. Consumer-generated content is also a product of consumer empowerment because brand community members may be more likely to create content. Consumers who are willing to create branded content are likely to become integrated into a brand community when they go to share their content with others, and those within a brand community are most likely to be involved enough in a brand to develop content. This finding suggests that a strong brand community may be an important first step to encourage consumer-generated content.

However brand communities are not necessarily the ‘holy grail’ of business success. Heath (2006) found that brand relationships (an important element in developing brand communities) are built through emotional advertising appeals, and that these emotional appeals are more effective with the audience when less attention is paid to them. This finding exemplifies the complexity for marketers and advertisers in developing a brand community. Brand communities may only be viable to develop when certain conditions are met. For example, it has been found that brand communities seem to develop around high-involvement products with infrequent purchase (Bart, Shankar, Sultan & Urban, 2005), and when brands have very low marketshare (Muniz and Schau, 2005) and a distinct identity. This suggests that a brand community may not be a relevant consideration for all brands. And, just as virtual communities have been found to negatively affect trust, in some product categories (Bart et al, 2005), brand communities could also become a place of festering brand discontent.

Having discussed the theory of brand community, an example will now be used to further explore how customer loyalty can be created using brand communities. The Macintosh (Mac) brand community will be investigated. Apple has long been the David, to Microsoft’s Goliath. Recently however, the Apple

brand has been given a AAA rating, placing it in the class of brands like Porsche and Harley Davidson; just behind Google, Coca-Cola and Nike (Aitchison, 2007). This suggests that while Macintosh has a very small marketshare, the brand is very strong. Macintosh brand communities exist around the world in both geographically close, face-to-face groups and over large distances via the internet. Both of these types of communities exist in Australia. The Western Australian Macintosh User Group (www.wamug.org.au, 2007) has monthly face-to-face meetings while also conversing online. Other groups exist exclusively online but may meet temporarily for special events, such as store openings, trade events and product launches.

The benefits of Mac loyalty is certainly championed by the Chief Executive Officer of Apple during the late 1990's, who stated that the company was in danger of going out of business. He attributed the revival of Apple in the new century to 'the cult', which kept the company afloat through some of "the most incredibly bad business decisions I've ever seen anywhere" (Gil Amelio as cited in Kahney, 2004, p.247). According to Kahney (2004) Mac users did not abandon the sinking ship at the turn of the century because:

Apple represents creativity and individuality; Microsoft represents business and conformity. Apple is the scrappy underdog; Microsoft is the big, predatory monopoly. [...] People say they are a Buddhist or a Catholic. We say we're Mac users, and that means we have similar values. (pp. 246-247)

This statement exemplifies the consciousness of kind and moral responsibility elements of brand community identified earlier. Muniz and O'Guinn (2001) state that Mac users have a "strong moral certainty" in their view that they are doing the right thing by resisting the advances of Microsoft (p.420). The Mac community's opposition to Microsoft is a strong source of unity between members. The statement also reinforces the link between brand communities and religious groups identified by Muniz and Schau (2005).

Macintosh's marketing communication may have contributed to the development of this brand community as well as Apple's use of trade events. Mac advertising has always emphasised the Mac user's difference to non-users. From the "1984" advertisement against IBM 'mind control', to the current "Get a Mac" campaign's portrayal of Microsoft, Macintosh communication has always allowed and encouraged users to feel distinctive. This example does suggest that advertising may have a role to play in developing brand community. Using a creative approach which encourages the customer to feel different and gives the brand a distinct identity may encourage the development of a brand community. Apple also uses an annual tradeshow called 'Macworld' to launch new products. As a general principle, tradeshow and events have been proven to contribute to feelings of brand community integration for both novice and experienced users because they provide "a rich social

context for communication” (McAlexander et al, 2002, p.43). The Macworld conference and expo is a chance for community members to strengthen their bonds.

It might be fair to say that this brand community developed simply because customers were satisfied with their purchase, however Mac users have not always been satisfied. In 2002, Apple announced it was going to start charging a \$100 annual subscription fee to use .Mac online services which were previously free. Kahney (2004) testifies that after this announcement websites, online forums and news stories were written that accused Apple of ‘gouging’ and ‘bait-and-switch’ manoeuvres. Even devout users started petitions and wrote letters to Apple threatening to leave the Macintosh platform. However no such exodus to Windows took place. This example, illustrates the weaknesses of using satisfaction to explain loyalty. At this time in 2002, Mac users were extremely unsatisfied that this free service would no longer be freely available, and yet their loyalty to the Macintosh brand continues.

This paper has focused on analysing the consumer behaviour component of brand communities. While work has been done to study the development of brand communities, little has been done to determine the role of advertising. Therefore a limitation of this study is the relatively small amount of research which has been done to determine advertising’s role in developing brand communities. The theory of loyalty and brand community is relevant to the advertising industry and some implications for advertising can be drawn from the research to date (note: these implications would need to be studied further in the future). To encourage brand community, the creative approach for the brand advertising must be distinctive and consistent. In order for a group of consumers to develop consciousness of kind, the brand must display a unique identity compared to other brands in the category; that is, there must be a clear way for customers to distinguish between themselves, and the customers of other brands. The brand identity must also be consistent over the long-term, because if the brand identity changes, the current brand community may no longer feel it represents them. The creative strategy must also reward loyal followers and allow enthusiastic users to “borrow the brand image to express a collective voice” (Buchan, 2006, p.7). The media strategy must also allow users to access, replay, rework and reappropriate the brand. Which means digitisation. The advertising and brand communication should include digitised content which is made available to users for download. A website may also be useful to help customers contact each other and communicate. In a broader sense, all marketing communication needs to encourage customers to interact with the brand. It is also suggested that companies focus on their existing long-term customers rather than trying to attract new customers. Algesheimer, Dholakia and Herrmann (2005) state that trade shows and events should be used to convert current customers into brand community members rather than to encourage purchase from non-customers. Marketing communication does have a significant role to play in encouraging the development of a brand community and more research is required to determine if the preceding assumptions are correct.

The purpose of this paper has been to examine whether brand communities are able to develop customer loyalty in today's difficult environment. I have found that the elements of brand community, including consciousness of kind, traditions and rituals and a sense of moral responsibility, are important drivers of loyalty and may be more important than satisfaction. I have also found that the satisfaction-loyalty model is too simplistic to apply to today's consumer and marketing environment. I have concluded that advertising has an important role to play in allowing and encouraging brand communities to develop however further research is required in this area. While I don't suggest that brand communities can be developed for all brands, and in all categories, this essay has shown that the theory of brand community does give more insight into the dynamic and complex routes consumers take to become long-term loyal brand users.

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