How Social Commerce Communication can support Brand Loyalty

An Analysis of Nike’s Efforts in Facebook Community Management

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With the establishment of the Internet in the last decades, E-Commerce has become very important for companies. In 2013, 68% of the sold goods and services in Germany have been vended through E-Commerce (Statista 2014). But not only E-Commerce rises in the World Wide Web, Social Media has also become very widespread. About two million people worldwide are using Social Media platforms such as Facebook, Twitter or Instagram every day (Statista Dossier 2014). By having a closer look on online shops, it is noticeable that they have linked their shops with their own Social Media platforms in order to be able to communicate with their customers. The interlocking of E-Commerce activities and Social Media is called Social Commerce (Curty & Zhang 2011, p. 1).
Through Social Commerce, customers are able to communicate with each other. They are able to evaluate products, give advises and are integrated in the selling process but they can also share bad experiences that could harm a brand (Marsden 2010, p. 2). In order to avoid negative influences of Social Commerce, guidelines have to exist in order to use it successfully regarding the brand.

In terms of research, Social Commerce is an arising sensation encouraged by the Web 2.0 (Curty & Zhang 2011, p. 1). Regarding to Marsden (2010, p. 2) a two-way strategy is possible, either via connecting customers at the online shop itself or on Social Media.

Concerning brand loyalty, no common research model has been conducted to examine the successful influence of Social Commerce on brand loyalty and there is no widespread scientific scale measurement detectable. However, there are some research papers about brand communities where Social Commerce is pertained to. Von Loewenfeld (2006, p.146) generated a relationship based Brand-Community-Quality Index (in short BCQ Index) that has an impact on brand loyalty (von Loewenfeld 2006, pp. 228-223). The brand community model is not yet analysed in the sector of Social Commerce. In this article, this gap should be bridged.

As mentioned before, the scientific world has not conducted a common research model to examine the successful influence of Social Commerce on brand loyalty. On the one hand, there are strategies for implementing and evaluating Social Commerce and on the other hand, there are models for examining brand communities. Therefore the goal is to figure out if the customer centric model of Brand-Community-Quality (von Loewenfeld 2006, p.146) could be applied on Social Commerce.

Regarding the ranking of Interbrand the common sportswear brand Nike is one of the best global brands of the world in 2014. Therefore the innovative brand leader has been chosen for this paper's examination (Interbrand 2014). Concerning Social Commerce, Nike has implemented several Social Media channels to their online shop where the most common one is Facebook with over 22 million fans (Facebook Nike 2014). Additionally, Facebook-Likes have the third highest influence factor on the turnover of online shops after product evaluation and recommendations to buy (Internet World Business 2014, p.28). Therefore the analyses will focus on the Social Commerce communication on Nike's FuelBand Germany fan page on Facebook of the last year.

The outcome of this article should answer the question if Nike's ways of communicating on Social Commerce have a positive impact on the brand loyalty. This goal leads to the research question: Is the Social Commerce communication of Nike via Facebook useful to boost brand loyalty?

**E-Commerce + Social Media = Social Commerce**

Social Commerce became an arising sensation encouraged by the Web 2.0 (Curty & Zhang 2011, p. 1). All in all, customers and companies could benefit from the social interaction in the Social Commerce community through recommendations and shared experiences (Curty & Zhang 2011, p. 1). Before Social Commerce can be explained, its two component parts have to be defined.

The first component is the electronic commerce, also known as E-Commerce. According to Laudon and Traver (2011, p. 47) E-Commerce is defined as the use of the Internet for digitally business transactions between and among organizations and individuals where value (e.g. money) is exchanged in return for products and services.

The second component of Social Commerce is Social Media. Regarding Kaplan and Haenlein, Social Media is an online community platform such as Facebook where social interaction and user contribution such as sharing knowledge and opinions between registered people is encouraged (Kaplan & Haenlein, 2010, p. 61 / Chaney & Marsden 2013, p. VIII).
Finally, the fusion of E-Commerce and Social Media is Social Commerce. It is the implementation of the concept of word-of-mouth into E-Commerce as you can see in figure 1.

Social Commerce is using the communities’ interaction and user contribution for increasing the online purchase experience and therefore the consumption rises (Marsden 2010, p. 4). In short, the big five social media channels YouTube, Pinterest, Twitter, Facebook and LinkedIn are used to sell through social communities (Chaney & Marsden 2013, p. IX). According to the expert Paul Marsden (2010, p. 2), Social Commerce could be defined as “helping people to connect where they buy and helping people buy where they connect”. The advantages of both E-Commerce and Social Media are maintained and therefore a new sales channel is created.

Social Media users who interact and communicate with each other form an online community. The relationship between brands and communities and their influence on brand loyalty will be defined in the following part through the Brand-Community-Quality Index of Fabian von Loewenfeld (2006, p. 146).

**Measuring Brand Loyalty: The Brand-Community-Quality Index**

All brand admirers who are sharing content via Social Commerce are forming the brand community (Muniz & O’Guinn 2001, p. 412). The core of the brand community is the brand with the triad relationship between the brand, the customer and other customers – namely the community – that is conversing about the brand, a good or a service on an online platform. The brand community triad is illustrated in figure 2. A brand community consists of its entities, which mean its members, their relationships and their sharing of emotional or material resources regarding the brand (Muniz & O’Guinn 2001, p. 81). The goal of this relationship marketing is to gain, maintain and to expand long-term customer relationships (von Loewenfeld 2006, p. 274).

Summarized, a brand community is a bunch of people who are sharing information e.g. about the products that are available on a brand’s online shop or its Facebook page. The connection of the online shop and the Social Media channel is called Social Commerce and the community who is talking about the brand is a brand community.

Before going to introduce the brand community measurement model for brand loyalty, it is crucial to define what brand loyalty is. However, this article will focus on one definition of Jacoby and Chestnut, who define brand loyalty as “the biased (i.e., non-random), behavioural response (i.e., purchase), expressed over time, by some decision-making-unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes” (1978, pp. 80-81). The following Brand-Community-Quality Index defines how the communication content can be analysed.
Based on those models, Fabian von Loewenfeld has generated a Brand-Community-Quality Index (in short BCQ Index) for measuring the brand community quality with three dimensions consisting of the three relationships of the customer with the brand, with another customer and with the community (von Loewenfeld 2006, p. 146). The customer stands in the core of the model as you can see in figure 3.

The three relationship dimensions that have an impact on the BCQ Index are subdivided in special factors. In order to be able to use the measurement criteria of the three dimensions as an analytical framework they have to be defined clearly.

The first dimension of the relationship of a customer with the brand is broken down in the enduring brand involvement, the identification with the brand and in the brand – customer interaction (von Loewenfeld 2006, p. 146). In the following the three factors will be defined:

- The enduring brand involvement is the everlasting personal relevance and the constant interest of a customer regarding the brand independent of buying situations (Richins & Bloch, 1986, pp. 280-282). Furthermore, it is the willingness to spread content about the brand. In addition, the brand’s emotional force of attraction and activation potential is crucial (Kapferer & Laurent 1993, p. 349-350).
- The brand identification reflects the wish of confirming the self-perception within the brand (Eggert 1999, p. 97). This means a convergence between the brand values and the ones of the individuals (Morgan 2000, p. 69). Furthermore, the brand has to stand out opposite the competition and last but not least the brand should have a good prestige identity and the emotional connection to the brand must exist (von Loewenfeld 2006, pp. 148-149).
- The last factor is the brand – customer interaction, the interplay between the brand personality and

Figure 3: Brand - Community - Quality Index
Source: Own representation based on von Loewenfeld 2006, p.274
the human being. It has to be taken special care towards the intimacy between the customer and the brand because it is the basis of trust (von Loewenfeld 2006, pp. 149-151). Showing intimacy means to give the customer the feeling that the brand knows him personally and that a personal relationship exists (Blackston 2000, p. 104).

Moreover, the relationship of a customer with another customer composes the second dimension (von Loewenfeld 2006, p. 151):

- The Customer – customer interaction refers to the possibility of interaction and a high level of using it (von Loewenfeld 2006, p. 152). Moreover, willingness for use is essential.
- Commonness is divided into two parts. Firstly, the community members should have an intrinsic connection in order to share similar interest and needs. Secondly, it is helpful if the customers have shared rituals and traditions in order to communicate about common topics regarding the brand (von Loewenfeld 2006, p. 152).
- The criteria friendship and support deal with caring and sharing within the community (Kozinets 2002, p. 21) through sharing information, recommendation and time. This creates emotional safety and supports members by solving their problems (von Loewenfeld 2006, p. 154).

The last dimension consists of the relationship between a customer and the whole community (von Loewenfeld 2006, p. 155):

- Social identity is the identification of a member with the whole community. Consequently, it refers to the sense of belonging to the community, the personal value of belonging to the group and lastly the emotional significance of the membership (von Loewenfeld 2006, p. 155).
- The factor fulfillment of needs is necessary because the interest of the members has to be fulfilled in order to tie them to the brand community just as through reinforces. A basic similar character of the customers and their needs, is essential. For the fulfillment of functional and individual needs interesting content, appealing activities or events, success and entertainment value has to be guaranteed (von Loewenfeld 2006, p.155).
- Influence could be seen via two sites. On the one hand, the individual should be able to influence the content via participating in the community through designing or activities and on the other hand the community should influence the individuals as well (von Loewenfeld 2006, p.159).

Regarding the definitions of the BCQ Index factors, it is detectable that some are closely related to each other and therefore the factors however have a different degree of importance regarding the influence on brand loyalty (von Loewenfeld 2006, p. 273). Von Loewenfeld has established the following three degrees of importance through different studies and has matched the BCQ-relationships to it:

- Relationship with high influence: support of customer; brand-customer interaction
- Relationship with a medium influence: enduring brand involvement; brand identification; fulfillment of needs; commonness; social identity
- Relationship with a low influence: friendship; influence

Von Loewenfelds’ BCQ Index has an impact on both the brand loyalty and on the recommendation behaviour inside the community via the influence factors product quality, customer satisfaction and brand trust which is proven through his studies (von Loewenfeld 2006, p. 268).

Several additional brand community researches have detected that one of the main functions, maybe even the most important one, of a brand community is to convert customers to be loyal to the brand (Muniz & O’Guinn, 2001; McAlexander & Schouten, 1998; McAlexander et al., 2002; Schau et al., 2009; Zhou et al., in press). In the scientific study of Michel Laroche et al. (2012) it is examined how social media affects brand loyalty. On the basis of the customer centric model of brand community (McAlexander et
al. 2002, p. 39), they have investigated if the customer’s relationships to products, brands, companies and other customers influence brand trust and finally brand loyalty. The results of the study have verified that brand communities based on social media channels provide a positive influence on brand trust and create an enhanced brand loyalty through the customer’s close connections in the brand community (La roche et al. 2012). Furthermore, it has been surveyed in many papers that brand trust has an intense influence on brand loyalty and it is well sustained that this impact is correct (Chaudhuri & Holbrook, 2001; Harris & Goode, 2004; Zhou et al., 2011). Through the results of those different scientific papers it could be argued that brand communities in Social Media channels boost brand loyalty through the enhancement of brand trust.

The BCQ Index is not yet analysed in the sector of Social Commerce, but regarding all those study results it is advisable to use it in the following framework in order to examine if Social Commerce has a positive influence on brand loyalty.

Analysis of Nike’s Social Commerce Activities

Nike is the world’s leading supplier and manufacturer of sport equipment such as athletic shoes and sport clothing (Interbrand 2014). When it comes to athletic clothing, Nike has become one of the strongest brands worldwide (Statista 2013), equipping the leading athletes. But, how does Nike implement Social Commerce in its daily business?

The Nike FuelBand was launched in January 2012. It is a wristband that tracks physical activities, gained energy output, burned calories and taken steps (Piskorski & Johnson 2013, p. 1). This tracked information is integrated into the Nike+ online community and smartphone App in order to give consumers the opportunity to set their fitness goals, monitor their progress and to compare themselves with other community members. The tracked activities are getting translated into points, which could be used to achieve an aim, to share activities with friends and to fight against others in competition (Piskorski & Johnson 2013, p. 1). This interactive product is not only used to enable consumers to interact in the community, but also Nike+ is used to foster Nike’s relationship with the consumers through direct interaction (Piskorski & Johnson 2013, p. 1). Nike uses Social Commerce for gaining, maintaining and expanding long-term relationships with their customers (von Loewenfeld 2006, p.274).

Nike has a great success in becoming a data-driven and customer-centric brand through its Social Commerce (Interbrand 2014). Therefore the following analysis of the BCQ Index will focus on the Social Commerce communication of the Nike+ FuelBand Germany Facebook fan page of the last year.

![Diagram: Relationship Customer ↔ Brand](image)

**Figure 4:** Building brand loyalty for Nike via the BCQ Index.  
**Source:** Own representation based on Laroché et al. 2012, p. 80
Examination of “Nike + FuelBand” via the BCQ Index

The Nike + FuelBand Germany fan page on Facebook, as part of Nike’s Social Commerce, has been chosen to examine if its content has a positive influence on Nike’s brand loyalty. The framework of the analysis is shown in figure 4.

By having a closer look on the fan page, which has 303.529 fans (Facebook Nike + FuelBand 2014), it is detectable that the shown content can be divided into eight categories formed by hash tags, namely “challenge”, “crew” and “we owe the night” that deal with forming teams and get in competition, “fuel check”, “NikeFuel”, “just do it” and “Nike women” that are motivation posts for getting more active and sharing the achieved Fuel points. The last factor “product” shares new information about new goods.

Through using the three relationships of the BCQ Index, which are illustrated in figure 4, these eight content types will be explored. The analysis is based on the content that has been released in the year 2014, which contains 186 posts of Nike.

The first dimension is the customer – brand relationship. First of all, the Nike + FuelBand case has an enduring brand involvement because the brand activates the customers interests in the brand and activates all consumers to be more active in their daily lives. Across all content categories the consumer gets activated not only to be more active such as through request challenges, but also to correspond with the whole community just as through asking how many NikeFuel points have been gained yet. All content types motivate the individuals to be more active. They speak to the customer individually, which applies to the customer – brand interaction. It is an interaction between the brand and the consumer, in other words a relationship exists. Over the 186 played contents the brand – customer interaction amounted 8007 likes, 2280 comments and the content was shared 895 times. It has to be mentioned that Nike tries to comment each customer entry which increases the interaction. Furthermore, all eight categories pay into the brand identification, which reflects the self-perception within the brand and an emotional connection such as the question where you wear your wristband. Especially the content about “product” is essential for the customer – brand interaction because it informs the consumers about the newest products, technologies and shops. With the direct link to the online shop it uses Social Commerce in order to simplify the purchase. All in all, the customer – brand relationship is ensured on the Nike + FuelBand Germany Facebook fan page.

The second dimension is the customer – customer relationship. Firstly, the customer – customer interaction is guaranteed through the possibility of answering comments with an average of 12 comments of each published content. The most commented content categories are “fuel check” with 23 and NikeFuel with round about 12 statements. All fans of the Nike + FuelBand fan page have a commonness be-

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Table 1: Examination of Nike + FuelBand Facebook page using BCQ Index
Source: Own representation
cause all are interested in the Nike+ FuelBand and most of them seem to own this wristband. The community has a common interest in being active and they want to be motivated. This is proven through the high respond on the groups “fuel check” and “Nike fuel”. Through friendship & support the Nike+ FuelBand community wants to achieve their set practice objectives. On the one hand it is achieved through proclaimed challenges and on the other hand the call for forming crews establishes friendship and support. Both, challenges and crews enable the community members to improve their activeness. They care for each other and weaker members go along with the stronger athletes. Only the group “products” do affect the customer – customer relationship in a way of just speaking about a product and not on the whole activity motivation part.

The customer – community relationship is the third and last dimension. The factor social identity is very important because a human being wants to belong to a group (von Loewenfeld 2006, p. 155). All fans of the Nike+ FuelBand fan page belong to the community and therefore have a sense of belonging to the group. Through pushing the like button on the Facebook fan page, the individual user gets transformed into a member. Besides, the factor fulfillment of needs is realized because the community's interest is achieved. Through all content categories the members get informed and animated for living an active life. Furthermore, if a consumer asks something in the community, he or she gets responses from Nike itself and from other community members. In addition, appealing activities and events are presented for participating through the content groups “challenges”, “crew” and “we owe the night”. Therefore the success and entertainment value within the community is guaranteed via all content categories. Last but not least the factor influence is realized through the challenges and crews in which everyone tries to motivate the others and each member supports the others in a different way. Even through challenges, individuals can outgrow themselves through the pressure of the wish to succeed. When it comes to comments for checking NikeFuel points, the biggest respondents rate appears under all categories because individuals are influencing each other in their challenges. In whole, all three factors of the customer – consumer relationship are fulfilled as well.

To sum it up, table 1 provides an overview of the examination. As the analysis proved, the certain content groups cover all relationships regarding the BCQ Index this verifies that in case of Nike+ FuelBand Social Commerce increases brand loyalty. Through these relationships the customers are closer connected with the brand and furthermore the purchase cycle experience can be boosted via the improved interaction created through the brand community within Social Commerce.

**Conclusion**

This article has discussed both how to build brand loyalty in Social Commerce in theory and how well Nike is implementing it in its Social Commerce.

First of all, Nike's Social Commerce provides several possibilities for interacting with the customers and enables them to communicate with each other. Social Media channels can be used in order to build brand communities for supporting each other and interacting more in detail. Both Social Commerce strategies, namely helping people to connect where they buy and help people buy where they connect, are provided by Nike and the advantages of both E-Commerce and Social Media are maintained.

According to the research question if the Social Commerce communication of Nike via Facebook is useful to boost brand loyalty, this framework's examination has proven that the Social Commerce of Nike is very useful for it. Regarding the examination with the BCQ Index it can clearly be summarized that Nike's eight ways of communicating on Social Commerce have a positive impact on the customers' brand loyalty. The eight different content categories of Nike+ FuelBand Germany, in which the community gets motivated for living more actively, fulfill the requirements of all BCQ Index factors. Hence, Nike supports the relation-
ships between customers, the brand and the whole community. Therefore, the manufacturer and supplier of sport equipment and gear is leading in Social Commerce and boosts its brand loyalty through it.

However, one limitation has to be pointed out. It should be examined why the community members do not use the opportunity of writing new posts on the Facebook page because with an activation of this missing part the customer and community relationships could be further improved and therefore it would boost the brand loyalty further.

To sum up, this article has proven successfully that von Loewenfeld’s brand community model analyses the effectiveness of Social Commerce communication regarding brand loyalty. Therefore, its usefulness for exploring the influence of Social Commerce on brand loyalty is evidenced by the Nike + FuelBand Germany case.

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