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# Consumers Engagement and Value Co-Creation in Social Media Brand Communities: Evidences from Italian Runners Communities

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## Abstract

**Objectives.** *The aim of this paper is to demonstrate how consumers identification and engagement in social media brand communities are relevant antecedents of their brand loyalty intention and electronic-word of mouth (E-WOM). Because E-WOM may be considered as a proxy to measure consumers propensity to participate in brand value co-creation, the present study assessed which components influence value co-creation in social media brand communities.*

**Methodology.** *A survey was administered online to members of Italian Nike+ runners communities. Structural Equation Modeling (SEM) was selected as the main methodology of analysis.*

**Findings.** *The results showed that consumers identification in the community influences consumers engagement, which in turn influences brand loyalty intention. Moreover, this relation is mediated by consumers trust. Additionally, brand loyalty intention was related with consumers' propensity to diffuse online positive contents concerning the brand.*

**Research limits.** *The research considered only three Italian brand communities initiated by a single brand. In order to achieve full generalizability future researches should try to replicate our results in a multi brand study.*

**Practical implications.** *From this research, it has been empirically demonstrated how value perceived by consumers - which derives from their engagement in community activities - is related with brand loyalty intention and E-WOM, which may be considered respectively as forms of strategic capital and economic value.*

**Originality of the study.** *This research is one of the first studies that empirically tests from a consumers perspective the relation between community engagement and co-created strategic capital and economic value in a brand perspective.*

**Key words:** *Value co-creation; co-creation; consumers engagement; E-WOM; brand communities; social media.*

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## 1. Introduction

Brand communities are a particular kind of consumers' community composed by admirers of a brand (Muniz and O'Guinn, 2001). Traditionally, marketing scholars have focused on exploring offline brand communities and their implication on brand management (Algesheimer *et al.*, 2005). However, as a consequence of the progressive digitalization of human interactions, in the digital era (Kaplan and Haenlein, 2010; Moretti and Tuan, 2014) scholars' attention has progressively shifted from the traditional offline brand communities toward social media brand communities (Zaglia, 2013).

Over the last decade, social media brand communities have been widely explored in the marketing literature (Schau *et al.*, 2009; Habibi *et al.*, 2014a). In particular, due to the bi-directionality of the social media (Vernuccio *et al.*, 2012), marketing scholars have assessed that it is possible to exploit brand communities to dialogue with consumers and to gather feedbacks on brand and products (Von Hippel, 2005; Siano and Vollero, 2012). Social media brand communities, hence, have emerged as a fundamental vehicle for marketing strategies aiming at engaging consumers in the digital environment (Habibi *et al.*, 2014a; Rialti *et al.*, 2017). As a consequence of the possibility to exploit social media brand community to engage consumers, a significant attention has been paid to exploring the potential of such communities in regard to value co-creation (Pongsakornrungsilp and Schroeder, 2011). Specifically, on the one hand it has been assessed how the members of brand communities may foster product innovation with their suggestions (Ritzer *et al.*, 2012). On the other hand, the pertinent literature has assessed that consumers engaged in the community may contribute to co-create value for a brand "through network relationships and social interactions" with the firm and other consumers on social media (Merz *et al.*, 2009, p. 339). This phenomenon may well be explained considering that consumers often tend to diffuse positive brand related contents (Burmam, 2010), which contribute to reinvigorate brand and to influence other consumers opinion online (Hatch and Schultz, 2010). Therefore, consumers may contribute to create - or destroy - value for a brand by generating brand related contents (Hatch and Schultz, 2010). Moreover, it has been assessed that thanks to positive consumers' generated content firms may reduce costs related to branding strategies (Ramaswamy, 2008).

In spite of such an interest, however, several gaps still exist in the stream of literature exploring the potential of brand communities in value co-creation in a brand perspective. In particular, the majority of scholars has explored emblematic case studies and best practices from the perspective of the firms. From a consumers' perspective, Schau *et al.* (2009) suggested researches to explore the relations between consumers' involvement in communities activities and consumers involvement in value co-creation. Building on such a gap, this research attempts to contribute to value co-creation and, specifically, to brand value co-creation literature by focusing on identification and engagement of consumers and E-WOM, which is a pro-active behavior concerning the diffusion of positive brand related contents (Burmam, 2010). In fact, since E-WOM has frequently been identified as a way for consumers to co-create value for the brand, it may be considered as a proxy to evaluate consumers capability to generate autonomously brand value (Zwass, 2010).

Consistent with Ramaswamy (2008), we consider consumers identification and engagement in the community as significant antecedents of a brand value co-creation. In particular, consumers engagement - which is a form of hedonic value consumers may obtain from the participation in communities activities and co-creation processes (Algesheimer *et al.*, 2005) - has been considered fundamental because it is one of the most relevant factors affecting E-WOM. Next, consumers' trust toward the brand has been interpreted as the main personal evaluation concerning the brand. Such a factor has been considered as an antecedent of consumers' loyalty intention (Habibi *et al.*, 2014a). Finally, E-WOM has been referred to as a proxy to measure consumers pro-active and co-creative behavior (Zaglia, 2013; Cassia *et al.*, 2017). We used such a proxy because the phenomenon of value co-creation is difficult to observe (Zwass, 2010; Storbacka *et al.*, 2016).

The remainder of the paper is articulated as follows. In the next section, the notion of social media brand communities and the relevance of those latter in value co-creation have been explored.

In the third section the main hypotheses underlying our research have been identified. The fourth section deals with the analysis of the data gathered. The fifth and the sixth sections, finally, explain respectively the managerial implication of our research and the limitations along with suggestions for future researches.

## 2. Brand communities and value co-creation

### 2.1 *The relevance of brand community in the marketing literature*

Brand communities are a particular form of consumers communities formed by consumers sharing a common interest, passion or love toward a specific brand (McAlexander *et al.*, 2002). In this regard, Muniz and O'Guinn (2001, p.412) have seminaly defined brand community as “non-geographically bound community, based on a structured set of social relations among admirers of a brand”. Marketing literature has identified several typologies of brand communities. Specifically, Muniz and O'Guinn (2001) have investigated offline large brand communities; Bagozzi and Dholakia (2006), instead, have focused on small-group brand communities; Schouten *et al.* (2007) have defined the concept of consumers' brandfests; finally, scholars have recently started to explore virtual large brand communities and their progressive transformation into unstructured *brand publics* (Ardivisio and Caliandro, 2016).

In spite of differences concerning dimensions and the level of interaction among members, brand communities are characterized by three common makers: (1) members' consciousness of kind; (2) shared recurrent rituals and traditions; (3) moral responsibility (Zaglia, 2013, p.217). Concerning the former, Zaglia (2013) has assessed that members of the community frequently value their membership to feel themselves separated from the rest of the consumers. In fact, those latter are perceived by members as *outsiders* that do not share the same passion toward the brand (Muniz and O'Guinn, 2001). The second maker, instead, concerns the frequent use of jargons by members of the communities, which has been identified as a form of communication to express consumers' community membership (Bagozzi and Dholakia, 2006). As far as concerns the last maker, it refers to the members mutually respect of each other and their propensity to help any other member in need (Zaglia, 2013).

Apart from individual consumers interest toward the brand, according to consumer psychology literature the consumer tendency to aggregate in brand communities may be explained according to both Social Identity Theory (SIT) (Ashfort and Mael, 1989) and Social Capital Theory (SCT) (McAlexander *et al.*, 2002). SIT posits that consumers tend to join brand communities in order to identify themselves and to be identify by others with symbols and values typical of the brand - which are forms of hedonic value (Muniz and O'Guinn, 2001; Zaglia, 2013). According to SCT, instead, consumers join brand community to seek more information concerning the brand (McAlexander *et al.*, 2002). Thus, consumers may obtain both hedonic and economic value due to their membership in the community (Zaglia, 2013; Ardivisio and Caliandro, 2016). However, even brand strategists may benefit from the existence of brand communities. In fact, over recent times marketing literature has stressed the importance of such aggregations of consumers in term of branding strategies (Schau *et al.*, 2009). Specifically, scholars firstly explored how brand strategist may use brand communities as a source of product and brand innovation. Brand communities, indeed, offers brand strategist a unique platform to collect information and feedbacks on products from deeply committed consumers (Von Hippel, 2005). Next, brand communities may be instrumental for testing in advance the launch of products or new branding campaigns (Ramaswamy, 2008). Third, brand communities have emerged as relevant in the brand experience co-creation (Carù and Cova, 2008). Moreover, brand communities are fundamental for word of mouth marketing (Cova and Dalli, 2009). Finally, brand community offers brand strategists the opportunity to engage consumers (Dijkmans *et al.*, 2015).

## 2.2 Social media brand communities and consumers engagement

Recently, the diffusion of social media - which have been defined as “a group of internet based applications that builds on the ideological and technological foundations of Web 2.0, and it allows the creation and exchange of user-generated content” (Kaplan and Haenlein, 2010, p. 61) - has effected consumers everyday life. Consequently, brand communities have evolved in a digital fashion, transforming themselves in social media brand communities (Habibi *et al.*, 2014a). Similarly to offline brand communities, social media brand communities are characterized by the same three common makers (Zaglia, 2013). However, communities existing on social media differs in at least three aspects. First, in respect to traditional communities, social media brand communities may frequently be bigger in term of dimensions, thus approaching several millions of members (Habibi *et al.*, 2014b). Second, social media brand communities are characterized by a more structured internal organization. For example, influencers or administrators of the community may decide to exclude one of the other member of the community (Habibi *et al.*, 2014a). Third, in such a form of community there is a greater number of interactions among members (Zaglia, 2013). Finally, brand strategist may exploit the opportunity to interact constantly and directly with consumers, since at least one of the firm’s social media managers is present among members of the social media brand community (Cova and White, 2010). Hence, social media offer brand strategists the opportunity to promptly intervene whether the consumers appreciation toward the brand is deteriorating (Rialti *et al.*, 2016).

Moving from this, social media bi-directionality has dramatically affected community-based branding strategies. In particular, nowadays brand strategists may engage consumers in constant digital dialogues (Arvidsson and Caliandro, 2016; Rialti *et al.*, 2016). Social media brand communities, hence, may act as a strategic platform to engage consumers that identify themselves with the brand (Dijkmans *et al.*, 2015). In fact, consumers that are highly identified with the brand will most likely develop a bond with the brand and the community, thus increasing their engagement (Hollebeek, 2011a; b). Clear and punctual communication is thus fundamental to engage consumers in the community and to foster their trust toward the brand (Habibi *et al.*, 2014a; Hollebeek, 2011a). In fact, the dialogue between firm and consumers is crucial to engage consumers and to reinforce their positive feelings toward the brand (Siano and Vollero, 2012). Consumers engagement in the community - which refers to the consumers perceived degree of involvement in the brand community activities (Algesheimer *et al.*, 2005) - is therefore a desirable outcome of any community based branding strategies (Zaglia, 2013). Moreover, consumers engagement in social media brand community has been related to consumers loyalty toward the brand and propensity to generate online positive contents concerning the brand (Rialti *et al.*, 2016). The main result is brand loyalty intention, which has been described as the behavioral intention of the consumer to not switch their preferences toward other brands (Algesheimer *et al.*, 2005).

Thanks to positive experiences related with their membership in a brand community, consumers “will advocate for it [the brand] by word of mouth, creating fodder for the evaluations of others and invigorating a brand’s potential” (Edelman, 2010, p. 3). Brand communities members play an active role in branding strategies because they are more prone than others to generate positive contents concerning the brand (Habibi *et al.*, 2014a). Building on Burmann (2010), it is possible to assess that consumers producing brand related contents on social media contribute to value co-creation on such an online environment (see also Zwass, 2010). Hence, brand communities and their members represent strategic assets for brand strategies and for value co-creation in the digital era (Pongsakornrungrungsilp and Schroeder, 2011). Specifically, building on Zwass (2010), consumers communities are “the primary locus of collective contribution to co-creation” (p.16). Such communities allow the creation of social relationship network among consumers, fostering value co-creation which occurs through the interaction and social processes when consumers’ and brand’s objectives converge - e.g., consumers’ benefitting from hedonic value due to their community participation and, at the same time, brand earning visibility thanks to community members’ e-WOM (Hatch and Schultz, 2010; Kennedy and Guzman, 2016).

### 2.3 Value co-creation in social media brand communities

Traditionally, marketing literature considered consumers as mere recipients of firms' offerings (Von Hippel, 1978). Therefore, the role of consumers was limited to the possibility to select or not the products developed by firms marketing departments. As a consequence of the increasing consumers interest in firms marketing strategies, this historical approach has been recently considered obsolete by scholars (Von Hippel, 2005). Hence, researches have pointed out how firms may obtain competitive advantage by involving consumers in product development and marketing campaigns (Prahalad and Ramaswamy, 2004a). Such a collaborative approach has been described with the expression *co-creation*, which provides an active role of consumers in firms' value creation processes and the possibility for consumers to benefit from such a jointly created value (Prahalad and Ramaswamy, 2004a; b). Specifically, according to Kennedy and Guzman (2016, p.314), "co-creation is based on a dynamic exchange of values that extends beyond a discrete transaction to a relational exchange". In this context, co-creation has been associated with the service dominant logic (SD), identified as an appropriate framework to analyze such form of relational exchange (Day, 2004). Particularly, SD Logic highlights how value is co-created by multiple actors, especially including consumers (Vargo and Lusch, 2016).

Co-creation has been traditionally partitioned into co-production, which includes co-design and production of goods, and value co-creation, which states that any kind of value may arise from consumers' brand relations (see Vargo and Lusch, 2016). Moreover, according to Zwass (2010), two kinds of co-creation exist: the autonomous and sponsored co-creation. Building on this, in the present study we use a value co-creation perspective to investigate how sponsored co-creation co-creates value for the brand. Marketing scholars have tried to identify which are the best practices to involve consumers in co-creative processes. Specifically, to involve consumers in value co-creation firms have to (1) constantly dialogue with consumers (Lusch and Vargo, 2006); (2) provide consumers access to information beyond the marketing function (Hatch and Schultz, 2010); (3) be transparent by providing appropriate information to consumers (Ramaswamy, 2008); (4) accept "the risk of control loss as governance shifts from the traditional board to the dynamic outcome of stakeholder co-creations" (Hatch and Shultz, 2010, p. 595). Thus, firms have to foster the creation of networks formed by consumers and brand strategists to incentive dialogue and opinions sharing (Schau *et al.*, 2009). Firms, hence, should focus on engaging consumers in order to make them proactive in value creation (Ramaswamy, 2008).

Value co-creation affects both the firm and its consumers (Prahalad and Ramaswamy, 2004a; b; c). Particularly, four kind of value may derive from the co-creation processes (Prahalad and Ramaswamy, 2004a; b). From a consumer perspective, (1) value co-creation may generate tangible economic value by reducing product and services costs. This is possible thanks to promotion and more information consumers obtain from their active involvement (Hatch and Schultz, 2010). (2) Value co-creation may provide also intangible value for consumers, which results in hedonic value - which is a form of psychological well-being related with identification and engagement in communities activities (McAlexander *et al.*, 2002). Hedonic value arises from co-creation since firms have to create communities and enhance individual product experiences in order to maintain the community (Prahalad and Ramaswamy, 2003). From a firm perspective, (3) value co-creation may generate intangible value by increasing strategic capital (Prahalad and Ramaswamy, 2004a) - which refers to firm competitive advantages and "the seed" for future profitability (Ramaswamy, 2008, p.9). Finally, (4) value co-creation may generate economic value (Prahalad and Ramaswamy, 2004b). Actually, since consumers themselves have an active role in reducing product and branding costs, firms obtain financial and economic savings (Prahalad and Ramaswamy, 2000). According to Johnson *et al.* (2013), indeed, voluntary consumer behavior may benefit the firm by for example advising other consumers providing purchasing suggestions.

In the digital era marketing scholars have thus started to pay a significant attention to the role of consumers following a value co-creation brand perspective. According to Hatch and Shultz (2010, p. 592), actually, consumers may co-create brand value "through network relationships and

social interactions among the ecosystem of all stakeholders”. As previously stated, consumers may contribute to create value for the brand by diffusing positive contents concerning the brand (Pongsakornrunsilp and Schroeder, 2011). In fact, consumers contents may influence brand perception of other consumers by diffusing positive brand related contents (Edelman, 2010).

In the digital era, social media brand communities have emerged as a relevant environment capable to thrive value co-creation (Muniz and Schau, 2011). Specifically, it emerged how members of social media brand communities may contribute to co-create value for the brand (Storbacka *et al.*, 2016). In social media brand communities, in fact, consumers can express their ideas and deal with others opinions (Muniz and Schau, 2011). In such a context, e-WOM plays a crucial role to allow consumers to recommend and suggest a particular brand, thus actually co-creating a brand value. We consider e-WOM as a proxy of value co-creation, consistently with Zwass (2010).

Notwithstanding such noteworthy body of literature, few attempts have been made to explore the linkages between consumers initiated value creation practices and social media brand community related factors (Schau *et al.*, 2009). Moreover, to our best knowledge, scant attention has been given to study the relationship between consumer engagement in the community and value co-creation propensity from a consumer perspective. Specifically, the relation between consumers hedonic value and consumers propensity to create economic value for the firm has not been investigated yet. Moving from such a gap, the aim of this research is to analyze whether consumers identification and engagement in a brand community are antecedents of consumers pro-active behavior. Moreover, E-WOM has been considered as a proxy to measure consumers’ propensity to participate in value co-creation (Ramaswamy, 2008). In fact, consumers may reduce branding online costs by advocating for the brand (Edelman, 2010).

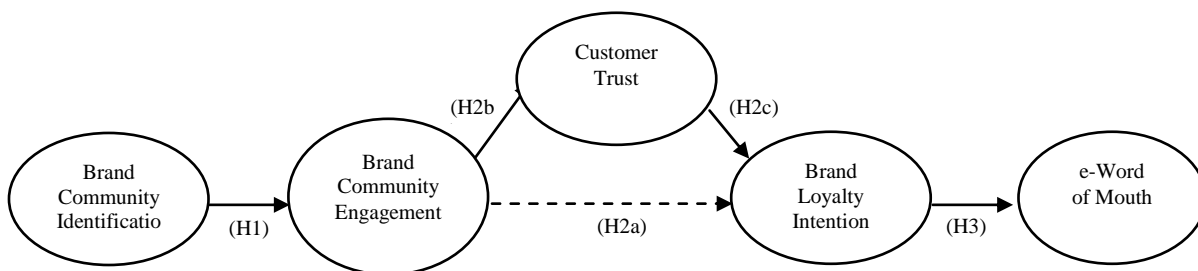
This study then attempts to answer the following research questions:

*RQ1: Do consumers community identification and engagement influence consumers E-WOM?*

*RQ2: Does consumers’ trust mediate the relation between consumers’ engagement in the community and brand loyalty intention?*

In order to answer to these research questions, we propose and empirically test the following conceptual model (see Figure 1).

Fig. 1. Hypothesized Model



Source: Our analysis

### 3. Hypotheses development

According to Social Identity Theory (SIT) (Ashfort and Mael, 1989), consumers join a brand community in order to pursue hedonic value. In this context, such a form of value is represented by the gain of a satisfactory self-image (Habibi *et al.*, 2014a). In social media environment consumers join a community in order to be identified by other members thanks to the symbols characterizing the brand (Habibi *et al.*, 2014b). However, in order to not be excluded from the community members have to actively participate in the community’s activities (Zaglia, 2014). Consequently, consumers’ identification in brand community may trigger higher level of consumers’ engagement (Algesheimer *et al.*, 2005). Therefore, we propose:

*H1: Consumers identification in the brand community positively influences consumers engagement.*

In order to continue to pursue economic value, most engaged members of brand community tend to be loyal to the brand promoting the existence of the community (Algesheimer *et al.*, 2005). In fact, showing loyalty toward the brand may prevent consumers to be excluded from the community (Zaglia, 2013). Engagement in the community has been considered as a relevant construct in our proposed model, following Storbacka *et al.* (2016) who deemed an important micro-foundation for value co-creation. Therefore, we propose:

*H2a: Consumers engagement in the brand community positively influences consumers brand loyalty intention.*

According to Ramaswamy (2008), the constant dialogue between consumers engaged in the community influences consumers brand perception. In particular, brand community engagement may foster consumers' trust toward the brand (Morgan and Hunt, 1994; Habibi *et al.*, 2014a). Moreover, since consumers tend to be more loyal toward the brand they trust, consumers trust may be considered as a factor mediating the relation between consumers engagement and brand loyalty intention (Pralhad and Ramaswamy, 2004a). Therefore, we propose:

*H2b: Consumers engagement in brand community positively influences consumers trust.*

*H2c: Consumers trust positively influences brand loyalty intention.*

Finally, the relationship between brand loyalty intention and E-WOM diffusion has been explored. In fact, loyal consumers tend to diffuse positive contents concerning the brand by consumers (Pitta and Fowler, 2005; Walsh *et al.*, 2009). Therefore, we propose:

*H3: Loyal consumers are more prone to diffuse positive E-WOM concerning the brand.*

## 4. Method

The present study utilizes structural equation modeling (SEM) to empirically test the proposed conceptual model and hypotheses. SEM is a widely used statistical technique for simultaneously testing and estimating causal relationships between variables (Bagozzi and Yi, 1988; Bentler, 1990; Hu and Bentler, 1999). Specifically, SEM is a two-step technique: first, a *measurement model* is built in order to assess the significance of the path coefficients - called 'factor loadings' - among multiple indicators (i.e., 'observed' variables) and the related constructs (i.e., 'latent' variables). This first step allows the researchers to verify the acceptable parsimony of the model through fitting indexes, which indicate internal consistency, reliability, convergent and discriminant validity of the proposed model (Bagozzi and Yi, 1988). Second, a *structural model* is built in order to assess the significance of the statistical influences - called 'regression weights' - existing among the latent variables (Bentler, 1990). This second step allows the researchers to empirically test the causal relationships among constructs which were previously hypothesized in the conceptual framework. To this purpose, AMOS 21 was used as the main statistical software for the statistical analysis (Arbuckle, 2013). Particularly, the maximum likelihood of AMOS was used to test the proposed hypotheses.

### 4.1 Data collection

To test the proposed conceptual model, we administered a survey to members of three Italian brand-initiated communities of runners. We focused on brand-initiated social media communities

since those latter are administered by at least one brand representative (Heere *et al.*, 2011). In fact, in such a peculiar kind of social media brand community consumers are either self-influenced by engaging in online discourses or influenced by the activities of brand representative (Heere *et al.*, 2011). In regard to our choice in term of brand communities, we have focused on Italian Nike+ social media brand communities. Such a specific brand has been selected since it is well-known across the world and its social media strategies have been identified by literature among the best practices other brands should follow (Ramaswamy, 2008).

In this research, we have distributed the survey online to members of Nike+ Run Club Rome (2489 members), Nike+ Run Club Milan (2154 members as of January 31st 2017) and Nike+ We Run Turin (215 members). In total, 198 usable surveys have been collected, which is consistent with Hair *et al.* (2010) suggesting a minimum respondents-variables ratio of 20:1 (in our case 100 respondents).

The online survey was opened on September 1st 2016 and it was closed on January 31st 2017. Coherently with previous research on social media based brand communities, we asked respondents to indicate which community they are part of (Algesheimer *et al.*, 2005; Bagozzi and Dholakia, 2006).

As far as concerns the typology of social media channels (Kaplan and Haenlein, 2010), we have focused on Facebook. Such a social media, in fact, is the one where the vast majority of Nike+ Italian runners' communities exists (Ramaswamy, 2008). Moreover, Facebook is the social media with the most elevated concentration of Nike+ communities.

The composition of the sample is shown in Table 1.

Tab. 1: Sample characteristics

Control Variable	Freq.	%
<b>1) Gender</b>		
<i>Male</i>	97	48.9
<i>Female</i>	101	51.1
Tot.	198	
<b>2) Age</b>		
19-29	86	43.4
30-39	59	29.8
40-49	30	15.2
50-59	13	6.6
>60	10	5.0
Tot.	198	
<b>3) Community</b>		
<i>Nike+ Run Club Rome</i>	89	44.9
<i>Nike + Run Club Milan</i>	85	42.9
<i>Nike+ Run Club Turin</i>	24	12.1
Tot.	198	

Source: Authors' data and calculations

#### 4.2 Measures

Scales validated by existing literature have been employed to measure the constructs analyzed in this research. We used a 5-point Likert-type scale (1 = 'strongly disagree' to 5 = 'strongly agree') to measure all the constructs. Specifically, to measure consumers' identification in the brand community we use the scale developed by Algesheimer *et al.* (2005). According to these authors, consumers' identification in the brand community reveals "the strength of the consumer's relationship with the community" (p. 20). This measure was composed of five items scored on a 1-5 scale, with larger values associated with higher levels of community identification. In regard of consumers' engagement in brand community, the scale has been taken again from Algesheimer *et al.* (2005). Specifically, such a construct assesses consumers' motivation to participate in community activities, to help other members. The consumer trust scale used in this research, instead, was originally developed by Morgan and Hunt (1994). It assesses customers' perception of

a company’s reliability, integrity and credibility. This measure was composed of four items scored on a 1-5 scale. To measure brand loyalty intention, we have used afresh a scale from Algesheimer *et al.* (2005). Such a three-item scale aims at measuring company’s ability to reduce the customer’s intention to switch to products from competitors. Finally, the two-item E-WOM scale from Walsh *et al.* (2009) was selected. The scale measure customers’ proactive behavior associated with recommending the company to other people. In online context, this scale may be used to measure consumers’ pro-active behavior concerning the diffusions of positive digital contents concerning the brand (Habibi *et al.*, 2014a). The larger values were associated with a higher propensity to recommend the brand.

The intercorrelations, reliabilities and descriptive statistics for each of the 5 scales are provided in Table 2 in the following paragraph.

#### 4.3 Measurement model

A measurement model was built to assess the goodness-of-fit measures and the resulting acceptable parsimony of the proposed model (Bagozzi and Yi, 1988). First, absolute fit indexes were assessed (Hu and Bentler, 1999). According to Bagozzi and Yi (1988, p.77), “A long standing indicator of the overall goodness-of-fit of any model can be obtained with the  $\chi^2$ -test...a likelihood ratio statistic for testing a hypothesized model against the alternative that the covariance matrix is unconstrained”. The Chi-square statistics of the model is significant ( $\chi^2 = 272.894$   $p < 0.01$ ) and the relative Chi-square suggests good fit with a T-test of  $\chi^2 / df = 2.504$  (lower than 3 as required) (Bagozzi and Yi, 1988; Bentler, 1990). The ‘Goodness of Fit Index’ (GFI) measures the fit between the hypothesized model and the covariance matrix of the observed variables, indicating model fit for values above 0.95 (Hu and Bentler, 1999). GFI of the model (0.910) suggests acceptable fit. The ‘Adjusted Goodness of Fit Index’ (AGFI) was also measured, which according to Bagozzi and Yi (1988) should be greater than 0.9. AGFI of the model (0.904) indicates adequate fit. The last absolute fit index refers to the ‘Root Mean Square Error of Approximation’ (RMSEA), which measures the fitting of the tested model with the population covariance matrix (Hooper *et al.*, 2008, p. 54). RMSEA of the model (0.067) suggests acceptable fit being lower than 0.07 as required (Hu and Bentler, 1999).

A second category of indexes refers to the relative fit indexes, which examine the discrepancy between the Chi-square values of the hypothesized model and a “baseline” model used as a standard parameter (Bentler, 1990). The most common used are the ‘Comparative Fit Index’ (CFI), the ‘Incremental Fit Index’ (IFI), the ‘Tucker-Lewis Index’ (TLI), and the ‘Normed Fit Index’ (NFI) (Bentler, 1990). According to Hu and Bentler (1999), CFI, IFI, TLI, and NFI above 0.90 are satisfactory. The model indicates good fit indexes (CFI = 0.938; IFI = 0.939; TLI = 0.923; NFI = 0.902).

The measurement model shows significant path coefficients ( $p < 0.01$ ) among the observed variables and the related variables. The results of composite reliability (CR), convergent and discriminant validity of the proposed model are shown in Table 2.

Tab. 2: Composite reliability, constructs variances, and inter-constructs correlations

	CR	AVE	1	2	3	4	5
<b>1) Brand Community Identification</b>	0.734	0.568	0.754 <sup>a</sup>				
<b>2) Brand Community Engagement</b>	0.882	0.656	0.716*	0.810 <sup>a</sup>			
<b>3) Consumer Trust</b>	0.836	0.663	0.703*	0.722*	0.814 <sup>a</sup>		
<b>4) Consumer Loyalty</b>	0.778	0.585	0.710*	0.728*	0.695*	0.765 <sup>a</sup>	
<b>5) E-WOM</b>	0.742	0.579	0.712*	0.711*	0.709*	0.725*	0.761 <sup>a</sup>

<sup>a</sup> The square value of AVE is reported along the diagonal

\*  $p < .01$

CR: Composite reliability

AVE: Average variance extracted

Source: Authors’ data and calculations

In order to assess the internal consistency of the indicators, the CR for each latent variable was estimated (Hair *et al.*, 2012). According to Bagozzi and Yi (1988), CR values higher than 0.6 are required. As Table 2 shows, all the variables of the model show acceptable values of CR.

Convergent validity was assessed by ‘Average of Variance Extracted’ (AVE), which estimate the indicators’ amount of variance accounted by the latent variable (Fornell and Larcker, 1981; Hair *et al.*, 2012). According to Bagozzi and Yi (1988), AVE values higher than 0.5 indicate good convergent validity. As shown in Table 2, all the latent variables show satisfactory values of AVE.

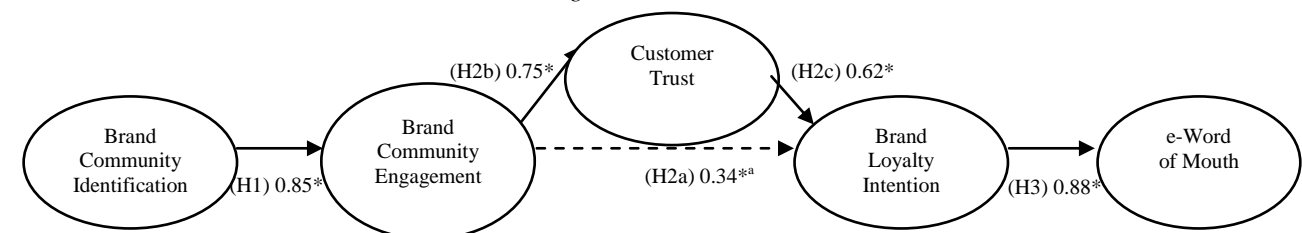
Discriminant validity was evaluated by comparing the square values of AVE - reported on the diagonal of the matrix in Table 2 - with the inter-construct correlations. The fact that the square values of AVE is in each case higher than the correlations indicates an adequate reliability of the measurement model (Fornell and Larcker, 1981; Hair *et al.*, 2012).

The overall fit indexes of the model and the reliability and validity analysis suggest acceptable model fit.

#### 4.4 Structural model

AMOS was then used for building the structural model and estimating the hypothesized regression weights among the variables (Arbuckle, 2013). As reported in Figure 2, both the absolute and the relative fitting indexes present satisfactory values.

Fig. 2: Structural Model



Relative Chi-square = 2.374    GFI = 0.945    RMSEA = 0.061

CFI = 0.948    IFI = 0.942    TLI = 0.933    NFI = 0.915

Notes: Results shown are significant standardized path coefficients

\*  $p < 0.01$

<sup>a</sup> The path coefficient without the mediation effect is 0.87 ( $p < 0.01$ )

Source: Authors' data and calculations

Brand Community Identification significantly influences Brand Community Engagement ( $\beta = 0.85$ ,  $p < 0.01$ ), thus confirming *H1*. This result is consistent with pertinent literature on consumer engagement in brand communities (see Algesheimer *et al.*, 2005; Casalò *et al.*, 2007). In order to test the hypothesized mediating effect of Customer Trust on the relationship between Brand Community Engagement and Brand Loyalty Intention, we followed the four-step procedure suggested by Kenny *et al.* (1998). First, the independent variable (Brand Community Engagement) has to be significantly related to the dependent variable (Brand Loyalty Intention) without considering the hypothesized mediating variable. The path coefficient of such a relationship is equal to 0.87 ( $p < 0.01$ ). Second, the relationship between the independent variable and the hypothesized mediating variable (Customer Trust) has to be significant, as in our case ( $\beta = 0.75$ ,  $p < 0.01$ ). Next, the relationship between the hypothesized mediating variable and the dependent variable has to be significant ( $\beta = 0.62$ ,  $p < 0.01$ ). Finally, the relationship between the independent variable and the dependent variable may be reduced but still be significant - ‘partial mediation’ - or become non-significant - ‘full mediation’ (Kenny *et al.*, 1998). Our findings show that with the introduction of Customer Trust, the influence between Brand Community Engagement and Brand Loyalty Intention is reduced and still significant ( $\beta = 0.34$ ,  $p < 0.01$ ). Hence, *H2* is ‘partially’ supported. In this sense, our results are consistent with findings of Casalò *et al.* (2007), Habibi *et al.* (2014a; b) and Rialti *et*

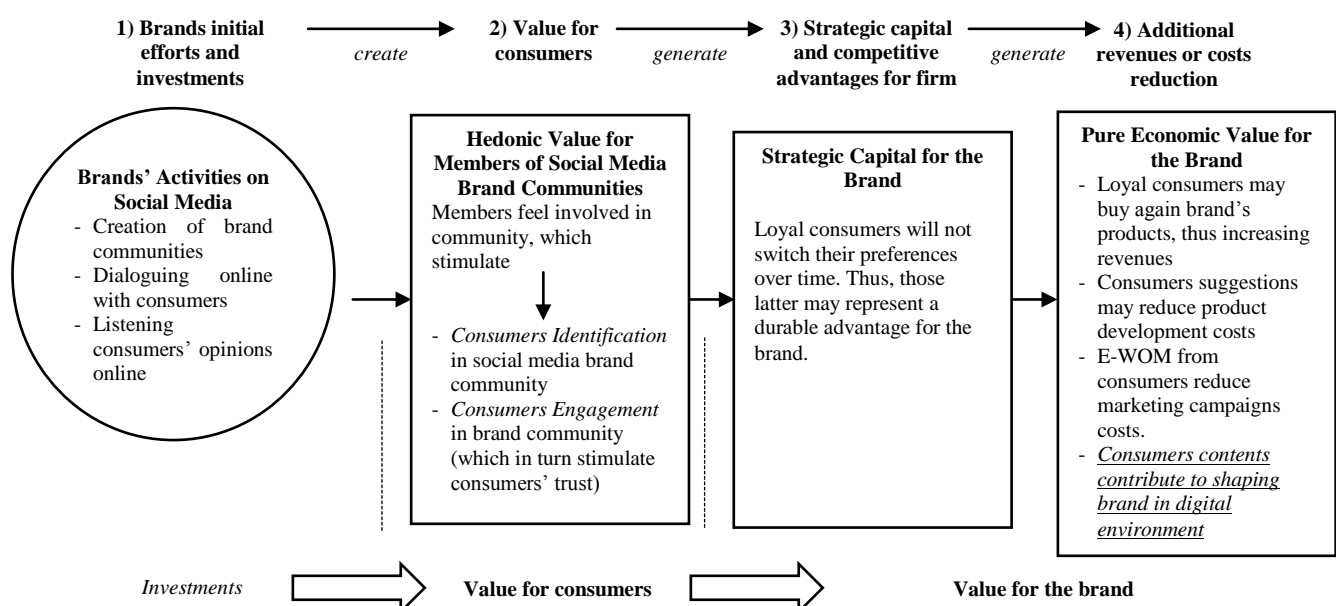
al. (2017). Finally, *H3* is supported since the influence of Brand Loyalty Intention on E-WOM is significant ( $\beta = 0.88, p < 0.01$ ), which is consistent with existing literature (see Walsh *et al.*, 2009; Cova and White, 2010; Rialti *et al.*, 2017)

## 5. Managerial implication

Consumers involvement in value co-creation on behalf of the brand has dramatically modified traditional branding strategies. In particular, nowadays brand strategists have to constantly engage consumers in order to co-create brand value (Hatch and Schultz, 2010). In fact, if consumers lose trust toward the brand they may start to diffuse negative online brand-related contents capable to deteriorate the brand value (Cova and White, 2010; Rialti *et al.*, 2016).

Moving from the co-creation literature, we explored, on the one hand, the relationship between consumers identification and engagement in brand communities and, on the other hand, brand loyalty intention and consumers propensity to diffuse positive brand related contents (Algesheimer *et al.*, 2005; Burmann, 2010). Hence, this research contributes to the pertinent literature by empirically exploring the relation between hedonic value for consumers and strategic capital increments for the firms and, consequently, costs reduction (Ramaswamy, 2008). Furthermore, we have investigated what stimulates consumers propensity to generate positive contents concerning the brand (Burmann, 2010; Edelman, 2010). In the light of our results, it is possible to assume that identification in the community fosters consumers engagement in the brand community (Habibi *et al.*, 2014a). Second, we explored how consumers trust deriving from engagement is a relevant factor stimulating consumers brand loyalty intention (Walsh *et al.*, 2009; Habibi *et al.*, 2014b). Finally, we explored how consumers brand loyalty intention stimulate consumers pro-active diffusion of positive brand related contents. Then, from the analysis of Nike+ online running community it has emerged how the brand efforts in building a social community may create hedonic value for consumers, which may generate strategic capital for the firm, which in turn reduce marketing costs reduction due to contents generated (see Figure 2). Hence, this research contributes to the pertinent literature by exploring from a consumer perspective the co-creation phenomenon, thus shedding lights on how firms investment in community may generate hedonic value for consumers. Hedonic value in turn may stimulate brand loyalty intention. Finally, it has emerged how they co-create brand by diffusing online positive contents.

Fig. 3. The dynamics of value and value co-creation in social media brand communities



Source: Authors' elaboration adapted from Ramaswamy, (2008).

From a managerial perspective, instead, several managerial implications have emerged. Firstly, brand strategists have to invest resources in developing brand communities in order to involve consumers in co-creation. Those investments should aim at fostering consumers identification and engagement in the community. Actually, consumers identified in the community tend to be engaged and to become loyal consumers (Algesheimer *et al.*, 2005; Habibi *et al.*, 2014b). In this sense, it has emerged how engaged consumers are more prone to be loyal to the brand (Morgan and Hunt, 1994; Habibi *et al.*, 2014a). Specifically, since loyal consumers tend to not switch their preferences toward other brands, loyal consumers represent a form of competitive advantage for the firm (Prahalad and Ramaswamy, 2000). Moreover, brand strategists may indirectly stimulate consumers to co-create brand thus reducing marketing costs (Ramaswamy, 2008). In addition, consumers trust toward the brand and loyalty must be constantly monitored, since consumers not trusting the brand anymore may initiate online negative contents diffusion deteriorating brand value (Cova and White, 2010). A further suggestion to brand strategists concerns the importance of dialoguing with consumers. In fact, dialogue, transparency and perceived accessibility to information concerning the brand will foster engagement and trust (Habibi *et al.*, 2014a).

## 6. Conclusions, limitations and suggestions for future researches

This research contributes to value co-creation and, specifically, to literature exploring brand value co-creation by exploring from a consumers' perspective the determinant of consumers' intention to diffuse positive brand related contents capable to create value. Hence, we investigate determinants of consumers willingness to create value for the brand. However, this paper is limited in at least three aspects. Firstly, we have considered only communities initiated by Nike in Italy. Albeit the Nike+ case has historically been defined as emblematic (Ramaswamy, 2008), our results are not fully generalizable since this is a mono-brand study. Second, we have focused only on consumers following Nike+ on one social media, namely Facebook. Third, we have used E-WOM as a proxy to measure brand value co-creation.

Building on such limitations, future researches should better explore this phenomenon. In particular, researchers should try to validate our conceptual model through studies concerning more brands and more brand communities on several social media. Moreover, we suggest future researchers to investigate the same phenomenon from a firm perspective. For example, it would be interesting to try to quantify the entity of value for the firms created by consumers. Third, it would be interesting to add to our model other mediating variables such as consumers' satisfaction toward the brand. Finally, we also suggest scholars to investigate other aspects of value co-creation apart from brand related value co-creation by using different proxies.

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