

Understanding What Motivates German Consumers to Participate in FMCGs Online Communities: Implications for National Brands and Private Labels

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Abstract Over the past few years, a growing body of literature has been discussing the emergence of brand online communities (OBCs) as a way for companies across different sectors to directly interact with consumers and as a marketing tool.

This research aims at understanding why consumers engage in OBCs of Fast Moving Consumer Goods (FMCGs), which are traditionally considered a low involvement and low risk category of products. A multi-method approach—using netnography and in-depth interviews—was chosen to collect primary data from German consumers taking part in four selected OBCs.

Findings show that key motivational drivers appear to be brand related, as the emotional engagement triggers not only the initial stimulus to enrol, but also to actively participate, and social drivers, like expected benefits, identified in terms of interaction with the brand and a specific product and in terms of interaction within the community. Findings support existing research on OBCs, suggesting that motivations to participate in FMCG online communities have commonalities with some studies conducted in different contexts.

Some common managerial implications relevant to both FMCGs and Private Labels (PLs) are provided.

Keywords FMCGs brands • Motivations • Online communities • Multi-method approach

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1 Introduction

Many studies have recently investigated benefits, drivers and makers of Online Brand Communities (OBCs) and electronic Word-Of-Mouth (eWOM) from a variety of different perspectives. Most papers have however focused on and made use of OBCs which are linked to high involvement/high risk products or brands, particularly when looking into motivations for consumers to engage in OBCs. This research instead looks at understanding drivers motivating consumers to spend their time in OBCs of low involvement and low risk products, such as Fast Moving Consumer Goods (FMCGs). The context of this study is Germany, a country in which consumers tend to be very price sensitive and are used to substitute national brands with private labels (PLs), also due to a relatively high market share held by discounters. Hence, understanding what motivates to consumers to engage with OBCs of national brands seems to be paramount to the survival and growth of FMCGs, but, at the same time, of interest for Private Labels.

2 Literature Review

Within the last decade, social network sites have become a popular medium to establish, maintain and enhance personal and professional relationships and communication (Trusov, Randolph, & Koen, 2009)—with Facebook leading the way, having been established just over 10 years ago. Besides getting in touch with friends and becoming friends in the virtual world, members can also become fans of brands on Facebook—so called—fanpages (De Vries, Gensler, & Leeftang, 2012; Dholakia, Blazevic, Wiertz, & Algesheimer, 2009). This social trend has become the focus of a variety of studies in business and management related fields, including marketing.

McAlexander, Schouten, and Koenig (2002), for example, developed a customer-centric model aiming at highlighting the customer centricity in the relationships existing in brand communities, within which a number of parties interact. This model further clarified that OBCs are acknowledged as established marketing tools, used in order to create a strong relationship and loyalty between the customer and the brand (e.g. Bhattacharya & Sen, 2003; McAlexander, Kim, & Roberts, 2003; McAlexander et al., 2002; Meister, 2012). Further research pointed out how those connections in social networks act as C2C interaction between like-minded consumers (Bagozzi, Dholakia, & Mookerjee, 2006).

Popp (2011) also noted that an online community can have an active impact on branding. This new form of interaction with the consumer has led to an expansion of the relationship-construct, so that not only the provider, but also the consumer is also seen as an active contributor (McAlexander et al., 2002; Popp, 2011).

Within the OBCs stream of research, a number of authors (e.g. Algesheimer, Dholakia, & Herrmann, 2005; Bergami & Bagozzi, 2000; Hoyer, Chandy, Dorotic, Krafft, & Singh, 2010; Muñoz & O'Guinn, 2001; Stokburger-Sauer, 2010) have

been touching upon motivation of consumers' participation in OBCs within different industries, also providing direction for future studies. Others (e.g. Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004; Liang, Ekinci, Occhiocupo, & Whyatt, 2013) looked into specific drivers and antecedents of e-WOM, another marketing tool that organizations increasingly use to their benefit.

Those pieces of research provide a solid starting point to investigate consumer motivations to participate in OBCs from the social, brand-related and functional perspectives. However, those studies looking into motivations to participate in OBCs mainly focused on high-involvement brands and their brand communities, such as Harley Davidson with the Harley Owner Group (HOG) by Bagozzi and Dholakia (2006). High-involvement products establish faster a strong relationship with consumers, as consumers spent normally a greater amount of time and money on such a purchase. In comparison, low-involvement products are driven by impulses within the buying process often relating the purchase with a specific brand personality to which a consumer may identify due to a set of brand values (Batey, 2008). Consumers do not normally fiddle with low-involvement products as they would do with high-involvement products, so it's unclear why consumers would spend time to engage in activities with low-involvement products. Some research (e.g. Cova & Pace, 2006) looked into aspects of customers' empowerment, using for instance the Nutella OBCs, but did not specifically address issues relating to motivations to participate.

Drawing from extant research looking at OBCs from different perspectives and with different research focus, three main stream of literature can be identified as relevant to explain motives to participate in OBCs: social drivers (intrinsic motivations, social identity, social interaction and social enhancement) and brand related drivers (brand personality and consumer-brand identification; brand trust and brand loyalty; brand related benefits).

While some existing papers on OBCs have shown that brand-related and social drivers play a key role in consumers' engagement in OBCs, Hoyer et al. (2010) emphasized that some motives to engage in OBCs are not completely investigated and understood. In particular, existing research has not specifically explored motivations to participate in Fast Moving Consumer Good (FMCG) OBCs.

FMCG companies have increasingly engaged in activities aimed at getting closer to their consumers, not only to better understand their needs, but also to somehow address the growth and expansion of PL brands. In fact, FMCGs are currently struggling to attract and retain customers, also due to the growing competition coming from retailers' private brands, particularly in price-sensitive markets, like Germany (GfK/Consumerindex, 2013; MetrixLab, 2012), where private labels' offering increased by 15 % from 2009 to 2012. The low-involvement of customers and the little effort and risk within the purchase process (American Marketing Association Dictionary, 2013) as well as the loose emotional bond entail that customer engagement becomes a challenge for marketers. Hence, understanding what motivates consumers to participate in OBCs within the German FMCG industry should help FMCGs, but also PLs, to understand how to better engage with consumers.

3 Research Methodology

As this research aims at understanding motivations to participate in FMCGs online communities, an explorative qualitative study approach was adopted to gain in-depth understanding of the phenomenon (Bryman & Bell, 2011). Data collection followed a multi-method approach, using a 3 week period netnography (Hine, 2000; Kozinets, 2010) and semi-structured interviews (Rubin & Rubin, 2012) with 13 consumers aged 18–35 (generation Y), members of one of four selected OBCs in the German FMCG market. Those two data collection tools were combined in order not only to seek views through the lenses of OBCs participants, but also to observe the OBCs and the interaction within those. Four German OBCs—two in the food industry (Nutella and Kinder Riegel) and two in the beauty and care industry (Nivea and Labello)—were selected on basis of three key criteria: the average engagement rate (ER); the brand heritage in the country and the number of Facebook fans.

Taking into account key emerging streams of literature, findings were arranged around five codes; namely, the role played by: brand; consumer identification; interaction; provider's offering and external stimuli.

4 Discussion of Findings

Overall, data coming from both data collection methods—netnography and in-depth interviews—show that the brand itself is the most important motivating element to join and engage in OBCs.

With reference to brand related drivers, all interviewees mentioned their 'long-term and intense relationship' to the brand and also shared a special story relating to the brand which they would post as if they were talking with a friend. The sense of a special relationship is clearly coming through also based on a combination of brand-related aspects, in line with, for example, Muñiz and O'Guinn (2001), who argued that consumer identification needs a traditional history and a remarkable brand image in a highly competitive market. That can lead to a greater level of togetherness (Algesheimer et al., 2005). For instance, one interviewee (NU1) talked about a specific memory which is significant and linked to brand related aspects, including brand loyalty:

... also a bit feeling of home. It was so when I was an Aupair in the US, it [NUTELLA] was one of the brands which I bought there, since it gave me a feeling of home... something German that you typically like to eat.

Although some differences between the food and beauty care brands considered occur in terms of perception and how the connection to the brand was established, the emotional bond with the brand is a key requirement for the consumers in order to engage in OBCs. The relationship to Kinder Riegel (KR) and Nutella (NU) was perceived higher compared to Nivea (NI) and Labello (LA), because the

interviewees of KR and NU perceived a stronger connection to the advertisement that included emotional factors. KR and NU interviewees also stated that that nothing comparable is available in the market and that those products could generate extraordinary joyful moments. Similarly, NI and LA interviewees pointed out key features of the brands, making their products unique. Brand trust and loyalty, even in a highly competitive market, emerged as important brand-related drivers to participate in OBC and, at the same time, were enhanced by participating in OBCs (Ha & Perks, 2005; McAlexander et al., 2003).

As discussed by Zentes, Morschett, and Schramm-Klein (2008) as well as Cova (1997), the perceived similarities with brands establish a relationship between the brand and the consumer, leading to brand identification. Findings from this study also suggest overlapping characteristics between the respondents and the selected brands. As argued by Kozinets (1999), a OBC is a further medium to express affinity and identification with a brand, hence becoming a motive to participate. So, it can be said that consumer brand identification with a specific brand personality results to be a motivational driver for the selected brands, since the OBC becomes part of the consumer-brand-relationship and it also strengthens that bond.

Looking at social drivers, in terms of social identity and social benefits, findings support the stream of literature suggesting that social drivers can trigger participation in OBCs (e.g. Algesheimer, Borle, Dholakia, & Singh, 2010; Muñiz & O'Guinn, 2001; Stokburger-Sauer, 2010). In terms of social identity, interviewees indicated that there is a clear perception of similarity with other members. According to the participants' perspective on other members, words as "*like me*" (NU2, KR1, NI3), "*similar to me*" (NU1, NI1, NI2), "*equally*" (KR4) or "*have the same values as I have*" (LA2) were used. This is also supported by data generated in the netnography. Interviewees' statements overall illustrated 'consciousness of kind' (Bergami & Bagozzi, 2000; Muñiz & O'Guinn, 2001) as well as the more general concept of social identity in OBCs (Hogg & Terry, 2000; Stokburger-Sauer, 2010). KR4, for example, stated that the reason to take part in an OBC is not only about gaining information, but rather about "*being part of the community*" like interviewee NI3 who mentioned "*the feeling of appertaining*" to a group. Social benefits could also be identified when analysing interviews and data from the netnography. Participants stated that they benefitted from the experiences of other members and also if they have ideas to enlarge the product usage, e.g. "*It is good to know others' experiences, if someone tried a new edition*" (LA3) and "*I like the recipes with NUTELLA and it is perfect that members share them with the community*" (NU1). As suggested by McAlexander et al. (2002), based on similarities, members feel connected to each other developing bonding towards the brand as well as the group.

These social drivers are clearly linking to and somehow overlapping with the aspect of social interaction which the literature relating to OBCs also argue being an important element to motivate consumers to participate. While findings indicate that is not always the most obvious or conscious motive for interviewees to participate in a OBC, data clearly show that interviewees expect social interaction, in particular in the form of brand-related benefits. Consumers' motivation is driven

by receiving brand-related information that keeps them updated, but also strengthen their knowledge about the brand. Further, entertainment and economic benefits such as vouchers or to win give-aways are also motivating the interviewees to engage in OBCs, in line with research by Wirtz et al. (2013) and Garnefeld, Iseke, and Krebs (2012). While expectations appeared to be diverse, data from both interviews and netnography show that up-to-date news as well as information about the brand history are the most popular motivation drivers in order to join, *"I get information bundled on one platform and I can also interact with the brand as well as with the members"* (KR4).

Furthermore, in some cases, participants seek for social interaction with the brand in order to have an impact on the brand, which links back to some emerging research on consumer empowerment (Cova & Pace, 2006) and brand democratization (Asmussen, Harridge-March, Occhiocupo, & Farquhar, 2013). Some interviewees emphasized that they would like to have a say and to be engaged in some processes in order to support the brand and its products.

Finally, providers' offering, including 'external stimuli', was investigated. Findings coming from netnography and interviews suggest that participants have certain expectations in terms of the content and frequency of post/interaction. Only very few interviewees couldn't clearly articulate what their expectations were in terms of expected/desired content, pointing out that providers offering is an important aspect to foster motivation to participate in OBCs, but not a key motivational driver in the first place. In line with previous research (e.g. Bagozzi, Dholakia, & Klein Pearo, 2007; Brown, Kozinets, & Sherry, 2003; Kozinets, 2010), it seems that the quality, quantity and ease of access of information posted by the provider influenced more the level of engagement and active participation rather than the motivation to join. Interviewee KR4 emphasized the perceived benefit of being part of the OBC referring to information and exclusivity: *"Perhaps I know more about the brand than others, because I get it faster and directly to my Facebook page"*. Some interviewees of KR and NU emphasized the entertainment aspect of the OBC *"When I am bored or have to wait somewhere, I go on Facebook and it makes me smile and happy to see the picture of Milky and Schoki"* (KR1).

External stimuli got more attention than expected since most interviewees mentioned that a particular OBC came to their attention because of information/advertisement on Facebook, also in line with previously mentioned research on incentives/external stimuli. In particular, KR and NU participants emphasized the role of external advertisement, since it provides some initial inputs for brand identification. Finally, also external events were mentioned by some, as a tool to strengthen the relationship to the brand and as a possible requirement to foster participation in OBCs.

5 Managerial Implications

Having identified and discussed key motivational drivers for consumers to participate in FMCGs online communities, some key managerial implications can be drawn, addressing the growing interest of national brands and private labels in directly engage with consumers.

One key element which companies should consider when evaluating the possibility or setting up online brand communities is the existing brand history and identity, as those brand related aspects appeared to be significant drivers to motivate consumers to become part of an online community and engage with it.

Integrating off-line and online activities seemed also beneficial to increase the level and the frequency of consumer engagement in online communities, hence with the brand itself. This aspect might be of particular interest to retailers, as consistency in the integration of omni-channel retail activities becomes paramount to the success of retailers operating across different channels.

Last, but not least, quality of the content and frequency of posting emerged as elements which can further stimulate the participation in OBCs.

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