

'I hereby declare that have read this thesis and in our research is sufficient in terms of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward Bachelor Degree of Technology Management (High Technology Marketing)'.

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**THE RELATIONSHIPS BETWEEN USES AND GRATIFICATIONS IN AN
ONLINE BRAND COMMUNITY AND BRAND LOYALTY**

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A project paper submitted

In fulfillment of the requirements for the Bachelor Degree of Technology Management

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I hereby declare that this project entitled “**The Relationships between Uses and Gratifications in an Online Brand Community and Brand Loyalty**” is the result of my own research except as cited in references. The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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DEDICATION

*Especially thanks to my father and mother, who led me to this journey;
To all my sisters, thanks you for your concern encourage me and loved me;
And to my dear friends, thanks you for your eternal supports and motivate me all time.*

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ABSTRACT

The purpose of this quantitative research was to explore how participation in online brand communities on a social media platform influences brand loyalty from the perspective of members towards nationally branded apparel, shoes, and accessories. The effects on variables closely linked to uses and gratification of online brand community (entertainment seeking; information seeking; convenience seeking; socializing seeking and self-status seeking) towards brand loyalty (brand related attitude and behavior) are examined. Analysis of data collected from 400 consumers major at Malacca state, reveals that individual motivations relate more strongly to participation in the online brand community. Community members with higher levels of browsing and participation do show purchase intention or loyalty towards the brand. The findings from the research show value in the use of online branded communities to promote a brand and foster brand loyalty. Additionally, a branded community can be another channel to provide support to customers and feedback to the company. This research advances the practical and theoretical understanding of the relationships between need uses gratifications of online branded community and brand loyalty to creates, maintains, and encourages customer brand relationships.

Keywords: online brand community, social media, uses and gratification, brand loyalty

ABSTRAK

Tujuan kajian dengan menggunakan keadah kuantitatif ini adalah untuk meneroka bagaimana penyertaan dalam komuniti jenama secara dalam talian di platform media sosial dapat mempengaruhi kesetiaan jenama dari perspektif seseorang ahli komuniti terhadap industri fesyen pakaian, kasut dan aksesori berjenama global. Kesan kepada pembolehubah yang berkait rapat dengan kegunaan dan kepuasan komuniti jenama secara dalam talian (pencarian hiburan, maklumat, kemudahan, keperluan sosial dan pencapaian hasrat diri) terhadap kesetiaan jenama (sikap dan tingkah laku yang berkaitan jenama) akan diperiksa. Analisis data yang telah dikumpulkan daripada 400 pengguna utama di Negeri Melaka telah mendedahkan bahawa motivasi individu memberi lebih signifikan kepada penyertaan dalam komuniti jenama secara dalam talian. Kajian ini mendapati bukti penglibatan dan penyemakan ahli komuniti di peringkat tinggi menunjukkan faktor utama terhadap niat pembelian atau tabiat setia kepada jenama. Penemuan nilai penyelidikan dalam penggunaan komuniti berjenama secara talian dapat mempromosikan kesetiaan jenama dan memupuk kesetiaan tersebut dalam kajian ini. Di samping itu, dengan membina komuniti berjenama secara talian adalah salah satu saluran komunikasi penting untuk memberi sokongan kepada pelanggan dan memberi maklumbalas kepada syarikat. Penyelidikan kajian ini telah meluaskan pemahaman praktikal dan teori tentang hubungan kait antara keperluan dan kepuasan komuniti berjenama secara dalam talian terhadap kesetiaan jenama dapat mencipta, mengekalkan, dan menjalinkan hubungan jangka panjang antara jenama dengan pengguna.

Kata kunci: komuniti jenama secara dalam talian, media sosial, kegunaan dan kepuasan komuniti jenama, kesetiaan jenama

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LIST OF ABBREVIATIONS

OC	Online community
OBC	Online brand community
UGT	Uses and Gratifications Theory
S	Socialization
E	Entertainment seeking
SS	Self-status seeking
I	Information seeking
C	Convenient seeking
BL	Brand Loyalty

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter provides a background study regarding online social media brand community is rooted in a motivational force from consumption value theory perspective where to develop brand loyalty through customer relationship. It has become a critical question to know how and why participation of potential community members is associated with various outcomes as high value of brand communities now plays a significant role in building high brand loyalty. As companies leverage social media to increase revenue and drive growth, this quantitative research may help to instilling a customer engagement culture, a way to increase brand loyalty. Further, this chapter has outlined the research questions, theoretical concepts and construct, empirical evidence guiding the present study. Finally, this chapter also identifies the major research gaps in the knowledge as well as explains the theoretical and practical significance, scope of the study, relevant terms and boundaries of the study.

1.1 Background of the study

In the 21st century social media has been the game changing phenomenon within communication among internet users with no boundaries. Therefore, the impact of the online environment on marketing practice is drawing attention from marketers on new media channels including websites, social media apps. One example is building a new brand community through online media is drawn out to brand's online content consumption related activities where people can share interests, thoughts, opinions and creating a subculture around a focal brand.

Moreover, online brand communities not just with customers, but engage with anyone interested and active in their market across all the internet activity such as discuss topic about hated and loved brand for aficionados with no distance or time restriction (Paschen, J et. al., 2017). In many cases, online brand communities become a powerful socio-economic phenomenon; strengthen the brand itself, giving the brand a face, a shape, a story (Arnould & Thompson, 2005). Because of the true benefits of the internet and social media, web-based evolution of online brand communities have become an efficient marketing and branding tool where it can overcomes time and space constraints, and to develop a relationship between the customer and brand (Anderson, 2005; McAlexander & Schouten, 2002).

Despite, stimulating wide participation of the community members is critical and challenging, social media brand community therefore present an opportunities for custom-built managed community where members gain valuable insight out of their involvement in the community, continued participation and strengthen relationship with brand and company (Groveunder, 2017). Further, previous researchers have also mentioned that it is a necessarily to build and maintain strong brand, which may creating and increase brand value (Fuciu & Dumitrescu, 2010; Mercer, 2010; M'zungu et al., 2010; Shamoon & Tehsee, 2011) as brand image gives impact on consumer perception regardless selecting choices, purchase behavior (Muniz & O'Guinn, 2001).

Above and beyond, communities are an economical, rapid, responsive fieldwork with all the added value of having priorities and take language predictability into account, resulting with what people really do and want. For example, one could say online brand communities represent one small step for a business, one giant leap for success. Plus, word-of-mouth (WOM) in a form of traditional marketing activities no longer as main factor that affects brand loyalty (Dubois, Rucker, & Tormala, 2011) which showed paucity of research in this subjects (Goh et al., 2013). To be specific, none of the studies has explored the relationship between how participation in online brand community and brand loyalty. In spite of this enormous potential, this thesis intends to enhance the knowledge about the need uses and gratifications affecting customer's loyalty when interacting within the context of online brand community.

1.2 Problem Discussion

According to Bain & Company study (2016), 60-80% of satisfied customers choose not to go back to do more business with the company due to disconnection. It proved that 6 companies dramatically closed down in Malaysia 2017, one of these companies is widely popular Tealive outlet rebranded from Chatime (Ling Kwan, 2017) as they just focus on number of one-time sales and never convert into lifetime customer value. Demographic characteristics corresponding to the emerged of gender, age, ethnicity, education, and income of consumers play a necessary role in consumer's buying decision making (Vilčeková, L., & Sabo, M., 2013). Marketers therefore need to collect consumer data in details so that they can understand their attitude and behavior such as cultural, social, personal, and psychological and needs (Tintin, 2013).

One of the most important competition weapons of establishments against their competitors with minimum costs and to secure a comfortable long term position in the marketplace is earning strong consumer-brand relationship. However, some scholars stressed that there is hardly customer-brand relationship within brand communities as most of the time spent is serving customer than building relationship (Gruen and Ferguson, 1994; Iacobucci, 1994). Hee young et al. (2008) also argue that brand loyalty can be influenced from many aspects such as customers' willingness to participate, customer brand engagement, trustworthy information, consumers' prior experiences and satisfaction committed to the community, and Chiou (2004) point out that customer trust via loyalty of a brand either directly or indirectly through customer satisfaction, build and maintenance of consumer's brand relations thus has turn into a vital factor for companies.

Yet, an early study by Tong (2006) found that almost all previous brand studies had focused mainly on American and other Western countries' consumers, with very few of the brand theories being validated outside Western cultures. Most research on brand loyalty and consumer-brand relationships has been done in developed markets, and less attention has been paid to these important issues in emerging markets like

Malaysia (Atrek, B. at el, 2009; Nguyen, Barrett & Miller, 2011; Kieu, A.T., 2016). Consequently, a cross-cultural experiential view like multi racial Malaysian presents an opportunity into consumer-brand relationships building with the insights of integrated attitudinal -behavioral perspective which fostering customer loyalty.

Thereupon, companies creating new source by employing online brand communities to connect and interact with customers (Brogi, S., 2014; Parida, R. R., & Sahney, S., 2017), where potential product owners help each other by sharing experiences and ideas for a growing successful business (Sung, Kim, Kwon, & Moon, 2010). The evolution and adoption of discovery-based searching has fortify on gaining and collecting customer information at a fingers snap, able to lower costs, time and less effort compared to competitors. Nonetheless, customers had a high degree of trust, a new domain form of “user generated content websites” like online brand communities therefore is rapidly gaining popularity (Bhattacharjee et al, 2011).

While still in its infancy as a field of research, recent studies (Son, J., 2015) have limited understanding on how explored motivations drive brand loyalty based on uses and gratification theory (UGT). Plus, many studies have used (UGT) approach to the mass media, specifically television and short service message (SMS), while new media draw little attention such as the internet, social media apps, and blogs (Ruggiero, 2000; Ko et al., 2005; Raacke and Bonds-Raacke, 2008). These meant that there still lacked empirical evidence in regards to the subject from researchers (Laroche et al, 2013).

Generally, although the relationships between variables have been explored in previous studies, the relationships were studied separately underlying in different context. A comprehensive research therefore will be conducted to study the linkage between need to use an online brand community and brand loyalty in various dimensions.

1.3 Research Questions

The research questions present below showing how the study objectives will integrate into the current research.

1. What is the level of need to use an online brand community by applying theory uses and gratifications?
2. What is the level of brand loyalty (brand related attitudes and behavior)?
3. What are the relationship between level of need to use an online brand community and level of brand loyalty (brand related attitudes and behavior)?

1.4 Research Objectives

1. To identify the level of need to use an online brand community by applying theory uses and gratifications;
2. To identify level of brand loyalty (brand related attitudes and behavior);
3. To study the relationship between level of need to use an online brand community and level of brand loyalty (brand related attitudes and behavior).

1.5 Scope of study

The research explored relationship between level of need to use online brand community towards to the level of brand loyalty (brand related attitude and behavior). It was restricted to old quarter of Malacca, an emerging and transitional market in Asia, as the research site for observation and empirical testing. To smaller the scope of findings, the researcher will selected 400 consumers as respondents of the study.

1.6 Limitation of study

The sample of this survey is chosen to study apparel, shoes, and accessories brand where not pertain to any specific product in various brand community forms including Facebook brand pages, brand community websites, brand official sites, weblogs, and customer review sites. Researcher chose this industry because these industries find fascinating, where can differentiate products and brand position from competitors. And, researchers limit study on luxury brands which offer for its consumers in online presence, where the results may not be recapped to other industry cluster. This research will be conducted in Malacca due of the time constraints, financial and personnel matter. Other issues like honesty in answering the questionnaires given are beyond the control of the researcher.

1.7 Significant of study

The fundamental aim of this study is to present a new integrated perspective, capturing the existing concept of brand community arose in response to poor relationship in different views (Laroche et al., 2012). The genius branded communities enables businesses to understand and managing customer perception included new products and competitors in action over time. Plus, it also maximizes the opportunities to collaborate with influencer as they can spread information quickly and gain more trust from loyal consumers for companies.

1.7.1 Contribution to knowledge

In line with social media development, online brand community becomes a powerful alternative media that could contribute to overall brand success brand loyalty building process. As previously mentioned, researchers have stressed that it is a necessarily to build and maintain strong brand, which may creating and strengthen brand value (Shamoon & Tehsee, 2011; Mercer, 2010; M'zungu et al., 2010; Dumitrescu & Fuciu, 2010). Additionally, brand communities and brand loyalty is a close gap and thereby reveal that online social media brand community are particularly useful for gaining new customers (Laroche et al., 2012; Goh et al., 2013). Nonetheless, a lacking of literature clearly describing how and why participate in online brand community which may leads brand loyalty as changing attitude and behavior of consumers for a variety of reasons from time to time. This research thus sharpens consumer insights of what drives people to engage in brand communities in order to achieve brand loyalty.