Chapter 2
Co-Creating Brand Value through Social Commerce

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ABSTRACT

This chapter looks at the opportunities of social commerce for branding. The chapter examines social commerce constructs and their impact on brand development. The results of this empirical study show that both social factors and social commerce constructs have positive effects on co-creating brand value intention. This study also highlights the moderating effect of privacy concern between social commerce constructs and co-creating brand value. Contribution of this chapter is the combination of social media, social commerce, and social support in branding strategies, which produce co-creating brand value strategies. The chapter also provides practical implications for the market to develop co-creating brand value strategies through social commerce.

INTRODUCTION

In the social media era, consumers have empowered to exert an influence on brands through various social media platforms, such as social networking sites (SNSs) and online forums. Recent estimates from a report show that on SNSs such as Facebook, clicking on the "like" button by a user is worth $174.17 for a brand page - a 28 percent increase since 2010 (Scissons, Kalehoff, & Laufer, 2013). This implies that a significant brand value is facilitated by online consumers' tendencies (Naylor, Lamberton, & West, 2012).

Social commerce, the powerful combination of customer-oriented social computing technologies and the rising social networking effect in an online environment, has been portrayed as a means of managing a brand (Gensler, Volckner, Liu-Thompkins, & Wiertz, 2013; Yadav, de Valck, Hennig-Thurau, Hoffman, & Spann, 2013). Social commerce creates an environment where consumers are turned into brand ambassadors by leveraging a series of collective, co-creational processes with other consumers in a virtual manner (Holt, 2003; Cayla & Arnould, 2008). Such an environment might have the potential to not only

influence consumers' intentions and behavior to adopt a brand through social interactions and relationships but also increase companies' sales growth and brand values (Gensler et al., 2013; Pentina, Gammoh, Zhang, & Mallin, 2013).

Although the existing branding literature is abundant in the field of marketing management, understanding whether brands can co-create with consumers through social commerce remains a research question that still requires attention. Previous studies considering the context of social commerce have found that a lack of social capital is the predominant reason why online customers hesitate to make decisions to purchase products (Liang, Ho, Li, & Turban, 2011). Some researchers have denoted to study whether social capital factors will affect customers' intentions to co-creation in branding (Hajli, 2015; Hajli et al., 2014; Kim & Park, 2013; Liang et al., 2011). Nevertheless, this path of effects has not been studied explicitly in the literature. Thus, drawing on social support theory and relationship marketing theory, the first purpose of this study is to examine the inter-relationships among relationship quality and social support on co-creating brand value intentions in the social commerce environment.

Social commerce constructs such as forums and communities, ratings and reviews, and referrals and recommendations are important elements for these social capital factors (Hajli, 2015). With the constructs of social commerce serving as a construct, it not only increases the understanding of social commerce constructs per se and its impact on members' intention but also differentiates social commerce from other online business environments (Hajli, 2013; Kim & Park, 2013). Thus, there is a need to empirically examine the impacts of these social commerce constructs (Ba & Pavlou, 2002; Hajli, 2013; Hajli, Lin, Featherman, & Wang, 2014). In this regard, the second purpose of this study is to treat the social commerce constructs as an antecedent variable, which is causally related to the effect of relation-

ship quality and social support, which in turn, the intention to co-creation in branding.

Privacy is a mounting concern as the amounts of voluntary disclosure of personal information become available in SNSs (Yadav & Pavlou, 2014). Prior research has generally explored the effects of privacy concerns being treated as an independent variable directly to affect the intention-related constructs and behavioral reactions, especially to individuals' acceptance of social networking services and their intentions to purchase online (Shin, 2010). Additionally, Smith, Dinev, & Xu (2011) suggest that privacy concern is a context-sensitive factor that should take into account the impacts of particular contexts. This is of special importance for social commerce, given the very nature of social network that expects and encourages information disclosure. Based on the above, the third purpose of this study is to examine the relationship between social commerce contrasts and co-creating brand value moderated by privacy concern.

To this end, this raises to our research questions: *firstly whether consumers' intention to co-create brand value can be facilitated by increasing social support and relationship quality in social commerce environment and second whether privacy concerns moderates the relationship between social commerce constructs and co-creating brand value intention.* To address this, our theoretical framework is grounded in social support theory, relationship marketing theory, and the influences of social commerce characteristics, privacy concern. The next section reviews the existing literature and develops the theoretical model and associated hypotheses for this research. Sections 3 and 4 describe the research methodology and present the results of our analysis. Finally, Section 5 discusses the contributions of this study and implications for management scholars and practitioners.

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