

## Chapter 7

# Leveraging Virtual Communities to Enhance Brand Equity: A Case Study

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### ABSTRACT

*This chapter explores how one company leveraged motorsports to build brand credibility, establish powerful marketing relationships, and connect with distinctly different consumer groups via virtual brand communities. Companies with strong virtual communities may benefit from the case study suggestions that are provided and discussed based on the theoretical perspective of brand equity. Marketing scholars and practitioners alike may find this case study of interest due to the growing desire by companies to develop strong bonds with consumers and their interest in effectively leveraging virtual brand communities as a tool. Several practice recommendations for leveraging virtual communities to enhance brand equity are discussed.*

### INTRODUCTION

Integrated marketing communications (IMC) began generating interest in the early 1990s and has since been accepted by marketers as "...a natural evolution of traditional mass-media advertising, which has been changed, adjusted and refined as a result of new technology" (Schultz 1999, p. 337). IMC can be understood as a broader marketplace view that is sensitive to the impacts and effects of new technologies and communication channels. In this way, IMC extends beyond traditional mass marketing communication which historically put the emphasis on mass media techniques for brand building efforts (Keller, 2009).

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Typically driven by either strategy or efficiency, IMC planning focuses on various media mix elements as instrumental for branding efforts (Gabrielli and Balboni, 2010). Along these lines, marketers evaluate different communication options from a perspective of horizontal and vertical coordination, that is, both across and within media with particular focus on the coordination of consumer messaging. This highlights the essence of IMC planning which is a method for coordinating company communications in such a way as to *send* a clear and singular message regarding the company's unique value proposition. This viewpoint is still fairly traditional, with the company sending communications, and the consumer receiving the communication. However, Keller notes that these traditional techniques may be suboptimal in "...a marketplace where customers have access to massive amounts of information about brands, products and companies..." (2009, p. 139). There is no doubt that technology, the Internet, and social networking sites have put consumers more in control than ever before as integrators and co-creators of brand meaning.

Considering this perspective, we consider a unique application of IMC that is consumer, rather than company, lead. Necessitated by a high degree of competition and lack of resources for more traditional market spending, the case company explored here focused on a little known motorsport in an attempt to build brand awareness. Consumer fans of the sport then guided the company to new alternative online environments which resulted in consumers, rather than the company, acting as integrators of promotional elements within the communication mix.

The case study explored here, as well as the phenomenon occurring, highlights the power that engaged current fans in virtual fan communities provide. It also furthers the idea that brand control and communication may be well-placed in the hands of online fans. Done properly, virtual communities can act as a conduit to new consumers (e.g. the network of friends and followers of fans). As demonstrated by the case company, tapping into the power of consumer-driven virtual communities resulted in brand "likes" driving as much brand equity as did brand "buys." Marketing scholars and practitioners alike may find this case study of interest due to the growing desire by companies to develop strong bonds with consumers and their interest in effectively using social media as a marketing tool.

## **BACKGROUND LITERATURE**

### **Key Literature on Brand Equity**

In simple terms, brand equity is the value that originates from the brand's customers, rather than from the product or service the brand represents. Brand equity is of interest to marketers due to the financial implications of value, but also because brand equity is positively correlated to favorable responses from consumers to an element of the marketing mix (Keller, 1993). Understanding how to build brand equity is of practical value to managers since it aids in refining the marketing mix elements. Defined as, "the differential effect of brand knowledge on consumer response to the marketing of the brand" (p. 8), it is desirable to establish strong connections and involvement between the consumer and the brand. These connections often start at consumer engagement whereby marketers attempt to influence and encourage consumers to interact with and about the brand (Schultz & Peltier, 2013), with often positive results. A number of brands have shown an improvement in business performance as a result of consumer engagement. According to the ENGAGEMENTdb Study by Wetpaint/Altimeter Group (Li, 2009), "the most valuable brands in the world are experiencing a direct correlation between top financial performance

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