



ROLE OF BRAND COMMUNITIES IN BUSINESS SCHOOLS

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ABSTRACT:

The purpose of this paper is to investigate the role of brand communities in the context of business schools from the perspective of a service organization and study its actionable antecedents and outcomes for strategic decision making. The paper has used a single cross-sectional descriptive design and is based on data collected using a structured online questionnaire filled up by 210 MBA students belonging to top business schools in India. Data was analyzed using confirmatory factor analysis and structural equation modeling in order to validate the theoretical framework. The findings of the study support the assertion that brand satisfaction predicts brand community both directly as well as through brand trust. The research also lends support to the argument that brand community builds brand engagement.

KEYWORDS: Brand satisfaction, Brand trust, Brand communities, Brand engagement, Business school branding, service brands.

INTRODUCTION:

In India, the first management institute was XLRI which was founded in 1949 but IISWBM was the first management institute to hand out Master of Business Administration (MBA) degrees in 1953 (Sravani, 2017), followed by the world renowned Indian Institute of Management, Calcutta (IIMC) in 1961 and India Institute of Management (IIMA) in 1962

Today, India is home to more than 5,500 business schools offering MBA to aspiring students. The number of B-school seats in India has tripled in the last five years. In 2015-16, a total of 5,20,000 seats in MBA courses were available of which 2,50,000 seats remained vacant. This has been the scenario 2017-18 also.

Thus, the principal objective of this paper is to explore how the development of brand communities through satisfaction and trust in a service industry - higher education or particularly B-Schools in this context - would enhance brand engagement for them. In the following pages, we will review relevant literature and propose several research objectives.

BACKGROUND AND LITERATURE REVIEW

India has seen unprecedented growth in the proliferation of management schools, the market (students) are unable to assess the value of an MBA degree. In the next few years an MBA degree will not matter but the school from which it is obtained will matter the most. Hence, business school branding is

not only important for the institute but also for the student who graduates from there as the institute becomes a part of their brand identity for life.

Business schools are now performing in increased competitive and commercial environments as they need to be open towards online and offline communities and engage with them through the perceived quality parameters to sustain themselves in these markets. Thus, B-Schools develop brand loyalty among its stakeholders by creating relevant brand experience accompanied with strong student engagement strategies. There are many ways of creating student engagement like the mentor-mentee set up, committee formations for various college activities, group tasks in class rooms and so on. What remains of interest is the formation of brand communities (both online and offline) through these social engagements, which can act as a platform for future discussions, suggestions, advocacy, positive WOM, evangelism and lifelong loyalty in the form of enrollment to newer programs and college donations.

In the light of above discussions and given an increased global-orientation of Business School management, the following research objectives are formulated for the study:

- Test a theoretical framework developed by Dass et. al (2019) on brand communities for business schools from the review of relevant literature on branding, psychology and service marketing
- Explore the enablers or antecedents of brand community for management institutes in India
- Association of the various variables in the model through quantitative research and assess its validity in the context to business schools.

BRAND COMMUNITY

'Communities' is defined as a specialized group of people who come together and interact with each other towards a common interest. Present research has asserted that brand communities not only provide better reach but also bring value to the consumer's journey cycle (McAlexander et al., 2002). Brand communities are responsible largely for creating social awareness about the brand and has a pivotal role in co-creating a legacy for the brand to be appreciated and enjoyed by its consumers (Muniz and O' Guinn, 2001). A brand community offers its members a platform to exchange experiences, emotions, feelings about the brand and gain information and insights about it.

With this view, the paper discusses the brand communities in higher education (MBA) where the consumer (student) is connected with the brand in a physical or virtual community through various online (social) and traditional or offline platforms. These communities are focused on topics related to student life, teaching pedagogy, placements and other important matters related to students and his/her institution. Such brand communities have the potential to offer an exclusive set of benefits for brand engagement and consumer experience through feedback, advocacy and support that defines an engaged community.

ANTECEDENTS OF BRAND COMMUNITY

Brand communities encourage association amongst customer, brand and consumer where the focus is more toward consumer than on the brand (McAlexander et al., 2002). It consists of customers who identify themselves with the brand (Brand identification) or are satisfied (Brand satisfaction) by its offerings (Dass et al. (2019). Existing research has identified brand satisfaction and brand trust to be the driving force of brand communities (Tsai. Et al., 2012; Kuenzel and Halliday, 2008)

BRAND SATISFACTION

The constructive attitude that is felt by a consumer because of the orientation of the company towards relationship marketing and the consumer's own consumption experience with a particular product is termed as satisfaction (Parasuraman et al., 2002). It is the final outcome or experience felt by a consumer for a brand's product or service. Satisfaction with a brand lets consumers reach out and network with like-minded consumers who share their spirit, need and enthusiasm (Algesheimer et al., 2005) in the form of communities (McAlexander et al., 2002)

Brand Satisfaction is one of the most important constructs in any business but it also holds vital importance for services (education) industry. The education industry has typically been slower to adopt

practices that focus on customer satisfaction and hence the study of this construct with respect to education industry seems to be of importance.

BRAND TRUST

Brand trust is defined as the feeling of safety experienced by a consumer that alleviates his/her anxiety of the involvement of any risk regarding the brand. A consumer experiences this feeling after his/her engagement with the brand, thereby forming informed opinion about the reliability of the brand (Kaur and Gupta, 2012). Brand trust in education industry is very critical as the college or school the student graduates from becomes a part of his/her identity and builds people's perception about him/her for lifetime. Here both service experience and emotions play an integral role in decision making. Thus, each decision to study in a particular institute modifies a person's identity directly or indirectly.

Brand Engagement as an outcome of Brand Communities

Literature suggests that individuals with a higher level of brand engagement tend to have a higher recall of specific brand, lasting memory, and reduced price sensitivity for their favorite brands (Franzak et al., 2014). Brand engagement provides useful new insights to marketers to improve, enhance and differentiate the customer experience from the competition.

Customer-based brand engagement is defined as the level of a customer's motivational, brand related, context-dependent state of mind characterized by specific levels of cognitive, emotional and behavioral activity in brand interactions. Students of business education is a close-knit community where the members often share their experiences with one-another in college and outside about best practices, placements, trends and pedagogy used. Even from an industry perspective, these students are critical to a business school as these students invariably become brand evangelist for it in the future. They discuss about their college and its experiences not just amongst themselves but in the organizations they join and the society they inhabit. A satisfied business school alumnus is a free sales person employed for a lifetime.

HYPOTHESIS DEVELOPMENT

H1: Brand Satisfaction is positively related to Brand Trust

Many studies have tried to establish the relationship between brand satisfaction and brand trust (Kuenzel and Halliday, 2008). Recently Dass et al. (2019) established relationship of satisfaction to trust. Thus, deducing from the current discussion and existing evidence, it can be expected that brand satisfaction is positively associated with customer brand trust.

H2: Brand Trust is positively related to Brand Communities

Doney and Cannon (1997) and Dass et al. (2019) found that trust plays a vital role for future interactions between the brand and the consumer by strengthening expectations of an ongoing relationship, in the form of communities.

H3: Brand Satisfaction is positively related to Brand Community

Satisfaction with a brand can "lead consumers to seek out and interact with like-minded consumers who share their enthusiasm" (Algesheimer et al., 2005) through brand communities (Dass et al. (2019).

H4: Brand Communities Impact Brand Engagement

Brands are increasingly using the online and offline communities for business transactions with the main objective of creating strong bonds with the customer that could lead to customer feedback and deeper engagement thus resulting in making the brand stronger (Wiertz and de Ruyter, 2007).

CONCEPTUAL FRAMEWORK

The predictive analysis of the constructs in the conceptual model examines the impact of brand satisfaction, brand trust and brand communities on brand engagement (Dass et al., 2018) which is developed into a conceptual framework as follows:



Figure 1: The Conceptual Framework (Dass et al., 2019)

Since Structural Equation Modelling has been used to validate this conceptual framework by Dass et al. (2019) only Confirmatory Factor Analysis was used to check the reliability, convergent and discriminant validity among the constructs with respect to higher education industry (MBA in this paper).

METHODOLOGY

Sample and Data Collection

This study was conducted using a cross-sectional descriptive design. Quantitative data was collected using simple random sampling from MBA students from the top 10 B-Schools of the country, as per the major ranking agencies in India. Two hundred and ten valid responses were obtained from a total of 300 self-reporting online questionnaire forms which were circulated among the management students.

The demographic profile of the respondents is detailed as in Table 1

Table 1: Demographic profiles of Respondents (author’s own work)

Type of classification	Category	Number of Respondents	Percentage in Sample
Age	Less than 22 yrs.	22	10.47
	23-25 yrs.	133	63.33
	25-30 yrs.	48	22.8
	more than 30 yrs.	7	3.3
Education	Engineering/ Science	105	50
	Commerce	65	31
	Humanities	12	5.7
	Others	28	13.33
Gender	Male	126	60
	Female	84	40
Total number of respondents	210		

Research Instruments:

Before the data collection process, the questionnaires were designed based on the measurement items for the constructs of brand satisfaction, brand trust, brand community and brand engagement as detailed in Table No.2

Table 2: Research Instruments (author’s own work)

Construct	No. of Items	Scale proposed by	Reliability
Brand Satisfaction	03	Bruhn et al., 2012	0.820
Brand Trust	03	Bruhn et al., 2012	0.835
Brand Communities	04	Woisetschläger, et al., 2008	0.864
Brand Engagement	08	Sprott et al., 2009	0.822

All the items were measured on a five-point Likert scale of strongly agree to strongly disagree. Exploratory Factor Analysis using SPSS 24 was conducted on all the attributes. The analysis yielded 4 dominant factors with Eigenvalue more than 1 which include brand trust, brand satisfaction, brand community and brand engagement.

We set a lower cut off of factor loading at 0.5 in the Exploratory Factor Analysis, and there was no item cross loading. Confirmatory factor analysis is subsequently conducted to confirm the dimension structure, and the confirmatory factor analysis model achieved a good fit. Regression analysis and Structural equation modelling were conducted for impact analysis for the dimensions.

RESULTS AND DISCUSSION

Exploratory factor analysis (EFA) was used to see whether all proposed items (measured variables) load significantly on their respective factor and therefore, to identify the underlying relationship between measured variables and their respective factor/construct

Exploratory Factor Analysis (EFA)

Kaiser-Meyer-Olkin (KMO) and Bartlett’s Sphericity tests were carried out to measure sample adequacy for factor analysis and values were found to be satisfactory. The approximate of chi-square was found to be 1948.574 with a degree of freedom of 153, which is significant at 5 per cent level of significance, refer Table No.3 The KMO statistic was found to be .914, greater than .50 (Hair et al., 2013), which is considered appropriate for factor analysis. Factor analysis was performed using SPSS 24.0.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.924
Bartlett's Test of Sphericity	Approx. Chi-Square	1948.564
	Df	211
	Sig.	.000

In the pattern matrix, we got four factors with Eigenvalue more than 1 as shown in Table 4. All brand engagement items loaded in the first factor, the brand trust items loaded on 2nd factor, all brand satisfaction items loaded on 3rd factor and all brand community items loaded on the 4th factor. This way, a clear four-factor structure emerged without any cross loading. All loading value was greater than 0.5.

Table 4.

Pattern Matrix ^a				
	Factor			
	1	2	3	4
BT1		-.851		
BT2		-.848		
BT3		-.890		
BS1			-.864	
BS2			-.773	
BS3			-.586	
BC1				-.440
BC2				-.943
BC3				-.890
BC4				-.746
BE1	.675			
BE2	.430			
BE3	.657			
BE4	.757			
BE5	.736			
BE6	.848			
BE7	.755			
BE8	.844			

Measurement Model: Confirmatory Factor Analysis (CFA)

In CFA, goodness-of-fit indices are estimated for each latent construct as a distinct model (Schreiber, Stage, King, Nora, and Barlow,2006).

With data of the 210 respondents, the four constructs CFA of brand satisfaction, brand trust, brand communities and brand engagement was conducted to demonstrate reliability, convergent and discriminant validity. The constructs are discriminant from each other as their Squared Inter Correlations (SIC) are found to be less than average variance extracted (AVE) in all cases. Based on several criteria, the model is found to fit well. Overall Cronbach’s alpha value for brand satisfaction, brand trust, brand communities and brand engagement were found to be 0.817, 0.843, 0.846, and 0.819 respectively. The results show in table 5 that the measurement model achieved very good fit (CMIN/DF=3.16, CFI=.861, NFI= .79, RMSEA= .08). The model suitability was evaluated by the appropriate indices recommended by Hair, Anderson, Tatham, and Black (2010)

Table 5

Model	NPAR	CMIN	DF	P	<u>CMIN/DF</u>
Default model	39	415.376	132	.000	3.16

Model	NFI Delta1	RFI rho1	IFI Delta2	<u>TLI</u> <u>rho2</u>	CFI
Default model	.798	.766	.853	.828	.861

Model	<u>RMSEA</u>	LO 90	HI 90	PCLOSE
Default model	.08	.115	.143	.000

IMPLICATIONS

This is perhaps a first of its kind research examining the role of brand community in the context of business schools in India. It has established the validity of the conceptual framework that can be taken up for further studies in the domain.

The insights gained from the study can be used to develop a strong brand community and thereby harness a strong brand engagement to advance its adoption among the various stakeholders in a business school.

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