CHAPTER II

LITERATURE REVIEW

A. Social Network Theory

Social network theory is a theory learning human social relationship. According to this theory, a social network involves actors and relations that connect them. These actors are connected through hobbies, families, or occupations and they are exchanging resources. These resources can be information, data, moral and material support, even goods and services (Ye 1).

Ccroding to Ye, social networking produces tie. Tie is a relationship between a certain individual and network members (1). There are two kinds of ties, which are strong ties and weak ties. Strong ties are more intimate and need more exposure as well as various resource exchanges. According to Ye:

> Strong ties are more intimate and involve more self-disclosure and various forms of resource exchange. People who are strongly tied tend to show similarities in attitudes, background, and experience. While strong ties can provide informational support and validation, the close relationships among strong ties may play an effective role, which can satisfy an individual's emotional needs. (1)

While weak ties are the opposite, need less exchange and exposure. The uniqueness of weak tie relationship is anonymity and objectivity that strong relationship can not provide. Furthermore, weak ties can give new information, because loose relationship makes the members possible to access other social

network that has different information. Overall, weak-tie relationships allow people to diversify their networks or connections, thus providing a helpful alternative for social support (1).

Social network theory can help describing human relationship in face-to-face context or electronic mediums (Ye 2). An electronic medium that can be used as a social networking device is internet forum. According to Ye:

> Similar to other interactive media (e.g., telephone), the Internet supports existing social networks by expanding the means and opportunities for interaction, allowing connection across time and space. In addition, it extends individuals' social networks by allowing them to be involved in various online communities and to communicate with others about their shared interests and concerns. (2)

According to Ye's statement above, internet forum is different from traditional forum. Internet forum is not depending on physical closeness. Internet forums can be interpersonally supportive, because of its characteristics, which are anonymous and selective self-presentation (2).

Anonymity makes forum users become anyone what they want, without being afraid to be discovered his or her true self. A person can be very different from his or her actual personality in internet forum (Robinson 96). While selective self-presentation means users can filter their persona, personality and image from themselves that being revealed in the forum, where the images, persona, and personality revealed depends on the category discussed in the forum (94).

As written above, social networking produces ties, and according to its characteristics, internet forum and virtual communities produce weak ties. It can be seen from the discussions that are focused to the topic that is important to the members. Compared to strong tie groups, members of weak tie groups have broader background and experience; therefore they can solve the problem better (Ye 2).

B. Product, Brand, Branding

1. Product and Brand

People tend to fulfill their needs, and consuming goods is what people do as an effort to fulfill their desire of needs. At first people made their own goods to consume. Then they began to trade their goods with other person who made different goods because they could not make the specific goods they need. After money was invented, people begin to buy those goods from a manufacturer instead of make those goods themselves. The goods being manufactured become products, and as quoted from Merriam-Webster's Online Dictionary, product is something (as a service) is marketed or sold as a commodity. People begin to consume these products because they do not have to make it themselves therefore they can allocate power and time they use to make goods to other activities.

When the demand of the products rises, the manufacturer is raising their production quantity. But there are times that they can not afford the demand. Seeing the chance, and the fact that the product is profitable, other people who got a capital made same product, but with some differences on the quality or price or

both. The differences make the product more popular and are sold more than the competitor; therefore it can give more profit. The producers are competing, while consumers are confused because the products look the same, and there are fewer differences between the products.

The solution of the confusing problem is brand, which differentiate the products. Brand, according to Terrence A. Shimp in her book <u>Advertising and Promotion</u>, is a unique design from a company or trademark to distinguish its offerings from other companies' products (298). Brand is a differentiation device between products, when it is initially announced, therefore consumers know whose brand it is, which is stated by Scott Davis is all of the promises and perceptions that an organization wants its customers to feel about its product and service offerings (2). Therefore, a brand is not a product; it is a marketing strategy of a certain company to differentiate its product among other similar products, therefore the product will be recognized by the consumers. A brand is also not a company that issues the product, even though they are related, as Davis said:

> The answer to the first question is Proctor and Gamble. Yes, it is an influential name in corporate America. It is a leading brander, in fact, the "father" of the classic brand management movement. Its stable of offerings includes some of the best-known consumer products from beauty care to diapers. But the P&G name has not generally been considered a brand in and of itself. Its detergents, for example, are known as Tide, Cheer and Era – not P&G Detergent. Sony, Coca Cola and IBM, on the other hand, have

inextricably linked their corporate names with such quality products as televisions and consumer electronics, beverages, and computers and computing. (2)

As written above, taking an example on P&G, a company is not a brand, it makes brands. It also happens on Mitra Adi Perkasa or MAP. MAP has four brands for its sport shoes and sporting goods distribution. The first is Athlete's Foot, the second is Sports Station, the third is Planet Sports and the forth is Sports Warehouse.

2. Branding

To support a brand, the producer will make a representation of the brand, which is branding. The practice of branding is to make brand identity, which contains brand name, logo, positioning, packaging, and advertising. According to Paul Temporal, the head of Temporal Brand Consulting, a leading brand consulting agency in Asia, brand identity is:

The total proposition that a company makes to consumers - the promise it makes. It may consist of features and attributes, benefits, performance, quality, service support, and the values that the brand possesses. The brand can be viewed as a product, a personality, a set of values, and a position it occupies in people's minds. Brand identity is everything the company wants the brand to be seen as. (Temporal 1)

As written above, a brand identity is an integration of many aspects, and it cannot be separated, because they are working together in communicating and

positioning the brand therefore the brand will receive a good image from the costumer. A good brand image is important, because it strengthens the brand and a strong brand means:

1. Giving a consistent selling and profit volume from year to year

2. A higher price and bigger gross margin

3. A platform to introducing new brands (Shimp 298-299)

These activities on making the brand identity are called branding. Branding, according to Merriam-Webster online dictionary, is the promoting of a product or service by identifying it with a particular brand (Merriam-Webster, online). Branding determines the market of a brand, and branding it self was done because consumers do not realize the difference between products. As stated by Scott Bedbury, Starbucks' Vice President of Marketing on Naomi Klein's No Logo, "consumers don't truly believe there's a huge difference between products," which is why brands must "establish emotional ties" (Klein 16).

Branding also needed to divide the market, because of the various economic conditions. A different brand means different target market. And usually a producer makes different brands for different target market. For example Berca Indosports. Berca Indosports holds the license of three sports brands. They are Nke, Umbro, and League. These three brands have different target market for the sport shoes. Nike aims high class market, from its price ranged from IDR 600.000 until IDR 3.000.000. While Umbro aims the middle-high class, by making its price ranged from IDR 300.000 until IDR 600.000. League, aims for the middle-low class, because their shoes priced from IDR 100.000 until IDR

400.000, the lowest among the three. By making supporting brand like League, Nike will not lose its image as an international brand and Nike's exclusivity will be preserved.

The example above show how Brand identity building and branding activity lead a brand into brand image. Brand image is not determined by producer, but by consumers because the target of branding is consumers. If consumers' perception of brand image doesn't meet producers thought, it can be concluded that the branding is failed (Temporal 1).

An image of a brand makes an emotional tie between consumers and the brand itself, and the experience of consuming the brand would make consumer believe and loyal to the brand. Brand image can also give proud feeling, faith, association and status effect to the consumer, where furthermore is where the brand will be associated to. The perception made by consumers determines the future of a brand, because consumers are loyal to a brand when they consider the brand is good, and they will leave it if they consider that the brand can't represent their lifestyle (Shimp 299).

For example, Converse released the "poorman version" on its basketball sneakers models. "Poorman version" is a version with lower quality materials. If the original model was using leather or suede, this "poorman version used canvas for its upper. Converse used this strategy to reach the lower class society, where canvas material is cheaper than leather, therefore the price will be cheaper. But what happened is Converse was left by its existing loyal consumers and it got less new consumers. It happened because the loyal consumers thought that by

lowering the price and using lower quality materials, Converse Basketball is no longer exclusive safe to be used in the basketball court. New consumers were avoiding buying Converse Basketball "poorman version" because in their minds, a lower quality means not safe. Because of the false branding strategy, Converse loses its loyal costumer and potential buyer.

Nike released its lifestyle line in 2004. The sneakers line was using canvas as its material, just like what converse did. The difference here is Nike only sold them in selected accounts, called as the power account. The production quantity were also limited, therefore people seek the sneakers because of its limited amount.

The examples above also show how exclusivity is important for a brand. A brand is more valuable if it is exclusive. According to Shimp, an item is more desirable and valuable when demand is high but the amount is limited (Shimp 232). Exclusivity is a status symbol for consumers, and by consuming exclusive brands, consumer will obtain the status embedded by the brand. Because of that reason, a brand that loses its exclusivity will be left by its consumers.

From explanations above, a certain brand is meant to a certain market and economic class. But there is an anomaly where the lower class buys a higher class brand, but not vice versa. The behavior rooted in the class struggle, where people wanted to look better than what they are now and one of the ways to look better is consuming brands considered higher than their class. Even though the brand is a counterfeit or not legitimate, people will buy them therefore they will get recognition, respect, and fame from others, but higher class people wouldn't do

that, because it will lower their class. That is why there are so many counterfeited shoes sold in Praban Street and Darmo Trade Center in Surabaya, as well as second hand market like Gedebage in Bandung, "Sogo Jongkok" in Jakarta or Gembong in Surabaya, while there are less white collar workers wear Spotec or Tanggul Angin shoes.

3. Cultural Branding

Costumers could become loyal, or a lower class would buy a higher class brand is the result of branding. From many branding strategies, cultural branding is the most effective way to sell brands. According to Douglas Holt in his book <u>How Brands Become Icons</u>, cultural branding is better because cultural branding is more than a persuasion in selling brands, but it is brand assimilation into consumers' life (20).

According to Holt, cultural branding is about creating a myth among consumers for a certain brand, and the myth produced is used to associate the brand with a certain culture, where the culture will become the device to promote the brand. When the brand is associated with a certain culture, it will be considered as the icon of the culture, where many people consume the culture to be associated with it (22).

The myth making in cultural branding is divided into five steps. The myth making steps are, creating brand experiences, building community, selling to cultural occasions, learning the language, and the last is creating a culture (Hartman 1).

The first is learning the language. Learning the language means that in doing this strategy, the brand must learn the target market's behavior and pattern. By learning their pattern, the brand will get a picture on things that are "in" and "out" in the target market.

Second is selling to cultural occasions. This strategy means that the brand sells itself on activities that associated to the target market's lifestyle. By selling into the activities, the brand will not only get one consumer, but a lot of them because the activities are communal activities instead of individual activities.

Third, creating brand experiences. A brand experience is created by sharing the consumers' lifestyle interest without turning consumers off. The aim of this strategy is consumers will accept the brand in their lifestyle. By creating brand experiences, consumers will include the brand into consumers' daily ritual and bring other people to include the brand in their daily rituals.

Fourth, building community. After having a group of consumers that are having the brand experiences, the next thing to do is making a community for the consumers therefore they will find same people that have the common interest.

The last is creating the culture. Creating the culture here does not mean that brands are making a new culture, but re-creating the culture using consumers who already having the experience. This culture that is re-introduced by the brand will have the brand's image embedded in it, therefore other people who see the culture will also look at the brand too and associate the brand with the culture.

The example for these steps is Nike's branding on sneaker culture. The first step is Nike observed the trends among sneaker heads, and the result is

sneaker heads are influenced by street artists and musicians and the trend is collecting rare sneakers and making sneaker party where sneaker heads gather up to show their collections. From the data, Nike makes collaboration with street artists and musicians to make their own limited edition Nike as well as sponsoring sneaker parties such as Sneaker Pimps. By making collaborations with artists and sponsoring sneaker parties, Nike will be closer to sneaker heads, while sneaker heads will consider that Nike is supporting their activities and the result is sneaker heads are making community forums to discuss Nike, such as n-sb.org and niketalk. These communities will promote Nike re-introducing sneaker culture as Nike's culture by making events like DunkXchange.

These steps will make an emotional tie between brand and consumer. The emotional tie will make a brand loyalty, where consumers will associate themselves with the brand and put the brand as an important component that has an important role in their life. These loyal consumers will promote the brand therefore other people follow them. The examples can be seen on the movie Just for Kicks, where an Adidas fan cut his hair into the Adidas Trefoil logo, or Reverend Run of RUN DMC said that the group makes the song My Adidas because of their love to the brand (23:45, 15:12-15:31). The other example is Marcin Gortat, an NBA player endorsed by Reebok who has an Air Jordan tattoo in his foot and he refused to remove the tattoo because he believed that the tattoo brought him into the NBA (Skeets 1).

The myth formed makes people interested to consume the brand which it can bring them into a certain culture. The strong relation within brand and culture

construct the perception that it is more than just an association, but a unity. People will consider that the brand is the culture. In the end, the brand will be a cultural brand and an icon of a culture.

C. Related Studies

It is difficult to find research about internet forum in Indonesia. Fortunately, the writer finds a study by Lusvita Nuzuliyanti and Lina Puryanti entitled "Our fragile star: Virtual identity and the maintenance of stardom in an online fan forum" (2008), as his related study. In this study, the writers (Nuzuliyanti and Puryanti) discussed about the stardom in an online forum for Korean celebrities, which is focusing in Ju Ji Hun, as the rising star in Korea. This study aims at looking at how the use of the Internet, in this case in an online-fan forum, influences the construction of virtual identity in the forum. The data in this study is taken from online forum in www.soompi.com, the biggest international Korea forum for K-pop culture fans. Here, the forum is differentiated into several sub forums according to various aspects, from lifestyle to fan artist. Under the sub forums, fans can create their favourite star threads. If a thread is always on the first page, it means that fans are making active contributions to the thread and this is an indication of the current popularity of a star.

In doing this study, Nuzuliyanti and Puryanti use the ethnographic methodology in observation and also informal non-structured interview for collecting the data. By looking at a forum for a Korean male celebrity – Ju Ji Hun – the study finds that members create a sense of common bond by establishing a

virtual family that works together to defend Ji Hun's stardom. This finding is in accordance with the nature of fan culture, which however, is given more edge as members create identity through strong orientation to the virtuality of the surrounding.