Understanding the Patterns of Brands Switching Relations through Social Network Analysis

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Abstract

Understanding customers brand switching is an important issue to market-policy makers, since brand switch has the potential to impact on firms’ market share. Brand switching data can be presented as a square table that displays customer purchases on two different, usually contiguous occasions. For market-policy makers, such a square table can be used in at least for three purposes: examining substitution patterns-those brands; consumer loyalty and customer retention; forecasting losses and gains of each brand (Colombo et al, 2000). This paper aims to explore the meaning of brand switching matrices through Social Network Analysis (SNA) to understand the impacts of customers purchasing behaviors. Brand switching analysis also can be regarded as indicators of consumer satisfaction in a competitive market. In short, SNA is a "broad intellectual approach", which views social systems as networks of relations between social actors (brands of course in this paper). It is its contention that attitudes, strategies and behaviors of the brands of a market structural system are affected by their relations to other brands, by the positions they hold within the whole market of switching relations as well as by its characteristics and structure.

For the research purposes mentioned above, SNA, in this paper, are intentionally used as proper methods and make sense of brand switching data. This paper proves that the following contributions: (1) it provides a more-sophisticated analysis of the brand switching data using techniques already been used in other fields, and (2) it is to understand the pattern of interrelations among brands existing in the market. Marketing managers and researchers should be attracted to the idea that this is a way of working better explanations of brand switching data.

Key Words : Social Network Analysis, Brand Switching Matrix, Structural equivalence

Introduction

Coffee is gradually becoming the drink of choice in Taiwan, a society that prides itself on a rich