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# Customer social participation in the social networking services and its impact upon the customer equity of global fashion brands

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## ABSTRACT

Those of us who live in the age of information technology are offered the opportunity to engage in multiple-way communication with others, the brand, and the media. Thus, customer participation is the most important in an online environment. Although such constructs correspond in part to the online, they fall short of meeting the unique characteristics of customer participation in social media. This study provides a clarification of the definitions presented by researchers and explores the construct of customer participation within SNS, and seeks to reveal how the relationship among external factors may influence customer participation and how it, in turn, effects customer equity. The main finding is that SNS participation motivation and customer social participation were positively associated. In particular, customer-media participation demonstrated the strongest influence on customer equity. This study contributes to filling this gap by offering analysis of the role of customer participation in SNS on customer equity.

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## 1. Introduction

SNS has transcended individual-based interaction to be adopted by industries in a wide range of sectors as a forum that encourages customer communication, participation, and purchase. Reflecting on the current trends, the Internet is increasingly perceived by firms as a space to directly interact with customers and to foster interaction, as information sharing and participation of customers are a far more effective marketing strategy than one-way online advertisement (Kim & Ko, 2012). Recently, numerous fashion brands have sought to build and maintain relationships with their customers through the Internet or mobile SNS.

In an SNS environment, customer participation requires a different kind of understanding than the offline site of interaction, on which the subjects of participation are limited to customer and brand versus customer and customer (Chae, Ko, & Han, 2015; Domagk, Schwartz, & Plass, 2010). The unprecedented and diversified development in the media has enabled customers to meet brand employees and other customers mediated by communication technologies such as, mobile devices (Ngo & O'Cass, 2013). By applying the interaction theory to a social media setting, customer participation in social media is categorized into customer-media/system, customer-brand, and customer-customer participation according to the subject of participation. The process of customer participation in an online environment ranges from accessing SNS through one's mobile device, searching for and

collecting information about products and services provided by the brand, product evaluation on a bulletin or customer service center, and proactive WOM activity of a coveted product to one's network.

The essence of a firm's marketing activity is to understand and satisfy the needs of its customers, which is vital to building a lasting relationship between a firm and its customers. In order to understand the participatory behavior of the consumers, how they engage in decision making and what their motivations are for undertaking particular behavior need to be observed (Kontu & Vecchi, 2014).

The mediated environment of SNS that renders relationship building and exchange between a brand and its customers non-face-to-face may ground feelings of distrust in forming relationships, which impedes in building a long-term reciprocal relationship or maximizing performance. Therefore, this study finds the need for an in-depth examination of how active participation of customers in SNS service builds trust and whether this affects customer equity as a way to maintain relationship with a brand.

Therefore, based on literatures of participation in offline context, the purposes of this study are: (1) to examine the construct of customer participation in an SNS environment, (2) to identify the causal relationships between the antecedents of customer participation to SNS, SNS service shopping context, SNS service user orientation, participation motivation, and customer participation, (3) to investigate the effect of SNS customer participation on trust and customer equity. It is anticipated that doing so will offer valuable insights from a marketing perspective of the types of customer participation on SNS that is associated with long-term relationship building with a brand. The findings of this study provides brands with possibilities for differentiated participatory strategies according to the orientation of customers to evoke effective

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and proactive participation among customers as well as offer specific and managerial implications for SNS service of fashion brands.

## 2. Literature review

### 2.1. External factors in social media context

#### 2.1.1. SNS shopping context

As the social media shopping environment is rapidly formulated, brand's marketing activities on SNS is becoming increasingly diversified. Currently, fashion brands that had initially limited their SNS service to marketing activities have expanded to sell products, creating a system that offers information about the product provided by the brand. The information through social media can even be set to alert the customers through their mobile devices with a 'push alert' function. The constant interactivity increases emotional stability and trust among the users and brands by controlling the conversation among the participants in their communication process (Roozmond, 2001). Accessibility interactivity is an essential element to secure a successful relationship between the seller and the customer in e-commerce, and the increase in the opportunity to receive service through interactivity significantly affects trust (Kim, 2015).

SNS service provided by brands also offers economic benefits for customers by providing information about ongoing or future promotions. Furthermore, SNS service that executes real-time aggressive marketing of new or promotional products has also shown to stimulate unintended ripple-buying behavior (Yoon & Han, 2011). SNS shopping context makes the consumers who in their twenties to thirties that live in an age of new media constantly have at their disposal mobile devices that allow easy access to purchase products, stimulating unplanned, impulsive buying of products or coupons for future use.

#### 2.1.2. SNS user orientation

SNS users display common attributes with online shoppers. Moreover, characteristics of online users are a critical factor that influences channel choice in making purchases. Specifically, the traits include user personality, past experience of using online shopping malls, and shopping orientations (O'Cass & Fenech, 2003). Self-efficacy is the most notable attribute of consumers who actively engage in social media.

Prior research on social commerce reveal that customers who use services through social media and purchase products feel a sense of joy as their self-efficacy increases through the sharing their information with others. The tendency to share one's information with others is also attributed to altruism in wanting others to receive the same benefits (Park, 2010).

Some consumers perceive new media use as a way to elevate their self-prestige. In this case, SNS use and participation help to strengthen one's position within a referent group, and the elevated self-image results in a greater intention for use (Venkatesh & Bala, 2008). This is said to be driven by the psychological desire to purchase products at a lower cost and without committing an error through direct interaction with other customers or indirectly through e-WOM (Han, Somg, & Lim, 2011; Park, 2010).

#### 2.1.3. SNS participation motivation

The mass popularization of SNS is a primary representation of Web 2.0. It diverges from earlier media in that voluntary participation of individuals is used to provide information and enhance service and product quality. Voluntary, active participation of users' needs to be supported by motivating factors that stimulate and maintain such behavior. The essence of the theory is that the user, driven by a specific set of motivations, intentionally selects a particular media that can satisfy the desires (Stafford, Stafford, & Schkade, 2004).

Early research on uses and gratification theory identified the motivating factors of media use as cognitive motivation, which seeks to

find and acquire information, entertainment motivation for escape, personal identity motivation that is related to strengthening one's social position, and finally, social integrative needs, which seeks to strengthen social interaction with family and friends through the media (Subrahmanyam, Reich, Waechter, & Espinoza, 2008). Lee, Kang, Oh, and Lee (2011) analyzed motives driving Twitter, Facebook, and blog use as six areas of social motivation, emotional motivation, self-respect motivation, entertainment motivation, cognitive motivation, and others.

### 2.2. Customer social participation

Developments in digital technology have brought about a new media society. According to Van Dijk (2006), new media is characterized by interactivity between the sender and the receiver, convergence, and its use of digital codes. Furthermore, the advent of mobile devices has enabled customers to access the brand's SNS as well as instantaneous acquisition and spread of brand-related information.

As such, the importance of customer participation has been widely acknowledged, but a unified definition has yet been developed. A large body of extant literature uses two concepts to segment customer participation: customer participation, which is an in-role behavior (required action of customers at the time of service encounter) and customer citizenship behavior, which is an extra-role behavior (voluntary and discretionary behaviors that are not required for the successful production and service) (Groth, 2005; Rodie & Kleine, 2000; Yi & Gong, 2012).

It is difficult to apply the concept of customer participation to SNS environment as it occurs offline. The definition of customer participation in an online environment, therefore, needs to be more encompassing and considerate of its interactive nature. The notion of interactivity broadly refers to all kinds of actions a person engages in with an object, person, or entities of existence (Lombard & Snyder-Duch, 2001). Research related to interactivity and interaction has become increasingly vibrant with the emergence of the Internet and new media.

The constructs of interaction theory change according to the subject of interaction. A study by Chen and Yen (2004) categorized interaction as perceived by the user into three types: media/system-user, firm/brand-user, and user-user (See Table 1).

Based on extensive research, this study refers to customer participation on social media as 'customer social participation' and defines it as an effort to achieve co-creation of values through required but voluntary interactive participation of the customers in service production and delivery process in social media. This study segments the types into customer-brand, customer-customer, and customer-media according to the subject of interaction.

**Table 1**  
Types of interaction on social media service.

Types of interaction	Categorization of interactivity	References
System and user interaction	<ul style="list-style-type: none"> <li>System and user to exchange communication</li> <li>Accessing websites and shopping mall &amp; Interaction through new media technology, such as smartphone and tablet</li> </ul>	Chen and Yen (2004), Domagk et al. (2010)
Firm/brand-user interaction	<ul style="list-style-type: none"> <li>Relationship between firm/brand and users through interaction</li> <li>Supply evaluation and opinion on brand product at social media service</li> </ul>	Cho and Cheon (2005)
User-user interaction	<ul style="list-style-type: none"> <li>Interaction among user mediated by communication channel</li> <li>The degree of control of discourse and role exchange among participants during communication process</li> </ul>	Ennew and Binks (1999)

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