Influence of customer engagement with company social networks on stickiness: Mediating effect of customer value creation

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ABSTRACT

Company social networks have become an important means for the socialized marketing of a company, forming a new challenge to companies on how to attract customers. Based on such theories as customer engagement, value co-creation, and relationship marketing, this paper presents a model of the influence of customer engagement on stickiness. Data collected from 260 valid questionnaires from Sina's enterprise microblog users were analyzed by structural equation modeling. Empirical results show that customer engagement has a direct and positive influence on customer stickiness as well as an indirect influence through customer value creation. This study enriches previous researches on existing theories of customer engagement, value co-creation, and stickiness, and gives practical guidance for companies to encourage customer engagement and enhance the stickiness of company social networks.

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1. Introduction

Social media has changed the way people communicate and companies have set up their own websites based on social network sites (CSNs) so that they can have direct interaction and connection with consumers (Martins and Patrício, 2013; Hajli, Sims, Featherman, & Love, 2014a; Hajli, Lin, Featherman, & Wang, 2014b). On the one hand, social media has a powerful social function to turn customers' offline social networks into online ones; on the other hand, it also has great timeliness and influence because of its viral spread of information (Kaplan & Haenlein, 2010). Therefore, it can serve as an effective platform for companies to make use of the customers' social networks and spread the information instantly to a large number of potential customers. In the China alone, 69.4 percent of microblog consumers focus on Sina microblog (China Internet Network Information Center, 2015), and over 80 percent of microblog users are connected to enterprise microblog. For instance, DELL builds fan page on twitter; Xiaomi establishes enterprise microblog attracting more than ten mil-

lion followers. However, social network platforms are open and independent. Customers can easily turn to other websites for similar contents, products, or services (a customer may follow several enterprise websites) and that means it is no longer an easy task to get customers "stuck" to you (i.e. stickiness; Lu & Lee, 2010). Meanwhile, with the continuous development of social media, the role of consumers has evolved from traditionally passive information "receivers" to information co-creators (Jahn & Kunz, 2012). Moreover, they expect more than promoting information from supermarket posters. They have a higher demand for company social networks—getting more valuable and meaningful information about the company and its products through interaction. For example, UC, a browser, is often used by customers with smart phone. UC customers on the microblog often discuss how to save traffic, improve efficiency and select browse mode, other than focusing on the product itself only. This significant change requires companies to cater to their needs and provide them with better services (Sashi, 2012).

With the changes in both CSNs and customers, numerous researchers and practitioners currently hold the view that customer engagement can be interpreted as "the repeated interactions between consumers and brand that strengthen the emotional, psychological or physical investment a customer has in that brand"

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(Brodie, Hollebeek, Juric, & Ilic, 2011; Van Doorn et al., 2010; Jaakkola & Alexander, 2014; Sashi, 2012). Corporate performance improvement can be realized through increasing sales growth rate, gaining competitive advantage, and enhancing profitability (Sedley, 2008). Market research company Aggregate Knowledge (2013), for example, found that among Fortune 500 companies marketing strategies that included social networks increased sales by 24% over strategies that did not include the social-media platform (Boehmer & Lacy, 2014). The theoretical basis of these claims is that the highly engaged customers on the social platform play an important role in generating contents, co-creating customer experience and value, and referring products, services, and brands to other customers (Jaakkola & Alexander, 2014; Hajli, 2014). In this paper, engaged customers seem particularly important. Unlike brand community, customers of CSN may or may not be brand admirers (Martins and Patrício, 2013). That is, quite a part of people just simply follow a CSN, rather than connecting closely with the CSN. They may just use or browse the news and information posed by CSNs. Highly engaged customers intend to actively participate in sharing messages and recommending them to potentials. Therefore, most CSNs managers agree that highly engaged customers determine the sustainability of their CSNs (Zhou, Wu, Zhang, & Xu, 2013). Because of the importance of customer engagement with CSNs to the business activities and the increasing interest of academic world, this study answers the Marketing Science Institute (MSI, 2008) call that customer engagement is one of the priority research subjects in the present-day marketing field.

To our knowledge, academic researches on customer engagement mostly stay in definition of the concept and development of the scale (e.g. Brodie, Ilic, Juric, & Hollebeek, 2013; Hollebeek, 2013; Jaakkola & Alexander, 2014; Hollebeek, Glynn, & Brodie, 2014). Few studies empirically analyze that customer engagement, a new relationship marketing paradigm, is the core of good relationship maintenance with the CSNs. However, the problem is that these studies lack sufficient understanding on how customer engagement helps forming a good relationship between customer and CSNs. And this paper answers several calls for considerable interest in the potential to engage customers and customer communities in co-production or co-creation value to enhance business performance or customer well-beings. This kind of value can be viewed as benefits/values from both consumer and company contribution (Brodie et al., 2013; Hollebeek, 2013; Jaakkola & Alexander, 2014). Based on this view, regarding CSNs as our study object, this paper tries to build a model about the influence of customer engagement on customer value creation and stickiness of websites. Theories of customer engagement, value co-creation along with relationship marketing are adopted. Meanwhile we also intend to explore the influence mechanism of the different aspects of customer engagement on customer value co-creation and stickiness, as well as the mediating effect of customer value co-creation in the process. It is expected that this study can enrich previous research in customer engagement, customer value co-creation, and stickiness. At the same time, we hope to provide practical guidance for enterprises to encourage customer engagement, and enhance the stickiness of CSNs.

The paper begins with an overview of the previous studies on customer engagement, customer value creation, stickiness, and word of mouth (WOM) marketing. The subsequent section discusses the research framework and hypotheses. Research methods are described and results of analysis are presented. Finally, managerial implications, limitations of this study, and suggestions for further research are discussed.

2. Literature review

2.1. Customer engagement

Since its initial study in the working environment by Kaln (1900), the concept of engagement has attracted widespread attention from the academic world. As a result, many scholars have conducted related research in a variety of fields. Studies include work by sociologists on social engagement, psychologists on civil engagement, educationists on student engagement, and scholars of organizational behavior on employee engagement and occupational engagement (Ilic, 2008; Hollebeek, 2011). In recent years, some scholars in the marketing domain have showed interest in engagement and they have put forward the concept of customer engagement. Patterson, Yu, and De Ruyter (2006) claimed that customer engagement was the psychological, cognitive, and emotional levels shown by customers while interacting with a certain organization or brand. Bowden (2009) held the view that customer engagement is a mental process in which new customers develop loyalty and old customers maintain their loyalty to a certain brand. Van Doorn et al. (2010) insisted that customer engagement is a non-transactional behavior of customers when they, out of some motivation, show an interest in a certain enterprise or brand. This non-transactional behavior mainly involves putting forward suggestions, spreading WOM praises, recommending the enterprise or brand to others, helping other customers, writing blogs, and/or posting comments. Slightly different from the belief of Van Doorn et al. (2010), Gummerus, Liljander, Weman, & Pihlström, 2012 maintained that customer engagement involves non-transactional and transactional behaviors. In the related studies in sociology and management, Hollebeek (2011) considered customer-brand engagement as a psychological state generated by customers when they are interacting with a brand. Such a motivation-driven and brand related psychological state involves customers' cognitive, emotional, and behavioral aspects and changes along with the environment. Based on this study, the author has come up with a curve model that shows the changes of customer value with customer-brand engagement (Hollebeek, 2013). Reviewing the related literatures about customer engagement in the field of marketing, Brodie et al. (2011) presented five basic hypothetical propositions and a general definition of "customer engagement" of virtual brand community. They concluded that customer engagement was a psychological state generated by customers when they interacted and co-created customer experience with other stakeholders in a specific service relationship, and it was a dynamic and circular process in the service relationship of value co-creation. Brodie et al. (2013) presented a further study on the subject by adopting a netnographic method. They came up with the idea that customer engagement was a multidimensional concept including cognitive, emotional, and behavioral factors and customers may have different forms of engagement in different environments with different stakeholders.

It can be seen from above studies that although scholars in the marketing field have not reached an agreement with the definition of customer engagement, most of their interpretation of the term share the following elements: 1) The connection between customer and enterprise or brand includes customers' emotional, cognitive, and behavioral involvement and 2) their definitions are focused on customers' interaction and value co-creation with enterprises, brands, or other customers. On this account, based on the definitions provided by Brodie et al. (2011) and Hollebeek (2011), this paper considers that customer engagement consists of three dimensions—customers' cognition, emotion, and behavior. It is a psychological state of the customers as they are co-creating interactive experience with enterprises and other customers. The core