Customer Brand Engagement on Online Social Media Platforms: A Conceptual Model and Empirical Analysis

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Abstract

The aim of this paper is to contribute to the knowledge of a newly emerged concept of customer engagement with brands in the context of online social media platforms. Drawing on the overview of currently available academic literature and the results of a quantitative consumer study, the paper delivers a thorough investigation of the concept and proposes a conceptual model of customer brand engagement on online social media platforms. The study suggests that customer brand relationship related factors will influence the level of customer engagement, which in turn will affect the levels of behavioral loyalty and intention to recommend the brand. Hence, this paper is an important contribution to the academic marketing literature in the field of customer engagement, which also provides useful managerial insights for marketing practitioners.

Keywords: customer engagement, brands, social media, customer relationships, brand loyalty, word-of-mouth.

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1. Introduction

Social media is at the top of the agenda for many businesses today. According to the statistics, social networking is currently the most popular online activity among consumers worldwide accounting for approx. 1 in every 5 minutes spent online, and reaching 82% of the entire world’s online population, which represents an audience of nearly 1.2 billion internet users (comScore, 2011). Not surprisingly, the industry has followed the consumer and, according to SocialMediaExaminer (2012), almost 94% of all businesses with a marketing department have established their presence and continuously pursue engaging their customer base on at least one of the “Big Three” social media platforms: Facebook, Twitter and Google+. Without any clear definition, application or measurement, the concept of customer engagement has become commonplace among marketing practitioners with a prevailing belief that it will ultimately lead to increased customer loyalty (Nelson-Field & Taylor, 2012). Yet, as more and more resources are being invested in social media effort, the need for a better understanding of the concept becomes inevitable. The aim of this paper is therefore to fill a widening gap between marketing practitioners, who have been actively pioneering the quest for customer engagement, and academic research, which mostly remains conceptual to date. The study is focused on answering two important research questions: (1) what drives the customer to engage with brands on online social media platforms and (2) what are the outcomes of such engagement?

2. Hypothesis Development

While the notion of engagement is not new in other academic disciplines, it has only emerged in the field of marketing relatively recently. The concept has been addressed from different angles and a few underlying logic perspectives in relation to conceptual foundations have been identified, including the social exchange theory (Hollebeek, 2011a), service-dominant logic and relationship marketing domain (Brodie et al., 2011). Building on various engagement conceptualizations adapted from other academic disciplines marketing scholars developed several different views. Bowden (2009) suggested that it is a sequential psychological process that customers move through to become loyal towards a brand, whereas Higgins & Scholer (2009) defined it as a state of sustained attention, characterized by full absorption and involvement as well as being fully occupied or engrossed in something. Mollen & Wilson (2010) discussed engagement from the perspective of online consumer experience and defined it as “a cognitive and affective commitment to an active relationship with the brand as personified by (…) computer-mediated entities”. Hollebeek (2011b) defined the concept of customer brand engagement as the level of customer’s motivational state of mind in relation to the brand in a particular context characterized by the levels of behavioral, cognitive and emotional activity. Brodie et al. (2011) arrived at a general definition of customer engagement and suggested that it is a process of dynamic and iterative nature characterized by interactive experiences between a focal engagement subject (customer) and object (brand); it is a multidimensional concept comprising context-specific expressions of emotional, behavioural and cognitive engagement, and, it plays the central role in a broader nomological network of other relational constructs serving as the antecedents and the consequences of engagement.

Based on these findings from the literature review, a conceptual model of customer brand engagement in the context of online social media platforms was developed. The framework (see Figure 1) portrays the three-dimensional concept of customer engagement as the central element embedded in the network of potential antecedents and consequences. In principle, the
structure of the framework relates to a conceptual model developed by van Doorn et al. (2010), suggesting that the drivers and outcomes of customer engagement behaviors can be assigned to three major groups – customer-related, firm-related and context-related. However, the focus of this paper was set on the customer-based perspective specifically, since not only it represents the inevitable focus of the business, but the consequences of engagement to the customer are also suggested to have an inherent effect on the ultimate business performance (Kumar et al., 2010).

Even though the literature review suggests a lack of consensus regarding the specific antecedents and consequences of engagement, some common tendencies have been identified regarding the nature of the concepts. Brodie et al. (2011) and Hollebeek (2011b) both suggested involvement to be a required antecedent of customer engagement, whereas Bowden (2009) and van Doorn et al. (2010) also agreed that customer satisfaction, commitment and trust in relation to the brand represent the potential attitudinal antecedents. Since these four constructs can be considered as elements representing the quality of a customer-brand relationship, the following is proposed:

**H1a.** Customer-brand relationship quality has a positive impact on behavioral engagement  
**H1b.** Customer-brand relationship quality has a positive impact on cognitive engagement  
**H1c.** Customer-brand relationship quality has a positive impact on emotional engagement

The academic literature also highlights the importance of approaching the concept of engagement with consideration to its highly contextual nature, because “engagement, separated from its (...) context, is a contradiction that ignores deeply embedded understandings about the purpose and nature of engagement itself” (Vibert & Shields, 2003). Thus, apart from customer-brand relationship quality, it is also necessary to consider the potential effects of online social media platform related factors. It is likely that the level of engagement in this specific context will also be influenced by the level of a customer’s involvement and participation in the online social media platform as suggested by Brodie et al. (2011). Mollen and Wilson (2010) discussed the potential antecedents of online engagement and proposed the concept of telepresence, which is defined as the psychological state of being present in a computer-mediated environment. The concept of ease of use represents another potential context-specific antecedent and refers to the degree to which a customer perceives using online social media platforms to be free of effort (Davis, 1989). Therefore, an effect from online social media platform related factors on the level of customer engagement is also expected to emerge:

**H2a.** Online social media platform related factors have a positive impact on behavioral engagement  
**H2b.** Online social media platform related factors have a positive impact on cognitive engagement  
**H2c.** Online social media platform related factors have a positive impact on emotional engagement

With consideration to potential consequences of customer engagement Bowden (2009) addresses the concept as the superior predictor of customer loyalty as compared to other more traditional marketing constructs. Cheung et al. (2011) suggest that a customer willing to invest physical, cognitive and emotional effort into the engagement object will also have a higher propensity to spread word-of-mouth communication about it. A customer valuation framework introduced by Kumar et al. (2010) suggests that the value of customer engagement is comprised of four dimensions: customer purchasing behavior, customer referral behavior, customer influencer behavior, and finally, customer knowledge behavior via feedback provided to the firm. Since both customer loyalty and word-of-mouth have established grounds as potential engagement consequences in the literature, it is finally concluded:

**H3a.** Behavioral engagement has a positive impact on behavioral brand loyalty
H3b. Behavioral engagement has a positive impact on WOM
H4a. Cognitive engagement has a positive impact on behavioral brand loyalty
H4b. Cognitive engagement has a positive impact on WOM
H5a. Emotional engagement has a positive impact on behavioral brand loyalty
H5b. Emotional engagement has a positive impact on WOM

3. Methodology

In order to test the proposed hypotheses an online survey was conducted using a convenience sample of 112 Facebook account holders, who were also fans of at least one brand in the selected focus category - food & drink brands. The survey instrument contained 62 items measuring a total of 13 constructs. Since the constructs of involvement, satisfaction, commitment, trust, ease of use, word-of-mouth and behavioral brand loyalty are already established in the academic marketing literature, the choice of scales was based on previously published research. The measurement of telepresence was adapted from a scale meant to measure telepresence in the context of television by Kim & Biocca (1997), whereas participation in an online social media platform was approached as the frequency and the intensity of participation as suggested by van Doorn et al. (2010) and measured with three self-constructed items. The scales for emotional and cognitive engagement were adapted from the paper by Cheung et al. (2011). Finally, the scale for behavioral engagement included two items also adapted from Cheung et al. (2011) and seven self-constructed items referring to the span and frequency of interaction with the fan page as suggested by Nelson-Field & Taylor (2012). All items were measured on a seven point Likert scale anchored by 1="Strongly disagree", 7="Strongly agree" or 1="Never", 7="All the time" in case of questions related to the frequency.

With regards to the model specification, the inner model contained seven key constructs, reflected in hypotheses H1-H5. All three engagement dimensions and the two potential consequences were modeled as first-order reflective constructs. The two suggested types of customer brand engagement antecedents were modeled as second-order constructs, which were operationalized by four first-order dimensions each. Based on theoretical considerations and the types of indicators used, the second-order construct of customer brand relationship related antecedents (CBRR) was modeled in the reflective mode, whereas the formative mode was more adequate in the case of the second-order construct of online social media platform related antecedents (OSMPR).

Since the sample size was relatively small and some of the observations turned out to be skewed, partial least squares (PLS) was the more appropriate approach to structural equation modeling in this study (Henseler et al., 2009). Also, it is generally the preferred technique for causal modeling applications with no prior theoretical background as it is the case here. The data analysis was performed using a path modeling software application SmartPLS (Ringle, Wende, & Will, 2005).

4. Analysis and Results

Without exception, all latent variable composite reliabilities exceeded the commonly accepted threshold of 0.7 (Jarvis, MacKenzie, & Podsakoff, 2003) indicating a high level of internal consistency. All items loaded significantly on their respective constructs and most of them were above the more stringent threshold of 0.7 (Chin, 1998a). Four items measuring commitment (COMM6), behavioral engagement (BEH2), and involvement (INV4) in both
Facebook and the brand showed loading values below the accepted mark and have therefore been eliminated from further analysis. The requirements for the convergent validity of the constructs were also met as all AVE values exceeded 0.5 (Henseler et al., 2009). The discriminant validity was inspected by using the Fornell-Larcker criterion (Fornell & Larcker, 1981) and also deemed acceptable. Validation of the second-order construct CBRR followed the exact same assessment process (Chin, 1998a): composite reliability was equal to 0.95, the AVE exceeded 0.5 and the component loadings were in range of 0.85-0.93.

The criteria used for the formative second-order construct OSMPR were focused on validity. Each of the four OSMPR dimensions was estimated to have a significant weight on the construct and no harmful multicollinearity was detected after calculating the variance inflation factor (VIF) (Henseler et al., 2009).

When assessing the relationships between the latent exogenous and endogenous variables the $t$-values and significance of the structural coefficients were computed for each path by means of a bootstrapping procedure using 500 subsamples as recommended by Chin (1998b). Inspection of the paths revealed that not all the hypothesized relationships in the inner model turned out statistically significant. Online social media platform related antecedents have shown no significant direct effect on either of the three engagement dimensions. However, customer brand relationship related antecedents were found to have a strong effect on each of the three facets of engagement – behavioral (0.38), cognitive (0.35) and emotional (0.43). Yet, only two of the paths connecting the three engagement dimensions with their expected outcomes turned out significant. That is, a strong and positive relationship was found between behavioral engagement and behavioral brand loyalty (0.40), and between emotional engagement and word-of-mouth (0.38). The assessment of predictor effect size ($f^2$) showed that customer brand relationship related factors have a medium effect on behavioral and cognitive engagement, and a more prominent effect on emotional engagement (Cohen, 1988). On the other hand, the significant predictor effects on behavioral brand loyalty and word-of-mouth were found to be relatively weak.

Figure 1 also provides the $R^2$ values for endogenous latent variables. The values ranging from 0.09 to 0.22 would seem to suggest that the model is relatively weak in explaining the constructs (Chin, 1998b). However, given the early stage of research in the field of customer engagement, these results still provide some useful insight.
5. Discussion

The potential engagement consequences mentioned in the academic literature mostly suggest that it should lead to an improved customer brand relationship and, therefore, increased brand loyalty and intention to recommend the brand (Brodie et al., 2011). The results of this research provide empirical support for this claim and show that there is in fact a relationship between customer brand engagement on online social media platforms and the two selected outcomes – behavioral brand loyalty and word-of-mouth. In particular, behavioral engagement referring to the frequency and span of various forms of interactions with the brand on online social media will lead to the development of behavioral brand loyalty, whereas the level and valence of emotional engagement will influence a customer’s intention to recommend the brand.

Customer brand relationship related antecedents (commitment, involvement, satisfaction and trust) were all found to be valid predictors of overall customer brand engagement on online social media platforms. However, the findings also suggest that a larger portion of variance in the engagement levels will remain unexplained if measured by customer brand relationship related constructs only. Even though the suggested online social media platform related factors such as ease of use, involvement, telepresence and participation did not have a significant effect on customer brand engagement, the results of the study suggest the possibility of a wider array of factors involved in the formation of customer engagement concurring with the point of view by van Doorn et al. (2010). Thus, future research is necessary in order to identify other potential antecedents as well as consequences of customer brand engagement in this particular context.

The research findings also suggest a number of important managerial implications. First of all, the managers need to realize that a consumer who decides to interact with a brand through online social media platforms is driven by the quality of customer-brand relationships, which comes with certain goals and expectations. The task of the marketers is therefore to capture these expectations and respond accordingly. The results suggest that businesses should especially focus on engaging the customer emotionally and behaviorally, which means that the communication transmitted through online social media platforms should excel in emotional appeal and encourage various forms of interaction with the brand.

Overall, these findings prove the importance customer engagement in achieving the ultimate business objective – increased sales. Apart from increased propensity to repurchase the product, engaged customers are also important for successful viral marketing as they are more likely to influence other existing and prospect customers by providing referrals and recommendations (Kumar et al., 2010). Thus, word-of-mouth is an important aspect in acquiring new and retaining existing customers.

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