

The Effect of Social Media on Relationship Marketing Outcomes

Yongcheol, Hwang*

Abstract

Given that the majority of businesses are using social media as a marketing tool, this article investigates whether social media actually contributes to building and maintaining relationships with consumers. Specifically, social media is conceptualized as a part of relationship investment, and tested for its influence on satisfaction, loyalty and word of mouth behaviors through the mediator of relationship quality. Results indicate that social media followers perceive higher levels of relationship investment, report higher perceptions of relationship quality, and have higher levels of customer satisfaction, loyalty and positive word of mouth intentions with the organization than do non-followers. Taken together, these findings indicate that social media does seem to influence key relationship marketing variables that lead to more relational consumers.

Keywords: social media, relationship marketing, relationship quality, relationship investment

1. Introduction

Recent years have seen a decline in the effectiveness of traditional mass media marketing communications with consumers, who are bombarded with thousands of marketing messages every day and actively seek ways to avoid such messages (Phillips & Noble, 2007). The decline of mass media effectiveness is reflective of

* Marketing Professor, Jeju National University, ychwang@jejunu.ac.kr

a great underlying change in culture toward a more interactive dialogue. A dramatic shift in the way customers communicate with each other and with businesses has arisen. Social media is participatory online media (Gillin, 2009) and ".....the democratization of information, transforming people from content readers into publishers," (Solis, 2011, 21). Marketing communications are beginning to evolve from mass-media "sermons" to direct, two-way conversations with niche consumer audiences in social media outlets (Gillin, 2009). Over 90% of marketers are using social media as a marketing tool (Shaffer & Garrett, 2011) and 73% have plans to increase their use of popular social media sites such as Facebook, Twitter, and YouTube in the next year (Steltzner, 2011).

Marketers cite increased exposure for the business, increased traffic, improved search-engine rankings, decreased marketing costs, and increased sales as some of the chief benefits of social media marketing for the organization (Steltzner, 2011).

It is widely accepted that building and maintaining lasting customer relationships through relationship marketing tactics is not only one of the most definitive ways to build a sustainable competitive advantage in most industries (Barlow, 2000) but also represents a fundamental paradigm shift in the marketing literature (Sheth & Parvatiyar, 1995; Webster, 1992). The main premise of relationship marketing is that the parties involved in the relationship both exert effort to make the relationship mutually beneficial for both the firm and the consumer (Berry, 1983; Morgan & Hunt, 1994; Parvatiyar & Sheth, 2000). In order for maintenance and enhancement of relationships, a two-way communications approach is necessary where both entities are in regular contact with one another and the quality of these communications is high (Gronroos, 2000; Berry, 1995). The focus on building and improving high quality relationships can lead to a number of desirable marketing outcomes. However, criticisms of the relationship marketing literature revolve around the fact that the benefits of relationship marketing are often one-sided and in the organization's favor (Fournier, Dobscha, & Mick, 1998; Newell, 2003; Noble & Phillips, 2004). Organizations collecting copious amounts of consumer data have often abused the consumer's trust by violating their consumers' privacy, ambushing the consumer with offers and communications, offering few benefits of real value to the consumer (Noble & Phillips, 2004), and giving the consumer little input in the relationship (Newell, 2003).

However, social media stands to give consumers powerful and active voices in their relationships with organizations. At its core, social media stands to transform the way that businesses communicate with consumers, fulfilling the goal of relationship marketing in which both parties make investments in, and benefit from, the relationship. Social media gives consumers a voice that marketers cannot ignore. In fact, 85% of marketers cited one of the benefits of social media marketing was the ability to engage in dialogue with consumers (Mershon, 2012). However, in order for social media to fulfill its function as a tool to co-create value, companies must make efforts or investments in consumers in order to provide them with incentives to share information and engage in relational behaviors with the organization. Consumers must also provide inputs to the relationship in terms of not only passive permission for companies to track customer information, but also in terms of providing content and conversation for many social media strategies. It is important to understand how consumers view social media marketing efforts by an organization, and equally important to understand how social media interactions influence the relationship consumers have with organizations.

There is a paucity of research on how social media communication fits into the concept of building and maintaining relationships between consumers and organizations. The current research addresses this need by integrating social media into existing relationship marketing concepts. By bringing together research on social media marketing, relationship investment, relationship quality, and relational outcomes, this study will provide insight into how consumers view social media communications from marketers and how marketers can increase outcome variables such as customer satisfaction, loyalty and word of mouth by incorporating social media into their existing relationship marketing plans.

2. Conceptual Framework

The overall context for this study is relationship marketing with the primary purpose being to determine whether social media belongs in this framework. The ultimate goal of relationship marketing efforts for the organization is to create a consumer champion or advocate, who is loyal and also recommends the company and its products to others (Battacharya&Sen, 2003). Current thought

onrelationship marketing has evolved from a number of theories in the last century. It began with institutional economics theory in the 1950s, moved into exchange theory and dependence theory in the 1970s, to relational contracting theory in the 1980s, to social exchange theory, transaction cost economics, and commitment-trust theory in the 1990s, and finally to resource-based view of the firm, interfirm relationship marketing based on social exchange and network theories and micro-theory of interpersonal relationships in the 2000s and currently (Palmatier 2008). We first begin by examining how social media has been incorporated into the marketing literature.

2.1 Social Media in Marketing Literature

People are naturally prone to engage in relationships and social interactions with others of similar interests.

Advances in technology recently have allowed for the introduction and adoption of social media by consumers and marketers. This shift in communication falls in line with relevant marketing theory on interpersonal relationships. Consumers and marketers alike have embraced this marriage of communication and technology. Marketing academics are beginning to study the impact of social media on marketing communications. The research on social media available in the marketing literature is limited in quantity compared to other more established areas of marketing. There have been some studies that specifically consider social media in their content in recent years and the number is growing (Naylor, Lamberton, & West, 2012; Andzulis, Panagopoulos, & Rapp, 2012; Powers, Advincula, Austin, Graiko, & Snyder, 2012; Rodriguez, Peterson, & Krishnan, 2012; Kozinets, Valck, Wajnicky, & Wilner, 2010; Zeng, Huang, & Dou, 2009; Trusov, Bucklin, & Pauwels, 2009; Fisher, 2009). These studies have considered the impact of social media on word of mouth (Kozinets et al., 2010; Trusov et al., 2009), brand evaluations and purchase intentions (Naylor et al., 2012), sales performance (Andzulis et al., 2012; Rodriguez et al., 2012), communication (Powers et al., 2012), acceptance of advertising (Zeng et al., 2009), and return on investment for social media efforts (Fisher, 2009), among other things. A few studies have looked at social media as it relates to relationship marketing (Laroche, Hibibi & Richard, 2013; Trainor, 2012; Kim & Ko, 2010; Hennig-Thurau

et al., 2010). The Laroche et al. (2013) study specifically looks at social media in a branding context and finds that social media has positive effects on customer relationships which influence trust and brand loyalty. The Trainor (2012) article considers social media using a capabilities-based approach to relationship marketing and the Hennig-Thurau et al. (2010) article considers the effects of social media marketing on the lifetime value of the customer, retention rates and purchase intentions.

These studies lay a foundation for the study of social media in relationship marketing, but the current study will incorporate unique outcomes that have not been considered in the other studies. This study will add to the literature by finding an appropriate place for a newer concept, social media marketing, within an established area, relationship marketing and considering the effect on customer satisfaction, loyalty and word of mouth. This contribution will help to pave the way for future consumer marketing researchers to build on the framework constructed here and better understand how consumers are influenced by social media marketing efforts from the companies they patronize.

2.2 Relationship Investment

Relationship investment is the “seller’s investment of time, effort, spending, and resources focused on building a stronger relationship” (Palmatier, Dant, Grewal, & Evans, 2006, 138). It makes sense that consumers will recognize this investment and respond appropriately with engagement through social media channels.

Interpersonal relationship marketing theory supports the idea that people feel grateful when others have contributed to them and respond by rewarding extra efforts (Palmatier, 2008). Ninety-three percent of marketers are using some form of social media for marketing purposes, with 58% reporting that time and money budgeted for social media interaction will increase in the next year (Shaffer & Garnett, 2011). In 2010, \$3.4 billion was spent on social media marketing globally, in 2011 spending had increased to \$5.4 billion, and by the end of 2013 social media ad spending is projected to reach \$10 billion worldwide (Rao, 2011). Many of these social media strategies are being directed specifically toward relationship marketing tactics. For example, many mainstream marketers using

tools such as Facebook have spent resources developing applications that use consumer's data to track preferences, as well as their eligibility to participate in special offers or loyalty programs (Steel, 2011).

Location-based social networking applications such as Foursquare provides marketers and consumers with electronic loyalty programs that automatically offer consumers rewards for checking in a certain number of times.

It is clear that organizations are investing in social media marketing; however, given the aforementioned criticisms of relationship marketing and consumer's growing skepticism about how companies are using, or abusing, information gathered (Noble & Phillips, 2004), it becomes important to assess how consumer's perceive social media marketing investments by the company. In other words, do consumers find these efforts to be earnest attempts by marketers to start true conversations and to serve consumer needs, or do consumers view this as just another attempt to obtain information without returning anything of value to the consumer?

Specifically, the authors test whether individuals who follow and engage with organizations on social media have higher perceptions of relationship investment than non-followers. Given that social media communications from companies often offer added incentives, discounts, and rewards to followers, in addition to more one-on-one communication with employees of the organization, we hypothesize that social media followers will have higher perceptions of relationship investment.

Hypothesis 1: An organization's social media followers will have stronger positive perceptions of relationship investment than non-followers.

2.3 Relationship Quality

Relationship quality is a key mediator in the relationship marketing literature. It is based on the commitment-trust theory of relationship marketing (Morgan & Hunt, 1994) and incorporates research grounded in social exchange theory and organizational behavior (Palmatier, 2008). The most influential mediator in relationship marketing research is relationship quality (Palmatier et al., 2006, Jap, Manolis, & Weitz, 1999). Relationship quality is a composite measure of relationship strength commonly thought to be composed of relationship

satisfaction, trust and commitment (Hennig-Thurau, Gwinner, & Gremler, 2002; De Wulf et al., 2001). This mediator provides the most insight into exchange performance and outcome measures (Crosby, Evans, & Cowles, 1990; De Wulf et al., 2001). Social media tactics by organizations vary widely in terms of both approach and platforms utilized, but a recent article by Barwise and Meehan (2010) points out that the best strategies include a focus on building trust and communicating a clear and relevant promise, or benefit, to the consumer that should be continuously improved. Thus, done well, social media investments should improve trust, satisfaction and consumer commitment to an organization. Because relationship investment is an indication of the goodwill of the organization to pursue a relationship with a consumer in a meaningful way, relationship investment has been shown to be positively related to relationship quality in previous studies (Palmatier, Burke Jarvis, Bechkoff, & Kardes, 2009; De Wulf, Oderkerken-Schröder, & Iacobucci, 2001; Smith, 1998; Wray, Palmer, & Bejou, 1994). However, no study to date has examined the impact of a marketer's social media engagement on relationship quality. H2: An organization's social media followers will have stronger positive perceptions of relationship quality than non-followers.

2.4 The Effect of Social Media on Relationship Marketing Outcomes

2.4.1 Customer Satisfaction

Customer satisfaction has been widely studied as an outcome variable in the marketing literature. Increased customer satisfaction has been found to lead to loyalty (Hennig-Thurau, Gwinner, & Gremler, 2002; Oliver, 1999; Jones & Sasser, 1995) and positive word of mouth communication (Hennig-Thurau, Gwinner, & Gremler 2002).

By investing in the relationship through social media communications, marketers can address customer service issues and potentially raise their satisfaction to even higher levels. The literature supports the idea that improving relationships helps to improve customer satisfaction (Farrelly & Quester, 2005; Sanzo, Santos, Vázquez, & Álvarez, 2003). While some researchers and practitioners have suggested that

social media is an important tool in measuring consumer satisfaction (Hopper, 2010), there has been little research conducted on the impact of social media marketing tactics on customer satisfaction. Given that social media allows consumers to voice any issues with the organization in a public forum where issues can be resolved (as opposed to the exit option in Hirschman's (1970) exit-voice-loyalty framework), the opportunity to not only gauge satisfaction but also to recover from service failures through social media exists (i.e. the Service Recovery Paradox) (Krishna, Dangayach, & Jain, 2011). Additionally, social media allows consumers who participate to reap exclusive benefits such as special offers, discounts, entertainment, or personal interaction with the organization and other

consumers. Therefore, we hypothesize: Hypothesis 3: An organization's social media followers will have higher satisfaction than non-followers.

2.4.2 Loyalty

Loyalty is of particular interest to marketers because it is known that it costs less to retain customers than to compete for new ones (Rosenberg & Czepiel, 1984). "Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and repeat patronage" (Dick & Basu, 1994, 99). It is made up of affective, cognitive and behavioral components of which all three must be present in some form for true loyalty to exist (Oliver, 1999). Marketers realized many years ago that it does not make sense for all customers to be served in the same way. Rather, it makes sense to customize offerings to build relationships and loyalty (Sheth & Parvatiyar, 1995). Social media epitomizes the idea of customization and could, therefore, lead to greater customer loyalty. Social media is likely to represent an organization's current consumer base. For example, Shaffer and Garnett (2011) found that 51% of Facebook users that follow organizations are likely to buy from companies that they already "like" on Facebook, and 84% of an organization's Facebook fans are returning customers. Social media also offers consumers the opportunity to display attitudinal loyalty, sometimes called aspirational loyalty (Dick & Basu, 1994); whereby even consumers that may not be able to demonstrate loyalty behaviorally by purchasing an organization's products can still demonstrate an affinity or liking for a brand (as when a consumer who aspires to own a luxury

car can still connect with the brand on social networking sites, even if that consumer cannot yet afford that particular brand). Highly relational customers are naturally driven by loyalty (Garbarino & Johnson, 1999). Thus, we hypothesize: H4: An organization's social media followers will demonstrate higher loyalty than non-followers.

2.4.3 Word of Mouth

Several recent studies have documented how word of mouth (WOM) provides a "primary source of information for consumer buying decisions, whereas the influence of traditional marketing campaigns, such as mass media advertising, has diminished" (Kimmel, 2010, 94). The marketing literature has historically defined word of mouth as product-related conversations (Arndt, 1967). A more recent definition is the dissemination of information (e.g., opinions and recommendations) through communication among people (Chen, Wang, & Xie 2011). According to Chen et al. (2011, 240), "WOM volume plays an informative role by increasing the degree of consumer awareness and the number of informed consumers in the market (Liu, 2006)".

WOM is an increasingly important area for marketers since consumers generally trust personal sources more than non-personal sources such as advertising (Weber, 2007). Social talk generates billions of brand impressions each day (Keller & Kibai, 2009). It also has an effect on many consumer product categories (Moe & Trusov, 2011; Godes & Mayzlin, 2009; Iyengar, Van den Bulte, & Valente, 2009; Leskovec, Adamic, & Huberman, 2007). It is imperative in determining customer value (Zeithaml, 2000). Modern marketers know that word of mouth drives the social effect, which is engagement across social and interest graphs (Solis, 2011). Gillin (2009) cites the number one greatest fear for marketers upon entering social media is the fear that people will be negative towards the organization, resulting in a loss of control over the brand image of the company. Certainly, many organizations have learned unfortunate lessons when they failed to account for the power of public opinion in product or service failures. Clark (2010) suggests that 21% of consumers have utilized social media to spread negative word of mouth about a brand and to dissuade consumers from purchasing a brand. However, Gillin (2009) finds that bloggers are six times more likely to write positively about a brand; and one recent study finds that up to

87% of individuals indicated they had made a purchase based on a recommendation given in a blog, over 60% bought based on a recommendation on Facebook (Collins, 2012). Many organizations encourage social media followers to spread information or recruit new followers by offering rewards or contests for sharing or tagging photos and information to the consumer's own personal networks. Thus, we predict: Hypothesis 5: An organization's social media followers will have stronger intentions to spread positive word of mouth than non-followers.

3. Research Methodology

3.1. Context

The context of this study is the magazine industry. This industry serves as a valuable tool for understanding the role social media plays within the context of relationship marketing with a service provider, because readers of a magazine represent different levels of relationships with the magazine provider. Specifically, those that subscribe and/or read a particular magazine have voluntarily entered a relationship with the magazine by merely selecting the publication, and are bound in that relationship with the provider throughout the course of the subscription to the magazine. Those who buy individual issues of the magazine from the newsstand may also have a relationship with the magazine, but perhaps not as formal or strong as a subscriber. Thus, a large cross-section of relationships are represented when looking at the readership of a magazine and by comparing those that follow vs. do not follow the organization on social media sites, we can begin to gauge how much additional impact social media strategies have on an organization's relationships with consumers.

3.2. Sample and Data Collection

Readers, subscribers, and non-readers of a regional magazine from the Southeastern United States were solicited for their participation in an academic

study. Respondents were solicited through a variety of means including the magazine's subscriber list, the magazine's customer email list and also social media sites that were general in nature and applicable to a wide cross-section of people living in this geographical area. The magazine's readership market is centered in a small city with a larger surrounding population. Data collection yielded 144 usable surveys. The sample was 72.8 % female, with 46.4% of respondents falling within the 25-39 year age bracket. Most of the respondents (68%) indicated that they had been reading the publication under study for 1-3 years. However, the first edition was only published in December 2008. 35.1% of the sample followed the publication on social media outlets.

3.3. Measurement

The measures for relationship investment were adapted from Clark et al. (2011). Only the wording was adapted to fit a magazine context instead of a medical context. 5 items were included to measure relationship investment.

An additional question about the inclusion of social media as part of relationship investment was created for this survey. The 10 items for relationship quality were adapted from Garbarino and Johnson (1999). These included measures of relationship satisfaction, trust and commitment. The 4 items for customer satisfaction, 5 items for loyalty and 1 item for word-of-mouth were from Hennig-Thurau et al. (2002). All measures used a five-point

Likert scale with "strongly agree" and "strongly disagree" as endpoints. Confirmatory factor analysis (CFA) was used for measure validation (Bollen, 1989). Gerbing and Anderson's (1988) recommendations were used to assess the measurement model. Each item was restricted to load on it's a priori factor and the factors were allowed to correlate with each other.

The measurement model demonstrated an acceptable overall fit: $\chi^2 = 411.35$ (df = 179), CFI = .91, RMSEA = .09. The measurement model demonstrates convergent validity since the indicators load on the construct they were supposed to represent. Reliability was assessed by examining the construct reliability of the variables. As Table 1 indicates, all constructs are reliable since all construct reliabilities (CR) are above 0.70 (Fornell&Larcker, 1981). In addition, the average variance extracted (AVE), which measures the amount of variance captured by a

construct' scale in relation to variance associated with random measurement error, are all above 0.50, indicating reliability (Fornell&Larcker, 1981). Reliability estimates, average variance extracted (AVE) and construct reliabilities (CR) for each construct as well as factor loadings for each item are available in Table 1. Word of mouth was measured with one item: I often recommend this magazine to others.

Table 1. Items and measurement model results

Constructs Factor Loadings Relationship Investment (AVE=.75, CR=.95, α =.94)

RI1. A company' use of social media is an investment in the relationship they have with their customers.

RI2. This magazine invests adequate financial resources in building a relationship with readers.

RI3. This magazine invests adequate time in building a relationship with readers.

RI4. This magazine invests adequate effort in building a relationship with readers.

RI5. This magazine invests adequate human resources in building a relationship with readers.

RI6. Overall, this magazine invests adequate resources in building a relationship with readers.

Relationship Quality (AVE=.79, CR=.97, α =.92)

RQRelSat1. I am highly satisfied with my relationship with this magazine.

RQRelSat2. Compared to the ideal relationship with a magazine, I am satisfied with my relationship with this magazine.

RQRelSat3. The relationship I have with this magazine is valuable to me.

RQRelSat4. The quality of my relationship with this magazine is consistently high.

RQTrust1. This magazine performs with integrity.

RQTrust2. This magazine is reliable.

RQTrust3. This magazine has my best interests in mind.

RQComm1. I feel a sense of belonging to this magazine.

RQComm2. I care about the long-term success of this magazine.

RQComm3. I feel strongly motivated to continue my relationship with this magazine.

Customer Satisfaction (AVE=.86, CR=.96, α =.95)

CS1. My choice to read this magazine is a wise one.

CS2. I am always delighted with this magazine' service.

CS3. Overall, I am satisfied with this magazine.

CS4. I think I am doing the right thing by reading this magazine.

Loyalty (AVE=.66, CR=.87, α =.78)

Loy1. I have a very strong relationship with this magazine.

Loy2. I am very likely to switch to another magazine instead of this magazine in the near future.

Loy3. I feel emotionally attached to this magazine.

Loy4. I feel a strong sense of belonging to this magazine.

Loy5. I feel like part of this magazine' family.

4. Analysis of Hypotheses and Results

Regression analysis with SPSS was conducted to test the empirical relationships proposed in the hypotheses.

Hypothesis 1 predicted that social media followers, consumers that like or follow a businesses' social media page, would perceive higher levels of relationship investment than those who were non-followers. Results of an independent t-test indicate that in fact, relationship investment is higher for social media followers (3.97) than non-followers (3.40, $p < .001$). Thus, we find support for H1. Similarly, followers of social media reported higher perceptions of relationship quality (mean = 40.7) than non-followers (33.8, $p < .001$); supporting H2. Taken together, these findings indicate that social media does seem to influence key relationship marketing variables that lead to more relational consumers.

Hypothesis 3 predicted that customer satisfaction levels would be higher for followers of social media than non-followers. This hypothesis is supported, with customer satisfaction being higher for those that followed the organization on social media (mean=16.8) vs. non-followers (mean=13.9, $p < .001$). H4 finds that, in fact,

followers of social media have higher loyalty to the organization (mean=15.7) than non-followers (mean=13.7, $p < .001$). Finally H5 is supported with followers demonstrating higher positive word of mouth intentions (mean = 7.9) than non-followers (mean = 6.1, $p < .001$). Thus, not only do social media followers seem to feel that their relationship is stronger with the organization, they also are more likely to actively engage in behavior that is helpful towards the organization such as word of mouth and loyalty.

5. Discussion

Marketers are increasingly turning to social media as a way to communicate with consumers. Top tools used by marketers include Facebook (with 92% of marketers utilizing this tool), Twitter (84% of marketers), LinkedIn (71% of marketers), Blogs (68% of marketers) and Youtube (56% of marketers) (Stelzner, 2011). Spending on

social media is rising each year as are the number of employees and hours firms dedicate to connecting with consumers via social media (Rao, 2011). Gillin (2009) cited that many managers are concerned about a lack of return-on-investment for their social media initiatives; this research serves as an initial look into social media participation and relationship marketing outcomes. Taken together, this research seems to indicate that participation in social media strategies with an organization does lead to a more relational consumer. Followers seem to feel that organizations are making greater investment in their relationships with consumers than non-followers, and as a result also perceive higher quality relationships with organizations than non-followers.

Outcome variables such as satisfaction, word of mouth, and loyalty are all higher for followers of social media than non-followers. Future research might take a more in-depth look at specific social media strategies and the effect on various relational and organizational outcomes, in addition to exploring which social media sites, or platforms, are most well suited to various relational objectives, industries, and target markets.

6. Implications for Managers

The results of this study provide further evidence that marketers must continue to form high quality relationships with their customers in order to achieve desirable results such as customer satisfaction, loyalty and positive word of mouth. Social media communications are widely used as the preferred communication medium for many consumers, so it is intuitive that social media marketers should utilize this current form of communication to build or enhance relationships with their customers. Because of the positive perceptions of followers of social media in our study, it seems evident that organizations should

desire to have a high percentage of their consumer base as followers on social media. This indicates that organizations must first inform consumers of their participation in social media through all communications with the consumer. Consumers must first be aware that organizations participate in Facebook and Twitter, for example. Therefore signage as well as advertising should make finding the organization on social media effortless for the consumer. In order to attract followers on social media, organizations must provide attractive content and potentially incentives for joining/following social media sites. Many organizations require consumers to “like” or “follow” social media sites in order to take advantage of the exclusive content for fans of the brand, while others offer consumers a one-time incentive for following the brand on social media. This strategy can often serve as a valuable tool to initiate the social portion of the relationship with consumers, but organizations must also continue to pursue this social relationship through regular updates and benefits to the social media community. Many organizations approach social media with no clear-cut objectives in mind and thus work in short bursts of social media activity without any clear goal as to what value or image is communicated to the organization, one of the major causes of organizations with abandoned Facebook pages or blogs (Gillin, 2009). Loyal consumers following an organization on social media have indicated that they are open and desirous of content and information from an organization; the organization must not fail them in this respect or miss out on the opportunity to ask users to contribute their thoughts, opinions, compliments and concerns on a regular basis if social media is to be used as a relationship marketing tool.

7. Limitations

There are several limitations to the current research. First, the magazine chosen is regional in scope and located in a small-to-mid sized metropolitan area in the Southeast United States. The results could potentially vary depending on the scope and reach of the magazine chosen. Also, the sample was primarily composed of female participants and could therefore, have potentially different results if the sample were more gender neutral. This particular magazine is a fairly new publication (within the last five years), so the readers have a

relatively short relationship with the publication. It is possible that the results could differ if tested with a long established magazine that respondents had read for more than a few years.

8. Conclusions

The purpose of this research was to find whether social media has a place within the relationship marketing framework already established by marketing researchers in the literature. The authors determined that it best fit within the framework as part of the relationship investment construct. The results provide evidence that magazine readers do see social media as part of relationship investment. Additional insights from this research are that a company' investment in social media increases the customer' perception of relationship quality and leads to positive relational outcomes such as customer satisfaction, loyalty and word of mouth behavior. Building a high quality relationship with customers is beneficial for marketers. Marketers are also well aware of the importance of creating satisfied customers that are loyal and will tell others about their positive experiences.

Overall, the inclusion of social media communications within a company' relationship marketing efforts has many advantages for marketers.

References

- Anderson, J., & Gerbing, D. (1988). Structural Equation Modeling in Practice: A Review and Recommended Two-Step Approach. *Psychological Bulletin*, 103(3), 411-423. <http://dx.doi.org/10.1037/0033-2909.103.3.411>
- Andzulis, J., Panagopoulos, N., & Rapp, A. (2012). A Review of Social Media and Implications for the Sales Process. *Journal of Personal Selling & Sales Management*, 32(3), 305-316. <http://dx.doi.org/10.2753/PSS0885-3134320302>
- Arndt, J. (1967). Role of Product-Related Conversations in the Diffusion of a New Product. *Journal of Marketing Research*, 4(August), 291-295. <http://dx.doi.org/10.2307/3149462>
- Barlow, R. (2000). Frequency Marketing—hat' Next? *Direct Marketing*, 62(9), 2-4.
- Barwise, P., & Meehan, S. (2010). The One Thing You Must Get Right When Building a Brand. *Harvard Business Review*, 88(12), 80-84.
- Berry, L. (1983). Relationship Marketing. In L. Berry, G. Shostak & Gregory D. Upah (Eds.), *Emerging Perspectives On Services Marketing* (pp. 25-28). Chicago, IL: American Marketing Association.
- Berry, L. (1995). Relationship Marketing of Services: Growing Interest, Emerging Perspectives. *Journal of the Academy of Marketing Science*, 23(4), 236-45. <http://dx.doi.org/10.1177/009207039502300402>
- Bhattacharya, C., & Sen, S. (2003). Consumer-Company Identification: A Framework for Understanding Consumers' Relationships with Companies. *Journal of Marketing*, 67(April), 76-88. <http://dx.doi.org/10.1509/jmkg.67.2.76.18609>
- Bollen, K. (1989). *Structural Equations with Latent Variables*. Hoboken, New Jersey: John Wiley & Sons, Inc. Chen, Y., Wang, Q., & Xie, J. (2011). Online

Social Interactions: A Natural Experiment on Word of Mouth Versus Observational Learning. *Journal of Marketing Research*, 48(April), 238-254.

<http://dx.doi.org/10.1509/jmkr.48.2.238>

Clark, M., Vorhies, D., & Bentley, J. (2011). Relationship Quality in the Pharmaceutical Industry: An Empirical Analysis. *Journal of Medical Marketing*, 11(2), 144-155.

Clark, N. (2010). Marketing' Customer Satisfaction Survey. *Marketing*, Nov (3), 27-29.

Collins, J. (2012). Women in Social Media in 2012. Retrieved from <http://www.blogger.com/women-and-social-media-2012>

Crosby, L., Evans, K., & Cowles, D. (1990). Relationship Quality in Services Selling: An Interpersonal Influence Perspective. *Journal of Marketing*, 54(July), 68-81. <http://dx.doi.org/10.2307/1251817>

De Wulf, K., Oderkerken-Schröder, G., & Iacobucci, D. (2001). Investments in Consumer Relationships: A Cross-Country and Cross-Industry Exploration. *Journal of Marketing*, 65(October), 33-50. <http://dx.doi.org/10.1509/jmkg.65.4.33.18386>

Dick, A., & Basu, K. (1994). Customer Loyalty: Toward an Integrated Conceptual Framework. *Journal of the Academy of Marketing Science*, 22(2), 99-113. <http://dx.doi.org/10.1177/0092070394222001>

Farrelly, F. J., & Quester, P. G. (2005). Examining Important Relationship Quality Constructs of the Focal Sponsorship Exchange. *Industrial Marketing Management*, 34(3), 211-219. <http://dx.doi.org/10.1016/j.indmarman.2004.09.003>

Fisher, T. (2009). ROI in Social Media: A Look at the Arguments. *Database Marketing & Customer Strategy Management*, 16(3), 189-195. <http://dx.doi.org/10.1057/dbm.2009.16>

Fornell, C., & Larcker, C. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*,

18(February), 39-50. <http://dx.doi.org/10.2307/3151312>

Fournier, S., Dobscha, S., & Mick, D. (1998). Preventing the Premature Death of Relationship Marketing. *Harvard Business Review*, January-February, 42-51.

Garbarino, E., & Johnson, M. (1999). The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships. *Journal of Marketing*, 63(April), 70-87. <http://dx.doi.org/10.2307/1251946>

Gillin, P. (2009). *Secrets of Social Media Marketing: How to Use Online Conversations and Consumer Communities to Turbo-Charge Your Business*. Fresno, CA: Quill Driver Books.

Godes, D., & Mayzlin, D. (2009). Firm-Created Word-of-Mouth Communication: Evidence from a Field Test. *Marketing Science*, 28(4), 721-739. <http://dx.doi.org/10.1287/mksc.1080.0444>

Gronroos, C. (2000). Relationship Marketing: Strategic and Tactical Implications. *Management Decision*, 34(3), 5-14. <http://dx.doi.org/10.1108/00251749610113613>

Hennig-Thurau, T., Gwinner, K., & Gremler, D. (2002). Understanding Relationship Marketing Outcomes. *Journal of Service Research*, 4(3), 230-247. <http://dx.doi.org/10.1177/1094670502004003006>

Hennig-Thurau, T., Malthouse, E., Friege, C., Gensler, S., Lobschat, L., Rangaswamy, A., & Skiera, B. (2009). The Impact of New Media on Customer Relationships. *Journal of Service Research*, 13(3), 311-330. <http://dx.doi.org/10.1177/1094670510375460>

Hirshman, A. (1970). *Exit Voice, and Loyalty*. Cambridge, MA: Harvard University Press.

Hopper, J. (2010). Harnessing the Virtual Megaphone. *Marketing News*, 44(13), 24.

Iyengar, R., Van den Bulte, C., & Valente, T. (2011). Opinion Leadership and Social Contagion in New Product Diffusion. *Marketing Science*, 30(2), 195-212. <http://dx.doi.org/10.1287/mksc.1100.0566>

Jap, S., Manolis, C., & Weitz, B. (1999). Relationship Quality and Buyer-Seller Interactions in Channels of Distribution. *Journal of Business Research*, 46, 303-313. [http://dx.doi.org/10.1016/S0148-2963\(98\)00032-0](http://dx.doi.org/10.1016/S0148-2963(98)00032-0)

Jones, T., & Sasser, W. (1995). Why Satisfied Customers Defect. *Harvard Business Review*, 73(6), 88-91.

Keller, E., & Libai, B. (2009). *A Holistic Approach to the Measurement of WOM*. Paper presented at ESOMAR Worldwide Media Measurement Conference, May 4-6, in Stockholm.

Kim, A., & Ko, E. (2010). Impacts of Luxury Fashion Brand' Social Media Marketing on Customer Relationship and Purchase Intention. *Journal of Global Fashion Marketing*, 1(3), 164-171.
<http://dx.doi.org/10.1080/20932685.2010.10593068>

Kimmel, A. (2010). *Connecting with Consumers: Marketing for New Marketplace Realities*. New York, NY: Oxford University Press.

Kozinets, R., Valck, K., Wojnicki, A., & Wilner, S. (2010). Networked Narratives: Understanding Word-of-Mouth Marketing in Online Communities. *Journal of Marketing*, 74(March), 71-89. <http://dx.doi.org/10.1509/jmkg.74.2.71>

Krishna, A., Dangayach, G., & Jain, R. (2011). A Conceptual Framework for the Service Recovery Paradox. *The Marketing Review*, 11(1), 41-56.
<http://dx.doi.org/10.1362/146934711X565288>

Laroche, M., Habibi, M., & Richard, M. (2013). To Be or Not to Be in Social Media: How Brand Loyalty Is Affected by Social Media. *International Journal of Information Management*, 33(1), 76-82.
<http://dx.doi.org/10.1016/j.ijinfomgt.2012.07.003>

Leskovee, J., Adamic, L., & Huberman, B. (2007). The Dynamics of Viral Marketing. *ACM TWeb*, 1(1).

Liu, Y. (2006). Word of Mouth for Movies: Its Dynamics and Impact on Box

Office Revenue. *Journal of Marketing*, 70(August), 74-89.
<http://dx.doi.org/10.1509/jmkg.70.3.74>

Mershon, P. (2012). *5 Social Media Marketing Trends: New Research*. Social Media Examiner. Retrieved from
<http://www.socialmediaexaminer.com/5-social-media-marketing-trends-new-research-2/>

Moe, W., & Trusov, M. (2011). Measuring the Value of Social Dynamics in Online Product Forums. *Journal of Marketing Research*, 48(June), 444-456.
<http://dx.doi.org/10.1509/jmkr.48.3.444>

Morgan, R., & Hunt, S. (1994). The Commitment-Trust Theory of Relationship Marketing. *Journal of Marketing*, 58(July), 20-38.
<http://dx.doi.org/10.2307/1252308>

Naylor, R., Lamberton, C., & West, P. (2012). Beyond the "like" Button: The Impact of Mere Virtual Presence on Brand Evaluations and Purchase Intentions in Social Media Settings. *Journal of Marketing*, 76(November), 105-120.
<http://dx.doi.org/10.1509/jm.11.0105>

Newell, F. (2003). *Why CRM Doesn't Work: How to Win by Letting Customers Manage the Relationship*. Princeton, NJ: Bloomberg Press.

Noble, S., & Phillips, J. (2004). Relationship Hindrance: Why Would Consumers Not Want a Relationship with a Retailer? *Journal of Retailing*, 80(4), 289-303.
<http://dx.doi.org/10.1016/j.jretai.2004.10.005>

Oliver, R. (1999). Whence Customer Loyalty? *Journal of Marketing*, 63(4), 33-44.
<http://dx.doi.org/10.2307/1252099>

Palmatier, R. (2008). *Relationship Marketing*. Cambridge, MA: Marketing Science Institute.

Palmatier, R., Burke Jarvis, C., Bechkoff, J., & Kardes, F. (2009). The Role of Customer Gratitude in Relationship Marketing. *Journal of Marketing*, 73(5), 1-18.
<http://dx.doi.org/10.1509/jmkg.73.5.1>

- Palmatier, R., Dant, R., Grewal, D., & Evans, K. (2006). Factors Influencing the Effectiveness of Relationship Marketing: A Meta-Analysis. *Journal of Marketing*, 70(October), 136-153. <http://dx.doi.org/10.1509/jmkg.70.4.136>
- Parvatiyar, A., & Sheth, N. (2000). The Domain and Conceptual Foundations of Relationship Marketing. In AtulParvatiyar & JagdishSheth (Eds.), *Handbook of Relationship Marketing* (pp. 3-38). Thousand Oaks, CA: Sage Publications.
- Pfeiffer, M., & Zinnbauer, M. (2010). Can Old Media Enhance New Media? How Traditional Advertising Pays Off for an Online Social Network. *Journal of Advertising Research*, March, 42-49. <http://dx.doi.org/10.2501/S0021849910091166>
- Phillips, J., & Noble, S. (2007). Simply Captivating. *Journal of Advertising*, 36(1), 81-94. <http://dx.doi.org/10.2753/JOA0091-3367360106>
- Powers, T., Advincula, D., Austin, M., Graiko, S., & Snyder, J. (2012). Digital and Social Media in the Purchase Decision Process. *Journal of Advertising Research*, December, 479-489.
- Rao, L. (2011). *Global Ad Revenues from Social Networks to Reach \$5.4B in 2011; \$10B in 2013*. TechCrunch. Retrieved from <http://techcrunch.com/2011/10/05/global-ad-revenues-from-social-networks-to-reach-5-4b-in-2011-10b-in-2013/>
- Roberts, K., Varki, S., & Brodie, R. (2003). Measuring the Quality of Relationships in Consumer Services: An Empirical Study. *European Journal of Marketing*, 37(1/2), 169-196. <http://dx.doi.org/10.1108/03090560310454037>
- Rodriguez, M., Peterson, R., & Krishnan, V. (2012). Social Media' Influence on Business-to-Business Sales Performance. *Journal of Personal Selling & Sales Management*, 32(3), 365-378. <http://dx.doi.org/10.2753/PSS0885-3134320306>
- Rosenberg, L., & Czepiel, J. (1984). A Marketing Approach to Customer Retention. *Journal of Consumer Marketing*, 1(2), 45-51. <http://dx.doi.org/10.1108/eb008094>

Sanzo, M., Santos, M., Vázquez, R., & Álvarez, L. (2003). The Effect of Market Orientation on Buyer-seller Relationship Satisfaction. *Industrial Marketing Management*, 32(4), 327. [http://dx.doi.org/10.1016/S0019-8501\(01\)00200-0](http://dx.doi.org/10.1016/S0019-8501(01)00200-0)

Shaffer, J., & Garnett, M. (2011). Monetizing Social Media. *Printing Impressions*, 54(1), 22.

Sheth, J., & Parvatiyar, A. (1995). Relationship Marketing in Consumer Markets: Antecedents and Consequences. *Journal of the Academy of Marketing Science*, 23(4), 255-71. <http://dx.doi.org/10.1177/009207039502300405>

Smith, B. (1998). Buyer-Seller Relationships: Bonds, Relationship Management, and Sex-Type. *Canadian Journal of Administrative Sciences*, 15(1), 76-92. <http://dx.doi.org/10.1111/j.1936-4490.1998.tb00153.x>

Smith, T. (2009). The Social Media Revolution. *International Journal of Marketing Research*, 51(4), 559-561. <http://dx.doi.org/10.2501/S1470785309200773>

Solis, B. (2011). *Engage! Revised and Updated*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Steel, E. (2011). Media: Facebook' Brand of Loyalty -Companies Hope to Learn More About Fans by Offering Applications on Site. *Wall Street Journal*. Retrieved from <https://ezproxy.una.edu/login?url=http://search.proquest.com/docview/895845376?accountid=14668>

Stelzner, M. (2011). *The 2011 Social Media Marketing Industry Report*. Social Media Examiner. Retrieved from <http://www.socialmediaexaminer.com/SocialMediaMarketingReport2011.pdf>.

Trainor, K. (2012). Relating Social Media Technologies to Performance: A Capabilities-Based Perspective. *Journal of Personal Selling & Sales Management*, 32(3), 317-331. <http://dx.doi.org/10.2753/PSS0885-3134320303>

Trusov, M., Bucklin, R., & Pauwels, K. (2009). Effects of Word-of-Mouth Versus Traditional Marketing: Findings from an Internet Social Networking Site. *Journal*

of Marketing, 73(September), 90-102. <http://dx.doi.org/10.1509/jmkg.73.5.90>

Weber, L. (2007). *Marketing to the Social Web: How Digital Customer Communities Build Your Business*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Webster, F. (1992). The Changing Role of Marketing in the Organization. *Journal of Marketing*, 56(4), 1-17. <http://dx.doi.org/10.2307/1251983>

Wray, B., Palmer, A., & Bejou, D. (1994). Using Neural Network Analysis to Evaluate Buyer-Seller Relationships. *European Journal of Marketing*, 28(10), 32-48. <http://dx.doi.org/10.1108/03090569410075777>

Zeithaml, V. (2000). Service Quality: Profitability and the Economic Worth of Customers: What We Know and What We Need to Learn. *Journal of the Academy of Marketing Science*, 28(1), 67-85. <http://dx.doi.org/10.1177/0092070300281007>

Zeng, F., Huang, L., & Dou, W. (2009). Social Factors in User Perceptions and Responses to Advertising in Online Social Networking Communities. *Journal of Interactive Advertising*, 10(1), 1-13.