Chapter 18

Factors Promoting Social CRM: A Conceptual Model of the Impact of Personality and Social Media Characteristics

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ABSTRACT

The principal focus of this paper is the development of a conceptual model that incorporates personality variables and service provider-related social media characteristics to propose their impact on consumers’ perceptions of the usefulness of social CRM and user satisfaction with a service provider’s social CRM efforts, as well as the impact of these perceptions on subsequent intentions and behaviors such as intention to continue social engagement, social engagement with the brand, and electronic word-of-mouth generation. The model proposes positive and significant relationships among the personality variables and perceptions of usefulness and user satisfaction with a service provider’s social CRM efforts. In addition, social media platform characteristics also have positive and significant on these variables, which in turn positively and significantly impact consumer social engagement and e-WOM generation. The conceptual model needs validation. Survey data can be obtained and SEM can be used to assess the proposed links in the model.

INTRODUCTION

As more and more consumers take to social media platforms such as Facebook, Twitter, Instagram, and Pinterest, several companies have expanded their efforts to engage customers on these platforms and incorporate the activities of social media users as part of their strategy. For example, Heine (2013) revealed that retailers are using more and more photos of regular people endorsing brands on social media platforms such as Instagram, Facebook, Twitter and Pinterest in their marketing communications, rather than using models. Turner and Rupp (2015) described how Chili’s, an American casual dining chain, has been changing its menu and the presentation of its food to make them more Instagram-friendly. This is because the chain is aware that customers like to take pictures of their food and share them on social media.

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Many of these efforts by service providers are predicated on the fact that brands recognize that social engagement with consumers can have a positive impact on a brand’s bottom line (Qu et al, 2013). Prior research has also shown that, based on a contagion effect, suppliers’ and retailers’ use of social media has a direct positive effect on consumers’ use of social media (Rapp et al., 2013). Consequently, the use of social media in customer engagement has become a ubiquitous feature of marketing life for several service providers; many are attaching increased importance to customer engagement through social media. As a result, these service providers need to understand the factors that are likely to hinder or facilitate increased customer engagement through social media.

The conceptual model proposed in this paper provides the basis for exploration of some of the factors that impact consumer response to service providers’ social customer relationship marketing efforts. The testing of the model can be done through structural equations modeling, and results will provide guidance on how certain personality variables and characteristics of social media platforms influence consumer perceptions of a service provider. The results will also shed light on the extent to which these perceptions impact subsequent intentions and behaviors. The aim is to help service providers gain a better understanding of how personality factors work in tandem with the characteristics of company’s social media platforms to influence consumer engagement. Information can be used for more effective targeting of consumers, development of content for social media platforms, and general honing of social media strategies. In addition, given the outcome variables proposed in the model, information can be gathered to be used in measuring consumer investment and by extension return on social media investment in the manner proposed by Hoffman and Fodor (2010).

The model treats the social media platforms holistically, since service providers typically use a group of social media platforms, rather than just one, as part of their social customer relationship marketing (CRM) strategy. For example, a cursory examination by the author of the usage of social media platforms by 25 leading US insurance companies showed that each company used more than one social media platform. Therefore, it is important to view social CRM as being based not just on the use of individual platforms but on the holistic use of various platforms to engage consumers. In what follows, the conceptual model depicted in Figure 1 is outlined and various propositions are generated. These propositions can form the basis for the subsequent testing of the model. The managerial and research implications of validation of the model are discussed, as are limitations of the proposed model and avenues for future research.

BACKGROUND AND PROPOSITIONS

Social CRM focuses on the incorporation of social media technologies and platforms into current CRM activities, processes, and technologies in an effort to improve customer interactivities. The aim is to enhance customer experiences and relationships through the use of social media platforms (Harrigan & Miles, 2014; Trainor et al., 2014). Greenberg (http://thecustomerblog.co.uk/tag/) defines it as “a philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment.” In general, traditional CRM has focused on companies controlling the level of relationship with its customers, at times failing to achieve engagement and interaction with them (Trainor, 2012). In social CRM, customers are encouraged to interact with a service provider and to co-create value, experience, and relationships
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