Social Media Marketing Activities and Its Impact on Customer Retention and Consumer Attitude (A Study of UK Large Clothing Retailers)

By

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University of Wales Trinity Saint David

2018

DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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This thesis is the result of my own investigations, except where otherwise stated. Where correction services have been used the extent and nature of the correction is clearly marked in a footnote(s). Other sources are acknowledged by footnotes giving explicit references. A bibliography is appended.

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DEDICATION

This thesis is dedicated to my parent and siblings

for believing so much in my ability

and for their endless love and support.

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I am grateful to God for His love and mercy towards me and for giving me the strength to carry on despite all the challenges that I faced throughout the research program, without Him, my research would not have been possible.

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ABSTRACT

Social media marketing activities has become vital for organisations in an online environment. Although the role of social media marketing activities has been examined in an online marketing environment, their existence and significance in predicting customer retention has not been fully explored. This research examines the impact of social media marketing on customer retention and particularly focuses on the activities UK clothing companies' uses and their impact on customer retention and consumer attitude.

This study aims to contribute to an improved understanding of the nature, dimension of social media marketing activities in the UK retail clothing industry. This thesis embraces the major social media marketing activities of clothing retailers namely; Entertainment, interaction, trendiness, customization and word of mouth. It also investigates if there's an existence of relationship between social media marketing activities and customer retention as well as the relationship between customer retention and consumer attitude. Ranaweera and Prabhu's (2003) holistic theory is the major theory used in this research.; two factors (Customer satisfaction and customer trust) were identified in this study because of time limitation that determines customer retention and the rest of the factors has been recommended for further research.

The data were collected through online questionnaires from University of Wales Trinity students. Over-all, the strategy for evaluating the psychometric properties of the measurement is split into two parts: measurement model calibration and measurement model validation which involve Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA). All intended hypotheses are tested using Structural Equation Modelling (SEM).

The finding confirms the importance of social media marketing activities in predicting customer retention with respect to UK clothing retailers. The result of the analysis proves that there's a positive and direct relationship between perceived online social media marketing activities and customer retention as well as consumer attitude.

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LIST OF ACRONYMS

AGFI	-Adjusted Goodness-of-Fit
AMOS	-Analysis of Moment Structure (an SEM software)
ANOVA	-Analysis of Variance
AVE	-Average Variance Extracted
B2C	Business to Consumer
Bricks-and-click	-"A business combining online and offline presence"
CFA	-Confirmatory Factor Analysis
CFI	-Comparative Fit Index
eWOM	-eWOM
CRM	-Customer Relationship Management
Df	-Degree of Freedom
EFA	-Exploratory Factor Analysis
GFI	-Goodness-of-Fit
KMO	- Kaiser-Meyer-Olkin Measure of Sampling Adequacy
NFI	- Bentler-Bonett Index or Normed-Fit Index
NNFI	- Non-Normed Fit Index or Tucker-Lewis Index
PCA	- Principal Component Analysis
Pure-play internet retailer	- A retailer with principally an online presence
RMSEA	- Root Mean Square Error of Approximation
SEM	- Structural Equation Modelling / Structural Equation Model
SPSS	- Statistical Package for Social Science
SRMR	- Standardized Root Mean Square Residual
$\chi 2$	- Chi-Square Goodness-of-Fit Test
$\chi 2/df$	- Chi-Square to Degree of Freedom Ratio
$\Delta\chi 2$	- Change in Chi-Square value
ΔCFI	- Change in Comparative Fit Index value

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The past two decades have experienced a shift in terms of communication. The practice of business-to-consumer (B2C) e-commerce by a huge number of retailers has transformed many aspects of interactions between customers and organisations (Fuentes-Blasco *et al*, 2010). This retail format has proven to be a vital channel of choice for the United Kingdom (UK) customers. For example, in 2015, Retail research report indicates 16.2% growth in 2015 in the UK retail sector, £52.25 billion online sales in 2015 (The Pure London, 2016). This trends in online sales make known the enormous potential in electronic commerce as an option to traditional offline brick-and-mortar retail channel (Tsai *et al,* 2006). Nevertheless, strategies to both gain and retain customers are not particularly straightforward, especially for retailers that have an online presence. The cost of acquiring new customers can be five times higher than maintaining existing ones (Bauer *et al*, 2002). Additionally, maintaining existing customers is less expensive than maintaining newly acquired ones (Harris and Goode, 2004; Reichheld, Markey and Hopton, 2000; Reichheld and Schefter, 2000; Tsai *et al*, 2006). Consequently, customer retention has resulted in *"an economic necessity"* for retailers operating in an online environment (Balabanis *et al,* 2006). Retailers continually seek out various drivers of customer retention because of online competition. Retailers must focus on identifying, understanding and retaining their customers in facing high competition and high consumer expectations (Anderson and Srinivasan, 2003; Reichheld and Schefter, 2000).

This period is a very distinctive period for marketing professionals because of the electronification of traditional marketing. This communication between organisation and consumer is made possible because of the Internet and technology. The emergence of internet and electronic commerce has provided opportunities for organisations to expand their customer base, release new products into the market and streamline their business. The impact of internet revolution is just beginning to be felt and it is not information nor, artificial intelligence or the effect of computer and data processing on decision making that brought about this revolutionary impact, it is something that no one foresaw or anticipated that brought about this change and its E-Commerce- that is, the major

worldwide distribution of goods and services. This emergence which is e-commerce is changing markets, industries even products and services and their flow, it helps consumer segmentation, consumer attitude, behaviour, values and job market, it's impact might be greater on politics and societies and ourselves in the world that we live in. (Drucker, 2002). The internet plays a very vital role in retention of customers globally, the emergence, explosion and ever presence of the internet have not only transformed companies and businesses but have also changed the relationship between businesses and customers (Burris, Ulmer, and Touchstone, 2014). The continuous development of technology has enabled to move organizations and customer relationships to an interactive level, social media marketing make use of existing social media and available networks by encouraging their customer to share their product information with their friends (Leskovec, Adamic, & Huberman, 2007).

Customer satisfaction is extensively considered at the leading and the most important predicting factor of customer retention or repurchase intention and behavioural intention to purchase in both offline and online environments (Emanuelsson and Uhlén, 2007). Still, it is fascinating to know that even though customer satisfaction has been commonly assumed to be requirement to customer retention; there's no guarantee that customers will be retained. Studies have suggested more customer retention factors other than customer satisfaction. Customer satisfaction is not enough to retain customers, because satisfied customer still seems to find fault (Richard, 1996). This is more correct in an online market environment, where the *"competing offer is just a few clicks away"* (Shankar *et al*, 2003). An additional factor contributing to the complication of online customer retention is the *"non-personal"* and *"transaction based"* kind of relationships (Bansal *et al*, 2004). Meanwhile, in the offline context, there's better capacity for the developing of relationships. Consequently, a greater understanding of factors influencing customer retention in the online environment is required.

The factors persuading customers to return to a retailer website to some extent remains unclear. One of the factors indicated by Ranaweera and Prabhu (2003) as a strategy to building customer retention is to improve customer satisfaction so that customer will love to stay with the organisation. As discussed previously, although customer satisfaction is considered as a vital determinant, it's impact on customer retention can be unpredictable. Perceived customer retention by an organisation can be because of experience of satisfaction or may be connected to lack of a worthwhile

alternative organisation to which to switch. Awareness of alternative attractiveness is important as a function of customer retention in the online market, where competition is intense. Additionally, the open structure of the online market place brings about a level playing field for organisations (regardless of their size).

The theoretical back ground for reviewing the role of customer retention and the underlying interrelationship between the concepts can be found in the holistic approach (Ranaweera and Prabhu, 2003). There are two major types off retailer: pure-play online retailers and retailers with online and offline presence (bricks and click). Albeit increasing importance in research and publications has been placed on issues involving online customer retention in current yeas (e.g., Anderson and Srinivasan, 2003; Harris and Goode, 2004; Srinivasan, Anderson, and Ponnavolu, 2002; Ribbink *et al*, 2004; Shankar *et al*, 2003; Semeijn *et al*, 2005), the majority of these studies have not empirically distinguished between issues that have an effect on pure-play internet firms and bricks-and-click firms. This study focuses on both pure-play retailers as well as bricks and click.

This research explored an important aspect of online shopping which is consumer attitude towards online social media marketing which focuses on two aspects; attitude towards social media use and attitude towards social media advertisement. In this study, online customer retention is measured via two constructs; customer satisfaction and customer trust where customer satisfaction is conceptualized as an affective state with positive feelings Cronin *et al*, (2000) because of a total experience with their product/service provider whereas customer trust is the assurance in the integrity and reliability of another party.

The chosen research context i.e. customers of both pure-play and bricks and click retailers, is considered to constitute a unique and stimulating setting to achieve a clearer understanding of the role of social media marketing in the online clothing retailing environment. It is also believed that examination of consumer attitude in the context of both the pure play environment and bricks and clicks is important from both practical and academic perspectives.

In concurrently testing the relationship of customer satisfaction, customer trust, social media marketing and consumer attitude to customer retention, the following related research questions are also addressed: 1) Which of these factors is the most influential in building customer retention for both pure-play and bricks and clicks clothing retailer? 2) To what extent social media marketing activities impact customer retention in the UK

large clothing retailers' environment? 2) How does the effect of these factors changes across two variables used to measure customer retention; namely, customer satisfaction and customer trust? 3) Is there a relationship between social media marketing activities and consumer attitude? 4) What constitutes perceived online social media marketing activities in the minds of customers. To address these questions, the following specific objectives is developed:

- To identify and explore the role of marketing communication (social media marketing) in the UK retail clothing sector (focusing on UK large retailers).
- To identify social media marketing activities used by large clothing retailers and to what extent these activities impact customer retention.
- To identify if there's a relationship between social media marketing activities and consumer attitude towards social media marketing.
- To explore the relationship between customer retention and consumer attitude towards social media marketing.

This research is set to explore both pure-play and brick and click as earlier mentioned in this chapter. A total number of twenty six UK large fashion retailers has been proposed to be used in this research namely: Topshop, Very, House of Fraser, Marks and Spencer, Dorothy Perkins, Miss Guided, Select Fashion, BHS, Adidas, Zara, Primark, Monsoon, Matalan, Boohoo, F&F, Oasis, Mango, Banana Republic, Next, New Look, Asos, River Island, Blue Inc, Forever 21, Peacocks, Nike. These fashion retailers are leading and have a stroong online and social media presence. Details of the fashion retailer are discussed in chapter 6. As a result, the anticipated research contributions of this study are divided from three areas: managerial, conceptual, methodological and empirical contributions.

1.1 Managerial Contributions

Understanding the nature and the impact of online social media marketing activities on customer retention and consumer attitude is of substantial relevance for managers in the B2C retail industry in general and specially in the clothing retail industry and vital to pure-play clothing retailers as well. The results provide understandings to managers of clothing retailers both pure-play and bricks and click as to how to retain customers in the competitive online marketing place especially in the retail clothing industry. For instance, numerous discrete dimensions of online social media marketing activities dimension may

be uncovered in this study. Managers may consider strategically develop these online activities to enhance retention. This study also identifies the importance of customer trust and satisfaction as a factor influencing customer retention and suggests how managers of retailers that has online presence might increase trust in the mind of their customers as well as keeping them satisfied and understanding how these activities affect their attitude towards social media usage. Another contribution to management is the importance of consumer attitude in the online market place. This research operationalised customer retention in the online marketplace from two vital standpoints customer satisfaction and customer trust. Recommended in this study are a small number of actions that managers might consider using to tackle the challenges of satisfying customers and earning customers' trust to build customers that repeat purchases.

1.2 Conceptual and Empirical

The main goal of this research is to examine the role of online social media marketing, namely; entertainment, customization, trendiness, eWOM and interaction (Kim and Ko, 2012; Godey, 2016) in fostering customer retention and consumer attitude in the UK retail clothing sector for both pure-play and bricks and click. To achieve this, holistic approach model is applied to measure customer retention. The past studies have examined the impact of social media marketing on consumer equity, relationship, purchase intention and consumer behaviour (Kim and Ko, 2012; Godey, 2016) but no study so far have examined the impact of social media marketing on customer retention in the UK retail clothing sector. This research contributes to the enhanced understanding of online social media marketing activities especially in the UK clothing retail sector, the classification social media marketing activities and their psychometric properties.

Despite the extent of research conducted with respect to social media marketing activities, both in online market and generally, no study was found that examines customer satisfaction, customer trust and consumer attitude in retention. While satisfaction and trust has been examined by (Ranaweera and Prabhu, 2003; Danish *et al*, 2015; Fornell, 1992; Patterson *et al*, 1997) as being a critical factor in influencing customer retention, this has only been inadequately researched in relation to online context. Building on the previous research, this study explores customer retention in terms of its dimension of and effects on online customers.

Next, the proposed research framework consists of several relationships that has not been tested earlier: 1) the indirect (mediating) effects of online perceived social media

marketing activities on customer retention through consumer attitude; 2) the indirect effect (mediating) effect of online perceived social media marketing activities on consumer attitude through customer retention; 3) the direct effect of consumer attitude on customer retention; 4) the direct effect of online social media marketing activities on customer retention; 5) the direct effect of online social media marketing activities on consumer attitude. At the theory testing level, this research tests the social media activities that has been examined in the past (Kim and Ko, 2012; Godey, 2016).

1.3 Methodological

Considering the literature review, this research may be regarded as the first to examine the phenomenon of online perceived social media marketing activities in the context of UK clothing retailers. The evaluation of literature in this area brings to light the scarcity of research specifically investigating the online perceived social media marketing activities in the UK especially in the retail clothing industry and on customer retention. Most preceding studies on perceived social media marketing have been conducted using brands in general and samples from outside the UK. Therefore, it is apparent that no study has specifically explore the role of online perceived social media marketing activities in the clothing retailing sector fostering customer retention. In this respect, this study is also of value for its contribution to the improved understanding of the trend in online social media marketing in the UK clothing retail market as well as understanding this market in general.

The study is organized into 11 chapters. Chapter 1 introduced the thesis, the chapter cuts across the general introduction and the summary of each chapter of the thesis from chapter one to the conclusion chapter. Chapter 2 presents the literature review of the main variables to be explored and included in the research framework. This comprises discussion of the fundamental theory suitable to the development of the conceptual model; namely, holistic approach followed by discussion of several phases of customer satisfaction and customer trust and consumer attitude. The chapter also includes the evaluation of ‘social media marketing activities’ as the underlying concept in the research and viral marketing as an important part of social media marketing, subsequent is the discussion of the perceived social media marketing activities namely; entertainment, customization, trendiness, interaction and electronic word-of-mouth (eWOM). Following that, discussion focuses on these perceived social media marketing activities as well as their impact on customer retention. This is followed by the discussion of consumer attitude towards social media marketing and its implication in an online environment.

Chapter 2 critically review the underlying literatures of social media marketing activities and customer retention where customer satisfaction is identified as a key factor that retains customer, customer satisfaction is regarded as a vital factor of customer retention. Nevertheless, as discussed earlier, the relationship between customer satisfaction and customer retention is unreliable. Against such a background, the general aim of this research is to increase the understanding of other factors involved in building online customer retention; namely, customer trust.

Chapter 3 consist of conceptual frame work that is developed from the gaps identified in Chapter 2 and hypotheses is set to answer the research aims and objectives. Chapter four discusses the methodology and the UK was the choice for the data collection for this study. The data were collected online from University of Wales Trinity Saint David student that has bought clothing's online withinin the past 12 months.

The data for this research were collected at the individual consumer level via online survey. The survey comprised of self-administered questionnaire, operationalizing the previously-mentioned constructs, which were adapted and modified based on the existing literature. These constructs and their measurement scales were modified and reviewed to suit the online context of this study with the help of experts and pilot testing. The sample was provided by University of Wales Trinity Saint David database. The respondents were asked to choose a clothing retailer they often make online purchases and they were asked to answer the rest of the questions in the questionnaire regarding their chosen clothing retailer. Measurement model was used and under the principle of structural equation modelling through exploratory factor analysis (CFA) on Statistical Package for Social Science (SPSS) and confirmatory analysis on Alpha Micro Operating System (AMOS). Regarding indirect effect, AMOS was used to check direct and indirect effect among constructs and bootstrapping was utilized to examine mediation effects.

Adding to the summary of the scope of the research, the research aims and objectives and methodology, the conceptual framework chapter and methodology chapter is the background chapter; chapter 5 presents the background of the research which discusses globalization, global fashion world, UK population and fashion industry. This is followed by chapter 6 which discusses in greater depth the role of social media marketing activities in the UK clothing retailers through secondary research. Next is chapter 7, which discusses in greater depth the measurement purification and refinement procedure of that data sample through exploratory and confirmatory factor analysis. Chapter 8 presents the

results of the structural equation modelling procedure used to test the intended hypotheses. Following this is chapter 9 which provides a detailed explanation of the research findings in relative to the research objectives. Chapter 10 provides a discussion of the theoretical and managerial connotation of the findings from the hypotheses that was set and chapter 11 concludes the research by providing recommendation. This chapter also addresses the limitations of the research and offers suggestion for future possible research.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter addresses the underpinning literatures and key debates in relation to the research topic. It is divided into seven parts; the first part includes the foundation theory of social exchange which explained the foundation for social connection as well as satisfaction and commitment which is what this study is set to find out. The second part discusses E-commerce and its sub-classes such as m-commerce and s-commerce as well as e-business. The third part discusses E-tailing and relationship building which is vital to every retailer. The fourth part progresses into the concept and history of marketing and further explains several types of marketing. The fifth part examines the development, evolution of social media and concept of which reviewed key underpinning literatures regarding social media marketing and consumer motives for engaging on social networking sites and social media marketing activities. The fifth part considers and examines viral marketing as part of social media marketing. The sixth part discusses and reviewed existing literature on consumer attitude towards social media marketing and the last part examined customer retention theories, several gaps were identified from the existing literature.

2.2 HISTORY AND EVOLUTION OF THE INTERNET

The foundation of the internet is communication and the invention of the internet can be traced to World War II when all giant computers in Europe and United States was connected by the Allied military and intelligence communities to transmit information across the Atlantic. In the late 1950s, a computer network that allowed physicists research to globally communicate among one another developed by physics research laboratory. This network created initiated the use of hypertext links, which enabled individuals to move from one document to the other on the network. After three decades, the military and educational communities advanced their computerized network which extended to every part of the world. In the early 1990s, electronic “bulletin board” was created through new software that was introduced and the essence of this bulletin board was to create communication among people with similar interests’ topics to communicate with one another. Users had features to leave and receive messages on the bulletin board at any time. As the software was been distributed, hundreds of bulletin boards were created

by organisations and individuals. This groups developed to form “forums” in which users or members of these groups discussed issues related to the group (STONE, 1996).

In 1993, Illinois University students transformed the face of electronic communication when they published Mosaic, the very first “browser” software. This software helped individuals and forums download and upload information and you don’t have to belong to a group to communicate electronically with people as the internet was made available to everyone who has a computer. Today, internet usage is on constant increase by 832.5% and 474.9% in Europe, 7, 231.3% in Africa and it’s still growing at a very high speed (Internet World Statistics, 2015). The internet serves multi-purposes by enabling friends to keep in touch with one another by having an online conversation even though some of them are thousands of miles away from each other, it has also enabled people with similar views to come together and offer support to their causalities. Low cost internet has made internet available in millions of homes all around the world and made it a valuable medium for social interaction. Today’s teen now find communication with their friends over the internet as normal compared to their parent who chatted over the phone when they were growing up. Furthermore, the cost element is low therefore enabling increase usage for individuals and businesses.

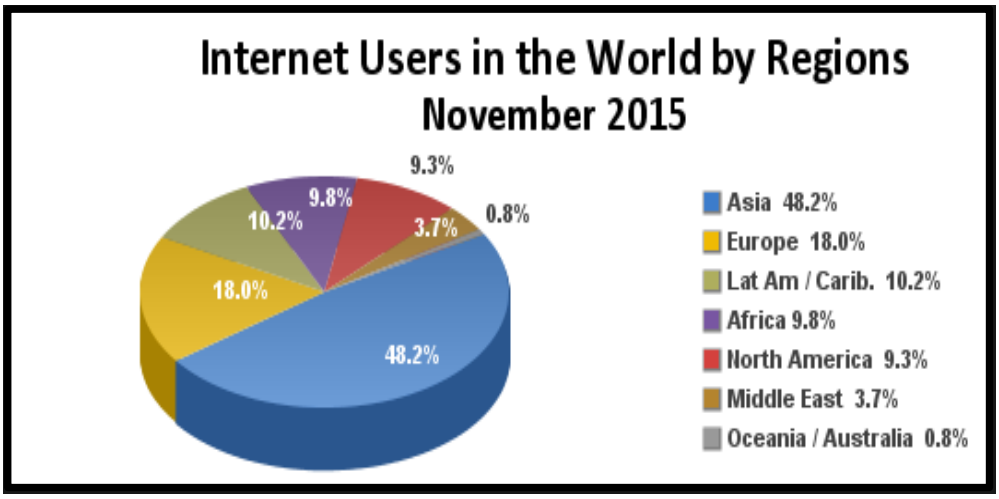

Figure 1*: Internet Users in the World by Regions November 2015 (Source: Internet World Statistics).*

WORLD INTERNET USAGE AND POPULATION STATISTICS NOVEMBER 30, 2015 - Update						
World Regions	Population (2015 Est.)	Population % of World	Internet Users 30 Nov 2015	Penetration (% Population)	Growth 2000-2015	Users % of Table
Africa	1,158,355,663	16.0 %	330,965,359	28.6 %	7,231.3%	9.8 %
Asia	4,032,466,882	55.5 %	1,622,084,293	40.2 %	1,319.1%	48.2 %
Europe	821,555,904	11.3 %	604,147,280	73.5 %	474.9%	18.0 %
Middle East	236,137,235	3.3 %	123,172,132	52.2 %	3,649.8%	3.7 %
North America	357,178,284	4.9 %	313,867,363	87.9 %	190.4%	9.3 %
Latin America / Caribbean	617,049,712	8.5 %	344,824,199	55.9 %	1,808.4%	10.2 %
Oceania / Australia	37,158,563	0.5 %	27,200,530	73.2 %	256.9%	0.8 %
WORLD TOTAL	7,259,902,243	100.0 %	3,366,261,156	46.4 %	832.5%	100.0 %

Figure 2: *World Internet Usage and Population Statistics, November 2015. (Source: Internet World Statistics).*

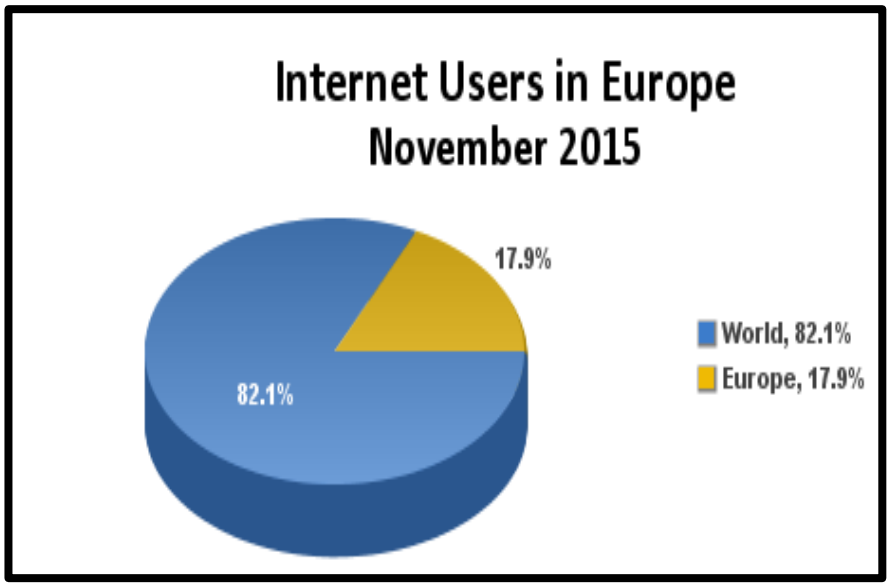

Figure 3*: Internet Users in Europe, November, 2015* (Source: Internet World Statistics)

Internet, Facebook and Population Stats for Europe						
EUROPE	Population (2015 Est.)	Pop. % of World	Internet Users 30-Nov-2015	Penetration (% Population)	Internet % World	Facebook 15-Nov-2015
Europe	821,555,904	11.3 %	604,147,280	73.5 %	17.9 %	309,576,660
Rest of World	6,438,346,339	88.7 %	2,762,113,876	42.9 %	82.1 %	1,205,627,490
TOTAL WORLD	7,259,902,243	100.0 %	3,366,261,156	46.4 %	100.0 %	1,515,204,150

Figure 4: *Internet, Facebook and Population Stats for Europe (Source: Internet World Statistics)*

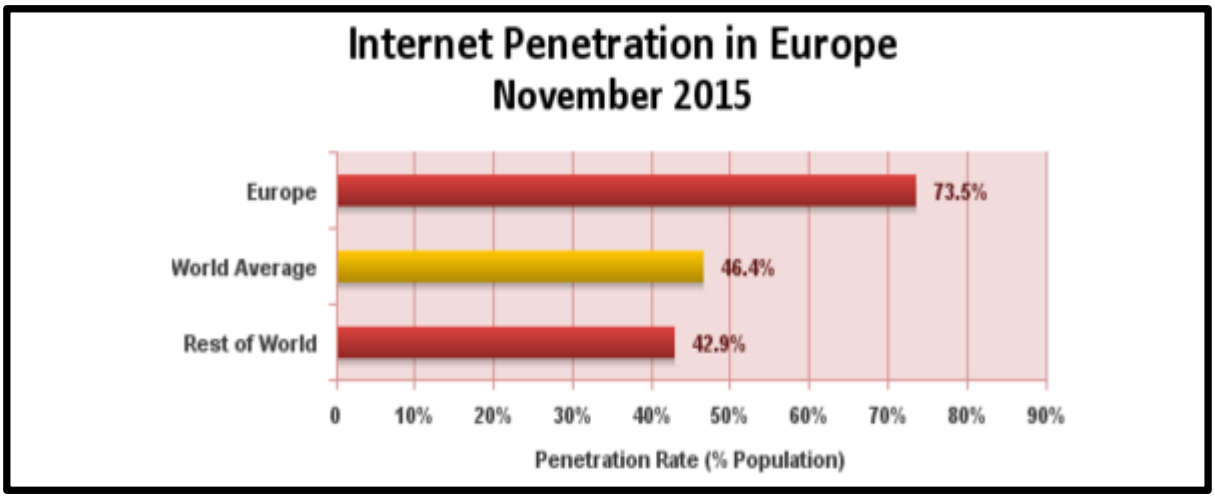

Figure 5: Internet Penetration in Europe, November 2015.

(Source: Internet World Statistics).

2.2.1 Concept and Literature on E-business

There's often confusion between the term e-business and e-commerce, e-business is a broader definition of e-commerce and it includes not just the buying and selling of goods and services but also involves collaborating with business partners, responding to customers and conducting transactions electronically within an organisation. (Turban, et al, 2009). Laudon et al, (2013) defined "e-business as the digital enabling of transactions and processes within a firm, involving information systems under the control of that firm". E-commerce is a part of e-business in the sense that precisely until an exchange

of value occurs then e-business would not be said to have turn to e-commerce. Both definitions by different authors are similar but Laudon (2013) argues that e-business is a broader definition of e-commerce.

Gould (2001) outlined three phases of e-business evolution, the first phase was the "dot-com" era where businesses went virtual. Customers were able to do simple things such as checking out product information on portals and websites and other customers were able to view product specification as well as ordering information. The second phase is the expansion of web-based technologies where organisations began to incorporate various back-office processes including logistics, management of finance, order management, procurement and supply chain planning. In phase 3, seperate trading exchanges are now being connected together and as a result coagulates enterprise-to-enterprise collaboration, it also enabled marketplace-to-marketplace interaction possible depending on what individual market place is trying to achieve (Gould, 2001).

2.2.2 E-commerce Definition and Concept

E-commerce is an application that was first developed in the year 1970s, it was formerly used for electronic fund transfer (EFT) initially, the usage was restricted to just big organisation and financial institution to transfer funds from one organisation to another. It was also used by few daring businesses. After EFT was electronic data interchange (EDI), this is a technology used to transfer documents over the web and the transaction expanded from just being financial transaction to other type of transaction and more organisations could use it as it wasn't just restricted anymore to financial institutions. Among the businesses that made use of EDI to transfer documents were retail businesses, service companies, manufacturing companies and much another type of businesses. Such system is usually called inter organisational system (IOS) applications (Turban *et al.*, 2011).

Electronic commerce (e-commerce) can be defined as the use of the internet for buying and selling activities. (Rodgers et al., 2002). E-commerce is the process of buying, selling, transferring or exchanging products, and/or information via computer networks, including the internet (Turban et al, 2009). Laudon et al, (2013) also defined e-commerce as "the use of internet, the world-wide-web and applications to transact business. More formally digitally enabled commercial transactions between and among organisations and individuals. E-commerce creates value for business who wants to add value to their business". (Laudon et al, 2013). E-commerce hastens up business processes such as sales,

distribution, after sales and management of inventory. Due to fast development of internet and economic globalisation, e-commerce has become one of the most important activities in every organisation today both large and small.

2.2.3 E-Commerce Trends

Channel Advisor Corp conducted a multichannel e-commerce study to identify the trends and how e-commerce has evolved, the research was based on a survey of more than two hundred UK and US online retailers that averaged 1.7-3 million revenue in 2013. Channel Advisor conducted this research for finding out the strategies retailers both in the UK and US are using to drive sales across multiple online channels. Channel Advisor contracted Redshift research to conduct the research which asked retailers questions about multiple channels like marketplaces, cross-border trade, digital marketing, social media and more (Yoo, 2014). The survey results revealed that more than three quarter of the UK retailers 86% are currently selling on amazon (NASDAQ:AMZN) and more than half of UK retailers of 86% are selling on (NASDAQ:EBAY). UK retailers said that customer service is the most challenging aspect of selling on platforms like Amazon and EBay followed by price competition and product sourcing (Advisor, 2014). Close to half of the UK retailers reported that 21-30 percent of online sales come from international market place, this confirms that global market places prove to be top places for international transaction. In terms of digital marketing strategy adopted by the retailers, it was reported that most product listing ads are digital marketing strategy in terms of performance but there are three major limiting factors preventing UK retailers from increasing their digital marketing spend and the factors are 38% website limitation and infrastructure, 86% budget and thirty five percent digital marketing landscape (Advisor, 2014). Virtually half of the UK retailers reported that larger percentage of traffic on their website comes from mobile devices. The research results also confirm that retailers' three topmost business goals are to increase brand awareness on social media by seventy percent and reach completely new customers (customer targeting) by 46% and compel conversion (acquisition) by 46%. Retailers that were surveyed said Facebook is the social platform that creates the most compelling conversion for retailers (Advisor, 2014).

According to (Advisor, 2014), ninety-five percent of UK retailers make use of global market places and seventy-three percent reported using digital marketing which is online marketing. This study revealed how many retailers uses digital marketing which is seventy-three per cent, the study did not cover how retailers' uses this social media to

increase their customer base rather it revealed how retailers have it as a goal and there is a big gap that has not been covered which is what this thesis is all about.

The current trends of e-commerce incorporate the rise in the number of internet users, smart phone users and the confidence of people using their credit cards online is growing exponentially and e-commerce has come to stay as a result of these trends, also marketers have to become smarter online as buyers and sellers as well because the principles apply to the real-world business also applies to online as well (Advisor, 2014). Since more people are buying online, hence, how to take care of customers and retain them becomes the real focus for the new trends.

2.2.4 Mobile Commerce

Mobile commerce also known as m-commerce is a subclass of electronic commerce. Although its online activities are like e-business and e-commerce underlying technology is different because mobile commerce is limited to mobile telecommunication networks which are retrieved through wireless hand-held devices such as smart phones, mobile phones, tablets and hand-held computers (Jelassi et al, 2008).

2.2.5 S-commerce

Social-commerce is a very important part of this study as social networking have become one of the main innovations that have shaped e-commerce in recent times (Zhang, 2013). Social media is also a key point of study therefore it's a great benefit to understand the progression of e-commerce towards s-commerce although the study of s-commerce has not been fully understood however, it's been an attractive area for marketers and researchers in recent years. E-commerce is revolutionizing through the existence of Web 2.0 capacity to facilitate customer participation and achieve greater financial value and this new occurrence is known as Social Commerce. Social commerce can be defined as the word-of-mouth applied to e-commerce (Dennison et al, 2009). Parise et al, (2008) gave a more comprehensive definition where social commerce refers to a more social, creative andjoint approach used in online environment, Wigand et al, (2008) describe the concept of social commerce as applying social media application to shape business, thereby altering the market for goods and services into a socially-centred and user or customer-driven marketplace. Social commerce cuts across several disciplines including marketing, computer science, psychology and this may add to the variety of definitions. Huang (2013) in his study, he discussed the relation of e-commerce to Web 2.0 and proposed a new model and a set of procedures for that guides social commerce design, he

also applied the principles to two of the leading social commerce platforms which are Amazon and Starbucks on Facebook. He outlined how critical it is for marketers to achieve the minimum set of S-commerce design features in his propose model. The fast growth of social media and Web 2.0 has made available a great potential to transfrom e-commerce from a product-oriented environment to a social and customer-centred environment (Wigand et al. 2008). In real meaning social media refers to an assembly of internet-based applications that is built on the philosophy and technological foundation of Web 2.0 and that allow self-creation of User Generated Content (Kaplan & Haenlein, 2010). Inside this environment, customers have fun and at the same time have access to knowledge and experiences of others to support them to better understand their purchases of online products and help them in making appropriate purchase decision (Dennison et al, 2009). In addition to this, online businesses are able to encapsulate customer's behaviour which gives them an idea of their expectations and shopping experience and helps them shape their business strategies accordingly (Constantinides & Fountain, 2008). In recent times, Organisations have recognised this movement from e-commerce to s-commerce evolution therefore adopting a variety of Web 2.0 features, functions and competence to encourage customer participation (Kim & Srivastava, 2007), enhance customer relationships (Liang et al, 2007) and achieve higher and economic financial value (Parise and Guinan, 2008). This progression of e-commerce is usually equated with the birth of social commerce.

The utilization of Web 2.0 features in e-commerce is known as social commerce. (Kim et al. 2007), especially the core web features whuch is the user generated and sharing of content. The impact of web 2.0 which is also known as social media on e-commerce can be seen in the interaction among consumers. Web 2.0 influences business activities and even affect their reputation (Swamynathan et al, 2008). Michaelidou et al. (2011) outlined that social commerce can also strengthen business relationships, attrract more customers and potential customers to organisations' websites and also identify business opportunities, it also sustains brand development. Web 2.0 can also affect control of customers and the creation of value. Customers' perceptions and decisions are not only affected by the information on company's websites, their decisions are also influenced by the content generated by people on social media (Constantinides, 2008). Stephen et al. (2010) indicated that in the e-commerce surroundings Web 2.0 moves power from organisations to consumers. In addition, customers are searching for ways

to foster engagement, hence Web 2.0 has provided ways for maketers to interact with organisation and the community all happening at the same time.

Huang (2013) investigated e-commerce design from a user perspective and came up with several indispensable features for designing effective e-commerce platforms which are usability, information quality, website quality, service quality and playfulness. Web 2.0 was also put into consideration as it's a vital part of social commerce design, Web 2.0 connect the power of Web in a more interactive way thereby encouraging communities to socially connect and also provide openings to make use of the web to engage more users effectively hence Huang (2013) came up with user-centred design which includes the following characteristics: participation from users, conversation among users, community, good system quality and recognizable participants, in addition, the study came up with a propose conceptual model for social commerce which consist of four layers which are commerce layer, community layer, conversation layer and individual layer consecutively. He also argued that the difference between social commerce and e-commerce is that if the community and the conversation layer is removed what is left will be plain e-commerce and if the outer layer which is commerce is removed, what is left will be pure online community but the combination of the four layers bring about social commerce. Furthermore, he recommended that marketers needs to implement features in their community and conversation layers and for organisation that already have serious presence on online social networks already has individual, conversation and community layer features fulfilled, all such organisations needs to do is to further implement commerce layer, the study came up with proposed model for social commerce and also design features, however, only two organisation which are Starbucks and Amazon was used, the study did not take into consideration other industries and organisation and also did not investigate how organisation uses this features to target and retain customers.

2.2.6 Barriers to E-commerce

As important as e-commerce is in our world today, there are numbers of barriers preventing the enjoyment of e-commerce to its fullest. The preference of shopping in person, trust and concerns over security are barriers online shopping is experiencing, apart from general barriers, the main difficulty to buying fashion online is the problem of translating physical shopping experience to the online shopping environment and because of this, the fashion industry has been the slower to adopt e-commerce and despite this,

the UK has still turn out to be the largest market for online fashion retailing in Europe. (Blàzquez, 2014).

2.2.7 The Difference between E-commerce and E-business

Jelassi *et al*. (2008) argued that e-commerce is a subset of e-business, e-commerce trades with the help of transaction and selling of products and services online through the internet or any other telecommunications network. This comprises of the trading of physical and digital products electronically, it comprises of all the trading processes such as online marketing, ordering online, electronis payment for digital goods and online distributions, it also includes after sales support. E-commerce comprises of the buy-side activities with the suppliers as well as the sell-side activities with customers. E-business comprises of an organisation's internal and external activities, internal activities includes the linking of organisation's employees to one another through intranet to enhance the flow of information, ease dissemination of knowledge and helps management reporting. Furthermore, e-commerce is the trading of physical and digital goods while e-business includes all the internal and external activities an organisation carries out (Jelassi *et al*, 2008).

2.3 E-TAILING AND ONLINE RELATIONSHIP BUILDING

Electronic retailing which involves the selling of goods and services to the consumer market via the internet, is also called e-tailing, e-retailing and electronic commerce (B2C) market (Wang, 2002). The emergence of electronic retail market has been fast. Vividly growing and reaching (People/location) and range (diversity) of information, the World Wide Web can generate profits for both marketers and consumers. Beyond selling product, online relationship building is also important for e-tailers. Contrary to the initial image that the web was a place for bargain searching of customers, it is increasingly viewed as a place to provide better service and enhancement of customer relationships.

2.4 CONCEPT OF MARKETING

In this section, the definition of viral marketing will be considered by different academic writer and the evolution of marketing that is how marketing started and where marketing is now before proceeding into details of viral marketing and how it retains

customers. For many practitioners and Academician, viral marketing which is also known as word of mouth has become trending. It's now becoming a central platform for interactive communication (Cruz et al, 2008). In conducting research in marketing, it is important to value the historical perspective and understanding the role of historical development in shaping the evolution in this field.

2.4.1 History and Evolution of Marketing

From 1910 to 1920, marketing to the producer means the way products are disposed of through various channels of distribution. Merchandising, which parallels marketing at many points and is frequently confused with it, is the process from the jobbers' and the retailers' standpoints and includes not only the distribution of the goods, but their acquisition as well. Manufacturers market their products and jobbers and retailers merchandise their stocks of these products (Johnson et al, 1918). In the 1920s, marketing was all about production, getting goods and products from manufacturers to the ultimate consumer. Further years will be proceeded into to see how marketing has evolved and changed over the years.

From 1920-1930, Marketing may be defined as the process of transferring goods through commercial channels from producer to consumer (Brown, 1925,) and Clark defined it as those efforts which effect transfers in the ownership of goods and care for their physical distribution (Clark, 1922**).** From 1930-1940, as defined by the National Association of Marketing Teachers, "Marketing consists of those business activities involved in the flow of goods and services from the point of production to the point of consumption."

Marketing broadened its scope a little bit between 1930 and 1940 in such a way that physical activities of distribution at many points was added which makes it different from the traditional way of just getting products to the consumer. (Collins, 1930). From 1940-1950, Consequently, we can define marketing as including all the activities which take place in getting tangible goods to the consumer. In the 1950s, Marketing defined: In its commonly accepted usage, the term marketing covers all business activities necessary to affect transfers in the ownership of goods and to provide for their physical distribution. It embraces the entire group of services and functions performed in the distribution of merchandise from producer to consumer, excluding only operations relating to changes in the form of goods normally regarded as processing or manufacturing operations (Maynard & Beckman, 1952).

"Marketing," is the process by which and services are exchanged for money prices. The term "process" implies activity - coordinated groups of activities, in fact, having a definite purpose - the purpose being to move goods from points of production to points of ultimate use, not simply in a physical sense but in such a way as to facilitate the maximum satisfaction of consumers' wants (Duddy & Revzan, 1953).

1950s is the year consumer started surfacing gradually and moving from manufacturer just producing good and distributing them to the consumer, marketing is not just moving goods but also satisfying their consumer wants (Duddy & Revzan, 1953). In the 1960s, satisfying customers was now getting to the core value of organization and not just pushing product for them to buy. Now, the company wants to profit as well as satisfy their customers. Marketing is the analysing, organizing, planning, and controlling of a firm's customer-impinging resources, policies, and activities with a view satisfying the needs and wants of chosen customer groups at a profit (Kotler, 1967). From 1970-1980, a company can still involve in marketing activities whether they are profit or non-profits oriented which is another perspective to it. (Gist, 1971). From 1980 – Current: Marketing may be viewed as the product planning, pricing, promotion, distribution, and servicing of goods and services needed and desired by consumers (Udell & Laczniak, 1981; Parise, Guinan, 2008).

The essence of marketing is for exchange of satisfying products and services to present and potential customer and to make sure both customers if not all, at least greater percentage are retained for a long time which is what this thesis is all about. Another author defined marketing as an integrated analysis and execution of those activities necessary to plan, distribute, price, promote, and effect exchange of satisfying products and services to present and potential users (Shaw, Semenik, & Williams, 1981). Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (AMA, 2013). Having being able to see through different authors and Gurus' views, there is no doubt about it that factors such as environment and technology will continue to influence the way we define marketing (Brunswick, 2014). Technology has made tremendous change to the way marketing is defined and the way its activities are carried out. Among other mode of marketing that technology has brought about is viral marketing which this thesis will major on. Internet has become the primary component of businesses' communication platform and as companies begins to realise its value they are beginning to weigh the option of marketing practices that are more cost

effective and efficient and most importantly actively appealing to customers than old ways of advertising. Although the use of social media platform, viral marketing, guerrilla tactics and experiential campaigns are becoming more common and recognised but the best practise of these marketing tools and their fusion in to an integrated marketing communication (IMC) approach has not yet been strongly recognised (Castronovo & Huang, 2012) and that's why the objective of this research is to focus on viral marketing and its impact on customer retention. Castronovo *et al.* (2012) argued that viral marketing, guerrilla marketing and event-based marketing are not only cost effective but also are form of alternative marketing compared to traditional marketing and they are cost-effective and also delivers quantifiable business results especially for smaller to medium sized businesses and when they are developed with the companies' overall strategic business objectives, smaller firms does not only able to communicate its message to its target audience but are also to develop a meaningful relationship with his customers.

2.5 Social Media: Concepts, Issues and Implication

In the 1990s, the first web was introduced with the purpose of online information sharing but web 1.0 came with its own challenges such as poor picture quality, unreliable web hosting and very unattractive web turn around, poor customer service with very little or low search engine optimization. The second generation is the Web 2.0 which was initiated in 2004, which can do so much more than the first generation of world wide web, web 2.0 users can not only retrieve information, they can publish their comment and views in their articles and the articles of others., users can create profile with passwords to login at any time (Hardik, 2014). Web 2.0 is a known term that explains developed Internet technologies and applications which includes blogs (Chui, 2009; Warr, 2008), Wikis, podcasts, social networks, mashups, video sharing and information tags (Erkan, 2011). The difference between traditional web (web 1.0) and Web 2.0 is that the latter is user generated and allows working together with other internet users (Erkan, 2011). Web 2.0 is at the centre of emerging technologies, trends and it has not only changed in its features but also in how it works and because of these, organisations have also changed in the way they operate by given importance to customer loyalty and also find a new way of working around these technologies (Chui et al, 2009). Web 2.0 can also be referred to as social software, user generated content, social participative web, social computing. Constantinides (2004) argued that Social media and Web 2.0 can be used in place of each other, while web 2.0 is the online application, social media is the social aspect of the online application.

2.5.1 Definition and Evolution of Social Media

Social media is an assembly of internet-based applications that is built on the philosophy and technological foundation of Web 2.0 and that allow self-creation of User Generated Content (Kaplan, 2010). Social media does not just exist in a user generated content mode only, there are other dimensions to it rather than users just generating content only. Social media has in the 1970s when Tom Truscott and Jim Ellis from Duke University created the Usenet, a worldwide discussion forum that allowed users to post public messages, Bruce and Susan Abelson founded "Open Diary" which is an early social networking site that assembled online diary writers in one community, the term "weblog" was first used about the same time, this word shortened into blog and a year later one blogger broke down the word "weblog" in to a sentence "we blog". The evolution of high speed internet and its availability has further increased the popularity of the concept, leading to the conception of social networking sites such as MySpace and Facebook in 2003 and 2004 respectively. This brought about the term "Social Media".

2.5.2 Types of Social media

There are now several social media platforms such as social networking sites, blogs, Wikis, content community sites, consumer review sites and internet forum and the diversity of these platforms played a key role in business.

2.5.3 What is Social Networking?

Social networking can be defined as an internet based tool that allows the reader to

engage with the writer or with the community online and in public. (Clapperton, 2009). social networking sites are constantly increasing and this is where businesses advertise their product and examples are Bebo, Blellow, Blogger, Facebook, Friendfeed, LinkedIn, Twitter, YouTube, Instagram and lots more. Social Networking plays a very important role in viral marketing. Networking platforms have been in existence since the 1990s, just that few people are aware of them and for their businesses. The emergence of Web 2.0 in the 1990s got people involved with the internet rather taking part in what happened on the internet or absorbing it alone so the word “interaction with internet” emerged in the 1990s (Clapperton, 2009). When the use of internet started to increase in the 1990s, most businesses took advantage of it but customers’ engagement was very limited such as buying goods and entering their credit card details on the internet. During the late 19th century, organizations such as Amazon started allowing customer to engage by putting their review regarding a product free of charge and the blogs emerged.

A blog is an online diary, the idea is for the user to share something interesting to them and get people to comment on their blog although this is not mandatory and Web 2.0 originated this. As blog expanded, the debate about democratization of media also rose as blogs increases. The emergence of Facebook and twitter augmented this effect. In 2005 when there was an explosion in Buncefield UK, citizens snapped photos and most of these photos came from citizen snappers taking their own photos and sending them to news agencies and also uploading on photo sharing websites. In 2008, there was a bomb blast in Mumbai and most of the information and reports that was available was through people's twitter account to the extent that the authority was telling them to stop as they were giving the terrorist information about where the soldiers and they might be attacked.

2.4.2 The Rise of Digital Branding in the Social Networking Environment

The evolution and development of social networking sites, social networking and other forms of digital communication have led to the creation of an entirely new media for marketing professionals and managers to utilize. Progressively called the 'fifth' media, after the traditional four marketing media: newspapers, radio and television, magazines, the internet has become an even more vital medium for marketers to use. Additionally, with the increasing importance of digital marketing and branding and the way in which social network users interact, the traditional seven 'P's of the marketing mix (i.e price, product, promotion and place, physical evidence, processes) are increasingly complemented with the so-called seventh 'P' people. The seventh 'P' is necessarily added to the marketing mix when that mix includes the use of the fifth media. This is because, people seek satisfaction of their 'Maslovian needs'. Additionally, consumers will find marketing only reverberate with them when it is more personalized, trustworthy, open and transparent. At its base, the requirement for marketing managers is to change their mindsets from 'one-to-many' messaging of traditional campaigns to a 'one-to-one' approach to marketing. Below are the reviews of traditional marketing techniques and the new marketing techniques, some of which are simply adaptation of existing techniques, arising from the digitization of branding and the growth and diversification of the social network environment.

2.4.2.1 Traditional Marketing Techniques

Traditionally, marketing has been mainly 'mass' marketing where the message originates from the organisation to the masses, that is, 'one-to-many' marketing. The traditional marketing which has been explained earlier in this chapter have channels that includes mass media i.e. newspapers, television commercials, magazines, radio advertisements

and outdoor advertising and direct mail. All these venues require that marketers' crafts messages that targets the largest segment of the potential audience to attract as many customers to their product and services as possible (Clow and Baack, 2007). Intrinsically, these messages are not highly personalized, often relying on repeated appearance of product image (video media) or product name (audio media) directed at linking in the minds of prospects the product's qualities and satisfaction of perceived needs and with the company's brand.

Traditional print marketing technique outside other media consist of wall paintings, fixed, human and mobile bill boards, print flyers, posted bills and banners attached to just about any fixed object one can imagine. (e.g. bumper stickers). Within various printed media common marketing collateral includes classified text advertisement, pull-out advertisements, advertising 'sections' in newspapers and advertising 'flyers' distributed with the print media, page or text-embedded photo or image-enhanced advertisements.

Traditional audio-visual media marketing includes radio or television 'sponsorship' advertising, commercial short format advertising (i.e. 30-sends 'spots') during regular programs, and infomercial (i.e. extended format advertisements). In the new millennium, entire channel dedicated to just selling has been created (e.g. Home Shopping Network). Lately, products or product symbols embedded entertainment, a kind of convert marketing, have increased in popularity (e.g. James Bond clearly wearing an Omega watch, using a Nokia phone, driving a late-model BMW and being complemented frequently about the fit of his Armani suit).

Even though many of these techniques are transferrable to the digital environment in forms like banner advertisement, in-texts advertisements, pop-ups, online classified and email attachments, it is well-known that many of these traditional marketing manoeuvres get ignores or unnoticed by users.

2.4.1.2. Social Networking Technique – Opportunities and Obstacles

The following marketing techniques are not remarkable to online social networking platforms, but they are facilitated by the platforms. The growth in popularity and diversity of social network sites has made the marketing function both easier and harder.

The duty of targeting the best potential customers and promoting products and services to them is accelerated by identifying user communities most likely to have interest in them. The manner of engaging the customer has become slightly harder, however, as modern social network users demand more intimacy, authenticity and transparency in marketing communications. Additionally, with increased scepticism about the truth of formal marketing messages originating directly from organisations for the mass market, techniques involving word-of-mouth marketing (WOMM) by unremunerated individuals and groups have earned credibility. At the same time, the shift in 'trusted' sources can be easily weakened by excessive use and questionable 'reward' schemes used to encourage these 'trusted' sources. The below are many of the various commonly employed social network marketing techniques enlisted by companies in 2012. Many are alike in that they involve WOMM in one or another manner, but each has features enabling the separation and categorization developed in the following sections.

2.4.1.3. Buzz Marketing

The term 'Buzz Marketing' refers to the "practice of gathering volunteers to try products, then sending them out into the world to talk about their experiences with the people they meet in their daily live" (Kahn, 2005). The supposed 'edge' of buzz marketing (BM) is very much consistent with other word-of-mouth-marketing (WOMM) techniques, in that the people who share the product knowledge are known and trusted members of the social network. The kind of knowledge exchange specified by 'Buzz' has been taking place for centuries as people have sought after information form their trusted acquaintances before purchasing a product. Having this organisation actively develop techniques and strategies to promote the 'Buzz', understand how the information spreads and measure the sales and measure the sales result is something that's still yet to be understood and still developing.

BM often works by the actions of Marketing Experts, who are generally consumers who have up-to-date information about products, places to shop and different markets. These people with great deal of knowledge and connections, who thereby have trusted judgement on products and services, based majorly on having historically provided helpful and convincing advice and speculation to other users. Users look to marketing pundits for opinions on product and service recommendation to follow. For BM to work through marketing pundits, the audience must have the insight that these consumers are discriminating in their choice and particularly knowledgeable about the topic. In practice organisations, may choose 'early adopters' or members of the online special interest group as volunteers.

This aspect of BM is well-made easy online, using social networks as source groups. Proctor & Gamble excellently used BM to promote their toothpaste lines by employing hundreds of thousands of teenagers to talk about these products (Kahn, 2005). Other companies choose to use 'connectors' that is, people that have a great number of contacts across social media, as their WOMMs. In most cases, these connectors are celebrities. Sensibly, using connectors is very comparable to choosing a famous person to 'evangelize' a product, which is a traditional marketing technique. Regarding social networking, it can be said that the influence of the 'pundit' is significantly intensified as the buzz can be disseminated more quickly to many recipients, as was once possible only in the case of a 'connector'. Additionally, for BM to be effective, the product should be one which implies 'being in the know' (Kahn, 2005), such as fashion and cultural items (e.g. books, movies, gadgets) where values accumulate through social interaction. Choi (2010) points out in his dissertation that WOMM has a 'shelf life' in that people value 'buzz' when choosing products or services primarily, but will after a while keep their own council on what to buy or with what they align themselves (Choi, 2010).

Another point of view on BM is that, it is inherently unethical, because in many occasions, it is really a kind of 'stealth' marketing, where the 'pundits' are unannounced marketing agents who often receive free products to trade for social network endorsement of a company's product. Sometimes, companies employ actors to act as 'average Joes' and even when true 'pundits' are involved, many will not identify themselves as buzz marketers. (Kahn, 2005).

2.4.1.4 Word of Mouth Marketing

Word-of-mouth marketing is a very important part of this study as it is one of social media marketing activities carry out by UK retail clothing retailers will be discussed in full later in this chapter and consequently in chapter 3. The 'Word-of Mouth Marketing' (WOMM) communication in marketing is very relevant today, as consumer behaviour is becoming more immune to traditional means of marketing communications such as advertising. Word-of-Mouth marketing is the intentional influencing of consumer-to-consumer communications, and is an increasingly vital technique. Similarly called 'viral', 'buzz' and 'guerrilla' marketing, a plethora of popular books and articles on word-of-mouth are being released (e.g. Jaffe, 2007; Kelly, 2007; Rosen, 2009; Sernovitz, 2006; Kim & Ko, 2012, Godey, 2016), and industry associations like WOMMA, the Word-of Mouth Marketing Association, have grown rapidly and advocated for expanding the new industry.

Marketers and sociologists have recognized the importance of word-of-mouth as a naturally occurring phenomenon or more than half a century, signifying, for example, that word-of-mouth affects most all decisions taking by customers (Kozinets, 2010). However, these theories and observations about informal, unsolicited word of mouth phenomena were created in a marketing world untouched by the internet. The internet's accessibility, reach and transparency has allowed marketers and organisations to influence and monitor word-of-mouth like never. Kozinets (2010) lists the various ways marketers can achieve their goals online by 'listening in' to online conversations, moderating word-of-mouth, involving in dialogue on social media forums and giving products to people of influence. Remarkably, such tactics change word-of-mouth from a natural, spontaneous phenomenon, whose power relies primarily on the fact that participants are not commercially motivated, to a more artificial, calculated and commercialized force in which bloggers are appointed by marketers to become product advocates. In order to adopt the proper strategy, marketers should first understand that WOMM plays such an important role when consumers are making purchasing decision and, at the same time, understand which elements make WOMM a successful form of communication. Understanding WOMM communication is essential in marketing communication, because of the shift that took place in consumer behaviour, that is, building a defence against traditional methods of marketing communications.

Over the past decade, WOMM has become one of the centres of research in the field of marketing. Researchers have associated this concept with personal recommendations, interpersonal relationship, interpersonal communication, informal communication, personal and interpersonal influence and even with an informal form of advertising. Marsden (2005) highlighted that research reveals that WOMM is at least twice as powerful as traditional marketing communications in influencing sales, and given the rise of electronic word-of-mouth (mobile and internet), it is now some 50% more influential compared to 30 years ago. Moreover, the third most trusted advertising (after newspaper advertising, at 63%) was consumers' opinions posted online, which was trusted by 61%. Customers are seeking out views because they do not trust organisation content marketing as much. And independent influencers have become more influential than before. However, WOMM is not just about referrals; it also adds credibility to a message. A friend or family member speaking about a brand or a product or an independent individual commenting about it, tend to be believed more readily than a commercial advertiser speaking about their own brand. One of the leading writers in this

field, Silverman (2000), places great emphasis on the credibility and independence of the source of the WOMM message. A ‘credible’ and ‘independent’ source will provide prospects with an indirect experience.

2.4.1.5 VIRAL MARKETING

Viral marketing is an important part of social media. This marketing technique is discussed in detail because it works on social media platform. The viral content is carried by a vector. In epidemiology, a vector is a type of organism that does not cause disease by itself but relies on pathogens to spread the infection from host to the other. Transforming this idea into viral marketing, a vector carries the viral content for example, a link or a video using Wireless Application Protocol (WAP). A link uses WAP push messages, a specially designed message that either directly connects the browser to the website or just provide a link. Individuals spreading the viral messages are called communicators and individuals receiving the messages are called recipients (Pousttchi and Wiedemann, 2007)

The term appeared in many magazines and articles. Initially, the term was referred to as "copycat" whereby people adopt an idea by seeing other adopting it. In those days, people adopted one idea because other people did and that’s how it spread throughout the company. The term viral marketing showed up again in 1997 in an article by a Harvard Professor called Jeffrey Rayport. The term was also used in 1997 by Steve Jurvetson and Tim Draper who invested in Hotmail in such a way that every email sent contains an advertisement that catches the attention of the user in such a way that will make them spread the message. In 1997, the venture capitalist Steve Jurvetson referred to viral marketing as “network-enhanced word of mouth” using that to describe the marketing strategy of the free email service Hotmail (Jurvetson, 1997). The digital media started coming into line light in the 1990s where by Hotmail grew from 0 to 12 million users in eighteen months (Montgomery, 2001). This example demonstrated viral marketing as a communication and a distribution concept (Helm, 2000).

One of the major contributing factors of word of mouth marketing is the rapid growth and uptake of digital media especially the internet and its peer to peer such as social media, chat rooms, instant messages, file transfers and lots more- all these enables message to spread faster more than ever before. The term ‘viral’ refers to a type of marketing that infects customers with an advertising message which passes from one customer to the next ‘like a rampant flu virus’ (Montgomery, 2001). Viral marketing

relies on customers to spread viral content via communication techniques and devices to other customers in their social circle and to animate these contacts to also spread the content as well (Wiedemann, 2007).

Viral marketing is any marketing that encourages any individual to pass on a marketing message to other people therefore creating a potential growth in the exposure and influence of the message, just like viruses spread; such strategies take advantages of rapid multiplication to spread the message to millions. (Kirby et al, 2006).

The term viral marketing is constantly expanding and there are still more definitions from several authors:

The internet version of word of mouth marketing for example websites, videos, email messages and other marketing event that is so compelling and infectious that customers will want to pass it to their friends. (Armstrong & Kotler, 2011). Viral marketing also refers to oral, one-to-one communication between the person that communicates (communicator) and a receiver who identifies the corresponding message as non-commercial although the subject is a brand, product or service (Arndt, 1967). Viral marketing is the strategy to get consumers to share a marketer's messages often through email and online video in such a way that it spreads quickly and rapidly. (Pride & Ferrell, 2011). Viral Marketing can be described as the effort that allowed satisfied customers to pass on messages about a product to another customer and prospective customer. (Boon & Kurtz, 2011).

2.6.1 Viral Marketing and How It Spreads

The success of any viral marketing campaign depends on the consumer. Tsai, (2009) highlighted that instead of creating a viral strategy, and just throwing messages all over the internet, companies should continue to create a "customer centric approach or strategy" in other words, if an offer is compelling enough, consumer will be forced to pass a message across to their friends and colleagues. Every company's underlining motive for sharing a message is to make them look good as there's no point of sharing a message if it won't. (Tsai, 2009).

A lot of viral successes is luck, no message is guaranteed to go viral, no one knew (Burger King's Subservient Chicken) campaign will be successful, when an advert is crazy and wacky, it increases its chances of being successful and in addition to that, campaign needs to be substituted with the right tools such as additional promotion and

discounts to customer that shares and post offers. No one goes into viral campaign and says it's going to be successful straight away, the objective first, is to create an emotionally, compelling story that will connect with the target audience and ultimately drive sales. (Tsai, J. 2009).

2.6.2 Previous Research on Viral Marketing

There has been a lot of interest within the last five to ten years in viral marketing. As the world of IT evolves, researches on various aspect of marketing will continue. To begin with, research has been done about viral marketing in different sectors, service sector, consumer sector and some few in retailing. Studies in viral marketing have focused on viral marketing definitions, how to generate viral message, how to reach millions of buyers, communication between customers to drive sales. In addition to these, studies have also been done on customer behaviour and satisfaction through store location and loyalty cards.

According to Wilson (2012), viral marketing strategies are those encouraging individuals to share a marketing message with others, which creates the potential for exponential spreading of the message. Furthermore, successful viral marketing campaigns include as many as possible of these six essential characteristics (Wilson, 2012):

- Gives away products or services;
- Provides for effortless transfer to others;
- Scales easily from small to very large;
- Utilizes existing communication networks;
- Takes advantage of others' resources.

Essentially, the idea is to attract attention by freely providing a prospect with something of perceived value. To push transfer, the marketing message should be easy to share with other users (e.g. graphic, download, URL) online, via email or other common communication medium. Supposing the message 'goes viral', the agency or organisation must able to have room for the response (i.e. the scale), or the so-called virus will stop replicating. Additionally, a successful viral message will appeal to common user motivators such as the desire to be 'cool' or loved, needed, or understood (e.g. Maslow's Hierarchy of Needs). Additionally, a message that is inserted into already ongoing communication (e.g. a 'tag' on every email sent by a user) will be more likely to multiply

virally. Finally, a message that influences many websites or many providers as sources will be exposed to more potentially interested parties, and hence sharing, presumably started from more users (Wilson, 2012).

Despite viral marketing success in relation to companies, there appears also to be unsuccessful area where this is not playing out. The factors affecting viral marketing success are as follows:

- The characteristics of the message
- The characteristics of the individual sender and the receiver
- The characteristics of the social networking site used.

The advertiser can control the message characteristics relating to the content and the creative viral message design. (Ho and Dempsey, 2010; Kalyanam et al., 2007). An effective viral message should break through every barrier of individual differences and encourage further passing along of the message. Sex appeal and humor are the most important catchy viral messages that audience respond to. (Golan and Zaidner, 2008) and that the visibility of the social network encourages message diffusion (Susarla et al., 2012; Salganik, Dodds, and Watts, 2006).

Apart from the message content, another factor that can affect the success of viral message is the consumer themselves, findings have shown in this area that personality traits, demographics and motivation for sharing contents: all these points mentioned above can affect the success of viral marketing. (Yuping, L 2012). For example, researchers have found that young female consumers exert more influence and they also tend to be more susceptible to viral influence than their male counterpart and older ones. (Katona et al., 2011; Trusov et al., 2010). Furthermore, studies have shown that both being extrovert and being innovative also affect how individuals will pass on a message. (Chiu et al., 2007; Sun et al., 2006). In addition, the structure of a social network affects the influence of the message and the number of people it reaches. (Bampo et al., 2008; De Bruyn and Lilien, 2008). Measuring totality of viral marketing is extremely difficult and if not impossible, the author of this article stated that how is email that's been sent to others and the ones forwarded to personal account measured, or how does URL (Universal Resource Locator) copied and pasted in to message window so people can get the information they want to get. He further argued that there's no doubt about it that viral marketing is extremely powerful. (Tsai, J. 2009). Baron and Freilich (2005), summarized

the various forms of marketing which are user technique whereby users of products are encouraged to pass on a message especially slogans or product recommendation to friends and families. The second form is also broadcasters also qualifying as viral marketers. For example, readers recalling that John laws and Alan Jones recommended various products and services on their programs, making listeners believe that their positive personal experience makes them prefer the product. The third form of viral marketing is one on one which was practiced and featured in 'Mondo Thingo' whereby the program focused on certain service provider such as hairdressers, masseurs endorsing other products for reward during their own service provision (Baron and Freilich, 2005).

Cruz (2008) stated that this growth of viral marketing can be explained by some reasons which are increased in consumer marketing, adoption of new technology by companies or organizations, falling returns, media fragmentation, inflated media prices. People always like to share their experience in buying a product because of the prestige and status that may arise through a need to share their purchase experience to help others and these conversations are then passed to families and relatives. Viral marketing can be regarded as critical electronic extension of word-of-mouth communication and not just mere development of word of mouth. He further explained that other researchers find it very difficult to measure because viral marketing manifests itself in various forms. For example, it can be used as email marketing seeding messages to existing customers and who are encouraged to pass it on to their friends or their social networks. He added that seeding which goes viral as words are passed along or as brand pushers. The variety of ways in which individual engage in viral marketing makes the task of locating criteria for measuring viral marketing problematic.

2.6.3 Advantages of Viral Marketing

Viral marketing is a natural incineration where a message is spread virally and it's usually a very large distribution. Viral marketing has always been a trial and error processes and its success is by luck as it always relies on audience to share out the idea. This type of marketing doesn't have a target audience. The process is tricky in the sense that most of the time people when spreading the messages are not even aware they are helping to distribute marketing messages. The beauty and advantage of viral marketing is that when successful it increases the businesses or product brand awareness (Filsupport, 2013). Very related to this type or form of marketing is social media marketing and people in general often use them in place of each other. Businesses often use social media

platforms to carry out viral marketing activities hence these platforms are discussed in detail in the next sub-topic.

Viral marketing encourages online word of mouth promotion by taking advantage of social networks and consumer desire to emotionally connect, contribute to and share content with their friends. A viral marketing campaign is likely to succeed when the content is able to highly reverberate with the target audience and appeal to the group's motivation for sharing information. Consumers who are more individualistic (in the sense that they try to differentiate themselves from others) and more selfless tend to be the ones to forward the content to others (Ho & Dempsey, 2008). Van der Lans et al (2010) indicated that there are three strategies that marketers can use to seed a viral campaign: seeding email, online advertising and offline advertising. Once a campaign has been launched, it is very important that marketers manage every stage by noting and analyzing the source of the viral content invitation such as when the customer access the viral campaign page, number of referrals a customer was able to make to his or her friends. The platform that marketers use to launch this viral campaign is social media platforms.

2.6.4 The Relationship Between Viral Marketing and Social Media Marketing

Social media marketing involves creating a rapport between the customer and the business itself; this involves listening, getting feedbacks from customers, interacting with them and creating a constant emotional connection whereas on the other hand viral marketing is something that happens naturally where a message spreads virally in a one-time very large distribution, no target audience like social media marketing. Although some differences do exist between the two, social media marketing is set out on a deeper, more reciprocating and long term relationship as compared to viral marketing. Another difference between them is that you cannot fully measure the efficiency of viral marketing as no relationship is established between the business and the customer for example, when mass email is sent to millions of people in an avenue to increase sales you can't tell who it's reaching hence you can't fully measure its efficiency compared to social media that creates relationship between the business and the customer. One big similarity between viral marketing and social media marketing is that both are used for the same objective in businesses which is to build and distribute brand awareness and ultimately contribute to the overall marketing objective of the organization. Both often use the same platforms which are social media platforms such as Facebook, twitter, YouTube and more.

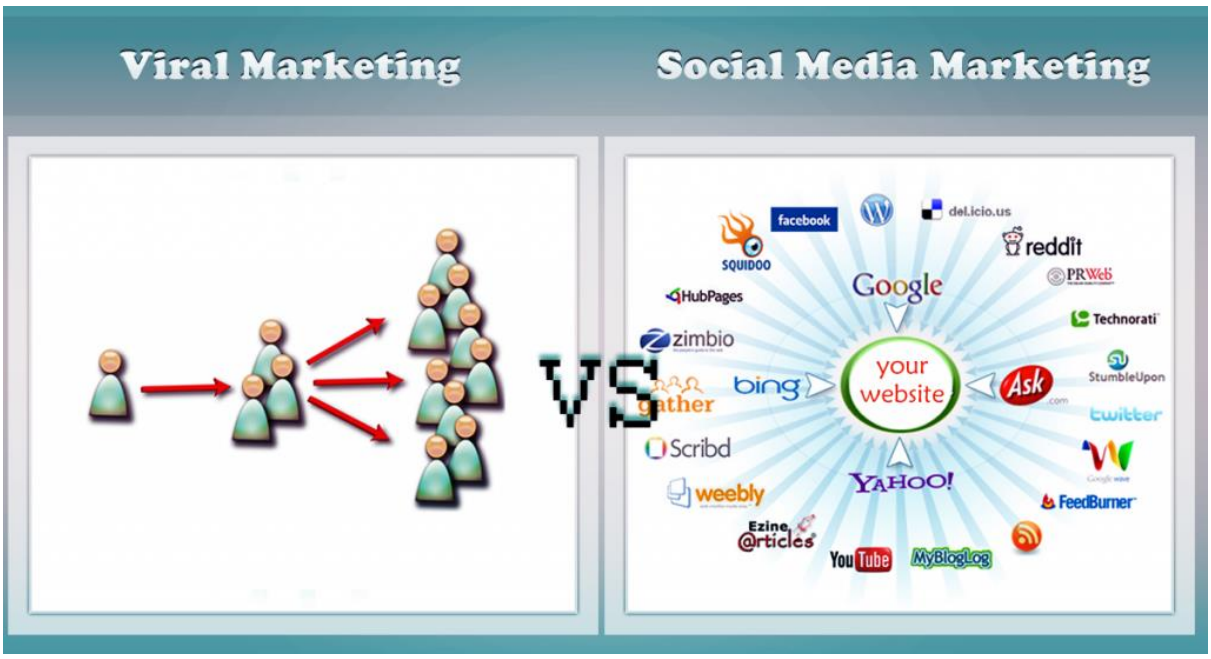

Figure 6: *The Relationship Between Social Media Marketing and Viral Marketing* (Source: FilSupport, 2013).

2.6.5 Problems with Measuring Viral Marketing

Juvertson (2000) and Porter and Golan (2006) highlighted the importance of viral marketing but the literatures relating to its success are very limited. Not only do practitioners have limited literatures relating to its success, they also have difficulties in measuring its effectiveness. Porter and Golan (2006) argued that measurement of viral marketing should be based on attitudinal criteria, namely cognitive and behavioral changes; however, this is used for mass media and not necessarily reflects the context of viral marketing. Juvertson (2000) indicates that a successful viral message will convert and retain many recipients as new users, therefore he recommended penetration, loyalty and frequency as appropriate evaluative criteria. Welker (2002) argues that viral efforts or success is measured by the speed of transmission, how long the message stays around and its simplicity a regards mental barriers, cost of sending out the message and handling.

Taking a closer look at all the practitioners' literature, it is indicated that little or no agreement has been reached regarding the criteria to be used to measure viral marketing campaign success or failure. Castronovo (2012) argued that consumer purchase decision is greatly affected by views and sentiments of one's peer. Consumers relies on the opinion of their peer as a source of product information. Since the early

1950s, researchers have shown that word-of-mouth not only influences consumer choices and the decision to purchase a product or service (Katz and Lazarsfeld, 1955) but also shapes consumers' attitude before use (Herr et al, 1991) and their perception after using the product or service (Bone, 1992).

Although several marketing Gurus have stated that it's very difficult to measure viral marketing but this. Many researches has been done on viral marketing but its impact has not yet been put into research as many authors highlighted the impossibility. Most of the researches companies or researchers have done have concentrated on either marketing campaign or the impact of viral marketing on corporate brand reputation, the latter was released early 2014. According to Bazadona (2006), he stated that " It is not surprising therefore, that even though academics have repeatedly stressed the importance of viral marketing, the literature relating to measuring its success is relatively limited and also practitioners have had difficulties in measuring its effectiveness, he added that the fact that a viral message hits or impressed an audience doesn't mean its successful, it just described the level of activity and that it's not suitable measurement for viral campaign success.

2.4.1.6 Community Marketing

Community Marketing is a technique to engage existing customers with each other or with the organisation whose products or services the firm provides. For this research, this investigator will focus on the development of online community marketing. The expansion of collaborative platforms can be either 'organic' or 'sponsored' (Bryan, 2004), depending upon the origination of the resource. Community marketing is termed 'organic' when the collaborative platform has been established by the user or he community itself, whereas 'sponsored' community marketing is that which has been developed by the organisation whose users are encouraged to take part.

One of the main goals of both organic and sponsored community marketing is to connect community marketing existing customers with one another. Often platforms include blogs and message boards where users can post questions to the network. An oft-stated advantage of this function of community marketing platforms is that users may receive seemingly correct answers to technical questions much faster by posting the query to the community than they would than contacting the organisation's customer support because it takes a while for some organisation to respond to queries depending on the sector. Furthermore, users can view supposedly unbiased reviews of an organisation's products

and services before speaking to their agents. Gradually, user communities are cautious of organisation communications and advertising because they do not trust these sources to be unbiased or even, in some cases, true and correct (Morgan and Hunt, 1994). The same caution creates a tendency for users to 'trust' organic communities more than sponsored communities. Sponsored communities, in addition to connecting existing customers with each other, generally aim to connect existing and prospective customers to prospects and to the organisation itself. The goal of the latter aims is to promote loyalty to the organisation's product or services and to mine the community for product ideas. Both organic and sponsored communities are would-be sources of ideas to improve products and services, though in the former community, the idea may be less 'prompted' than in the latter communities. In both kinds of communities, marketers have the enhanced opportunity to interact with their fellow customers in a bi-directional fashion under conditions of reduced barriers to communication. The interaction thus accelerated can help marketers with finding volunteers to be Buzz marketers, product advocates and evangelists. Some of the key functionality that users of community marketing platforms have available includes:

- Online social networking tools (e.g. blogs, forums, message boards, wikis).
- User business collaboration tools.
- Community governance opportunities.
- Community exclusive content (e.g. webinars, podcasts, webcasts).

2.4.1.7 Evangelism Marketing

Evangelism marketing is another form of word-of-mouth (WOMM), whereby organisation can identify and groom voluntary advocate to actively spread positive information about the firm's products and services (Hubal and McConnell, 2002). On the other hand, some evangelists are 'home-grown' in that their appreciation of a product or service shows in the form of frequent recommendations and encouragement to prospective consumers. Evangelism marketing is like both buzz and grassroots marketing in that it is WOMM, but differs by the intensity of the advocate. In the buzz marketing technique, WOMM arises by frequent sharing of compelling content, and in grassroots marketing, WOMM develops by prospective customers being influenced by the organisation-enhanced enthusiasm of a community of users. Evangelism marketing is more an individual customer who believes so strongly in the product or service that they eagerly and voluntarily inspire others to purchase it (Parker, 2010). In this context,

evangelism marketers are not associated with the organisation or compensated in any way for their enthusiastic endorsement, so their advocacy is more credible to others.

2.4.1.8 Grassroots Marketing

Grassroots marketing refers to the practice of marketing built on personal recommendations rather than mass media forums. This type of marketing is another like word-of-mouth marketing (WOMM) technique whereby organisations are promoted by their supporting community. Again, grassroots marketing levers the perceived advantage held by the potential customers that the WOMM will be unbiased and is not direct advertising, which they consider uncertain. Kahn (2005) indicated that when the grassroots advocates promotes an organisation's product or service without revealing the 'kickback' received from the organisation, deception of the audience could be considered unethical. In practice, organisations pursue grassroots marketing campaigns by becoming active and developing relationships with users within targeted communities. The companies provide perceived value for the users or the community by participating in community discussion groups and events. Organisations encourage users to perform activities that promotes the company or its products and services. In return for participation and advocacy, users are provided with benefit that is perceived valuable. The idea behind this is that prospective customers who visit the targeted communities and receive positive intelligence on the company, products and services likely have a higher likelihood of turning out to be actual customers. (Homburg, Kuester and Krohmer, 2009).

2.4.1.9 Referral Marketing

Referral marketing is an expression explaining the marketing of products and services to prospects by spontaneous or encouraged referrals. The referrals is often face-to-face, word-of-mouth-marketing (WOMM), but in many cases are afforded greater distribution via the internet through social media and the use of social networking sites. The distinction of referral marketing from other WOMM technique is that it aims to maximize distribution potential through a controlled and organised approach to the process (Schmitt, Skiera and Van den Bulte, 2010). In referral marketing, companies create formatted, automated and regular messages to encourage both prospective and existing customers to share promotional information focused on the value products or services provided to consumers. The automation process, especially in circumstances where multiple, audience-targeted messages are regularly guided to appropriate social groups online, intents to maximize the number and frequency of positive messages distributed among potential buyers. Additionally, while referral marketing takes place offline, when

these campaigns are digitized and focused on internet users, the ability to track distribution of the messages make available important information to marketers for follow-up conversations.

A recent quantitative study Schmitt *et al*. (2010) completed together by the academics of the University of Pennsylvania and Goethe University in Frankfort, Germany, indicated that prospects who became customers of a bank because of a referral marketing were retained and more profitable to the company, all other thing being equal. Furthermore, it was found that the increased revenue generated by this banks through referred customers, on a per capita basis exceeded the per capita expense of the referral programme itself. These findings reveal that referral programmes are a cost-effective and profitable means to gain new customers and presumably more so when leveraging social networks and media.

2.4.2.0 Conversation Creation Marketing

Conversation creation marketing involves marketers developing compelling digital content, including entertaining media or other promotional materials, including advertisements, with the goal being to start off (WOMM) marketing activity (Mihir and Halvadar, 2009). Conversation creation involves monitoring the ongoing discussions about the company's products or services, but also involves participation in said conversations. Conversation monitoring of representative social network sites, blogs and search engines can be performed by marketers; or marketers can employ any of many companies focused solely on providing other organisations with notifications when anything is posted online about the company regarding its products or services. While conversation monitoring provides a company with intelligence on who is talking about what (i.e. hot-button issues), and how any company's response is affecting the conversation, perhaps the main benefit is identifying discussions in which the company can and should partake. Preferably, ongoing conversations will be assessed in term of its directionality, multiplier, action level and tone (Pruden and Vavra, 2004). The directionality refers to whether the topic is the company or a specific product or service. Multiplier is another word for the total distribution of the conversation among users. Action level discriminates between conversations forwarded intentionally or not, and with or without attached significance. Tonality signifies the type of information being spread and whether it can be described as positive, negative or neutral.

Once the monitored conversation is assessed, the marketer can participate by inviting the initiators to speak directly with them. The next step in conversation creation is to review the content that is shared. The third step is to respond directly (participate) in the conversation, taking care to demonstrate authentic gratitude for the communication, striving to provide clarity and transparency in the response and somehow indicating that, in case of a problem, the company is fixing it, or at least trying to do so (Pruden and Vavra, 2004). Again, the most important considerations in any discussion is to respond in a way that will satisfy the listeners' perceived needs. According to Sernovitz (2006), word-of-mouth marketing, simply acknowledging the communicant, giving that person attention and demonstrating the company's interest in the conversation is sufficient and superior to simply responding with a standard sales pitch (Sernovitz, 2006).

2.4.2.1 Influencer Marketing

Influencer marketing, also called 'influence' marketing, involves identifying and targeting particular individuals or 'types' of individuals (e.g. opinion leaders) who are influential in the purchasing decisions of the prospective buyers. In addition to steering messaging to individuals, influencer marketing can be aimed at third parties such as media figures (e.g. celebrities), collaborating professionals (e.g. accountants, lawyers), or other parties in a target buyer's value chain (Brown and Hayes, 2008). In essence, influencers are any parties that meaningfully shape buyer's purchasing decision. Marketers seek out these influencers and focus marketing activities on them.

Marketers pursuing this variety of social marketing, which again relies at least partially on word-of-mouth marketing (WOMM), should consider several criteria when identifying important influencers in each business or community. These includes the probable influencers' persuasiveness, vested interest alignment with marketing objectives, expertise in the product or service area, number of direct connections and number of frequency of interactions with targeted prospects (Keller and Berry, 2003). Many organisations exist to provide marketers with off-the-shelf influencers for plies and often use proprietary criteria to identify key persons, groups or types. However, the criteria tend to converge on the influencers perceived expertise, market reach, social or business 'individuation', independence and charismatic or other ability to sway prospects' opinions (Brown and Hayes, 2008). Like the so-called 'Marketing Pundit', influencer, like Buzz marketers often tend to be active in their expansive communities of contacts and are considered knowledgeable and trustworthy, characterized as 'early adopters', 'pacesetters' or even 'activists' (Keller and Berry, 2003). Bloggers and other

social media inventors are also potential 'influencers' (Gillin, 2007). The expansion of social network sites debatably increases marketers' chances of appropriately identifying and grooming influencers. For example, marketers can view social network sites to search for an individual who meet their criteria, contact the prospective influencers, prime them by offering product 'seeds' and ask them to take on buzz marketing, grassroots marketing or other 'non-affiliated' informal marketing roles on behalf of the organisation. Indeed, many companies exist whose sole aim is to measure online influence, using Graph Theory, Balance Theory, Social Comparison Theory or the Social Identity Approach (Sheldrake, 2009).

2.4.2.2 Cause Marketing

Cause marketing can involve a co-operative marketing effort between a business and a not for profit organisation or on the other hand, a marketing approach that aligns itself with a charitable or social cause. Unlike corporate charity, which generally involves tax-deductible contributions from the business to the 'cause', cause marketing refers to a marketing relationship which may not involve directly exchange of finances. Advantages of cause marketing to businesses and to their 'causes' can be significant. As such, the technique is growing increasingly common. Some common techniques of 'cause' marketing includes promotion of common message, endorsements of an organisation's product by the 'cause', local and national partnerships of various types and 'cause'-related employee service programme development. Despite the fact that cause marketing has been a popular marketing technique before the internet became publicly accessible, online cause marketing at social network sites is increasingly widespread. Online auctions, in which a percentage of the final price is donated to the given cause is also becoming increasingly common. Millennials and those involved in volunteer work are particularly supportive of cause marketing, with nearly 90% of Millennials signifying that they would change their purchasing behaviour in favour of a complementary product products and organisation associated with it 'a good cause' (Faville, 2006). The same study found that nearly 80% would pay more attention to messages from organisation perceived as deeply committed to a cause, and even higher percentage feel increased loyalty to organisations associated with cause like social and environmental responsibility.

From corporate sponsorship point of view, the benefits are also great, creating clichéd condition of win-win, where both sponsors and those sponsored gained symbiotically. Non-profit organisations gain access to more potential supporters through their sponsor's

customer base, gain additional public exposure via the marketing effort and reap financial and other rewards by accessing the often-larger financial resources of the sponsor.

2.4.2.3 Brand Blogging

Brand blogging is a term that refers to an organisation's participation in the so-called 'blogosphere', the collective of all online blogs, to communicate information on topics of interest to other users about the company, its products and services (Sernovitz, 2006). The information is supposedly to put the company in a spirit of transparency and openness. Brand blogging is fundamentally the same as the above-mentioned conversation creation in the case where it takes place on blog platform.

2.4.3 Email Marketing

This is a straight forward and cost effective way to acquire customer and build relationship with them. Email provides marketing an added channel to reach the customers in such a way that a stronger brand identity or image can be built. Email marketing increases consumers' involvement with the brand and this increase in involvement has shown to always increase customers' intention to purchase and positive word of mouth recommendation (Muller et al., 2008). Therefore, a successful email marketing campaign is measured in terms of delivery and open rates, links clicked and traffic on the website.

2.5.4 Social Media Marketing and Customers

Social media has become a key player in the wider marketing concept. In today's age, the role of social media marketing in terms of customers is very important role in the mass media, it's creating awareness among large audiences and customer and also enhancing communication. Many businesses are now using social media sites such as YouTube, Facebook, and Twitter to do viral marketing, interact with their customers, and promote their product and so on (Filsupport, 2013).

Social media marketing involves interaction and discourse with a target audience, this is achieved by having presence on social networking platforms. Customers are saying talking every single day and their needs should be given attention by listening to what they're saying, interacting with them and getting feedback. The major objective here is to create a very strong connection with the customer and keep it on-going.

2.5.5 Consumer motives for engaging in social media

There are number of factors that encourage consumers to access social media platforms. Today, consumers are involved in several activities online with the invention of web 2.0, these activities range from participating in an online discussion to sharing of contents, updating profiles and many more. Consumers don't just go online, there's a motivation behind everything they do online, few researchers have outlined different motives behind consumers' activities online. Stafford and Schkade (2004) in their gratification study identified three key gratifications of consumers or motives behind their activities online namely social aspects, entertainment, information**.** Shao (2009) and Courtois *et al*, (2009) also supported and added additional activities by conducting further research on user-generated content media and identified information, entertainment, social interaction, community development, self-actualization and self-expression as motives**.**

2.5.6 Consumer perceived online social media activities

Heinonen (2011) based their study on Shao (2009) and Courtois et al (2009), for example Shao (2009) fixated on what consumers contribute as input but he discovered that consumers are interested in being entertained and getting information from social media and participation is related to connecting socially, production is associated with consumers' self actualization and expression which can be associated still with entertainment. Courtois et al (2009) centred on motivation in addition to information, entertainment and social connection. The three main motivation are (information, social connection and entertainment) although different gratification have been put forward. Heinonen (2011) argued that although the previous researches identified three key activities that consumers do online namely; entertainment, social connection and information and the motivation behind them, also all element regarding consumer consumption and input were identified in the previous researches but none of them have combined all the element into a single framework. Heinonen (2011) study was conducted using exploratory study design was used along side with diary method where consumers where asked to keep a diary of their experiences on social networking sites. The whole activities of consumers where grouped under three categories which is similar to that of (Kim and Ko, 2012) which are entertainment, social connection and information. (Heinonen, 2011) argued that organisation should build their social media activities around consumers' activities however this study just explored consumer activities online via social networking sites and the approaches the manager should take while running

their social media activities but did not find out the impact these social media activities has on customer retention.

Table 2-1: Consumer's Online Social Media Activities

Consumer Motivation	Entertainment	Creating games and online content.	Creative tools for users' daily practices encouraging different user generated content sections based on entertainment practices.	Connecting users in real-time games.
	Social Connection	Enabling interaction between users creating chat functions and online communities.	Supporting interactions demystifying company's image online.	Facilitating new social connections learning from discussions and adapting accordingly.
	Information	Providing product information and free downloads linking company/offering to current happenings consumer advocates	Creating real time reviews and tests of products clarifying the link between company/offering and customer lives.	Providing tools facilitating daily practices inviting customers in the development of new offerings.
		Consumption	Participation	Production
		Consumer Input		

2.5.7 Perceived Social Media marketing activities of Clothing Retailers

Companies engage in some social media marketing activities to target, acquire and retain customers. Previous studies have explored activities on organizations engage with, especially the fashion clothing sector to attract and keep their customers. Previous research as discussed above has been focused on activities that consumer carries out online, Heinonen (2011) outlined consumer activities based on their output and consumption and proposed that marketers should build their activities around consumers but few researches has highlighted brands activities online, among the few researches are Kim and Ko (2012), the research was conducted in Korea to explore social media marketing activities and how it enhance customer equity-the case of luxury fashion brand, this study identified the perceived luxury fashion brand online marketing activities. Social media are online application created to encourage interaction, sharing of contents and build relationships (Richter et al, 2007). Global study by D.E.I Worldwide (2008), highlighted the impact of social media on consumer's purchase intention and the findings demonstrated that 70% of consumers have gone on social media sites to obtain information, 49% have made purchase intention based on the information they found on social media sites and 60% agree that they will pass along information to others online through social media and 45% of these people who searched for information online through social networking sites engaged in word-of-mouth. The report states that organisation that are not engaging in social media activities in the way they should are missing out their chances to reach their consumers.

The gap in this research was that only 5% of the total participant were from England and the research was conducted eight years ago, a lot has changed in the social media and digital world since that time. Furthernore, the study did not find out how social media retained customers, it just outlined how social media impact purchasing intention, a customer can engage online without buying anything and if a customer buys something, there's no guarantee that they will be retained hence the aim of this study which is to find out the social media impact on customer retention.

According to Kim, A.J. and Ko, E (2012) proposed five perceived social media marketing actitivties brands carried out either on a daily basis or occasionally and these activities are entertainment, interaction, trendiness, customization and word-or-mouth, the study found out their effect on value equity, relationship equity and brand equity and the results showed that as at that time the research was conducted brand equity and value equity is more important and influential in fashion brands performance than relationship

equity. The pros of the research is that, brands today still use the similar perceived marketing activities to attract new customer and keep the existing ones.

However, he study has a number of limitations and gaps . These include firstly, it was done in 2012, technology has evolved, the data was collected in Korea where consumer behaviour might be different from United Kingdom and the research found out the impact of social media activities on customer equity and not retention, therefore the gap in this study is one of the aims this study wants to bridge.

2.7 CONSUMER ATTITUDE TOWARDS SOCIAL MEDIA MARKETING

Social media is changing the way organizations pass across information to and from people around the world. The swift use of social media such as blogs and social networking sites and media-sharing technology is altering the way organizations responds to their competitors. Marketer now have the social media platform to engage in a wider and more modern forms of online communications with the help of social media marketing tools. Consumers' interaction with one another can affect buyers by many factors, therefore it is important for brands to enable customers have a clear idea about unfamiliar products (Constantinides, 2004). The definition of attitude was first introduced in the 1860s by Spencer and Bain as an “internal state of preparation for action” (Cacioppo et al, 1994). Later, the idea of attitude was redefined as “the sum of a man’s inclinations and feelings, prejudice or bias, predetermined notions, ideas, fears, threats and belief about any specified topic” (Thurstone, 1928). According to Allport (1935), an attitude is a “mental and neutral state of readiness, organized thought experience, exercising a direction or dynamic influence upon an individual response to all objects and situations with which it’s connected”. Although, the concept of attitude was found in social psychology research often in the 20th century, the definition of attitude still differed. In 1975, Fishbein and Ajzen proposed a definition of attitude as “a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object”. These researchers categorised attitude into three different parts namely; 1) attitude is learned from past experiences; 2) attitude influences action; and 3) the action towards an object are constantly favourable or not. The object of an attitude varies, it could be a person, firm, action towards other aspects of the world and action towards event. In this study, consumer attitude towards social media marketing is examined which represents consumer’s tendency to respond favourably or unfavourably toward social media and social media marketing based on their experience. Consumer attitude is a powerful predictor of consumer behaviour. Therefore, people who believe that a certain

action can provide them with positive results are more likely to embrace a favourable attitude towards that action (YOO, 2014).

Several research has been done in the past on consumer attitude, among the past research are Sliva et al. (2011) who found out the usage pattern of social media among youth specifically in the city of Mumbai and the study assessed the influence of social media on consumer buying behaviour and the result showed that social media is an important tool among youngster in Mumbai. Bashar et al, (2012) conducted an empirical study to understand the effectiveness of social media as a marketing tool and to also analyse the degree at which social media helps consumers the process of buying and the result showed that social media is growing very fast but it's still at the development stage in India. Vij & Sharma (2013) examined the study of social media experience of consumers and marketers in the state of Punjab and the paper recommended that Social media marketing should be interesting, informative, interactive and reliable and marketers should align their social media marketing activities with the changing tastes of the consumers. Yadav (2012) conducted a research to find out the significance of social networks as a medium of advertisement and also assessed the current method of advertisement that are trending via particular case studies and argued that social websites are not just tools for interacting with different people but are medium to reach potential customers as well. Bhakuni & Aronkar (2012) in their study explored the usage pattern of social media among the student of Gwalior city in India and also examined the influence of social media advertising on purchase intention of the students. The result of the study revealed that social media is a rapidly growing area with large number of student connecting themselves with it and that there's a strong positive relationship purchase intention and social media advertising. Dash (2011) discovered the appropriate relevant factors for online marketing awareness, purpose and the pattern of using social networking sites and came to conclusion that college students are aware of social networking sites in India and there's increase in its popularity thereby serving as a good medium to connect students.

Motwani et al, (2014) investigated the extent to which social media influences consumers' buying decision and the study found out that 1) most internet users in India are aware of social media and they are using it; 2) Not only does social media make customers aware of brands, consumers prefer the brands advertised via social media before they make the final purchase; 3) Consumers have positive perception towards social media marketing activities in India; they think that social media is interesting,

innovative, interactive and informative compare to traditional marketing. Kim & Ko (2012) study is a continuation of Sharma (2013) research as the study recommended that marketers should come up with social media activities that is interesting, informative, interactive and reliable.

Al-Dhuhli et al (2015) in their study also outlined two types of consumers that are influenced by social media and these categories includes Online Insiders (consumer who buys online) and Social Clickers (consumers who browse the internet without buying). The result identified social media users are affected by four factors which are Design factors, Information factors, psychological factors and cultural factors. The result of the research further revealed that out of the four factors, Oman consumers were mostly affected by two factors namely; information and design factors which made them choose the most suitable social media which is Instagram, the result also showed that the online insiders are security conscious and because of this, they don't want to use their card details online.

2..7.1 Gaps in the Consumer Attitude Literatures

The gap in Motwani et al, (2014) is that 1) The research was conducted in India and not United Kingdom; 2) Motwani et al, (2014) study examined the extent to which social media marketing in general affects buying decision of customers and not how the marketing activities influence consumer attitude towards social media marketing; 3) It generalized social media marketing without classifying it into activities that brands carry out and 4) The study did not pick a industry or brand. This thesis differs from Motwani et al, (2014) in that it will examine the impact of social media activities in the UK retail clothing sector on consumer attitude, the attitude of consumers towards social media marketing and will explore if there's a relationship between consumer attitude and customer retention. The gap in Sliva et al. (2011) and Bashar et al, (2012) study is that the study only found out social media usage among youth in Mumbai, the difference between their research and this study is that India is still a developing country compare to the United Kingdom therefore, consumer attitude of Indians might be different from that of UK consumers which is part of what this study set out to explore. Kim & Ko (2012) study revealed five online social media marketing activities that brands carry out. The gap in Sharma (2013) study is that consumer and marketer's experience were examined in India but the study did not find out specifically consumer attitude towards social media marketing. The gaps in this study are 1) The research was conducted in Saudi Arabia and not UK; 2) The research explored the factors that influences consumer

behavior towards purchasing a product while this study wants to find out the attitude of online UK consumers towards social media marketing and if there's a relationship between social media marketing and consumer attitude as well as customer retention.

2.8 CUSTOMER RETENTION THEORIES AND FACTORS INFLUENCING RETENTION

Ranaweera and Prabhu (2003) defined customer retention as the propensity for customers to stay with their product/services providers. Customer retention is a process which makes customers loyal towards a specific company and repurchase product from this company (Cannie, 1994). Benefits are gained from retention through increase in profit, lower cost and lasting gain. According to Zeithaml (1996), retention is the only one element that increases profit from 5% to 85%. while Danish et al, (2015) argued that customer satisfaction has positive impact on retention in other words, if the customers are satisfied, they will be retained some other author such as Richard (1996) does not support this findings, Richard (1996) argued that customers can still be satisfied and leave their product/service provider because satisfaction alone does not lead to retention. This study will find out whether satisfied customers still remains with their clothing companies or they leave.

It is important for organizations to execute the right marketing strategies to succeed (Kotler, 2008). Conventionally, organizations focus their marketing strategies on acquiring new customers and increasing market share, on the other hand, due to globalisation, most industries are becoming more competitive and this leads to firms looking for new ways to do their businesses. Gummesson, Evert (2002) argues that when developing a product or services, it is value the customers receives for their money that it's most paramount therefore customers' needs are put as priority when considering coming up with a new product. customer retention and concept is not something new, several researches has been done and different authors came up with different factors influencing customer retention. There are four major theories, these includes, Richard's (1996) conversion model, Ranaweera and Neely's (2003) holistic approach, Ranaweera and Prabhu's (2003) holistic approach and Sharma and Patterson's (1999) relationship commitment model.

Sharma and Patterson's (1999) in the relationship commitiment model came up with three factors that determines relationship commitment and they are communication

effectiveness, technical quality and functional quality, the three factors discussed are represented below:

Factor 1

Trust as defined by Sharma and Patterson's (1999) is the belief that an organisation that the service can be relied upon in such a way that the long term interest of the buyer is served. This means confidence in the organisation. Trust booster for firms was customers' satisfaction with past exchanges with the organisation (Ganesan, 1997).

Factor 2

Sharma and Patterson's (1999) highlighted two components which are technical and functional quality. technical quality is the way the customer perceived core service and in an online clothing environment, that will be the speed of product delivery. Functional quality deals with how the service is delivered in other words, it's the interaction between the organisation and it's customers. The author argue that the greater the perceived technical quality by the customer, the stronger the trust in the relationship, he further argue that the greater the quality perceived in general by the customer the stronger the relationship commitment. The last factor identified by the author is communication effectiveness; effective communication helps customer to be aware of what's going on in the organisation, informs them of the offers they have, sales going on and new trends of cloth available and as a result of this, the greater the communication effectiveness, the stronger the relationship commitment Sharma and Patterson's (1999).

The gap in Sharma and Patterson's (1999) relationship commitiment model above is that effective communication, service quality and customer trust alone will not be the only factors that influence customer retention as there exist other factors identified by other researchers which are price, customer satisfaction, switching barrier/attraction of alternatives e.t.c. Some of the factors were identified by all the authors, factors like switching barriers, trust and interaction were identified by more authors like Ranaweera and Prabhu (2003) which makes these factors important factors to be used when measuring factor that influences customer retention.

Richards (1996) conversion model identified three factors that influences customer retention. This model is based on the fact that it is not enough to satisfy customers as satisfaction alone cannot envisage customer behaviour. Richards (1996) argues that satisfied customers will leave, dissatisfed customers will stay and therefore, instead of

talking about customer satisfaction, an organisation should discuss customer commitment because satisfied customers will be committed however, building committed customers is more than just satisfying them. Richards (1996) identified three factors which is part of the factors to be used for measuring customer retention in this thesis. These factors that drives commitment are level of involvement, extent of ambivalence, and attraction of alternatives.

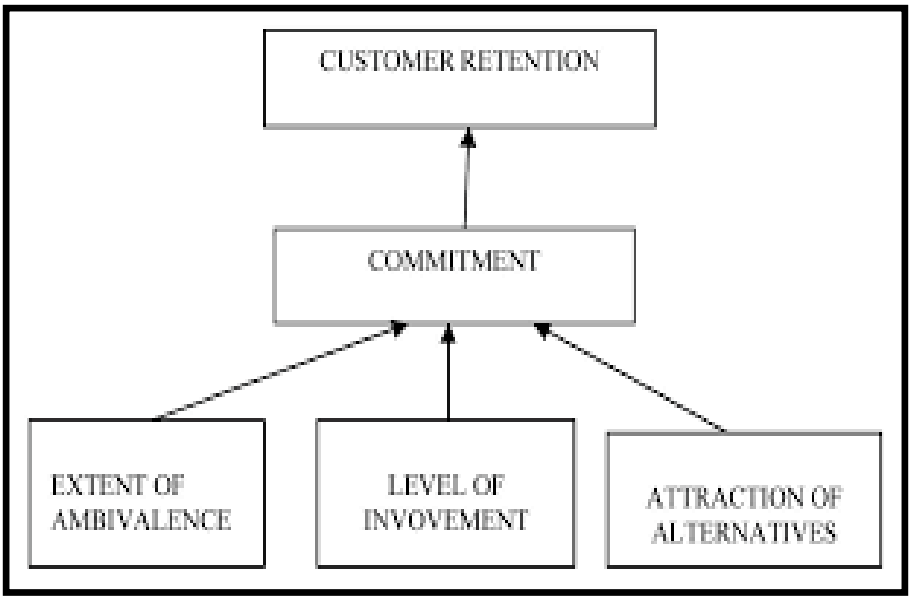

Figure 7 *: Richard's Conversion Model*

Source: Richard, (1996)

Factor 1

Level of Involvement: This factor can also be called interaction, Richard, (1996) argues that the more involved customer is with their brand, the more carefully they will choose and once they've made their choice, they most of the time stick by it, therefore if a customer is dissatisfied but is involved, his primary focus will be to try and fix what's wrong with their organization rather than looking for alternatives immediately but if customers are both unsatisfied and uninvolved, they would not even care about fixing anything but plainly switch providers. Richard, (1996) further argues that involvement creates room for dissatisfaction.

Factor 2

Richard (1996) also identified attraction of alternatives which another author has named switching barrier, Richard (1996) argues that the more attractive an alternative looks the

more dissatisfied customer becomes and converse which means they often switch provider. If alternatives available are not that good and customers are dissatisfied, then conversion may be delayed even if customers are not satisfied, on the hand if the alternative seems attractive, customers may converse even though they are not satisfied and that is the reason Richard (1996) argues that satisfaction is not good enough to keep a customer committed. On the other hand, Sharma & Patterson (2000) argues that when a customer is not aware of alternatives they still stay with the firm they have chosen even if they are not satisfied. Patterson and Smith (2000) in their research argues that when customers perceive that competitors offers differentiated product/service, quality, they tend to be less committed to their product/service provider.

Factor 3

Extent of Ambivalence: The third factor of Richard (1996) conversion model is extent of ambivalence, this factor will not be taken into consideration in this study because it is difficult to measure. This factor is the positive/negative feelings of customers towards their product/service provider and this makes them less committed.

The gap in Richard (1996) conversion study above is that extent of ambivalence, level of involvement and attraction of alternatives alone cannot be the only factor that influences customers' commitment which ultimately leads to retention, there are other factors identified by other researchers which will be used in combination with Richard (1996) conversion model.

Ranaweera and Neely (2003) came up with the holistic approach to customer retention by slotting in quality, price, indifference and inertia, two of these factors will be used in combination in this study in combination with other factors from other authors. These two factors are quality and price. Ranaweera and Neely (2003) holistic approach is further explained below:

Factor 1

Quality: This applies to both product/service industry and putting online clothing retailers in to consideration, the process makes it more than just a product. Ranaweera and Neely (2003) argues with other authors that there is a direct positive connection between perceived quality and customer repurchasing intentions. Ranaweera and Neely, 2003, Reichheld, 1996; Zeithalm & Bitner, 1996; Zeithalm 1998). Ranaweera and Neely (2003) defined quality of service as consumer's evaluation of the overall excellence of the

service. The author further concludes that customers may place higher importance on the quality of service received rather than the amount paid for the service.

Factor 2

Price: Ranaweera and Neely (2003) identified another factor which is price, this author holds the theory that the better the perceived price by the customers, the greater the level of repurchase intentions.

Ranaweera and Neely (2003) identified four factors which are price, quality of service, Inertia and customer indifference in which two of these factors was taken into consideration. The study found out that there was a direct relationship between price and customer behavior however the gap is that the author did not find out the correlation between price perception and customer retention and was recommended for further research.

Danish (2015) conducted a research in the cellular industry in Pakistan and found out that price perception has positive effect on customer retention in the cellular industry in Pakistan, their study also found out that price is the most significant factor that made customer stay with their service provider. The gap also in this study is that the research was conducted in the cellular industry in Pakistan, this thesis is based on UK clothing retailers.

Ranaweera and Prabhu (2003) outlined in their holistic approach three factors that studied the combined effects of customer satisfaction, trust and switching barriers on retention in the service sector. Ranaweera and Prabhu (2003) explained customer satisfaction as the assessment of an emotion and stated that the higher the satisfaction the higher the level of retention. The more customers are satisfied, the more they remain loyal to their organisation (Fornell, 1992) and because of this, organisations have put in a lot of efforts to increasing customer satisfaction (Ranaweera and Prabhu, 2003). Although customer satisfaction is one of the key factor for measuring customer retention (Fornell, 1992), it is yet to be utilized in the retail sector and that is the gap this research will bridge.

Table 2-2: Key Authors of Customer Retention Theories and Various Gaps

Key Factors affecting customer retention	Key Authors	Specific gaps	General Gaps in the literature
Quality	Ranaweera and Prabhu (2003), Sharma and Patterson's (1999)	Their research was done many years ago in the service industry and not UK online retail clothing industry.	The combination of all these factors that affects retention has been used by several researchers especially in the service industry such as cellular industry in Pakistan and professional service sector in general but has not been used in the online UK retail clothing sector.
Price	Ranaweera and Neely (2003), Qadri et al (2014), (Abrat and Russel, 1999),	Qadri et al (2014) identified price and other retention factors but this was done in the cellular industry in Pakistan and not UK.	
Communication effectiveness	Sharma and Patterson's (1999)	This study did not identify factors such as price and customer involvement which is very vital in the fast paced business world and was also done many years ago.	
Switching barriers/attractiveness of alternatives	Richard (1996), Sharma and Patterson's (1999), Ranaweera	This has been used in the banking sectors in Ghana, professional service sector, cellular industry in Pakistan but research	

	and Prabhu (2003), Rosemond (2013), (Jonathan et al, 2000)	using this factor has not been done in the clothing sector.
Customer 's level of involvement	Richard (1996)	Richard (1996) did not include other factors such as price which Danish (2015), Qadri (2014) outlined that it's very crucial in recent times to customer retention
Customer satisfaction	Ranaweera and Prabhu (2003), Fornell, C. (1992), Patterson, et al, (1997)	The theory was applied majorly on the professional service industry and not clothing.
Customer trust	Sharma and Patterson's (1999), Gounaris, S. (2005), Ranaweera and Prabhu (2003), Garbarino and Johnson (1999) Rosemond (2013)	This theory was proposed many years ago and was applied majorly to professional service industry and not retail clothing industry and also because of the fast paced business environment, the factor needs to be used in recent research to show whether they are still valid or not.

2.7.1 Customer Relationship Management (CRM) as Part of Retention Strategies

CRM is one aspect of marketing mix that when it's strategically planned and integrated into the marketing strategy, it benefits the company greatly (Rust & Verhoef, 2005). Using relationship-oriented intervention to build companies' customer loyalty requires personalized marketing effort for individual customers, the only way these personalized marketing effort can be effective in increasing companies' profitability is if these efforts are achieved (Rust & Verhoef, 2005). Marketing have changed drastically from the way it used to be, it's gone from product-focus approach to consumer-centric in the sense that consumer opinion are hugely affected by the messages they receive from the marketers and their contemporary. Reinartz & Venkatesan (2008) argued that a customer relationship is cultivated by four key action of a firm which is customer acquisition, customer retention, customer growth and winning back customers. Successful customer relationship management commences with properly recognizing and acquiring the right customer and accurately estimating the customer lifecycle value to develop a marketing resources that will suit their needs and develop a relationship.

Furthermore, an effective CRM strategy depends on the firm competence in customer knowledge management, customer data collection, analysis, dissemination and application of this information from its active customer database. Customers' database is very important as it provides the marketer the information it needs to target and segment their customers in such a way that allows them allocate resources and create value, devising more customer-centric strategies and increasing customer loyalty and consequently increase firm's profitability. Moreover, a customer database can provide recent information about a customer as well as behavior and characteristics information pertaining to the customers (Abe, 2009). This information allows marketers to identify active customers, predict the way they make their purchase and come up with marketing efforts with the overall marketing goals (Rust & Chung, 2006).

2.9 AIMS AND OBJECTIVES

Aim

The aims of this study are to analyse the importance of social media marketing on customer retention, evaluate and explore the impact of UK Large clothing retailers' social media marketing activities on customer retention and the extent of this impact on the organisation emphasizing on the UK clothing industry.

Objectives

- To identify and explore the role of marketing communication in the UK retail clothing sector (focusing on UK large retailers).
- To identify social media marketing activities used by large clothing retailers and to what extent these activities impact customer retention.
- To identify if there's a relationship between social media marketing activities and consumer attitude towards social media marketing.
- To explore the relationship between customer retention and consumer attitude towards social media marketing.

2.10 Summary

Most prior studies into social media marketing have been conducted in Asia and France (e.g. Kim and Ko, 2012; Godey *et al*, 2016; Ioanas and Stoica, 2014; Abdullahi, 2016). Further to this, notable customer retention previous studies was conducted in the service industry (Ranaweera and Prabhu, 2003; Reichheld, 1996; Richard, 1996). Considering the gaps in the previous studies established in the review of appropriate literature, this study may be regarded as the first attempt to investigate online perceived social media marketing activities on customer retention in the retail clothing industry and the first study in the UK.

CHAPTER THREE

Conceptual Framework and Research Hypotheses

3.1 Introduction

The previous chapter examined the main literature regarding the major concept considered significant to this study. The examination of different literature has also helped in identification of gaps that is worth examining. This chapter in other words examines the proposed conceptual frame work that supports the research and show cases the hypotheses formulated to test the model. The hypotheses were developed from the already existing research.

3.2 Dimensions of Perceived Online Activities

One of the goals of this research is to conceptualise the different dimension of large retailers perceived online marketing activities and its impact on customer retention. Although there are many literatures that have emerged recently regarding social media marketing activities, there are a few which have been written in the direction of consumer and brands online social media activities. Shao (2009) highlighted three consumers' online activities namely consumption of information and entertainment, participation in social interaction and community development, production of self expression and self actualization, Shao (2009) study fixated on the contribution of consumers as input and discovered that consumption is majorly associated with information and entertainment, participation linked to social connection and production is majorly associated with self-expression which can be seen as part of entertainment, although shao identified these three activities, he did not provide different sub-activities that happens in the main categories. De Valck *et al*, (2009) used dichotomy method to identify six types of virtual community members based on members' online participation patterns namely: 1) main members who adds to the community by recovering, supplying and discussing information. 2) Conversationals who just loves discussing. 3) Informationalist who just retrieves and supplies information. 4) Hobbyists are the ones who focuses on updating their personal information on the websites. 5) functionalist always have interest in retrieving information 6) Opportunists retrieves marginal contents from the website however this categorization is just based on information activities and does not include other types of activities. Schau et al, (2009) described twelve practices associated with communities namely; welcoming, empathizing, and governing and these three practices are related to social networking, four practices connected to community engagement namely: staking, milestoning, badging and documenting. Two practices associated with

impression management which are evangelizing aand justifying. Three practices linked with brand use are grooming, customizing and commoditizing. Courtouis (2009) concentrated on motivation and emphasized on escapist function and personal function in addition to information, entertainment and social functions. The 2011 study by Heinonen was the first study that combined all consumer social media activities in one frame work and also came up with sub-activities under the main activities, Heinonen (2011) argued that organisations and marketers can use consumers' online activities to develop their own social media activities and he examined these activities in different dimensions, he categorized entertainment, social connection and information under consumer motivation in other words these activities are what motivates consumers to be active on social media, Heinonen (2011) highlighted three practices under consumer input namely; consumption, participation and production.

Kim *et al.* (2012) highlighted entertainment, interaction, customization, trendiness and word of mouth as major marketing activities that brands carry out online. The research was conducted using Louis Vuitton's official website as a sample, the brand's social media marketing activities was measured with the most commonly used social media which is Facebook and twitter, twenty-five measurement items were developed from Kim (2010) research on the perceived activities of online fashion brands.

Table 3-1, shows similarities between consumers and brands online activities highlighted by different researchers, information, entertainment, customizing and interaction are the most common activities among all the activities, although perceived online activities has been categorized by different researchers in different ways, Heinonen (2012) approached online activities from the consumers point of view and proposed that marketing managers should build their online marketing activities around consumers online activities. Kim (2012) approached their study from the brands' point of view and highlighted five different online activities performed by brands. This study is a blend between Heinonen (2012); Shao (2009); De Valck *et al.* (2009); Courtois *et al.* (2009); Kim *et al.* (2012) and Godey *et al.* (2016).

Table 3-1: Perceived Social Media Online Activities for both consumer and Clothing Brands

Shao Study (2009)	DeValcke et al. (2009)	Courtois et al. (2009)	Schau et al (2009)				Heinonen (2011)		Kim et al. (2012)	This Study
Consumption of information and entertainment	Entertainment	Brand Use	Community Engagement	Social Networking	Impression Mgt		Consumer Motivation	Consumer Input	Entertainment	Entertainment
		Grooming	Staking	Welcoming	Evange Lizing		Entertainment	Consumption		
Participation in social interaction and comm development	Social Function	Commoditizing	Milestoning	Empathizing	Justifying		Social Connection	Participation	Interaction	Interaction
Information	Information		Documenting	Governing			Information	Production		
Production of self expression and self actualization		Customizing	Badging						Word of Mouth	Customization
										mouth
									Customization	Trendiness
										Trendiness

The following sub-segment will discuss the proposed categories of perceived online marketing activities of clothing retailers that are counted to be relevant and important to online clothing retailers.

3.2.1 Entertainment

According to Agichtein *et al*. (2008), entertainment is the result of the fun and play emerging from the social media experience. The first type of perceived online activities majorly carried out by clothing retailers identified in this study is entertainment. Just like traditional media and entertainment, consumers can go to user-generated sites such as Facebook, Instagram, Twitter to consume content such as video clips, blogs, pictures and music. Previous research has revealed that there are two major motives why consumers go online for media consumption, namely; information seeking and entertainment (Shao, 2009). Compared with information entertainment is more important in prompting individuals' use of media. YouTube for example has most its channel come from entertainment-related segments such as sports, music, comedy, film and animation. However, businesses are making use of this social media including clothing retailers to entertain their consumers. Clothing retailers have now come up with entertaining advertisement clips on their social media page for consumers' amusement and enjoyment. From the hedonic point of view, social media users are pleasure seekers who are being entertained and amused (Manthiou, Chiang & Tang, 2013). Different studies have presented entertainment as a strong motivation for social media use (Park *et al*, 2009, Shao, 2009). Park *et al*. (2009) argues to some extent that entertainment drives social media interaction. Social media users see entertainment as an opportunity to relax and as a means of escape (Courtois *et al*, 2009). This study uses survey to find out whether consumers find their clothing retailers' social fun and interesting and to measure entertainment.

3.2.2 Interaction

According to Beatty (1988), Interaction is defined as the extent to which late messages in an order of communication exchanges link to previous messages and their references are made to previous messages. Godey *et al*. (2016) defined interaction as the information sharing and opinion exchange with others on social media. Daugherty, Eastin and Bright (2008) found out that social interaction is a crucial motivator for creating user-generated content both for firms and the content that consumer generates themselves. Heinonen (2011) highlighted interaction as major consumer motivation for social media use. Muntinga *et al*, (2011) explained social interaction as social media users who

contributes to brand-related social media platforms for the purpose of meeting people of like minds, interaction and to exchange ideas about particular product/brands. Zhu and Chen (2015) split social media users into two major groups (profile based and content based) subjected to the nature of the connection and interaction. Profile-based users' major reason for connection is because they are interested in the user behind the profile. The topics for discussion are associated with the members and the main reason is to inspire social media users to connect with that specific topic while content-based social media focus on the comment of the content posted, the major reason is for the users to connect with the particular content a profile makes available on their social media page (e.g. on Facebook, Twitter, Instagram, YouTube) because they are fond of it. Gallaugher and Ransbotham (2010) highlighted that social media-based customer discussion is more active than ever and this study developed a 3-M framework (megaphone, magnet, monitor) where the mega phone signifies organisation-to-customer communication, the magnet signifies customer-to-organisation communication and the monitor signifies customer-to-customer interaction. Firms therefore needs to post unique content that will foster discussion and support with practical matters in order to encourage interaction. Manthiou *et al*. (2013), stated that creating relationship can increase credibility and affinity. This study hereby defines interaction as the sharing of information and judgement or belief with others.

3.2.3 Customization

In terms of customization Schmenner (1986) describes the level of customization as the degree to which a service is tailored to satisfy an individual's ultimate need. By personalizing their social media site, clothing brands can customize and convey individuality, building stronger brand affinity and loyalty (Martin & Todorov, 2010). In the social media world, customization demotes posting message for intended audience. There are two types of posts, depending on how customized the brand wants the message to be: a customized message and a broadcast. A customized message is posted to target small audience (e.g. Facebook posts). A broadcast message is sent out to target anyone who is interested (e.g. Twitter tweets).

3.2.4 Trendiness

Social media is known for providing latest news and hot topics for discussion (Naaman, Becker, & Gravano, 2011) and they are core product channel as well. Consumers often prefer to obtain information from social media as social media is

perceived by them to be trust worthy in terms of information they get from them rather than corporate-sponsored information through traditional promotional activities (Vollmer and Precourt, 2008 & Mangold and Faulds, 2009). Trendy information on social media includes four sub-motivations: Surveillance, pre-purchase information, inspiration and knowledge (Muntinga et al, 2011). Surveillance is explained as careful watching and staying updated about one's social environment. Knowledge as described by Muntinga *et al*. (2011) is the brand-related information that consumers get from other consumers' knowledge and proficiency in order to know more about a particular product or brand. Pre-purchase information entails reading product reviews before buying a particular product in order to make a well-deserving buying decision and finally, inspiration involves consumers following brand-related information to obtain new ideas and this brand-related information serves as inspiration for consumers. For example, consumers check for updates on their clothing retailer's social media page to get a fresh idea on what to wear. In view of the above information, this study defines trendiness as the dissemination of the latest in fashion (leading fashion) and up-to-date information by clothing retailers.

3.2.5 Word of Mouth

Word-of-mouth (WOM) can be explained as online consumer-to-consumer interaction about their brands (Muntinga et al., 2011). Research revealed that people end to put more value and relevance on customers rather on the marketer-generated sources of information on the web (Gruen, Osmonbekov & Czaplewski, 2006). Social media is a platform for eWOM because consumer generate self-content and broadcast brand-related information to their friends, peers, and some of their contacts with any constraints (Kim & Ko, 2012 and Vollmer & Precourt, 2008). Jasen, Sobel, Chowdury and Zhang (2009) study identified that the WOM activity regarding brands on Twitter_highlighted that consumers' posts produced information spreading processes which include sentiments, opinions and branding comments.

Chu and Kim (2011) outlined and divided the use of eWOM on social media into three perspectives: opinion seeking, opinion giving and opinion passing. Consumers with high opinion seeking behaviour tend to search and rely on the information and advice from other consumers when making a purchasing decision. Consumers with a high level of opinion-giving behaviour who are also called opinion leaders, have substantial control on consumer attitude and behaviour. Lastly, online message forwarding is a specific attribute of eWOM that speeds up the flow of information hence this study refers WOM as the

extent to which consumers passes information on social media, upload content on social media.

3.3 Customer Satisfaction

Customer Satisfaction is an affective state with positive feelings (Cronin *et al*, 2000) because of a total experience with their product/service provider. Boulding *et al.* (1993) and Andreassen (2000) have focused more on transaction specific measure of satisfaction. The transaction specific satisfaction involves customer particular satisfaction experience towards each transaction with their provider. Johnson *et al.* (1991) focused on cumulative satisfaction in their studies which refers to overall customer rating based on all encounters and experiences with their provider. In addition, cumulative satisfaction can be viewed as the overall satisfaction from all previous specific transactions. Cumulative customer satisfaction is an evaluation based on overall shopping/consumption experience which is sometimes viewed as the cumulative of various transaction specific satisfactions) with the product/service over a period of time (Fornell et al, 1996; Johnson et al, 1991; Anderson et al, 1994), is discovered to be more useful than transaction-specific consumer satisfaction in envisaging customer behaviour (Rust and Oliver, 1994). This study therefore focuses on cumulative customer satisfaction. Ranaweera and Prabhu (2003) explained customer satisfaction as the assessment of an emotion and stated that the higher the satisfaction the higher the level of retention. Morgan and Hunt (1994) also argue that customer retention is the intention of customer to repurchase from a product/service provider hence this study defines customer retention as the customer intention to repurchase a product and customer satisfaction is one of the factors that will be used to measure customer retention in this study and thus, the following hypotheses is proposed:

H_1: Social Media Marketing Activities (SMMAs) have a positive and direct influence on customer retention.

3.4 Consumer Attitude

In terms of consumer attitude, Fishbein and Ajzen (1975) study defined attitude as “a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object”. They Fischbein and Ajzen (1975) categorised attitude into three different parts namely; 1) attitude is learned from past experiences; 2) attitude influences action; and 3) the action towards an object are constantly favourable or not. The object of an attitude varies, it could be a person, firm, action towards other

aspects of the world and action towards event and the object in this study is a customer's attitude towards social media marketing activities of their clothing brands. Based on the discussion, the following hypothesis is proposed:

H_2: Social Media Marketing Activities has a direct and positive relationship on Consumer Attitude.

H_3 Consumer Attitude has a moderation effect on the relationship between Social Media Marketing Activities (SMMAs) and Customer Retention.

3.5 Customer Retention

As defined by Morgan and Hunt (1994) "customer retention is the intention of customer to repurchase from a product/service provider" hence this study defines customer retention as the customers' intention to repurchase a particular product as many times as possible. Social Media marketing activities helps create interaction between the organisation and the consumer and as argued by Richard (1996) that a customer that engages in other words get involved in conversations even though not satisfied might still repurchase compare to a customer who's not involved. Although satisfied customers might still switch to another brand but the importance social media marketing is to keep communication at its best level between the organisation and the consumers or prospective customers so consumer will find it difficult to switch to another brand. Therefore, this study proposes to find out if customer retention will have a mediating relationship between social media marketing activities of clothing retailers and consumer attitude towards social media and the firm's activities. Based on this discussion, the following hypotheses has been proposed:

H_4: Customer Retention has a moderating effect on the relationship between Social Media Marketing Activities and Consumer Attitude.

H_5: Customer Retention has a direct and positive effect on Consumer Attitude.

3.6 Customer Trust

Garbarino and Johnson (1999) highlighted that trust has a substantial positive effect on customer retention. Ranaweera and Prabhu (2003) explained trust as existing in a relationship when one party has assurance in the integrity and reliability of another party. The study further highlighted that satisfaction alone is inadequate to build a long-term relationship and commitment to a single product/service provider. Richard (1996) argued that it is not enough to satisfy customers that even though organisations manage

to satisfy their customers appropriately, they might not be able to retain them. Due to switching cost, once trust has been built between both parties, the likelihood of each party ending the relationship decreases (Ranaweera and Prabhu, 2003). Gounaris (2003) discovered that trust is a major factor in any type of association between consumers and the existing product/service providers. The more the customer trust in their product/service provider, there's some huge chances of customer remaining in the relationship. Based on the discussion, the following hypothesis is proposed:

H_6: Consumer Attitude has a direct and positive effect on Customer Retention.

3.7 Proposed conceptual Framework

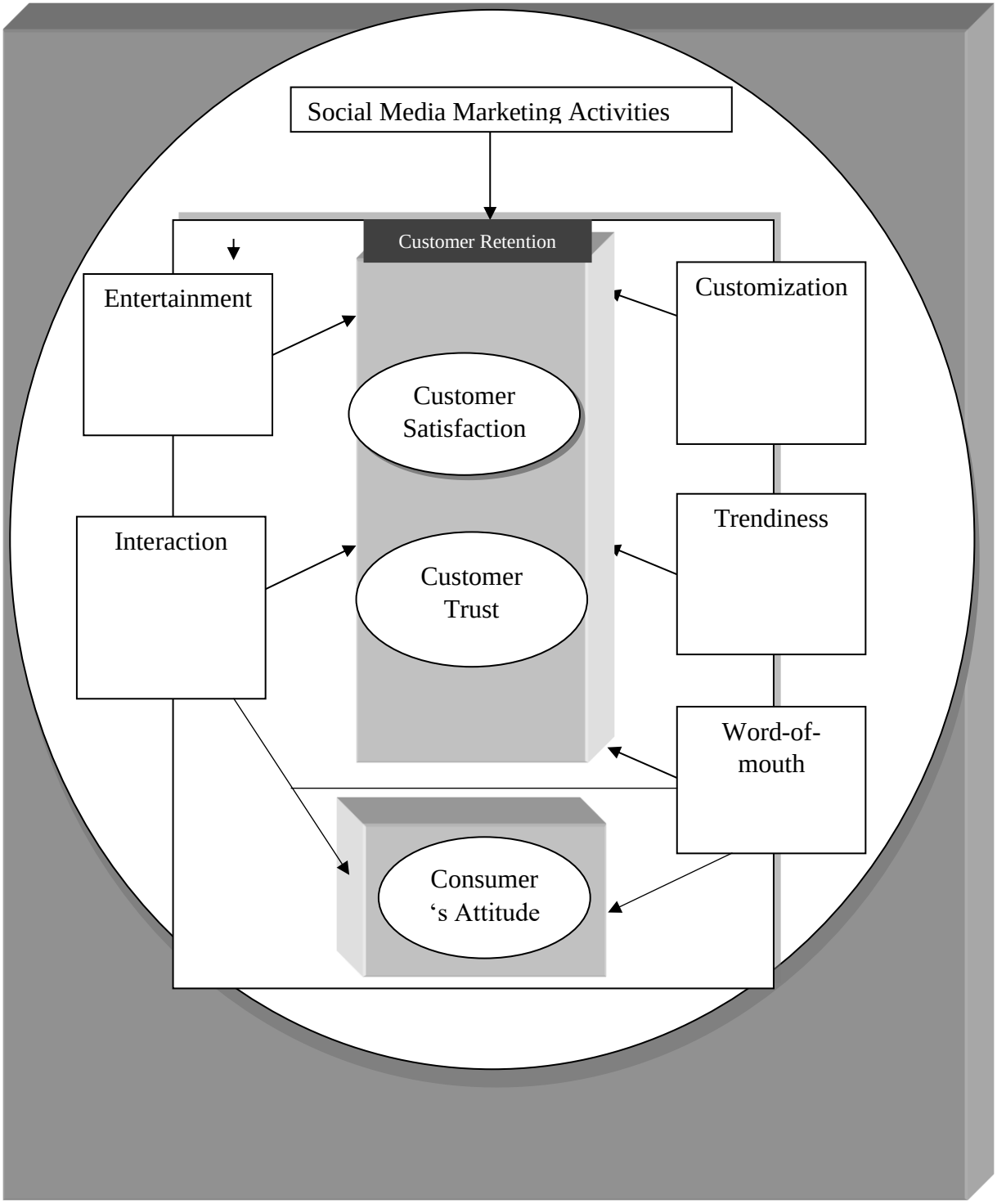

Figure 8: Proposed Conceptual Framework.

3.8 Summary

Building on the existing research in the areas of social media marketing, customer retention and consumer behaviour, where customer retention is conceptualized as being brought about by the relationship between customer satisfaction, customer trust where the used variables were selected from various studies based on the existing research. This chapter proposes a conceptual model (*Figure 8*), although some of the existing research conceptualized social media activities as multidimensional with entertainment, interaction, and customization being the most common activities within the existing literature. Heinonen (2011) identified the activities from the consumer point of view with consumer input and motivation dimension. Kim et al, (2012) on the other hand identified five activities brands perform online. This chapter proposed five activities that clothing retailers carry out online as well as 6 working hypotheses.

The next chapter continues with examination of the research methodology employed in the study.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 INTRODUCTION

The two previous chapters reviewed relevant literatures (Chapter 2) and provided a conceptual framework (Chapter 3) for the research topic. Literature explored included brand's online social media activities, customer satisfaction, customer trust and consumer attitude theories. Furthermore, research gaps were highlighted. Accordingly, five social media marketing activities was developed from Kim & Ko (2012) and Godey (2016) 6 hypotheses were developed to tackle the research objectives. This chapter presents the methodology adopted in this current study. The chapter starts with providing an explanation for the research philosophy used, the argument underlying choice of methodology and research design. Furthermore, it provides the usage and justification of research approaches and design. The following segment discuss the method used in collecting data and research samples. This presents the process of measurement development. Next is the discussion regarding the challenges concerning sample differences and non-response bias assessment, finally, the segment provides a brief discussion of the data analysis technique used.

4.2 RESEARCH PARADIGM POSITIONING

Johnson and Clark (2006) indicated that as researchers in business and management, there should be awareness of philosophical commitment that is used as this has major impact on what is being investigated. Several and contending philosophical assumptions are in the area of social science. However, there are two main, principal school of thought namely: positivism and interpretivism (Hudson and Ozanne, 1988), Saunders et al (2012) indicated there are four main principal school of thought which are positivism, pragmatism, realism and interpretivism and each differs in their research perspective and in the way in which ontology and epistemology is viewed. The research methodology assumptions that govern the way in which the research is conducted as well as the role of the researcher in the research project/study.

4.2.1 Research Approaches

Johnson and Clark (2006) argued that the main issue is not so much about being informed, however, it is about how well the researcher is able to reflect on the choice of the philosophical stance and the justification of the chosen philosophy in relation to the

available options that could have been adopted and no one research philosophy is better than the other.

4.2.1 Pragmatism

Pragmatism believes that the philosophical method that will be adopted will be based on the research question. If it is not obvious or suggest unambiguously from the research question that either positivist or interpretivist philosophy should be adopted, this confirms the pragmatist's philosophical view is being adopted as it is possible to work with varied epistemology, ontology and axiology. Saunders at al (2012) indicated that mixed method of both qualitative and quantitative are possible within one study. Tashakkori and Teddlie (1998) argue that pragmatism is appealing intuitively majorly because what is being seen by the researcher may not be what is truth and reality hence, pragmatist believe that what the researcher finds interesting and of value to them is what should be researched because the result can bring about positive outcome within the pragmatist's value system (Tashakkori and Teddlie, 1998).

4.2.2 Interpretivism

One thing that is crucial to interpretivist is that the researcher must adopt a sympathetic point of view as they enter the social world of their research, subject and understand the world around them from their own point of view. Some researchers argued that interpretivist point of view is highly suitable in the case of business and management research, especially in the field of organisational behaviour, marketing and human resource management as business situations are not only unique but can be complicated sometimes.

4.2.3 Positivism

The research philosophy this study reflects is positivism because is a philosophical stance of a natural scientists. Philosophy of research is built on the concept of ontology (researcher's view of reality), epistemology (researcher's view about what's considered as acceptable knowledge in research) and methodology (the process of understanding the reality perceived by the researcher) (Carson et al, 2001; Saunders et al, 2012). For example, the philosophical stance of a researcher who keeps to the positivist paradigm will be based on the ontology of the world that is external and independent of social factors. Hence, in terms of epistemology, the researcher will have to observe reality independently or objectively that is the position that is free of judging from personal point of view. At this time, the research goal of a positivist will be, for example, to study the

causal relationships between independent and dependent variables which are driven by large samples and highly structure questions and ultimately quantitative techniques.

4.2.1.1 Deduction: Testing Theory

Deduction theory thinks as a scientist because it involves the development of a theory that lays open to a rigorous test. Robson (2002) argues that in deducing a hypothesis there should be relationship between two or more variables in the theory, how the variables will be measured should be indicated, testing the hypothesis and examining the outcome whether it confirms the theory or not. To follow the tradition of a scientist, the researcher will be independent of what is being observed. Deduction uses quantitative method and the result is generalised.

4.2.1.2 Research Design

Since the progressions by which social media marketing activities impacts customer satisfaction, customer trust and consumer attitude is a relatively unexplored phenomenon, the researcher has chosen to answer the aim and objectives questions through online questionnaire which will be filled by customers, therefore aiming to gain data about the reason some customers are satisfied and some are not and also the factors of customer trust is considered.

Table 4-1: Assumptions of the interpretivism and positivist Paradigm

Assumptions	Positivism	Interpretivism
Ontology Researcher's view of reality.	Objective, external and independent of social factors.	Dependent on social factors and subjective.
Epistemology Researcher's view about what's considered as acceptable knowledge in research.	Only phenomena that's observed can produce trusted data. Researcher focuses on generalisation and abstracts. Thoughts are controlled by hypotheses and stated theories.	Subjective meanings and social phenomena. Researcher understands through perceived knowledge. Focus on specifics of the situation.
Methodology Focus of research:	Concentrates on description and explanation.	Concentrates on understanding and Investigation

Data Collection Technique often investigation, Used. analysis.	Highly structured large samples, measurement is usually quantitative but uses qualitative at times.	small samples, in-depth Qualitative method of data
Role of the researcher in the research.	Independent of social factors, external observer. There's a clear distinction between reason and feeling. Strives to use logical and rational approach. Maintain a clear distinction between facts and value Judgement. There's a clear distinction between science and personal experience.	Researcher seeks to experience orhave a relationship with what's been studied. Feeling and reasoning often govern actions and per-understanding is very important. the gap between fact and value is quite close. Personal and science experience often impact upon research.

Source: Adapted from (Carson et al; Levy, 2003; Saunders et al, 2012)

4.2.1.3 Justification of the Research Approach Used In this Study

Within the range of positivistic and interpretivist paradigm, this study connects more with positivistic approach, it tends more in the direction of a deductive and quantitative methodology which is in line with dominant movement in this area.

Having explained the philosophical approach used in this research, this segment explains the methods and approaches embraced with respect to measurement challenges and questionnaire development as the data for this study was collected via online questionnaires, it is very important that the tool is able to gather valid and reliable information to test the hypotheses and ultimately answer the research questions.

4.3 MEASUREMENT PROBLEMS AND INSTRUMENTATION

Each hypothesis in the model is conceptualised as latent and as a result was measured using multiple indicators. In SEM, it is crucial that each latent construct (that is the variable that is not measured directly) be denoted by quite a few measurement variables (MVs; that is variables that are directly measured (MacCallum, 1995). The measurement variables will principally act as appropriate measures for latent constructs and as a result, the latent construct are the effect of whatever their indicators share amongst themselves. In SEM, it will be a concern if any construct is denoted by a single indicator as the result may be biased by the effect of the measurement error. MacCallum (1995) highlighted that without multiple indicator, single error-perturbed MVs is counted on to represent the construct of interest. While having four or more indicators, measuring a latent construct is desirable. Garson (2009) outlined that having three or two is the most common practice. Kenny (1998) outlined that two indicators are the minimum permitted in a SEM model and that one rule of thumb in respect to the number of indicators is that two might be okay, three is better, four is best and anything more than four is gravy. He further argued that having multiple indicators also allow errors to be modelled. This surges reliability, lessens measurement error and reduces the specificity connected to each indicator when several indicators are turned into composites (Churchill 1979). Nevertheless, having a model with only two indicators may not only lead to defective error estimates but also results in a model that is under-identified or fail to converge (Garson, 2009). In contrast, according to Anderson and Gerbing (1988), a model that comprises of two indicators may need comparatively larger samples to get a converged and accurate solution in SEM.

The current study makes use of similar scale format and anchors which leads to respondents completing a relatively long questionnaire easily due to the requirement for less intellectual processing. For most of the construct measurement items, respondents were asked to reveal their level of agreement on a 5-point Likert-type scale (1=strongly disagree, 5=strongly agree). The 5-point Likert-style rating was used all through in the survey in order not to confuse respondents (Dillman, 2009). Details of the measurement items are provided in Subsection 4.3.2.

4.3.1 Pilot Study

The completion of the pilot stage should leave the researcher feeling confident that the process of preparation is not a waste and the hard work has finally paid off therefore the researchers has the tool for the job, pre-testing a research tool is very important (Davies & Hughes, 2014). A pre-test must be done to improve the questionnaire so that respondent will have no challenges in answering the questions and also there will be no problem recording the data (Saunders et al, 2012). The pre-test was carried out for content authentication of the questions and measurement items. Another reason to conduct a pilot study is to identify those questions that the respondents might be having difficulty understanding or interpreted in a different way from the researcher original intention such as confusing questions, unsuitable abbreviations, unclear questions (Dillman, 2000).

In this study, pre-testing was done and 40 people were sent the questionnaire with consent. According to Fink (2009) & Dillman (2009) the minimum number for a pilot study should be 10 or more depending on the research question and objectives. During the pilot testing stage, the questions that were misunderstood was removed and some of the questions were restructured to make sense. Furthermore, the time it took to complete the questionnaire was noted, instruction was restructured because it was too long, ambiguous and repeated questions were removed. Many draft of questionnaire were reviewed by the supervisory team and PhD colleagues at the University of Wales Trinity Saint David and also a Masters first class student in Engineering at the University of Cranfield before the final questionnaire was sent out.

The final survey was sent out and the criteria for recruitment of respondent was that they should have shopped for clothing online within the past 12 months and University of Wales Trinity Saint David student were sent the questionnaire via the University email system, the reason is that if respondents don’t buy clothes online, they will not have an answer to most questions. There has been extensive debate with regards

to the addition of students to social research. For instance, even though Schultz (1969) and Dill (1964) are to some extent against the addition of student samples, Oakes (1972) is in support. The use of student samples always brings up the issue of generalisability. Nevertheless, with regards to internet research, the use of student sample has been vital, with a significant body of past researchers in consumer behaviour and the internet having used student as their samples (e.g., Akar et al, 2011; Balabanis et al. 2006; Senecal and Nantel, 2004). Student samples has made tremendous contribution to understanding many virtual communities.

To recap, in terms of research construct, this study considers consumers that shops for clothing online. 1) retention with the clothing retailers which was measured by several factors from three different theories from previous research namely customer satisfaction, customer trust, price, quality, communication effectiveness, switching barrier and interaction 2) retailer's online social media marketing activities and 3) consumer behaviour towards social media marketing. Scales used were either modified or constructed for the study, both with the supervisory team's opinion and pre-test with pilot study. The following subsections discuss measure development of each construct used in the questionnaire.

4.3.2 Operationalisation of Research Constructs

4.3.2.1. Online Perceived Social Media Marketing Activities

As discussed in detail in chapter 2 and 3, based on the existing research (Heinonen, 2011; Kim & Ko, 2012; Bruno et al, 2016), this study conceptualises online perceived social media marketing of clothing brands as a second order philosophical construct comprised of five activities. As examined in chapter 2, these activities are carried out by clothing brands on a day to day basis on social media to target customers. The following subsections includes the detail measurement scale for the dimensions of social media activities.

Table 4-2: Constructs Used in this Research

Construct			Description	No. of Items	Items constructed based on
	Perceived Social Media Marketing Activities	Entertainment	Entertainment is the result of the fun and play emerging from the social media experience.	3	Martin & Todorov (2010); Park et al (2009); Manthiou et al (2013);
		Interaction	Interaction is the information sharing and opinion exchange with others on social media.	4	Courtois et al (2009); Schau et al (2009); Mutinga et al (2011); Shao et al (2009);
		Trendiness	This refers to latest news and hot discussion topics.	2	Beatty et al, 1988, Heinonen (2011);
		Customization	This defines the degree at which a service is Customized to satisfy an individual's preferences.	5	Kim & Ko (2012); Godey (2016); DeValcke et al, (2009); Zhu & Chen (2015); Eastin & Bright (2008);
		Word of Mouth	This is the consumer to consumer interaction about brands.	3	Schmenner (1986).
	Customer Satisfaction		This is defined as the evaluation based on the overall shopping/consumption experience which	7	Cronin et al, (2000); Andreassen (2000); Boulding et al, (1993);

Construct	Description	No. of Items	Items constructed based on
	is sometimes viewed as the cumulative various transaction specific satisfactions) with the product/service over a period of time.		Johnson et al, (1991); Fornell et al (1996) Anderson et al, (1994); Rust & Oliver (1994); Ranaweera & Prabhu (2003).
Customer Involvement	Customer Involvement is defined as a motivational state of excitement and interest, induced by external factors for example, situation, product and the communication and internal factors such as central values.	4	Rothschild (1979); Engel et al, (1993); Richard (1996).
Quality	Quality is a consumer appraisal of a product or service overall excellence or superiority.	2	Ranaweera & Prabhu (2003); Reichheld (1996); Zeithalm & Bitner (1996); Zelthalm (1988).
Price	Price can be defined as the consumer's emotional representation of the objective price of the product.	2	Jacoby & Olson (1977); Abrat &Russel (1999); Ranaweera & Prabhu (2003); Schriver(1997);Martin Consuegra(2007), Munnuka (2005); Peng & Wang (2006).

Construct	Description	No. of Items	Items constructed based on
Customer Trust	This construct can be defined as existing in a relationship when one party has assurance in the integrity and reliability of another party.	4	Garbarino and Johnson (1999); Gounaris Ranaweera & Prabhu (2003); (2003).
Switching Barriers	Switching barriers can be defined as consumer's appraisal of the resources and the opportunities needed to achieve the act of switching as well as the restrictions to perform the act.	2	Morgan Ranaweera & Prabhu (2003); Patterson & Hunt (1994); Sharma & Fornell (2004); Johnson et al (2000); (1992).
Communication Effectiveness	This can be defined as the formal and informal sharing of important and timely information between organisation and their customers.	2	Sharma & Patterson (2009);
Consumer Attitude	Attitude can be described as a person's tolerating favourable or unfavourable assessment, emotional feeling and action toward some object or idea.	12	Kotler and Keller (2006); Akar, (2011); Al-Dhuhli (2013); Vinerean (2013); Ioanas (2014).

4.3.2.1.1 Entertainment

To reiterate, entertainment is the result of fun and play emerging from social media experience (Agichtein et al, 2008). Review of the literature found that, the previous research was conducted within brands in general and not specific to retail clothing companies. The is contributed to by the fact that, as mentioned previously, virtually all past studies carried out on social media marketing activities employed general brands as the basis of their research but this study is specific to UK clothing retailers.

Three items were used to measure the entertainment as one of the activities clothing retailers do online and the three of them were adapted from Kim & Ko (2010) and Godey (2016). Entertainment was added as part of the online activities based on the responses to the pilot study. These measure captures how consumers feel while they are on their clothing retailers' page. Five items including entertainment was captured from the pre-test findings that most retail clothing brands does. The items that was finally sent out to respondents are presented in table 4-3 below based on the pre-test findings.

Table 4-3: Items for measuring Entertainment

Items	Sources
The content found on my Clothing Retailer's social media page (Instagram, Facebook, Twitter, e.t.c.) seems interesting.	Godey et al (2016), Kim & Ko (2012)
It is fun to collect information and fashion items on my Clothing Retailers' social media page	Kim & Ko (2012)
It is easy to pass time using my Clothing Retailer's social media.	Kim & Ko (2012)

4.3.2.1.2 Interaction

To recap, interaction can be defined as the information sharing and opinion exchange with others on social media (Beatty, 1988). Interaction was operationalised using items from two research paper as there isn't a lot of research in this particular area.

Four items were taken from Kim and Ko (2012) and Godey et al (2016) with minor adjustment to comply with the context of this study. A four-item scale representing retailer's online social media marketing activities is presented in Table 4-4.

Table 4-4: Items for measuring Interaction

Items	Sources
It is uncomplicated to convey my opinion through my Clothing Retailer's social media websites.	Godey et al (2016), Kim & Ko (2012).
It is possible to have an online conversation with other users through my Clothing Retailer's social media site.	Kim & Ko (2012).
It is possible to do a two-way interaction through my Clothing Retailer's social media.	Godey et al (2016), Kim & Ko (2012).
It is possible to share information with other users through my Clothing Retailer's social media.	Godey et al (2016), Kim & Ko (2012).

4.3.2.1.3 Trendiness

This refers to latest news and hot topics discussion on brand's social media pages as well as core product channel (Naaman, Becker, & Gravano, 2011). Trendiness has the highest percentage of the reason consumer shops with a particular clothing retailer from the pilot study. Two items adapted from the previous research and none was eliminated. The two-item scale reflecting the trendiness of clothing retailer's social media site is presented in Table 4.5 below.

Table 4-5: Items for measuring Trendiness

Items	Sources
It is a leading fashion to use my Clothing Retailer's social media.	Kim & Ko (2012)
Contents found on my Clothing Retailers' social media page are up-to-date.	Kim & Ko (2012)

4.3.2.1.4 Customization

As previously mentioned, customization refers to the degree at which a service is customized to satisfy individual preferences (Schmenner, 1986). A total number of five-item scale was used, adapted from Kim & Ko (2012), the item reflects how customized the clothing retailer's social media page are to meet individual consumer need. Table 4-6 reveals particular items to present customization as one of the online social media activity clothing retailers do.

Table 4-6: Items for measuring Customization

Items	Sources
It is possible to search customized information on my Clothing Retailer's social media page.	Godey et al (2016), Kim & Ko (2012).
My Clothing Retailer provides customized services.	Godey et al (2016), Kim & Ko (2012).
My Clothing Retailer provides lively feed information that I'm interested in.	Godey et al (2016), Kim & Ko (2012).
It is easy to use my Clothing Retailer's social media.	Kim & Ko (2012).
My Clothing retailer's social media can be used anytime and anywhere.	Kim & Ko (2012).

4.3.2.1.5 Word-of-Mouth

Word-of-Mouth refers to online consumer to consumer interaction/discussion about their brands (Muntinga et al, 2011). Product or brand related information and judgement that are shared among personal acquaintances in social networking sites may be perceived as more reliable and dependable than other forms of electronic word-of mouth communication (Chu & Kim, 2011). The measurement items for word-of-mouth is adapted to Kim & Ko (2012) and Godey et al (2016) because their study reflects what consumers do online. Therefore, none of the items were removed. Table 4-7 presents the items that was used to measure word-of—mouth.

Table 4-7: Items for measuring Word-of-Mouth

Items	**Sources**
I would like to share information about products from my Clothing Retailer's social media to my friends.	Godey et al (2016), Kim & Ko (2012).
I would like to upload contents from my Clothing Retailer's social media on my own social media page.	Godey et al (2016), Kim & Ko (2012)
I would like to share my opinion on products and items bought from my social media with my acquaintances.	Chu & Kim (2011), Kim & Ko (2012), Godey et al (2016).

4.3.2.2 Customer Satisfaction

Customer Satisfaction is an affective state with positive feelings (Cronin et al, 2000) as a result of a total experience with their product/service provider. Contrary to the initial views of customer satisfaction which considers it as a transaction specific cognitive evaluation, this study follows the recent concept of satisfaction which is seen as a customer-affective assessment of overall consumption experience with the clothing retailer (Anderson et al. 1994; Fornell et al. 1996; Johnson et al. 1991). Past studies contend that the occurrence of just one unsatisfying experience is not likely to result in switching behaviour, also, a single satisfying occasion is not sufficient to effect retention (Bourdeau, 2005, Fornell, 1996). According to Richard (1996) argue that even though

some customers are satisfied, they will switch their retailers if they want to. Ranaweera & Prabhu (2003) and Danish (2015) in contrast argue that once customers are satisfied, they tend to stay for long with their product/service providers. In order to prove Ranaweera & Prabhu (2003) and Danish (2015) argument, two items were specifically constructed for use in this research to find out how long respondents have been with their clothing retailers and how many of them have switched even though they were satisfied.

To operationalise overall satisfaction, five items was adapted from Bourdeau (2005) and Seiders et al. (2007). The items were constructed inform of questions rather than a statement and Likert scale of 5 was used asking the respondents to express their level of satisfaction starting from not satisfied at all to extremely satisfied.

Table 4-8: Items for measuring Customer Satisfaction

Items	**Sources**
How long have you been a customer of your Clothing Retailer?	Constructed specifically for this research
Did you change your Clothing Retailer within the period specified above?	Constructed specifically for this research
Overall, how can you rank your satisfaction with your Clothing Retailer(s) within the last 5 years?	Adapted from Seiders et al. (2007), Ranaweera and Prabhu (2003).
How would you rank your satisfaction in terms of products of your Clothing Retailer(s) within the last 5 years?	Adapted from Seiders et al. (2007), Ranaweera and Prabhu (2003).
How will you rank your satisfaction in terms of service quality of your Clothing retailer(s) within the last 5 years?	Adapted from Seiders et al. (2007), Ranaweera and Prabhu (2003).

4.3.2.3 Customer Trust

Too reiterate, Garbarino and Johnson (1999) highlighted that trust has a substantial positive effect on customer retention. Ranaweera and Prabhu (2003) explained trust as existing in a relationship when one party has assurance in the integrity and reliability of

another party. Items modified from Ranaweera and Prabhu (2003) and a new one was developed.

Table 4-9: Items for measuring Customer Trust

Items	Sources
I have complete trust that my online Clothing Retailer has good security procedures.	Ranaweera and Prabhu (2003)
I have a string belief in my Clothing Retailer.	Ranaweera and Prabhu (2003)
My Clothing Retailer provides precise service information.	Developed for this research.

The questionnaire also included typical questions relating to the demographic information of the respondents – age, gender, ethnic group, personal income – which will be used to explain the sample. Furthermore, evaluation of the general of the respondents' general level of shopping experience with the clothing retailer of their choice were considered necessary as well given the context of the study. These questions focused on respondents' purchase history, volume and frequency of connecting with their clothing retailer on social media. The questionnaire is presented in the Appendix. Next segment discusses the methods and tactics employed as regards data collection.

4.4 RESEARCH SAMPLE AND DATA COLLECTION

4.4.1 Survey Method

In order to examine the UK clothing retailers' social media marketing activities and their impact on retention of customers, a survey was carried out to obtain information relating to customers that shops for clothing online and their attitude, intentions and behaviour related to their experience as consumers of their retailers' social media activities. This approach is consistent with the positivistic-oriented belief as the main paradigm employed in this study. The survey approach refers to the getting of sample of respondents from a population for examination, from which interpretations are made about the population (Collis and Hussey, 2003). The benefits of making use of questionnaires have been highlighted in methodology literature. For instance, compared

to interview approach, administering a survey only is less costly, especially online survey. Consequently, an electronic survey was considered full appropriate for this research, as explained in detail in section 4.4.4 below. The next sub-segment explains selection of survey samples.

4.4.2 Determination of Sample size

A quite large sample size is needed for three reasons: 1) due to the quantitative nature of the research; 2) to ensure the issue of cross validation is addressed which is the ability of the measuring tool to be replicated across independent samples drawn from the same population (Byrne 2010); 3) because of the need to test the interaction issues in the frame work (there's one mediating effect to be tested concurrently with other hypotheses in the proposed model).

This study used Structural Equation Modelling (SEM) as the main instrument in data analysis. This is because SEM is concerned with tests that relies on the sample size and consideration of sample is enormously important. In determining the adequate sample size, numerous guidelines were followed.

According to Garson (2009), sample size should be generally between 200 to 400 respondents for SEM models with 10-15 indicators. Loehlin (2004) and Hoyle (1995) suggested a sample size of at least 100-200 observations, while Kline (2005) stated a sample size of less than 100 as not reasonable to test structural models. Additionally, Kline (2005) noted that model complexity must also be put into consideration when determining appropriate sample size. Schumacker and Lomax (2004) reviewed the SEM literature and discovered that samples sizes around 250-500 were used in the studies. This research attempted to collect more sample but the response is just too low. They concluded that samples fewer than 150 cases would drop below the minimum (Garson, 2009). A total number of 1000 questionnaires were sent out via University email system with expectation of receiving approximately 250-300 but 203 responses was received. The response rate for this research is discussed in the following chapter of this study.

4.4.3 Sample Selection and Research Context

To examine the impact of UK large retailers' social media marketing activities on customer retention and consumer attitude towards social media marketing, it is important that those besought as the subjects of the research are individuals who have made purchases with an online retailer within the past one year. Furthermore, this study is concerned with customer relationship with Business to Consumer (B2C) UK large

retailers that have strong presence online. This study took into consideration online firms with offline presence as well as online firms without offline presence.

This research investigates customers of a range of major 25 UK clothing retailers: Topshop, Very, House of Fraser, Marks and Spencer, Dorothy Perkins, Miss Guided, Select Fashion, BHS, Adidas, Zara, Primark, Monsoon, Matalan, Boohoo, F&F, Oasis, Mango, Banana Republic, Next, New Look, Asos, River Island, Blue Inc, Forever 21, Peacocks, Nike. These are top retailers and they offer different types of clothing advertisement via their social media page. In the questionnaire, respondents were required to assess one clothing retailer from whom they most frequently purchase from. This method of asking the respondents to describe their experience with providers has been generally accepted in prior research in marketing and information systems (Balabanis et al. 2006; Ganesh et al. 2000; Gefen 2003; Holloway 2003; Keaveney and Parthasarathy 2001; Li, Mano and Oliver 1993; Browne and Chau 2006). For instance, Balabanis et al (2006) asked the respondents to select one e-retailer they often make purchases from and to answer the remaining question with that specific retailer in mind. A related approach was embraced by Holloway (2003) in her study of online service failure. In their research on customers' experiences with banks, Ganesh et al, (2000) asked respondents to pinpoint their main banking provider if they used various banks. The rationale behind this approach was "to boost the variance to be described in the dependent variable" (Li, Browne and Wetherbe, 2006). Further to the above study, in the current research, the respondents were expected to present themselves with reference to a clothing retailer they have made purchases mostly from in order to successfully explore the impact of clothing retailers' social media marketing activities on customer retention and consumer attitude. Another rationale for that kind of process is to increase the generalisability of the result by testing the research frame work with consumers across various clothing retailers, rather than with a single retailer (Li, Browne and Wetherbe, 2006).

As a standard, the sample must comprise of customers who are internet shoppers of UK major clothing retailers. As a result of this between February and March 2016, three major marketing research in the UK (Experian) were contacted and invited to provide a representative of the UK internet shoppers but they replied that they don't sell contact details to individuals as it has to be a firm, even though they agree to sell it to an individual, the cost is too high and the quotation was £2000 so another means of data collection was devised by the researcher. In order to move forward in the research, other ways such as going to the physical shops to collect data with a letter from the university

and permission from the council but that did not still work as well as customers didn't want to fill the survey as they were busy shopping. Therefore, the researcher decided to contact the University administration on London campus and she was willing to send the questionnaire out to the students. To reiterate, according to (Balabanis et al. 2006; Senecal and Nantel, 2004) students sample has been used in the past and it's acceptable as it has contributed tremendously to the field of research. The survey was sent to the whole database but there was an instruction to the respondent in the questionnaire to select the major UK retailers and also those who have not bough clothing online for the past twelve months should not participate.

4.4.4 Online Survey at a Glance

Internet and computer-mediated communication in the past decade has been of tremendous increase (Fox et al, 2001; Nie et al, 2002). Day in, Day out, there is an increasing amount of communication taking place on this new platform, there has also been notable increase in primary research on virtual communities, online relationship building, and some other aspects of computer-mediated communication (Flaherty et al, 1998; Matheson, 1991; Nonnecke et al, 2004; Preece, 1999; Preece et al, 2001; Walther, 1996; Walther et al, 2002; Wood et al, 2001; Wright, 2000, 2002a, 2002b, 2004). Increase in online population as well as its study has led to an increase in the use of online surveys, leading scholars or researchers to new challenges in terms of applying the same old survey methods to online behaviour and internet use (Andrews et al, 2003; Bachmann & Elfrink, 1996; Stanton, 1998; Witmer et al, 1999; Yun & Trumbo, 2000). The technology of online survey is still unfolding and very young in the sense that not too many people are into it yet. In the past, it was a difficult task to conduct an online research because of undertakings requiring acquaintances with web authoring programs, HTML codes and scripting in general. Today, online survey services has made the work easier for researchers to conduct their research.

According to Saunders (2012), he defined research as something people undertake in order to find out things in a systematic way and here by contributing to and increasing knowledge in that area. This thesis will be an online research because of the following:

- Social media and all its activities exists online therefore it will be easier to collect data online.
- Access to unique population: One of the major advantage of an online survey is the access to a group of population that you don't normally have access to

or impossible to reach through other channels and this is made possible because of the internet (*Garton, Haythornthwaite, & Wellman, 1999*; *Wellman, 1997*). One major advantage of an online communities for research is that they offer a means through which researchers can gain access to people who share similar interests, beliefs, values, attitude regarding a particular issue or problem. For example, through the internet, a researcher can find the older people's forum where they discuss similar values which can be difficult to access if its traditional methods of research especially when looking to reach them in their large numbers who are interested in computers because not all the older people are interested in computers (*Furlong, 1989*; *Wright, 2000a, 2000c*).

- Another example of individuals who are under normal circumstances difficult to reach are those individuals who suffer from diseases and conditions such as HIV, heart diseases, eating disorders and physical disabilities. These individuals are difficult to reach because they are denounced offline and because of internet and online surveys, health communication researchers have been able to go online to study these populations, including how the use of computers and its features help people to cope with the social stigma of their condition (Braithwaite, Waldron, & Finn, 1999; Wright, 2000b). In general, the internet fosters communication among people who may be reluctant to meet face to face.

4.4.5. Data Collection Technique

The collection of data included a self-administered online questionnaire. Since social media is online therefore its accompany activities of Clothing Retailers are also online and because of this, an electronic survey alone was used (Couper, 2000). All potential respondents were contacted by the University Administrative team, a personalised cover email, stating the researcher's name and what the problem the research is trying to solve. Bristol powerful online survey was used to create the questionnaire and the link was sent with the accompanied cover email to the students. Web-based survey provides good quality data (Manfreda and Vehovar, 2008; Gosling, Vazire, Srivastava and John 2004), faster response time (Sheehan and McMillan, 1999; Griffis, Goldsby and Cooper 2003), cheaper and more efficient data collection (Mcdonald and Adam 2003; Chisnall, 2007) and provide better convenience for both researcher and the respondents. (Taylor, 21000; Stanton 1998). In addition, web-based surveys are perceived as more

prominent, exciting and entertaining than traditional method of survey by respondents who are experienced in using the internet (Evans and Mathur, 2005), in a case where all respondents are online shoppers. The below table is the summary of the response rate from the data collection for this research:

Table 4-10: Response Rate

	Survey Mode (Online)
Number of Survey Distributed (a)	1,000
Unreturned (b)	797
(a) – (b)	203
Overall Response Rate	20.3%
Usable	198
Non-Usable	5
Total	203
Usable Response Rate	19.8%

4.5 ANALYSIS AND INTERPRETATION OF DATA

This section describes the tools used in the data analysis. The research utilises two main statistical software packages: SPSS 23 and AMOS 22. Following the collection of sample, the next stage of the research is the procedure measurement refinement and purification. It is important that items that performed poorly in terms of item-to-total correlations are investigated and if necessary, discarded. Item/s that violate/s predicted factors will also be eliminated.

4.5.1 Measurement Model Validation: Exploratory Factor Analysis (EFA)

Succeeding the two-step procedure of Anderson and Gerbing (1988), the researcher first investigates whether the items correspond to the predicted structures, based on previous literature, by conducting exploratory factor analysis (EFA) via SPSS 23. This is done to identify initial indication of unidimensionality and discriminant validity (Farrell 2010; Gerbing and Anderson, 1988), item-total correlations as well as EFA procedure should be performed prior to CFA as preliminary analyses for scale development. Then CFA will be employed to further purify and refine he scales.

4.5.2 Measurement Model Validation: Confirmation Factor Analysis (CFA)

The second step is adoption of the CFA approach via AMOS 22. CFA is synonymously referred to as a 'measurement model' because it focuses exclusively on the links between latent constructs and their respective individual items within a much larger structural equation framework (Byrne, 2010). Following this, assessment of scale validation is explained.

In this research, to ensure the validity of scales are used, content validity and construct validity is examined (Malhotra 2003; Zikmund, 2003). Content validity, sometimes referred to as face validity, ensures that the items representing a construct knock the concept 'on the face' (Rubio *et al,* 2003). This involves the researcher and another group of individuals assessing whether the items are adequate to measure the respective latent construct (Malhotra, 2003). This procedure is conducted prior to data collection, as explained in Section 4.3.1 above. Construct validity refers to the extent to which the measured items/indicators (or the operational scale), correctly represent and measure the theoretical latent constructs that they are expected to measure (Bagozzi, Youjae and Philips 1991; Hair *et al*, 2010). A valid construct refers *to "the usefulness of the construct as a tool for describing or explaining some aspect of nature, such as a particular behaviour"* (Peter 1981). Henceforth, the construct validity implies the accuracy of the group of items in measuring the latent construct it is meat to measure.

Quite a few criteria must be met for the achievement of construct validity as advocated by Steenkamp and van Trijp (1991); namely, 1) Unidimensionality; 2) reliability; 3) convergent validity; 4) discriminant validity and; 5) nomological validity.

CFA is employed to assess these criteria on a scale initially developed by EFA (Steenkamp and van Trijp 1991). Gerbing and Anderson revised the extensively known method of measurement development advanced by Churchill (1979), with the

incorporation of CFA not only to assess scale unidimensionality, but also to determine validity of construct.

4.5.2.1 Unidimensionality

A measure is one-dimensional when *"set of measured variables (indicators) can be explained only by one underlying construct"*. In other words, a one-dimensional measure refers to the extent to which items represent only one vital latent construct. In present research, this is achieved by assessing the overall CFA model fit (Garver and Mentzer, 1999). If the model is not well-fitting, modification indices and the matrix of standardized residuals are inspected for any substantial cross-loadings and/or error co-variances. The model may be re-specified if notable problems are found (Anderson and Gerbing1982; Anderson, Gerbing and Hunter 1987; Gerbing and Anderson 1988).

4.5.2.2 Scale Reliability

Reliability of a scale refers to the extent to which the scale is consistent in measuring the latent construct. A reliable set of items will can measure a unidimensional latent construct, in that those items will statistically be able to vary simultaneously (Churchill and Peter, 1984). In addition, if several measurements are taken, the reliable items will all produce statistical values (Hair *et al.* 2010).

In this research, quite a few diagnostic measures are utilized. First are the item-to-total correlations and the inter-item correlation, with the general acceptable value exceeding 0.5 for item-to-total correlations and around 0.3 for inter-item correlation coefficients (Hair *et al,* 2010; Robinson *et al,* 1991). These measures relate to each item instead of the whole scale (Hair *et al,* 2010). The second diagnostic tool is the coefficient alpha or Cronbach's (1951) alpha score. This measure relates to the measurement consistency of the whole scale. This is the most popular and reported estimation of reliability. Even though Nunnally (1994) suggests a minimum value of 0.7, a lower limit of 0.6 is considered minimal for exploratory research (Hair *et al,* 2010; Nunnally and Bernstein, 1994; Robinson *et al,* 1991). The third method in assessing construct reliability is the Raykov's (1997) Rho composite reliability estimate. As a guideline, the composite reliability estimate of a construct should be at least 0.6, as suggested by Bagozzi and Yi (1988). There is substantial debate in the literature with regards to the tendency for the Cronbach's alpha score to underestimate reliability. Thus, in this thesis, the final judgement as to whether to eliminate or retain a construct is based on its composite

reliability estimate. Another diagnostic tool used in this research regarding reliability assessment of a construct is measurement of the construct's average variance extracted (AVE). An AVE estimate, like a composite reliability estimate, is derived from the CFA results, The composite reliability and AVE are calculated using the formula presented in Table 4-11, taken from the seminal paper of Fornell and Larcker (1981).

Table 4-11: Description and Threshold Values of Reliability Diagnostic Measures

Reliability Measures	Cut-off Criteria
1) Composite Reliability (CR) $= \frac{(\sum\lambda i)^2}{(\sum\lambda i)^2 + \sum\epsilon i}$ Where λi = the standardized loading of each indicator (observed variable) ϵi = the error variance connected to each indicator	>0.60
2) Average Variance Extracted (AVE) $= \frac{(\sum\lambda i)^2}{(\sum\lambda i)^2 + \sum\epsilon i}$ Where λi = the standardized loading of each indicator (observed variable) ϵi = the error variance connected to each indicator	>0.50

Note: The cut-off guide is suggested by Bagozzi and Yi (1998)

4.5.2.3 Convergent Validity

Convergent validity implies that the items (indicators) measuring a theoretical construct must share a high proportion of variance or must converge (Hair *et al.* 2010). In other words, the items should possess high 'communality' with each other. The study evaluates convergent validity by examining the magnitude and significance (critical ratio or t-value higher than |1.96|) of the standardized estimates of the items (Hair *et al*. 2010). Past SEM theorists suggests that convergent validity is evident if all observed variables of a construct have statistically significant factor loadings (Anderson and Gerbing 1988;

Bagozzi *et al.* 1991). Nevertheless, as significant factor loadings may not guarantee a considerable magnitude of parameter estimates, guidelines for that are also mentioned in the literature, as summarised in Table 4-12. On the basis of those guidelines, in this research, it is concluded that the minimum strength of 0.4 for the factor loading of each of the items is needed as evident of convergent validity of a construct.

Table 4-12: Several Cut-off Criteria of Parameter Estimate Indicating Convergent Validity

Strength of Standardized Coefficient Estimate	Source
≥ 0.40	Ding, Velicer and Harlow (1995); Velicer, Peacock and Jackson (1982).
≥ 0.50	Bagozzi and Yi (1988); Hildebrandt (1987).
≥ 0.60	Chin (1998)
≥ 0.70	Garver and Mentzer (1999).

Convergent validity could also be assessed by examining the composite reliability and average variance extracted (AVE) of a construct (Fornell and Larcker 1981), described in 4.5.2.2. above and the subsequent section respectively.

4.5.2.4 Discriminant Validity

Discriminant validity refers to the extent to which a construct is "truly distinct from other constructs" (Hair *et al*, 2010). A distinctive construct is novel and tests some phenomena that other measures do not (Churchill, 1979). First, the correlation parameters between CFA models of every pair of constructs will constrained to unity (1), and then the chi-square different test will be performed on the constrained and unconstrained models (Anderson and Gerbing 1988; Jöreskorg 1971). If the difference in the chi-square value between the constrained and the unconstrained models is not significant, then "…those latent variables are not perfectly correlated and discriminant validity is achieved" (Bagozzi and Fornell 1982). Secondly, Fornell and Larcker (1981) suggest that for a construct that is discriminately valid, its average variance extracted (AVE) must be greater than the variance between the construct and other constructs in the model. In other words, internal consistency is required to be superior to external consistency.

In summary, this study evaluates discriminant validity by assessing whether the measurement model satisfies two conditions: (1) the variance extracted of each construct is greater than the squared correlation between every pair of factors, the value of χ^2 for the measurement in which their correlation has been constrained to 1 is significantly higher than the value of the χ^2 of the second model, in which such a constraint is not imposed (e.g., Selders *et al,* 2007).

4.5.2.5 Nomological Validity

This refers to the extent to which a scale makes predictions of other concepts or correlates with other constructs in the model in accordance with theory. In this research, the evidence of nomological validity is supported if the correlations among the latent constructs is substantial (Hair *et al,* 2010) and are "theoretically sound" (Ping 2004). In this research, the test of the structural model is regarded as the confirmatory assessment of nomological validity (Anderson and Gerbing, 1988; Steenkamp and van Trijp, 1991).

4.5.3 Hypotheses Testing

The hypotheses are tested following the assessment of psychometric properties of the measurement scale. Structural equation modelling is used for this purpose using AMOS software (Arbuckle, 2006).

4.5.4 Estimation Method

Maximum Likelihood Estimation (ML) is used for confirmation analysis and SEM because it is reasonably robust in *"less-than-optimal analytic conditions"* (Bollen 1989; Chou *et al*, 1991; Hoyle and Panter, 1995). SEM approaches are relatively robust and comprehensive for parameter estimation and hypotheses testing, whether the proposed model is made up of direct or indirect paths such as mediating or interaction effects. Additionally, with the advancement of statistical software, SEM has become the standard approach in marketing and consumer behaviour research. Compared to the more traditional estimation method such as regression analysis and ANOVA, in which only one relationship can be estimated at any one time, SEM allows simultaneous estimation of relationships between variables. In SEM, any dependent construct can also be an independent construct in other relationship(s). Additionally, multiple mediators and moderators can be estimated together. Moreover, SEM considers the measurement errors of constructs, making the estimation and prediction more accurate. The score of an item is mainly composed of three properties; namely, the actual score of the item, random error and systematic error (Churchill and Lacobucci, 2005). Compared to SEM, *"first*

generation techniques are, strictly speaking, only applicable when there's neither a systematic nor a random error component – a rare situation in reality" (Haenlein and Kaplan, 2004).

4.6 Summary

The aim of this chapter has been to explain in detail the research design and the quantitative-based empirical methodological approach used in the study. This chapter also describes in detail how the measures were developed. In addition, the approaches as suggested by Churchill (1979), Anderson and Gerbing (1988) will be followed in the measurement purification and validation phases. Construct validity has been described as assess via the procedures outlined by Fornell and Larcker (1981). This includes the examination of path loadings, their respective critical ratio values and the examination of the average variance extracted of each construct (Anderson and Gerbing, 1998; Bagozzi and Yi, 1998). Discriminant validity between constructs has been established by comparing the intercorrelation between the constructs with the average variance extracted (Fornell and Larcker, 1981). The next chapter presents the descriptive analysis findings of the research.

CHAPTER 5

BACKGROUND OF THE RESEARCH

5.1 1NTRODUCTION

The internet has impacted on all aspects of life including businesses and their related environments. Its impact on the retailoring sector has contributed to businesses gaining access to global markets. This chapter will explore internet and how internet has helped globalization and fashion. Thus, technology and internet expansion to the rest of the world has helped retailers faster in the internationalization and globalization process (Barnes et al, 2007). The internet has made it possible for businesses to exist and trade online, not just in their local region but also across their borders. This chapter provides an overview of the UK demographics, retail market, and the evolution of fashion. Due to intense competition in the UK retail market, especially in the clothing industry, it is therefore vital to have an overview of the background of the UK environment as it impacts consumer attitude and retention.

The United Kingdom and Spain represents two countries with e-commerce adoption on a very different levels. The UK is one of the most mature markets when it comes to e-retailing in Europe and second world wide (GMID, 2011). To reiterate, previous study conducted on social media marketing by Kim and Ko (2012) and Godey *et al.* (2016), where conducted outside the UK where e-commerce market is not as mature as the UK. Therefore, it is vital to explore the UK enviromnent in terms of the demographic distribution, GDP (Gross Domestic Product) which also contributes to consumers' attitude to shopping.

The purpose of this chapter is to provide a background for the study. It focuses on fashion retailoring sectors and explores how marketing has evolved in relation to the fashion and clothing sector both nationally (UK) and globally.

5.2 Globalization

Globalization is the process of international integration taking place from the interchange of world views, products, ideas, mutual sharing and other aspect of culture (Simpson, Albrow, and King, 1994). Developments in transportation, such as a steam locomotive, steamship, jet engine, container ships and telecommunication infrastructure, together with the rise of the telegraph and its modern offspring, the internet and mobile phones have been vital factors in globalization, generation, creating further independence of economic and cultural activities (Ford, 1972). Although scholars place the background of

globalization in modern times, others trace its history long before the European Age of Discovery and voyages to the New World. Large scale globalization began in the 19th century (O'Rourke and Williamson, 2002). In the late 19th century and the early 20th century, the connectivity of the world's economies and culture grew very quickly. The concept of globalization is a very recent term, only establishing its current meaning in the 1970s (James and Steger, 2014), which developed from the intersection of four interrelated sets of "communities of practice": academics, journalists, publishers/editors and librarians. In 2000, the International Monetary Fund (IMF) identified four basic aspects of globalization namely: trade and transactions, capital and investment movements, migration and movement of people and dissemination of knowledge (International Monetary Fund, 2000). Globalizing processes are affected by work organization, economics, socio-cultural resources and the natural environment.

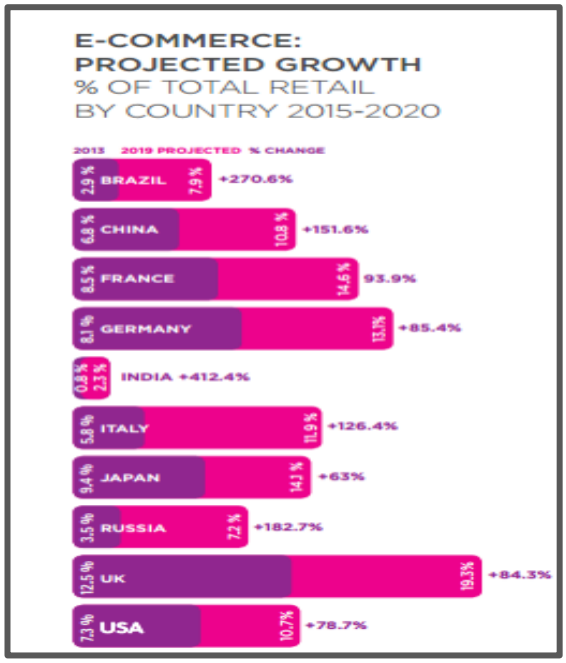

Figure 9: *E-Commerce; Projected Growth % of Total Retail by Country 2015-2020* (Source: Inside Retail, 2016).

5.3 UK POPULATION

5.3.1 General Overview of UK Population

The current UK population is 64.5 million, relatively high growth in the UK population started during the 1960s because of the 1960s' baby boom, population growth rate reduced during the 1970s and even fell between 1975 and 1978. The annual growth rate between 1990s and 2000s was more than doubled, up from 0.28% to 0.64%. Growth in

the UK population since 2010 has been comparable to that of the late 2000s and it was estimated to be the decade with the greatest period of growth within the last 50 years, UK population growth is the predicted to grow steadily, with the long-term annual growth rate estimated to stabilise at around 0.3% of the UK population (Office for National Statistics, 2016).

Decade	Initial population	10 year growth in population	Annual growth rate (%)
1960s	52,372,500	3,259,700	0.61
1970s	55,632,200	697,500	0.12
1980s	56,329,700	907,800	0.16
1990s	57,237,500	1,648,600	0.28
2000s	58,886,100	3,873,400	0.64
2010s†	62,759,500	4,600,200	0.71
2020s†	67,359,600	3,993,000	0.58

Figure 10: UK population estimates and annual growth rate, 1960s to 2020s. (Source: Office for National Statistics).

5.3.2 Age Distribution of UK Population

	Population aged 0 to 15 (%)	Population aged 16 to 64 (%)	Population aged 65 and over (%)
1974	25.2	61.0	13.8
1984	21.0	64.1	14.9
1994	20.7	63.4	15.8
2004	19.5	64.5	15.9
2014	18.8	63.5	17.7
2024 †	19.0	61.1	19.9
2034 †	18.1	58.5	23.3
2039 †	17.8	57.9	24.3

Figure 11: Age Distribution of the UK population, 1974 to 2039 (Forecasted). (Source: Office for National Statistics).

The proportion of the UK population within the traditional age (16 to 64) has stabilised over the past forty years but it's projected to reduce within the next future. Figure 10 shows the proportion of children in the UK population has reduced from over a quarter in 1974 to less than a fifth in 2004 and is predicted to further reduce within the next future. On the other hand, the percentage of those aged 65 and over increased by 3.8% between 1974 and 2014 which is from 13% of the UK population to 17.7%. The percentage of over 65 years is further predicted to increase by 6.6 percentage points of the UK population by 2039. This increase in proportion indicates that UK has an aging population and this is because of both the present structure of the population, where people that are born in the 1960s (baby boom era) are entering the older ages as well as the population living longer.

5.3.3 London Variation and other Selected Demographics

London is one of the major fashion capitals of the world and the financial centre of the world with streets packed with shops from the upmarket Bond Street to everyday fashion on Oxford Street. London has always been popular for starting trend and introducing some of the world's best designers in to limelight, therefore it is important to have an overview of its population and age distribution.

	2014 Population (millions)	2014 Population density	2004 to 2014 Annual growth rate (%)	2014 Sex ratio	Life expectancy at birth in years, 2012 to 2014[1]	
					Male	Female
UK	64.6	266	0.75	96.9	79.1	82.8
England	54.3	417	0.79	97.2	79.4	83.1
North East	2.6	305	0.30	96.1	78.0	81.7
North West	7.1	506	0.42	97.0	78.1	81.9
Yorkshire and The Humber	5.4	348	0.57	97.2	78.7	82.4
East Midlands	4.6	297	0.78	97.4	79.4	83.0
West Midlands	5.7	440	0.67	97.8	78.9	82.9
East	6.0	315	0.89	96.9	80.4	83.8
London	8.5	5,432	1.40	98.4	80.3	84.2
South East	8.9	465	0.88	96.8	80.5	84.0
South West	5.4	228	0.74	96.5	80.2	83.9
Wales	3.1	149	0.45	96.9	78.4	82.3
Scotland	5.3	69	0.51	94.4	77.1	81.1

Figure 12: Regional Variation of Selected Demographic Statistics, 2004 to 2014. (Source: Office for National Statistics).

Figure 11 reveals that the national and regional population are not equal in size in 2014. Additionally, the number of people per square kilometre (also known as population density) also varies, with just 69 people per square kilometre in Scotland compare with 5,432 people per square kilometre in London. The population of London is 10 times more than any other country or region. Figure 11 reveals that population density differs within England, it will also differ within other countries or region of England: for example, Scotland, Edinburgh and Glasgow will have a larger population density than areas of the Highlands. The UK 2014 sex ratio was 96.9 males per 100 females, this differs from 94.4 males per 100 females in Scotland to 98.4 males per 100 females in London. The 2004 to 2014 annual growth rate differs from 0.3% of the regional population in the North East to 1.4% of the regional population in London. The 2004 to 2014 annual growth rate in London was 0.51 percentage points more than that of the East of England which had the second highest annual growth rate within the period of 2004 to 2014. High population in London may be due to initial destination for immigrants migrating from abroad to the UK and popularity as a destination for graduates searching for jobs.

National male life expectancy differs from 77.1 years in Scotland to 79.4 years in England, a range of 2.3 years across the countries of the UK. Female life expectancy extended from 81.1 years in Scotland to 83.1 years in England, a difference of 2.0 years. The difference between male and female life expectancy varied from 3.7 years in England and for the whole of the UK, to 4.0 years in Scotland.

5.4 UK ECONOMIC CONTEXT

The economy of the UK is the fifth largest national economy in the world which is measured by Gross Domestic Product (GDP) and the ninth largest in the world if measured by Purchasing Power Parity (PPP), encompassing 4% of world GDP and the second largest economy in the European Union by both Metrics (Office for National Statistics, 2016). In 2015, the UK was the ninth largest exporter and the sixth largest importer in the world, and it had the largest inward direct investment and outward direct investment which makes it one of the most globalised economies (KOF, 2016; CIA, 2016). The United Kingdom is made of England, Northern Island, Scotland, Wales and Northern Island, is an island nation in north western Europe. England is the birthplace of Shakespeare and the Beatles is home to the capital. London, a globally inspired centre of

finance and culture. England is also a site of Bath's Roman spa and centuries-old universities at Oxford and Cambridge. The number of companies and corporation has continued to increase and represents 68.8% of total businesses. UK has a GDP of 2.678 trillion USD and the GDP per capita was last recorded in 2015 at 40933.46 US dollars (Trading Economics, 2016). The GDP per capita in the UK is corresponding to 324% of the world average.

There are 2.55 million businesses registered for (Values Added Tax) VAT and /or Pay as You Earn (PAYE) in the UK as at March, 2016 compared with the 2.45 million in March, 2015 which reveals 4.3% rise in businesses growth. The number of companies and corporation have continued to rise and stand for 68.8% of total businesses where the number of sole proprietors and partnership has increasingly decline and now represents 27.4% of total businesses (Office for National Statistics). London has the largest number of VAT and/or PAYE-based businesses with 18.7% of the UK total and faced with the largest growth between 2015 and 2016. The upward trend of the VAT and/or PAYE businesses reflects the UK economy's recent performance. GDP rose by 2.6% between 2014 and 2016. Consumer Price Index (CPI) inflation was 1.6% and reduced to 0.5% in March 2016. This robust growth and low inflation may have provided business with a good environment to set up their business. Additionally, through 2015 and 2016, the oil price has remained generally which may have reduced businesses' operating costs.

The employment rate increased from 70.5% in 2011 to 74.2% March 2016. The amount of people employed in the public sector from March 2011 reduced when reclassification is not included. The new employment growth from 2011 to 2016 is in the private sector which agrees with the number of businesses that were set up between 2011 and 2016 (Office for National Statistics, 2016). From 2011 to 2016, UK has a labour force of 33 million and unemployment rate of 6.3% with 46,297 dollars GDP per Capital (PPS). From 2011 to 2016, the redundancy rate fell from 4.9 to 4.1 per one thousand employees, this is based on the number of people that were made redundant out of the total employed. A lower rate of unemployment indicates stronger job market which agrees with the increase in number of VAT/PAYE business (Office for National Statistics, 2016).

5.5 UK Retail Market

The retail sector is divided into four main sectors, Figure 9 shows the detail of the four main sectors; (1) predominantly food stores (for example, alcoholic drinks and tobacco, specialist food stores and sales and supermarkets). (2) Non-food stores (for

example, non-specialised stores such as department stores, clothing and footwear, household goods, textiles and other stores). (3) Non-store retailing which comprises of catalogues, mail order and market stalls. (4) Store selling automotive fuel (petrol stations).

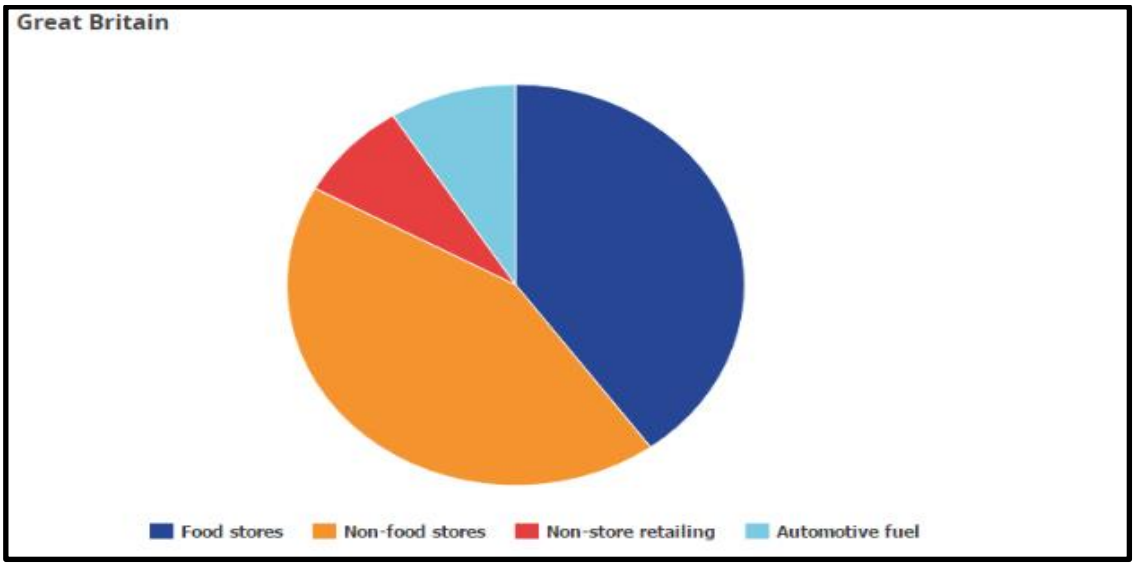

Figure 13: *Contribution from the 4 Main Sectors for Every Pound Spent in the Retail Industry* (Source: Office for National Statistics).

Retailing rules a large and important part of the UK economy and shopping has become a key relaxation activity and vital part of UK consumers lives. More than one-third UK consumer spending goes through retail businesses of which fashion is one of the key drivers for retail spending. UK retailing, like majority of countries around the world that has had to adapt to the buying habits and changing needs of the consumer which was re-shaped by the global economic crisis in 2008 and currently the digital revolution that has formed new online channels and the UK consumer is very much in the driving seat (Inside Retail, 2016). UK isknown as one of the most competitive retail market environment in the world, UK fashion retail has already started to emerge strongerr from the economic downturn from the last few years.

5.5.1 UK RETAIL ONLINE SALES

Established major retailers of fashion such as accessories, clothings and foot wear have learnt ways to make their stores more attractive and appealing while building a captivating online sites, online retail businesses have begun evolving and setting new and challenging standards for others around the world to follow and the independent and the small have found out ways to continue by undrstanding their customers better than any

other businesses. Competition, innovation and online are the areas UK is leading the world (Inside Retail, 2016). Since the economic crisis began, there has been very growth in the UK retail spending and as a result of this, leadership teams of retail businesses have focused on expanding their market share. This in turn has highlighted the need to show you are better than competitor in value, relevance, shopping experience and service and as a result of this, the market is more immensely competitive. The UK has become much more dynamic and competitve as a result of the internet and challenging thinking around customer engagement especially online and across all other channels. Recently, engagement has moved forward the UK online sales to 12% market penetration across all sectors - higher than any other developed economy in the world. In non-foods, the UK market share has exceeded 21%. This is helping retail turn out to be much more data rich industry. Abruptly, retailers are able to track shopping behaviour and communicate with customers at a reduced cost (Inside Retail, 2016).

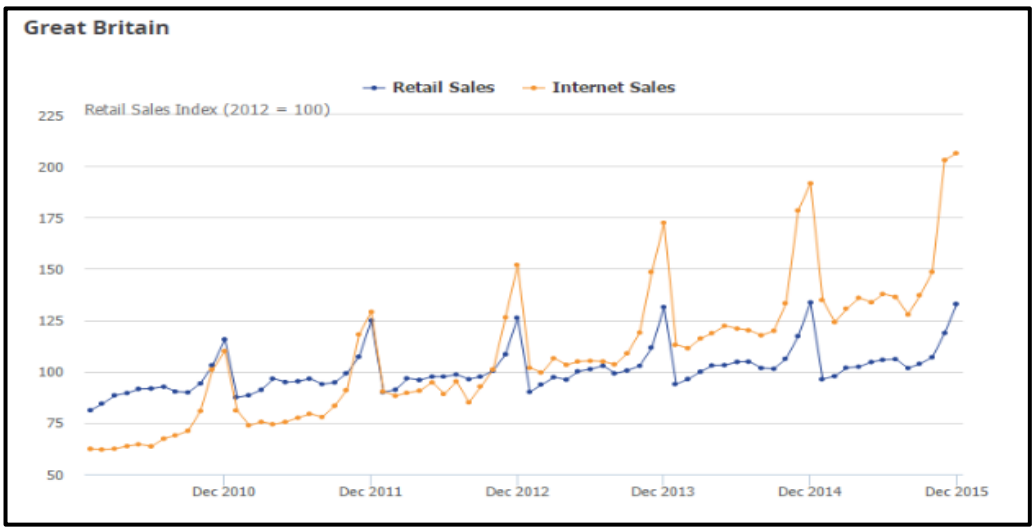

Figure 14: *Value of Retail Sales and Internet Sales, 2010 to 2015, Non-seasonally Adjusted* (Source: Office for National Statistics).

After food, fashion is the most vital retail market of them all. Retail explains a total value of £50 billion per annum with an average weekly spending of £1.0 billion on the internet, which is an increase of 26.8% compared to 2015 (Office for National Statistics, 2016). Fashion sales accounts for 15% of all retail sales and 11.2% of all non-food sales (Office for National Statistics, 2016). Clothing, textile and footwear stores accounts for 13.2% out of 15% of all retails sales. Similar to every UK retail sector, clothing is supplied in excess. Too much capacity and too many players is responsible for retail price deflation. However, this is more pronounced in fashion, this trend is changing

industry economics, resulting in the most challenging market in generations and raising competitive bar. The main factor at the heart of this is online. Fashion web put forward physical retail, improving capacity but not demand. Stable growth has seen online capture 15% of the market. And internet is turning out to be both opportunity and threat. Typical online returns of 40% or more and the cost of running reverse logistics and fulfillment, online behaves as dilute margins. However, physical capacity reveals online is the sector's key growth driver. Additionally, online provides retailers with rich source of customer information about purchasing and behaviour which is an enormous opportunity in understanding customers and edit ranges in this regard. Retailers are beginning to reap reward by communicating and engaging with their customers. The issue of over-capacity is the fundamental driver of shifting sector economics in the UK and this is the driver of retail selling price deflation happening year-in year-out. Producing by far the the most price-promotional market that has ever existed and the main source of downward pressure on profitability.

Table 5-1: Summary of Internet Statistics, October, 2016

Value seasonally adjusted, percentage rates

Great Britain

Category	Year-on-year growth	Sales as a proportion of all retailing	Index categories and their percentage weights
All retailing	26.8	15.2	100
All food	24.9	5.0	15.0
All non-food	19.8	11.2	36.1
Department stores	18.5	13.1	8.6
Textile, clothing and footwear stores	5.2	13.3	13.9
Household goods stores	42.1	10.2	5.4
Other stores	31.1	8.7	8.3
Non-store retailing	32.5	77.6	49.0

Source: Monthly Business Survey – Retail Sales Inquiry, Office for National Statistics.

Figure 14 below shows the performance across the different store types and how the quantity bought has changed over a period. Non-store retailing, the smallest of all the four sectors have experienced development over the period of January 2010 to October 2016 and this development has accelerated over recent periods. The performance of food stores, automotive mobile and non-food stores, which add up the account to approximately 92% of retail sales, has been more crushed. Until late 2013, the quantity bought in these three store types and all retailing was low but has now experienced growth.

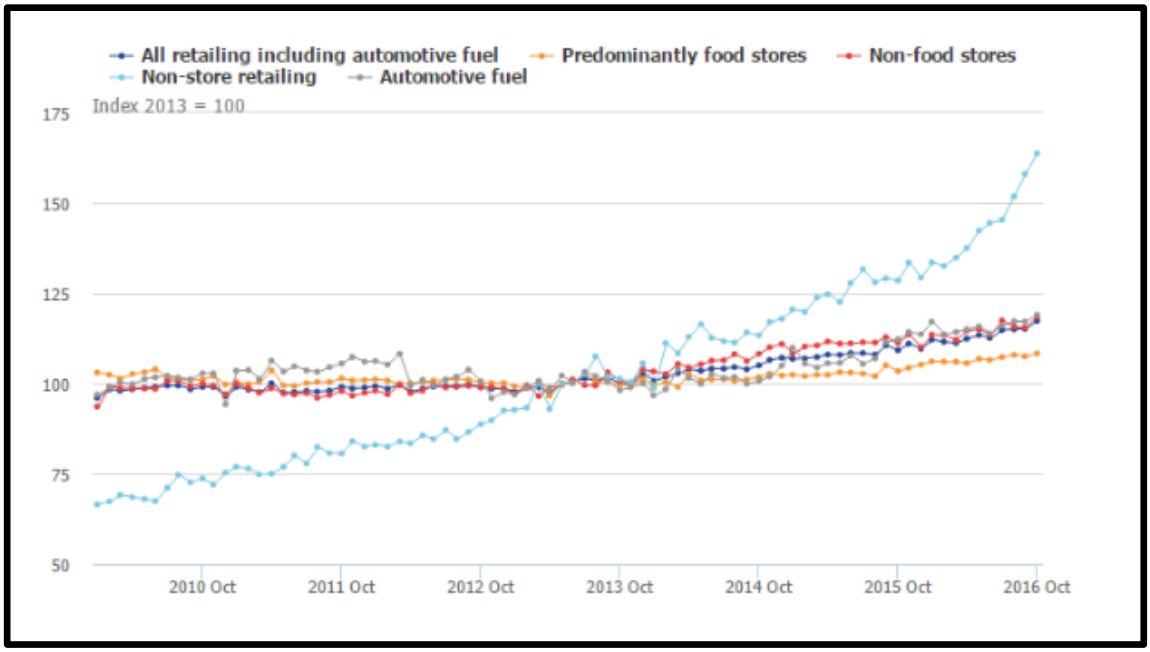

Figure 15: Comparison of the 4 main retail sectors, seasonally adjusted, sales volumes (Source: Monthly Business Survey – Retail Sales Inquiry, Office for National Statistics).

5.6 UK Fashion Industry Statistics

5.6.1 UK Fashion Through the Decades

The British royal family have been a continuous source of fashion motivation, starting from women wearing corset to copy the slim silhouette of Queen Elizabeth 1, to modern-day women taking inspiration from Kate Middleton's modest, well-designed outfits. History and fashion are much intertwined in British culture and fashion movements that the royals set frequently become the standard for the rest of world for example Queen Victoria facilitated the popularization of wearing black when mourning, and the custom of wearing black to funerals is still common because of this (England Forever, 2016). Most fashion trends before the 1900s was either copied from the royal family or came to eminence because of them.

The flapper girls of the 1920s wore bold attire and revealed the new liberty women were achieving, such as equal voting rights with men. The eruption of the World War 11 have an effect on clothing as it is now acceptable for women to wear trousers as a result of the curbing of fabrics and as some acquired more masculine jobs. In the 1920s, fashion trends was affected by the event happening at that time such as post World War 1 and Paris influence, women's vote prohibition, talking movies, increased prosperity, modern art, music, the birth of sport wear. After the end of the war in the 1950s, women started to enjoy more stylish clothing as the country became more wealthy. The typical look of

full-skirts for women and sophisticated tailoring for men gradually move furtively into fashion and continued to influence many fashion designer in the present day (England Forever, 2016).

One of the iconic descriptions is that of the 1960s. Beyond doubt, this was a time when London influenced the whole world. Fashion designers such as Mary Quant's invention of the miniskirt turn out to be an inspiration to the world. At this time, women became more daring with clothes, testing brighter colours and uncommon fabrics such as PVC. They deviated from the trimmed skirts of the 1950s to simple shapes and the body type that was trendy went from curvy to boyish. Whether women and men were mods or rockers, clothing was vital to reveal their social status and who they are associating with.

The 1960s brought about a great trend for bold prints and plastics. There was huge gap between older people that were brought up in the time of war decades and those enjoying the sexual liberty and colourful fashions of the 1960s. Later on, the younger generation started to take on counter culture and frequently revolted against these bright, disposable fashions by accepting Eastern cultures philosophy which would lead to an unusual movement. The 1970s brought about the rise of punk and British designers suh as Vivienne westwood that became the house hold names. The punk appearance is still powerful in Britain and sometimes seen on the famous Kings Road in Chelsea (England Forever, 2016). The 1980s was a period of self-indulgence with big shoulder pads and big hair. Fashion was influenced by music trends which involved a lot of bright colours and shapes that were futuristic. Britain was influenced by American grunge in the 1990s but soon hit back with Britpop when bands for instance Blur and Oasis became famous and traditional British fashion such as Doc Martens shoes, corduroy jackets and bucket style came back into style. The British fashion in the 20th century is captivating because of the drastical change in the styles and trends every decade.

5.6.2 Fashion Industry Employment Rate

At present, around 55,000 people are employed in the fashion related industry in the UK. Most jobs in fashion related industries are in retail sale of Clothing. This fashion sub-industry employs 75% with 414,000 people working in the retail sale of clothing. The retail sale of footwear and leather goods also provides good number of jobs in fashion, approximately 11%, 59,000 employers work in this sector. Another 8% which is 43,000 employers, work in the wholesale of clothing and footwear. With correspondingly 34,000

and 5000 positions, 6% and 1%, the minimum number of jobs are in the manufacturing of apparel and footwear.

5.7 Summary

This chapter presents a discussion of the background associated with this research. First, a brief discussion about technology and internet was described. This was followed by a more detailed discussion about globalization and E-commerce. This is in line with the retail industry that have an online presence. Furthermore, the demographic distribution of the UK and the general retail industry was also discussed. The assessment UK age distribution provides an overview of the type of UK consumers. In addition to this, London which is the major fashion capitals of the world and the financial centre was considered. Additionally, the retailoring of fashion in today's world and the UK economic growth was explained as the economic growth impacts on clothing retailers' sales. The next chapter provides an analysis of the UK clothing retail environment and secondary research into ways UK clothing retailers retain their customers.

CHAPTER 6

MARKETING COMMUNICATION ROLE IN THE UK CLOTHING SECTOR

6.1 INTRODUCTION

The purpose of this chapter is to explore marketing communication role in the UK clothing industry. Initially this chapter was meant be a primary research to explore the UK clothing retailer's organisational perspective of how customers are retained, however there was a difficulty in getting access to the organisation, for this reason the researcher had to devise another way of getting information which is through secondary research. This chapter is a secondary research and all the information has been analysed by other companies such as Mintel. Additionally, this chapter is set out to examine the UK clothing retailer in detail and the environment in which they operate, their major marketing communication and its impact in fostering sales.

6.2 UK RETAIL CLOTHING MARKET

Figure 16 below reveals clothing in a fragmented market where major chains of specialist account for 50% of sales, Department stores such as M&S have 20% and the next biggest challenge is the remote one, comprising online pureplays and catalogues. The traditional mail order retailers have gradually migrated online and the biggest of these is shop direct who has move their full business online. Supermarkets have also played a major part in driving rapid growth of the value segment which now account for 25% of sales. Competition in the UK fashion industry is set to intensify further. Apart from the growth in size and volume, the new national minimum wage will also increase the operating costs and because of this, UK retailer will have to innovate more and put customer at the heart of their products and services to be smarter in managing cost and supply chains. The differences between the winners and those who do not win will be magnified and excellent returns will be the reward of those that are able to meet these challenges.

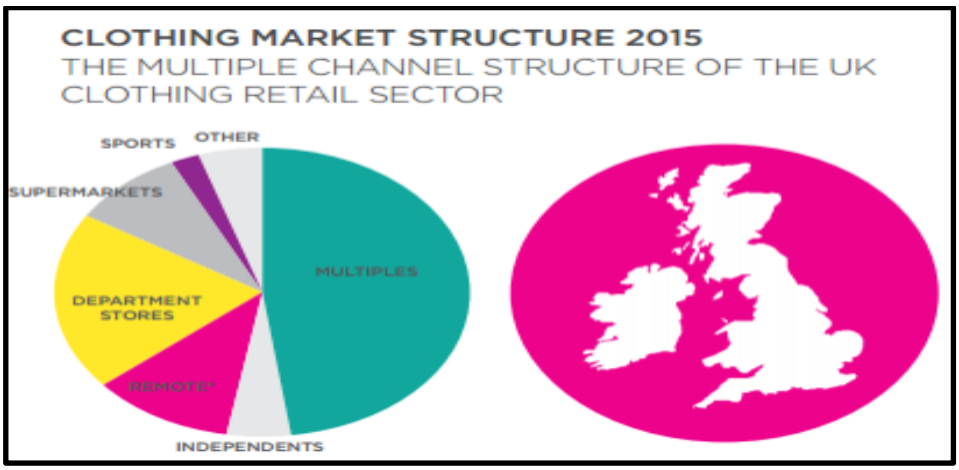

Figure 16: The multiple Channel Structure of the UK Clothing Retail Sector (Source: Monthly Business Survey – Retail Sales Inquiry, Office for National Statistics).

The UK clothing sector is experiencing intense competition and price war and has faced a very tough year as consumer spending on clothes increased by only 1.8% in 2016 to £54.8 billion compare to 4% increase in 2015 as consumers spent less of their disposable income on fashion (Mintel, 2016).

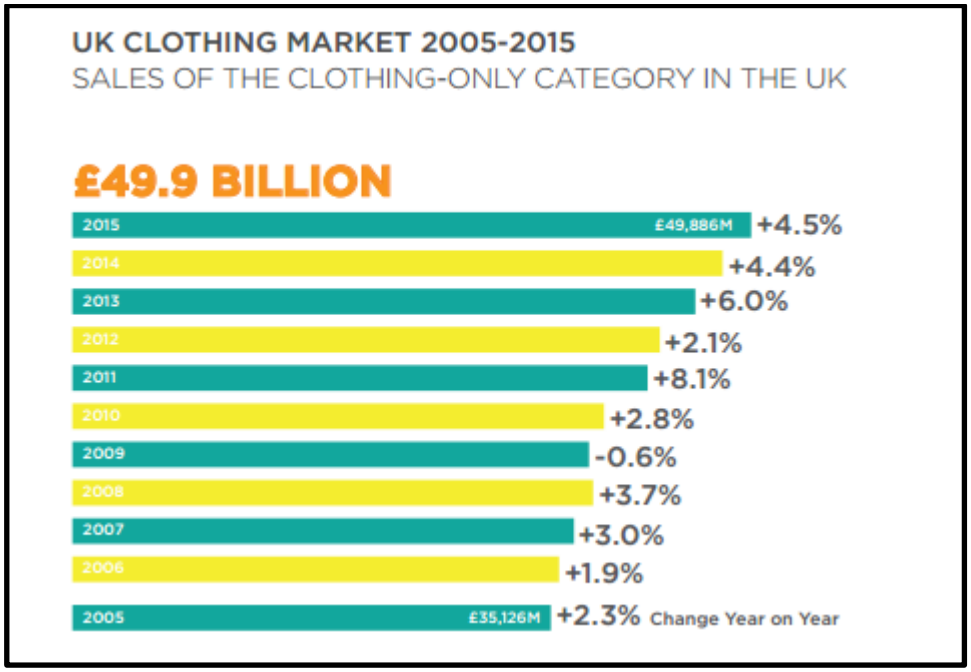

Figure 17*: Sales of the Clothing-Only Category in the UK (Source: Inside Retail, 2016).*

6.2.1 PESTLE Analysis of Retail Clothing Market

6.2.1.1 Political Impact on Clothing Retailer

Clothing retailers operate in an environment that is linked to political factors and this plays a vital role in structuring a business. Earlier in 2016, the UK withdrew from the European Union which is known as 'Brexit', a portmanteau of "British exit". Following

a referendum held on 23rd June 2016 in which 52% voted in favour of leaving the EU, the UK government intends to invoke Article 50 of the Contract on European Union, the formal procedure for withdrawing, by the end of march 2017. This, within the contract terms, would put the UK on a course to leave the EU by March 2019 (Hunt and Wheeler, 2016). Although there's no immediate impact of EU referendum felt by the retail clothing sector yet but clothing is expected to face an even tougher year in 2017 as many retailers will be forced to increase their prices as a result of currency fluctuations. Even though most retailers were not affected by the devaluation of the pound following 'Brexit' in June 2016 as they had currency hedging in place, they will be obstructed by increased import costs in 2017 and this could result in greater clothes prices for consumers, which could in turn lead to fall in sales. Numerous retailers including Next have warned prices could increase by up to 5% in the coming year (Mintel, 2016). Brexit's impact on the cost of living is one of the biggest concerns, with 46% of public thinking that it will have negative impact. Subsequently, some retailers may choose to keep prices low just to hit the margin. Primark is among those that said they will maintain their current prices. Smaller clothing retailers and independents will however strive to take in costs and further causalities is foreseen on the high street.

In the long run, fashion retailers should reconsider their supply chains to make sure they remain competitive. This will provide opportunity for British clothes manufacturers to thrive

6.2.1.2 Economic Impact on Clothing Retailers

While the Brexit vote has had enormous impact politically, it has also dampened consumer confidence in the sense that it has led to a sudden change in the spending on clothing. In the immediate effect of the vote, the proportion of people that confirmed that they'll be okay fell from 33% to 27%. Once the shock has faded, although confidence returned steadily upwards trend seen over the last two years, with 29% of people in August 2016 stating they were confident about their financial condition over the next year.

6.2.1.3 Social Impact on Clothing Retailers

There's has been a real change in shopping habits as people now shop more online for clothes and are becoming choosier about where they buy their clothes as they are opting for retailers that combine latest fashion with rapid and convenient delivery options. The impact of this has led to pure-play retailers such as ASOS are rapidly increasing their

share of the fashion market. There has also been a continued shift away from people spending their extra money on clothing and fashion items to spending more on leisure. Consumers are now spending more on dining out, going out and days out compared with same period in 2015 (Mintel, 2016). Leisure activities continued to dominate non-essential consumer spending on clothing and has shifted away from their priority list. Retailers will now have to be more responsive to changes in weather through more frequent product drops. The retail sector has fail to adapt to a buy-now, wear-now mentality as unseasonal weather change in 2016 has simply heightened how seasonal fashion cycles have become obsolete, with retailers selling autumn clothing in August and September when the weather is still hot. To adapt to this new consumer attitude, a radical change in traditional buying and production cycles is needed.

Older women agree that in-store displays are a good source of inspiration, with 69% of female age 65+ agreeing with tis statement (Mintel, 2016). This is a good way to encourage this demography to buy more clothes. Younger men's attitude is changing as they want to see stock availability online. Close to seven in 10 (68%) consumers agree that a tool to check stock availability online would be useful feature of a retailer's website. This rises to 77% of young men and 75% of young women aged 25-44 who are the main clothes shoppers. Consumers wants to be given more information around availability of products they want to buy. All Saints is one of the clothing retailers that has introduced a system that allows customers to check stock availability in all its stores and its distribution centre. Zara has continued to increase its popularity and is one of the few retailers that has seen increase in number of young women shoppers. Zara stands out as the retailer where consumers are most likely to shop to buy an item that is part of new fashion trend.

6.2.1.4 Technological Impact on Clothing Retailers

In a competitive market where retailers are striving to retain their market share and even gain more, the key to blossoming is innovation and only retailers that can adapt to this drastic dynamic market will make gain more market share in the highly competitive market.

6.2.1.5 Legal Impact on Clothing Retailers

6.2.1.6 Environmental Impact on Clothing Retailers

The clothing sector faced a very tough year as many influences have combined to create an underlying weakness in consumer demand for clothes. 2016 has experienced an extended period of unseasonal weather with cold spring and a slow start to summer, which

has stopped people from upgrading their wardrobes and has had a poor effect on clothing sales. Retailers have struggled to sell seasonal clothing and have reacted to the irregular weather by resorting to heavy discounting and sales to try and get rid of stock.

6.3 Market Share of Both Specialist and Non-Specialist

Out of 150 clothing retailers in the UK, over half of the top five retailers are non-specialist. Sport retailer such as sport direct and JD sport are among the leading retailers of clothing and footwear in the UK. JD Sport has overtaken TK Maxx and moved to the fifth place as a result of athleisure trend and continued demand for sporty styles of clothing for everyday wear.

TABLE 6-1: TOP 20 CLOTHING RETAILERS

		2013	2014	2015
		%	%	%
1	Next UK	7.5	7.5	7.4
	Next clothing/footwear	6.1	6.1	5.9
2	Marks & Spencer – UK non-food	8.4	7.7	7.2
	Marks & Spencer – UK clothing	7.6	7.0	6.5
3	Primark	5.3	5.4	5.3
4	Sports Direct Plc – UK retail	3.9	4.3	4.2
5	JD Sports Fashion Plc – retail	2.5	2.9	3.3
6	TK Maxx (The TJX Companies)	3.3	3.4	3.3
7	Arcadia Group	3.7	3.4	3.1
8	Debenhams gross transactional values	3.5	3.3	3.1
	Debenhams statutory revenues	2.5	2.2	2.1
9	Asda	3.5	3.1	2.9
10	New Look – UK	2.1	2.0	2.3
11	H&M UK	1.8	1.9	2.0
12	Matalan Ltd	2.3	2.1	1.9
13	River Island Clothing Co Ltd	1.7	1.7	1.6
14	John Lewis	1.5	1.5	1.6
15	Tesco	2.1	1.7	1.5
16	House of Fraser gross transactional values	1.4	1.5	1.4
	House of Fraser statutory revenues	0.8	0.9	0.9
17	Sainsbury's	1.3	1.3	1.4
18	Amazon	1.0	1.3	1.2
19	Shop Direct Group	1.2	1.1	1.2
20	N. Brown	1.2	1.1	1.1

Source: (Mintel, 2016)

Eleven out of the twenty top clothing retailers are non-specialists with two featuring in the first. Specialist retailers have experienced their share of the total clothing market continued to deteriorate further followig the close down of BHS and the under performance of M&S and other sport stores, the groceries and departmental stores have grasped market share. Pure-play retailers such as ASOS, BooHoo is experiencing strong growth and rapidly increasing their share on clothing. Consumer trends is changing in the way they shop, there is buy now, wear now mentality and retailers have failed to adapt adapt to this fast enough, with many women between the age of 16 years and 44 years are finding it hard to find outfits that suit uncommon weather for the season such as winter that a warm cloth is required. There are also has been an increase in impetus for locally made clothes with research for this report finding that 87% of shoppers will be interested in locally made clothes.

Most of the specialist includng the main retailers in the market such as Next and Primark have experienced weaker sales since 2015 as non-specialists such as Sainsburys and Tesco draw spend away from the specialist sector. The leading departmental store have done well in 2015. House of Fraser have experienced steady sales helped by improved own-brand fashion labels such as Biba and Episode and an boosted online proposition. John Lewis stand out as a pointedly improved fashion in the last few years, with fashion being best-performing sales category in the year to the end of January 2016,

increased by 2%. Debenhams, however has experienced decline in in its share of clothing market due to discounting and needs to get over its image of always being "on sales".

Supermarket chains maintain a significant share of the clothing market, although Asda and Tesco have been confronted by slower overall sales and in contrast, Sainsburys has gained share with the launch of TU clothing online in August 2015. Pure-play retailers are speedily increasing their market share of the clothing market, despite this, several young fashion retailers such as New Look and H&M was successful in outperforming their competitors as they have invested in new store concepts and expanded their offering to include clothing as well as beauty.

6.4 Specialists' Share of Clothing Spend

Clothing specialists' sales have been experienced a sharp reduction and are projected to decline by 4% at the end of 2016 to £39.7 billion, highlighting the loss of specialist clothing retailers compared with the overall spending on clothing of 1.8%. The clothing sector has suffered several causalities with the downfall of Bhs and the administration of Austin Reed. M&S has continued to experience falling sales in clothing; 8.3% for the 13 weeks to July 2016, the management has continued to make changes but are unlikely to lead to any significant improvement until the beginning of next year (2017) at the earliest. Several other main players in the market including Next and Primark both reported weaker sales growth in 2016 compared with the previous years. While Next has experienced sales growth, sales grew only 0.1% in the half year to July 2016 and was believed to have applied a too cautious an approach by keeping too low stock in store. A prolonged period of seasonal weather has had influence on the poor fortune of the clothing sector, but the specialist retailers are also labouring as they are facing increased pressure from online retailers such as Amazon and ASOS, which are rapidly growing their share of the clothing market. Departmental stores and supermarkets chains have overtaken the specialist clothing retailer in terms of shares and sales.

Table 6-2: Clothing Specialist Sales (Incl. VAT), 2011-21

	Total £m	Index	% annual change
2011	37,047	93	na
2012	37,549	95	+1.4
2013	38,631	97	+2.9
2014	40,176	101	+4.0
2015	41,374	104	+3.0
2016 (est)	**39,700**	**100**	**-4.0**
2017 (fore)	39,281	99	-1.1
2018 (fore)	38,805	98	-1.2
2019 (fore)	38,840	98	+0.1
2020 (fore)	38,549	97	-0.8
2021 (fore)	38,455	97	-0.2

Source: (Mintel, 2016; Office for National Statistics, 2016)

An estimated 74% of the clothing specialist sector's total turnover was from the sales of clothing and accessories (footwear is not included) in 2016. The mjor reasons for this is that M&S is considered a clothing specialist, but due to its food and home categories only a projected 39% of its UK sales were from clothing in 2015, which is 1% down from a projected 40% in 2014. Debenhams is included in the list of specialist retailers (Office for National Statistics, 2016) but less than 60% of Debenhams' sales are estimated to be in the category which is further reducing the shares of clothing in sector sales. Additionally, footwear is a major category for some clothing retailers such as New Look and Next, while many specialists such as Zara, H&M, Topshop, Primark classified beauty as part of their major category (Mintel, 2016). Specialist clothing retailers have seen their share of the total clothing market continue to decline, with only 54% of the consumer spending on clothing and accessories going through the specialist in 2016.

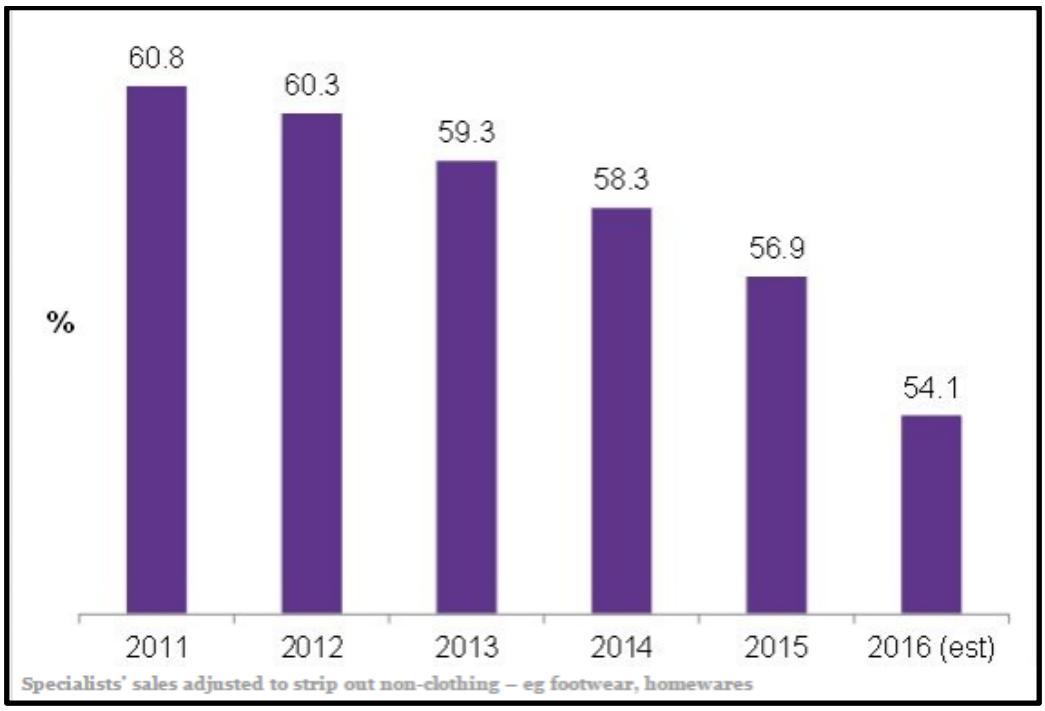

Figure 18: Clothing Specialists' estimated share of spending on clothing, 2011-16

6.4.1 Revenue Shares For Specialist Retailers

Next has overtaken M&S as the clothing market leader, as it has increased revenue by 5.1% to £4.1 billion for 2015. Next business is in good shape, with steady growth in its retail division and robust online sales. This means that it remains one of the consistently solid players in the challenging fashion industry where specialist clothing retailers are losing share of the overall market. In contrast, M&S has seen non-food sales decline 0.7% to £3.9 billion as its clothing business continues to fail. M&S clothing sales have continued on a downward path, the major problem is with women's wear. Ongoing attempt to turn its clothing division around have so far been unsuccessful to translate into sales growth, with an 8.9% crash in like-for-like sales of clothing and homeware for the 13 weeks to July 2016. M&S has invested so much in womenswear offer with clearer pricing, a change in sourcing, better fit and availablility of products. Nevertheless, the retailer needs to clearly understand who its female customers are and concentrate on getting the appropriate products for them. Additionally, in order for M&S to continue to move forward, while it makes its cloth fashionable, it needs to ensure that it focuses on providing high-quality basics. more clearly defined brands with different style could also help. Sizing is one of the well known issue with considerable differences in sizes between different M&S brands and other retailers.

Primark is also experiencing slower growth as its facing issues with the maturity of the business in the UK and can no longer expand stores at the same explosive rate compared to previous years. Its lack of transactional website is at a significant disadvantage and while it remains the most popular clothing retailer by number of shoppers, it is facing increasing competition from fast-growing pure players such as Boohoo, ASOS and Amazon that offers fast and latest fashion at low prices, but with the additional benefits of rapid online deliveries.

Table 6-2: Leading Specialist Retailers: Net Revenue, 2011-15

	Company name (parent)	2011	2012	2013	2014	2015	% change
		£m	£m	£m	£m	£m	2014-15
1	Next UK & Ireland	3,280	3,384	3,597	3,862	4,058	+5.1
	Lipsy	55	58	35	36	29	-19.4
	Next Directory	1,089	1,193	1,357	1,520	1,658	+9.1
	Next Retail	2,191	2,191	2,240	2,342	2,400	+2.5
2	Marks & Spencer (UK non-food)	4,195	4,094	4,093	3,988	3,961	-0.7
	Including:						
	Marks & Spencer (UK) clothing	3,762	3,671	3,674	3,618	3,565	-1.5
3	Primark Stores Ltd (ABF)	2,298	2,584	2,786	2,891	2,954	+2.2
4	TK Maxx (The TJX Companies)	1,354	1,502	1,614	1,757	1,790	+1.9
5	Arcadia Group	2,682	2,679	2,736	2,033	2,069	+1.8
6	New Look – UK	1,061	1,059	1,034	1,048	1,257	+19.9
7	H&M UK	761	836	867	992	1,071	+8.0
8	Matalan Ltd	1,118	1,125	1,123	1,094	1,061	-3.0
9	River Island Clothing Co Ltd	721	740	810	890	894	+0.4
10	Inditex UK of which:	431	512	537	579	620	+7.1
	Zara UK Ltd	369	443	458	495	535	+8.1
	Bershka UK	13	14	16	17	na	
	Massimo Dutti UK	29	31	34	33	na	
	Pull&Bear UK	12	14	16	19	na	

Source: (Mintel, 2016)

6.5 Online Market Shares

Online sales of clothing, footwear and accessories are projected to reach £12.8 billion in 2016, accounting for 20% of total spending on the market. Up to 63% of the internet users in the UK have bought clothing and/or footwear online in the last 12 months, making this the most bought online category. The comfort of purchasing through mobile phones and tablets is helping to increase online demand; as many as 41% of consumers who have made a purchase on their mobile smart phones bought clothing and again making it the most purchased category (Mintel, 2016). Pure-players were estimated to account for 45% of online sales of clothing and footwear as leading players such as ASOS grow their share

of the market and catch up with the multichannel players (Mintel, 2016). With no physical presence on the high street to market themselves, the pure-players have been bringing up new ideas in the use of social media and digital channel for both communication and to offer new ways of purchasing which is what this thesis is all about. In 2016, online menswear retailer Mr Porter launched a shoppable Apple TV app, which allows consumers purchase items based on its online editorial content.

Next share the greatest share of the online clothing and footwear market, at 13.2%. The retailer launched a dedicated mobile version at the end of 2015 after finding that 63% of orders are made using tablets and smart phones. M&S online sales made a significant recovery in 2015, following the challenging website relaunch and distribution problems during 2015, M&S is estimated to have 6.9% share (Mintel, 2016).

ASOS has gained share to take 4.6% of the online clothing market on the back of a 27% rise in UK sales in 2015. ASOS came right on top because of being able to offer consumes an overall excellent experience. This replicates ASOS efforts to continually develop its online proposition, including one-hour delivery slots in July 2016 that let the consumer chose themselves the exact hour they will like to receive their order.

6.6 Marketing Communication of Clothing Retailers

Marketing communication is a subcategory of the generally known (Marketing) subject area. Marketing consist of product, promotion, place and price which are known as the marketing mix (or the four P´s), that also can include physical evidence, people and processes when it comes to marketing services (Known as the seven P´s). Marketing communication is a subset of the general marketing subject area and it is the ´promotion´ of the market mix (McManus, 2015). Thus, marketing communication can be defined as the marketing message that is used in crafting or building a positive and favourable inclination towards a brand of product or services. The role of this notion (Marketing communication) is to support firms marketing plan and help their main audience to trust and understand their advantage over the rivals (Hajduk, 2016). The marketing communication comprises of different communication mix. These are promotional elements that involves the interaction of an organisation with their target audiences on all levels that impacts on the marketing performance.

Marketing communication has become of huge importance in the past five to ten years. The growing importance has so much to do with product and services seen as arriving in the maturity stage of their life cycle. Consequently, it is hard to come by the point of

difference that can separate or differentiate brands that portray inherent qualities to this product and services. This is where marketing communication sets the tones by providing the information which will otherwise be impossible to create points of difference. This enable brands to stand out on a global market stage and helps brands comparative advantages to be appreciated by their consumers. Marketing communication gives clothing brands marketers the platform to persuade, motivate, inform and remind consumers about the product's point of difference when compared to competing firms (Henninger, Alevizou, & and Oates, 2016). Consumers learn through this platform how and why a product is used, the kind of people, the when and where the product is used. They learn about the brand and the company that makes the product, and they can receive incentive and be rewarded for using or trying the product. Thus, the attributes of the product can be translated to benefits and linked with high-order value. The clothing brands within the UK clothing industry uses all the marketing communication mix elements in their communication; sales promotion, advertising, public relations and personal selling and social media.

From Facebook to Instagram, from start-ups to medium scale enterprise and to big brands, social media can commercialise a new brand's product faster than ever before as it gives voice to the communities and the designer they engage. The social media channel is being used by 27% of the global population and majority of the users are people that work within the clothing and fashion industry (Rasmussen, 2016). The fashion world and social media are entwined (from the designers and the brands, to the customers and the consumers, from the photographer and the stylist, to the models) in a way that everyone shares the image of their favourite shoots on Instagram and tweets their views on the latest fashion trend and news.

The clothing industry uses social media to promote the works and the opinions but most especially the brands in the industry. An average person goes on their smartphone approximately 150 times a day. As social media has become one of the best ways for people to communicate and a dominant source of information, several industries are taking advantage of this by changing their marketing strategies such as the clothing industry (Sherman, 2013). This new way of communicating is changing the industry and is aiding the growth of the UK clothing industry. The top Clothing brands such as Topshop, Primark, Zara, New Look, Next and New Look now employs social media to connect with their customers on a more personal level. The digital age has enabled clothing brands to actively engage in fan-facing conversations, directly looking for

inspiration from the communities they inspire and dress too. Social media has made clothing brands more connected on the ground via the use of channels such as Twitter, Facebook, Pinterest, Instagram and Snapchat. These different social media channels has enabled clothing brands listen and learn from who they are to. Clothing brands like New Look, Topshop, Next, Marks and Spencer, Asos, Boohoo and Zara uses these social media platforms to advertise their products more than ever and are able to communicate with their audience in a different and innovative way.

Thus, social media has stretched the way in which information about various things that relates to clothing and fashion are accessed by consumers and others keeping up with fashion trends, it has opened new access to potential buyers and has generated new outlets for advertising (Pawlas, 2015). The UK top clothing brands are promoting exclusive clothing products and these products have become more accessible to the public via social networking. The clothing industry has grown not just within the UK but globally because of social media presence (Pawlas, 2015).

A new research shows that if you subscribe to or follow a brand on Instagram you are (finances permitting) 53% more likely to shop with that brand (Rasmussen, 2016). This means that an engaged social media following leads to increased brand loyalty. After all, the way that a brand presents itself on social networks enables consumers to quickly translate whether it speaks to them or not. If a mutual understanding is reached, it becomes natural that the consumer will want to invest in it and wear the clothes. Instagram and Facebook are two large media platforms that have revolutionised the places that clothing items are purchased. Through advertisements, tags and explore tabs, users can access specific brand clothing sites, pages and photos from virtually anywhere. Brands of different sizes are only able to create a fan base solely through online viewers. Brands are not only able to show their style, culture and targeted audience, but they are able to tailor to specific trends, events and fads (Clements, 2016).

6.7 Advertising

Any form of paid promotion of ideas, non-personal presentation and goods or services by any recognised sponsor. The magazines, professional newsletter pages and social media such as Twitter, Instagram, Facebook, Snapchat and YouTube are common platforms used for promoting and advertising information associated with the product of a firm. These platforms are mainly used in creating product awareness of the existence of the

brand, making the client understand and reminding them that the product is available in the market (Bria, 2016).

The main objective of this activity is to display a particular product or brand in comparison to that of the competitors focusing on the point of difference of the product. A brand can be distinguished from less focused competitors through effective communication and the use of different media range. In a technology driven era, the social media have become a platform that is widely used by various brands within the UK clothing industry to extend their marketing campaign to a broader range of consumers. Chi (2011) defined social media marketing as "the connection between consumers and brands, while offering a personal channel and currency for user centred networking and social interaction". The emergences of Social media have brought a great change to the tools and approaches that clothing brands within the UK uses in communicating with their customers. Therefore, social media have become one of the main advertising platforms for UK clothing brands. The UK clothing brands and designer are connecting with the public in an instant manner through; Twitter, Facebook, Instagram, Snapchat, YouTube and other social media avenues that have to do with live-streaming (Strugatz, 2013). Schneier (2014) stated that "This is a social media age clothing industry and the digital media have impacted so much on how clothes are presented and even on how they are designed. The way that brands showcase, make and design their clothes has been significantly affected using social media (Schneier, 2014).

The conversation between designers, brands and their consumers is geared by the enabled social media user generated content. The UK clothing industry has been affected by the way the use of social media has created a constant dialogue and immediate feedback with people. The consumers have been made part of the process as they have become an active creators and monitors on social networking, and are no more passive receivers of marketing messages. Because of the increasing user generated-content sites and growing online social networking, the balance of power is shifting (Sinclaire J, 2011). The UK clothing industry have been a "tell style" form of communication in the past which is considered one-way and placing a limit to where public relations professionals could control and dictate their organisational methods; equally, social media dynamically enforces discussing and monitoring of contents with consumers (Bridgen, 2012).

The power discussion today in the UK clothing industry is directly connected with the impact a brand within this sector has on the consumers and critics, which is different from

just advertising or just selling merchandise. A real impact is the one that creates more discussion, brand recognition, and consumer approval via reposts and comments. The social media sites go far beyond the Rich Site Summary (RSS) feeds and collages that are previously posted by brands and designers because social networking provides consumers with that avenue and power to share their experiences and questions with other consumers who have experience with those companies and brands (The pure London, 2016). The social media has a marketing promise for clothing brands and businesses in the UK are obvious: it has a profound prospect as a customer service channel for UK clothing retailers. The immediate discussion and reaction that is enabled using social media encourages and creates a trusting relationship between organisations and consumers (The pure London, 2016).

Another important feature of advertisement as part of marketing communication element is known as integration. This is referred to as the integration of different media channels to enhance or leverage the overall communication effect. Integration in marketing communication (often refer to by the buzz-term integrated marketing communications or IMC) refers to the synchronised use of various communication channels in the same marketing communication campaign. For example, a campaign can combine the use of public relations, a web presence and in-store sales promotions, all carrying consistent brand values. The main objective is not only to build a sense of consistency for the brand but also to reach the target audience who may not be easily reached through mainstream media (Yeboah & Atakora, 2013).

6.7.1 Above the Line Advertising

The conventional knowledge held that above the line media were best for the strategic purpose of raising mass awareness while below the line promotions is considered as mediums that can be used to in support to persuade consumers to trial a brand`s product or to create a short-term sales through money-off or two-for-one offers or short term sales promotions (George *et al*, 2014).

6.7.2 Through the Line Advertising

Through the Line Advertising the term integration is also referred to as ´through the line` solutions. The mass media promotions such as broadcast media, national daily press and cinema advertising (called ´above the line`) are still often use as terminology by advertising agencies to divide mass media promotions from other promotional media such as sales promotions, direct selling, direct mail (called ´below the line`). The logic that

surrounds through-the-line communication is simple. If a theme or message is deployed constantly but through different communication channels can have a reinforcing effect, making the message from a brand more powerful. However, if the brand images which the consumers encounter in different channels carry different messages, then this might weaken the brand image and also confuse the consumer. Therefore, organisations that can create campaigns that can translate to executions on different channels are able to communicate to a larger audience and consumers (Yeboah & Atakora, 2013).

6.8 Retail Clothing Marketing and Advertising Activities in UK

Most marketers are beginning to operate on a global basis (Pornpitakpan & Green, 2007) and successful advertising is the fundamental to the overall achievement in the international market or global world. (Lepkowska-White, E. Brashear, T.G. and Weinberger, M.G., 2003). In today's global world, advertising images has become more rampant across cultures with slight change or no change at all in the image and even in the writing accompanying the image (Harris, 1994).

Many clothing retailers such as Next, H&M, Boohoo offers live broadcasts of fashion shows on social media such as Facebook and Instagram. Other clothing retailers also have their Twitter and Pinterest account or have uploaded certain content on Facebook. Clothing retailers and customers are communicating with each other with no restriction in time, place or medium in such a way that old ways of one-way communication are changed into interactive two-way communication and that's the reason for social media marketing activities. The Facebook and Instagram pages of clothing fashion brands offers different contents, the most common one is video clips, especially the newly launched Insta-story is being taken advantage of by clothing brands as they often upload contents, pictures and stories and all these activities draws attention of customers. Clothing retailers enthusiastically make use of social media for advertising and marketing. The shift of marketing-supported services releases huge opportunities for marketers to expose consumers to firm's messages and most importantly to interact with them. Social media has made interaction possible between clothing brands and consumers and has enabled integrated marketing activities with much less effort and cost.

Marks and Spencer so far is the biggest spender on above-the-line marketing advertising on clothing. Expenditure amounted to £20.5 million in 2015, a 6.5% decrease compared to the previous year, as the retailer attempt to imitate the success of its food

adverts by releasing chains of conceptual campaigns entitled 'The Art of. Thus, Mid-market competitor increase press advertising spend by 2.7% to £7.9 million, with clear majority (98%) being press advertising (Mintel, 2016).

In 2015, a lot of leading grocers reduced the amount spent marketing their clothing ranges, with declines of 16.5% at Asda, 9.4% at Tesco and 8% at Sainsbury's. The reduction in expenditure comes was because of the grocer's channel investment into quality of their ranges and online fulfilment options. Discount supermarket Lidl is investing heavily in advertising it's expanded offering. Lidl's expenditure rose 62.5% in 2015 to £5.1 million, almost four times Aldi's £1.4 million expense on advertising.

6.8.1 Boohoo's Utilisation of Digital Channels

Boohoo increased its above-the-line advertising expenses by 16.3% in 2015, when it launched "#WeAreUS" campaign across TV, press and digital channels. The campaign used product stories and customer sentiment to generate seasonal campaigns built around "WeAre" such as Stylists, Free, Hot, Dreamers, Now, Ready and Family. This opened conversation with Boohoo's young customer base by tapping into their interest groups. The aim of the advertising is to promote loyalty by building a better emotional connection with customers, expressing the brand personality and the core values of fun, inclusivity and individuality (Mintel, 2016).

6.8.2 H&M Retains High-Profile Campaign with David Beckham

H&M's advert using celebrities such as David Beckham and Kevin Hart retains high profile. The specialist retailer teamed up again David Beckham and Kevin Hart in 2016 for a short video campaign to advertise H&M's modern essentials menswear range. The comical clip sees Hart and Beckham travel to Las Vegas to pitch a musical version of the Beckham's movie during which Hart cast the footballer to play himself during the 2015 campaign. This type of video content works well on social media as users who find the clip funny may be invigorated to "like" or share the campaign through their social networking sites, thus increasing the bringing to light of H&M's menswear range among a widespread of male audience who aren't necessarily taking note of the latest fashion campaigns.

Press advertising accounts for the major proportion of advertising expenses (47%) among the leading players. It is a predominantly important channel for luxury brands such as Next which assigns 98% of its £7.9 million advertising budget to press communication in 2015. For the online-only such as Boohoo, television advertising has confirmed to be

one of the most effective form of communication as the huge majority of their expenditure was distributed towards this channel in 2015. This spend does not consist of social media activities, which has been a core part of Boohoo's advertising strategy.

6.8.3 Debenhams's Super Model Campaign

Debenhams launch super model campaign intended to capture women aged 35 and over with the launch of a campaign featuring supermodels "Helena Christensen" and "Yasmin Le Bon" in September, 2016. An estimate of £2 million was spent on the ad campaign for autumn/winter 2016 called "A Match Made in Debenhams" is looking to focus on women not girls aged 35-54 years old. The decision to launch the campaign was as a result of over one fifth of women have bought clothes for themselves at Debenhams in the past twelve months (Mintel, 2016). The departmental store has experienced increase in older female shoppers, with 27% of women aged 65 and above buying their clothes from Debenhams, up from 21% in the preceding year. Older women aged 65 and over are shopping both more online and in store for clothes from Debenhams. This connotes that women aged 25-44 and women aged 65 and over are currently Debenhams main clothes shoppers especially 35 years and over. Meanwhile, there has been a drop-in female aged 45-64 shopping for fashion and an increase in 65 years and over shopping for fashion at the departmental store. The full f consumers that have bought clothes for themselves both in store and online by gender ad age is shown in the figure 18 below.

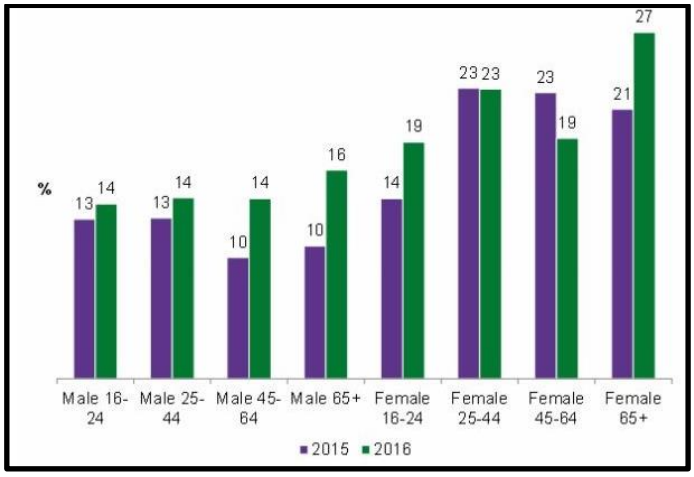

Figure 19: Customers That Have Bought Clothes Both Online and In-Store from Debenhams.

Source: (Mintel, 2016).

6.8.4 Topshop Hashtag Campaign

Topshop`s marketing campaign is mainly based on real-time tweets, which provided customers with the opportunity to shop for key trends from the London Fashion week.

Topshop partnered with Twitter by using the #LFW hashtag to display the hottest trends from the fashion show. This real-time data was then streamed to digital billboards around the country, all situated within 10 minutes walking distance of a Topshop store. Customers could also make a tweet of @Topshop with a fashion trend hashtag, in order to view a selection of styles available to directly purchase. This campaign was an excellent way of captivating Topshop´s vital target demographic, by the use social media to communicate and turn the customer´s digital experiences into opportunities to purchase (Enjoy Digital, 2015).

6.8.5 River Island Partners with Google

River Island experimented with the technology in order to give their audience a "wow" experience, which involved taking them on a fashion tech journey with the use of Google Cardboard technology. The UK retailer teamed up with Google and Mindshare to launch its new Design Forum X Jean-Pierre Braganza collection, creating a virtual reality experience. The Google Cardboard headsets were handed to customers that bought something from the new collection, and customers were able to watch the 360-degree film after downloading an application. When looking at River Island`s partnership with Google, this was a great opportunity for the brand to showcase their fashion products, whilst also being at the forefront of the new technology (Enjoy Digital, 2015).

CHAPTER SEVEN

DATA ANALYSIS 1 – DESCRIPTION OF SAMPLE

7.1 INTRODUCTION

The previous chapter has thoroughly discussed the methodology used in the study. This chapter will be presented with the descriptive analysis of the sample. Chatfield (1985) highlighted that initial examination of research data is very important for any statistical analysis as it smoothens the model development and help the researcher to see the entire picture and more advanced stage during the analysis process.

This chapter starts with the evaluation of the response rate. The respondents' profile as relates to their demographics is compared to the internet purchaser in the UK. The comparison is to show the presence of non-response bias and to show if the sample is a true representation of the population (online retail clothing purchaser in the UK). Subsequently, respondents' purchase experience with their clothing retailers is presented and discussed.

7.2 RESPONSE RATE

The survey was designed using powerful survey tool namely; Bristol Online Survey, the questionnaires were sent out electronically. Some questionnaires were emailed directly to the respondents; URL link was emailed to potential respondents. After a month of data collection, a total number of 203 responses were received. According to Griffith (2005) & Sweep (2006), a response rate of 20-23% is typical of an online survey.

The survey is an online one so it was easier to send a reminder to prospective respondents and also some researchers stated that follow-ups are important to increase response rate (deLeeuw et al. 2008; Dillman 2000; Malhotra 2003; Zikmund 2003). To restate, the major focus of the current research is to identify and explore the perceived social media marketing activities of online clothing retailers towards the retention of customers. Out of the 203 completed questionnaires that was received, data screening was conducted on the data because missing a lot of data causes several problems.

Table 7-1: Response Rate

	Survey Mode (Online)
Number of Survey Distributed (a)	1,000
Unreturned (b)	797
(b) – (b)	203
Overall Response Rate	20.3%
Usable	198
Non-Usable	5
Total	203
Usable Response Rate	19.8%

Due to some unusable responses, five responses were removed. One was removed because the respondent had selected E-Bay which is not one of major UK clothing retailer. One was removed because the respondents did not select any retailer, one was also deleted because of more than 10% missing values was found in their questionnaire and another two were deleted because of unengaged responses. Other responses had less than 5% of missing values but they were replaced and used because it wasn't a lot of missing values in one questionnaire.

Thus, 198 responses were used in the analysis, yielding a usable response rate of approximately 19.8% (Table 7-1). The data was also screened for any errors in coding because there was no entry of data as it was just exported from Bristol Online Survey and wherever any mistake was found, the particular variables were recoded.

7.3 BIAS ASSESSMENT

"Non-response error occurs when some of the sampled units do not respond and when these units differ from those who did and in a way relevant to the study" (deLeeuw et al. 2008).

This study is based on University of Wales Trinity Saint David students across all campuses, so this sample is lightly bias as it is a representation of one University, further research can be carry out to look into many other Universities and older population.

7.5 DATA SCREENING BEFORE TESTING AND ANALYSIS

7.5.1 Missing Data

Data was screened to ensure reliable data is being worked on and also valid for testing. Additionally, missing data might signify bias issues. Missing data always create problem in testing SEM models in general because the sample size is decreased to a certain extent from the original number, depending on what method is used. Some respondents did not answer some specific questions in the survey because of some common issue or by mistake. The data was screened using SPSS 23 and about 5 values were missing in each variable and even more in some because of five respondents who didn't answer more than 50% of the questionnaire. Five respondents were deleted, the rest of the missing values were discovered and replaced with the median because means are less expressive in that particular variable (Lynch, 2003). The rest of the responses that had missing values were used because the responses weren't large enough and also missing values were not greater than 10% as this research also avoids being bias. Given the extent of the problem is minute and therefore unable to alter the result and any method to solve the problem can be securely applied (Hair et al. 2010). To reiterate, rectification in this study is achieved via median substitution, the detail has been provided in the methodology chapter.

7.5.2 Outliers

The data were scrutinised for any extreme values that may alter influences. Screening procedure was carried out was to search for outliers but outlier doesn't really exist in Likert-scales because responding at the extreme (1 or 5) is not a representation of an outlier behaviour (Lynch, 2003). Two variable that has outliers are the Ethnic group and age and when the data was checked, the extreme values were not really outliers as they were just respondents' ages and Ethnic group so those two variable were untouched. There were not any outliers apart from respondents who chose 1 and 5 (Strongly Disagree and strongly agree). There were few outliers in Ethnic group and age visually but statistically, they were respondents' age and Ethnic groups so they can't really be considered outliers. As a result, in this current analysis, the decision was made to retain

these extreme values which are also in agreement with Hair et al. (2010), who argued that:

> "As outliers are deleted, the researcher runs the risk of improving the multivariate analysis but limiting generalisability."

7.5.3 Normality

It is paramount to consider the distributional characteristics of data prior to estimation of SEM model. According to some philosophers, severely non-normal data will render the chi-square (X^2) statistics unbalanced, particularly when the sample size is small. Nevertheless, when the sample size becomes larger (i.e. more than 200), the X^2 statistics are undependable. Having noted that, the maximum likelihood (ML) estimator used in this current analysis remains moderately robust to violation of normality assumptions (Diamantopoulos and Siguaw, 2000), on condition that the sample is larger than 100 (Anderson and Gerbing 1988; Steenkamp and van Trijp 1991).

Normality test was conducted by the researcher using SPSS. The result visually found most of the values to fall along the diagonal lines, representing only mild deviation from normal distribution and normally test was conducted on every variable that was used for analysis in this study. Additionally, inspection of measures associated with univariate skewness and kurtosis printed by SPSS found that there was no indication of substantial non-normality, where the value of kurtosis ranged between -2 and 2 which showed not too much deviation from normality. Barnes *et al.* (2001), study argued that in the area of social science, "almost no variable follows the normal distribution" and the enormous majority of social science data tend to be non-normal anyway (Bentler and Chou, 1987). In addition, data gotten from the Likert-type scale are usually "skewed towards one end of the scale, uniform or even bimodal" (Barnes et al, 2001). Furthermore, transforming data from non-normality correction may lead to other serious complications such as alteration in the meaning of the real responses and mislead interpretation of the result because the explanation has to be made using transformed metric (Kline 2005) and sequentially, severely non-normal data would require an alternative method. In the case of this study, a bit of skewness is present in this data, an attempt was still made to transform the data because assumption of the test that was conducted stated that the data has to be normal but after the was transformed, there was alteration in the meaning of the actual responses and obviously led to misleading interpretation of the result and because of this the data was used like that, supporting the study of (Barnes et al, 2001).

7.5.4 Linearity

This test was conducted because the researcher wants to find out whether there's a linear relationship between the dependent variable and independent variables. Linearity denotes the steady slope of change that signifies the relationship between an independent variable and a dependent variable. If the relationship between the IV and the DV is completely inconsistent, then it will pose serious problem to SEM analyses. There are several ways to test linearity but the easiest one although rigorous is the deviation from linearity test accessible in the ANOVA test in SPSS and if the significant value for deviation from linearity is less than 0.05 then the relationship between IV and DV is not linear and that is problematic (O'Brien, 2007). However, the result of the deviation from linearity test from this research revealed significant value for deviation from linearity of greater than 0.05 which showed that there's a linear and consistent relationship between the IV and DV.

7.5.5 Summary

The chapter also discussed in detail the treatment of outliers, missing values and deviation from linearity between the IV and DV. The next chapter will discuss measurement model assessment.

Chapter 8

DATA ANALYSIS II: VALUATION OF THE MEASUREMENT MODEL

8.1 INRODUCTION

This chapter shows the second phase of the data analysis of the measurement model. This involves the measurement of reliability, convergent validity and discriminant validity through (exploratory and confirmatory analysis) that was performed on the sample. The next segment of data analysis including the testing of hypotheses via SEM using AMOS 22, and the result of the sample is presented in Chapter 9. Section 8.2 explains in detail the steps and assessment conditions taken for this phase of data analysis, as well as the model fit statistics. Section 8.3, 8.4 and 8.5 describe the measurement model assessments of the constructs.

8.2 PROCEDURAL CONSIDERATIONS

For the sample, exploratory factor analysis (EFA) followed by confirmatory factor analysis (CFA) is conducted as one of the procedural consideration. EFA is used as a process for measurement purification from a further conventional non-confirmatory approach. This is usually carried out to recognise initial evidence of unidimensionality (Gerbing and Anderson, 1998) and discriminant validity (Farrell, 2010) prior to a more confirmatory assessment. Then CFA test is conducted based on structural equation methodology, where the dimensionality, convergent validity, discriminant validity and reliability are assessed and confirmed. Numerous decision should be made before the above-explained analysis stages can take place. With regards to EFA, principal component analysis with oblique rotation is used as the extraction method. This is a method of factor reduction whereby linear combinations of items that explains for the most variance is identified.

8.2.1 Model Fit Statistics

Table 8-1: Cut-off Points of Various Goodness-of-Fit Indices Used for Model Assessment in this Research

Full Name of Fit Index	Description	Recommended Cut-offs	Source
Non-normed fit index, NNFI	Illustrates the extent to which the model fits compared to a baseline model. This is normally done on the null model,	P > 0.95 = good fit	Hoyle (1995)

	adjusted for the degree of freedom (can take values greater than one).	P < .90 = respecify model.	
Comparative fit index, CFI	Reveals the extent to which the model fit in compare to a base model and this is normally done on the null model, adjusted for the degrees of freedom.	P > .90	Hoyle (1995)
Chi-square fit Index, χ^2	Specifies the hypothesised model and data and tests the null that the estimated co-variance-variance matrix deviates from the sample variance-covariance matrix only because of sampling error.	P > .05	Hu et al, (1992).
Ratio of Ch-Square to degree of freedom, χ^2/df	As a result of the sensitivity of the chi-square test in relation to sample size, the value is only meaningful when degrees of freedom are considered and because of this, the value is divided by the numbers of degrees of freedom.	2 to 1 or 3 to 1	
Standardized root mean squared residual; SRMR.	Estimates the average size of residuals between fitted and sample covariance matrix. It is very sensitive to model mis-specification but less sensitive to sample size. Relatively vigorous against violation multivariate normality.	P < .08	Hu and Bentler (1999)
Root means square error approximation, RMSEA	Illustrates the extent to which the model fits the population covariance matrix, taking into consideration the numbers of degrees of freedom. Contrasting to other fit statistics, it can generate a 90% confidence interval, which provides information about precision of the estimate of fit. Satisfactorily, sensitive to model mis-specification.	P < .05 = good fit, P < .08 = adequate fit	Browne and Cudeck (1992); MacCallum and Austin (2000).

8.3 PERCEIVED SOCIAL MEDIA MARKETING ACTIVITIES (SMMAs)

Table 8-2: Principal Component Analysis of Perceived Social Media Marketing Activities

	Items	eWOM	Int	Cust	Ent
eWOM3	I would like to share my opinion on products and items bought from my clothing retailer's social media with my friends.	.86			
eWOM2	I would like to upload content from my clothing retailer's social media on my own page.	.85			
eWOM1	I would like to share information about products from my clothing retailer's social media with friends.	.83			
Int2	It is possible to have an online conversation with other users through my clothing retailer's social media.		.88		
Int3	It is possible to have a two-way interaction through my clothing retailer's social media.		.81		
Int4	It is possible to share information with other users through my clothing retailer's social media.		.78		
Cust5	My clothing retailer's social media can be used anytime and anywhere.			-.89	
Cust4	It is easy to use my clothing retailer's social media.			-.85	
Trend2	Contents found on my clothing retailer's social media page is trendy.			-.67	
Cust1	It is possible to search customized information on my clothing retailer's social media page.				.84
Cust3	My clothing retailer provides lively feed information that I'm interested in.				.71
ENT2	It is fun to collect information and fashion items on my clothing retailer's social media.				.65
ENT3	It is easy to pass time using my clothing retailer's social media.				.64
ENT1	The content found on my clothing retailer's social media page (Instagram, Facebook, Twitter, e.t.c) seems interesting.				.42

Explained Variance	35.6%	12.5%	8.1%	6.7%
Cronbach's Alpha	.84	.78	.82	.82

The 17 items of the scales hypothesized for the perceived social media marketing activities are given in to EFA, the result of which showed a four factor structure (Table 8-2). Although (Kim & Ko, 2012; Godey, 2016), used five factors namely entertainment, Interaction, trend, customization and eWOM, but for this thesis, four factors were extracted during the exploratory factor analysis which was conducted using SPSS 23 and the four factors were extracted with Eigen values greater than 1 therefore what the four factors were measuring is determined by the researcher namely; Word-Of-Mouth, interaction, customization and entertainment. The values examined for the Bartlett's Test of Sphericity are statistically significant at (p=0.00) and the value of Kaiser-Meyer-Olkin Measure of sample Adequacy (KMO) is 0.85, above the minimum level of 0.5 (Kaiser, 1974), signifying that the data or sample is suitable for factor analysis. The result yielded a total variance of 62.8% and according to Hai et al, (2010), a described variance of 60% and less is acceptable in social science research.

A study of both the Eigen-values and the scree plot help in the decision to retain the four factors. As regards to communalities, lower values of items Trend1 (0.39), Int1 (0.39), Cust2 (0.45) indicate the removal of these items and 14 items were retained in total. Communalities value below the minimum of 0.5 is unacceptable, as recommended by Hair et al. (2010). The assessment of factor loadings also assisted the decision.

Taking into consideration existing studies in the online social media marketing activities (Kim & Ko, 2012; Godey 2016) and the content meaning of their factors, Factor 1 is named word-of-mouth (eWOM), which refers to online consumer to consumer interaction/discussion about their brands. Factor 2 is called interaction (Int), which to recap is defined as the information sharing and opinion exchange with others on social media (Godey et al, 2016). Interaction is also defined as the extent to which late messages in an order of communication exchanges link to previous messages and their references are made to previous messages (Beatty, 1988). Factor 3 is named customization (Cust) and it can be described as the level of customization as the degree to which a service is tailored to satisfy an individual's ultimate need (Schmenner, 1986) clothing retailer provides customization as part of their social media marketing activities. Factor 4 is labelled entertainment (Ent), entertainment is defined as the result of the fun and play emerging from the social media experience (Agichtein et al, 2008).

EFA is known as insufficient for providing a decent test for unidimensionality. In this case of perceived social media marketing activities, the EFA came up with four factor

structure measuring higher-order constructs of the perceived social media marketing activities of UK clothing retailers. According to Byrne (2010), after the first order has been tested, a decision must be made whether to model measurement instruments as a first or second order multidimensional construct depending on what the researcher is trying to achieve. In this situation, it is to be of the opinion that a second-order structure is needed although the preceding approaches to perceived social media marketing activities of brands did not conduct CFA to test the unidimensionality of the sub-constructs but this study will go in line with the recommendation of Steenkamp and van Trijp (1991) who stated that; "when the construct consists of four or more sub-constructs, higher-order unidimensionality of the construct can be tested by performing a second-order confirmatory factor analysis on the co-variances among the sub-constructs".

However, EFA only is not appropriate for testing higher-order structure models (Rubio, Berg-Weger and Tebb, 2001; Hunter and Gerbing 1982). Even though EFA provides vital information about dimensionality, additional tests via CFA should be conducted to sufficiently show the unidimensionality of each construct.

8.3.1 Dimensionality Tests for SMMAs

In this study, EFA suggests that a second factor structure comprised of perceived social media marketing activities as a higher-order construct, comprising of four lower-order dimensions, eWOM, Int, Cust and Ent - each of these in turn unidimensional. The reason for the analysis is to find whether unidimensionality exists for each of the first-order dimensions (Steenkamp and van Trijp, 1991). Thus, a second-order CFA using SEM is thought suitable for clarification purposes.

CFA is conducted on the items connecting to perceived online marketing activities, intended at establishing whether there's a backing for the second-order factor structure, and for the unidimensionality of each of the four first-order factor structure. The general fit of CFA models will show the researcher with more strong indication of the 'true' dimensionality of the measurement items (Steenkamp and van Trijp 1991; Kumar and Dillion 1987b). The CFA fit indices ae within the acceptable range (see Table 8-3). Although the Chi-Square test is understood to be significant (X^2 = 108.062; p = 0.002), the ratio of chi-square /degree of freedom is below 2 (df = 70, X^2/df = 1.543). A ratio between 2 to 1 or 3 to 1 is proof of an acceptable fit (Cote et al, 2001). Additionally, the Goodness-of-Fit Index (GFI = 0.93), the Adjusted Goodness Fit Index (AGFI = 0.89), the Comparative Fit Index (CFI = 0.967), the Non-Normed Fit Index (NNFI = 0.912), as

well as the Root Mean Square Error of Approximation (RMSEA = 0.053) all specifies a good fit (MacCallum et al, 1996; Diamantopoulos and Siguaw, 2000).

Lastly, examination of the matrix of standardized residuals (for item pairs with values above 2.58) and the modification indices (Steenkamp and van Trijp 1991; Jöreskorg and Sörbom 2001; Gerbing and Anderson 1988) do not specify substantial cross-loadings between any latent constructs. This is a proof of the unidimensionality of the four sub-constructs and evidence of the higher-order factor structure.

	Items	eWOM	Int	Cust	Ent
eWOM3	I would like to share my opinion on products and items bought from my clothing retailer's social media with my friends.	.85			
eWOM2	I would like to upload content from my clothing retailer's social media on my own page.	.72			
eWOM1	I would like to share information about products from my clothing retailer's social media with friends.	.84			
Int2	It is possible to have an online conversation with other users through my clothing retailer's social media.		.79		
Int3	It is possible to have a two-way interaction through my clothing retailer's social media.		.67		
Int4	It is possible to share information with other users through my clothing retailer's social media.		.76		
Cust5	My clothing retailer's social media can be used anytime and anywhere.			.75	
Cust4	It is easy to use my clothing retailer's social media.			.88	
Trend2	Contents found on my clothing retailer's social media page is trendy.			.73	
Cust1	It is possible to search customized information on my clothing retailer's social media page.				.84
Cust3	My clothing retailer provides lively feed information that I'm interested in.				.57

ENT2	It is fun to collect information and fashion items on my clothing retailer's social media.				.74
ENT3	It is easy to pass time using my clothing retailer's social media.				.72
ENT1	The content found on my clothing retailer's social media page (Instagram, Facebook, Twitter, etc.) seems interesting.				.78

Consequently, the results revealed satisfactory proof of unidimensionality of each of the four dimensions of online perceived social media marketing activities, eWOM, Int, Cust, and Ent. Even though the result support unidimensionality of each of the four sub-constructs, they are inadequate for the state of construct validity of each (Anderson and Gerbing, 1998). Hence, further examination of convergent validity, discriminant validity and reliability is vital.

8.3.2 Convergent Validity Test for Online Perceived SMMAs

Convergent validity is checked using three criteria: 1) observed variables/indicators must be significant on the latent construct; 2) the size of each loading must be more than twice its standard error (Steenkamp and van Trijp 1991, Anderson and Gerbing, 1998); and 3) standardized loading of each indicator must be at minimum of 0.5 (Hair et al, 2010; Chin 1998b), if possible higher than 0.6 (Bagozzi and Yi 1988). Nevertheless, according to Fornell and Larcker (1981), loading of at least 0.7 is highly desirable.

All observed variables load significantly on the suitable latent variable, confirming the first evidence of convergent validity (Steenkamp and van Trijp 1991, Anderson and Gerbing, 1998, Hair et al, 2010). This, in addition to the acceptable Goodness-of-fit statistics as earlier discussed, suggests convergent validity (Kumar and Dillion 1987a; Steenkamp and van Trijp 1991). Please refer to Table 8-3:

Table 8-3: Confirmatory Factor Analysis of Perceived Social Media Marketing Activities

	eWOM	Int	Cust	Ent
Average Variance Extracted	.65	.55	.62	.50
Composite Reliability	.85	.79	.83	.79

In relation to the strength of indicator loadings, Hair *et al*. (2010) argued that the rule of thumb is that all standardized loading estimates should be 0.5 or greater. Shevlin and

Miles (1998) classify item loadings of around 0.5 in a CFA model as an average in strength. Here, the indication of convergent validity is also reinforced by the acceptable loadings of all items greater than 0.5 (Steenkamp and van Trijp 1991; Hildebrandt 1987).

Nevertheless, there are more strict guidelines in the literature in relation to the strength of the factor loadings. Fornell and Larcker (1981) suggests that the standardized loading estimate for each indicator should be at a minimum of 0.7 and statistically significant. Simultaneously, Bagozzi and Yi (1988) and Chin (1998b) argue that a requirement of at least 0.6 and significance for an individual item to be reliable. As presented in Table 8-3, out of 13 items kept, 12 meet the criterion of Bagozzi and Yi (1988) and Chin (1998b). Although the strength of Cust3 is below what is preferred, except there is evidence signifying that it is problematic, the item is retained to support content validity (Hair et al, 2010). Though, regarding Cust1, there was validity concerns until the item was removed.

Fornell and Larcker (1981) also suggests that the average variance extracted (AVE) could point out evidence of validity. AVE measures the common variance of a latent variable. The higher the AVE, the greater the amount of variance able to be picked up by a latent construct in relation to the amount of variance of its measurement error (Ping, 2005). A latent construct that is sufficiently convergent should have indicators comprised of a minimum of 50 per cent of the error-free shared variance (that is AVE of minimum of 0.5), (Fornell and Larcker, 1981). As revealed in Table 8-3, all latent constructs meet the criterion

$$\text{Average Variance Extracted (AVE)} = \frac{(\sum \lambda i)^2}{(\sum \lambda i)^2 + \sum \epsilon i}$$

Where λi = the standardized loading of each indicator (observed variable)
ϵi = the error variance connected to each indicator

In relation to second-order construct CFA (demonstrated in Table 8-4), it is needed for an extra condition to be met to assess convergent validity, whereby the path coefficient estimates among the first order dimensions and the second order global construct SMMAs (that is the coefficient Y in Table 8-4) must be significant (Benson and Bandalos 1992;

Koufteros, Babbar and Kaighobadi, 2009). This is also true for this model (see table 8-4), thus indicating convergent validity.

Table 8-4: Path Coefficient of Second Order SMMAs and its First Order Dimensions

	Path	Estimates
SMMAs → eWOM	Y_1	.676
SMMAs → Int	Y_2	.409
SMMAs → Cust	Y_3	.591
SMMAs → Ent	Y_4	.960

Note: SMMAs: Social Media Marketing Activities

8.3.3 Reliability Test for Online SMMAs

After unidimensional and convergent validity measurement, has been established and confirmed, the next text is reliability test. This is vital because a construct may have high reliability score and still not unidimensional or not even meeting the convergent validity criteria (Hair et al, 2010; Steenkamp and van Trijp, 1991). Cortina (1993), Gerbing and Anderson (1988) and Hattie (1985) suggested that reliability assessment should be conducted after unidimensionality has been met. It is possible that a construct reveals internal consistency (that is having numerous measures that are thoroughly interrelated and clustered together), yet not homogenous (Hulin et al, 2001). According to Hunter and Gerbing (1982), *"coefficient alpha provides an unbiased estimate of the reliability of the cluster score only if the scale is unidimensional".*

The Cronbach's alpha score are shown in Table 8-2 and the Raykov's rho composite reliability scores are presented in Table 8-3. Observing these tables, all alpha scores are above Nunnally's (1978) 0.7 cut-off point, signifying acceptable and satisfactory reliability. Regarding composite reliability, each latent construct exceeds the threshold of 0.6 suggested by Bagozzi and Yi (1988). This supports the evidence for the sufficient reliability of the measurement.

$$\text{Composite Reliability (CR)} = \frac{(\sum \lambda i)^2}{(\sum \lambda i)^2 + \sum \epsilon i}$$

Where λi = the standardized loading of each indicator (observed variable)

ϵi = the error variance connected to each indicator

8.3.4 Discriminant Validity Test for Online SMMAs

Table 8-5 presents the correlations (below the diagonal) between the latent constructs extending from 0.03 to 0.67. One foundation of measuring distinctiveness is when the inter-construct correlations do not exceed 0.7 (Ping, 2004; Kline, 2005) revealing that all construct measures are discrete.

Table 8-5: Intra-SMMAs Discriminant Validity Assessment - Average Variance Extracted and Shared Variance Estimates

Constructs	Items	eWOM	Int	ENT	Cust
eWOM	3	**0.646**	0.036	0.448	0.134
Int	3	0.191	**0.550**	0.137	0.205
ENT	3	0.669	0.370	**0.502**	0.310
Cust	4	0.366	0.453	0.557	**0.623**

A stricter criterion of discriminant validity is when AVE value of a latent construct is higher than the squared correlation among the latent construct and all other latent constructs (Fornell and Larcker, 1981). The conception here is that a latent construct should clarify better the variance of its own indicators than the variance of other latent constructs. As shown in Table 8-5, results reveal backing of discriminant validity where all the AVE values exceed the inter-construct value by a high margin.

Table 8-6: X2 Differences – Standard Model vs. 'Non-Discriminant' Model of SMMAs

Construct Discriminant Validity

PAIR	X^2 for Std Model	X^2 for 'Non-Discriminant Model'
eWOM (Word-of-Mouth) ↔ Int (Interaction)	242.520	318.302
Int (Interaction) ↔ Ent (Entertainment)	229.674	320.296

eWOM (Word-of-Mouth) ↔ Cust (Customization)	227.339	299.700
Int (Interaction) ↔ Cust (Customization)	219.674	296.775
Cust (Customization) ↔ Ent (Entertainment)	202.036	289.107
eWOM (Word-of-Mouth) ↔ Ent (Entertainment)	174.926	220.856
		*(ΔDF=1, p=0.0001)

Additionally, for each pair of constructs, a set of CFA model is verified. For each model, the Chi-square (X^2) difference is observed between the standard model and the 'non-discriminant' model (the model where the correlation between the two pair of construct is constrained to 1.0) (Bagozzi et al, 1991; Anderson and Gerbing 1988). At this point, the interest is majorly on the chi-square change between the two models). The null hypothesis is that the construct is not discrete. The result suggests that the difference is significant for all the 6 pairs, therefore strengthening the evidence in support of discriminant validity.

These results verify the dimensions of perceived social media marketing activities and are consistent with the previous social media marketing activities (Godey, 2016, Kim and Ko, 2012). Detailed discussion and explanation of dimension have been shown in Chapter 3.

8.4 CUSTOMER RETENTION ((CSATIS) AND (CTRUST))

The second construct for which the dimension needs examination before its insertion into the model is that of customer retention (Customer satisfaction and customer trust). A similar procedure to that shown for perceived social media marketing activities is take on for the assessment of this construct.

The results of the EFA conducted on the six indicators of customer satisfaction (CSatis), three indicators on customer trust (CTrust) indicated a two-factor structure as predicted (Table 8-7).

Table 8-7: Principal Component Analysis of Customer Satisfaction and Trust (Customer retention)

	Items	**CTrust**	**CSatis**
CTrust1	I have strong trust in my clothing retailer.	.848	
CTrust2	My clothing retailer provides precise service information.	.877	
S3SATISSQ	How will you rank your satisfaction in terms of service quality with your clothing retailer(s)?	.827	
Comeff	My clothing retailer(s) communicate effectively via their social marketing activities.		.696
CROSSCON	My social media platforms allow me to cross connect with other platforms therefore enhancing entertainment across platforms.		.557
Quality	The social media activities carried out by my clothing retailer(s) shows that their product is quality.		.750
Satis1	How will you rate your satisfaction in terms of products of your clothing retailer(s)?		.785
Involve	The social media activities carried out by my clothing retailer(s) keeps me involve as a customer.		.789
Price	The social media marketing activities carried out by my clothing retailer(s) shows their price is competitive/affordable.		.598

Explained Variance	17.7%	43.5%
Cronbach's Alpha	.84	.81

The values examined for the Bartlett's test of sphericity (p=0.00) and the value of the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO=0.836) is significant, revealing that the data is suitable for factor analysis progression. The examination of both screen plot and eigenvalues confirms that the two-factor structure, generating a total variance of 61.1 per cent. Regarding communalities, the low values for Price and CROSSCON may lead to the elimination of these items. The inspection of the Cronbach's Alpha reliability assessment revealed that all items are fit and should be retained.

The decision whether to retain CROSSCON and Price will be made after the CFA in which composite reliability and AVE are assessed. However, the construct Price and CROSSCON seems to have factor loading of lower than 0.7. Given that Cronbach's alpha is influenced against short scale of two or three indicators (Churchill and Lacobucci, 2005), this small shortfall in meeting the threshold is disregarded.

8.4.1 Dimensionality Test for CTrust and CSatis

Table 8-8 clarified the result of the CFA conducted on the items relating to customer satisfaction and trust. The table presents vital statistics such as composite reliability and average variance extracted (AVE) for each construct. All items meet the requirement of Hair et al, (2010), having factor loadings of at least 0.5 excluding CROSSCON (0.43). Comparing the principal component analysis with CFA, the factor loading for price has gone up from 0.598 in principal component analysis to 0.60 in CFA, therefore the item (Price) is retained and CROSSCON is removed.

Generally, given that all items load strongly and significantly on separate dimensions, the results suggest evidence of unidimensionality for the two constructs namely Customer Satisfaction and Customer Trust.

The next step is the evaluation of the second-order construct via CFA, the result shows that the relationship between the second-order CRetention construct and its first-order dimensions (CSatis and CTrust) are all statistically significant (see Table 8-13). This shows sufficient proof of the unidimensionality of the construct.

Table 8-8: Path Coefficient Estimates of Second-Order Customer Retention and its First-Order Dimensions

	Path	Estimate
CRetention → CSatis	Y_1	0.987***
CRetention → CTrust	Y_2	0.539***

8.4.2 Convergent Validity Test for CSatis and CTrust

Convergent validity is buttressed given that each item loads significantly at $p<0.001$ on to the construct it's meant to measure. Loading extending from 0.684 to 0.819, exceed Bagozzi and Yi's suggestion and the AVE values, ranging from 0.501 to 0.633, meet Fornell and Larcker's requirement. As the goodness-of-fit index signifies a well-fitting model (see Table 8-9), and the assumption of convergent validity is reinforced (Steenkamp and van Trijp, 1991).

Table 8-9: Confirmatory Factor Analysis of Customer Satisfaction and Customer Trust

	Items	CTrust	CSatis
Ctrust1	I have strong trust in my clothing retailer.	.81	
CTrust2	My clothing retailer provides precise service information.	.89	
S3SATISSQ	How will you rank your satisfaction in terms of service quality with your clothing retailer(s)?	.70	
Comeff	My clothing retailer(s) communicate effectively via their social marketing activities.		.60
Quality	The social media activities carried out by my clothing retailer(s) shows that their product is quality.		.81
Satis1	How will you rate your satisfaction in terms of products of your clothing retailer(s)?		.78

Involve	The social media activities carried out by my clothing retailer(s) keeps me involve as a customer.		.67

	CTrust	CSatis
Average Variance Extracted	**0.644**	0.512
Composite Reliability	0.843	**0.838**

Goodness-of-Fit Statistics
X^2 =14.345 (p=0.073); df=8, (X^2/df) = 1.793, RMSEA= 0.063, (PCLOSE= 0.292); GFI = 0.975; CFI= 0.987, AGFI= 0.934; NNFI= 0.966; SRMR=0.0472.

8.4.3 Reliability Test of CTrust and CSatis

Once more, reliability is evaluated after examining unidimensionality and convergent validity. As can be observed in Table 8-8, composite reliability for each of the two constructs exceeds Bagozzi and Yi's (1988) minimum strength requirement of 0.6, signifying suitable reliability. Additionally, the high composite reliability provides more evidence of unidimensionality (Hattie, 1985). With respect to Price and CROSSCON construct, although the Cronbach's Alpha and composite reliability for CSatis are very good (See Table 8-9), the two items (CROSSCON and Price) had to be removed to boost the average variance.

8.4.4 Discriminant Validity Test of CTrust and CSatis

The results also provide evidence that customer satisfaction and trust possess discriminant validity. Primarily, discriminant validity is assessed by checking the correlation between two constructs in case its greater than (>0.7) may indicate trouble about that specific discriminant validity. The correlation between the items are found to be less than 0.7, providing the first evidence of measurement distinctiveness (Ping, 2004). As shown in Table 8-10, the constructs also exceed the more stringent requirement of Fornell and Larcker (1981), when all the AVE values surpass the squared of the correlation of the constructs.

Table 8-10: Customer Satisfaction and Trust Discriminant Validity Assessment – Average Variance Extracted and Shared Variance Estimates

Constructs	**Items**	**CTrust**	**CSatis**
CTrust	3	**0.644**	0.227
CSatis	4	0.477	**0.512**

In addition, when a series of CFA models is conducted for each construct pair in order to examine the X^2 differences between the default model and the constrained model, the discriminant validity is also supported. As show in Table 8-16, all the X^2 differences are statistically significant at p=0.000, demonstrating additional evidence of discriminant validity for all the constructs involved.

Table 8-11: X^2 Differences – Default Model vs. 'Non-Discriminant' Model of Satisfaction and Trust – Discriminant Validity.

PAIR	**X^2 for Standard Model**	**X^2 for 'Non Discriminant Model'**
CTrust ↔ CSatis	14.345	85.168
*(ΔDF=1, p=0.000)		

8.5 CONSUMER ATTITUDE (CAttitude)

Another primary construct for which the dimension involves examination before the insertion into the model is that of consumer attitude. A similar process to that presented for perceived social media marketing activities, customer satisfaction and trust is embraced for the assessment of this construct. The results of the EFA on the sample conducted on the seven items measuring consumer attitude towards social media and marketing activities recommends a two-factor structure (Table 8-12). Examination of the Bartlett's test of Sphericity (p=0.000) as well as KMO values (0.841) reveal that all the there's no issue with the sample and suggesting suitability of factor analysis for the data. The examination of

the eigenvalues and the scree plot further strengthens the decision to retain the two factors. The EFA also show total variance explained to be approximately 69 per cent (Minimum

of 60 per cent is recommended by Hair et al (2010). The communality values were also examined and they were suitable apart from ATSMU1FACT1 (0.456). The decision whether to remove this item or not will be made after AVE and composite reliability test is conducted but the item is retained at this point. Factor 1 is named attitude towards social media use (ATSMU), referring to the consumer attitude towards social media use in general. Factor 2 is labelled attitude towards social media advertisement (ATSMA) which explains the consumer attitude towards social media online advertisement. The first two factor is closely similar to Al-Dhuhli (2013) and Akar (2011). Following, CFA is conducted to complement EFA in examining the psychometric characteristics of the constructs.

Table 8-12: Principal Component Analysis of Consumer Attitude

Items		ATSMA	ATSMU
ATSMA1FACT2	Social media advertisements are more interactive than traditional advertising.	0.864	
ATSMA2FACT2	Social media advertising is more informative than traditional advertising.	0.823	
ATSMA3FACT2	Advertisements through social media are more interesting than traditional advertising.	0.805	
ATSMU1FACT1	I am subscribed to updates and alerts of my clothing retailer through social media.	0.692	
ATSMU4FACT1	It is necessary for clothing retailers to use video sharing sites such as YouTube for the purposes of marketing.		0.923
ATSMU3FACT1	I think that clothing retailers should take part in social networking sites such as Facebook, Twitter, Instagram, etc.		0.862
ATSMU2FACT1	I think that marketing with social media is the future of marketing.		0.679

Explained Variance	51.939%	17.287%
Cronbach's Alpha	0.806	0.814

8.5.1 Dimensionality Tests for CAttitude

A CFA is conducted on the indicators associated with consumer attitude construct. The construct is viewed as higher-order encompasses two lower-order dimensions, ATSMA and ATSMU. The complete model fit is acceptable compared with the general cut-off values (please check Table 8-13). The x^2 value is significant, the ratio between x^2 and degree of freedom is 1.909 which is less than 2. Furthermore, the value of RMSEA is 0.068 which is less than 0.8, signifying a suitable fit (Browne and Cudeck, 1993; Chen, Curran, Bollen, Kirby and Paxton, 2008; MacCallum et al, 1996). All value regarding goodness-of-fit index reveal excellent fit (Table 8-12).

Table 8-13: Confirmatory Factor Analysis of Consumer Attitude

Items		ATSMA	ATSMU
ATSMA2FACT2	Social media advertising is more informative than traditional advertising.	.84	
ATSMA1FACT2	Social media advertisements are more interactive than traditional advertising.	.81	
ATSMA3FACT2	Advertisements through social media are more interesting than traditional advertising.	.75	
ATSMU1FACT1	I am subscribed to updates and alerts of my clothing retailer through social media.	.53	
ATSMU4FACT1	It is necessary for clothing retailers to use video sharing sites such as YouTube for the purposes of marketing.		.69
ATSMU3FACT1	I think that clothing retailers should take part in social networking sites such as Facebook, Twitter, Instagram, etc.		.86

ATSMU2FACT1	I think that marketing with social media is the future of marketing.		.77
	ATSMA	ATSMU	
Average Variance Extracted	.551	.603	
Composite Reliability	.827	.819	
Goodness-of-Fit Statistics x^2 = 24.827 (p = 0.024); df = 13, (x^2/df) = 1.909, RMSEA = 0.068 (PCLOSE = 0.209); GFI = 0.964, AGFI = 0.923, NNFI = 0.958; SRMR = 0.486.			

The next step is the evaluation of the second-order construct via CFA, the result shows that the relationship between the second-order CAttitude construct and its first-order dimensions (ATSMA and ATSMU) are all statistically significant (see Table 8-13). This shows sufficient proof of the unidimensionality of the construct.

Table 8-14: Path Coefficient Estimates of Second-Order Consumer Attitude and its First-Order Dimensions

	Path	**Estimate**
CAttitude → ATSMA	Y_1	0.843***
CAttitude → ATSMU	Y_2	0.714***

8.5.2 Convergent Validity Test for Consumer Attitude

All factor loadings are statistically significant, revealing that convergent validity has been established with CAttitude (Bagozzi et al, p.434). The assumption of convergent validity is generally strengthened by all loadings having values higher than 0.6 (Bagozzi and Yi, 1998) (Table 8-14). Convergent Validity is also maintained due to the good overall fit of the model (Hildebrandt, 1987; Steenkamp and van Trijp, 19911). In terms of AVE estimates, the values also signify good convergence.

8.5.3 Reliability Test for CAttitude

Once more, the assessment of construct reliability is conducted after convergent validity has been validated. As shown in Table 8-13, the Raykov's rho composite reliability values

exceed Bagozzi and Yi's (1988) 0.6 cut off point, therefore, it can be deduced that all the constructs have acceptable reliability.

8.5.4 Discriminant Validity Test for CAttitude

As presented in Table 8-15, the inter-construct correlation did not surpass 0.7, providing initial evidence that all constructs are discrete from each other. Additionally, the AVE estimates are all greater than the squared correlation between all the construct pair. This provides additional evidence of discriminant validity in fulfilling the more stringent guiding principle of Fornell and Larcker (1981).

Table 8-15: Intra CAttitude Discriminant Validity Assessment – Average Variance Extracted and Shared Variance Estimates

Constructs	Items	ATSMA	ATSMU
ATSMA	4	**0.551**	0.362
ATSMU	4	0.602	**0.603**

Table 8-14 shows additional proof of measurement distinctiveness through the verification procedure of discriminant validity following the X^2 difference test methodology (Anderson and Gerbing, 1988; Bagozzi et al, 1991; Jöreskorg 1971). Here, the X^2 difference between the constrained and the non-discriminant model are all significant (p = 0.000) with the goodness-of-fit values of the constrained model being noticeably less than their respective non-discriminant model.

Table 8-16: Differences – Standard Model vs. 'Non-discriminant' Model of Consumer Attitude – Discriminant Validity

PAIR	**X^2 for Standard Model**	**X^2 for 'Non-Discriminant Model'**
ATSMA ↔ ATSMU	24.827	60.342

*(ΔDF=1, p=0.000)

8.5.5 Discriminant Validity Assessment between SMMAs and CAttitude

To assess the proof of discriminant validity between the two constructs, another series of corresponding CFA models is treated. Pairs of sub-constructs un-covered in the preceding CFA models are examined. Equally, the focus of the models is on the X2 difference between model pairs; which is the standard model (no constraints) vs. 'Non-discriminant model (where the correlation between the construct is constrained to unity, revealing an additional degree of freedom relative to the standard model) of each pair. The result of the analysis is showed in Table 8-16. All the differences of X2 are found to be significant (p = 0.000), representing strong support for discriminant validity among all the sub-constructs connected to perceived social media marketing activities and consumer attitude.

Table 8-17: X^2 Differences – Standard Model vs. 'Non-Discriminant' Model of Perceived Social Media Marketing Activities and Consumer Attitude – Discriminant

Pair	X^2 for Standard Model	X^2 for 'Non-Discriminant' Model
eWOM ↔ATSMA	24.966	79.508
eWOM ↔ ATSMU	80.673	125.676
INT ↔ ATSMA	56.475	135.475
INT ↔ ATSMU	62.909	137.673
Cust ↔ ATSMA	68.062	140.635
Cust ↔ ATSMU	83.213	151.827
ENT ↔ ATSMA	37.813	109.968
ENT ↔ ATSMU	23.560	101.345
*(ΔDF=1, p=0.0001)		

8.5.5 Discriminant Validity Test for All Constructs in the Proposed Model (SMMAs, CAttitude, CSatis and CTrust)

To evaluate the proof of discriminant validity between all constructs in the model, another series of complementary CFA is administered. Pairs of sub-constructs that was not

covered in segment 8.3.4 and 8.4.4 above are examined. As in the preceding series, focus is upon the X^2 difference between model pairs, that is, the standard model (no constraint enforced) vs. 'non-discriminant' models (the correlation between the constructs is constrained to unity, having more than one degree of freedom in relation to the standard model), of each pair. The outcome of the analysis is shown in Table 8-18, where all the differences of X^2 are found to be significant. ($p = 0.000$). Based on this result, it is concluded that all the constructs and sub-constructs within the research model possess discriminant validity and are discrete from one another.

Table 8-18: X^2 Differences – Standard Model vs. 'Non-Discriminant' Model of All Variable – Discriminant Validity

Pair	**X^2 for Standard Model**	**X^2 for 'Non-discriminant' Model**
eWOM (Word-of-Mouth) ↔ATSMA (Attitude Towards SM Advertisement)	24.966	79.508
eWOM (Word-of-Mouth) ↔ ATSMU (Attitude Towards SM Use)	80.673	125.676
eWOM (Word-of-Mouth) ↔ CSatis (Customer Satisfaction)	15.853	63.614
eWOM (Word-of-Mouth) ↔ CTrust (Customer Trust)	6.977	93.805
INT (Interaction) ↔ ATSMA (Attitude Towards SM Advertisement)	56.473	135.188
INT (Interaction) ↔ ATSMU (Attitude Towards SM Use)	62.909	137.673
INT (Interaction) ↔ CSatis (Customer Satisfaction)	26.710	96.630
INT (Interaction) ↔ CTrust (Customer Trust)	6.209	92.933
Cust (Customization) ↔ ATSMA (Attitude Towards SM Advertisement)	68.062	140.635
Cust (Customization) ↔ ATSMU (Attitude Towards SM Use)	83.213	151.827
Cust (Customization) ↔ CSatis (Customer Satisfaction)	48.982	108.143
Cust (Customization) ↔ CTrust (Customer Trust)	23.843	123.311
ENT (Entertainment) ↔ ATSMA (Attitude Towards SM Advertisement)	37.813	109.968
ENT (Entertainment) ↔ ATSMU (Attitude Towards SM Use)	23.560	101.345

ENT (Entertainment) ↔ CSatis (Customer Satisfaction)	28.053	98.457
ENT (Entertainment) ↔ CTrust (Customer Trust)	20.116	140.678

8.6 SUMMARY

This chapter has discussed and examined the process of measurement model assessment in the study. The measurement items of all constructs have been assessed through both exploratory and confirmatory factor analyses to test constructs' dimensionality, reliability, convergent validity and discriminant validity and the results are satisfactory. The procedure has revealed and confirmed two higher-order structures; that is, perceived social media marketing activities and consumer attitude.

The next chapter of data analysis comprises of the estimation of the structural model which is also examination of nomological validity. The proposed structural model is presented below, takes after the partial aggregation approach and 'level of abstraction' accepted by the present analysis (Bagozzi and Edwards, 1998).

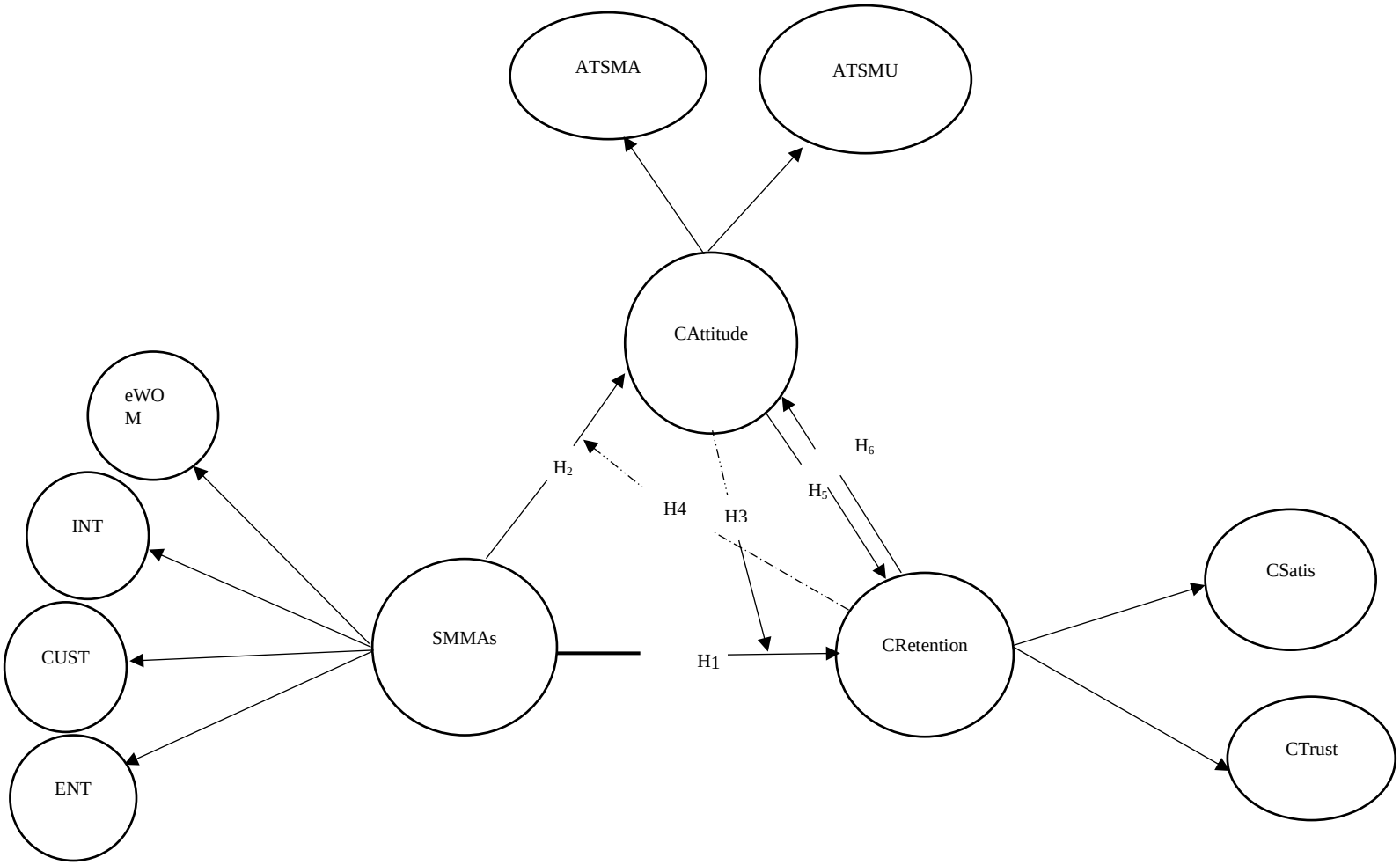
ATSMA
ATSMU
CAttitude
eWO
M
INT
CUST
ENT
SMMAs
H2
H4
H3
H5
H6
H1
CRetention
CSatis
CTrust

Figure B2: Hypotheses for testing

$H_{1:}$ Social Media Marketing Activities (SMMAs) has a positive influence and direct effect on Customer Retention.

H_2: Social Media Marketing Activities (SMMAs) has a direct and positive effect on Consumer Attitude.

$H_{3:}$ Consumer Attitude will moderate the relationship between Social Media Marketing Activities (SMMAs) and Customer Retention.

H_4: Customer Retention will moderate the relationship between Social Media Marketing Activities (SMMAs) and Consumer Attitude.

$H_{5:}$ Customer Retention has a direct and positive effect on Consumer Attitude.

$H_{6:}$ Consumer Attitude has a direct and positive effect on Customer Retention.

Chapter 9

DATA ANALYSIS III - EVALUATION OF STRUCTURAL MODEL

9.1 INTRODUCTION

This chapter discusses the third phase of the data analysis concerning the structural model. The first phase of the data analysis (Chapter 7) which is the beginning of the analysis of the primary data discusses the response rate and general description of sample in detail. The second phase of the data analysis (Chapter 8) discusses the valuation of the measurement model which includes discussion of model fit statistics, purification of the item and the dimensionality test for all the constructs. This chapter discusses the evaluation of structural model to test whether construct can be added to the model and whether the model is statistically fit.

9.2 EVALUATION OF STRUCTURAL MODEL

To start with, regarding the overall fit of the structural model, the indices are all within the range indicating acceptable fit: $X^2 = 432.029$ (p=0.000), df = 271, $X^2/df = 1.59$, RMSEA = 0.055, GFI = 0.863, NNFI = 0.861, CFI = 0.934, SRMR = 0.067. Proceeding on to the sign of the parameter estimates signifying the hypotheses, the outcome reveals that all the signs of connection between the constructs are in correspondence with the hypothesised relationships. This provides backing for the nomological validity of all constructs establishing the model. The squared multiple correlations for the structural equation are 0.538 (Consumer Attitude) and 0.93 (Customer Retention), suggesting that a respectable amount of variance of the endogenous construct has been explained by the respective proposed predictors (see figure 9 and Table 9-1).

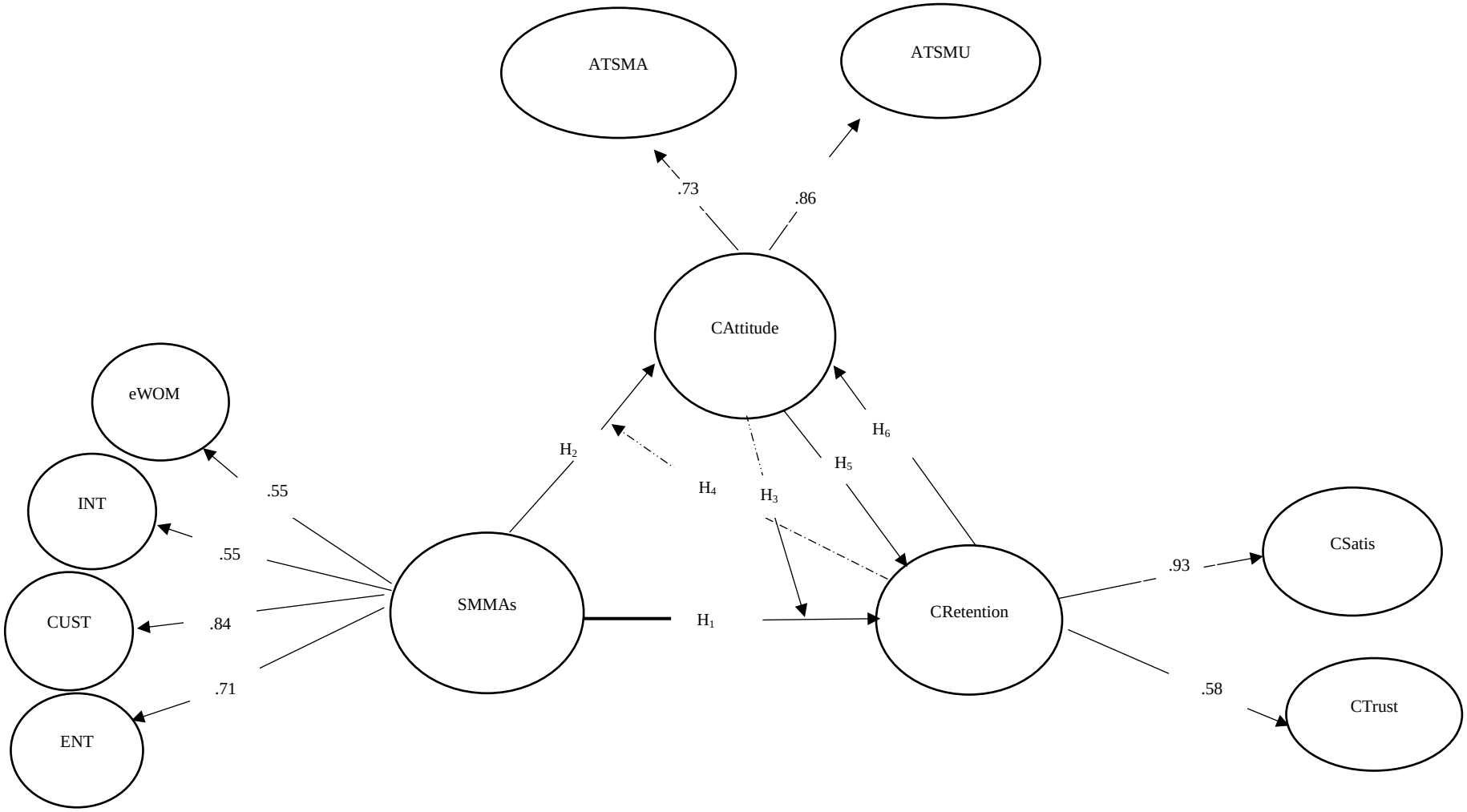
ATSMA
ATSMU
.73
.86
CAttitude
eWOM
INT
CUST
ENT
.55
.55
.84
.71
SMMAs
H2
H4
H3
H5
H6
H1
CRetention
.93
.58
CSatis
CTrust

Table 9-1: Results for Structural Model Assessment

Hypothesised Parameter	Std. β	SE	t-value	Sig.	R^2	Hyp.	Result
SMMAs → CRetention	.61	.218	6.146	.000	.97	H_1	Supported
SMMAs → CAttitude	.51	.655	8.295	.000	.56	H_2	Supported
SMMAs*CAttitude → CRetention	.97	.938	54.504	.000	.94	H_3	Supported
SMMAs*CRetention → CAttitude	.97	.907	54.736	.000	.94	H_4	Supported
CRetention → CAttitude	.54	.659	8.528	.000	.25	H_5	Supported
CAttitude → CRetention	.50	.579	8.126	.000	.25	H_6	Supported

9.2.1 Direct Effect

All the direct effect hypothesised and tested by the structural model (Figure 9-1), namely; Perceived Social Media Marketing Activities (SMMAs) → Retention (CRetention) (H_1), Perceived Social Media Marketing Activities (SMMAs) → Attitude (CAttitude) (H_2), customer retention (CRetention) → customer attitude (CAttitude) (H_5), customer attitude (CAttitude) → customer retention (CRetention), all these paths are all true with the hypotheses.

Certainly, as written in the hypotheses, perceived social media activities act as a positive predictor of customer retention and consumer attitude. The statistically significant path coefficients proved the relationship between perceived social media activities (SMMAs) and customer retention

(CRetention) for H_1 is direct and positive. The impact of social media marketing activities on customer retention is significant at $p < 0.0001$ and account for 38% of the explanation of customer retention variance in the tested sample, also the relationship between perceived social media activities (SMMAs) and consumer attitude (CAttitude) is significant for H_2 ($p = 0.000$, one-tailed). Furthermore, as hypothesised, customer attitude contributes positively and significantly to the fostering of customer retention ($p = 0.000$, one-tailed), H_5 is therefore supported. Lastly, customer retention also contributes positively and significantly to the development of consumer attitude, therefore H_6 is supported.

9.2.2 Mediation Effect

H_3 Result which is testing that consumer attitude (CAttitude) will mediate the relationship between perceived social media marketing activities (SMMAs) and customer retention (CRetention) is not supported as well as H_4 which is testing that customer retention (CRetention) will mediate the relationship between perceived social media marketing activities (SMMAs) and consumer attitude (CAttitude) and it's not supported. Subsequently, all the possible indirect (mediated) effects in the model are checked in term of their direction of effects, magnitude and significance level. Regarding this thesis' structural model, there are two possible indirect effects namely;

- Perceived social media marketing activities → consumer attitude → customer retention; where the relationship between perceived social media marketing activities and customer retention is possibly mediated by consumer attitude.
- Perceived social media marketing activities → customer retention → consumer attitude.

For this reason, the bootstrap re-sampling technique (Efron, 1979, Efron and Tibshirani 1982; Henseler, 2010) is conducted through AMOS with bias-corrected confidence intervals demanded, to evaluate the standard errors, confidence interval and significance levels of these effects (Zhao, Lynch and Chen, 2010; Hayes, 2009; Preacher and Hayes, 2008). The SEM tool with the bootstrap technique (rather than the Sobel test) is the most vigorous method till date for creating unbiased estimation of the mediating effect of latent variables (Cheung and Lau, 2008; Kenny, 2008). Table 9-3 provides the results from the bootstrapping process, unfolding the estimated direct, indirect and total effect between these three constructs. For example, the unstandardized indirect effect of perceived social media marketing activities on customer retention through consumer attitude is estimated for paths Perceived social media marketing activities → consumer attitude → customer retention.

Table 9-2 and 9-3 presents the results from the standard regression weights and the bootstrapping process, the number of bootstrap sample was set to 2000 instead of default 200 to perform iterative bootstrapping 2,000 times instead of 200 times to produce more reliable estimates. Describing the estimated total effect, direct and indirect effect between these three constructs, for example, in table 9-3, the indirect estimate effect of perceived social media marketing on customer retention as a product of the coefficients for paths SMMA → Consumer Attitude and Consumer Attitude → Customer Retention,

i.e. -0.093. This reveals that SMMAs has negative indirect effect on consumer attitude that is transferrable to customer retention. The effect of -0.093 is that the customer retention level is projected to decrease by about -0.09 standard deviations for every full standard deviation (SD) increase in SMMA through customer retention's initial impact on consumer attitude. Total effect, alternatively, is the addition of both direct and indirect effects. For example, the total effect of SMMA on Customer Retention is the addition of its direct effect (1.608) and indirect via consumer attitude (-0.093); that is 0.975 altogether, meaning that when SMMAs rises by one SD, customer retention is forecasted to be stronger by 0.975 SD through both direct and indirect effects among the constructs. Nevertheless, no consumer attitude mediation is found to influence the link between SMMAs and Customer Retention at the 0.1 confidence level (p = 0.673, two-tailed), this is because, the indirect effect could not influence the significance of the direct effect of SMMAs on customer retention, in other words, the total effect is still significant which means that the presence of consumer attitude as a mediator could not cause any change to the significance of the direct effect between SMMAs and customer retention.

Table 9-2 reveals the result for mediating effects on AMOS through the use of standardized regression weights on the other hand reveals that the relationship between SMMAs and customer retention is being partially influenced indirectly by the mediator (consumer attitude) in which its p value is (0.179) and therefore not significant, the result also reveals that the direct relationship between SMMAs and customer retention is significant at (0.001) without the mediator (consumer attitude) and also directly significant at (0.001) with the mediator (consumer attitude). The result of the mediating effect through standardized multiple regression is in support of the bootstrapping effect result.

Table 9-2 Result for Mediating Effect on AMOS Through Standardized Regression Weights

Relationship	Direct without Mediator	Direct with Mediator	Indirect
SMMAs→CA→ CR	0.991 (sig at 0.001)	1.074 (sig at 0.001)	0.179 (not sig)
SMMAs→CR→CA	0.729(sig at 0.001)	0.865 (not sig at 0.1)	0.423(not sig)

It can be examined from Table 9-3 that the indirect effect of SMMAs on Consumer Attitude via customer retention is not statistically significant at 10 per cent confidence level. (p = 0.423, two-tailed). Nevertheless, the total effect (mediated effect) between the same construct via customer retention is statistically significant at the 0.1 level (p = 0.001, two-tailed). However, the bootstrapping result from Table 9-2 reveals that the direct effect of SMMAs on Consumer Attitude without the mediator (Customer Retention) is statistically significant at the 1% confidence level (p = 0.001, two-tailed) but not statistically significant at the 0.1 confidence level (p = 0.865) directly with the presence of the mediator (consumer attitude) and indirectly not significant at the 0.1 confidence level (p = 0.423). The result in Table 9-3 reveals there's partial mediating effects between the constructs because the indirect effect between SMMAs and consumer attitude via customer retention is not significant but total effect for both constructs are significant which means although there's some sort of effect (total effect) of SMMA on consumer attitude but the mediator had no impact on the significance (Baron and Kenny, 1986; Kline, 2005). SMMAs → Customer Retention → Consumer Attitude, i.e. the relationship between SMMAs and Consumer Attitude reveals partial mediation by customer retention. In other words, the regularity of the connection between SMMAs and consumer attitude is partially mediated via customer retention and the total effect is significant at 1% (p = 0.001) the direct and indirect effect were not significant as presented in Table 9-3, this reveals that either direct effect or indirect effect could influence the total effect's significance. As presented in Table 9-3 and 9-2, although the indirect (mediated) effect of SMMAs on consumer attitude is -0.151; i.e. because of the mediated effect of customer retention on the SMMAs and consumer attitude, an increase of SMMAs by one SD envisages a reduction of consumer attitude by 0.15 SD. Additionally, the effect of SMMAs on consumer attitude mediated by customer retention lies between -0.433 (lower bound) and 0.139 (upper bound) and this effect is negative. This empirical evidence of partial mediating effect of customer retention on SMMAs and consumer attitude is another contribution of this study to the literature.

Table 9-3: Decomposition of Structural Effect Via Bootstrap

Effect on Retention	Standardized B	SE	Lower Bound	Upper Bound	Sig (two-tailed)

(SMMA)					
Direct Effect	1.608	.497	.910	2.335	.001
Indirect Effect (via consumer attitude)	-.093	.394	-.835	.259	.673
Total Effect	.975	.273	.570	1.166	.001
Effect on Consumer Attitude					
(SMMA)					
Direct Effect	0.943	.167	-.403	.158	.444
Indirect Effect (via customer retention)	-.151	.176	-.433	.139	.423
Total Effect	.793	.167	.597	1.139	.001

Additionally, the total effect of SMMAs on consumer attitude is significant (p = 0.001; two-tailed), reveals the importance of SMMAs as a key factor of consumer attitude formation either directly or mediated through customer retention. Although the link of customer retention → consumer attitude may be negative but the overall total effect of SMMAs → Consumer Attitude is statistically significant. More specifically, as explained in Table 9-3, for every increase of SMMAs by one SD, consumer attitude is predicted to increase by 0.79 SD, through the whole supposed indirect or direct causal link between these constructs in the model. As shown in Table 9-2, there is a direct effect between SMMAs → Customer Retention, 0.991 (sig at 0.001) without the mediator and direct effect between SMMAs → Consumer Attitude, 0.729(sig at 0.001) without the mediator as well. The result from Table 9-3 revealed that there's no mediating effect between SMMAs → Consumer Attitude → Customer Retention but a partial mediating effect between SMMAs → Customer Retention → Consumer Attitude.

9.2.3 Summary

This chapter is a continuation of the preceding chapter on the measurement model, and as explained in three parts of the structural model developed in this thesis. The first part examined the direct hypothesised relationships among the constructs. The second part examined the possible mediation effects among relationships which was shown through the Table 9-2 and 9-3 in the final part of this chapter, an interaction effect was also tested although it's not included in the aims and objectives. Illustrating from the findings reported in this chapter, the next chapter attempts to further discuss these findings in relation to research aims and objectives and hypotheses formulated in the previous chapters.

CHAPTER 10

RESEARCH DISCUSSION AND FINDINGS

10.1 INTRODUCTION

The earlier chapter discussed in detail the results of the analyses conducted to test the hypotheses that was identified in this study. Based on the research aims and objectives identified in Chapter 2, this segment discusses the research findings connected to the research objectives, which is the basis for the hypotheses tested in Chapter 8 and 9. Chapter 6 is a secondary research and was used to answer the first objective in Chapter 2 (the role of marketing communication in the UK retail clothing sector). Chapter 7,8,9,10 and 11 was dedicated to answering the rest of the aim and objectives.

The present segment is divided in to three parts. The first part starts with the research outline and the summary of the research objectives. The second part discussed the fundamental dimensions of perceived social media marketing activities of UK clothing retailers extracted in the exploratory and confirmatory factor analyses. The third part progresses with the discussion of the findings of the hypotheses tests which were accepted using structural modelling. The concluding parts highlights the summary of the findings.

10.2 SYNOPSIS OF THE STUDY

Customer retention parameters were extracted from four models of relationship commitment and retention models, those parameters are customer trust, customer satisfaction.

Ranaweera and Neely (2003) argued that the better the imaginary price is, the greater the level of repurchase intentions. Fornell (1992) indicated that the more satisfied an organisation customer is, the more loyal they are to the organisation, Ranaweera and Prabhu argued that the more satisfied customers are the more they remain loyal to the organisation while Richard (1996) opposed the argument that although a customer is satisfied, they might still not be retained. In many literatures, trust, satisfaction, relationship commitment and retention are synonymous. Succeeding the work of Kim and Ko (2012) this study identifies the perceived social media marketing activities by UK clothing retailers namely, entertainment, Word of Mouth, trendiness, customization and Interaction and its impact on retention.

To summarise, the main objective of this research is to identify the UK clothing retailers perceived social media marketing activities and its influence on customer retention. The precise objectives of this study are first, to identify and explore the role of marketing communication (social media marketing) in the UK retail clothing sector (focusing on UK large clothing retailers) and this was examined in chapter 6 through secondary research. Secondly, the study aims to identify perceived social media marketing activities of large clothing retailers and to what extent these activities impacts customer retention. The third objective is to identify and explore the impact of the perceived social media marketing activities on consumer attitude towards social media. The fourth is to explore the relationship between customer retention and consumer attitude towards social media and marketing activities. Lastly is to provide recommendation regarding the use of social media marketing by clothing companies in the future.

In order to achieve these objectives, customer retention parameters were drawn from four authors' models and theories namely, Richard (1996), Ranaweera and Prabhu (2003), Ranaweera and Neely (2003) and Sharma and Patterson (1999) and is used as the foundation and Kim & Ko (2012) is used as the foundation for perceived social media marketing activities. To recap, no previous research has examined the impact of perceived social media marketing activities on customer retention and consumer attitude. While Kim & Ko (2012) has researched on the relationship between online social media marketing activities and customer relationship and purchase intention, Godey et al. (2016) also researched the influence of social media marketing effort of luxury brands on brand equity and consumer behaviour between four countries namely; China, India, France and Italy. No empirical study has examined the impact of social media marketing activities on customer retention in the UK retail clothing sector and the research available so far has been conducted in other part of the world and not the UK and ths makes this research unique.

10.3 IDENTIFIED PERCEIVED ONLINE SOCIAL MEDIA MARKETING ACTIVITIES DIMENSION

Kim & Ko (2012) and Godey (2016) have identified five major activities that fashion brands carry out online, therefore this study used the same social media activities constructs as Kim & Ko (2012) and Godey (2016) which was also confirmed during the pilot studies as more than 70% of the respondents support that their clothing retailers

carry out the five social media marketing activities namely; entertainment, interaction, Word-of-Mouth, trendiness and customization.

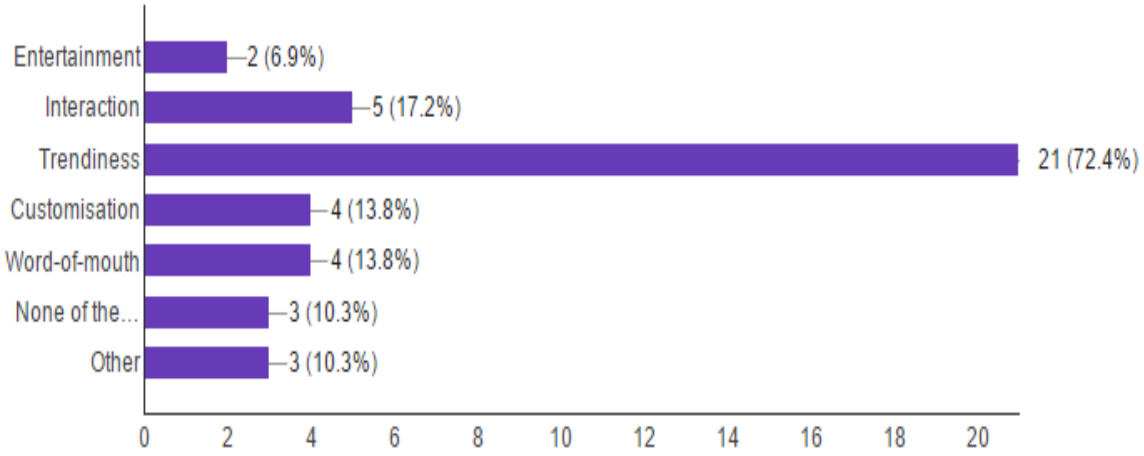

Figure 20: SMMA Pilot Study Result (March, 2016)

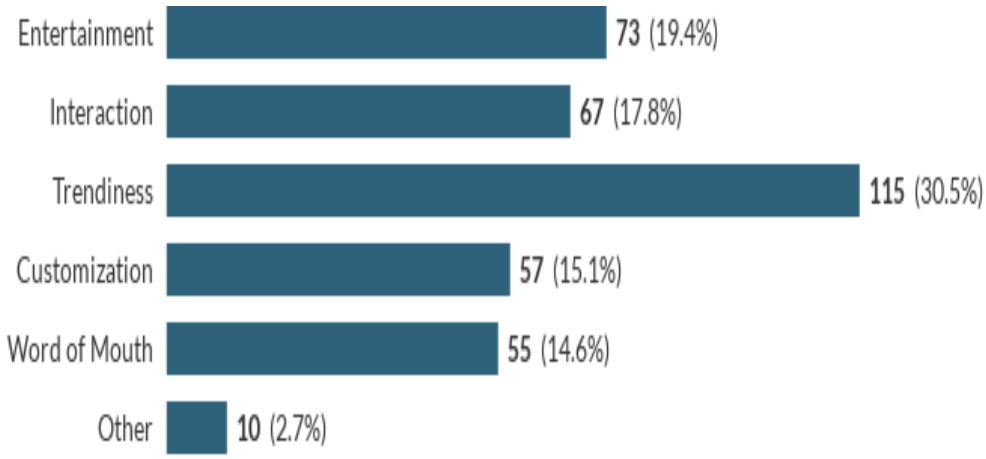

Figure 21: SMMA Real Survey Result (June, 2016)

Kim & Ko (2012) study regarding social media marketing activities was confirmed in figure 9 and 10 by London respondents. Therefore, these social media activities were used as an independent variable to test the following hypotheses:

H_1: Social Media Marketing Activities (SMMAs) has a positive influence and direct effect on Customer Retention.

H_2: Social Media Marketing Activities (SMMAs) has a direct and positive effect on Consumer Attitude.

H_3: Consumer Attitude has a mediating effect on the relationship between Social Media Marketing Activities (SMMAs) and Customer Retention.

H_4: Customer Retention has a mediating effect on the relationship between Social Media Marketing Activities (SMMAs) and Consumer Attitude.

H_5: Customer Retention has a direct and positive effect on Consumer Attitude.

H_6: Consumer Attitude has a direct and positive effect on Customer Retention.

10.4 HYPOTHESES TEST RESULTS

Table 10-1 recapitulates the research findings. Four out of six remaining hypothesised relationships are discovered to be significant.

Table 10-1: Summary of Research Results

Hypothesised Parameter		Results	
H_1	Social Media Marketing Activities (SMMAs) has a positive and direct effect on customer retention.	Supported (+)	***
H_2	Social Media Marketing Activities (SMMAs) has a direct and positive effect on Consumer attitude.	Supported (+)	***
H_3	Consumer Attitude has a mediating effect on the relationship between Social Media Marketing Activities (SMMAs) and Customer Retention.	Negated	
H_4	Customer Retention has a mediating effect on the relationship between Social Media Marketing Activities (SMMAs) and Consumer Attitude.	Negated	
H_5	Customer Retention has a direct and positive effect on Consumer Attitude.	Supported (+)	***
H_6	Consumer Attitude has a direct and positive effect on Customer Retention.	Supported (+)	***

Other outcomes

Customer retention has a partial mediating effect on the relationship between social media marketing activities (SMMAs) and consumer attitude.	***
Social Media Marketing Activities (SMMAs) have a positive and direct influence on cumulative consumer satisfaction.	***
Marketing Activities on social media (SMMAs) will have a positive and direct influence on customer trust.	***

*** = Significant at the 1% level

10.4.1 SMMAs → CRetention (H_1)

The result supports H_1, which hypothesizes that social media marketing activities has a direct and positive influence on customer retention. A few studies keep records of theoretical and practical implications of social media marketing and the influence on brand equity, customer relationship, purchase intention and consumer behaviour (Godey *et al*, 2016; Kim and Ko, 2012) and many management opportunities and threats these demands (Kaplan and Haenlein, 2010). There have also been some recent studies on the influence of social media marketing on customer loyalty towards clothing stores in Sri Lanka (Kodippili *et al*, 2016) but this was not done in the UK and does not address retention. Thus, researchers have not made effort to find empirical proof of how SMMAs influence customer retention in the UK retail clothing sector. Social media marketing is a challenging area for customer retention measurement because of several conceptual and measurement issues (Schultz, 2011; Schultz and Peltier, 2013; Morgan and Hunt 1994; Fornell, 1992). The findings confirmed that customer satisfaction and customer trust are a good predictor of customer retention. As earlier discussed that two factors have been identified in this study to predict customer retention, in his light, this study has confirmed through its findings that there's a direct and positive effect of social media marketing activities on customer trust and customer satisfaction, hence when customers are satisfied and trust their clothing retailers, they will be retained. This research bridged the gap in the literatures by offering a study on establishing clothing retailers in social media and

the result reveals that social media marketing activities has a positive and direct effect on customer retention. The UK clothing retailers is the basis for the study because previous researches already outlined that other brands apart from clothing retailers seem to have successful ways of appealing to the customers and influencing their customers through new media. (Kim & Ko, 2012; Phan et al, 2011). Although existing literatures accepted and understood the different SMMAs elements (Kim & Ko, 2012; Godey *et al*, 2016), this thesis itemises their relative importance and should be taking of great importance in retention of customers when preparing for social media activities and from the customers point of view, all the elements are unique in the social media activities of clothing brands.

10.4.2 SMMAs → CAttitude (H_2)

The findings also confirm the hypothesis that SMMAs is associated directly and positively with consumer attitude. This agrees with the notion that social media advertisements are more interesting than traditional advertising, which reveals that marketers should shift their promotional efforts from traditional way of marketing to the creating more social media marketing activities. The result also make known that customers found social media advertising more informative than the traditional marketing, customer get to have a chart directly with their clothing retailers online, they check reviews about a product and customer get to read details about products before making a purchase decision which confirms that social media marketing can be revealed in a more effective way than traditional marketing. The impact of SMMAs on consumer attitude is found to be very significant at (standardized coefficient = 0.51, $p < 0.001$), (see Table 9-1, Chapter 9). This is the evidence that consumer attitude towards social media marketing is positive.

10.4.3 SMMAs → CAttitude → CRetention (H_3)

The analysis of direct and indirect effects in the model shows that the total effect of SMMAs on customer retention is significant as well as the direct effect. The result of bootstrapping shows that this effect is significant. It is evident that overall, perceived online social media marketing activities will directly retain customers. Remarkably, the result also reveals that the influence of social media marketing activities on customer retention is not mediated by consumer attitude. As mentioned previously, consumer attitude is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object" whereas customer retention is the customers' intention to repurchase a product as many times as possible. When customers respond in a favourable manner towards social media marketing first and to a product, they will

purchase the product but that doesn't mean they will be retained. This research reveals that positive consumer attitude towards social media marketing and clothing brands does not explain or alter the relationship between social media marketing activities and customer retention, in other words the reason for customer retention cannot be explained by consumer attitude.

10.4.4 SMMAs → CRetention → CAttitude (H_4)

The examination of all direct and indirect effects in the model reveals that the total effect of social media marketing activities (SMMAs) on Consumer Attitude (CAttitude) is positive and significant but the indirect effect is negative in terms of direction. The result of bootstrapping also reveals that this effect is significant. The result also reveal partial mediation of customer retention between the relationship of social media marketing activities and consumer attitude. This evidently reveals that overall, high perceived social media marketing activities in the online market place will disallow the formation of attitude in purchasing from the clothing retailer.

Interestingly, the results also indicate that the impact of social media marketing activities on consumer attitude is partially mediated by customer retention. In other words, social media marketing activities has a partial indirect effect on consumer attitude through customer retention. As mentioned previously, "customer retention is the intention of customer to repurchase from a product/service provider" where attitude is attitude is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object" (Morgan and Hunt 1994). Therefore, the findings reveal that customer retention as a mediator alter or explain the relationship between social media marketing activities and consumer attitude. In other words, customer's attitude towards social media marketing of their clothing retailers is partially influenced by the intention to repeatedly repurchase from the clothing retailer. Currently, people increasingly search for products online before making a purchase decision, social media exploits a pull strategy that enables customers to reach products, services and brand associated to their own experiences (Akar, 2010). Most purchasing decisions are affected by social influence and ultimately form customer attitude towards a particular clothing retailer. When making purchasing decisions, customers ask for advice from others. Consumers are making more purchasing decisions online every day. Social media marketing activities helps consumers by online, communicate with one another, socialize, and influence one another online.

10.4.5 CRetention → CAttitude (H_5) and CAttitude → CRetention (H_6)

One of the aims of this research is to explore the relationship between customer retention and consumer attitude towards social media marketing activities. The findings reveal that customer retention has a direct and positive effect on consumer attitude. In other words, the intention to repeat purchase with a clothing retailers will determine consumer's attitude towards that clothing retailer. Motwani *et al* (2014) examined consumer attitude towards social media marketing and found that consumer found social media marketing activities exciting but no studies so far has examined the relationship between customer retention and consumer attitude and this is another contribution to existing literatures on social media marketing. The findings from this study also reveals that consumer have positive attitude towards clothing retailers when they have the intention to repeat purchase with that retailer compared to one off transactions.

10.4.6 Summary

This chapter has explained and discussed the empirical findings demonstrated in chapter 8 and 9. Research hypotheses relating to the direct influence of social media marketing activities on customer retention and consumer attitude. The research findings have found that social media marketing activities has a positive and direct effect on customer retention and consumer attitude.

The total effect (combination of direct and indirect effects) of social media marketing activities on consumer attitude is significant, although the indirect effect is negative in terms of direction but the overall effect is significant. It has also been found that customer retention has acts as a partial mediator in the social media marketing activities and consumer attitude relationship.

With respect to the mediating role of consumer attitude, the result reveal that consumer attitude does not have a mediating effect on the relationship between social media marketing activities and customer retention. The result also reveals that customer retention have a direct and positive effect on consumer attitude.

The next chapter concludes the thesis by highlighting the contribution of the research to theory and practice, discussing its limitations and also suggesting possible future research avenues.

CHAPTER 11

CONCLUSION AND RECOMMENDATION

11.1 INTRODUCTION

This research was set out to examine the impact of social media marketing on customer retention which focuses specifically on the activities of the UK clothing retailers carry out and their impact on customer retention and consumer attitude. This chapter put forward the summary and conclusions of this study, it also places interest on the contribution of the study, it's limitation, recommendation and suggestions for future research.

Examining the impact of five components of online social media marketing activities, this thesis has developed a model of online customer retention for B2C relationships in UK clothing retail sector, based on the theory of social exchange and Ranaweera and Prabhu's (2003) holistic approach. The research has majorly utilised quanititative approaches to explore the nature of online social media activities and their dimension and some secondary research in chapter 5&6.

11.2 THEORETICAL CONTRIBUTIONS

To reiterate, this research aims to contribute to an improved understanding of the nature, dimension of perceived social media marketing activities in the UK retail clothing industry. This thesis embraces the major perceived social media marketing activities of clothing retailers which namely; Entertainment, interaction, trendiness, customization and word of mouth. It also investigates if there's an existence of relationship between social media marketing activities and customer retention as well as the relationship between customer retention and consumer attitude. Social Exchange theory and Ranaweera and Prabhu's (2003) holistic approach were the major theories used in this research.; two factors is identified in this study because of time limitation that determines customer retention and the rest of the factors has been recommended for further research: customer satisfaction and customer trust.

This thesis first, highlights several limitations of previous studies. Firstly, there is limited knowledge about the nature and impact of online social media marketing activities on customer retention for UK clothing retailers.

As regard to these, this study contributes to the growing empirical research on customer retention and consumer attitude towards online UK clothing retailers.

Secondly, preceding research has been found most of the time to deliver inconsistent and contradictory results with regards to whether satisfaction alone can keep customers committed to their retailers. Several researchers have highlighted that these issues could be because of limitation associated with measuring satisfaction as Boulding et al. (1993) and Andreassen (2000) measure their satisfaction as transaction specific and Johnson *et al.* (1991) in his study view satisfaction as cumulative customer experience with their product/service as well as from the various contexts in which those researches were conducted (for example, online vs. offline environment, combination of online and offline environment, transaction vs. contractual-based relationships, nature of the product/service, etc.). This research contributes to the literature conceptualising and operationalising customer perceived online social media marketing activities in the UK retail clothing sector and the result has proved that customer satisfaction is a vital factor in retaining customers as well as customer trust. The measurements have been thoroughly tested for validity and reliability via confirmatory factor analysis, where four out of five vital and significant statistically distinctive dimensions have been confirmed from Kim and Ko (2012) and Godey (2016) study. These dimensions of online social media marketing activities are electronic Word-of-Mouth (eWOM), interaction, customization and entertainment. They represent different facets of online social media marketing activities arising from time and effort. Thus, research has undertaken a more comprehensive investigation of social media marketing activities on customer retention. Additionally, previous studies have examined the influence of social media marketing activities on brand equity and consumer behaviour, also on customer relationship and purchase intention but no study so far has been conducted in the UK and on clothing retailer.

Thirdly, this study makes a significant contribution in terms of consumer attitude towards social media marketing activities of clothing retailers. Past research has been conducted on the impact of social media on consumer behaviour and consumer attitude but no research so far has been conducted to explore consumer attitude towards social media marketing in the clothing retail sector and in the UK. This study has conceptualised and tested consumer attitude towards online social media marketing activities in the light of their attitude towards social media marketing and social media usage as no research has been conducted in the UK in his area. This research may be regarded as contributing to the literature in this respect.

Next, this research has brought to light number of significant relationship between social media marketing activities and customer retention (customer satisfaction and customer trust) as well as consumer attitude, which has not existed empirically in the previous literature. Specifically, these are as follows:

- The catalytic effect of online perceived social media marketing activities in strengthening customer satisfaction and customer trust and ultimately customer retention because customer satisfaction and trust were the two factors use to measure customer retention in this study.
- The direct and positive effect of perceived social media marketing activities on consumer attitude.
- The role of customer retention's partial indirect effect on the relationship between social media marketing activities (SMMAs) and consumer attitude.

The discussion has highlighted the theoretical contribution of this thesis. The next segment presents several practical contributions of the study.

11.3 MANAGERIAL CONTRIBUTIONS

The result of the study provides several implications for UK clothing retailers. In agreement with social media marketing activities of brands, the result reveal to further emphasise the importance of social media marketing activities in maintaining a committed customer base as well as consumer attitude towards social media marketing activities with in the highly competitive UK clothing retail industry. The UK clothing retail sector is experiencing intense competition especially from unction sites such as EBay, Amazon and non-specialist clothing retailers. To survive in this industry, marketing managers and managers in general must be innovative by finding new ways to do things that other competitors are not doing. The sustainability and survival of any clothing retailer in this industry, especially the specialised ones will largely depend upon how innovative they are, therefore managers need to continually search for ways to deliver products, maximise their digital and social media channels and sensitive to customers changing attitudes and needs.

11.4 CUSTOMER SATISFACTION

The research findings suggest that clothing retailers should strategically research into what keeps a customer satisfied which may vary from one customer to the other. This study finds out that cumulative customer satisfaction is one of the factors that retain customers. Identifying what satisfies customers and keeping them satisfied is a vital factor

in customer retention. A clothing retailer is differentiated when it provides something of value that is not offered by the competitors. Customers will perceive few alternatives in the market place when the retailer makes effort to satisfy its customer base, thereby increasing possibility of retention. As a result of the competitive and fast paced retail environment and since retailers have little control over the behaviour of their competitors, as a result retailers interested in improving customer retention should make effort to reduce dissatisfaction to the minimum level. Although there are customers that will never be satisfied no matter what a retailer does and there are some that will not stay committed even if they are satisfied but this research has proved that customer satisfaction is a vital factor in retaining customer. Therefore, clothing retailers should reduce dissatisfaction for example by research and development in to what satisfies every segment of customers by encouraging a wider usage of the service through product reviews and engagement on social media.

11.5 CUSTOMER TRUST

This study makes recommendation that clothing retailers should strategically develop trust in the heart of their customers. Particularly, the lack of perception of no trust forms a formidable barrier to exit and hence a vital factor in customer retention. A retailer is differentiated when it can be trusted by its customers. Given the highly competitive clothing retail environment, retailers interested in retaining more customers should make every effort to reduce the perception of lack of trust and this can be achieved through timely delivery; encouraging a wider usage of product through product review; online retailers should let the product be “as seen on screen” in other words, be exactly the same as the one customer view via social media or website and even if there are differences, it shouldn’t be much, strategic next day delivery for customers that wants to purchase due to emergencies.

11.6 LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

First, while this study has investigated the customer perception of four unique online social media marketing activities of UK clothing retailers, it has not focused on examining the importance placed by each customer on each dimension. For instance, the role of each dimension of social media marketing activities on customer retention and consumer are yet to be tested. There are strong reasons to expect that entertainment impact on customer retention will differ from the impact of customization. This can indeed be a focus for future research.

Secondly, this research has found no moderating effects of consumer attitude on the social media marketing activities and customer retention and partial moderating effect of customer retention on the customer attitude and social media marketing activities relationship. This study has also not addressed: 1) the moderating effect of social media marketing activities or their dimension at different level of customer retention; 2) The interplay between social media marketing activities and consumer attitude when customer retention is at various levels. Although no previous studies have addressed the above 1) and 2), in the past, however, future study should be using multidimensional measurement of social media marketing activities to investigate social media marketing activities at different levels of retention.

The third limitation of the research is that whilst the construct of the five social media marketing activities has been measured via prior measures that have been validated by (Godey, 2016), and the items have covered social media marketing activities, the process of measurement purifications in this research has resulted in one item scale (Trendiness) to be joined to other items. Therefore, future research should further assess the measurement scale of social media marketing activities to verify the results.

Next, the scope of this research is confined to both Bricks and Clicks as well as pure-play online retailers. Based on the study of Shankar *et al*, (2003), online loyalty does 'transfer' from the loyalty of the traditional (offline) settings. Therefore, future research comparing Bricks and Click and pure-players might reveal some light on the role of perceived social media marketing activities as a retention tool. By considering the different retail forms, comparative studies will help clothing retailers to make strategic decision about how to retain customers.

Next, e-commerce was discussed in Chapter 2 and its subclasses such as m-commerce and s-commerce and how important they are to both large and small businesses. Hence, the research in this area is limited and the use of it is growing fast as mobile phones are used to access the internet by 71% of the adults in Great Britain. Therefore, more research is recommended in this area to build on Jelassi et al, (2008) study of leveraging wireless technology for mobile advertising.

Future research is recommended in terms the role of social media marketing activities based on pure-play clothing retailers. In addition, two factors were used to measure customer retention in this study, other factors that keeps a customer committed and retained had been identified, however could not be explored because of time

limitation. Therefore, this factors has been discussed thoroughly in this study but its recommended for future research, other factors responsible for retention as identified by (Ranaweera and Prabhu (2003); Morgan and Hunt (1994); Sharma and Patterson (2000); Richard (1996); (Ranaweera & Neely, 2003); Peng and Wang (2006)) is discussed below.

11.6.1 Switching Barrier

Ranaweera and Prabhu (2003) conceptualized switching barriers as consumer's appraisal of the resources and the opportunities needed to achieve the act of switching as well as the restrictions to perform the act. Hence the higher the level of perceived switching cost, the higher the tendency for the customer to remain. Morgan and Hunt (1994) identified that the factor of switching or termination costs contributes to the maintenance of relationships. Sharma and Patterson (2000) highlighted that switching cost may act as exit barrier even when the performance of the core service is not satisfactory. Customer switching behaviour is changing due to price, trouble, promotion, competition, packages, ethical manners, advertisement, corporate image and brand loyalty. Sharma and Patterson (2003) discovered that switching cost has a positive impact on customer loyalty. This study has defined customer retention as the customer's intention to stay loyal to a product/service. Switching cost established a link between customer loyalty and satisfaction (Jonathan et al, 2000). Fornell (1992) highlighted that switching cost has inclined a link between customer loyalty and satisfaction. Switching barrier is one of the factors for measuring customer retention, therefore, this is suggested for future research as a factor that drives customer retention.

11.6.2 Communication Effectiveness

Sharma & Patterson (2009) communication effectiveness can be explained as the formal and informal sharing of important and timely information between organisation and their customers. The purpose is to keep customers informed about their products for example in the retail clothing sector, firms advertises and markets new clothing on social media just to keep their customer informed. Consequently, the better the communication effectiveness the stronger the relationship commitment (Sharma & Patterson, 2009). Therefore, this is suggested for future research as a factor that drives customer retention.

11.6.3 Customer Involvement

Rothschild (1979) defined involvement as an inspirational state of excitement and interest, induced by external factors; situation, the product and communications and internal factor such as central values. In other words, consumers will become excited and

want to participate in an object of interest (e.g. product, service or promotional messages) is sensed as being important in meeting their needs, values and goals (Engel *et al*, 1993). The more customers participate in an online discussion, the more careful they will be in terms of the choice they make and they tend to stay with their choices once it's made, the reason is because involved choices can sometimes be surrounded by "walls" of validation. Furthermore, when dissatisfaction sets in, the first thing a dissatisfied but involved consumer will do is not to seek an alternative but to try to fix the relationship. Unlike uninvolved dissatisfied customer, they do not care about a relationship to fix it, they just switch to an alternative. Richard (1996) argued that involvement create room for dissatisfaction and uninvolved customer can switch even when they are satisfied, therefore, it is suggested for future research as a potential factor that retains customers.

11.6.4 Price

Jacoby and Olson (1977) defined perceived price as the consumer's emotional representation or subjective feeling of the objective price of the product. Customer perception of price of a company's product are important criterion for the consumers to to be retained by their firms (Abrat and Russel, 1999). Consumers switch their clothing brands if the prices of the products are too high. Schriver (1997) argued that if consumers are given more alternatives, they are more eager to trying other brands, especially if they are not satisfied with their current brand. Consumers who are price conscious are usually not ready to pay certain prices for some product if they perceive the price is not reasonable (Martin-Consuegra, 2007). Price conscious consumer will make their choice to purchase a product if the price is worth the value, therefore brands should charge price that's worth the product. (Munnukka, 2005). Peng and Wang (2006) highlighted that consumers often switch their brands majorly due to pricing issues, therefore, this is suggested for future research as a factor that drives customer retention.

11.6.5 Quality

Quality can be defined broadly as superiority or excellence (Ranaweera & Neely, 2003, Reichheld, 1996; Zeithalm & Bitner, 1996; Zeithalm, 1988). Quality is a consumer appraisal of a product or service overall excellence or superiority, the author further argued that consumers may place a better importance on the quality of the product rather than the cost they use in acquiring the product (Ranaweera & Neely, 2003). Hence, this study defines quality as an overall excellence of a product. Therefore, this factor is suggested for future research as a factor that drives customer retention.

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APPENDIXES
APPENDIX A

A.1 Social media platforms

Bebo

This social networking site is one of the earliest in comparison with the other social networking sites, it was created in 2005 and its name stands for "Blog Early, Blog Often" AOL acquired the social networking site and people with Skype and AOL account holders can add people during login. It was formerly designed and it's an extension for college and high school student. This sites involves creativity and companies and businesses post their marketing videos to promote their products. This sites is majorly used by teenagers.

Blellow

Blellow is majorly used in America, the way it works resembles that of Twitter in terms of social media for business, this platform allows short text-only together with optional mugshot. It has a tab for discussion and seeking advice regarding a particular project or topic, also advertising a job, users can also set up a meeting. Blellow is very good and offers an excellent networking and marketing opportunities for smaller businesses.

Blogger

In the year 1999, a company named Pyra Labs started up by doing other stuff until they made a piece of software called Blogger. This is different in such a way that people can gather links, thoughts and share it with anyone who is interested. It is easy to get on, all the interested user needs to do is to log on and set up an account and start blogging. Users are free to add pictures videos and just anything they want to share that they think their clients or group or individuals might be interested in.

This is a universal way to drive positive word of mouth recommendations through the content that a company publishes. Blogs allows businesses to establish and build meaningful relationships with their target market thereby increasing customer loyalty and third party promoter for the business. A blog is said to be a successful marketing tool when the conversation on the blog turn into an online buzz for the business in other words people are talking about it (Niederhoffer et al, 2007). A business blog can be used as marketing tool by using the forum to offer advice, hold contests, answer questions and publicly respond to stakeholders' comments just to keep the conversation flowing.

Facebook

Facebook started as an idea for academic people, it was designed to keep alumni of a college in touch after they are done with school when they haven't got time to keep

in touch properly but after a while, it spread beyond academic and some people actually paid using this platform to keep in touch with colleagues, this keeping touch continued until it spread outside colleges and huge number of people are now using it to keep in touch. Facebook is one of the major social networking site that individuals and business people uses today to target and retain customers. According to Dana French (2012), she identified that social media has one out of every six minutes spent online. Facebook has the largest population in terms of sheer numbers up till date in spite of what twitter and other social networks are doing.

This thesis will focus on the major social networks and their role in viral marketing and customer retention. Individual can talk to more people on this platform compared to the rest. Once people add you a their friends, they can see your pictures and updates and they can comment on these updates, there's also opportunity to upload video on this site as well and there are exchanges of private and public messages. The advantage of Facebook compared to other networking sites is that there's every probability of spending more time on the site by either checking the messages or updating status or playing games or chatting with friends. Facebook has clear opportunities for a business that wants to promote itself through in the sense that it's got more people devoting their time. (Clapperton, 2009)

Friend feed

This social networking site was bought by Facebook in 2009, this is aimed at small businesses, and this platform gives the opportunity of reaching out to new customers as well as communicating with existing ones. This is one of the networking sites that uses internetworking with other log-ins in the sense that it allows you to use your own twitter or Facebook account to log-in with your permission to join the service. Friend feed help read twitter field, check Facebook contacts when the permission is given and also check go ogle mail contact. This site is majorly used by young audience and not just young audience, the ones that are male dominated and the kind of audience found on this site like gaming. The extra value this site provides lies in bringing all the feeds together and the ability to start and join groups hence you can comment on what they're doing and bring up something interesting you can sell to the group.

LinkedIn

LinkedIn is a business site and network, it's majorly for those in the business sector and less needed by the companies who sell directly to the consumer. One of the prime features is that it involves a bit more work in terms of making contact with people and searching

for them as well, the person contacting people has a bit more work to do in the sense that the individual has to make it work. Most of the time people are recommended by their colleagues so individual are in a listening mode for business proposals but you can't just send a proposal without someone's recommendation who is also on LinkedIn. LinkedIn is not like Facebook and the others, people join on this platform and also invite others in their network to join, and you can update status on this platform just like the rest and start a group discussion as well. LinkedIn allow users to build their profiles and also leave a recommendation for someone you've worked with and they can do the same as well.

Twitter

Twitter is a form of short announcement of about 140 characters to anyone who happens to be reading and these announcements are called 'tweets'. It's really simple and is one of the major reasons why it works (Clapperton, 2009). Twitter did not attract a lot of people immediately, the founders put the service on the web page for people to make their announcement, and people were putting a lot of stuff like what they had in the morning, afternoon and night and this wasn't exciting at all.

After a while, people started putting exciting stuff and the founders allow a little bit of interaction, eventually, they allow people to reply to tweets and this made it more fun and a lot of people started participating. Twitter has now grown to a network of majorly celebrities and they share their thoughts with the world most of the time. This is good for business in the sense that it offers an opportunity to listen and react to negative comments of customers as they receive tweets straight on their phone wherever they are and it's simple to use. Statistics showed that there are a lot of middle aged people between 35years-45years than people might think. According to (Bercovici, 2012,), 31% of the population of users on twitter are between the age of 18 and 24years and 19% are between the age of 30 and 49years.

Instagram

Like modern fairy tale story, Instagram begins its journey in San Francisco coffee bar, the founder Kevin Systrom had designed Burbn to include any trendy app, the founder figured out with Instagram product manager Gregor Hochmuth that it's too complicated so they resolved to something simple which is fast and easy to share. Instagram went live on IPhone app October 6, 2010, it was downloaded 100,000 times during the first week, and the download was driven by stellar review lauding, its speed and ease to use. There are so many apps and too often they acted as either photo utility with a lot of wonky features for cameras or as a web-style sharing services. What actually brought about photo

sharing on Instagram was that Krieger who started Instagram together with Systrom recollected someone took a picture at a concert and was struggling to share the picture on Instagram but she doesn't know how to, that individual had another option to share them on Facebook and that immediately done on Systrom and Krieger that photos are more than images to be shared and admired as they are brand new ways to communicate, in this new age, photos are communication, status update. At the end of February 2011, the service 1.75 million users and in order to capture more people's attention, they introduced what is called hashtags and big companies such as Pepsi, Red bull, CNN and other celebrities such as Snoop Dog and Justin Bieber. Since the service is growing, there is the question of how to make money, Systrom suggested that he will not get serious about making money until the users hit 70 million because until a company gets to a market leader position an advertising opportunity doesn't make sense (Carr, 2013,). One of the ways businesses reaches their customer today is through Instagram with images to communicate.

APPENDIX B

B.1 Survey Questions

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Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

The Impact of UK Clothing Retailers' Social Media Marketing on Customer Retention

Page 1: My name is Josephine Abiola Lawal and I'm a PhD by research student undertaking a research project to examine the impact of large UK Clothing Retailer's Social Media Marketing on Customer Retention. Important Note: If you have not made any online purchases of clothing in the past 12 months, you should not take part in this survey, we thank you for your cooperation and interest in this study. Instructions: This survey asks you a number of questions regarding the online clothing retailers from which you often make purchases and your general shopping habits with this online retailer. Please try to answer all the questions although some of them may sound similar, it is important that you answer them ALL. Please understand that there are no right or wrong answers. We are interested in

your opinions and your answers are completely confidential. Please mark the appropriate box with a tick (√). Some questions ask you to mark all parts that apply. Preliminary Questions: Please think of the ONE online retailer from which you have PURCHASED MOST FREQUENTLY during the past 12 months. This company should not be an online auction site, such as EBay, Amazon or Groupon. Most of the questions contained in this survey relate to your thoughts and opinions about your online shopping experiences with this specific clothing retailers.

Page 2: Preliminary Question

1. Which of the following clothing retailer(s) do you use?

Top Shop	Zara	Next
VERY	Primark	NewLook
House of Fraser	Tbdress	ASOS
H&M	Monsoon	River Island
Marks and Spencer	Matalan	Blue Inc
Dorothy Perkins	Boohoo	Mango
Miss Guided	F&F	Forever 21
SELECT	Oasis	Peacocks
BHS	Banana Republic	Nike
Adidas		

1.a. If you selected Other, please specify:

1.b. Which of the following social media platforms do you use to connect in terms of connecting to your clothing retailer(s), *(Please tick all that apply).*

Twitter	Youtube	Instagram
Facebook	Tumblr	Google+
Pinterest	Snapchat	Other

1.b.i. If you selected Other, please specify:

1.b.ii. Do you follow your clothing retailer(s) on social media?

- Yes
- No
- Not interested

1.b.ii.a. How frequently do you visit their page on Facebook, Instagram and other sites?

- Once a week
- About twice a week
- Once a Month
- Twice a month
- Quarterly (Once every Three months)

Other

1.b.ii.a.i. If you selected Other, please specify:

1.c. What are the factor(s) responsible for your choice in Qa or a(i)? *Required*

Please select at least 2 answer(s).

Customer

Customer

Quality

Satisfaction	Involvement	
Price	Customer Trust	Switching Barrier
Communication	Convenience	
Effectiveness		

1.c.i. If you selected Other, please specify:

2. I enjoy socializing with people offline

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

3. I enjoy socializing with people Online

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly						Strongly

Disagree						Agree

4. I have a wide range of networks online

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

The following questions is asking you to express your opinion on Social Media Marketing Activities as a customer, your answers will help me measure the impact of these factors on customer retention

5. The following are the online social media activities carried out by the clothing retailer I use *(please tick all that apply).*

☐ Entertainment

- [ ]
- [ ]
- [ ]
- [ ]
- [ ] Interaction

Trendiness

Customization

Word of Mouth

Other

5.a. If you selected Other, please specify:

6. Entertainment

	Entertainment				
	Strongly Disagree	Disagree	Neither Disagree Nor Agree	Agree	Strongly Agree
The content found on my	○	○	○	○	○
Clothing Retailer's social media page (Instagram,	○	○	○	○	○
Facebook, Twitter) seems interesting	○	○	○	○	○

It is fun to collect

information and fashion

items on my Clothing

Retailer's social media

It is easy to pass time

using my Clothing

Retailer's social media

6.a. Does the social media platforms you are using allow you to cross connect with other platforms therefore enhancing entertainment across platforms?

Strongly Disagree ☐ ☐ ☐ ☐ Strongly Agree

7. Customization

	Customization				
	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
	○	○	○	○	○
It is possible to search customized information on	○	○	○	○	○
my Clothing Retailer's social media page	○	○	○	○	○
	○	○	○	○	○

My Clothing Retailer provides customized services

My Clothing Retailer provides lively feed information that I'm interested in

It is easy to use my Clothing Retailer's social media

My Clothing Retailer's Social Media can be used

any time any where

8. Interaction

Interaction

	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
It is uncomplicated to convey my opinion					
through my Clothing Retailer's social media					
websites It is possible to have online conversation with other users through my Clothing Retailer's social media					

website

It is possible to do a two way interaction through my Clothing Retailer's social media

It is possible to share information with other users through my Clothing Retailer's social media

9. Word-of-Mouth
10.

Word-of-Mouth

		Neither		
Strongly		Disagree		Strongly
Disagree	Disagree	nor	Agree	Agree
		Agree		

I would like to share information about products from my Clothing Retailer's social media to my friends	○	○	○	○	○

I would like to upload content from my Clothing retailer's social media on my own social media page					
I would like to share my opinion on products and items bought from my Clothing Retailer's social media with my friends					

10. Trends

Trends

		Neither		
Strongly		Disagree		Strongly
Disagree	Disagree	nor	Agree	Agree
		Agree		

It is a leading fashion to use my Clothing Retailer's social media

Contents found on my Clothing Retailer's social media page are up-to-date

11. My clothing retailer(s) communicate effectively via their social media marketing activities

Strongly Disagree	☐	☐	☐	☐	☐	Strongly Agree

12. The social media marketing activities carried out by my clothing retailer(s) in Q2 shows their price is competitive/affordable

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

13. The social media activities carried out by my clothing retailer(s) in Q2 shows that their product is quality *Required*

Strongly Disagree						Strongly Agree

14. The social media activities carried out by my clothing retailer(s) in Q2 keeps me satisfied as a customer

Strongly Disagree ☐ ☐ ☐ ☐ Strongly Agree

15. The social media activities carried out by my clothing retailer(s) in Q2 keeps me involved as a customer

Strongly Disagree ☐ ☐ ☐ ☐ Strongly Agree

16. My Clothing Retailer's Social Media Marketing Activities prevented me from switching to another brand

Strongly Disagree ☐ ☐ ☐ ☐ Strongly Agree

Page 3: Customer Satisfaction

17. How long have you been a customer of your clothing retailer(s)?
Required

- ○ 3-6 months
- ○ 1-2 years
- ○ 3-4 years
- ○ 5-6 years
- ○ 7 years and above
- ○ Other

17.a. If you selected Other, please specify:

17.b. Did you change your clothing retailer within the period referred in Q3?

Required

- Yes
- No but am planning to
- No

17.c. **Overall, how can you rank your satisfaction with your Clothing Retailer(s) within the last 5 years?**

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Not all Satisfied						Extremely Satisfied

18. Of the following attributes, what is the most important reason for you maintaining this relationship with your clothing retailer(s)?

- ☐
- ☐ Entertainment

Interaction

- [ ]
- [ ]
- [ ]
- [ ]
- [ ] Trendiness

Customization

Word-of-Mouth

Convenience

Other

18.a. If you selected Other, please specify:

19. **How will you rank your satisfaction in terms of service quality with your Clothing Retailer(s) within the last 5 years?**

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Not at all Satisfied						Extremely Satisfied

20. **How would you rate your satisfaction in terms of products of your Clothing Retailer(s) within the last 5 years?**

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Not at all Satisfied						Extremely Satisfied

Page 4: Customer Trust

21. **I have complete trust that my online Clothing Retailer(s) has good security procedures**

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

22. **I have strong belief in my Clothing Retailer**

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

23. My Clothing Retailer provides precise service information

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

Page 5: Social Media Marketing and Customer Retention

24. Is your overall loyalty affected in a good way by social media marketing?

Required

- Yes
- No
- I prefer not to say

Page 6: Social Media Marketing and Consumer Behaviour

25. Social media advertisements are more interactive than traditional advertising

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

26. Social media advertising is more informative than traditional advertising.

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

27. I am subscribed to updates and alerts regarding my clothing retailer through social media

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

	☐	☐	☐	☐	☐

28. I refer to the opinion of experts on social media sites while considering any product

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

29. Advertisements through social media are more interesting than traditional advertising.

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

30. I feel comfortable sharing my information on social media sites

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

31. Do you think retailers that uses social media for marketing purposes are more innovative than retailers that do not?

- Yes
- No
- I prefer not to say

32. It is a good idea for clothing retailers to market with applications such as YouTube, Facebook, Instagram and blogs, generally known as social media

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

33. Marketing with applications such as YouTube, Facebook, and blogs, generally known as social media, is very interesting

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

	☐	☐	☐	☐	☐

34. I think that marketing with social media is the future of marketing.

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

35. I think that clothing companies should take part in social networking sites such as Facebook.

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

36. It is necessary for Clothing Retailers to use video sharing sites like YouTube for the purposes of marketing

Please don't select more than 1 answer(s) per row.

	1	2	3	4	5	
Strongly Disagree						Strongly Agree

Page 7: Personal Information

37. What is your age?

- 0-17 yrs
- 18-24 yrs
- 25-34 yrs
- 35-44 yrs
- 45-54 yrs
- 55-64 yrs
- 65 yrs and above

38. What is your ethnic group?

- White

- Gypsy or Traveller
- Black or Black British -African
- Black or Black British-Carribean
- Other Black Background
- Asian or Asian British-Bangladeshi
- Asian or Asian British-Indian
- Asian or Asian British - Pakistani
- Chinese
- Other Asian Background
- Mixed -White and Black Carribean
- Mixed-White and Black African

- Mixed-White and Asian
- Other Mixed Background
- Arab
- Other Ethnic Background

39. What is your gender?

- Male
- Female

- I prefer not to say

40. what is your Personal Income per Annum?

Less than £5,000	£6,000-£10,000	£11,000-£15,000
£16,000-£20,000	£21,000-£25,000	£26,000-£30,000
£31,000-£35,000	£36,000-£40,000	£41,000-£45,000
£46,000-£50,000	£51,000-£55,000	£56,000-£60,000
£61,000-£65,000	£66,000-£70,000	£70,000 and above

Other

Appendix C

C.1 Direct SPSS Result

		ENT1	Trend2	eWOM2	Cust3	Int2	Int4	ENT2	ENT3	Cust4	Cust5	Int3
Correlation	ENT1	1.000	.425	.349	.383	.217	.324	.605	.538	.424	.337	.220
	Trend2	.425	1.000	.172	.235	.360	.381	.302	.334	.628	.516	.318
	eWOM2	.349	.172	1.000	.341	-.014	.064	.369	.352	.105	.036	.052
	Cust3	.383	.235	.341	1.000	.094	.209	.443	.427	.342	.260	.182
	Int2	.217	.360	-.014	.094	1.000	.602	.183	.088	.267	.150	.553
	Int4	.324	.381	.064	.209	.602	1.000	.321	.170	.339	.253	.483
	ENT2	.605	.302	.369	.443	.183	.321	1.000	.559	.284	.231	.190
	ENT3	.538	.334	.352	.427	.088	.170	.559	1.000	.304	.309	.098
	Cust4	.424	.628	.105	.342	.267	.339	.284	.304	1.000	.685	.208
	Cust5	.337	.516	.036	.260	.150	.253	.231	.309	.685	1.000	.216
	Int3	.220	.318	.052	.182	.553	.483	.190	.098	.208	.216	1.000
	eWOM1	.436	.332	.598	.346	.091	.179	.332	.467	.284	.248	.093
	Cust1	.374	.330	.242	.504	.159	.192	.431	.476	.366	.291	.231
	Cust2	.346	.295	.271	.305	.178	.160	.271	.368	.347	.308	.118
	eWOM3	.469	.333	.613	.350	.094	.204	.357	.440	.264	.250	.178
Sig. (1-tailed)	ENT1		.000	.000	.000	.001	.000	.000	.000	.000	.000	.001
	Trend2	.000		.008	.000	.000	.000	.000	.000	.000	.000	.000
	eWOM2	.000	.008		.000	.425	.184	.000	.000	.071	.307	.234

Cust3	.000	.000	.000		.093	.002	.000	.000	.000	.000	.005
Int2	.001	.000	.425	.093		.000	.005	.110	.000	.017	.000
Int4	.000	.000	.184	.002	.000		.000	.008	.000	.000	.000
ENT2	.000	.000	.000	.000	.005	.000		.000	.000	.001	.004
ENT3	.000	.000	.000	.000	.110	.008	.000		.000	.000	.086
Cust4	.000	.000	.071	.000	.000	.000	.000	.000		.000	.002
Cust5	.000	.000	.307	.000	.017	.000	.001	.000	.000		.001
Int3	.001	.000	.234	.005	.000	.000	.004	.086	.002	.001	
eWOM1	.000	.000	.000	.000	.100	.006	.000	.000	.000	.000	.097
Cust1	.000	.000	.000	.000	.013	.003	.000	.000	.000	.000	.001
Cust2	.000	.000	.000	.000	.006	.012	.000	.000	.000	.000	.049
eWOM3	.000	.000	.000	.000	.095	.002	.000	.000	.000	.000	.006

a. Determinant = .001

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.849
Bartlett's Test of Sphericity	Approx. Chi-Square	1275.755
	df	105
	Sig.	.000

Communalities

	Initial	Extraction
ENT1	1.000	.558
Trend2	1.000	.680
eWOM2	1.000	.718
Cust3	1.000	.526
Int2	1.000	.749
Int4	1.000	.689
ENT2	1.000	.602
ENT3	1.000	.603
Cust4	1.000	.804
Cust5	1.000	.766
Int3	1.000	.640
eWOM1	1.000	.767
Cust1	1.000	.673
Cust2	1.000	.447
eWOM3	1.000	.796

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component			
	1	2	3	4
ENT1	.740			
ENT3	.689			
ENT2	.672			
Trend2	.662			
eWOM3	.661	-.374		-.375
eWOM1	.657	-.404		-.362
Cust4	.655		-.466	
Cust1	.646			.458
Cust3	.614			
Cust5	.570		-.530	
Cust2	.559			
Int2	.390	.659	.400	
Int3	.406	.556	.400	
Int4	.502	.555	.358	
eWOM2	.517	-.548		

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

Pattern Matrix[a]

	Component			
	1	2	3	4
eWOM3	.862			
eWOM2	.848			
eWOM1	.825			
Trend1				
Int2		.880		
Int3		.814		
Int4		.778		
Int1				
Cust5			-.889	
Cust4			-.851	
Trend2			-.672	
Cust1				.843
Cust3				.713
ENT2				.650
ENT3				.635
Cust2				.632
ENT1				.418

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.[a]

a. Rotation converged in 13 iterations.