

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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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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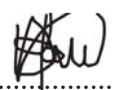
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DEDICATION

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
χ^2	- Chi-Square Goodness-of-Fit Test
χ^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 Ponnnavolu, 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 strong 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. These 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.

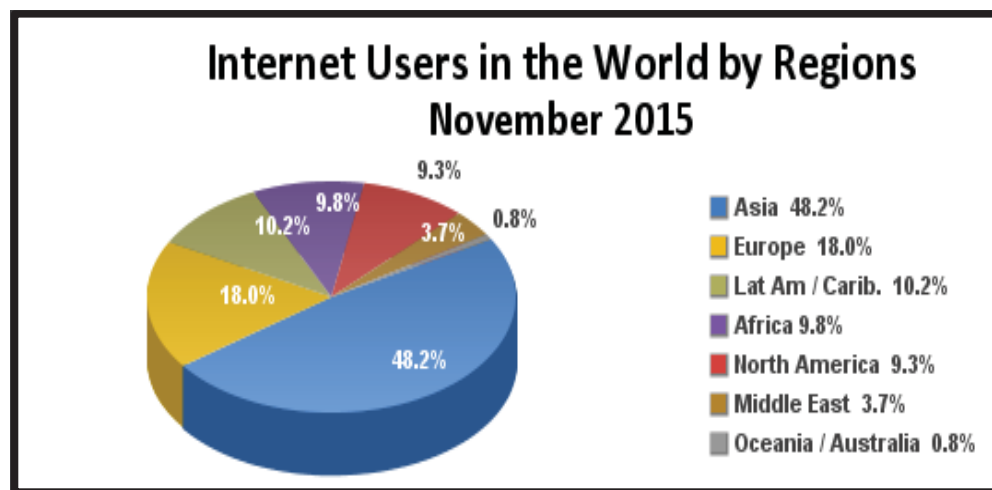


Figure 1: *Internet Users in the World by Regions November 2015* (Source: *Internet World Statistics*).

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).

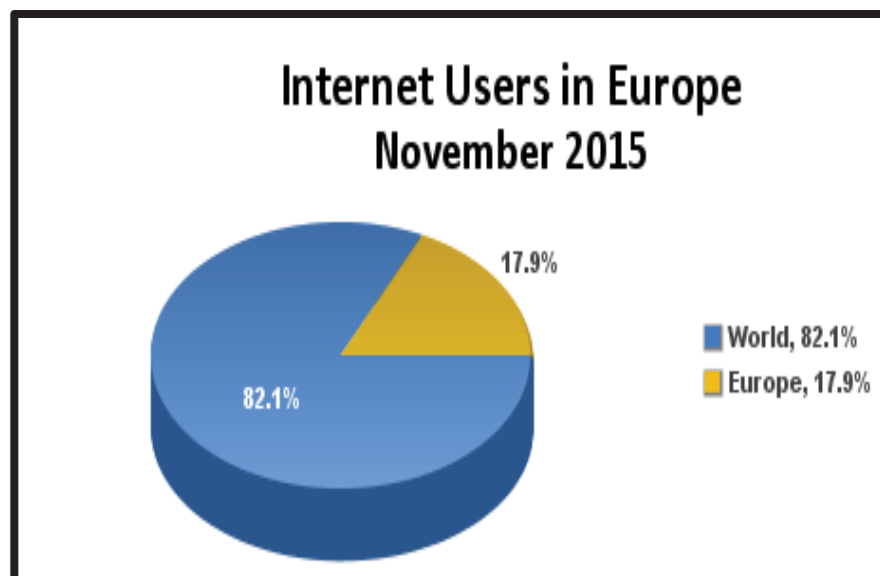


Figure 3: Internet Users in Europe, November, 2015 (Source: Internet World Statistics)

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)

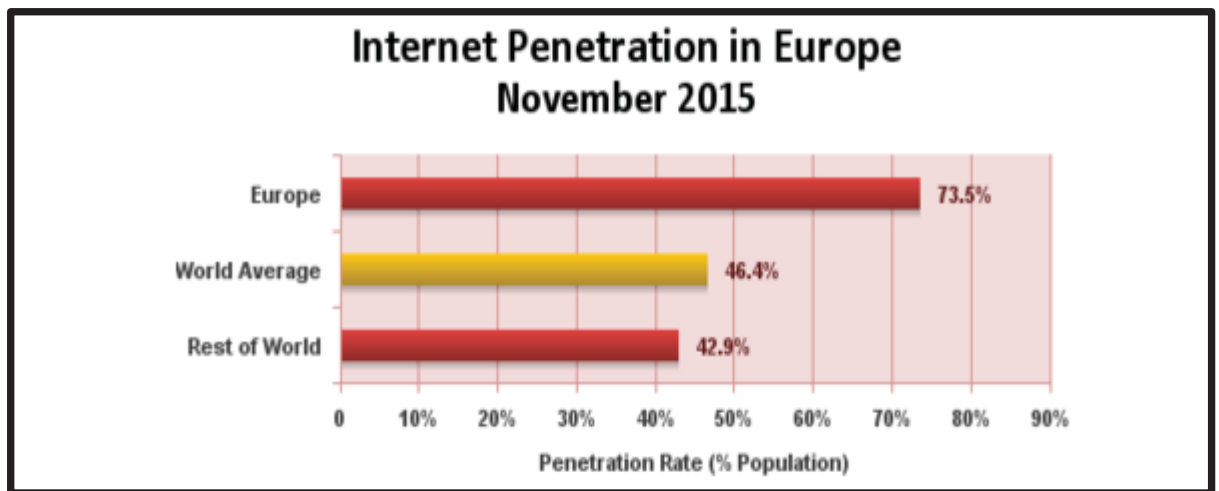


Figure 5: Internet Penetration in Europe, November 2015.

(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 turned 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, separate 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 and joint 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 which 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 marketers 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. (Blázquez, 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, electronic 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-seconds '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 from 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 for more than half a century, signifying, for example, that word-of-mouth affects most all decisions taken 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.

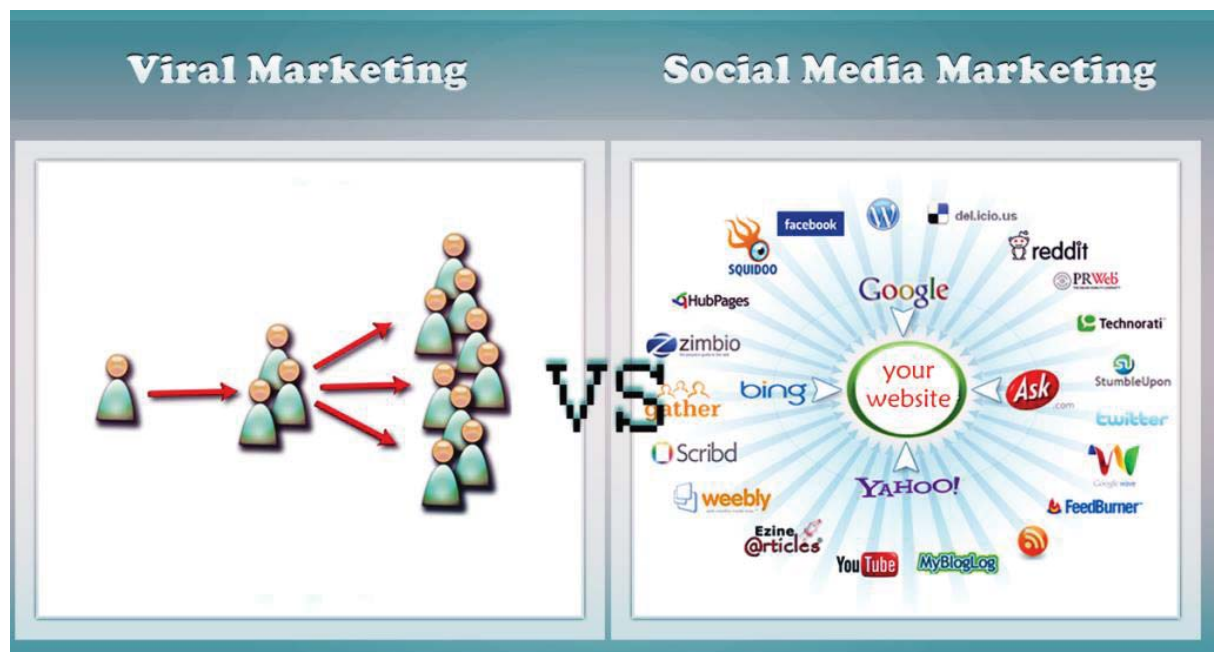


Figure 6: *The Relationship Between Social Media Marketing and Viral Marketing* (Source: FilSupport, 2013).

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 leverages 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 promote 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 promote 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 are 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, intends 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 Frankfurt, 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 from learning discussions and adapting accordingly.
	Information	Providing product information and free downloads linking to 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 daily facilitating practices inviting customers in the development of new offerings.
Consumption Consumer Input Participation Production				

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. Furthermore, 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 activities 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, the 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 commitment 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 commitment 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, dissatisfied 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.

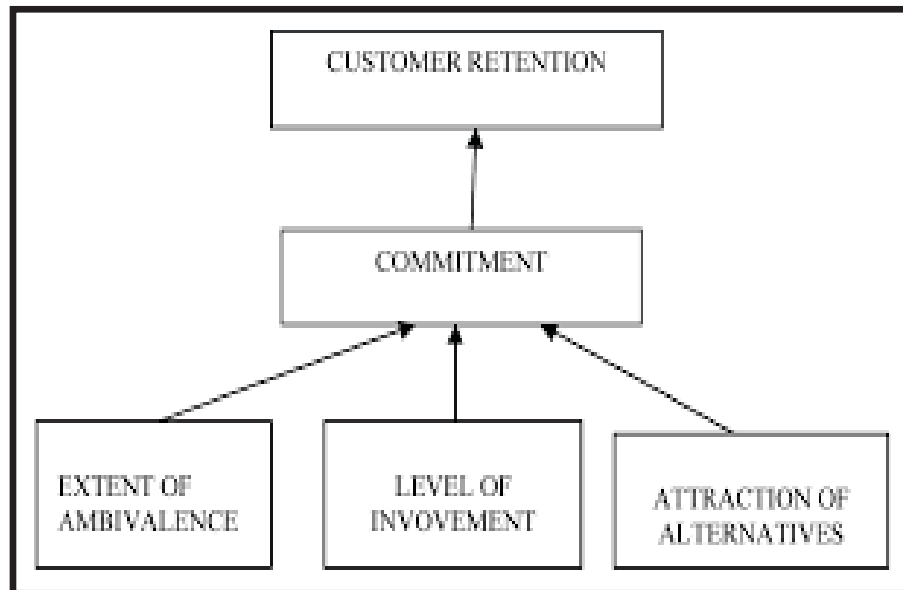


Figure 7 : Richard's Conversion Model

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
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.	in general but has not been used in the online UK retail clothing sector.
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	

Customer 's level of involvement	and Prabhu (2003), Rosemond (2013), (Jonathan et al, 2000)	using this factor has not been done in the clothing sector.
	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, milestone, badging and documenting. Two practices associated with