Corporate Social Media: Understanding the Impact of Service Quality & Social Value on Customer Behavior

Regina Connolly, Murray Scott, & William DeLone

Abstract

Companies are making major investments in platforms such as Facebook and Twitter because they realize that social media are an influential force on customer perceptions and behavior. However, to date, little guidance exists as to what constitutes an effective deployment of social media and there is no empirical evidence that social medial investments are yielding positive returns. This research provides two important and unique contributions to research and practice through the development and vali-

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dation of a meaningful measure of the service quality effectiveness of the corporate social media environment, and through the development of an important mediator construct (Social Value) that can be used to capture the user experience of a social media community. These contributions and the resulting research model provide a strong theoretical basis for researchers interested in testing the impact of corporate social media service quality and social value on customers' behavioral responses.

Companies are making major investments in Web 2.0 and social media applications with expectations of enhancing customer engagement and strengthening customer relationships in order to increase sales revenues. To date however, there is no evidence to justify these big bets on social media. In fact there is little research to help define the characteristics of an effective corporate social media platform. In other words, there is little guidance on how companies can do social media right and if they do social media right, will it have the desired influence on customer buying. Corporate social media investors are gambling in the dark. The challenge of measuring Service Quality in the social media context stems from the different purpose of Web 2.0 (i.e. participation) vs. the purpose of e-commerce applications (i.e. transaction processing). These different purposes require that the relevance of existing service quality measures developed for the e-commerce environment be assessed and that new measures which account for the unique online community building nature of social media be developed. This research seeks to do so by adapting and extending existing e-commerce service quality metrics to

the corporate social media environment.

As service quality measures the quality of the platform, but not the value inherent in the social media interaction, the unique nature and purpose of social media require that we explore other meaningful features that create value for the customer. Based on the concept of Public Value (Moore, 1995) applied to Government 2.0 applications (as developed and measured in Scott, DeLone and Golden, 2009), this research study develops a measure of the "Social Value" that customers can realize from their participation in social media platforms. It is proposed that the positive impacts of Service Quality on customer behavior are enhanced by a positive customer experience within the corporate social media community (higher levels of Social Value).

This study makes two important and unique contributions to information systems (IS) research and practice: 1) the development and validation of a meaningful measure of service quality for the corporate social media environment, 2) the development of an important mediator construct (Social Value) that captures the user experience while participating in a corporate social media community, both of which provide the basis for effective empirical tests of whether the Service Quality and Social Value of a corporate social media platform impact customer loyalty intentions and peer recommendations. To date, no one has measured the influence of perceived social media service quality on customer loyalty and peer recommendations. Neither is there any research on the influence of customer participation and engagement (Social Value) on their perception of value, their loyalty and their peer recommendations. This research therefore proposes to fill critical gaps

in our understanding of how to build and develop effective social media platforms for customers and how to deploy social media platforms that will increase customer loyalty and sales. In the next section, the theoretical background for the development of the Social Media Service Quality and Social Value constructs is discussed, and the proposed research model and hypotheses for the proposed relationships are outlined.

Literature Review

Service quality has been an issue of enduring interest to researchers across a number of disciplines with the literature providing ample evidence of attempts to identify or measure the dimensions that may influence consumer assessments of service quality (e.g. Parasuraman, Zeithaml, & Berry, 1985; Reichheld & Schefter, 2000). Service quality has been defined as the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received (Asubonteng, McCleaty, & Swan, 1996). When performance does not meet expectations, quality is judged as low and when performance exceeds expectations, the evaluation of that quality increases. Thus, in any evaluation of service quality, customers' expectations are key to that evaluation. Moreover, Asubonteng et al., (1996) suggest that as service quality increases, satisfaction with the service and intentions to reuse the service (i.e. loyalty intentions) increase.

Meeting customer service requirements is both a performance issue (whether the service satisfies the customers requirements) and an issue of conformity to measurable standards. For example, Brown and Swartz (1989)

distinguish between the consumer's post-performance evaluation of 'what' the service delivers and the consumer's evaluation of the service during delivery. The former evaluation has been termed 'outcome quality' (Parasuraman et al., 1985), 'technical quality' (Gronröos, 1983) and 'physical quality' (Lehtinen & Lehtinen, 1982). The latter evaluation has been termed 'process quality' by Parasuraman et al., (1985), 'functional quality' by Gronröos (1983) and 'interaction quality' by Lehtinen and Lehtinen (1982). Among the many tools that have been developed to measure service quality, perhaps the most frequently used instrument is that developed by Parasuraman et al., (1985; 1988). Focus group studies were used in order to identify ten dimensions of service quality that were subsequently distilled to the final five dimensions: Tangibles, Reliability, Responsibility, Assurance, and Empathy. These five dimensions subsequently formed the basis of one of the most widely adopted and robust measures of service quality termed SERVQUAL (Parasuraman et al., 1988). The theoretical basis of the instrument is the performance-to-expectations gap analysis where an organisation's service quality performance is measured against customers' perception of the relative importance of service attributes, information that can then be used to improve the organisation's service quality. The popularity of the SERVQUAL instrument is attested to by its numerous citations in the literature, where it has been used to measure service quality in a variety of settings e.g. health care (Bebko & Garg, 1995), large retail chains (Teas, 1993), fast food restaurants (Cronin & Taylor, 1992), a dental clinic, a tyre store and a hospital (Carman, 1990). Despite its popularity, a number of contentious is-

sues related to the use of SERVQUAL remain, such as the proposed causal link between service quality and satisfaction (e.g. Woodside et al., 1989; Bitner 1990), and the question as to whether one scale can be universally applicable in measuring service quality regardless of the industry or environment (Asubonteng et al., 1996; Carman, 1990; Finn & Lamb, 1991).

With the advent of e-commerce interactions and transactions, interest in service quality has evolved to include electronic platforms and has attracted considerable attention from the academic research community (Cai & Jun, 2003; Connolly, Bannister, & Keaney, 2010; Parasuraman et al., 2005; Park & Baek, 2007; Wolfinbarger & Gilly, 2003). These platforms are of particular interest as they enable new forms of service and information gathering. For example, one of the key differentiating characteristics of the evolving online environment is an increasing shift from a transaction to service focus with growing numbers of consumers using the Internet in order to search for information, to conduct their financial and banking transactions and to communicate with others via social networking sites. In this new environment, with intensifying competition for online consumers, service quality has become a key differentiator for online vendors. Consequently, it has become increasingly important to have an appropriate means by which service quality can be measured and if necessary improved. This is particularly true in the business-to-consumer electronic commerce marketplace where web vendors compete for a limited number of consumers and where consumer loyalty and peer recommendation has become a key indicator of success.

Web 2.0 represents a new chapter in the evolution of

online applications as it embodies a paradigm shift in terms of communication, collaboration and the sharing of user experiences within the online community. The greater emphasis on and exponential user uptake of user-driven technologies such as social networks, blogs and content sharing platforms is evidenced in the success of applications such as TripAdvisor, Twitter and Facebook, which empower customers to generate and share their own content, build communities and publish consumer opinions. This paradigm shift and the pervasiveness of interactive, user-driven networks have redefined the corporate Internet communication landscape. Thus, this phase of online evolution has been described (Ribiere, Hadad, & Wiele, 2010) as being people-centric, participatory, interactive, engaging, collaborative, emphasizing social interaction and one that provides new opportunities for individuals and businesses. The unique features of Web 2.0 websites are shaping the way in which commercially focused online services are being evaluated and consumed. For example, Web 2.0 networking and connectivity capabilities such as tagging, track backs, and real simple syndication are influencing the way in which consumers perceive online services and the ways in which those users consume and share them continues to evolve. As Sigala (2009) notes, in Web 2.0 enabled corporate websites, the service creation and provision as well as the generation of customer value and communication go beyond the dyadic interaction between the customer and the firm and expand to include customer networks and consumer to consumer (C2C) communication. The development of C2C communities also creates opportunities for vendors. For example, the literature (Gwinner, Gremler, & Bitner, 1998) provides evidence

that online communities provide consumers with functional, social, hedonic and psychological benefits, benefits that can assist consumers in making purchase decisions (Jahng, Jain, & Ramanurthy, 2007) and thereby translate into commercial value for vendors. However, online communities can also be used as information gathering networks by vendors to co-operate with customers to support new product development and to improve their processes (Rowley, Teahan, & Leeming, 2007). Thus, companies such as Cloriz use social media to brainstorm with customers and suppliers, whilst Ford has used social media to discuss consumers' experiences as part of the Fiesta 2009 campaign. Participatory activities such as these reflect a power shift from designing a service for customers to designing with consumers and even design by customers.

Measuring e-Service Quality

Although SERVQUAL has been widely used to evaluate online service quality, the measure is not as suitable for website service quality assessments, as it has been shown that unmodified SERVQUAL scales are not capable of capturing all the dimensions of service quality as they relate to e-commerce (Gefen, 2002). For example, SERVQUAL does not recognize the importance of and influence of customer participation or inter-customer support on service provision. While a number of attempts have been made to develop a measurement instrument for the e-commerce environment, the results have been subject to justifiable criticism (Zeithaml, Parasuraman, & Malhotra, 2002): some of the scales and dimensions employed have not been empirically validated; some of the measures used have been taken from studies on service

quality in the physical offline domain; the focus is transaction-specific or the context applicability and appropriateness of the measure is limited. For example, the 12 dimension WebQual scale (Loiacono, Watson, & Goodhue, 2000) focuses on providing website designers with information regarding the website (e.g. informational fit to task) rather than on providing specific service quality measures from a customer perspective. Similarly, the SITEQUAL scale proposed by Yoo and Donthu (2001) excludes dimensions considered central to the evaluation of website service. Finally, scholars (Parasuraman et al., 2005) have expressed caution regarding the consistency and appropriateness of dimensions used in the eTailQ scale proposed by Wolfinbarger and Gilly (2003). In summary, the effectiveness of instruments for measuring website service quality has, until recently, been less than satisfactory.

In an attempt to address this problem, in 2005, the original authors of SERVQUAL (Parasuraman et al., 1988, 1985) developed and operationalized an e-commerce service quality measurement instrument called E-S-QUAL, which consists of a four-dimensional 22-item scale that endeavors to capture the critical dimensions of service quality outlined in the extant literature. These four dimensions are derived from the work of Zeithaml et al., (2002) who identified a number of website features at the perceptual-attribute level and categorized them into 11 e-service quality dimensions (reliability, responsiveness, access, flexibility, ease of navigation, efficiency, assurance/trust, security/privacy, price knowledge, site aesthetics, and customization/ personalization) which were subsequently empirically tested and validated. Based on this testing, four main dimensions emerged. These were Efficiency (the ease

and speed of accessing and using the site); Fulfillment (the extent to which the site's promises about order delivery and item availability are fulfilled); System Availability (the correct technical functioning of the site); and Privacy (the degree to which the site is safe and protects customer information). E-S-QUAL has an accompanying subscale called e-RecS-Qual that contains items focused on handling online service recovery problems and consists of a three-dimensional, 11-item scale:

1. Responsiveness—effective handling of problems and returns through the site;
2. Compensation—the degree to which the site compensates customers for problems; and
3. Contact—the availability of assistance through telephone or online representatives.

In this instrument, e-service quality is modeled as an exogenous construct that influences the higher order constructs of perceived value and loyalty intentions. The authors justify this on the grounds that the items that represent perceived value are consistent with the conceptualization of perceived value as customer trade-off between benefits and costs (Zeithaml, 1988). The loyalty intentions construct was measured through a five-item behavioral loyalty scale developed by Zeithaml, Berry, and Parasuraman (1996).

Both the E-S-QUAL and e-RecS-Qual scales, whose specific purpose is the measurement of website service quality, have been subjected to reliability and validity tests and demonstrate good psychometric properties. For example, during their development the scales were subject to both exploratory and confirmatory factor analyses and the results obtained demonstrated high internal consis-

tency and hence reliability of each dimension in the scale. The values obtained in these analyses together with the strong loadings of the scale items on their corresponding factors (in both exploratory and confirmatory factor analyses) support the convergent validity of each scale's component dimensions. Collectively these findings provide good support for the soundness of both scales' factor structure. The authors tested the nomological validity of E-S-QUAL using structural equation modeling and the overall goodness-of fit statistics imply that the data from the samples used fit the proposed model well. These results offer further confirmation of the psychometric soundness of E-S-QUAL. Moreover, in addition to their psychometric soundness, these scales provide an important step forward in the conceptualization of e-service quality as they address and resolve many of the concerns about previous scales. For example, the E-S-QUAL and e-RecS-QUAL scales provide a comprehensive and empirically validated means of measuring website service quality from a customer perspective, thus overcoming the shortcomings of the scale proposed by Loiacono et al., (2000). They also include all of the service quality dimensions which were found to be central to the evaluation of website service quality, thus overcoming the deficiencies in the scales of Szymanski and Hise (2000) and Yoo and Donthu (2001).

Recently, E-S-QUAL and E-RecS-QUAL have been used in an eGovernment context by Connolly et al. (2010) to examine Government Website Service Quality in Ireland, specifically focusing on the Revenue Commissioners' online tax filing and collection system. Saprikis, Chouliara, and Vlachopoulou (2010) have applied the E-S-QUAL instrument in order to examine Greek university

students' attitudes toward online shopping. Of particular interest is the recent study by Meng and Mummalaneni (2010), which applied the instrument to African American and Chinese cultural settings in order to test the measurement invariance of the model (and found that it can be generalized to other cultures).

Extending E-S-QUAL to Corporate Social Media

While E-S-QUAL captures many dimensions of website service quality, it was developed prior to mass consumer uptake of Web 2.0 technologies. Therefore, it is necessary to effect a number of modifications to the instrument in order to ensure it is able to capture the unique aspects of Web 2.0 service quality that are the focus of this study. For example, E-S-QUAL measures the quality of the service delivery platform rather than the value inherent in the activities of corporate social media. Corporate social media however, provide a platform for entirely new types of interaction, community building and new forms of participation and engagement. As previously discussed, it is necessary to take a far broader view of the value inherent in the corporate service delivery process from the consumer perspective than that measured by traditional measures of economic value, which are predominantly based on transaction exchanges. Consequently, it is necessary to include measures of interactivity and empathy as dimensions of Social Media Service Quality.

Interactivity & Empathy

Inter-customer interactions are supported to a unique degree by corporate social media technologies and the literature (e.g. Chang & Chuang, 2011; Sigala, 2009; Hinds

& Lee, 2008) acknowledges the role and impact of the Interactivity construct in the online environment. Such interactivity provides valuable customer support. It can have explicit functional purposes such as enabling customers to share their opinions, advise other customers and influence their choices, but can also fulfill less obvious consumer needs such as emotional support or friendship, needs which when satisfied have the potential to increase loyalty towards the company. Rosenbaum (2006) supports this view in an examination of why specific environments, termed 'third places', can become meaningful in consumers' lives. He suggests that some consumers patronize third places to satisfy not only their consumption needs, but also their need for companionship and emotional support and that consumers may turn to their "commercial friendships" in third places for support. Interestingly, his data reveals that as the frequency to which consumers obtain companionship and emotional support from their commercial friendships increases, so too does their loyalty. Clearly, such environments provide a socially supportive role that can evolve into loyalty towards a community group hosted on a corporate social media platform.

Rosenbaum's subsequent (2008) study examines in more detail the benefits of interactivity and group cohesion outcomes to firms where he introduces the concept of Return on Community (ROC) to the services marketing domain. ROC represents the health outcomes to customers and financial outcomes to firms that materialize when customers receive social support from other customers in service establishments. He asserts that customers can obtain six types of social support from other customers: intimate interaction, social participation, physical assistance, feed-

back, guidance, and material aid. His findings show that inter-customer support provides customers with group cohesion and enhanced well-being whilst service firms that host supportive customer networks benefit from customer satisfaction, positive intentional behaviors, and the ability to charge higher prices. As C2C interactions have the potential to influence consumer perceptions of service quality, measures of Interactivity and Empathy should therefore be included in any examination of the influence of corporate social media service quality on perceived value and customer loyalty intentions, along with the previously tested dimensions of website service quality articulated in the E-S-Qual instrument. In summary, based on the above discussion, it is proposed that the service quality of corporate social media—expressed through dimensions of efficiency, system availability, privacy, responsiveness, empathy, interactivity and contact—result in the following hypotheses:

H1: The service quality of corporate social media influences customers' perception of value.

H2: The service quality of corporate social media influences customer loyalty intentions.

Social Value

A second consideration relates to the concept of inter-customer support, which has become progressively more important due to the increasing use of Web 2.0 tools in the design of online services. The literature notes (Sigala, 2009) that dimensions relevant to the social media context such as Empathy, Courtesy, Friendliness, Care and Helpfulness (and the trust outcomes that such measures generate) are missing from many e-service models; researchers

such as Petter, DeLone and McLean (2012) have characterized the continuing challenge for researchers as one in which the definition and measurement of social value will play a pivotal role. As the informational and social support that customers receive from online communities (e.g. via blogs, online communities and social networks) significantly impact the perception and provision of e-services, it is essential that a measure of perceived Social Value should be developed to complement/supplement a measure of corporate Social Media Service Quality. Thus, in order to capture the perceived Social Value of the customer experience and determine the degree to which that value influences corporate Social Media Service Quality outcomes, it was deemed necessary to develop a new Social Value construct which includes the dimensions: Influence, Participation, Well-Informedness and Trust. The relevance of these dimensions of Social Value in the context of corporate social media is now discussed is more detail.

Trust has been employed in numerous studies in e-commerce and eGovernment as an important dimension (Belanger & Carter, 2008; Carter & Belanger, 2005; Grimsley & Meehan, 2007; McKnight, Choudbury & Kacmar, 2002; Teo, Srivastava, & Jiang, 2008). Trust is often defined as an outcome variable relating to the direct experience of the user with the website, which acts as an information and service provider. Trust includes responding to requests, acting in the best interests of the customer, reliably providing a service and meeting those obligations (Jorgensen & Bozeman, 2007; Lau, 2006; Teo, Srivastava, & Jiang 2008; Tolbert & Mossberger, 2006). As such, trust relationships are understood in terms of mitigating relational risk—the risk that a partner may fail to meet its

commitments (Das & Teng, 2001; Ibbott & O'Keefe, 2004; Seltsikas & O'Keefe, 2010).

However, as relationships expand beyond the dyadic ties of traditional e-commerce (buyer and seller), the Trust dimension becomes more complex. One of the key functions of social media is to enable the participation and co-production of various outputs (products, services or content) among communities of customers and the organisation (either corporate or government). As the role of user (customer or citizen) and indeed the organisation changes, so do the parameters for representing Trust. From this perspective, it is important to develop a construct that relates to feelings of trust in the service provider as an institutional partner and co-producer of value (Stoker, 2006). Defining Trust as a form of relational risk corresponds well with the conceptualization of user partnership with an organisation in the development of value, that is, where partners trust the actions of each other and that each meets commitments or obligations in service encounters.

The specific items representing Trust in this study (see Appendix A) were adopted from a seminal article in the IS field on trust in e-commerce (McKnight, Choudbury, & Kacmar, 2002) and subsequently used and validated in various studies in e-commerce and other contexts (e.g. Connolly & Bannister, 2007). These items included measures of confidence in the perceived competence, benevolence and integrity of the social media platform and therefore examine trust perceptions in relation to various forms of interaction and transaction. The literature provides ample support for the use of these constructs as appropriate measures in the conceptualization and operationalization of Trust.

Grimsley and Meehan (2007) argue that users need to feel well-informed about issues relating to the organisation and its services. Social media provide opportunity for customers to keep informed, increase their understanding and build up their knowledge about issues of importance to them. Results from recent studies in eGovernment for example, reveal that as citizens become more accustomed to searching for information, they become more knowledgeable about issues than non-eGovernment users and as a result, more able and likely to express their opinions (Coleman 2004; Coleman 2005; Kolsaker & Lee-Kelley, 2008). By extension, various other studies postulate and identify implications for improved accountability and transparency through social media usage (Gouscos Kalikakis, Legal, & Papadopoulou, 2007; Pina, Torres, & Royo, 2007; Thomas & Streib, 2003; Wong & Welch, 2004; Yang & Rho, 2007). As such, well-informedness has been indicated to be a key benefit for social media users and a core component of Social Value.

One of the unique characteristics of social media applications is that they provide the opportunity for customers to engage with companies in order to become involved and potentially influence the organisation's decisions and policies. There are a growing number of examples of successful endeavors to involve customers and citizens amongst private and public sector organisations using social media applications (Bonabeau 2009; Culnan, McHugh, & Zubillaga, 2010; Di Gangi, Wasko, & Hooker, 2010; Gallaugher & Ransbotham, 2010; Wattal, Schuff, Mandviwalla, & Williams, 2010). The importance of engagement and the perception of being able to exert influence with companies are important components of this dimension (Coleman 2004;

Coleman 2005; Kolsaker & Lee-Kelley 2008). Such influence can be expressed through comment, discussion or negotiation and is a critical element of Social Value (Grimsley & Meehan, 2007; Jorgensen & Bozeman, 2007). Web 2.0 is an example of the role technology can play in achieving better engagement and influence through the introduction of social networking tools in companies. Web 2.0 can create interactive and collaborative platforms to bring together customers and service managers in a creative and deliberative process (Hui & Hayllar, 2010).

Despite increasing interest in the reasons and usage patterns of social network analysis, to date little attention has been paid to the importance of service provision in social media platforms. Studies have focused on consumer perception of the website service provision, however for social media platforms, e-service is also provided by customers and their social networks. Consequently, Sigala (2009) asserts that studies should also reflect increasing customer participation in corporate social media platforms and the impact of C2C interactions on the success of these initiatives. The unique nature of Web 2.0 services enables customers to participate in the social media service delivery process (e.g. via feedback, reviews, suggestions for improvement etc). The value of customers' social participation in the provision of social media services has been discussed in the literature with Bettencourt (1997) describing it as customer voluntary performance. He ascribes three key impacts of customer voluntary performance behavior: word-of-mouth promotion and recommendation of the firm; customer feedback and suggestions for improvement; and customer helpfulness and assistance to other customers or employees of the company. This implies the notion of cus-

tomers as participants and co-producers in the delivery of a Web 2.0 service, rather than non-participant experiences of service. Clearly, in order for any measure of corporate social media success to be complete, a measure of customer participation should be included as a dimension of Social Value resulting from the platform capabilities of Web 2.0, along with measures of Influence, Well-Informedness and Trust. The relationship of Social Value to corporate Social Media Service Quality is conceptualized as a mediating influence that has the potential to influence the relationship between Social Media Service Quality and resulting perceptions of value and loyalty intentions. Based on the above discussion, it is proposed that social value – expressed through dimensions of influence, participation, well-informedness and trust – result in the following hypotheses:

H3: Social value provides a mediating effect on the positive relationship between corporate social media service quality and perceived value.

H4: Social value provides a mediating effect on the positive relationship between social media service quality and loyalty intentions.

Peer Recommendation and Loyalty

Peer or person-to-person recommendation, also described as word-of-mouth intention, is an issue of considerable interest to researchers and marketing practitioners. Whilst early research in this area tended to focus on the negative aspects like customer complaining behaviour (e.g. Gronhaug & Kvitastein, 1991), the focus has swiftly progressed toward investigating the factors that influence customers to make positive recommendations. This posi-

tive focus is understandable in light of findings (Katz & Lazarsfeld, 1955) that positive peer recommendation is seven times more effective than newspaper and magazine advertising, four times more effective than personal selling and twice as effective as radio advertising in influencing consumers to switch brands.

Experienced researchers in the area of brand loyalty research such as Fred Reichheld argue that brand loyalty is one of the strongest predictors of customer recommending behaviour. He contends (2006) that there are four distinguishing characteristics of loyal customers, one of which is the fact that they are proven to be valuable sources of word-of-mouth advertising as they recommend the products and services in which they believe. In support of this, his work provides empirical evidence that demonstrates that the most effective way for an organisation to grow its business is to increase loyal "promoters" who are then likely to make positive peer recommendations. Reichheld and Markey (2011) subsequently describes these as 'net promoters' and highlights the role of loyal customers' peer recommendations in driving profits and growth. Gounaris and Stathakopoulos (2004) provide additional support for the relationship between brand loyalty and peer recommendations. Their examination of the consequences of brand loyalty found support for the relationship between loyalty and peer/word-of-mouth recommendation. Whilst they did not explicitly examine social media-based peer recommendations, it is likely that the linkage between brand loyalty and word-of-mouth recommendation extends to that context as much as to the offline context. Therefore the following hypothesis is proposed:

H5: Loyalty Intentions have a direct positive impact on

Increased Peer Recommendation.

Perceived Value and Peer Recommendation

The concept of perceived value derives from equity theory, which considers consumer input in relation to service provider output. The equity concept relates to the consumer's evaluation of what is fair, right or deserved in relation to the perceived cost of the offering. Thus perceived value has been defined (Zeithaml, 1988) as the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given. That perception of value therefore can be conceptualised as a trade off between what the consumers gets (which constitute a benefit) and what the consumer gives (which constitute a sacrifice). The 'get' or benefit components include the intrinsic attributes such as how the purchase makes the consumer feel, whilst the 'give' or sacrifice components include monetary prices and non-monetary costs such as time consumption, energy consumption and efforts. The relationship between perceived value and peer recommendations has been previously articulated in the literature. For example, Bone (1992) has contended that high levels of service quality leads to perceived value as well, consequent increased satisfaction and stimulates positive word of mouth, whilst researchers such as Soares and Costa (2008) have empirically demonstrated perceived value to be consistent antecedent of word-of-mouth activity. Much of the literature has focused on positive behavioural outcomes resulting from positive assessments of value. However, the opposite may also occur and Hirschman (1970) has proposed that customers have two options when faced with unmet expectations, which result in a negative as-

sessment of value, which are to voice their dissatisfaction or exit the relationship. Whilst negative perceptions of value have the potential to result in negative word of mouth, the opposite also applies i.e. customers' positive perceptions of value can stimulate positive word-of-mouth recommendations. Therefore the following hypothesis is proposed:

H6: Perceived Value has a direct positive impact on Increased Peer Recommendation.

Proposed Research Model

Figure 1 presents the proposed research model containing the theoretical constructs representing Social Media Service Quality and Social Value along with the hypothesized casual associations between constructs.

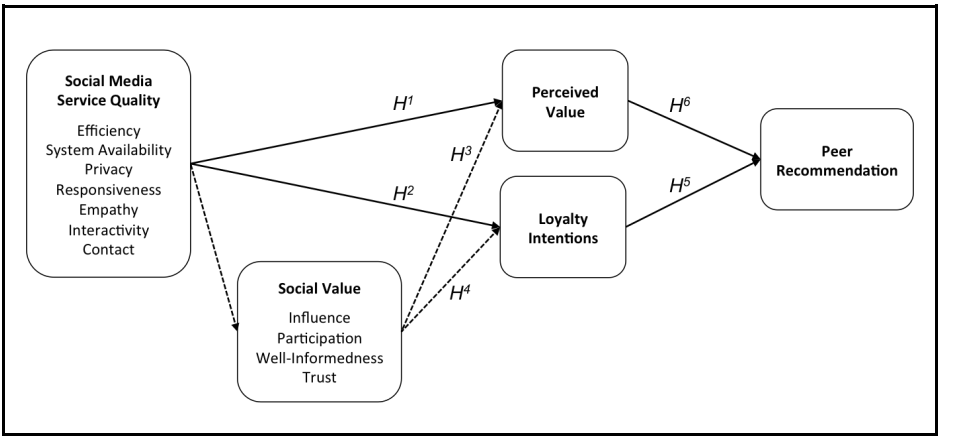

Figure 1. Corporate Social Media Success Model

The outcome variables displayed in Figure 1 were chosen in order to create a reliable reference point for the evaluation of this evolution of the E-S-QUAL instrument and also to examine the influence and relative importance

of the Social Value construct. Whilst Parasuraman, Zeithaml, and Malhotra (2005) include Perceived Value and Loyalty Intentions as important outcome predictors of E-S-QUAL, this model was augmented with a final outcome variable Peer Recommendation in recognition of the important community nature of social media. As a result this research intends to test the nomological validity of the proposed model, an essential element of construct validation and to determine if the new measures behave as expected in a well-defined theoretical model (Bagozzi 1981; Straub, Boudreau, & Gefen, 2004). This study proposes that Social Value contributes a mediating influence on the association between Social Media Service Quality and Perceived Value and Loyalty Intentions because Social Value dimensions have the potential to enhance the positive effect of service quality on perceptions of overall value and customer loyalty (Sigala, 2009). It therefore makes an important distinction between the quality of service features and functions of the platform and social value that arises from inter-customer support and community engagement associated with social media.

Conclusion

This study makes two contributions to IS research and practice: 1) the development of a meaningful measure of service quality for the corporate social media environment, and 2) the development of a new construct (Social Value) that captures the user experience while participating in a social media community, both of which are necessary to examine whether and to what degree Social Media Service Quality and Social Value (customer experience) positively impact customer perceived value of the social media, cus-

tomer loyalty intentions and peer recommendations. A positive relationship between social media investments and sales revenue and ROI have been long assumed but never empirically validated. This work provides the conceptual basis for examining the relationship between high quality social media applications and valuable customer experiences with improved customer loyalty and referrals. In doing so, it provides a critical step forward in our understanding of the corporate social media environment and the factors that influence consumer behavior within that context.

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