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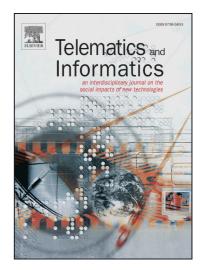
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### Benefits of Facebook Fan/Brand Page Marketing and Its Influence on Relationship Commitment among Generation Y: Empirical Evidence from Malaysia

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Abstract

This study aims to understand the influence of relational benefits of Facebook brand/fan page towards relationship commitment among Generation Y. Additionally, this study also investigates the mediating effect of customer satisfaction on the relationship between relational benefits and relationship commitment. A total of 195 sets of online questionnaire were collected using snowball sampling method for the statistical data requirement of SmartPLS. The analysis found significant positive relationships between relational benefits and relationship commitment, however, only on social, functional, and special treatment benefits. Surprisingly, the findings also showed an insignificant mediation effect of customer satisfaction on the relationship between relational benefits and relationship commitment. The research findings are valuable to both the theoretical and businesses adopting social media as a marketing strategy. Marketers employing the Facebook or other social media in catering and reacting to the Generation Y needs will benefit the most; securing their confidence and loyalty towards purchasing a certain brand.

Keywords: Facebook Marketing, Relational Benefits, Relationship Commitment, Customer Satisfaction, Generation Y, Malaysia

#### 1.0 Introduction

The prevalent use of social media has changed our ways of communicating with others, especially the business owners and their customers. Williams et al. (2012) explained how the existence of social media had redefined the relationships between technology, communication, brand, and media. Meanwhile, Hanna, Rohm and Crittenden (2011) concurred and emphasised that marketers must use social media concurrently with traditional marketing activities. This is due to the unique feature of social media which allows for a two-way communication between a consumer and a business (Mikalef et al., 2013; Rapp et al., 2013). Nowadays, there are various social media applications or platforms available in the market. It has become a routine for everyone with an internet access to communicate and connect with other people via social media, such as WhatsApp, Facebook, and

Twitter. With the rapid increase of social media users both in Asia and worldwide, this study is keen to identify the key benefits perceived by the Facebook users on the Facebook brand pages that they logged into (based on the Likes and other interactions on the Facebook pages). Accordingly, this current study effort is deemed important as Kim and Ko (2012) advocated that firms must consider the engagement of social media in attracting and eventually retaining their customers by understanding how the social media influence them.

Importantly, the relationship between Generation Y and the extensive use of social networks or media is deemed inseparable. Generation Y or best described as the digital native were brought up alongside the digital and technological environment (Toh et al., 2011). They were the first generation to actually born and grew up in the digital environment (Park and Gursoy, 2012). Accordingly, Bolton et al. (2013) suggested that such rapid improvement in digital technology would have an extensive influence on the digital native's living, working, and communicating styles. A study by Smith (2010) in the United States reported that the Facebook users is monopolised by Generation Y. A significant number of the Facebook users are at the aged between 16 to 34 years old; a clear indication of the importance to understand this particular group.

To date, most of the studies on Generation Y and the social media focused on the relationship between brands and consumers, specifically on the pattern and usage (Bolton et al., 2013; Kim and Ko, 2012). Notably, only a few studies (e.g. Mikalef et al., 2013; Sandes and Urdan, 2013; Zainal et al., 2017) examined the effect of an electronic word-of-mouth (e-WOM) on the purchase intention. Despite the growing popularity of social media in marketing practice, there are limited studies on social media, especially Facebook in relation to the determining factors of Generation Y's relationship commitment towards brands in Facebook (Kim and Ko, 2012). The gap provided an opportunity for this present study to empirically investigate the social media benefits and how they influence customer satisfaction and commitment, especially among Generation Y.

Yen and Gwinner (2003) explicated that the current literature had shifted focus from the benefits of long-term relationships for companies to the customers. In a similar vein, Kasavana, Nusair and Teodosic (2010) highlighted the issue of how customer loyalty and satisfaction can be improved through social networking. Ariff et al. (2014) revealed the importance of inducing the customer's enjoyment in social networking to influence the users' e-satisfaction. Customer e-satisfaction, however, is mainly concerned with the degree of customers' online shopping experience (Gounaris et al., 2010). Moreover, the current trend of social media-related literature are mostly concern about the technological aspect of the sites, namely the Ease of Use or Perceived Ease of Use, in ensuring the users' satisfaction (Al-Hawari, 2013; Salimon et al., 2014) and the impact of trustworthiness (of the website) in influencing the customer's e-loyalty and e-satisfaction (Winnie, 2014). Other increasing trend in the literature are customer satisfaction in online tourism (website of tour operators or businesses) (Moharrer et al., 2013), online hotel customer e-satisfaction (Polites et al., 2012) and sport website quality (Hur et al., 2011). The literature mainly concerned with the use of Web 2.0 in influencing the customer satisfaction and loyalty; lacking in the context of a specific Web 2.0's extension, that is the social media.

Adopting the relational benefits approach, the marketers and small to medium business, in particular, could benefit from understanding the benefits perceived important by the Facebook users when they engaged in Facebook brand pages. Businesses could eventually engage their customers through the social media platforms, specifically Facebook, and boost the customer satisfaction and commitment. Chu and Kang (2014) advocated the need to include more related factors in understanding the relational benefits. They also proposed to complement the existing literature of service benefits with a broadened concept of other services to cater for the users' diverse cultural background and various characteristics. There are few studies that linked service benefits and service innovation, however, the focus should be on the different customers' background because it leads to the difference in perceived benefits (Gwinner et al., 1998; Su et al., 2009). Therefore, this study aims to investigate the relational benefits and relationship commitment among Generation Y.

Based on the abovementioned contention, this study aims to examine the relational benefits as perceived by Generation Y users towards the Facebook fan/brand company pages and their satisfaction, and how this may lead to the committed relationships between the companies and customers/users. This study is consequential not only academically in understanding the social media marketing impact on Generation Y, but also theoretically to the marketers who approached their customers through the social media that served as an advertising tool. To a certain extent, this study will enhance their understanding and improve their marketing strategies to cater the needs of their targeted group, among others, the Generation Y. The strategies might gain the group's confidence to purchase and augment their loyalty towards the company.

#### 2.0 Literature Review

#### 2.1 Theoretical Foundation – Relationship Marketing; Relational Benefits Method

This study adopts the Relational Benefits approach to explore the perceived benefits of engaging in Facebook fan/brand page among Generation Y. According to Martín-Consuegra, Molina and Esteban (2007), there are numerous companies' strategic plans and marketing research efforts and the relationship marketing is at the leading position. They further explained, "This is a consequence of the total redefinition of the function or marketing, which many authors agree supersedes the transactional paradigm" (p.2). Relationship marketing is not a new field and has been in the marketing academic literature for a long time since its inception (Morgan and Hunt, 1994). Initially, the popularity of relationship marketing was attributed to the increase in direct marketing in the academic and business literature (Sheth and Parvatiyar, 1995). Accordingly, they suggested that because of the increase in the degree of emotional attachment with the parties directly dealing with each other, a better understanding of one another will be formed; hence, a foundation for a relationship (Sheth and Parvatiyar, 1995). Moreover, the emerging interest in relationship marketing is attributed to few reasons; the rush in technological growth constantly changes the field of the relation between customers and companies, the customisation of products and services in the market, and the most imminent are the fact that "direct interface" has returned in all markets.

The relational benefits approach key objective is to understand the customers' motivations for engaging in and maintaining a long-term relationship with the service providers; presumably the motivations stem from anticipation of positive outcomes/benefits (Hennig-Thurau et al., 2002; Kinard and Capella, 2006; Koritos et al., 2014). For service businesses, strong customer relationships are particularly important because of their inherently interpersonal focus and the relative lack of objective measures for evaluating service quality (Czepiel 1990). The benefits that the customers received from a long-term relationship beyond the core service performance are the relational benefits of the approach (Bendapudi and Berry, 1997; Gwinner et al., 1998; Hennig-Thurau et al., 2002; Kinard and Capella, 2006). The theoretical framework of relational benefits outclasses the expectancy value frameworks (Ajzen and Fishbein, 1980). Apparently, the relational benefit is able to capture the discrepancy effect between the expectations and perceptions of relationship benefits on the intentions/behaviours via its effect on satisfaction; thus, this approach is rather valuable in the academic field of marketing (Oliver, 1997).

Various typologies for organising the benefits consumers pursue from their relationship with the service providers have been suggested by researchers in the field of relationship marketing (Koritos et al., 2014). According to Gwinner et al. (1998), the relationship development is the result of three types of relational benefits, in addition to any functional benefits, namely: *Social* benefits, which refers to the customers' developed connection and identification with the company and its stakeholders; *Special treatment* benefits explains the individualised additional services customers might receive due to a long-standing relationship with the company; and *Confidence* benefits entails the customers' trust in the provider's competences.

Early empirical studies in the area of relationship marketing examined the derived benefits of relational exchanges from marketers view only (Bitner, 1995; Reichheld, 1993). Several studies were conducted in the recent years to discuss various benefits the consumers gained from this relationship in the form of functional, relational, and social benefits (Bitner, 1995; Gwinner et al., 1998; Mittal and Lassar, 1996). These benefits ultimately resulted in customer satisfaction which leads to a

higher level of customer retention and loyalty (Anderson and Sullivan, 1993; Bolton, 1998; Fornell, 1992) and repurchase intentions. Seiders, Voss, Grewal and Godfrey (2005) found that customer and marketplace characteristics play a significant moderating role and relational factors have a positive direct influence on repurchase behaviour.

Relational benefits are benefits associated with the product, such as social benefits of the product, customisation benefits, economic benefits, and symbolic benefits (Chen and Hu, 2010; Koritos et al., 2014). The consumers usually would examine the benefits when purchasing a product and every consumer has a different perception towards the relational benefits when buying a product (Dimitriadis, 2010). Consumers used the environmentally friendly product due to their consciousness about the environment. Sometimes consumers bought the product because it is cheaper than other alternatives. Thus, a firm can maintain its customer loyalty through the customer's satisfaction and sense of trust. Firms could increase customer satisfaction by increasing the benefits associated with the product. Loyalty has been the primary concern in marketing planning for different reasons, including global competition, market saturation, technological development, and customer awareness. Customer retention is not determined solely by the price; rather, it is the quality of product and services that will preserve a long term relation between the customers and the company. It is imperative to increase and retain loyal customers, which in the long run may serve as the major factor for the corporation success. Corporations attempt to engage and satisfy customers and build a long-term relationship by building customer loyalty (Akhter et al., 2011; Chang and Chen, 2007).

#### 2.2 Relationship Commitment

The extant literature established that relationship commitment acted as a mediator between relational benefits and customer loyalty. The relationship of relational benefits and customer loyalty is related to the relationship marketing. In relationship marketing, the relationship commitment was found to be a potential driver of customer loyalty (Bendapudi and Berry, 1997; Gustafsson et al., 2005; Morgan and Hunt, 1994). Accordingly, Hennig-Thurau et al. (2002) defined relationship commitment as the customer's long-term orientation towards a business relationship, grounded on

both emotional bonds and the customer's conviction that remaining in the relationship will yield higher net benefits than terminating it.

#### 2.3 Customer Satisfaction

A number of researchers found that customers' satisfaction and loyalty can be increased through a relationship building (e.g. Czepiel, 1990; Reynolds and Beatty, 1999; Romadhoni et al., 2015). In this present research, customer satisfaction is integrated into the conceptual model because numerous studies agreed that relationship building would lead to customer satisfaction and relationship commitment; thus, it is an important determinant of the relationship commitment. According to Gounaris et al. (2010), customers are satisfied when the service delivered fulfilled their needs. It would be even better if the service delivered exceeded customers' expectations. Therefore, customer satisfaction can also be described as the difference between customer expectations and service delivered (Romadhoni et al., 2015). In other words, customer satisfaction is the result of customers' perception of the value they receive in a relationship (Moharrer et al., 2013). In this research, the customer satisfaction would take only one form; the customer e-satisfaction toward a specific Facebook brand page as defined by Anderson and Srinivan (1993), the customer's satisfaction with regard to prior experience he or she had with a given firm, or in this study, the brand operating in an online environment, which in this case the social media platform.

#### 2.4 Relational benefit

Liu, Huang, and Chen (2014) presented a simple example of relational benefits; dining in a restaurant. Meanwhile, Chen and Hu (2010) explained that customers do not just purchase products from a company, they also expect to receive relational benefits from the service provider. Therefore, in regards to the example, the relational benefits of dining in a restaurant may include customer expectation of a pleasant atmosphere of the restaurant and a pleasurable exchange with the service providers and other customers in the restaurants, as well as a personalised service (Liu et al., 2014). Once again, this study used the relational benefits approach as part of the relationship marketing, which emphasised the importance of having a continuous relationship between the customers and the companies. In this case, the positive outcomes of customer satisfaction as highlighted above included the commitment and brand or customer loyalty. The extant literature suggested that to have a sustainable long-term relationship between companies and the customers, it is of importance for the companies to ensure their customers have relational benefits within the relationship. In other words, the shift from the business perspective to customers' point of view in the academic literature is noteworthy.

There are various types of relational benefits investigated in both the academic and marketing literature (Gwinner et al., 1998; Hennig-Thurau et al., 2002). The initiation of Relational Benefits approach of Relationship Marketing can be traced back to a research by Gwinner et al. (1998). The empirical study examined the diverse positive results (benefits) of customers' experience while being in a relationship with an organisation. Three key benefits were observed in the study; confidence benefits, social benefits, and special treatment benefits (Gwinner et al., 1998). The researchers added a few other benefits, namely reduced anxiety and a secure feeling with the service provider, or the confidence benefits described as psychological benefits. The sentiment of trust a consumer could have in dealing with an organisation will be connected to this type of benefit as it developed over time. Thus, the different types of relational benefits deemed important in this research are explained as follows:

#### 2.4.1 Social Benefits

Social benefits denote "the need of the customers for social bonding and familiarity in dealing with someone" (Gwinner et al., 1998). This is the first type of Relational benefits often used in social research pertaining to the benefits of service received by the customers. Accordingly, Yen and Gwinner (2003) explained that social benefits include the emotional side of the relationships, the customers' personal recognition by the employees and the friendship forged between them. This includes the close relationship with a salesperson, which brings joy to the customers (Reynolds and Beatty, 1999). Evidently, customers received Social benefits from a good relationship with the service provider or retailer, though it is more common in conditions where personal contact exist. Nevertheless, in the case of the ever-increasing popularity of social media, the personal interaction could be triggered more extensively because of the online environments accessibility. Accordingly, it is important to incorporate the social benefits aspect in the conceptual model as part of the relational benefits because social bonding need is in line with the social media concept; where people would gather to interact with each other. Therefore, this study proposed the following hypotheses:

H1a: Social Benefits has a positive effect on Relationship Commitment.

*H2a:* Social Benefits has a positive effect on Customer Satisfaction.

#### 2.4.2 Confidence Benefits

Another type of relational benefits is confidence benefits, which can be defined as "the customers' desire for reduced risks, reliability, and integrity of the company they are engaging with in a relationship" (Gwinner et al., 1998). Confidence benefits comprise the feeling of comfort and security towards an organisation as well as the feeling of trust and confidence in an organisation (Gwinner et al., 1998). In fact, regardless of the type of service, confidence benefits are still the most important type of relational benefits in terms of face-to-face encounters (Yen and Gwinner, 2003). In the context of a business environment, Su et al. (2009) explained that confidence benefits seem to be a vital variable in the e-business. This is also related to the fact that the customers are mostly concerned with trusting online businesses. Compared to impersonal communication, personal

communication is perceived to be an extra dependable foundation by the customers (Hennig-Thurau et al., 2002), that may lead to probable information disbelief given via Facebook Brand page by businesses. The company should ensure that the customers' reservation towards information shared by the company is kept minimal. This is crucial for building a good relationship, which will lead to customers' loyalty. In this study, the confidence benefits would be incorporated in the model because the online relationships through the social media, especially Facebook, may be impaired if the company does not convey enough confidence to their customers. Therefore, this study proposed the following hypotheses:

H1b: Confidence Benefits has a positive effect on Relationship Commitment.

H2b: Confidence Benefits has a positive effect on Customer Satisfaction.

#### 2.4.3 Functional Benefits

The third dimension of relational benefits approach is the functional benefits. Reynolds and Beatty (1999) reported that functional benefits incorporated special treatment and confidence benefits, which have already been included separately in the conceptual model of the study. Nevertheless, some researchers argued that the knowledge element is part of functional benefits (Parra-López et al., 2011; Paul et al., 2009). Wang and Fesenmaier (2004) corroborated in their research that when the customers do an online search, they would look for functional benefits to fulfil their specific needs. In other words, the functional benefit, in terms of knowledge seeking or information gathering, influences the customers' decision-making process. As mentioned earlier, functional benefits encompass special treatment and confidence benefits, however, the functional benefits of this study also include the knowledge aspect, which was excluded from the other type of benefits. This aspect would not cover the confidence and special treatment benefits as they were treated separately; in fact, these benefits were originally applied variables in a research by Gwinner et al. (1998). Several other researchers also employed a similar approach (e.g. Chang and Chen, 2007; Kim, 2009; Lee et al., 2008; Ruiz-Molina et al., 2009). Therefore, this study proposed the following hypotheses:

*H1c:* Functional Benefits has a positive effect on Relationship Commitment.

*H2c:* Functional Benefits has a positive effect on Customer Satisfaction.

2.4.4 Special Treatment Benefits

Yen and Gwinner (2003) indicated that special treatment benefits are related to special deals and

treatment, which is unobtainable to non-relational customers. There are several instances of such

benefits, including faster services, price drops, and individualised added amenities (Hennig-Thurau

et al., 2002; Kim, 2009; Lee et al., 2008). In fact, a company could apply the special treatment

benefits approach to show appreciation towards their loyal customers through reward or extended

core service (Lee et al., 2008). The social media is deemed an additional service by the organisation;

it facilitates a better and closer relationship with the customer in its effort to build brand loyalty.

Therefore, in this present research, the special treatment benefits is integrated into the conceptual

model to examine whether the use of Facebook Brand/Fan page by the organisations will be

perceived as beneficial to their customers, specifically among the Generation Y users. This type of

benefit could enhance the organisations' understanding towards the Generation Y preference.

Therefore, this study proposed the following hypotheses:

H1d: Special Treatment Benefits has a positive effect on Relationship Commitment.

*H2d:* Special Treatment Benefits has a positive effect on Customer Satisfaction.

2.4.5 Hedonic Benefits

Hedonic benefits are the type of benefits used the least in scholarly literature. In this particular

standpoint, customers are actively seeking inclination in their undertakings (Wang and Fesenmaier,

2004). Accordingly, Wang and Fesenmaier (2004) argued that as one pursue enjoyment and

entertainment, one must also take into account the experiential aspect when comes to information

searching process. This study views the hedonic benefits as the customers', specifically Generation

Y, feeling of pleasure when using the Facebook Brand/Fan page to search for information on certain

brands or company of their choice. For instance, according to Wang and Fesenmaier (2004), in the

entertainment to people, thus, it is worth to consider this perspective in the conceptual model of the study. This element will help organisations to consider adding interactive features and/or fun factors in their Facebook Brand/Fan page accounts so as to build a higher satisfaction and stronger relationship with their customers. Nevertheless, the Generation Y may or may not consider such benefits as important, thus, this should be explored further. Most users generally used social media mainly for fun and leisure activities. Therefore, this study proposed the following hypotheses:

H1e: Hedonic Benefits has a positive effect on Relationship Commitment.

H2e: Hedonic Benefits has a positive effect on Customer Satisfaction.

#### 2.5 Application of the Relational Benefits Approach in the context of Social Media

Over the years, the relational benefits perspective was used gradually in the online settings albeit some concern over its usage in studying the online environment, particularly, the social media network. Yen and Gwinner (2003) suggested that the relational benefits approach is principally useful in the context of face-to-face relationships between a consumer and a salesperson. A customer-salesperson relationship is defined as when both parties know each other; this relationship constitutes a series of interaction (Czepiel, 1990). With the introduction, development, and an extensive use of the Internet and its capabilities, the customer-salesperson personal contact has gradually lessened. Thus, this progression triggers the interest in exploring the online environment relationships through the relational benefits approach. Yen and Gwinner (2003) were among the earliest to investigate the influence of relational benefits in the online environment with noteworthy outcomes, such as satisfaction and loyalty. They found this method to be relevant even in the online context. Despite numerous application of the relational benefits approach in an online context, few researchers had actually examined the existence of relational benefits within the context of a specific environment of the social media. In fact, the existence of relational benefits approach within the academic literature of social media relations between consumers and business owners were generally separated. The business or service providers, for instance, the retailers, being active in social media,

is rather vague. Hence, it is of high importance to study the environment academically because the social media personal encounter is capable of reintroducing the online environment.

2.6 Mediating Effect of Customer Satisfaction on Relational Benefits and Relationship

Commitment

The customer satisfaction is the key mediator to be considered in the relationship marketing and service quality theory (Hennig-Thurau et al., 2002; Reynolds and Beatty, 1999). Hennig-Thurau et al. (2002) suggested the relationship satisfaction and relationship commitment proved to be mediators between relational benefits and relationship marketing outcomes. These mediators allow for a full understanding of the relationship between relational benefits and customer loyalty. Their research showed that relationship satisfaction and relationship commitment have a strong and significant effect on customer loyalty (Hennig-Thurau et al., 2002). In a similar vein, Reynolds and Beatty (1999) agreed that customer satisfaction proved to have a positive influence on customer loyalty. However, Yen and Gwinner (2003) found the opposite in their study. In terms of commitment, Gutek et al. (2000) suggested the customers are more loyal when they are in a close relationship with an employee of a specific firm. Perceived quality of performance is the main determinant for satisfaction and consumers are satisfied apart from the products sold (Reynolds and Beatty, 1999). Therefore, the following hypotheses are proposed:

- H3: Customer Satisfaction has a positive effect on Relationship Commitment on the Facebook Fan/Brand Page.
- H4a: Customer Satisfaction mediates the effect of Social Benefits on Relationship Commitment among Generation Y.
- H4b: Customer Satisfaction mediates the the effect of Confidence Benefits on Relationship Commitment among Generation Y.
- H4c: Customer Satisfaction mediates the the effect of Functional Benefits on Relationship

  Commitment among Generation Y.

- H4d: Customer Satisfaction mediates the effect of Special Treatment Benefits on Relationship

  Commitment among Generation Y.
- H4e: Customer Satisfaction mediates the effect of Hedonic Benefits on Relationship Commitment among Generation Y.

#### 2.7 Social Media – Facebook (Fan/Brand Pages)

According to Boyd and Ellison (2008), social networks is defined as 'web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system'. In this era of globalisation and liberalisation, companies have developed various strategies to communicate effectively and efficiently with their customers. With the technological tool such as the smartphone, companies are able to reach their customers effortlessly through the social media platform. This platform enables companies to share, deliver, and exchange information wirelessly and instantaneously, which is an additional marketing channel. With the growing number of people using social media as a means of communication, companies believed their marketing messages can easily be communicated to the customers and it is a great way of word-of-mouth doctrines (Cvijikj and Michahelles, 2013, 2012; Richter et al., 2011). Hanna et al. (2011) suggested the evolvement from one-to-many to one-to-one way of communication when the customers require further information or assistance depending on their needs. Facebook and Twitter are the two major social networks used ubiquitously and this fact is acknowledged by both the private and government sectors. Facebook is the largest and most prevalent social network and millions of people reportedly are using Facebook actively and it has become part of people daily routines (Richter et al., 2011). Consequently, this is one of the reasons why this study chose to look at Facebook as one of the social network marketing strategies. Companies opted for Facebook because the features on the social network are appropriate and userfriendly. Cvijikj and Michahelles (2012) mentioned that Facebook offers five marketing possibilities, namely (1) ads availability, (2) Facebook Brand Pages, (3) Plugins, (4) Sponsored Stories, and (5) Applications.

The customer will be able to personally chat with or private message the companies through their official Facebook pages at any time they choose. However, despite the companies gradual adoption of the social media marketing, the traditional marketing techniques are still relevant; hence, a mix approach marketing is ingenious. It is an advantage for the companies to have an electronic medium as they can communicate easily with their worldwide customers (Mangold and Faulds, 2009). The customers' feedbacks open up a room for improvement and an opportunity to enhance the company's services and to learn more about the customers' needs. In other words, it can establish endless competitive ideas and value creation (Palmer and Koenig-Lewis, 2009).

Brand page or brand communities can be a valuable and successful medium for marketing and help to increase the company's sales and performance (Adjer et al., 2010; Muniz and O'Guinn, 2001). Marketing tool such as Word-of-mouth (WOM) is influential in promoting information and a powerful source of persuasion (Duan et al., 2008). With the focus on non-transactional customer behaviour, social networks were used as a medium of communication between the companies and customers (Kaplan and Haenlein, 2011). Brand communities interactions that involve information exchange, opinions, and questions will engage the customers with the communities and thus form a WOM situation (McAlexander et al., 2002). This new marketing approach is a means for consumers to describe their personal experiences, interactions, and relationship (Brodie et al., 2013). An early definition of brand communities engagement is the customer's motivation to communicate with community members (Algesheimer et al., 2005). This has been used widely in the marketing literature with other definitions to fit a given context.

Previous studies investigated social media in various settings, such as academic, medicine, business, and police force. The studies examined the social media role in promoting information exchange, users interactions, and information privacy (e.g. Caci et al., 2012; Ferri et al., 2012). Several studies on brand communities focused mostly on customer satisfaction, consumer value, loyalty, trust and commitment, and emotional (Casaló et al., 2007; Chan and Li, 2010; Hollebeek, 2011). In addition,

some studies investigated how leading companies increased profitability through their marketing strategies (Casaló et al., 2007; Chan and Li, 2010; Hollebeek, 2011; Kumar et al., 2010). Several researchers suggested further investigation in order to comprehend the current phenomenon of social media marketing, the outcomes (performance, cost, others), and how customers perceive the relationship between social media marketing and Generation Y.

#### 3.0 Theoretical Framework

Based on the literature review and the discussion presents in Section 2 the following research model is developed.

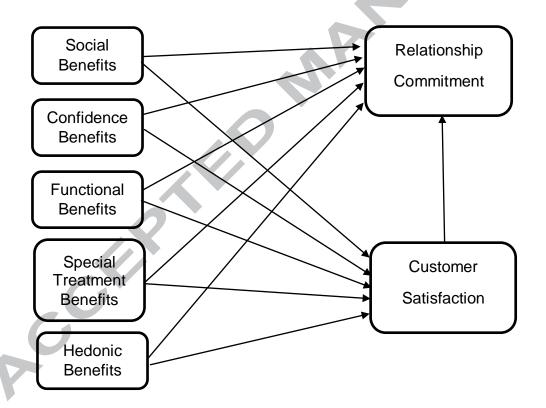


Figure 1: The Research Model

#### 4.0 Research Design

The sample of the present study is made of Generation Y who are the social media users (Facebook) and the data were collected online. No specific demographic was set except the population are social

media (Facebook) users of age between 15 and 34 years old. The respondents must be from this specific range of age to qualified as Generation Y (Toh et al., 2011). Accordingly, the appropriate sample size is based on the constructs of the previous literature. Sekaran (2012) suggested that the parameters of the population should be represented by the sample statistics which were believed and applied therefore must be appropriately acknowledged. Hair et al. (2006) mentioned that the factor analysis requires a minimum sample size of at least five times the number of measurement items in the study. This present study has 34 measurement items adapted from previous literature, thus, the appropriate number of sample size would be at least 180 respondents. Data collected from the targeted sample via surveys were analysed using Partial Lease Square (PLS) data analysis. Accordingly, this research used SmartPLS (Ringle et al., 2005) version 2.0 for data analysis and to measure the structural model of the thesis. The following research model was used in this study as shown in Figure 1.

#### 5.0 Empirical Results

#### 5.1 Profile of Respondents

The demographic profile of the respondents comprises Generation Y of Facebook users aged 35 years and younger. This is to have a generational preference towards the research proposed model of relational benefits on social media, specifically the Facebook brand or company pages. Data were collected using the survey generated from Google Form and distributed online via social media (Facebook and WhatsApp), which resulted in 195 usable respondents. Approximately 50.3% of the respondents aged between 18 and 25 years and 31.8% aged between 26 and 30 years old. The respondents consisted of mostly students (37.4%) followed by private sector employees (24.1%), and the average disposable income was less than RM2, 000 per month (51.3%). Around 89.7% of the respondents were considered as very experienced in Facebook, having using the social medium for more than four (4) years. Evidently, four (4) main reasons for the respondents to "like" or "join/follow" the companies' or brands' Facebook pages are: 1) to support the Brand/Company (20.0%), 2) to learn more about Brand/Company (20.0%), 3) to get the latest news on the Brand/Company's products/services (17.9%); and 4) to take part in the special offers, competitions, and campaigns.

#### 5.2 Descriptive Analysis

The variables were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The results showed that the mean scores for each variable of relational benefits in this study vary from 2.95 to 3.50, indicating a moderate perception towards all dimensions of relational benefits and commitment. The standard deviation for these components ranges from 0.82 to 0.92. Similarly, the customer satisfaction also scored a moderate mean value at 3.32 with a standard deviation of 0.83. On the other hand, relationship commitment obtained an average to an almost low mean score of 2.89 with a standard deviation of 1.03, indicating the respondents' moderate to low commitment towards the Facebook brand page. In a nutshell, all variables of relational benefits, customer satisfaction, and relationship commitment in the present study were

found to be an average (a mean score less than 2 is rated as low, 2 to 4 rated as an average, and a mean score higher than 4 is rated as high).

#### 5.3 Convergent Validity

To test the reliability, convergent validity, and discriminant validity of the model, this study adopted the suggestion by Hair, Hult, Ringle and Sarstedt (2013), in which all loadings must be higher than 0.600 and the constructed Average Variance Extracted (AVE) must exceed 0.50 (Bagozzi, 1981). According to Table 1, all loadings satisfied the requirement. Table 1 shows that the entire constructed of AVE ranged from 0.722 to 0.904, thus, the convergent validity of this research model is acceptable due to the AVE of all items exceeded 0.50 (Chin, 1998).

Table 1
Measurement Model

Construct	Item	Loadings	AVE <sup>a</sup>	CRb	Cronbach	Mean
					α	
СВ	CB2	0.839	0.784	0.916	0.863	3.40
Confidence	CB4	0.912				
	CB5	0.903				
FB	FB1	0.924	0.790	0.938	0.911	3.50
Functional	FB2	0.919				
	FB3	0.884				
	FB4	0.826				
HB	HB1	0.930	0.830	0.951	0.931	3.34
Hedonic	HB2	0.877				
	HB3	0.919				
	HB4	0.918				
SB	SB1	0.857	0.722	0.928	0.902	2.95
Social	SB2	0.904				
	SB3	0.919				
	SB4	0.808				
	SB5	0.750				
SPB	SPB1	0.827	0.778	0.933	0.904	3.05
Special	SPB2	0.924				
Treatment	SPB3	0.913				
	SPB4	0.862				
CS	SAT1	0.914	0.845	0.965	0.954	3.32
Customer	SAT2	0.935				
Satisfaction	SAT3	0.922				
	SAT4	0.928				
	SAT5	0.897				
RC	COM1	0.944	0.904	0.974	0.965	2.89
Relationship	COM2	0.956				
Commitment	COM3	0.960				
	COM4	0.944				

Note: CB1, CB3, CB6, HB5 & SPB5 were deleted due to low loading.

#### 5.4 Discriminant Validity

The Cross Loading measurement criteria by Fornell and Larcker (1981) was used to analyse the discriminant validity of this study's model. It was suggested that the Cross Loading measurement and the model variables' square root of AVE must exceed the correlation between the measurement and other measurements. Cross loading occurs when the indicator factors are higher against others

constructed measurement within the model. Table 2 indicated that the measurement of model discriminant validity is acceptable; all square root of the AVE for each construct are higher compared to each inter-correlation value between the construct. Thus, the Fornell and Larcker's criterion was met.

Table 2 Discriminant Validity

	СВ	FB	НВ	SB	SPB	CS	RC
СВ	0.885						
FB	0.827	0.889					
НВ	0.652	0.724	0.911				
SB	0.659	0.655	0.616	0.850			
SPB	0.625	0.647	0.636	0.718	0.882		
CS	0.812	0.799	0.815	0.687	0.696	0.919	
RC	0.609	0.575	0.656	0.721	0.743	0.713	0.951

Note: The bold Diagonal figures represent the square root of the AVE of each variable whereas the Diagonal figures represent variable's correlations.

Overall, the final constructs and items of the model tested were satisfactory in terms of the discriminant validity assessment. However, during the cross loading assessment, some of the constructs items were deleted; CB1 (0.521) during the first run, HB5 (0.769) in the second run, CB6 (0.863) in the third run, CB3 (0.906) in the fourth run, and finally SPB5 (0.675) in the fifth run of the SmartPLS Algorithm. The rule of thumb was based on Hair et al. (2011), in which the factor loading values for each construct (bolded) must deduct 0.10 and compared to other correlation values and must be highest. Thus, the constructs' items were deleted due to cross loading values after the deduction of 0.10 and each has higher values derived from other construct items.

#### 5.5 Structural Model

In order for the study to estimate the structural model using the SmartPLS, a resample of 500 for bootstrapping module was conducted. This allows for the t-values for each construct in the model to

be generated and the latent variables related to each other are specified within the model and allows the constructs and path between them to be depicted.

#### 5.6 Hypothesis Testing

The proposed hypotheses were validated using the structural model and the level of acceptance of the path coefficients advocated by Hair, Ringle, and Sarstedt (2011) and Wetzels, Odkerken-Schröder, and Oppen (2009), whereby 0.1 path coefficient is the minimum to have an impact on the model. The suggested significant level of the coefficients must be at least 0.05 (i.e. 95% confidence level).

Table 3
Hypothesis Testing

Hypothesis	Path Relationship	Std. Beta Coefficients	STD ERR	t-Value	RESULT
H1a	SB -> RC	0.293	0.067	4.376**	Supported
H2a	$SB \rightarrow CS$	0.058	0.054	1.085	Not Supported
H1b	CB -> RC	0.057	0.080	0.713	Not Supported
H2b	CB -> CS	0.357	0.078	4.588**	Supported
H1c	FB -> RC	-0.216	0.088	2.460**	Supported
H2c	FB -> CS	0.105	0.088	1.196	Not Supported
H1d	SPB -> RC	0.354	0.079	4.489**	Supported
H2d	SPB -> CS	0.107	0.065	1.639	Not Supported
H1e	HB -> RC	0.151	0.101	1.500	Not Supported
H2e	HB -> CS	0.402	0.052	7.768**	Supported
Н3	CS -> RC	0.268	0.132	2.035*	Supported

<sup>\*\*</sup> p< 0.01 (2.33); \*0.05 (1.645) or t-value> 1.65\*(p<0.05); t-value> 2.33\*\*(p<0.01)

The significance of the hypotheses for all constructs was based on the t-values retrieved using SmartPLS Bootstrapping from the 500 resamples. As this research advocated the positive association of relational benefits and relationship commitment, the t-values were compared using 1-tailed test as per the note in Table 3 to test the significance. The result obtained from Table 3 stated that H1 (a) Social Benefits towards Relationship Commitment was supported ( $\beta$ =0.293, t= 4.376; p<0.01), however, H1 (b) ( $\beta$ =0.058, t= 1.085; p<0.05) Social Benefits towards Customer Satisfaction was not supported, hence rejected. The other supported and accepted hypotheses were, H2 (b) ( $\beta$ =0.357, t= 4.588; p<0.01) Confidence Benefits towards Customer Satisfaction; H1 (c) ( $\beta$ =-0.216, t= 2.460; p<0.01) Functional Benefits towards Relationship Commitment; H1 (d) ( $\beta$ =0.354, t= 4.489; p<0.01)

Special Treatment Benefits towards Relationship Commitment; H2 (e) ( $\beta$ =0.402, t= 7.768; p<0.01) Hedonic Benefits towards Customer Satisfaction, and H3 ( $\beta$ =0.268, t= 2.035; p<0.05) Customer Satisfaction towards Relationship Commitment. Meanwhile, the rejected hypotheses were H1 (b) ( $\beta$ =0.057, t= 0.713; p<0.05) Confidence Benefits towards Relationship Commitment; H2 (c) ( $\beta$ =0.105, t= 1.196; p<0.05) Functional Benefits towards Customer Satisfaction; H2 (d) ( $\beta$ =0.107, t= 1.639; p<0.05) Special Treatment Benefits towards Customer Satisfaction, and H1 (e) ( $\beta$ =0.151, t= 1.500; p<0.05) Hedonic Benefits towards Relationship Commitment. These hypotheses were rejected due to the t-value for each was not significant (at least 95% Confidence Interval).

#### 5.7 Mediation Analysis

Mediating analysis was conducted for this study to examine the mediating effect of the construct, specifically the mediating effect of Customer Satisfaction towards the relationship between relational benefits and relationship commitment on companies' or brand's Facebook pages among Generation Y users. The relational benefits variables comprised Social Benefits, Confidence Benefits, Functional Benefits, Hedonic Benefits, and Special Treatment Benefits. According to Hair et al. (2011), there is a significant mediating effect when there is no zero straddling the Upper Level and Lower Level values of the constructs' relationships (Independent variable-mediator-dependent variable) within the confidence interval. Thus, the mediating effect is accepted. A significant mediating effect is indicated when the Upper Level and Lower Level value show no zero straddle in between. Accordingly, Preacher and Hayes (2008, 2004) advocated the bootstrapping method in order to test the indirect effect of the constructs of which this study applied. This method generated the indirect effect of constructs'  $\beta$  against the standard error and then used to test the mediating effect straddles. All of the coefficient values concerning the mediating effect analysis were tabulated in Table 4 (Standard error, indirect effect, and the t-values).

Table 4 highlights the relationships, indirect effects, and presents the results of mediation analysis for this research. The results tabulated in Table 4 were retrieved using SmartPLS bootstrapping module of the 500 resamples. Overall, there is mediation of Customer Satisfaction on the

relationship between Relational Benefits and Relationship Commitment especially for two of the constructs namely Confidence Benefits and Hedonic Benefits. Based on Table 4, three of constructs namely Social Benefits (Social Benefits  $\Rightarrow$  Customer Satisfaction  $\Rightarrow$  Relationship Commitment,  $\beta$ = 0.018; Functional Benefits (Functional Benefits  $\Rightarrow$  Customer Satisfaction  $\Rightarrow$  Relationship Commitment,  $\beta$ = 0.028); and Special Treatment Benefits (Special Treatment Benefits  $\Rightarrow$  Customer Satisfaction  $\Rightarrow$  Relationship Commitment,  $\beta$ = 0.026) showed insignificant mediation. While, two of the constructs, Confidence Benefits (Confidence Benefits  $\Rightarrow$  Customer Satisfaction  $\Rightarrow$  Relationship Commitment,  $\beta$ = 0.029) and Hedonic Benefits (Hedonic Benefits  $\Rightarrow$  Customer Satisfaction  $\Rightarrow$  Relationship Commitment,  $\beta$ = 0.040) showed significant relationships.

Specifically, for the mediation effect, Table 4 shows three (3) of the benefits a zero straddled between the confidence interval for Upper Level (UL) and Lower Level (LL), therefore, there were no mediating effect of Customer Satisfaction towards the relationship between the constructs (Social Benefits, Functional Benefits, and Special Treatment Benefits) and Relationship Commitment (Social Benefits  $\rightarrow$  Customer Satisfaction  $\rightarrow$  Relationship Commitment,  $\beta$ = 0.018, UL= -0.020, LL= 0.051; Functional Benefits  $\rightarrow$  Customer Satisfaction  $\rightarrow$  Relationship Commitment,  $\beta$ = 0.028, UL= -0.027, LL= 0.083; and Special Treatment Benefits  $\rightarrow$  Customer Satisfaction  $\rightarrow$  Relationship Commitment,  $\beta$ = 0.026, UL= -0.022, LL= 0.080) while the mediating effects for the relationships of Customer Satisfaction on the relationship between Confidence Benefits and Hedonic Benefits and Relationship Commitment (Confidence Benefits  $\rightarrow$  Customer Satisfaction  $\rightarrow$  Relationship Commitment,  $\beta$ = 0.029, UL= 0.039, LL= 0.153; Hedonic Benefits  $\rightarrow$  Customer Satisfaction  $\rightarrow$  Relationship Commitment,  $\beta$ = 0.040, UL= 0.029, LL= 0.186) were significant.

Table 4

Mediation Analysis

Hypothesis	Path	Path Coefficient		Indirect Effect	Standard Error a*b	t-Value	LL	UL	Decision
		a	b	a*b					
H4a	$SB \rightarrow CS \rightarrow RC$	0.058	0.268	0.016	0.018	0.856	-0.020	0.051	No Mediation
H4b	$CB \rightarrow CS \rightarrow RC$	0.357	0.268	0.096	0.029	3.315**	0.039	0.153	Mediation
H4c	$FB \rightarrow CS \rightarrow RC$	0.105	0.268	0.028	0.028	1.019	-0.027	0.083	No Mediation
H4d	$SPB \rightarrow CS \rightarrow RC$	0.107	0.268	0.029	0.026	1.093	-0.022	0.080	No Mediation
H4e	$HB \rightarrow CS \rightarrow RC$	0.402	0.268	0.108	0.040	2.660**	0.029	0.086	Mediation

<sup>\*\*</sup>p < 0.01 (t > 2.58)

#### 6. Discussion

Treatment, and Hedonic) of the Companies' Facebook pages and Relationship Commitment

Generally, there are significant positive relationships of social benefits (H1a), functional benefits
(H1c), and special treatment benefits (H1d) on the relationship commitment, in which the main hypothesis is partially accepted (p<0.01 and p<0.05). On the other hand, the findings indicated an insignificant association of confidence benefits and hedonic benefits in creating relationship commitment among Generation Y via Facebook, thus, H1b and H1e were rejected. Accordingly, the findings revealed that the business communities in Facebook will be able to create a relationship commitment among Generation Y customers through social benefits, functional benefits, and special treatment benefits. Notably, the Generation Y customers will be committed to a brand or company through Facebook when their social benefits are fulfilled as indicated by Su et al. (2009). For instance, Generation Y customers are committed when they perceived that they are recognised, their names are well-known on the Facebook of a brand or a company, their opinion and voices are heard, and they developed a long-lasting friendship with the brand through interaction on the brand's Facebook page.

The present study also provides empirical evidence on the importance of functional benefits and companies should pursue this element on Facebook to create a relationship commitment among Generation Y customers (Parra-López et al., 2011). The results indicated that Generation Y customers will be committed towards a brand or company if the Facebook page is convenient, laden with good reviews and great advice by the brand/company and product recommendations, and keep them abreast with the latest and interesting products and/or services. In addition, brands or companies should also focus on providing 'special treatment benefits' to attract and create an effective relationship commitment among the Generation Y (Lee et al., 2008). The findings also indicated that when discounted prices or special deals were offered exclusively for online customers through the Facebook page, the Generation Y customers are more likely to commit with the brands or companies. Furthermore, better price deals and superior and faster service should also be prioritised to induce

relationship commitment from this group. Evidently, this study revealed that the social, functional, and special treatment are important aspects of the relational benefits of the brands on Facebook.

6.2 The relationships between Relational Benefits (Social, Confidence, Functional, Special Treatment and Hedonic) of Companies' Facebook pages and Customer Satisfaction

Conclusively, the present study found significant positive relationships of two relational benefits, namely the confidence benefits (H2b) and hedonic benefits (H2e) on customer satisfaction (p<0.01 and p<0.05, respectively). The other relational benefits, such as social benefits (H2a), functional benefits (H2c), and special treatment benefits (H2d) are found to be insignificant. This study also found significant positive associations of confidence benefits and hedonic benefits with customer satisfaction among Generation Y via Facebook page of a brand or company. Interestingly, the findings are in contrast with the findings of Hypothesis 1, in which the confidence and hedonic benefits are found to be not significant towards relationship commitment. However, both confidence and hedonic are found to be significant and have a positive relationship towards customer satisfaction among Generation Y. The results indicated the online business communities that used the Facebook medium succeeded in creating and increasing their customer satisfaction, specifically among Generation Y customers if the two important components of relational benefits, namely confidence benefits and hedonic benefits are managed properly (Hennig-Thurau et al., 2002; Wang and Fesenmaier, 2004). Generation Y customers tend to feel satisfied with a brand when they have an access and opportunities to freely interact on the company's Facebook and the page provides trustworthy information about its products and brand. This, in turn, will enhance the relationship between the company and Generation Y customers, thus increasing their confidence to purchase products online. Confident benefits are important when the Generation Y customers know what to expect from the organisation simply by browsing the company's Facebook page.

6.3 The relationships between Generation Y's Satisfaction and Relationship Commitment

This discussion is based on Hypothesis 3. The study found a significant positive relationship between the customer satisfaction and relationship commitment. In a similar vein with previous studies (e.g. Liu et al., 2014; Winnie, 2014), customer satisfaction is found to be associated with loyalty, in which the commitment affects loyalty. Relationship commitment is formed when the customers are happy in their relationship with the brand through dynamic interaction on the Facebook page. Therefore, it is important for the Facebook business communities to ensure a long-lasting relationship with Generation Y customers; exercising extra effort to satisfy their feelings and expectation while they are browsing the company's Facebook page.

6.4 The mediating effects of Generation Y satisfaction on the relationship between Relational Benefits and Relationship Commitment in the context of Brand's/Companies' Facebook page

This study supports some of the previous findings on Generation Y perceptions towards relational benefits of a brand's Facebook page. The overall findings showed that there is significant mediation effect of customer satisfaction on the relationship between relational benefits especially for two of the constructs (confidence benefits and hedonic benefits) and relationship commitment. The findings clearly indicated that the Generation Y satisfaction towards the Facebook page of a company or a brand does mediate the relationship between social benefits and relationship commitment. These empirical findings supported past literature (e.g. Gutek et al., 2000; Hennig-Thurau et al., 2002; Reynolds and Beatty, 1999), in which mostly suggested that significant differences existed among the generations, especially Generation Y. Accordingly, the present study proves Generation Y customers have to be satisfied to get into a committed relationship with their favourite brands. When they are satisfied, there are high degree of confidence they will be committed into the relationship commitment.

#### 7. Implications

Based on the findings the following implications are proposed:

- Firms can use discounted prices or special deals offered exclusively for online customers through their Facebook page, by doing this the Generation Y customers are more likely to commit with the brands or companies.
- Better price deals and superior and faster service should also be prioritised to induce relationship commitment from this group.
- Simple and friendly features on the Facebook should be the companies' top priority to attract Generation Y customers to actively engage on their Facebook page, which in turn will strengthen the customers' relationship commitment.
- Brands or companies should also focus on providing 'special treatment benefits' to attract and
  create an effective relationship commitment among the Generation Y. This is a way to make
  the customer feel special and they feel they are valued by the firm.
- It is also important for the Facebook business communities to ensure a long-lasting relationship with Generation Y customers by exercising extra effort to satisfy their feelings and expectation while they are browsing the company's Facebook page.
- Firm's by keeping this Generation Y customers satisfied will lead to a more committed relationship with their favourite brands. When they are satisfied, there will be a high degree of confidence and thus they will be committed into the relationship commitment.

#### 8. Conclusion

The present study empirically proved that social benefits, functional benefits, and special treatment benefits are the most significant variables in relational benefits that affect the relationship commitment. In a nutshell, the findings suggest that Generation Y must feel a sense of

"belongingness" to a Facebook community and received a special treatment from the Facebook page providers. In contrast to the relationship commitment findings, confidence benefits and hedonic benefits are found to be important elements of relational benefits that have a positive relationship with Generation Y satisfaction.

The findings further indicate that Generation Y preferred information which can boost their confidence and hedonic benefits, thus making them more satisfied towards a brand/company. The finding of the present study also shared a similar finding with the previous literature, namely the customer satisfaction is positively related to relationship commitment. As for mediating effect of Generation Y's satisfaction, surprisingly the result showed that satisfaction does not mediate the relationships between relational benefits (social benefits, confidence benefits, functional benefits, special treatment benefits and hedonic benefits) and relationship commitment. Unlike previous literature that proved mediation effect of this relationship, this current study found no such effect because of the significant difference, especially the generational differences of the respondents (Generation Y) or the environment that the study used i.e. Facebook. This study also suggested that regardless whether the Generation Y is satisfied or not, they can be committed to the relationship with their favourite brands through the brands' Facebook page and vice versa, without having any impact on the overall relationship.

Therefore, marketers might focus on several options such as the social, functional, or special treatment benefits to influence the Generation Y customers into a committed relationship. Similarly, they may choose to focus on the confidence and hedonic benefits through their Facebook page to produce more satisfied Generation Y customers. There is a vast need for more empirical studies to understand how relational benefits on the Facebook act as a medium for marketing strategy to uncover other benefits; and the relationships of relational benefits on consumer behaviour. The limitation of the present study is, of course, unavoidable and future studies must attempt to minimise it; one possible route is to conduct a similar study on other generations.



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#### **Highlights**

- This paper studied the relational benefits of Facebook brand/fan page towards relationship commitment.
- The role of the mediating effect of customer satisfaction was also tested.
- Data was collected from 195 online respondents using the snowball sampling.
- PLS-SEM a second generation analytical software was used to analyze the data collected.
- The findings offered a mixed findings with some relationships significant and some were not.
- The mediation effect was only on 2 relationships while another 2 were not mediated.