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Correlation between Marketing Channel and Relationship Marketing of Online Social Network

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Abstract: With the development of internet, some online social communities have been founded, most people, in such online social communities, have good relationships with the other people, they believe in each other and share a lot of business experience. Relational marketing, based on online social marketing, becomes an important marketing channel. In this paper, relationship quality is defined as the mediate variable, the correlation between marketing channel, and relationship marketing are examined by empirical analysis. The results show that, improvements of interaction frequency between sellers and buyers, as well as special knowledge of sellers, can advance relationship quality between sellers and buyers, then enhance customer loyalty indirectly. In addition, the stronger customer feeling is, the better relationship quality will be. Once suppliers own good relationship quality with their customers, they will keep the marketing channels for ever.

Keywords: online social network, relational marketing, relationship quality, customer loyalty

1. INTRODUCTION

The Internet is the most important source for people to get information. People have set up various virtual online communities on the Internet, which has changed into important communication channels for people to spread information. In order to promoting customer loyalty and get persisting marketing channels, relational marketing based on the belief relationship existing in virtual online communities has become a new model in market area. Whether in the field of manufacturing marketing or services, relational marketing of virtual community has become one of the most important ways to gain competitive advantages. The main purpose of this paper is trying to find the relation between relational marketing and customer belief, supplier promise, customer satisfactory; the relation between relationship quality and customer loyalty; the influence of relational marketing on customer loyalty.

2. RELATED LITERATURE

2.1 Relational marketing

Berry was the first to put forward the phrase “relational marketing”, and introduced this concept to marketing of services^[1]. He defined relational marketing to be “a kind of strategy to attract customers, also keep and promote customer relationship in a multi-service organization”. He said that in operation process of services, while obtaining new customers being just one part of marketing process, the most important things were how to save the customers they had owned, keep good relationships with them, and achieve long-time goals. Gao and Liu thought that, in case of having good prospects, by using database technology, enterprises could know customers’ intentions, set up different kinds of relationships with various chatting tools so as to transmit personalized information and service.^[2] Koritos thought that relational marketing aimed to set up one-by-one relationships with customers, and to spread information about the enterprise or the service by making good use of belief relationships between customers and their friends, finally to sell products^[3]. Gundlach & Cannon

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thought that what relational marketing emphasized was the moral factors of the long-term relationships between customers and suppliers, which included four main factors: belief, fair, duty and promise. We can find that, for enterprises, relational marketing is to achieve “Customer Lifetime Value”; while for customers, relational marketing can reduce transaction costs and uncertainty^[4].

2.2 Relationship quality

Liu thought that relationship quality was similar to the concept of product quality, which could be described as the degree of satisfaction between the customers and suppliers^[5]. Schlesinger thought that relationship quality was a holistic assessment for the extent of relationship, which referred to the customers' attitude to the service provided by the suppliers and could be measured by a variety of indices.^[6] Goodwin considered the relationship quality as the result composed by a number of positive relations, reflecting the strength of the overall relationship as well as the degree to meet customer needs and expectations. High relationship quality shows that customers trust the service suppliers, and have confidence in them because customers have always been satisfied with their past performance^[7].

2.3 Customer loyalty

Wakabayashi defined loyalty as re-purchasing or buying products of the same brand constantly and usually.^[8] Saporito thought consumer loyalty included customers' promises for long-term relationships of particular brands or companies, and ultimately manifested by a combination of attitude and action^[9]. Brown divided customer loyalty into four categories based on three components(cognition, emotion and intention): cognitive loyalty, emotional loyalty, intentional loyalty and behavioral loyalty^[10]. Cognitive loyalty is customers' loyalty to the information provided. Emotional loyalty shows that the establishment of loyalty comes from consumers' preference for the product or service. Intention loyalty refers to the will of customers to be loyal to particular service enterprises. Behavioral loyalty is the customers' inertia of buying particular products or service, which will enable consumers to overcome certain obstacle to complete the purchase behavior. Customer loyalty defined by Oliver is consistent with ideas presented in this study, so we define customer loyalty as customers' strong will to buy their favorite products and service in the long-term, the belief relationships customers build with virtual community members through social network, and the behavior to recommend others to buy the products and service.. Maintaining the existing customers' loyalty at a high level helps enterprises establish long-term effective marketing channels in essence.

3. RESEARCH HYPOTHESIS AND MODEL

Relational marketing is consisted of attraction and interaction. The whole process aims to retain existing customers and maintain long-term relationships as well. In addition, it relies on the relationship of virtual community members of social network to develop new customers. Relationship quality plays as a medium in this process, strengthening the power of relationship marketing. Relationship marketing makes customers trust the suppliers and their commitments more, and improve the degree of customers' satisfaction to the suppliers through relationship quality.

According to the study of Mclaughlin about the relationship among relational marketing, relationship quality and customer loyalty, this research puts forward that relationship marketing should contain at least three dimensions --"special knowledge", "cooperation", and "customer feeling"^[11]. And the three items will create a positive influence on relationship quality. Therefore, the four hypotheses of this study are as follows:

When it comes to the influences that customers' research and development ability as well as motivation have on cognition, Liu discovered that major knowledge has a positive impact on belief^[12]. Kim proposed that whether the relationship between sellers and buyers can be maintained for a good while partly depends on the special knowledge^[13]. Dholakia pointed out that when the skills and knowledge individuals or organizations

gained are required by the other side in some particular area, the other co-partners will show high satisfaction and confidence to them ^[14]. Many scholars mentioned in their researches that special knowledge and skills the sales staff possess may be the critical factor of the degree of customers belief, also enhance corporate image, thereby receiving higher authorization. It can be inferred that special knowledge can arouse customers more powerful promise of the enterprise. Accordingly hypothesis H1 is put forward: Special knowledge has positive effect on relationship quality.

Anderson thought, frequency of interaction between customers and salesmen, as well as frequency of interaction between customers and social network virtual community members, would increase the degree of customers' dependence on this kind of relationship, and would influence the customers' trust in the service provider ^[15]. The stronger interaction, the more trust customers would have on enterprises, then the stronger strength they will promise to maintain the relationship. Bell considered that interactive intensity reflected the efforts of salesmen in order to maintain open channels of communication with customers, also showed commitments of their relations with each other ^[16]. Wong chose insurance customers as the research object, and showed that the strength of interaction was the main variable that affected whether the relationship of buyers and sellers could maintain long ^[17]; Lund pointed out that customers' expectations and responsibility for the salesmen would gradually realized through interaction, thus strengthened the relationship between each other ^[18]. Therefore, when the interaction intensity is stronger, more helpful it is to improve commodity providers' and customers' trust and commitment. Accordingly hypothesis H2 is put forward: Interactive intensity has positive influence on relationship quality.

This study considers that "customer feeling" is the degree of the enterprises' concern that customers feel, the relationship between customers and enterprises whether can be sustained at what level, is also related to whether customers can feel the enterprises' concern about them. In addition, according to the view of social exchange theory, when customers feel and believe that enterprises will treat them fairly and trustfully, then customers will trust them. As a result, customer feeling and relationship quality are positive correlation. Accordingly hypothesis H3 is put forward: Customer feeling has positive influence on relationship quality.

Relationship quality consists of three ingredients of "trust", "degree of satisfaction" and "commitment". According to the research results of Zhang and other scholars, "trust" has a positive effect on customer loyalty ^[19]; According to the research results of Zhou and other scholars, "commitment" has a positive effect on customer loyalty ^[20]; According to the research results of Klaus and other scholars, "degree of satisfaction" has a positive effect on customer loyalty ^[21]. Accordingly Hypothesis H4 is put forward: Relationship quality has a positive effect on customer loyalty.

According to hypotheses above, a model is put forward about the correlation between marketing channel and relationship marketing of online social network, as shown in figure 1.

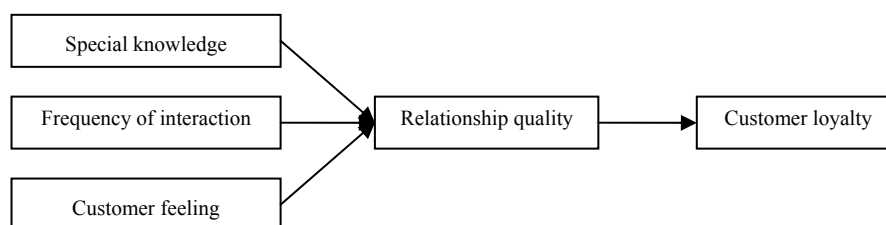


Figure 1. Influence model between relational marketing and marketing channel of online social network

4. DATA AND PRETREATMENT

4.1 Questionnaire and variable

The framework of this study can be divided into three parts, relational marketing, relationship quality and

customer loyalty, including five variables as “Special Knowledge”, “Interaction frequency”, “Customer Feeling”, “Relationship Quality” and “Customer Loyalty”. In terms of measuring variables, especially for the first four variables, the following items were used to measure each variable (Using Likert scale’s 5 points table, 5 point for strongly agreement and 1 point for strongly disagreement).

Special knowledge refers to sales staff’s knowledge level perceived by customers, which can be measured by the following 3 items: suppliers’ sales staffs can master the relevant knowledge about the products or service, suppliers can organize training courses on product application and maintenance, suppliers can give appropriate advice according to customers’ demands.

Interaction frequency refers to the level of interaction from the view of customers, which can be measured by the following 3 items: suppliers’ sales staff can provide goods just-in-time; Through suppliers’ sales staff customers can obtain information of this industry and similar products and share with other customers, suppliers’ sales staffs will visit customers after selling goods or contact the customers initiatively.

Customer feeling refers to the care and contribution from suppliers felt by customers, which can be measured by the following 2 items: sales staffs’ ideas, hobbies, values are similar to customers and they can provide recommendations and views supported by customers; sales staff care about what customers want when solving problems.

Measuring of relationship quality is based on relationship quality tables put forward by Doney and Cannon^[22], which can be measured by the following 4 items: suppliers’ products and service can be trusted and accepted by customers, customers feel satisfied with suppliers’ products and service, suppliers’ integrity and responsibility is trustworthy, customers are willing to maintain relationships with suppliers friendly.

Customer loyalty is based on the theory of Griffin^[23], which can be measured by the following 4 items: customers will choose the same supplier when they have relevant needs, customers will still choose this supplier even though the production price is higher than other suppliers, customers will continue to buy products provided by this supplier and recommend them to friends in the future, customers are willing to maintain cooperative relationships with this supplier in the future.

4.2 Data collection

In this paper, household furniture is the research object. We used random sampling survey to obtain respondents from the household furniture sellers’ customers. The survey is performed in three ways, sending questionnaire, e-mail and face to face survey. The survey was carried out during June 2013 to October 2014, 500 questionnaires were issued, 249 of them were returned, the recovery rate is 49.8%. After excluding incomplete questionnaires, there are 213 valid questionnaires, the effective recovery rate is 85.54%.

4.3 Factors analysis

Principal component analysis is chosen to pretreat the survey data and assess the feasibility of each items, the program and the results are interpreted as follows: IMO checks was carried out to determine whether the data is suitable for factor analysis firstly. Then we performed Bartlett’s sphere test to determine the compatibility of this model. The results show that, IMO values of each dimension are greater than 0.6. Given a significant level of 0.05 when The Bartlett spherical test values are discussed, the values of P of five dimensions are less than significant level. The results above show the scale of this study is suitable for factor analysis. Principal component analysis results are shown in Table 1.

Table1. Structure of factor analysis

Variable	Items	KMO	Eigen Value	Explained Variance
Special knowledge	suppliers' sales staffs can master the relevant knowledge about the products or service	0.872	3.34	56%
	Suppliers can organize training courses on product application and maintenance	0.658		
	suppliers can give appropriate advice according to customers' demands	0.613		
Interaction frequency	suppliers' sales staff can provide goods just-in-time	0.895	3.20	62%
	through suppliers' sales staff customers can obtain information of this industry and similar products and share with other customers	0.634		
	suppliers' sales staffs will visit customers after selling goods or contact the customers initiatively	0.855		
Customer feeling	sales staffs' ideas, hobbies, values are similar to customers and they can provide recommendations and views supported by customers	0.796	3.04	64%
	sales staff care about what customers want when solving problems	0.845		
Relationship quality	suppliers' products and service can be trusted and accepted by customers	0.832	3.45	61%
	customers feel satisfied with suppliers' products and service	0.851		
	suppliers' integrity and responsibility is trustworthy	0.767		
	customers are willing to maintain relationships with suppliers friendly	0.743		
Customer loyalty	customers will choose the same supplier when they have relevant needs	0.784	3.37	59%
	customers will still choose this supplier even though the production price is higher than other suppliers	0.712		
	customers will continue to buy products provided by this supplier and recommend them to friends in the future	0.779		
	customers are willing to maintain cooperative relationships with this supplier in the future	0.760		

Table 1. shows that, Eigen Value of the five variables are all greater than 1, also the KMO values are greater than 0.5. The explained variations of such five variables are 56%, 62%, 64%,61% and 59%, which show the items of each variable can be regarded as a single dimension. That means, we can simplify the data with weighed means of the scores in each item group and use them for subsequent statistical analysis.

4.4 Reliability and validity analysis

Cronhach's α was used to measure internal consistency. The Cronhach's α of five variables are all greater than 0.3. Therefore, whole information from questionnaires reaches the degree of credibility, as detailed description shown in Table 2. Load values of different factors were constructed to represent validity, which are all greater than 0.5. So, we can say that the 16 items in the questionnaire are reasonable, it is enough to represent the data what we want.

Table 2. Reliability analysis

Variable	Amount of questions	Cronhach's α
Special knowledge	3	0.885
Interaction frequency	3	0.793
Customer feeling	2	0.719
Relationship quality	4	0.877
Customer loyalty	4	0.832

5. HYPOTHESIS TESTING AND ANALYSIS

5.1 Positive effect on relationship quality

Table 3 is a summary of regression analysis results between relationship quality and the three variables, special knowledge, interaction frequency and customer feeling. The coefficient of determination (R) of the regression equation is 0.897, which means 89.7% of the total variance of relationship quality can be explained by such three variables. The regression coefficients of three variables are positive, having reached the significant level of statistics. Accordingly, hypotheses of H1, H2 and H3 get supported.

Table 3. Effects on relationship quality caused by special knowledge, interaction frequency and customer feeling

Dependent variable	Independent variable	Regression coefficients	Standard deviation	Regression coefficients	Model assessment
Relationship quality	Special knowledge	0.377	0.082	0.032	R=0.897
	Interaction frequency	0.365	0.061	0.021	R ² =0.805
	Customer feeling	0.481	0.059	0.035	Adj R ² =0.811
	Constant	1.802	0.289	0.001	F =37.38 P =0.023

5.2 Intermediate variable of relationship quality

Table 4 is the regression analysis using hierarchical procedures to verify the intermediate situation of relationship quality. In model 1, the determination coefficient of customer loyalty explained by special knowledge, interaction frequency and customer feeling is 0.784, which means 78.4% of the total variance of customer loyalty can be explained by 3 variables. In Mode 2, relationship quality is added into the variables, the determination coefficient of customer loyalty increases by 1.3%, and reaches the significant level of statistics. In other words, considering of special knowledge, Interaction frequency and customer feeling, if added the fourth variable of relationship quality, we can explain more variance of customer loyalty.

Table 4. Inspection about intermediate variable of relationship quality

Dependent variable	Independent variable	Nonstandardized coefficients	standardized deviation	standardized coefficients	Regression coefficients
Mode 1	Customer feeling	0.412	0.065	0.417	0.003
	Interaction frequency	0.231	0.094	0.242	0.067
	Special knowledge,	0.189	0.091	0.185	0.039
	R ² =0.784, F =47.33, P =0.001				
Mode 2	Customer feeling	0.280	0.088	0.241	0.004
	Interaction frequency	0.087	0.109	0.089	0.323
	Special knowledge	0.054	0.095	0.056	0.310
	Relationship quality	0.572	0.107	0.582	0.001
R ² =0.797, F =42.19, P =0.000, ΔR ² =0.049, P =0.002					

Considering the regression coefficients of in mode 1, 3 variables are all positive, but only the regression coefficient of customer feeling reaches the significant level of statistics, which means only customer feeling can explain customer loyalty. The regression coefficients in mode 2 show that after adding relationship quality, the regression coefficients of customer feeling increases, but still reached the significant level of statistics. The regression coefficient of relationship quality reached the significant level of statistics, and it is the largest in the 4 standardized coefficients. So the hypothesis H4 is also supported that relationship quality has a positive impact on customer loyalty.

Compared with Table 3 and Table 4, whether or not considering the intermediate variable of relationship quality, customer feeling can affect customer loyalty. So Customer feeling has direct and indirect effects on customer loyalty. Interaction frequency and special knowledge can affect relationship quality like customer feeling, but whether or not considering the intermediate variable of relationship quality, both of them can not directly affect customer loyalty. Therefore, interaction frequency and special knowledge can not directly affect

customer loyalty, only has the indirect influence on customer loyalty through relationship quality. Based on the analysis, four hypothesis of this study are of course supported, but the theoretical framework shown in Figure 1 does not fully cover the actual data. In short, empirical data shows that in Figure 1, customer feeling not only has an indirect effect on customer loyalty via relationship quality, but also affects customer loyalty directly. Thus, the influence model between relational marketing and marketing channel of online virtual network can be expressed by Figure 2.

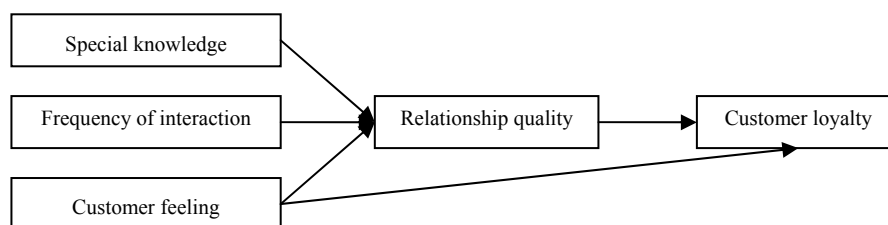


Figure.2 New influence model between relational marketing and marketing channel of online social network

6. CONCLUSIONS

There are many ways of marketing strategy. Especially in the background of virtual social networks, relationship marketing based on belief relationships between social network members has become a subject that discussed and emphasized by many scholars and professional of marketing industry. Based on the theory and empirical analysis, we can obtain the following conclusions: Firstly, the stronger customer feeling of the suppliers is, the higher relationship quality there will be. That means, the more customers believe in suppliers, the more possibilities there will be to satisfy customers and keep existing cooperative relationships, as well as to own loyal customers who are willing to buy continually and have positive evaluation. Secondly, better interactive relationships between customers and suppliers means better relational quality, meanwhile more special knowledge owned by suppliers also can improve the relational quality. Thirdly relational quality acts as the intermediate variable, the positive effect is transferred by relational quality to customer loyalty.

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