

Chapter 10

Creating Relationships Based on Emotional Bonds With Generation Y in Virtual Environment: A Mediating Role of Gender

Magdalena Kowalska

University of Szczecin, Poland

ABSTRACT

Studies show that in a dynamically changing market saturated with new technologies, enterprises wanting to become competitive, should implement online strategies based on building relationships with the consumer as long-term relationships are more profitable. These companies should strive to build brand loyalty with their consumers. These relationships may be considered at various levels, including the behavioral and affective dimension. Research shows that, out of these two dimensions, the affective level based on the customer emotional involvement creates true loyalty. Therefore, it is important to understand what affects building the strength of relationships in this particular dimension. The purpose of this chapter is to explore the role and contributing factors for creating relationships at the emotional level with Generation Y in a virtual environment. This chapter presents a model of tools that divides relationships built in the affective dimension defined by two groups: 'belonging and involvement' and 'an added value for customers'.

INTRODUCTION

In an increasingly developing market having changed the strategies of many companies towards focusing on building long-term relationships with consumers rather than the short-term ones (Liand & Wang, 2007). Previous research showed that the use of relationship marketing activities, based on building, developing and maintaining a successful relationship exchange, can be regarded as one of the best strate-

DOI: 10.4018/978-1-5225-8270-0.ch010

gies to gain profitability and competitive advantage for companies and increasing customer satisfaction (Chen & Chiu, 2009).

The review of foreign literature reveals that the research on customer loyalty were mainly conducted from transactional and relational perspectives. There is also an increased interest in the role of emotion and affect in building loyalty. It is noticed that true relationships cannot exist without emotions, and therefore character determining closeness and longevity of relationships. Researchers often focus their investigation on identifying core factors in predicting customer loyalty from both perspectives (Shin, Chung, Oh, & Lee, 2013; Hsu & Lin, 2015; Lin, Huang & Hsu, 2015), however, in the literature less attention is paid to the indication of specific online communication tools creating relationships in both dimensions, especially emotional bond. The research aims to fill the identified gap by identifying online communication tools that influence the building of relationships in the emotional dimension.

Online marketing communication has become an indispensable tool over the last decade due to the fact that information and communication technologies (ICT) are publicly available and as a result of both accessibility and lower cost (Perju-Mitran & Budacia, 2015). More than four fifths (84%) of all individuals in the EU population use the Internet on a regular basis (Eurostat, 2018). This phenomenon means that the company's competitiveness has started to depend not only on the presence of companies on the Internet, but mainly on the effective adjustment of communication tools to the specifics and expectations of the target group.

The influence of different online communication tools are dependant on the age group with research efforts in relation to gender differences within general communication and show clear differences in beliefs, attitude, formation and behavioral intent (Wolin & Korgaonkar, 2003). The research was focused on the representatives of Generation Y, as this generation has been strongly affected by new technologies, and the results of the research will be interpreted in the context of gender. For the purpose of this study, the group was segmented in terms of age and gender. The main goal of the research is to explore the role and determiners of creating relationships at the emotional level with Generation Y in a virtual environment.

BACKGROUND

Relationships in Contemporary Management Concepts

The growing awareness of weaknesses on traditional marketing activities leads to the search for new paradigms (Gonciarski, 2007), which will be characterized by a high level of effectiveness. To accomplish the mission, modern enterprises are required to diffuse new technologies into marketing activities that will aim to shape interactive relationships with the client, thus enabling companies to become more aware of their customers' expectations and preferences. A competitive advantage can be achieved not only by a product or technological innovation but more importantly by introducing innovations in the sphere of management. Innovations implemented in management should (Hamel, 2006):

- Use novel principles and assumptions that undermine current views,
- Be related to a systemic solution encompassing many processes and methods,
- Treat activities as part of the whole inventiveness program, in which progress accumulates over time.

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