

Chapter 15

Maximizing Social Presence to Improve Website Loyalty

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ABSTRACT

Technology plays a crucial role in the development of customer brand loyalty. However, technological user interface often falls short on major important aspects of business interaction, such as context-based exchange of information and opinions. Adding social networking features to the corporate website is an attempt to mitigate this weakness. This chapter investigates the driving forces of website loyalty, an issue of interest to the businesses deploying social networks as a new technological tool for business promotion. Using Facebook as the target of observation, this study evaluates the effects of social presence and social capital on website loyalty. The analysis reveals a positive influence of social presence on all three (structural, relational, and cognitive) dimensions of social capital. Further, both the relational and cognitive dimensions of social capital show positive influence on the website loyalty. These findings have practical implications for company seeking to cultivate brand loyalty via website design and management.

INTRODUCTION

It has been widely accepted that information technology has become a competitive necessity. Companies in virtually all sectors must constantly look for creative ideas to deploy the ubiquitous Internet for some sort of strategic benefits. With the technological capability continuing to advance in all areas, the user-engaging interfaces that facilitate aggressive applications of the technology in pursuit of competitive advantage have allowed even novice users to make Internet-enabled services a critical part of their work and life. Today, it is not any longer a surprise to see people using an information technology to interact with each other without even noticing the existence of the technology at all. The social aspect and the technological aspect of technology utilization are so tightly inter-woven in the usage experience that some researchers have found it appropriate to refer to communication networks as social networks (e.g., Biocca & Harms, 2002; Biocca, et al. 2003). As a result, including social networking capabilities in company websites is becoming more a norm than an exception.

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Beginning primarily as a Web 2.0 technological service facilitating personal interaction through the Internet about a decade ago, social media has rapidly evolved to become a critical communication channel for organizations communicating with customers and other stakeholders (Kane, et al., 2009). These social media services provide a variety of multimedia features that not only are useful but also easy and convenient for non-technical people to use. Virtually all social networking websites adopt a free usage business model in order to grow the user base. As a result, the ubiquity of social media usage has become one of the major forces that make the Internet an important part of people's daily life. Currently, there are at least twenty social networking services with more than 2.46 billion users collectively worldwide. Facebook, the leading social networking service provider, has more than 1 billion registered accounts and 2.06 active monthly global users as of September 2017 (Statista, 2017). The collective attention these social media have garnered provides a strong foundation for innovative companies to reap a sustainable competitive advantage.

How do these social media websites attract so many users? Is there any theoretical explanation for the success of these social networking services? It would just be a fad and may quickly fade away if it is not much more than a mere random phenomenon. However, these social networking services will likely continue to influence the physical world even at a deeper level if there are sustainable reasons that systematically justify the user's behaviors in using social media. Following this line of reasoning, the purpose of this study is to explore the role of social capital in building users' loyalty to a social networking website. We also look at if the notion of social presence influences users' perception of social capital in the context of social networking service usage. These three constructs - social presence, social capital, and website loyalty - span across several reference fields. Specifically, social presence is a well-researched topic in computer-mediated communication and online education (Tu, 2001; Tu & McIssac, 2002). Social capital has received much attention in such fields as sociology (Lin, 1999; Ellison et al., 2007), online learning (Oztok et al., 2015), organizational knowledge management (Bharati et al., 2015), and organizational study (Adler & Kwon, 2002; Naphapiet & Ghoshal, 1998). Both information systems (Cyr et al., 2007; Kuo & Feng, 2013) and marketing (Lee, Jih & Fang, 2006) regard user loyalty to website as an important dependent variable. However, both social presence and social capital are relatively new to information systems research (Cyr et al., 2007; Han et al., 2015).

In the next section, we first briefly describe the concept of social presence, social capital and website loyalty. We then discuss our research hypotheses and research model employed in this study. A description of our approach for data collection and data analysis follows. We then present the findings and interpretation. The paper ends with suggestions for business practice as well as for academic research.

Social Presence

Short, Williams & Christie (1976) investigated the notion of social presence in a series of experiments. Many researchers have revisited and enhanced the concept since then. The concept resulted from lab experiments, conducted from the social psychology perspective, to compare various communication media using semantic differential scales. The experiments confirmed the assumption that one should view the notion of social presence as a subjective characteristic of the communication medium. Users perceive difference levels of social presence with different media. Since then, researchers in various academic fields have examined the concept of social presence in order to develop it into a more robust theory. Most of these follow-up works appear in computer-mediated communication (CMC) and online education literature. A relatively smaller number of researches in information systems also involved

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