Social media’s effect on purchase intentions

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management Strategic Marketing

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ABSTRACT

Social media has grown significantly over the last decade and so has its influence on relationships between customers and marketing organisations.

The question of the potential return for organisations from investing resources and time in using social media as a relationship marketing tool is one marketing managers struggle to answer adequately. Through building scenarios, both the perceived risk of investing in social media relationship marketing and the customers’ ability to benefit from such relationship building efforts were examined.

Four online questionnaires were sent to different target groups to find answers about social media’s effect on customer purchase intentions. This included a close study of the relationship between gratitude and its effect on purchase intentions.

The key finding from this research is that higher customer gratitude through social media interactions results in higher customer purchase intentions. The investment in social media as a relationship marketing tool is worthwhile for organisations to undertake, but only in the context of overall relationship marketing efforts to drive up company performance outcomes.
DECLARATION

I, Morwesi Karabo Sitto, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management Strategic Marketing in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Morwesi Karabo Sitto

Signed at ..........................................................

On the .................................. day of ......................... 20....
DEDICATION

This one is for you, Mama. It’s taken the 19 years since your death for me to realise and acknowledge how great a mother you were. Thank you, Joyce Tebello (Molisana) (Sitto) Phungula.
ACKNOWLEDGEMENTS

Dear God, you are wonderful in your many ways. Thank you.

This research would not have been possible without:

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CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to identify a potential link between the relationships built by organisations through social media and determine whether this channel has an impact on customers' feelings towards organisations, and in turn, on customer purchase intentions. The term “relationship marketing” first appeared in literature in the early nineties, coined by Berry (2002). It was based on the premise of companies needing to adopt a customer retention approach in their marketing, as opposed to just a customer acquisition approach (Berry, 2002). Keeping and maintaining customer relationships became the point of differentiation, given consumers’ range of choice through competitors (Berry, 2002). Social media has found its way into relationship marketing because of its ability to help bridge communication and get closer to the customer, fuelled by the ubiquity of the Internet and complementary tools developed to bolster relationship marketing efforts.

Keith (1960) identified that marketing was the single most important function in business and the consumer lies at the heart of marketing because organisations realise that customers are their most valuable assets (Plakoyiannaki & Saren, 2006). Marketing is a dynamic process that is complex and open-ended (Plakoyiannaki & Saren, 2006). It is a pervasive societal activity (Kotler & Levy, 1969) and marketing communication is vital to building and maintaining stakeholder relationships (Reid, 2005) and one of the most important stakeholders in any organisation is the consumer. The key goals of marketing are to build and sustain customer relationships (Palmatier, Jarvis, Bechkoff & Kardes, 2009).

Marketers use a variety of tools to communicate with consumers, with the Internet’s use in marketing increasing exponentially (Peterson, Balasubramanian, & Bronnenberg, 1997). Technological advancement, in particular reference to the Internet caused a big shift in market forces and its implications for marketing were so overlooked (Peterson, et. al., 1997), that
Rust and Oliver (1994) sounded the death knell for advertising and marketing because of its inability to drive innovation and not simply “catch up” to the empowered consumer.

This paper aims to examine marketing’s function, specifically by looking at relationship marketing and the tools available for it, particularly new technology and its impact on the marketing tools available to reach consumers.

This examination covers:

1) The importance of investment in relationship marketing and the relationship with the customer
2) Relationship marketing as a driver of marketing
3) The new phenomena of social media, spurred on by developments within the Internet as the global information infrastructure (Peterson et. al., 1997)
4) Ways in which to effectively utilise social media to boost overall relationship marketing objectives and drive organisational goals (Hoffman & Fodor, 2010)

1.2 Context of the study

Marketing has transformed significantly since its formalisation as a business function within organisations. Spurring its recent elevation has been the Internet, driving an area referred to as digital marketing (Parsons, Zeisser & Waitman 1998). Digital marketing is the extension of the marketing function across digital mediums. Social media marketing forms a subset of digital marketing and has been exploding in terms of participant numbers, particularly with the rise of formalised social networking platforms, such as Twitter (Nair, 2011).

While marketers recognise the need to engage with social media in order to build relationships with customers, the business question of quantifying return on investment is not yet suitably answered by marketers.
The question of return on relationship marketing investment is not one that can be solved using traditional marketing metrics (Hoffman & Fodor, 2010) rather, social media as a tool of relationship marketing has to viewed in the context of the organisational objectives, beginning with the objective of serving the customer, as the consumer is right in the middle of all business efforts. Social media, because it is not a perfect substitute for traditional marketing (Weinberg & Pehlivan, 2011), needs to be tied to existing marketing strategy and tools in order for marketers to develop answers as to the value it can deliver.

1.2.1 The rise of digital marketing

Digital marketing, according to Parsons et al. (1998) is defined as an integrated way for marketing to leverage interactive media. This includes forming new interactions through the unique capabilities of interactive media and building new relationships between marketing managers and customers (Parsons et al., 1998). Digital marketing can also be defined as Internet marketing, involving all spheres of web-based marketing activity and interaction (Wang, T. Tang & J. E. Tang, 2001).

Digital marketing has become an integral part of the marketing mix for marketing organisations, although some products and services are more of a natural fit for interactive media engagement than others (Parsons et al., 1998). The power of digital marketing is that it delivers the ability for marketers to build relationships on an individual level with their customers, although integrating these activities has posed many challenges for marketing innovators (Parsons et al., 1998).

At the core of digital marketing activity is the importance of retaining customers through incentivising them to remain customers, which is attained through excellent delivery of service to the customer (Berry, 2002). These challenges have exposed the need for digital marketing to have a dedicated focus within a marketing organisation (Parsons et al., 1998).
While many organisations realise the significance of interactive media, many marketing management organisations and teams struggle with quantifying the effectiveness of digital marketing, as it cannot be evaluated using simple financial measures such as return on investment, but needs to incorporate different aspects of customer satisfaction, in order to come up with practical and effective measures for use (Wang et al., 2001).

1.2.2 What is social media?

A growing subset of Internet marketing, developed in response to the rising popularity of social media, is social media marketing. Social media is “…an ecosystem of related elements involving both digital and traditional media” (Hanna, Rohm & Crittenden, 2011, p. 265).

“Social media, also referred to as consumer-generated media…” (Mangold & Faulds, 2009, p. 357) has changed the marketing sphere of influence. Consumers are demanding more control over their media consumption (Mangold & Faulds, 2009), and social media empowers them to do this. They also view social media as a trustworthy source of information, particularly regarding products and services and it is used as a research tool by consumers to inform their purchasing decisions (Mangold & Faulds, 2009).

The operative word in social media marketing is influence, since social networks are all about experiences (Hanna et al., 2011). There are hundreds of social media platforms available and consumers use these actively to engage companies that they buy goods and services from (Hanna et al., 2011). Examples of social media delivery platforms include Facebook, Twitter, blogs and YouTube (Mangold & Faulds, 2009), to name a few. The social media ecosystem consists of (Hanna et al., 2011):
i. Owned media, which is controlled by the marketing manager

ii. Paid media that is bought by the marketer

iii. Earned media that encompasses word of mouth and content that goes viral

Social media has made it possible for brands to communicate with hundreds, thousands and millions of customers and consumers about their products and the companies that provide them through communities (Mangold & Faulds, 2009). Marketing managers are faced with the challenge of choosing the appropriate platforms for their brand and this selection task is further constrained by lack of knowledge, since many companies are uncertain as to how to manage social media effectively (Hanna et al., 2011).

Social media tools need to be used by marketers to engage customers, to influence their conversations online, provide authoritative information on services and products and to talk intimately with them, with the first step being to provide networking platforms for consumers shaping the communities (Mangold & Faulds, 2009) and working towards building and maintaining relationships online in order to build trust in a brand’s reliability and integrity (Berry, 2002).

Customers use technology “to communicate with, learn from and buy from marketing organisations throughout the world” (Berry, 2002, p. 72). The key to successful social media marketing lies in the strategic approach that the organisation takes when engaging in this space. Ultimately the success of social media marketing will be to build relationships and enhance trust, commitments etc. in order to influence customer behaviour (Palmatier et al., 2009).

Marketing managers need to understand the fundamentals of social media while working towards relationship marketing and the incentive a customer is given to remain a customer (Berry, 2002). This ecosystem approach to social media strategy will enable focus and reduce the concern with chasing platforms (Hanna et al., 2011).
The reason social media is so cost-effective is because it is about the users and those users being connected to other users (Hanna et. al., 2011), and can be used by organisations to collect rich information for market research purposes for their brands. The organisation needs to position itself within the conversations as a key influencer, in order to maintain and grow its base of customers.

1.2.3 What is relationship marketing

Relationship marketing, first coined by Berry in his paper in 1983, can be defined as “attracting, maintaining and - in multi-service organisations - enhancing customer relationships” (Berry, 2002, p. 61). Relationship marketing enhances trust and commitment, in turn influencing customer behaviour (Palmatier et. al., 2009). Commitment and trust are necessary for a productive relationship (Shugan, 2005) between organisations and their customers, as well being two key constructs of relationship marketing (Baloglu, 2002).

The competitive landscape has shifted dramatically for organisations, and there are no longer traditional competitors, with customers having more choice as the lines are blurred across industries seeking to maximise profit through “everyone getting into everyone else’s business” (Berry, 2002, p. 60). The emphasis however is on good service to keep a relationship, providing the customer with an incentive to stay a customer due to their ongoing desire for the service or product supplied (Berry, 2002).

Relationship marketing investments, done with extra effort and personalised notes can result in customer gratitude (Palmatier et. al., 2009). Social media makes these investments even more personalised, as the customer feel intimately seen and heard. Gratitude is not independent of trust and commitment, as all these are founded on emotional bonds and gratitude in turn increases feelings of trustworthiness (Palmatier et. al., 2009).

Gratitude is emotional appreciation which is accompanied by a desire to reciprocate and reciprocity is important to creating a relationship bond link of a
constant owing of favours because people are hardwired to repay others that provide benefits (Palmatier et. al., 2009).

Customers are able to get social benefits from relationships, because the service interactions are also repeated social contacts taking place between the customer and the brand (Berry, 2002). Customers with good relationships with their service providers, or organisations, may form friendships with them (Price & Arnould, 1999). This relationship enhances the trust and commitment that influences the customer behaviour (Palmatier et. al., 2009) and can influence the perceptions the customer has of an organisation.

The “relationship is valuable to the customer for its risk-reducing benefit” (Berry, 2002, p. 75), as customers trust the service or product provider and as result of this trust, are committed and grateful for the service or product provided. Relationship marketing enhances trust and commitment, influencing customer behaviours through gratitude (Palmatier et. al., 2009). Gratitude is an emotion that sustains relationships, and even though gratitude may decay over time, it has “an important impact on maintaining trust in a relationship” (Palmatier et. al., 2009, p. 6).

Relationship marketing must be integrative to make switching unthinkable, resulting in lifetime customers (Berry, 2002) that are grateful and feel appreciative of the benefits received and repaying the benefits in response to the feelings of emotional appreciation (Palmatier et. al., 2009).

1.3 Problem statement

1.3.1 Main problem

The main research problem is to establish a link between the relationship marketing activities organisations engage in on social media and the customers’ intention to purchase from the organisation based on the relationship efforts conducted by organisations.
An organisation’s strategic marketing objective is to build relationships with customers to influence their behaviour to purchase, and in turn have a profitable relationship with customers that is mutually beneficial.

This research problem stems from business decision-makers questioning the value of relationship marketing efforts built through social media and the value of investing in social media as a relationship-building tool, in an attempt to understanding what it can do for them in a tangible way.

1.3.2 Sub-problems

The first sub-problem is to understand the role of social media as a relationship marketing tool for organisations that can be used to build, maintain and enhance relationships with existing customers.

The second sub-problem is to establish whether relationships generated through social media engagement with customers are significant enough to impact the customer’s feelings towards the organisation and if they potentially influence customer purchase intentions to the benefit of the organisation.

1.4 Significance of the study

The study aims to illuminate an area that marketing organisations are battling with, namely bridging traditional marketing approaches and the newest digital marketing tool, social media. It also hopes to shed light on understanding the value of social media’s contribution to the broader marketing mix.

The business power of social media is largely unknown and organisations are still “feeling” their way around social media, with a fair degree of uncertainty regarding the allocation of budgets to social media (Weinberg & Pehlivan, 2011, p. 275). The customer relationship benefits of social media need to be weighed up against the marketing strategy, with the business needing to choose very carefully how it participates and invests in social media (Kaplan & Haenlein, 2010).
Against this backdrop is the customer who should be at the centre of marketing’s efforts to drive profitability. Organisations are realising that they revolve around the consumer (Keith, 1960) and that their relationships with them are dynamic and ever-changing in the face of new technologies (Plakoyiannaki & Saren, 2006).

The Internet has changed conversation from being one directional to multi-directional, with consumers talking to other consumers about organisations, regardless of the organisations’ participation in the conversation. This is the power of social media (Mangold & Faulds, 2009). This multi-directional engagement puts the consumer in a position of power, and organisations need to understand how to use social media as an engagement tool in order to influence purchase decisions and retain customers.

The study may provide guidance to marketers on the importance of thinking of relationship marketing in terms of retaining existing customers and not focussing only on acquisition (Berry, 2002). Customers are now empowered with unlimited choice and are fully in control of their online experience and interaction (Hoffman & Fodor, 2010).

Through understanding how to approach building an online relationship by investing time and effort in the customer (Palmatier et. al., 2009), marketers might learn to utilise social media’s potential to implement marketing strategy that delivers superior customer experience and grows the value of a customer to the organisation (Ryals, 2005) and the organisation’s value to the customer (Berry, 2002).

In understanding the interdependence, and that the loyal customer is the most valuable asset to an organisation (Shugan, 2005), marketers may be empowered to convince their organisations to invest and commit to social media relationship marketing upfront for future benefit (Shugan, 2005), as well as to use social media to build trust, commitment and gratitude that fosters the profitable reciprocal behaviour of the customer (Palmatier et. al., 2009).
1.5 Delimitations of the study

- The research will not be focused on individual social media platforms and networks, that is, there will be no specific mention of the use of a certain network or platform in engaging customers.

- The focus will be customers of organisations and not simply consumers in attempting to measure the effectiveness of social media investment on the relationship between customers and the organisations.

- Organisations will be taken to mean marketing organisations and their brands, as well as service providers.

- The focus will lie solely with marketing functions concerned with social media and relationship marketing. Relationship marketing will be as defined by Berry (2002), in his original work in 1983 and social media marketing as a subset of digital marketing, defined in accordance with Parsons et. al. (1998) terminology, encompassing all terms related to marketing through the internet across all devices.

- Relationship marketing definition will only focus on the affective aspect of the relationship between customer and organisation.

- Only the purchase intention will be studied, based on affective behaviour measures, and not the actual purchase of customers.

- Business-to-business relationships will not be considered, only those of the organisation’s end-customer.

- Gratitude referred to in the research will be in line with the definition of Palmatier et. al. (2009) and its interdependence with trust and commitment.

1.6 Definition of terms

It is important to distinguish between a consumer and a customer. A consumer is merely an individual with some interest in an offering, but is not committed in
any way through a purchase. Osarenkho and Bennani (2007) identify a customer as an individual where a relationship exists where there is trust and commitment between the brand and the individual.

Digital marketing, in accordance with Parsons et. al. (1998) is a term that encompasses all activities related to marketing through the internet across all devices that can access the Internet.

Social media is “…an ecosystem of related elements involving both digital and traditional media” (Hanna et. al., 2011, p. 265). Social media networks refer to branded platforms or community platforms that aggregate social activity within an ecosystem (Boyd & Ellison, 2008).

Relationship marketing is defined as per Berry’s (2002) original definition “Relationship marketing is attracting, maintaining and - in multi-service organizations - enhancing customer relationships”, although non-service organisations will be included in the application of this research and not simply service organisations.

1.7 Assumptions

- A large proportion of research participants will each have at least one social media platform on which they choose to engage with an organisation.

- Respondents will be customers of organisations and have existing relationships with those organisations online, specifically on social media platform(s).

- Gratitude will bring about the instinctive behaviour of reciprocity by individuals, linked to trust and commitment, as explained in psychological research findings.

- The literature’s identification of elements of relationship marketing and social media is widely accepted in academic literature.
CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

The literature review will look at the function of marketing and its place within an organisation. As part of marketing, the impact of technological changes on the tools available to carry out the marketing function objectives will be briefly discussed, with a dedicated focus to the Internet and its impact on marketing. The literature review will then look into relationship marketing, as defined by Berry (2002) when he coined the phrase in his 1993 paper. The discussion on relationship marketing will focus in particular on the characteristics that build relationships and form commercial relationships within this area of marketing, before discussion on social media and its impact on relationship marketing.

Marketing, as a discipline, is a collection of managerial activities that facilitate and consummate exchanges or transactions between organisations and consumers (Holbrook & Hulbert, 2002). Over time, this managerial function has been impacted by advances in technology, with the biggest one to date being the rise of the Internet. The Internet and its implications on marketing was overlooked, and its use in marketing has increased exponentially (Peterson et al., 1997), having opened up an area dedicated solely to digital marketing.

Relationship marketing can be defined as the attraction, maintenance and enhancement of customer relationships, starting from a view of the existing customer and not the one to be acquired (Berry, 2002). One of the spheres of marketing that connects it to the Internet is customer relationship management, whose key success lies in technology, accompanied by a strategy for relationship marketing (Osarenkhoe & Bennani, 2007).

Relationships between organisations and their customers have changed significantly over time. The organisation/customer relationship has gone from one-way communication, to two-way communication, to many-to-many...
communication (Eid & Trueman, 2002); enabling customers to talk to each other about marketing organisations without the need for organisations to be part of the conversation (Mangould and Faulds, 2009). Social media networks help customers facilitate conversations amongst themselves, allowing them to build communities online (Culnan, McHugh & Zubillaga, 2010).

When social media is viewed in isolation, organisations seem to understand that it is important but struggle to quantify the benefits associated with it because “social media is largely consumer not marketer controlled” (Hoffman & Fodor, 2010, p. 45). Organisations are going ahead with relationship building programmes without fully understanding the dynamics of marketing relationships (Price & Arnould, 1999).

The call for measuring return on investment in social media as a relational programme is very loud from executive stakeholders and digital marketers are devoting a significant amount of time to the issues of return on investment (Hoffman & Fodor, 2010). Social media is not a perfect substitute for traditional marketing (Weinberg & Pehlivan, 2011) and as a result, using traditional marketing metrics cannot work (Hoffman & Fodor, 2010) to measure the return and contribution of social media investment in influencing customer purchase intentions, thus managing potentially profitable customer relationships.

### 2.2 Definition of topic or background discussion

The research topic is an attempt to relate social media relationship marketing efforts that are currently viewed in isolation to the overall task of managing customer relationships by marketing organisations. Relationships with customers and top management support of them are crucial to organisational success (Osarenkhoe & Bennani, 2007). Relationship marketing includes all activities geared towards attracting, maintaining and enhancing customer relationships (Berry, 2002).
The customer relationship is the starting place for the research, with the understanding that a customer is “a person, company, or other entity which buys goods and services produced by another person, company, or other entity” (InvestorWords, 2014). Developing trust and commitment between the organisation and the individual (Osarenkhoe & Bennani, 2007) is the biggest building block for organisations in understanding their relationship with the customer. Technology has changed the game significantly and more than ever before, organisations need to understand that the key to success is in managing the relationship with the customer successfully.

Using the digital tools available, stemming from the success and pervasiveness of the Internet, the opportunity to build better relationships with customers is the true essence of information technology (Winer, 2001). To define how to build successful relationships that can influence customer purchase intentions requires a strategic look at social media, contextualised within an organisation’s strategic objectives and existing information systems tools available and then defining social media’s place within that organisational landscape.

### 2.3 Ascertaining and defining relationship marketing within marketing

The first sub-problem is to define and ascertain customer relationship management conducted by relationship marketers within marketing as well understand the tools available to this function in order to carry it through an organisation’s strategic marketing activities.

#### 2.3.1 The Function of marketing and digital marketing

Keith (1960) points to marketing as the most important single function in business. Marketing has been around for some time, filling the gap between consumers and producers (Holbrook & Hulbert, 2002) and it is a creative force of managerial activities to facilitate and consummate exchanges, that is, transactions between two parties (Holbrook & Hulbert, 2002). A major task of marketing is to adjust goods and services produced to fit with consumers’
needs, creating a bond of mutual interest between producer and consumer (McGarry, 1951).

Marketing as a discipline is, according to Holbrook and Hulbert (2002), in a crisis because of the very little input it has made to new ideas. This gloomy view of marketing is not entirely accurate and marketing is still needed as a supporting function, especially within the Internet marketing paradigm (McCole, 2004) that has given rise to integrated marketing communications (IMC) that plays a vital role in crafting relationships with customers (Reid, 2005).

The Internet is a newly developed marketing machine and has revolutionalised direct marketing (Wang, Lee & Wan, 1995). It has become a cost-effective method of reaching audiences, creating a direct channel opportunity (Paul, 1996). Business now has an opportunity to operate for 24-hours using the Internet (Paul, 1996), although it will never eliminate or serve to substitute conventional retail channels (McCole, 2004). Digital marketing, or Internet marketing has been an area arising out of the technological impact on business (Paul, 1996) and is focused solely on Internet marketing tools and how they can be used effectively through modification of marketing strategies (Eid & Trueman, 2002).

Every business competes in two worlds, the physical brick and mortar marketplace and the virtual world marketspace (Eid & Trueman, 2002). The “prosumer” coined by McCole (2004), is a technology-enabled consumer who is uncompromising and seeks experiences with organisations. Companies that offer web-based services before their competitors do build a competitive advantage, with the Internet leading to a quicker discovery of customer needs by marketers (Eid & Trueman, 2002). Digital marketers can use the Internet to get statistics on the reach of their message and track exposure time to marketing messages (Paul, 1996), which is a more granular view than traditional marketing is able to provide and forms the foundations for understanding the relationship with customers better by analysing how they spend time with an organisation online.
The Internet is a wonderful tool, but it comes with risks, as with any organisational tool. Companies need to balance using the Internet to achieve relationship marketing objectives with the privacy of individuals (Wang et al., 1995). There are three main stakeholders involved in protecting consumer privacy online, namely government, business and individuals (Wang et al., 1995). This is particularly important because of the younger profile of Internet users (Paul, 1996). Security and privacy online are high profile issues (Peterson et al., 1997), given that Internet marketing allows interactive communication with customers on an international scale (Eid & Trueman, 2002) because the Internet is a global information infrastructure (Peterson et al., 1997).

Marketing remains a contractual relationship that is a human relationship between buyers and sellers (McGarry, 1951) and this relationship needs clearly defined policies because the Internet has shifted the way in which marketing is done from consumer to business marketing (Eid & Trueman, 2002) and changed the strategic positioning of the marketing relationship between consumers and producers (Eid & Trueman, 2002).

### 2.3.2 Customer relationship management in marketing

The main purpose of marketing communication is to affect customers’ perception of value and the relationship between benefits and costs. “Only strategically oriented brand communications can help business to reach a sustainable competitive position” (Holm, 2006, p. 24).

Customer needs are heterogeneous and marketing communication is the glue that holds the organisation together if fulfilling those needs (Andersen, 2001). Customer relationship management in marketing is the relationship paradigm for creating long-term relationships with customers (Osarenkhoe & Bennani, 2007). The definition of customer relationship management is what managers need to know about their customers (Winer, 2001) in order to drive richer relationships.
The key to success in customer relationship management lies in the effective and strategic use of technology, to implement a strategy for relationship marketing (Osarenkhoe & Bennani, 2007). An estimated sixty percent of customer relationship management projects fail to live up to expectations (Osarenkhoe & Bennani, 2007) because organisations fail to recognise that customer relationship management requires a transformation of the entire enterprise (Galbreath & Rogers, 1999) and companies underestimate the complexity, thus investing inadequately in such projects (Bull, 2003).

Customer relationship management is a tool for relationship marketing in order to develop long-term client relationships, continuing and extending relationships with customers (Osarenkhoe & Bennani, 2007). Because of its importance, customer relationship management requires strategic direction (Bull, 2003) and top management support is crucial to its success (Osarenkhoe & Bennani, 2007). Customer relationship management aims to keep customers as opposed to acquiring new ones, thus lowering costs (Osarenkhoe & Bennani, 2007).

The less contact a brand has with its customer, the harder it has to work to build a database of customers with which to interact (Winer, 2001). Small increases in retention rates of customers have a large impact on profitability (Wilson, Daniel & McDonald, 2002), as it costs five to seven times more to find new customers than to retain current ones (Galbreath & Rogers, 1999). Relationships are dynamic and ever-changing (Plakoyiannaki & Saren, 2006) and customer relationship management is not likely to succeed unless marketing managers give proper attention to customer loyalty and retention (Ryals, 2005). The value of the customer (Ryals, 2005) boils down to the relationship.

Good relationships are created through maintaining trust and commitment, which involves dialogue, openness, acceptance and support (Osarenkhoe & Bennani, 2007). Online relationship tools and systems can help to manage these elements of the relationship and understand the lifetime customer value (Winer, 2001) that the relationship yields.
2.4 Establishing the role of social media within relationship marketing strategy and relationship management

The second sub-problem is to establish the position social media should hold within relationship marketing strategy and its application in driving objectives that lead to a positive influence on customer purchase intentions through well-managed and profitable relationships.

2.4.1 Marketing communication and relationship management

Marketing communication plays a vital role in building and maintaining stakeholder relationships (Reid, 2005). Integrated marketing communication plays an important role in crafting relationships with customers (Reid, 2005) and is a strategic issue (Holm, 2006).

Relationship marketing organisations view customers as assets of value (Reid, 2005) and start from the position of marketing to existing customers (Berry, 2002). There are five steps outlined by Berry (2002) in developing a relationship marketing plan, which include:

1) Core service strategy that looks at meeting customer needs, quality service and opportunity to up-sell

2) Relationship customisation which involves tailoring services using captured electronic customer data

3) Service augmentation – building extras into what is delivered to the customer

4) Relationship pricing – linked closely to loyalty incentives and programs

5) Internal marketing – improve internal capability to offer quality goods and services by focusing on the internal customer
All relationship marketing tools need to provide data that can pinpoint what satisfies customers (Galbreath & Rogers, 1999), thus allowing marketers to derive the value of the customer (Ryals, 2005) to the organisation.

2.4.2 Social media's place in relationship marketing and its value

“Many marketing encounters are also social encounters” (Price & Arnould, 1999, p. 40). Social media is all about relationships and connections between people and organisations (Nair, 2011). The concept of social media is only new in that the conversations take place online, but “social media is just a way people communicate” (Nair, 2011, p. 45). Whilst it is not a perfect substitute for traditional marketing (Weinberg & Pehlivan, 2011), social media is important because it is exploding and becoming necessary to the relationship marketing communication mix, as demonstrated by the following statistics (Nair, 2011, p. 46):

“It took 38 years for the radio to attract 50 million listeners, and 13 years for television to gain the attention of 50 million viewers. The Internet took only four years to attract 50 million participants, and Facebook reached 50 million participants in only one-and-a-half years. Facebook, which was originally designed for Harvard students and launched in 2004, has become a phenomenal example of social engagement. By 2009, Facebook had already achieved 100 million monthly active users covering age groups from 13 to 65; by the end of 2010, there were more than 500 million users.”

Social media’s status within marketing has moved to being a strategic tool (Eyrich, Padman & Sweetser, 2008). It is clear that social media cannot be ignored; however marketers are devoting a fair amount of time on the issue of return on investment of social media (Hoffman & Fodor, 2010).

The problem in quantifying the return on social media is that it is viewed in isolation and not as part of a broader relationship marketing strategy (Nair, 2011). The relationships with customers conducted through social media by organisations needs to start with first creating the platform, providing customers
with information and making them feel special (Mangold & Faulds, 2009). Simply creating presence on popular social platforms does not guarantee customer attraction (Culnan et. al., 2010) and “‘being active’ is only one key requirement of success” (Kaplan & Haenlein, 2010, p. 65) in social media. Social media activity requires a personal touch by the organisation and the personal touch qualities adopted from Parise, Guinan and Weinberg (2008) by Weinberg and Pehlivan (2011) include: authenticity, conversation, ‘human’ reciprocity, cession of some control and subtlety around the sale. Authenticity is a key quality in social networking because social media is all about relationships (Nair, 2011). Over time with repeated encounters and interactions between organisations and customers, commercial friendships can form (Price & Arnould, 1999).

Relationship marketing investments are perceived by customers as extra time, effort and personalisation on the part of organisations, leading them to feelings of gratitude which are founded on emotional bonds (Palmatier et. al., 2009). Gratitude sustains the commercial relationship and is important to maintaining trust as well as loyalty and bringing forth the desire for reciprocity in customers (Palmatier et. al., 2009). “Commercial friendships are strongly correlated with key marketing objectives: satisfaction, loyalty and positive word of mouth” (Price & Arnould, 1999, p. 51).

The goals of spend on social media should be for others to carry the organisation’s message through consumer-generated content (Mangold & Faulds, 2009) in order to build social currency (Weinberg & Pehlivan, 2011) that will build strong relationship ties (Gilbert & Karahalios, 2009) online when measured against proxy benchmarks (Hoffman & Fodor, 2010), feeding into existing relationship marketing tools.

Return on social investment does not have to be measured purely in hard currency (Hoffman & Fodor, 2010), but the investment has to be done first before it can be measured, which requires strategic communications planning within the relationship marketing plan.
2.4.3 **Hypothesis 1:** Social media organisation/customer relationships positively affect customers’ feelings of gratitude

2.4.4 **Hypothesis 2:** Customer’s feelings of gratitude towards an organisation have a positive impact on the customer’s purchase intentions

### 2.5 Conclusion of Literature Review

This literature review went through a view of marketing, its importance as an organisational function and the challenges facing it to date. The challenges have been brought about mainly by advancement in technology, particularly with the growth of the Internet. As such, the relationships held with customers have changed significantly, with the customer being more in control of their experience with organisations.

Customers perceive the interaction with organisations differently and socially recognise organisations that invest in relationship marketing. Management of the customer relationship is more important than ever as a strategic area, requiring top management support for its success in building sustainable and profitable relationships with their customer.

Organisations have embarked on social media efforts without giving thorough examination to social media’s contribution to successfully managing the customer relationship, alongside existing relationship communication tools. Social media is a strategic tool that plays a central role for relationship marketing in building relationships with customers that are reciprocal and can form into commercial friendships in the long run.
2.5.1 Hypothesis 1: Social media organisation / customer relationships positively affect customers’ feelings of gratitude

2.5.2 Hypothesis 2: Customer’s feelings of gratitude towards an organisation have a positive impact on the customer’s purchase intentions
CHAPTER 3. RESEARCH METHODOLOGY

In order to test the two hypotheses stated in the literature review, the research methodology will address the strategy or method that will be used to conduct the research. This will lead into the research design that will be most appropriate for this study.

The target population will be identified and described, along with the desired sample and sample size from the population. The research instrument will be described and a sample of the instrument will be provided, as well as the procedure to be followed for data collection.

A brief discussion on the process to be followed in analysing the data will follow, along with data interpretation and possible expected outcomes. Foreseen limitations of the study will be explored, along with the methods for validity and reliability for the research.

3.1 Research methodology /paradigm

The research strategy and method to be used will be quantitative. The selection of this strategy is based on the modelling of Palmatier et al.'s (2009) study of the role of customer gratitude in relationship marketing. The authors used a questionnaire, with separate scenarios distributed randomly to 150 students. This questionnaire will be adapted for this research.

The list of questions will pertain to gratitude and purchase intention, and how these relate to the potential respondents’ perceptions regarding relationship marketing’s use of social media as a tool to positively influence the organisation/customer relationship. The quantitative method will enable the research to measure the strength of the relations between customer gratitude and customer purchase intention and the areas of the study, namely: relationship marketing, social media use by organisations and the organisation/customer relationship.
Palmatier et. al. (2009) made use of three studies. The first study was concerned with the affective component. The second had two parts to it in a field survey of a specified group of customers to measure actual behaviour.

This research will make use of analysis of variance (ANOVA), as this methodology fits well to measure the relationship between gratitude and purchase intention against gratitude and was used by Palmatier et. al. (2009) in study 1. ANOVA is useful as a technique for testing the relationship of two or more independent variables (Hair, Black, Babin & Anderson, 2010). This will be employed in order to measure whether indeed relationship marketing investment in social media influences attitudes of customers towards the organisation as well as their purchase intentions.

The assumptions pertaining to this research are that the literature has been accepted in line with the factors identified. The second assumption will be that the factors identified will be testable for the selected research strategy. Thirdly, the assumption is that the findings will be able to be applied across the online relationship marketing sphere as a whole.

3.2 Research Design

The research design to be employed for this research will mirror the model used by Palmatier et. al. (2009) in study 1 of their research. This design has been chosen for this research for its appropriateness in order to measure the affective component of customer behaviour, the emotional component, of gratitude for the effects of relationship marketing investments using social media as a tool. The research will be designed to investigate only two of the managerially relevant factors identified by Palmatier et. al. (2009) namely risk and needs. This relationship and the dependencies of gratitude and purchase intentions will be analysed primarily using ANOVAs, in order to test the two managerial factors.
The greatest advantage of this approach is that it has been done previously and conceptually, ANOVA is a good technique to apply because it “reveals relationships that otherwise would not be identified” (Hair et. al., 2010, p. 28). It will be used to measure the effectiveness of using social media as a relationship marketing tool and its impact on customer gratitude and purchase intention.

The disadvantage is that ANOVA is limited and not as flexible as other statistical approaches. It can only use variables with a limited number of categories as independent variables. ANOVA lumps responses together and summarises them, leading a loss of detail in the information and ultimately a loss power in the data when examining the results (Mitchell & Jolley, 2012).

The disadvantage with using scenarios to test responses is that people may respond as they would like to view the situation and not as it currently is, which may skew the results to be analysed from the received responses.

3.3 Population and sample

3.3.1 Population

The population for the research consists of consumers of both tangible goods and services, in various settings of interaction with organisations they procure goods and services from. They have the accessibility to engage with such organisations through various communication mediums in conducting their relationships with them.

The overall population to be used for this research will be sourced through a crowd sourcing tool and service called Microworkers. Microworkers is an online service that allows for the dissemination of questionnaire, paying for responses from registered users of the platform. Microworkers terminology defines the person looking for workers or respondents as an employer and the assigned task is referred to as a campaign (Microworkers, 2014). Potential respondents are called workers (Microworkers, 2014).
Microworkers makes use of international workers, and these will be used as a proxy for the overall population of persons actively online. The service allows for an employer to run a campaign to countries from a campaign zone of their choice. For purposes of this research the international campaign zone will be used. Within this campaign zone, ten zones will be excluded, in favour of the more English-speaking areas, as indicated by the excluded countries in Figure 3-3.

The population of workers on Microworkers consists of anyone and the platform has “more than 600,000 workers worldwide” (Microworkers, 2014, homepage). Workers can be “a stay-at-home mom, a student who needs extra spending money, or if you simply love helping others while making some extra cash alongside” (Microworkers, 2014, FAQ). Those that join the Microworkers population work as freelancers and may only respond once to a single campaign (job) of their choosing.

### 3.3.2 Sample and sampling method

Using the Microworkers more than 600 000-strong population as a proxy for a population of customers to organisations, four campaigns will be set up to provide the framework for samples of the population. A sample is appropriate, as the costs associated with targeting the entire population pose resource
constraints for the research as well as the time to gather more than 600,000 responses (Penman, 2013).

Simple random sampling will be used for purposes of this research, allowing each population member an equal opportunity to be randomly selected (Penman, 2013). The campaign will be run to a sample of workers in the international zone. The minimum bid per response for research tasks is $0.25 per worker response in the International zone, with a required minimum of 30 positions, or responses to activate the campaign. The campaign selected will be surveys, as indicated in Figure 3-2, with a maximum number of ten questions.

![Category for your campaign](image)

**Figure 3-2 Campaign category selection – Research (Microworkers, 2014)**

Four campaigns will be run simultaneously to a sample of a minimum of 280 respondents across a basic Microworkers campaign. The international zone will be selected to remove geographical location bias for one specific geographic location.
Each one of the four campaigns will include a title linked to the research scenario, with the requisite list of instructions for the workers to understand what is required of them, as well as the proof they need to provide as evidence that the job has been completed (Microwokers, 2014).

### 3.4 The research instrument

The research instruments to be used for this research consist of four different questionnaires. In line with the Palmatier et al. (2009) first study, to test the hypotheses relating to gratitude and purchase intention, four scenarios will be built. Each of the scenarios, in line with the research methodology of Palmatier et al. (2009) will have a high and a low scenario.

The four questionnaires will relate to two managerial issues, measuring risk (high versus low risk) and needs (high versus low need), where the level of investment by the customer is the same, and the difference is in the response of the organisation. Each of the scenarios will be drawn up separately, holding the responses constant.

The scenario relating to the risk (high versus low risk) taken by the seller, is built on the risk taken by the seller to build a relationship using social media. The main motivation for using social networks is to build relationships (Brandtzæg & Heim, 2009). The organisation takes a risk by extending itself on social media and allowing customers a level of exclusivity to the business. This allows the
organisation to connect directly with its customers on social media (Marketing Donut, 2014). The scenario is to demonstrate the level of business risk the organisation takes in “providing relationship-building favours” (Palmatier et. al., 2009, p. 8).

The scenario relating to the need (high versus low need) of the customer is built on the strong motivational factor of a customer to feel a sense of belonging using social media (MarketingDonut, 2014). The main motivation for customers using social networks to engage with organisations is the need for information and to feel a sense of belonging (Brandtzæg & Heim, 2009). The customer needs to feel sense of being an insider of the organisation, with information more customised for them on social media (Brandtzæg & Heim, 2009).

The four questionnaires will each be on a seven-point Likert scale, which “requires respondent to indicate degree of agreement or disagreement with a variety of statements” (Penman, 2013, p. 37) to the scenario they will read. The “Likert measures on seven-point scale, ranging from ‘strongly disagree’ (1) to ‘strongly agree’ (7), to capture the constructs studied” (Palmatier et. al., 2009, p. 8). The response answers will consist of questions used in the Palamatier et. al. (2009) study, relating to the constructs on gratitude and purchase intentions, contained in figure 3-4 below.
Figure 3-4: Questionnaire response questions (Palmatier et al., 2009, p. 16)

The four research instruments will all be electronic questionnaires. They will be compiled using Qualtrics, a web-based questionnaire generation and response capturing tool, in order to ensure that the questionnaires look tidy and well-prepared, as this will encourage recipients of the questionnaires to answer the scenario-based questions (Bell, 2005).

3.5 Procedure for data collection

Once the questionnaires have been compiled in Qualtrics and checked that they are in line with the base research of Palmatier et al. (2009), they will be piloted. Piloting is important in order “to test how long it takes recipients to complete them, to check that all questions and instructions are clear and to enable ... to remove any items which do not yield usable data” (Bell, 2005, p. 147).
Once adjustments have been made, on the basis of the pilot, the finalised research questionnaires will be activated on Qualtrics. Each of the four scenario questionnaires will be set up as basic campaigns on Microworkers. After selecting the countries to be excluded from the international campaign geographical zone, the number of positions to be paid for per campaign will be selected, with the aim of obtaining over 300 respondents across the four questionnaires. This is based on Palmatier et. al.’s (2009) first study, where 150 students were handed one of eight possible scenarios, and there was no need for equal responses to each of the eight scenarios.

Qualtrics and Microworkers will allow for tracking on the rate of responses, counting the number of surveys started and completed. Microworkers will provide proof of completion, with the end of survey thank you message as the proof of completion for each worker. Qualtrics will provide a count of the dropout rate per survey, as well as the number of surveys completed. The captured responses will be collated into a number of reports that can be exported in various formats for statistical analysis.

### 3.6 Data analysis and interpretation

The data to be collected from the four questionnaires to be sent out to four sample groups will be collated to answer the two hypotheses. With the assistance of a statistician, the data will be processed using the SAS Institute Inc.’s JMP software to conduct analytical statistical tests (SAS Institute Inc., 2014). The study will follow the first Palmatier et. al. (2009) paper by using ANOVA to test two managerial factors of customer’s perceived need and the risk taken by an organisation from the customer’s point of view.

The data analysis will test the reliability and validity of the data. All data from the four questionnaires will be analysed, excluding respondents that are not active on social media, looking at the two constructs of customers’ feelings of gratitude and the customers’ purchase intentions (Palmatier et. al., 2009). The analysis
will include examining the relationship between customers’ feelings of gratitude and the impact of customers’ purchase intentions.

The excluded responses will only be analysed at a demographic level, as there may be potential scope for use in recommendations of the research.

### 3.7 Limitations of the study

**Sampling**

- The sample selected from the proxy population may not be fully representative, given the incentive of payment for responses.

- Due to the resource constraints a sample size of 300, which is only 0.05% of the Microworkers population may limit the scope of responses to each of the four questionnaires.

- The respondents may be biased to being active online, although this may not mean that they are engaged in social media networks.

- Technological advancements and the tools used may lag behind the social media and networking landscape for some of the geographic locations targeted, limiting the respondents’ ability to have relationships with organisations through social networks.

- Technological differences across industries, the level of internet access and customer behaviour patterns may yield different results across regions, which when aggregated may provide some skewed results.

**Methodology**

- ANOVA is a good tool for exploring relationships between independent variables, although it lacks the flexibility of regression analysis.

- The methodology will only allow for the purchase intentions to be captured and not measure actual customer behaviour.
Analysis methods

- The potential finding or the research may not be wholly applicable across all industries that engage in relationship marketing activities.

- The study is not expected to be able to generate the suitability of differing social media platform options.

3.8 Validity and reliability

This research will use Palmatier et al.’s (2009) paper as a guide for overall validity. Reliability will be tested statistically to ensure that the study can be used for furthering research in the field of digital relationship marketing.

3.8.1 External validity

The research focuses on replicating the methodology of a single aspect of the three-part study conducted by Palmatier et al. (2009). The second parts of the study, split into “a” and “b” respectively, were used to “enhance external validity” (Palmatier et al., 2009, p. 7), which was conducted over a number of years, using confidential sales data of thirty-one representative firms. The external validity methodology could not be replicated in this research, due to time and resource constraints.

3.8.2 Internal validity

The methodology used is adopted from the study conducted by Palmatier et al. (2009), focusing on the aspect of the first part of their study, the laboratory setting. The method used was similar in that the different scenarios will be distributed to different groups of individuals, across high and low scenarios. In this instance, the study will be capturing a closed set of responses to capture purchase intention as a dependent variable in establishing internal validity (Palmatier et al., 2009).
### 3.8.3 Reliability

Reliability in this study was tested using Cronbach’s coefficient alpha in order to “measure internal consistency” (Penman, 2013, p.18) of the two constructs across the four scenarios in the questionnaires distributed. The questionnaires distributed were administered online only, using a payment incentive website that included completion steps, as a gateway to Qualtrics, where the final questionnaires’ results were captured.

Estimates of internal consistency, as measured by Cronbach’s alpha, all exceeded 0.80 for all four questionnaires and both constructs and are reported in the tables contained in Appendix E.

Four questionnaires were distributed electronically, capturing responses to four different scenarios, namely: Needs High, Needs Low, Risk High and Risk Low. The seven-point Likert scale used in all the questionnaires was standard, in line with the scales used by Palmatier et al. (2009), ‘ranging from ‘strongly disagree’ (1) to ‘strongly agree’ (7), to capture the constructs studied: feelings of gratitude... and... purchase intentions’” (Palmatier et al., 2009, p. 8).

The following statements were used for respondents to indicate their level of agreement or disagreement with:

**Gratitude**

Q1. I feel grateful to the organisation
Q2. I feel thankful to the organisation
Q3. I feel appreciative to the organisation

**Purchase intentions**

Q4. I would be likely to buy something today
Q5. I would come back to the organisation
Q6. I would likely buy from this organisation in the future
3.9 Demographic profile of respondents

The surveys only referred to two traits to determine demographics: gender and age. In order to encourage responses, the questions pertaining to gender and age were broadened, to allow respondents to feel comfortable and were compulsory to be answered.

3.9.1 Gender and Age

Out of the 312 respondents to the surveys, 65% were male, with the balance being female, as shown in Figure 3-5. The gender proportions were again tallied across all four surveys, including both active social media users, as well as inactive social media users.

![Gender profile](image)

**Figure 3-5 Gender profile**

The age ranges that respondents could select from were:

- Under 18
- 18 – 34
- 35 – 50
- Over 50
The total number of respondents fell mostly in the 18 – 34 age bracket, a total of 65% of the respondents, illustrated in Figure 3-6. The smallest age group was below the age of 18 at 3%, the only group below 10%.

Figure 3-6 Age profile

### 3.9.2 Geography

The survey distribution was international, in line with the Microworkers geographical options. The countries that were excluded were on the basis of the following conditions:

- Low English-speaking population proportion
- Size of population as a proportion
- Connectivity / digital landscape

The countries that were excluded in each of the surveys are in figures 3-7, 3-8, 3-9 and 3-10 below. These were done per scenario questionnaire, with a great effort to create consistency in the countries excluded. The exclusion can only be for a maximum of ten countries per Microworkers campaign.
Figure 3-7 Risk Low scenario country exclusions

Figure 3-8 Need High scenario country exclusions

Figure 3-9 Need Low scenario country exclusions
### Select campaign targeting

Exclude (CAN) up to 10 counties if targeting International zone
Include (MUST) specific countries when targeting other Zomes

#### Caribbean
- Egypt
- Indonesia

#### International
- Vietnam
- Bangladesh
- Romania
- Pakistan
- Macedonia
- Lithuania
- Australia
- Poland
- Canada
- India
- United States
- France
- Germany
- United Kingdom
- China
- Philippines
- Morocco
- Sri Lanka
- Nepal

**Figure 3-10 Risk High scenario country exclusions**
CHAPTER 4. PRESENTATION OF RESULTS

4.1 Introduction

The results to be presented are the overall results from the responses to the four questionnaires combined. The results focus on the group of respondents that use social media as a communication tool regularly, excluding the group that do not use social media regularly. The chapter includes demographic information, although individuals answered anonymously, from various regions internationally.

The questionnaires were distributed using Microworkers, an online questionnaire distribution paid-for resource. The results were collected through Qualtrics, where all the questionnaires were hosted. The results presentation includes responses to questions over the two hypotheses, as well as the responses obtained.

4.2 Responses

The four questionnaires were sent out to a total of 315 potential respondents, through assigning positions, using Microworkers. The total number of respondents was 312, with only 3 surveys started and not completed. The total response rate for the research, shown in Figure 4-1, was 99% with a 1% dropout rate. In order to provide proof that human beings had completed the survey, they were requested to copy and paste the final message at the end of the survey, which completed the verification process, and allowed them to be remunerated $0.25 per response and only a single response per individual in a single campaign.
Figure 4-1 Survey completion rate

The response rate per questionnaire is laid out in tables 4-1, 4-2, 4-3 and 4-4. These mark the responses per question for the scenario presented, with questions one to three pertaining to gratitude and questions four to six asking purchase intention.

Table 4-1 Risk Low scenario response rate

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Disagree somewhat</th>
<th>Undecided</th>
<th>Agree somewhat</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>% of Total</td>
<td>N</td>
<td>% of Total</td>
<td>N</td>
<td>% of Total</td>
<td>N</td>
<td>% of Total</td>
<td>N</td>
</tr>
<tr>
<td>Q7_1</td>
<td>4 8.00%</td>
<td>3 6.00%</td>
<td>6 12.00%</td>
<td>5 10.00%</td>
<td>12 24.00%</td>
<td>17 34.00%</td>
<td>3 6.00%</td>
<td>50 100.00%</td>
</tr>
<tr>
<td>Q7_2</td>
<td>2 4.00%</td>
<td>4 8.00%</td>
<td>6 12.00%</td>
<td>9 18.00%</td>
<td>11 22.00%</td>
<td>13 26.00%</td>
<td>5 10.00%</td>
<td>50 100.00%</td>
</tr>
<tr>
<td>Q7_3</td>
<td>3 6.00%</td>
<td>3 6.00%</td>
<td>4 8.00%</td>
<td>11 22.00%</td>
<td>6 12.00%</td>
<td>16 32.00%</td>
<td>7 14.00%</td>
<td>50 100.00%</td>
</tr>
<tr>
<td>Q7_4</td>
<td>3 6.00%</td>
<td>3 6.00%</td>
<td>3 6.00%</td>
<td>22 44.00%</td>
<td>5 10.00%</td>
<td>9 18.00%</td>
<td>5 10.00%</td>
<td>50 100.00%</td>
</tr>
<tr>
<td>Q7_5</td>
<td>3 6.00%</td>
<td>0 0.00%</td>
<td>6 12.00%</td>
<td>11 22.00%</td>
<td>12 24.00%</td>
<td>12 24.00%</td>
<td>6 12.00%</td>
<td>50 100.00%</td>
</tr>
<tr>
<td>Q7_6</td>
<td>1 2.00%</td>
<td>1 2.00%</td>
<td>4 8.00%</td>
<td>10 20.00%</td>
<td>20 40.00%</td>
<td>7 14.00%</td>
<td>7 14.00%</td>
<td>50 100.00%</td>
</tr>
</tbody>
</table>
### Table 4-2 Needs High scenario response rate

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Disagree somewhat</th>
<th>Undecided</th>
<th>Agree somewhat</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q7_1</td>
<td>2</td>
<td>8.99%</td>
<td>11</td>
<td>22</td>
<td>26</td>
<td>17</td>
<td>89</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_2</td>
<td>3</td>
<td>3.37%</td>
<td>4</td>
<td>7</td>
<td>22</td>
<td>33</td>
<td>89</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_3</td>
<td>4</td>
<td>4.49%</td>
<td>7</td>
<td>9</td>
<td>25</td>
<td>30</td>
<td>89</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_4</td>
<td>2</td>
<td>2.25%</td>
<td>3</td>
<td>25</td>
<td>22</td>
<td>21</td>
<td>89</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_5</td>
<td>0</td>
<td>0.00%</td>
<td>3</td>
<td>16</td>
<td>23</td>
<td>25</td>
<td>89</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_6</td>
<td>0</td>
<td>0.00%</td>
<td>3</td>
<td>17</td>
<td>25</td>
<td>29</td>
<td>89</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### Table 4-3 Needs Low scenario response rate

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Strongly agree</th>
<th>Agree somewhat</th>
<th>Agree</th>
<th>Disagree somewhat</th>
<th>Strongly disagree</th>
<th>Undecided</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q7_1</td>
<td>10</td>
<td>16.98%</td>
<td>28</td>
<td>52.83%</td>
<td>3</td>
<td>5.66%</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Q7_2</td>
<td>11</td>
<td>20.75%</td>
<td>10</td>
<td>45.28%</td>
<td>2</td>
<td>3.77%</td>
<td>1</td>
<td>1.89%</td>
</tr>
<tr>
<td>Q7_3</td>
<td>12</td>
<td>22.64%</td>
<td>15</td>
<td>33.96%</td>
<td>3</td>
<td>5.66%</td>
<td>1</td>
<td>1.89%</td>
</tr>
<tr>
<td>Q7_4</td>
<td>8</td>
<td>15.09%</td>
<td>13</td>
<td>24.53%</td>
<td>11</td>
<td>5.66%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Q7_5</td>
<td>7</td>
<td>13.21%</td>
<td>16</td>
<td>30.19%</td>
<td>23</td>
<td>43.40%</td>
<td>0</td>
<td>7.55%</td>
</tr>
<tr>
<td>Q7_6</td>
<td>10</td>
<td>18.87%</td>
<td>20</td>
<td>37.74%</td>
<td>16</td>
<td>30.19%</td>
<td>2</td>
<td>3.77%</td>
</tr>
</tbody>
</table>
Table 4-4 Risk High scenario response rate

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Strongly agree</th>
<th>Agree somewhat</th>
<th>Agree</th>
<th>Disagree somewhat</th>
<th>Strongly disagree</th>
<th>Undecided</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q7_1</td>
<td>0</td>
<td>10</td>
<td>9</td>
<td>28</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>0.00%</td>
<td>18.87%</td>
<td>16.98%</td>
<td>52.83%</td>
<td>5.66%</td>
<td>0.00%</td>
<td>5.66%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_2</td>
<td>0</td>
<td>11</td>
<td>10</td>
<td>24</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>0.00%</td>
<td>20.75%</td>
<td>18.87%</td>
<td>45.28%</td>
<td>3.77%</td>
<td>1.89%</td>
<td>9.43%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_3</td>
<td>1</td>
<td>12</td>
<td>15</td>
<td>18</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>1.89%</td>
<td>22.64%</td>
<td>28.30%</td>
<td>33.96%</td>
<td>5.66%</td>
<td>1.89%</td>
<td>5.66%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_4</td>
<td>1</td>
<td>13</td>
<td>11</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>17</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>1.89%</td>
<td>15.09%</td>
<td>20.75%</td>
<td>5.66%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>32.08%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_5</td>
<td>0</td>
<td>16</td>
<td>13</td>
<td>4</td>
<td>7</td>
<td>0</td>
<td>3</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>0.00%</td>
<td>30.19%</td>
<td>24.53%</td>
<td>43.40%</td>
<td>7.55%</td>
<td>0.00%</td>
<td>5.66%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Q7_6</td>
<td>1</td>
<td>10</td>
<td>20</td>
<td>16</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>1.89%</td>
<td>18.87%</td>
<td>37.74%</td>
<td>30.19%</td>
<td>3.77%</td>
<td>0.00%</td>
<td>7.55%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

4.3 Results pertaining to Hypothesis 1

**Hypothesis 1:** Social media organisation/customer relationships positively affect customers’ feelings of gratitude

From the histogram below [Figure 4-2] (mean=5.23 and sd = 1.36), it can be seen that the distribution for “Gratitude” of customers is skewed to the right, meaning that most respondents have positive feelings of gratitude towards organisations on social media based on their needs, as well as the perceived risk taken by an organization to build a relationship with them on social media networks.
The Shapiro-Wilk test is conducted for normality. The p-value from the Shapiro-Wilk test is larger than 0.01 (p=0.91) indicating normality at a 99% level of confidence.

To test if the variances of the gratitude score are equal for the categories (position) a Levene’s test for equality of variances is conducted. ANOVA requires that variances of the categories to be compared are equal and the p-value from the Levene’s test conducted is greater than 0.01 (p=0.0329) indicating equal variances at a 99% level of confidence (to test deviations from the assumption a more strict cut-off of 0.01 is used).

The variances of the “Gratitude” scores for the four scenarios do not differ significantly, thus the assumption of equal variances holds.
4.3.1 *Homogeneity of variances*

**Figure 4-3 Gratitude Equal Variances Test**

**Table 4-5 Gratitude Equal Variances Test**

<table>
<thead>
<tr>
<th>Level</th>
<th>Count</th>
<th>Std Dev</th>
<th>MeanAbsDif to Mean</th>
<th>MeanAbsDif to Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH</td>
<td>89</td>
<td>1.285896</td>
<td>0.985566</td>
<td>0.981273</td>
</tr>
<tr>
<td>NL</td>
<td>53</td>
<td>1.114006</td>
<td>0.846327</td>
<td>0.786164</td>
</tr>
<tr>
<td>RH</td>
<td>50</td>
<td>1.378487</td>
<td>1.093333</td>
<td>1.053333</td>
</tr>
<tr>
<td>RL</td>
<td>50</td>
<td>1.561164</td>
<td>1.295200</td>
<td>1.286667</td>
</tr>
</tbody>
</table>

**Table 4-6 Gratitude Equal Variances Test - Levene**

<table>
<thead>
<tr>
<th>Test</th>
<th>F Ratio</th>
<th>DNum</th>
<th>DFNum</th>
<th>DFDen</th>
<th>Prob &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>O'Brien[5]</td>
<td>1.8171</td>
<td>3</td>
<td>238</td>
<td>238</td>
<td>0.1447</td>
</tr>
<tr>
<td>Brown-Forsythe</td>
<td>2.7794</td>
<td>3</td>
<td>238</td>
<td>238</td>
<td>0.0418</td>
</tr>
<tr>
<td>Levene</td>
<td>2.9631</td>
<td>3</td>
<td>238</td>
<td>238</td>
<td>0.0329</td>
</tr>
<tr>
<td>Bartlett</td>
<td>1.9996</td>
<td>3</td>
<td>238</td>
<td>238</td>
<td>0.1117</td>
</tr>
</tbody>
</table>
The means and standard errors on the output in the table below show higher means for the three scenarios of Needs High (NH M = 5.31), Needs Low (NL M = 5.62) and Risk High (RH M = 5.2). Clearly the need to feel part of a community and seeing a perceived higher risk being taken by organisations on social media shows higher mean scores than low perceived risk taken by organisations on social media networks (RL M = 4.69) indicating less gratitude for lower perceived risk taken by organisations on social media.

Table 4-7 ANOVA descriptives

<table>
<thead>
<tr>
<th>Level</th>
<th>Number</th>
<th>Mean</th>
<th>Std Error</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH</td>
<td>89</td>
<td>5.31086</td>
<td>0.14124</td>
<td>5.0326</td>
<td>5.5891</td>
</tr>
<tr>
<td>NL</td>
<td>53</td>
<td>5.61635</td>
<td>0.18303</td>
<td>5.2558</td>
<td>5.9769</td>
</tr>
<tr>
<td>RH</td>
<td>50</td>
<td>5.20000</td>
<td>0.18844</td>
<td>4.8288</td>
<td>5.5712</td>
</tr>
<tr>
<td>RL</td>
<td>50</td>
<td>4.68667</td>
<td>0.18844</td>
<td>4.3154</td>
<td>5.0579</td>
</tr>
</tbody>
</table>

The mean score of the position is represented in the graph below, by the middle line in the diamond, with the vertical endpoints forming the 95% confidence interval of the mean. The width of each diamond in Figure 4-4 is an indication of the relative sample size. The diamonds for the higher positions are for the Needs High, Needs Low and Risk High scenarios, with Risk Low occupying a lower position, indicating a significant mean score difference between the positions.
The F-test was used to determine if the difference between the means is statistically significant. The p-value for “Gratitude” is smaller than 0.01, indicating there is a significant difference in customer feelings of gratitude for different social media scenarios at a 99% level of confidence.

**Table 4-8 Analysis of variance – Gratitude**

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Ratio</th>
<th>Prob &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario</td>
<td>3</td>
<td>23.29462</td>
<td>7.76487</td>
<td>4.3732</td>
<td>0.0051*</td>
</tr>
<tr>
<td>Error</td>
<td>238</td>
<td>422.57866</td>
<td>1.77554</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Total</td>
<td>241</td>
<td>445.87328</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 4-9 LSD Threshold Matrix Abs(Dif)-HSD – Gratitude

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>NH</th>
<th>RH</th>
<th>RL</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL</td>
<td>-0.66971</td>
<td>-0.29268</td>
<td>-0.26333</td>
<td>0.25000</td>
</tr>
<tr>
<td>NH</td>
<td>-0.29268</td>
<td>-0.51681</td>
<td>-0.49845</td>
<td>0.01488</td>
</tr>
<tr>
<td>RH</td>
<td>-0.26333</td>
<td>-0.49845</td>
<td>-0.68951</td>
<td>-0.17618</td>
</tr>
<tr>
<td>RL</td>
<td>0.25000</td>
<td>0.01488</td>
<td>-0.17618</td>
<td>-0.68951</td>
</tr>
</tbody>
</table>

*Positive values show pairs of means that are significantly different.

4.3.2 Connecting letters

Table 4-10 Connecting Letters Report

<table>
<thead>
<tr>
<th>Level</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL</td>
<td>5.6163522</td>
</tr>
<tr>
<td>NH</td>
<td>5.3108614</td>
</tr>
<tr>
<td>RH</td>
<td>5.2000000</td>
</tr>
<tr>
<td>RL</td>
<td>4.6866667</td>
</tr>
</tbody>
</table>

*Levels not connected by same letter are significantly different.

Table 4-10 lists the actual absolute difference in the means for Gratitude. Pairs with a positive value are significantly different, which are NL-RL, NH-RL, RL-NL and RL-NH pairs.

The Tukey letter grouping shows the mean scores for the four positions or levels on the response variable (customers’ feelings of gratitude) and whether or not these level means are different at the 0.05 alpha levels. You can see that the means for Needs High and Needs Low differs significantly from Risk Low.
Risk High has no significant difference between the letter A that identifies Needs Low and Needs High as being the same and the letter B that identifies Risk Low.

Therefore, the conclusion is that the mean Gratitude scores for Needs High and Needs Low are significantly different from the Risk Low scores, whilst Risk High is not significantly different from the Needs High, Needs Low and Risk Low scores. While the means for Needs High, Needs Low and Risk High do not differ significantly neither does the Risk High and Risk Low means.

Table 4-11 Wilcoxon / Kruskal-Wallis Tests (Rank Sums)

<table>
<thead>
<tr>
<th>Level</th>
<th>Count</th>
<th>Score Sum</th>
<th>Expected Score</th>
<th>Score Mean</th>
<th>(Mean-Mean0)/Std0</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH</td>
<td>89</td>
<td>11034.0</td>
<td>10813.5</td>
<td>123.978</td>
<td>0.422</td>
</tr>
<tr>
<td>NL</td>
<td>53</td>
<td>7506.00</td>
<td>6439.50</td>
<td>141.623</td>
<td>2.386</td>
</tr>
<tr>
<td>RH</td>
<td>50</td>
<td>6026.50</td>
<td>6075.00</td>
<td>120.530</td>
<td>-0.110</td>
</tr>
<tr>
<td>RL</td>
<td>50</td>
<td>4836.50</td>
<td>6075.00</td>
<td>96.730</td>
<td>-2.830</td>
</tr>
</tbody>
</table>

The p-value from the Kruskall-Wallis test is not less than 0.01 (p>0.0001), indicating that the mean ranks of all the scenarios are the same (McDonald, 2009) when looking at customers’ feelings of gratitude (at a 99% level of confidence).

The Gratitude results were analysed using a non-parametric Kruskall-Wallis test, which revealed that the four populations for risk and need, across both high and low scenarios, had the same distribution. There was no significant difference observed between needs and risk’s high and low scenario scores observed in the two conditions, $\chi^2 (3) = 10.93$; p>0.0001.
4.4 Results pertaining to Hypothesis 2

Hypothesis 2: Customer's feelings of gratitude towards an organisation have a positive impact on the customer's purchase intentions

From the histogram below [Figure 4-5] (mean=5.14 and sd = 1.10), it can be seen that the distribution for customers' purchase intention is skewed to the right, meaning that most respondents have positive intentions for purchasing from organisations that interact and work to form a relationship with them on social media, based on their needs, as well as the perceived risk taken by an organisation.

**Figure 4-5 Distribution – Purchase intention**

The Shapiro-Wilk test was conducted to test for normality. The p-value from the purchase intention Shapiro-Wilk test is larger than 0.01 (p=0.96), indicating normality at a 99% confidence level.

To test if the variances of the customers' purchase intention scores are equal for the categories, a Levene’s test for equality of variances was conducted. The variances of the categories compared are required by ANOVA to be equal. The
variances are equal, as the p-value from the Levene’s test conducted is greater than 0.01 (p=0.67) indicating equal variances at a 99% level of confidence.

The variances of customers’ purchase intentions scores for the four scenarios do not differ significantly, thus the assumption of equal variances holds.

4.4.1 **Homogeneity of variances**

![Figure 4-6 Purchase Intention Equal Variances Test](image)

<table>
<thead>
<tr>
<th>Level</th>
<th>Count</th>
<th>Std Dev</th>
<th>MeanAbsDif to Mean</th>
<th>MeanAbsDif to Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH</td>
<td>89</td>
<td>1.017872</td>
<td>0.8211084</td>
<td>0.8164794</td>
</tr>
<tr>
<td>NL</td>
<td>53</td>
<td>0.998911</td>
<td>0.7988608</td>
<td>0.7987421</td>
</tr>
<tr>
<td>RH</td>
<td>50</td>
<td>1.094389</td>
<td>0.8088000</td>
<td>0.7933333</td>
</tr>
<tr>
<td>RL</td>
<td>50</td>
<td>1.256728</td>
<td>0.9440000</td>
<td>0.9400000</td>
</tr>
</tbody>
</table>
Table 4-13 Purchase Intention Equal Variances Test - Levene

<table>
<thead>
<tr>
<th>Test</th>
<th>F Ratio</th>
<th>DNum</th>
<th>DDen</th>
<th>Prob &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>O'Brien[.5]</td>
<td>1.1115</td>
<td>3</td>
<td>238</td>
<td>0.3451</td>
</tr>
<tr>
<td>Brown-Forsythe</td>
<td>0.5184</td>
<td>3</td>
<td>238</td>
<td>0.6700</td>
</tr>
<tr>
<td>Levene</td>
<td>0.5219</td>
<td>3</td>
<td>238</td>
<td>0.6676</td>
</tr>
<tr>
<td>Bartlett</td>
<td>1.2262</td>
<td>3</td>
<td></td>
<td>0.2983</td>
</tr>
</tbody>
</table>

The means and standard errors on the output in Table 4-14 below show higher means for the three scenarios of Needs High (NH M = 5.25), Needs Low (NL M = 5.32) and Risk High (RH M = 5.19). It seems the customers’ perceived need in terms of benefits from the organisation and seeing a perceived higher risk being taken by organisations on social media shows higher mean scores than low perceived risk taken by organisations through social media interaction (RL M = 4.69), resulting in lower customers’ purchase intentions mean scores for low risk taken by organisations from the customers’ perceptions.

Table 4-14 ANOVA descriptives - Purchase intentions

<table>
<thead>
<tr>
<th>Level</th>
<th>Number</th>
<th>Mean</th>
<th>Std Error</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH</td>
<td>89</td>
<td>5.25094</td>
<td>0.11480</td>
<td>5.0248</td>
<td>5.4771</td>
</tr>
<tr>
<td>NL</td>
<td>53</td>
<td>5.32704</td>
<td>0.14876</td>
<td>5.0340</td>
<td>5.6201</td>
</tr>
<tr>
<td>RH</td>
<td>50</td>
<td>5.19333</td>
<td>0.15316</td>
<td>4.8916</td>
<td>5.4950</td>
</tr>
<tr>
<td>RL</td>
<td>50</td>
<td>4.70000</td>
<td>0.15316</td>
<td>4.3983</td>
<td>5.0017</td>
</tr>
</tbody>
</table>

Std Error uses a pooled estimate of error variance
The mean score of the position is represented in Figure 4-7 below, by the middle line in each of the diamonds, with the vertical endpoints forming the 95% confidence interval of the mean. The width of each diamond differs in relation to the relative sample sizes. The diamonds for the higher positions are for the Needs High and Needs Low scenarios, and whilst the Risk High scenario is slightly lower in position, Risk Low occupies the lowest position on the graph, indicating a significant mean score difference between the positions.

**Figure 4-7 Purchase intention factor by scenario**

The F-test was used to determine if the difference between the means is statistically significant for customers’ purchase intentions. The p-value for purchase intentions is equal to 0.01, indicating there is no significant difference in customers’ purchase intentions across all four scenarios at both high and low, at a 99% confidence level.
Table 4-15 Analysis of variance – Purchase intention

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Ratio</th>
<th>Prob &gt; F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario</td>
<td>3</td>
<td>12.77091</td>
<td>4.25697</td>
<td>3.6296</td>
<td>0.0137*</td>
</tr>
<tr>
<td>Error</td>
<td>238</td>
<td>279.13588</td>
<td>1.17284</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Total</td>
<td>241</td>
<td>291.90680</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.4.2 Means Comparisons

Table 4-16 LSD Threshold Matrix Abs(Dif)-HSD – Purchase intention

<table>
<thead>
<tr>
<th></th>
<th>NL</th>
<th>NH</th>
<th>RH</th>
<th>RL</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL</td>
<td></td>
<td>-0.54431</td>
<td>-0.41005</td>
<td>-0.41870</td>
</tr>
<tr>
<td>NH</td>
<td>-0.41005</td>
<td></td>
<td>-0.42003</td>
<td>-0.43761</td>
</tr>
<tr>
<td>RH</td>
<td>-0.41870</td>
<td>-0.43761</td>
<td></td>
<td>-0.56040</td>
</tr>
<tr>
<td>RL</td>
<td>0.07463</td>
<td>0.05572</td>
<td>-0.06706</td>
<td></td>
</tr>
</tbody>
</table>

*Positive values show pairs of means that are significantly different.
Table 4-17 Connecting Letters Report - Purchase intentions

<table>
<thead>
<tr>
<th>Level</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL</td>
<td>5.3270440</td>
</tr>
<tr>
<td>NH</td>
<td>5.2509363</td>
</tr>
<tr>
<td>RH</td>
<td>5.1933333</td>
</tr>
<tr>
<td>RL</td>
<td>4.700000</td>
</tr>
</tbody>
</table>

*Levels not connected by same letter are significantly different.

Table 4-17 lists absolute difference in the means for purchase intentions. Pairs with a positive value are significantly different, which are the pairs NL-RL and NH-RL.

The Tukey letter grouping shows the mean scores for the four positions or levels on the response variable (customers’ purchase intentions) and whether or not these level means are different at the 0.05 alpha levels. The results demonstrate that the means for Needs Low and Needs High differs significantly from Risk Low. Risk High has no significant differences between the letter A positions and the letter B position.

Therefore, the conclusion is that the mean scores of purchase intentions for Needs High and Needs Low are significantly different from the Risk Low score, whilst Risk High’s mean score is not significantly different from the Needs High, Needs Low and Risk Low scores. While the means for Needs High, Needs Low and Risk High do not differ significantly neither do the Risk High and Risk Low means.
### Table 4-18 Wilcoxon / Kruskal-Wallis Tests (Rank Sums)

<table>
<thead>
<tr>
<th>Level</th>
<th>Count</th>
<th>Score Sum</th>
<th>Expected Score</th>
<th>Score Mean</th>
<th>((\text{Mean-Mean}_0)/\text{Std}_0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH</td>
<td>89</td>
<td>11288.5</td>
<td>10813.5</td>
<td>126.837</td>
<td>0.909</td>
</tr>
<tr>
<td>NL</td>
<td>53</td>
<td>7065.00</td>
<td>6439.50</td>
<td>133.302</td>
<td>1.395</td>
</tr>
<tr>
<td>RH</td>
<td>50</td>
<td>6355.00</td>
<td>6075.00</td>
<td>127.100</td>
<td>0.637</td>
</tr>
<tr>
<td>RL</td>
<td>50</td>
<td>4694.50</td>
<td>6075.00</td>
<td>93.890</td>
<td>-3.147</td>
</tr>
</tbody>
</table>

The p-value from the Kruskall-Wallis test is not less than 0.01, indicating that the mean ranks of all the scenarios are the same (McDonald, 2009) when looking at customers’ purchase intentions at a 99% confidence level.

Customers’ purchase intentions results were analysed using non-parametric Kruskall-Wallis test which revealed that the four scenario’s populations for risk and need, across both high and low, have the same distribution. There was no significant difference observed between needs and risk’s high and low scenario scores observed in the two conditions, \(\chi^2(3) = 10.23; p>0.0001\).

#### 4.4.3 Correlations

**Scenario: Needs High**

The positive correlation (0.6005) shows the relationship between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy). The positive correlation of 0.6005 indicates a strong relationship between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy) for the scenario.
Table 4-19 Pairwise Correlations - Needs High

<table>
<thead>
<tr>
<th>Variable</th>
<th>by Variable</th>
<th>Correlation</th>
<th>Count</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Signif Prob</th>
<th>Plot Corr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 2</td>
<td>Buy</td>
<td>0.6005</td>
<td>89</td>
<td>0.4483</td>
<td>0.7189</td>
<td>&lt;.0001*</td>
<td></td>
</tr>
<tr>
<td>Factor 1</td>
<td>Appreciate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results in Table 4-19 of the Pearson correlation analysis conducted revealed a significant and positive relationship (r = 0.6005, N = 89, p < 0.0001*). The correlation was strong and higher levels of customers’ feelings of gratitude were associated with higher levels of customer intention to purchase.

**Scenario: Needs Low**

There is a positive correlation (0.6218) between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy). The positive correlation indicates a strong relationship between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy) for Needs Low scenario.

Table 4-20 Pairwise Correlations – Needs Low

<table>
<thead>
<tr>
<th>Variable</th>
<th>by Variable</th>
<th>Correlation</th>
<th>Count</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Signif Prob</th>
<th>Plot Corr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 2</td>
<td>Buy</td>
<td>0.6218</td>
<td>53</td>
<td>0.4226</td>
<td>0.7638</td>
<td>&lt;.0001*</td>
<td></td>
</tr>
<tr>
<td>Factor 1</td>
<td>Appreciate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Pearson correlation analysis conducted for the Needs Low scenario revealed a significant and positive relationship \( (r = 0.6218, N = 53, p < 0.0001^* ) \). There was a strong and positive correlation between customers’ feelings of gratitude and customer intention to purchase.

**Scenario: Risk High**

There is a positive correlation for the relationship between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy) for the scenario Risk High. The positive correlation of 0.7600 indicates a very strong relationship between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy) for the scenario.

<table>
<thead>
<tr>
<th>Variable by Variable</th>
<th>Correlation</th>
<th>Count</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Signif Prob</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 2 Buy, Factor 1 Appreciate</td>
<td>0.7600</td>
<td>50</td>
<td>0.6108</td>
<td>0.8570</td>
<td>&lt;.0001*</td>
</tr>
</tbody>
</table>

The results of the Pearson correlation analysis conducted, as illustrated in Table 4-31, revealed a very strong positive relationship \( (r = 0.7600, N = 50, p < 0.0001^* ) \), and higher levels of customers’ feelings of gratitude were associated with higher levels of customer intention to purchase.

**Scenario: Risk Low**

The relationship between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy) for the Risk Low scenario is a positive correlation. The strong, positive correlation of 0.7740 indicates a very strong
relationship between “Customers’ Feelings of Gratitude” (Appreciate) and “Customer Purchase Intentions” (Buy).

Table 4-22 Pairwise Correlations - Risk Low

<table>
<thead>
<tr>
<th>Variable</th>
<th>by Variable</th>
<th>Correlation</th>
<th>Count</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Signif Prob</th>
<th>Plot Corr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Factor 2</td>
<td>0.7740</td>
<td>50</td>
<td>0.6318</td>
<td>0.8658</td>
<td>&lt;.0001*</td>
<td></td>
</tr>
<tr>
<td>Appreciate</td>
<td>Factor 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Pearson correlation analysis was conducted and the results in Table 4-22 reveal a very strong positive relationship ($r =0.7740$, $N = 50$, $p <0.0001*$), and higher levels of customers’ feelings of gratitude were associated with higher levels of customer intention to purchase.

4.4.4 Linear regression

Scenario: Needs High
Factor 2 Buy = 2.7264158 + 0.4753505*Factor 1 Appreciate

Figure 4-8 Bivariate Fit of Factor 2 Buy By Factor 1 Appreciate – Needs High
### Table 4-23 Summary of Fit - Needs High

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSquare</td>
<td>0.360623</td>
</tr>
<tr>
<td>RSquare Adj</td>
<td>0.353274</td>
</tr>
<tr>
<td>Root Mean Square Error</td>
<td>0.818565</td>
</tr>
<tr>
<td>Mean of Response</td>
<td>5.250936</td>
</tr>
<tr>
<td>Observations (or Sum Wgts)</td>
<td>89</td>
</tr>
</tbody>
</table>

### Table 4-24 Analysis of Variance - Needs High

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>1</td>
<td>32.879298</td>
<td>32.8793</td>
<td>49.0700</td>
</tr>
<tr>
<td>Error</td>
<td>87</td>
<td>58.294235</td>
<td>0.6700</td>
<td>Prob &gt; F</td>
</tr>
<tr>
<td>C. Total</td>
<td>88</td>
<td>91.173533</td>
<td></td>
<td>&lt;.0001*</td>
</tr>
</tbody>
</table>

### Table 4-25 Parameter Estimates - Needs High

| Term          | Estimate | Std Error | t Ratio | Prob>|t| |
|---------------|----------|-----------|---------|-----|
| Intercept     | 2.7264158| 0.370686  | 7.36    | <.0001* |
| Factor 1 Appreciate | 0.4753505| 0.067859  | 7.00    | <.0001* |
To assess the significance of the independent variable, the T-test's p-value was used. Appreciate (Customer Feelings of Gratitude) for Needs High scenario is significant with a p-value of below 0.05, at a 95% level of confidence with a p-value of <.0001*.

Linear regression was conducted to examine whether Customers' Feelings of Gratitude (Appreciate) impact on Customers' Purchase Intentions (Buy) for the scenario. The overall model explained 36.06 percent of variance in customers’ purchase intentions for an organisation, which was revealed to be statistically significant, F_{1,88} = 49.07, p < 0.0001*.

**Scenario: Needs Low**

![Bivariate Fit of Factor 2 Buy By Factor 1 Appreciate – Needs Low](image)

Factor 2 Buy = 2.1953739 + 0.5575986*Factor 1 Appreciate

**Figure 4-9 Bivariate Fit of Factor 2 Buy By Factor 1 Appreciate – Needs Low**
### Table 4-26 Summary of Fit – Needs Low

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RSquare</td>
<td>0.386692</td>
</tr>
<tr>
<td>RSquare Adj</td>
<td>0.374666</td>
</tr>
<tr>
<td>Root Mean Square Error</td>
<td>0.789919</td>
</tr>
<tr>
<td>Mean of Response</td>
<td>5.327044</td>
</tr>
<tr>
<td>Observations (or Sum Wgts)</td>
<td>53</td>
</tr>
</tbody>
</table>

### Table 4-27 Analysis of Variance – Needs Low

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>1</td>
<td>20.064198</td>
<td>20.0642</td>
<td>32.1556</td>
</tr>
<tr>
<td>Error</td>
<td>51</td>
<td>31.822595</td>
<td>0.6240</td>
<td>Prob &gt; F</td>
</tr>
<tr>
<td>C. Total</td>
<td>52</td>
<td>51.886792</td>
<td></td>
<td>&lt;.0001*</td>
</tr>
</tbody>
</table>

### Table 4-28 Parameter Estimates – Needs Low

| Term             | Estimate | Std Error | t Ratio | Prob>|t| |
|------------------|----------|-----------|---------|------|
| Intercept        | 2.1953739| 0.562823  | 3.90    | 0.0003*  |
| Factor 1 Appreciate | 0.5575986| 0.098332 | 5.67    | <.0001*  |
The T-test’s p-value was used to assess the significance of the independent variable, Appreciate (Customer Feelings of Gratitude), and it is significant at a 95% level of confidence, with a p-value of <.0001* in the Needs Low scenario.

To look at whether Customers’ Feelings of Gratitude (Appreciate) impact on Customers’ Purchase Intentions (Buy) for the Needs Low, linear regression was conducted. The overall model explained 38.67 percent of variance in customers’ purchase intentions for an organisation, which was revealed to be statistically significant, \( F_{1,52} = 32.16, p < 0.0001^* \).

**Scenario – Risk High**

![Linear Fit](image)

Factor 2 Buy = 2.0559586 + 0.6033413*Factor 1 Appreciate

**Figure 4-10 Bivariate Fit of Factor 2 Buy By Factor 1 Appreciate - Risk High**
### Table 4-29 Summary of Fit - Risk High

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RSquare</strong></td>
<td>0.577548</td>
</tr>
<tr>
<td><strong>RSquare Adj</strong></td>
<td>0.568747</td>
</tr>
<tr>
<td><strong>Root Mean Square Error</strong></td>
<td>0.718684</td>
</tr>
<tr>
<td><strong>Mean of Response</strong></td>
<td>5.193333</td>
</tr>
<tr>
<td><strong>Observations (or Sum Wgts)</strong></td>
<td>50</td>
</tr>
</tbody>
</table>

### Table 4-30 Analysis of Variance - Risk High

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>1</td>
<td>33.894373</td>
<td>33.8944</td>
<td>65.6224</td>
</tr>
<tr>
<td>Error</td>
<td>48</td>
<td>24.792294</td>
<td>0.5165</td>
<td>Prob &gt; F</td>
</tr>
<tr>
<td>C. Total</td>
<td>49</td>
<td>58.686667</td>
<td></td>
<td>&lt;.0001*</td>
</tr>
</tbody>
</table>

### Table 4-31 Parameter Estimates - Risk High

| Term                | Estimate  | Std Error | t Ratio | Prob>|t| |
|---------------------|-----------|-----------|---------|------|
| Intercept           | 2.0559586 | 0.400408  | 5.13    | <.0001* |
| Factor 1 Appreciate | 0.6033413 | 0.07448   | 8.10    | <.0001* |
To assess the significance of the independent variable, the T-test p-value was used, with results in Table 4-31 showing that Appreciate (Customer Feelings of Gratitude) for Needs High scenario is significant with a p-value of <.0001*, below 0.05, at a 95% confidence level.

Linear regression was undertaken to examine if Customers’ Feelings of Gratitude (Appreciate) do impact on Customers’ Purchase Intentions (Buy) for the Risk High scenario. Overall the model explained 57.75 percent of variance in customers’ purchase intentions for an organisation, which was revealed to be statistically significant, $F_{1,49} = 65.62, p <0.0001^*.$

**Scenario – Risk Low**

![Figure 4-11 Bivariate Fit of Factor 2 Buy By Factor 1 Appreciate - Risk Low](image)

\[ \text{Factor 2 Buy} = 1.7798267 + 0.6230811 \times \text{Factor 1 Appreciate} \]
### Table 4-32 Summary of Fit - Risk Low

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RSquare</td>
<td>0.599106</td>
</tr>
<tr>
<td>RSquare Adj</td>
<td>0.590754</td>
</tr>
<tr>
<td>Root Mean Square Error</td>
<td>0.803958</td>
</tr>
<tr>
<td>Mean of Response</td>
<td>4.7</td>
</tr>
<tr>
<td>Observations (or Sum Wgts)</td>
<td>50</td>
</tr>
</tbody>
</table>

### Table 4-33 Analysis of Variance - Risk Low

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>1</td>
<td>46.364155</td>
<td>46.3642</td>
<td>71.7324</td>
</tr>
<tr>
<td>Error</td>
<td>48</td>
<td>31.024734</td>
<td>0.6463</td>
<td>Prob &gt; F</td>
</tr>
<tr>
<td>C. Total</td>
<td>49</td>
<td>77.388889</td>
<td></td>
<td>&lt;.0001*</td>
</tr>
</tbody>
</table>

### Table 4-34 Parameter Estimates - Risk Low

| Term              | Estimate | Std Error | t Ratio | Prob>|t| |
|-------------------|----------|-----------|---------|------|
| Intercept         | 1.7798267| 0.36305   | 4.90    | <.0001* |
| Factor 1 Appreciate | 0.6230811| 0.073568  | 8.47    | <.0001* |
In order to assess the significance of the independent variable, the T-test’s p-value was used. Appreciate (Customer Feelings of Gratitude) for the Risk Low scenario is significant with a p-value of <.0001*, at a 95% level of confidence.

To assess whether Customers’ Feelings of Gratitude (Appreciate) impact on Customers’ Purchase Intentions (Buy) for the scenario, linear regression was conducted. The overall model explained 59.91 percent of variance in customers’ purchase intentions for an organisation, which was revealed to be statistically significant, $F_{1,49} = 71.73$, $p < .0001$.

### 4.5 Summary of the results

The four questionnaires sent out received a high response and completion rate, with a low dropout rate overall. This response was secured by the incentive respondents received.

The results for hypothesis one presented are concerned with the construct of Customers’ Feelings of Gratitude across each of the scenarios. The combined results showed the null hypothesis to not be rejected at the confidence level of 99.9 percent. The means for the hypothesis were skewed to the right and the Risk High scenario not being significant in variance from the other three scenarios that were in fact significantly different from one another across needs and risk.

The results presented on hypothesis two, that dealt with the influence of gratitude on customers’ purchase intentions included observing the means, which were skewed to the right as well as the p-value, which resulted in the null hypothesis not being rejected. Linear regression was run to test the relationship between customer gratitude and the customer purchase intention, labelled appreciate and buy respectively. The regression revealed the relationship to be a very strong positive correlation between the two variables. The results showed that a significant percentage of the variance in purchase intentions was explained by the model.
The details for the results have been presented in the figures and tables included under each hypothesis results presentation, with some included as appendices. The demographics of the four questionnaires’ respondents did not play a significant role in the presentation of the results for this research.
CHAPTER 5. DISCUSSION OF THE RESULTS

5.1 Introduction

The purpose of the research was to examine the effect of social media on customer purchase intentions.

The discussion will focus on the similarities found in the research results when compared to the literature on the role of gratitude, in the perspective of the management areas observed. This will be followed by a similar comparison of the results in relation to the literature on the effects of gratitude on purchase intention within a social media session.

The discussion will be summarised, concluding with the key findings of this research.

5.2 Discussion pertaining to Hypothesis 1

Hypothesis 1: Social media organisation / customer relationships positively affect customers’ feelings of gratitude

5.2.1 Social media scenario settings

Customer relationship management is one of the spheres that connects marketing to the Internet. The key success for marketing online lies in investing in technology and developing a strategy for relationship marketing (Osarenkhoe & Bennani, 2007).

Two issues important to managers in the sphere of relationship marketing were focussed on:
a. **Risk**

This refers to the risk the organisation takes, as perceived by the customer. “‘Being active’ is one key requirement of success” (Kaplan & Haenlein, 2010, p. 65) in social media. This is the risk that the relationship marketing investment undertaken by the organisation to invest in social media may not be reciprocated by customers and that in spite of reciprocity not being guaranteed, the organisation makes the investment to use social media as a relationship marketing tool.

b. **Need**

The customer needs to get relationship marketing benefits from the organisation it chooses to interact with on social media. The perceived value of the benefit received increases the customer’s gratitude when the value is acknowledged (Palmatier et al., 2009). The main motivation for customers using social networks to engage with organisations is the need for information and to feel a sense of belonging and the customer needs to feel sense of being an insider of the organisation, with information more customised for them on social media (Brandtzæg & Heim, 2009).

**5.2.2 Discussion of customers’ feelings of gratitude results**

The research results showed that most of the respondents, as customers, felt positive feelings of gratitude towards organisations, as they perceived the risk taken by organisations as sufficiently high and the value of the benefit they received from the social media interaction of some value.

The anomaly to the result, which was not expected based on the literature, was the scenario of low needs. The results showed higher than expected levels of gratitude when the organisation was prepared to share the overall reward of any interaction on social media from consumers and not only customers. The customer needs to feel sense of being an insider of the organisation, with information more customised for them on social media (Brandtzæg & Heim, 2009) was superseded by a self-preserving behavioural reaction. The
“prosumer” McCole (2004), a technology-enabled consumer, is uncompromising and seeks experiences with organisations, resulting in the reaction that the results showed. The respondents put themselves in the position of those excluded from being an insider to organisations and what they would potentially miss out on in the way of offers and the result was that if the organisation gave consumers an opportunity, and not only loyal customers, they would have an opportunity to take advantage of the value of offerings from organisations they were not necessarily engaging with regularly on social media.

The level of exclusivity in a closed community was perceived as a barrier and thus the lower the barrier, the higher the feelings of gratitude by customers. Customers saw the scenario as a social bonding attempt on social media by the organisation, which is sometimes a powerful way to improve core products and services (Price & Arnould, 1999).

5.3 Discussion pertaining to Hypothesis 2

Hypothesis 2: Customer’s feelings of gratitude towards an organisation have a positive impact on the customer's purchase intentions

5.3.1 Purchase intention

The scenario that captured a low needs setting in the questionnaire showed an anomalous relationship when compared to the literature. The self-preservation of personal interests by customers showed a result that increased gratitude for a scenario in which as a loyal customer they would receive the same benefit as an ordinary consumer of an organisation.

This unexpected observation likely stems from differences in expected behaviours online versus real world settings.

5.3.2 Gratitude and purchase intention

The link between gratitude and purchase intentions of customers has been a subject of debate and scrutiny in relationship marketing literature. Literature that
has attempted to study this relationship outside of a laboratory setting, taking it into real world settings, have had results that indicate that gratitude is prosocial in nature (Tsang, 2006).

This research found a very strong relationship exists between customer feelings of gratitude and customer purchase intention. The results show a statistically significant and positive relationship between gratitude and purchase intentions of customers. The results measured intent and thus, only the affective aspect of purchase intention increases with an increase in feelings of gratitude.

When customers’ gratitude is increased, through good relationship marketing investment, this has a positive impact on organisations. The positive relationship between gratitude and purchase intention means that there is potential for the purchase intentions to be realised into actions that “drive [up] company performance outcomes, specifically, sales revenue, share of wallet and sales growth” (Palmatier et. al., 2009, p. 12).

5.4 Conclusion

When organisations invest time and resources to build relationships with customers using social media and customers recognise that the organisations are taking the risk to invest in a commercial relationship, it results in higher feelings of customers’ gratitude. Over time, with repeated encounters and interactions between organisations and customers, commercial friendships can form (Price & Arnould, 1999) through social media.

The customers’ increased feelings of gratitude result in increased feelings of obligation towards organisations that have taken on the costs of investing in social media relationships with them. The research results show that when a customer recognises an organisation’s “vulnerability in making the investment” (Palmatier et. al., 2009, p. 7), their feelings of gratitude towards the organisation are stronger, and by extension their trust in the organisation.
Gratitude is a great influence in relationships across diverse disciplines (Palmatier et. al., 2009) and plays an important role in building trust and overall commitment that drives up customer purchase intentions. Managers need to realise that there is great potential for their organisations to ultimately gain commercially from building relationships with customers on social media.

Converting purchase intention of customers into actual behaviour is the natural next step in the relationship marketing process, because of the positive relationship between gratitude (by extension trust and commitment) and purchase intention, through reciprocity.
CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

The overall conclusions of the research results will be summarised in this section of the report. This will be followed by the recommendation stemming from the research results for marketing organisations and managers. Suggestions for further research will be put forward, stemming from questions raised through the research results.

6.2 Conclusions of the study

Marketing organisations that invest time and resources towards building relationships with their customers using social media are rewarded with recognition by their customers, for taking the risk to invest in a commercial relationship. Their customers have higher feelings of gratitude towards these organisations because they recognise the vulnerability of these organisations in making the investment.

Gratitude influences relationships across diverse disciplines because it plays such an important role in building trust and overall commitment in customers. There is great potential for commercial gain for marketing organisations from building customer gratitude that positively influences customers’ purchase intentions through relationship marketing investment in social media.

6.3 Limitations

The limitations of the study conducted are:

- The research focused solely on measuring intent of purchase and not actual customer behaviour.
- The relationship marketing tool examined was social media only and this did not allow for the research to understand the impact of the medium as part of an overall communication mix.
- Feelings of gratitude decay over time, but there is no understanding from the research results of how long people remain grateful to organisations.

6.4 Recommendations

The research findings have implications for marketing organisations and their managers that must be reviewed in their business context. Social media investment is a must. The role social media plays in building relationships cannot be ignored, but it must be reviewed as part of an overall organisational relationship marketing strategy.

The social media aspect of the relationship marketing strategy needs to be explored from the context of the customer that is technologically enabled and uncompromising in their online experiences with organisations. Overall, relationship marketing investment efforts need to have the company’s performance in mind and how the relationships can be leveraged to increase share of customer heart, mind and wallet.

Gratitude and its influence on purchase intentions wanes over time, thus marketing managers and organisations need to keep in mind that the investment cannot be sustained from once-off activity. Investing in relationships with customers on social media is a dynamic process that needs to be measured, reviewed and improved continuously, complemented by other relationship marketing activities online and in the real world that are tangible for customers and potential customers.

6.5 Suggestions for further research

The behaviour of customers on social media, based on the research findings, seems to indicate the need for further exploration and research. Customers seem to behave in a manner that preserves their future benefits online and not just maximising current benefits received. The correlation between effort and
benefits should be explored further for online and social media customer behaviours against marketing organisation investment in relationship marketing. As an extension of social media customer behaviour, further research into different social media networks and the behaviour of participants on each network could help to better understand how to harness the desired outcomes from influencing the desired behaviours suitable to each social network.

Due to limited time and resource, this research could not expand on the correlation in results between purchase intention and actual buying behaviour. It would be interesting to be able to track the conversion cycle of a customer that feels grateful, would be likely to buy something and eventually buys something. The differences and/ or similarities in behaviour between commercial customers and end-customers, is an area of research interest for organisations that serve both B2B and B2C customers.

Developing markets that have small numbers of organisations participating across industries should be considered for additional research in social media relationship marketing. If customers do not feel that they have a variety of options to choose from, for example only one of four industry players, do their feelings of gratitude reflect their purchase intentions in such settings or do they begrudge their relationship with such organisations? An investigation into this could yield potentially informative results to help marketing managers and their organisations in such markets.
REFERENCES


APPENDIX A

Needs High questionnaire

10/11/2014 Quattix Survey Software

Default Question Block

Integrated marketing communication has risen substantially in the last few years, with organisations maximising the use of many communication channels to maintain relationships with customers. As per of this mix, social media use by organisations has spiked in the last few years, with the increasing popularity of social media channels. Daily organisations speak with their customers, consumers and fans to maintain these relationships.

Please take a few minutes to answer the questionnaire, based on how you would most likely react or feel in each scenario setting.

Block 1

Are you an active social media user i.e. Spending time on at least one social platform everyday?

Yes ☐
No ☐

What is your preferred method of communication with organisations?

☐ Social Media
☐ Telephone / cell phone
☐ Email
☐ Text / SMS
☐ Snail mail / Post
☐ Website

Please indicate your gender:

☐ Male
☐ Female

Indicate your age range

☐ < 15 years
☐ 10 - 34 years
☐ 35 - 50 years
☐ > 50 years

Block 2

The following question is based on a single scenario. The setting is a social media interaction on any preferred platform of your choice and the question sets the scene before requiring a response to six questions on a scale from Strongly Disagree to Strongly Agree.

You receive a direct message via social media from your favourite organisation, offering you an exclusive opportunity to pre-order a limited edition product with limited quantities, which you have been waiting for. The organisation makes it clear that this opportunity is a reward for your active engagement on their social media community.
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<th>Undecided</th>
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<th>Strongly Agree</th>
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</tr>
<tr>
<td>I feel appreciative to the organisation</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>I would be likely to buy something today</td>
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<tr>
<td>I would come back to the organisation</td>
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Please indicate your gender:
- Male
- Female

What is your preferred method of communication with organisations?
- Social media
- Telephone / Celphone
- Email
- Text / SMS
- Snail mail / Post
- Website

Indicate your age range
- < 18 years
- 18 - 34 years
- 35 - 50 years
- > 50 years
APPENDIX B

Needs Low questionnaire

Default Question Block

Integrated marketing communication has risen substantially in the last few years, with organisations maximising the use of many communication channels to maintain relationships with customers. As part of this mix, social media use by organisations has spiked in the last few years, with the increasing popularity of social media channels. Daily, organisations speak with their customers, consumers and fans to maintain those relationships.

Please take a few minutes to answer the questionnaire, based on how you would most likely react or feel in each scenario setting.

Block 1

Are you an active social media user i.e. Spending time on at least one social platform everyday?

- Yes
- No

What is your preferred method of communication with organisations?

- Social media
- Telephone / cellphone
- Email
- Text / SMS
- Snail mail / Post
- Website

Please indicate your gender:

- Male
- Female

Indicate your age range

- < 15 years
- 16 - 34 years
- 35 - 50 years
- > 50 years

Block 2

The following question is based on a single scenario. The setting is a social media interaction on any preferred platform of your choice and the question sets the scene before requiring a response to six questions on a scale from Strongly Disagree to Strongly Agree.

You receive a direct message via social media from your favourite organisation, offering you an opportunity to pre-order on a limited edition product with limited quantities, which you have been waiting for. The organisation makes it clear that this opportunity is a limited first-come-first-served offer to their entire social media community, encouraging people to join the community in order to take advantage of the offer.

Strongly Disagree Agree Strongly


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<tr>
<td>I feel appreciative to the organisation</td>
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<td>I would be likely to buy something today</td>
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<tr>
<td>I would come back to the organisation</td>
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<td>I would likely buy from this organisation in the future</td>
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**Block 4**

Please indicate your gender:
- ○ Male
- ○ Female

What is your preferred method of communication with organisations?
- ○ Social media
- ○ Telephone / Celphone
- ○ Email
- ○ Text / SMS
- ○ Snail mail / Post
- ○ Website

Indicate your age range:
- ○ < 15 years
- ○ 15 - 34 years
- ○ 35 - 60 years
- ○ > 60 years
APPENDIX C

Risk High questionnaire

10/11/2014
Quantics Survey Software

Default Question Block

Integrated marketing communication has risen substantially in the last few years, with organisations maximising the use of many communication channels to maintain relationships with customers. As part of this mix, social media use by organisations has spiked in the last few years, with the increasing popularity of social media channels. Daily, organisations speak with their customers, consumers and fans to maintain those relationships.

Please take a few minutes to answer the questionnaire, based on how you would most likely react or feel in each scenario setting.

Block 1

Are you an active social media user i.e. spending time on at least one social platform everyday?

YES

NO

What is your preferred method of communication with organisations?

- Social media
- Telephone / Cellphone
- Email
- Text / SMS
- Snail mail / Post
- Website

Please indicate your gender:

- Male
- Female

Indicate your age range

- < 10 years
- 10 - 14 years
- 15 - 29 years
- > 30 years

Block 2

The following question is based on a single scenario. The setting is a social media interaction on any preferred platform of your choice and each question will set the scene before requiring a response to six questions on a scale from Strongly Disagree to Strongly Agree.

You're browsing on social media. Your favourite organisation on social media puts out a call for suggestions to improve their product offering. After multiple submissions of suggestions from their social media community, they finally choose to introduce a new product. The new product is one of the suggestions you made.

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<th>Undecided</th>
<th>Agree somewhat</th>
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Please indicate your gender:
- Male
- Female

What is your preferred method of communication with organisations?
- Social media
- Telephone / Call phone
- Email
- Text / SMS
- Snail mail / Post
- Website

Indicate your age range
- < 18 years
- 18 - 34 years
- 35 - 50 years
- > 50 years
APPENDIX D

Risk Low questionnaire

Default Question Block

Integrated marketing communication has risen substantially in the last few years, with organisations maximising the use of many communication channels to maintain relationships with customers. As part of this mix, social media use by organisations has spiked in the last few years, with the increasing popularity of social media channels. Daily, organisations speak with their customers, consumers and fans to maintain those relationships.

Please take a few minutes to answer the questionnaire, based on how you would most likely react or feel in each scenario setting.

Block 1

Are you an active social media user i.e. Spending time on at least one social platform everyday?

Yes

No

What is your preferred method of communication with organisations?

1. Social media
2. Telephone / Face2Face
3. Email
4. Text / SMS
5. Snail mail / Post
6. Website

Please indicate your gender:

1. Male
2. Female

Indicate your age range

1. <15 years
2. 15 - 34 years
3. 35 - 50 years
4. > 50 years

Block 2

The following question is based on a single scenario. The setting is a social media interaction on any preferred platform of your choice and the question sets the scene before requiring a response to six questions on a scale from Strongly Disagree to Strongly Agree.

You're browsing on social media. Your favourite organisation on social media puts out a call for suggestions to improve their product offering. After multiple submissions of suggestions from their social media community, nothing comes of it. Your suggestions and many others go unanswered on the organisation's pages.

A few weeks later they put out another call for customers to participate.
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<td>I feel grateful to the organisation</td>
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<td>I feel thankful to the organisation</td>
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<td>I feel appreciative to the organisation</td>
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<td>I would be likely to buy something today</td>
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<td>I would come back to the organisation</td>
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<td>I would likely buy from this organisation in the future</td>
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Block 4

Please indicate your gender:
1. Male
2. Female

What is your preferred method of communication with organisations?
1. Social media
2. Telephone / Callphone
3. Email
4. Text / SMS
5. Snail mail / Post
6. Website

Indicate your age range:
1. < 15 years
2. 16 - 24 years
3. 25 - 50 years
4. > 50 years
APPENDIX E

Reliability results for Gratitude and Purchase Intentions constructs

Gratitude

Multivariate Scenario: Needs High

Correlations

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Cronbach's α

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**Multivariate Scenario: Needs Low**

**Correlations**

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Multivariate Scenario: Risk High

Correlations

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Cronbach’s α

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**Multivariate Scenario: Risk Low**

**Correlations**

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<th>Q7_1</th>
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<th>Q7_3</th>
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**Cronbach's α**

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### Purchase intentions

**Multivariate Scenario: Needs High**

**Correlations**

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<th>Q7_6</th>
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**Cronbach's α**

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**Multivariate Scenario: Needs Low**

**Correlations**

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**Cronbach's α**

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### Excluded Col $\alpha$ Plot Alpha

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### Multivariate Scenario: Risk High

#### Correlations

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### Multivariate Scenario: Risk Low

#### Correlations

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#### Cronbach's α

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