DO SOCIAL MEDIA AND E-MAIL ENGAGEMENT IMPACT REPUTATION AND TRUST-DRIVEN BEHAVIOR?

UTJEČE LI ANGAŽMAN NA DRUŠTVENIM MEDIJIMA I PUTEM E-POŠTE NA REPUTACIJU I POVJERENJEM VOĐENA PONAŠANJA?

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Abstract

Purpose – The purpose of this paper is to investigate the impact of customer social media engagement (SE) and e-mail engagement (EE) on online service providers' reputation, customer trust, and loyalty.

Design/methodology/approach – The research is based on an online survey of 271 customers of an online service who have social media accounts and could be connected with the loyalty data in the vendor's customer relationship management (CRM) system in the two years after the survey. Structural equation modelling was used to analyze the data.

Findings and implications – EE positively influences a service provider's reputation and consumer trust in the online service, while the effect of SE is indirect through its positive impact on EE. Trust has a positive impact on loyalty, while the observed loyalty of customers is related to their self-reported loyalty.

Limitation – This research focused on an established online service that enjoys a certain level of trust among customers, which can be further enhanced through EE and SE. This study cannot be applied to online services in the early phase of market entry, where trust and reputation are preconditions for EE and SE.

Sažetak

Svrha – Svrha je rada istražiti utjecaj angažmana korisnika društvenih medija (ADM) i putem e-pošte (AEP) na reputaciju pružatelja online usluga, povjerenje i lojalnost korisnika.

Metodološki pristup – Istraživanje se temelji na internetskom anketiranju 271 korisnika online usluge koji imaju račune na društvenim medijima i mogu se povezati s podacima o lojalnosti u CRM sustavu pružatelja online usluge u dvije godine nakon provedenog anketnog istraživanja. Za analizu podataka korišteno je modeliranje strukturnih jednadžbi.

Rezultati i implikacije – AEP pozitivno utječe na reputaciju pružatelja usluga i povjerenje korisnika u online uslugu, a učinak ADM-a neizravan je kroz pozitivan učinak na AEP. Povjerenje pozitivno utječe na lojalnost, dok je uočena lojalnost korisnika povezana s njihovom samoprocjenom lojalnosti.

Ograničenja – Fokus istraživanja na etabliranoj je online usluzi koja uživa određenu razinu povjerenja među korisnicima, a koje se može dodatno poboljšati kroz AEP i ADM. Ovo se istraživanje ne može primijeniti na online usluge koje su u ranoj fazi ulaska na tržište gdje su povjerenje i ugled preduvjeti za ADM i AEP.

Originality – Social presence and media richness theory is used to juxtapose the impact of SE and EE within a relationship marketing effectiveness model. Reported loyalty of online customers is verified by loyalty observed in the vendor CRM system.

Keywords – social media engagement, e-mail engagement, online service trust, loyalty, service firm reputation

Doprinos – Teorija društvene prisutnosti i medijskog bogatstva korištena je za suprotstavljanje utjecaju ADM-a i AEP-a u modelu učinkovitosti marketinga odnosa. Samoprocijenjena lojalnost online korisnika potvrđena je lojalnošću utvrđenom u CRM sustavu pružatelja usluge.

Ključne riječi – angažman na društvenim medijima, angažman putem e-pošte, povjerenje u online uslugu, lojalnost, reputacija pružatelja usluga

1. INTRODUCTION

In a survey on marketing resource effectiveness (Ascend2, 2019), marketing influencers/practitioners rated social media marketing campaigns as the most effective digital marketing tactic, followed by content marketing campaigns, search engine optimization, and e-mail marketing campaigns. Digital content marketing is gaining particular importance as a relationship-marketing tool (Hollebeek & Macky, 2019; Holliman & Rowley, 2014), while e-mail communication is considered to be the most important part of content marketing endeavors by service providers.

Although it was predicted that e-mail would be obsolete by 2020 (Brandon, 2015), the role of e-mail in content marketing enhances the significance of e-mail communication. Currently, there is no alternative technology on the horizon that could replace the main strengths of e-mail communication: high possibility for customization and high return on investment (Santora, 2019).

Online services differ from traditional services because the marginal costs of online service provision are negligible, especially in comparison with significant development costs (Bala, 2012). Customer trust in the online service provider and the service provider's reputation are important for the success of online services business models due to the greater physical distance between the service provider and the customer (Jøsang, Ismail & Boyd, 2007).

The importance of trust and reputation for the effective provision of online services and the interactive capabilities of the online environment indicates that a relationship-marketing framework is suitable for assessing marketing effectiveness in online services. The research question of this paper is the role of social media and e-mail marketing engagement as antecedents in the relationship-marketing effectiveness model.

The model is supported by the cognitively oriented social exchange theory (Dwyer, Schurr & Oh, 1987; Thibault & Kelley, 1959), according to which social relationships are based on cost–benefit analyses of each party in the relationship. Social exchange theory claims that relational exchanges hold intrinsic utility, as such exchanges have social and economic dimensions (Singh & Sirdeshmukh, 2000). Therefore, reciprocity seeking based on a cost-benefit analysis drives customer engagement with online service social media or with a service provider's e-mail communication.

The aim of this article is to explain the role of customer social media engagement (SE) and e-mail engagement (EE) in terms of online service company reputation, customer trust in the service, and the behavioral loyalty of the customer. The impact of SE and EE in the model is delineated by drawing on social presence theory (Short, Williams & Christie, 1976) and media richness theory (Daft & Lengel, 1986). The authors consider social media to be a richer communication channel with a higher social presence compared to e-mail communication.

The article begins with a presentation of the conceptual framework and an outline of research hypotheses, followed by a description of the data source, exploratory factor analysis, structural equation modeling, and discussion.

2. CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES

The conceptualization of this study is based on the relationship-marketing literature (Palmatier, Dant, Grewal & Evans, 2006), particularly on the factors that influence the effectiveness of relationship marketing. These are: (1) customer-focused factors (relationship benefits, dependence on vendor), (2) seller-focused factors (relationship investment, seller expertise), and (3) dyadic antecedents (communication similarity, relationship duration, interaction frequency, conflict). Customers' engagement in a service provider's social media activities (SE) and their e-mail communication engagement (EE) with the service provider are both interactive, the

relationship lasts several months or years and is related to the service provider's investment in communication (relationship) as well as to customer relationship benefits. Hence, SE and EE contain all three factors that influence the effectiveness of relationship marketing.

The selection of the focal constructs (trust and reputation) and outcomes (loyalty) for our research was influenced by the characteristics exhibited by online service customers in "freemium" business models (Kumar, 2014), in which limited services are available free of charge. Customers using limited free services do not relate themselves to mediators in the literature on relationship management (RM) effectiveness (commitment, relationship satisfaction, and relationship quality (Palmatier et al., 2006)) because they do not see themselves as a "proper" customers. From their perspective, they are only free users of the service and have a weak or non-existent relationship with the service provider. The study is focused on loyalty as an outcome, as self-reported loyalty can be related with the loyal behavior observed in the service provider customer relationship management (CRM) system.

2.1. SE and EE

Vivek, Beatty, and Morgan (2012) classify customer engagement based on who initiates the engagement (service provider or customer) and what offerings (product, service, brand, web pages, celebrities, etc.) or activities (programs, events shopping, hobbies, etc.) are used to initiate engagement. This study is focused on customer experiences, interactions and activities/participations related to the firm's social media postings or social engagement (SE) and to the firm's e-mail marketing activities (EE). According to Vivek et al. (2012), both kinds of engagement are initiated by a service provider and its offering.

Hollebeek, Glynn, and Brodie (2014) propose that media engagement should be conceptualized through three dimensions: cognitive, emotional, and behavioral. It is very difficult for customers in a B2B setting (compared to a B2C setting) to exhibit and communicate emotions, and emotions seldom play an important role in customer actions (Pansari & Kumar, 2016). This also holds for the context of our study, which involves analyzing the behavior and attitudes of customers of a B2B online service (i.e., online legal information system that offers to its customers subscription-based access to the legal content). In such a setting, engagement depends to a greater extent on the perceived usefulness and relevance of the media content (cognitive dimension) than on experience and emotions. Barger, Peltier, and Schultz (2016) propose to operationalize engagement by behavioral dimension (reacting, commenting, sharing, posting). Additionally, self-reported behavior (behavioral dimension) can be a reliable measure of engagement. With respect to e-mail marketing, researchers report negative emotions in a B2B context, whereby the intrusiveness of e-mail communication reduces favorable attitudes to e-mail advertising (Hsin Chang, Rizal & Amin, 2013) and consequently engagement. Hence, in conceptualizing EE, the perceived intrusiveness of e-mail advertising was included as a negative emotional dimension.

Social media are Web 2.0, Internet-based applications that allow the creation, exchange, and collaboration of user-generated content (Kaplan & Haenlein, 2010; Kim & Ko, 2012); they are communication systems that allow their social actors to communicate along dyadic ties (Peters, Chen, Kaplan, Ognibeni & Pauwels, 2013). SE describes an active process of interaction between a brand or brand-generated message in social media and a customer (Dahl, 2015, p. 155). According to the management and marketing literature, among the key determinants of brand post popularity are the number of likes, shares, comments, and followers (De Vries, Gensler & Leeflang, 2012; Voorveld, van Noort, Muntinga & Bronner, 2018).

E-mail communication is seen as a form of Internet advertising (Breuer, Brettel & Engelen, 2011; Danaher & Dagger, 2013; Martin, Van Durme, Raulas & Merisavo, 2003), taking various forms, such as newsletters (Müller, Florès, Agrebi & Chandon, 2008) and promotional campaigns,

including several e-mail messages with the same marketing objective (Cases, Fournier, Dubois & Tanner, 2010). E-mail marketing can be used to empower consumers by making them active participants in the e-mail communication process by making the e-mails that are sent relevant to their recipients (Hartemo, 2016).

In line with Vivek et al. (2012) and their definition of customer engagement, EE relates to customers' participation in e-mail marketing activities. Marketing practitioners measure the effectiveness of e-mail marketing activities by examining the e-mail open rate (Zhang, Kumar & Cosguner, 2017). However, customer behavior related to e-mail communication is only one dimension of EE. Based on our conceptualization of engagement along bothe cognitive and behavioral lines, EE is related to: (1) the customer's perception of the quality and informativeness of the provider's e-mail messages (cognitive dimension), (2) the customer-perceived intrusiveness of the e-mail communication (negative emotion dimension), and (3) the customer response to the e-mail communication (behavior dimension). Gaski and Etzel (1986) suggest that the quality of information and intrusiveness in advertising can be used for the assessment of customer attitudes to traditional advertising. Intrusiveness has also been shown to be an important factor for the formation of attitude to e-mail advertising (Hsin Chang et al., 2013).

Social presence theory differentiates media according to the degree of media social presence, where social presence is "the degree of salience of the other person in the interaction and the consequent salience of interpersonal relationships" (Short et al., 1976). A high social presence is typical in face-to-face communication, whereas e-mail communication has a low social presence (Gefen & Straub, 2004). According to Gefen and Straub (2004), the perception of the presence of others in an online environment is important because it implies direct or indirect human contact.

In an online environment, social presence (SP) can be assessed using three dimensions: SP as

the medium's impersonality (i.e., how impersonal communication enabled by the media is), SP as the perception of others, and SP as interaction enabling (Caspi & Blau, 2008; Lu, Fan & Zhou, 2016). Regarding the medium's impersonality, social media and e-mail communication are equivalent. However, in terms of the perception of others and interaction enabling, brand/service social media have a higher social presence than e-mail communication.

According to media richness theory (Daft & Lengel, 1986), communication media vary in their ability to enable users to communicate and to change their understanding. Richness is the amount of information that a particular medium allows to be transmitted in a given time interval; some media are more effective than others in resolving ambiguities and uncertainties (Kaplan & Haenlein, 2010). Text-based digital media (e.g., e-mail communication in our context) mostly score the lowest in terms of media richness. Social networking sites (e.g., Facebook) which, in addition to text-based communication, enable the sharing of pictures and videos, are considered as media richer (Kaplan & Haenlein, 2010). According to both theories (social presence and media richness), social media outperform e-mail as a communication channel. Therefore, richer and more socially present media would have a stronger influence on e-mail media than the other way around. Additionally, high interactivity and membership in the social media community increase customer's receptiveness to e-mail communication. Consequently, the suggested hypothesis is the following:

Hypothesis 1: Customer's participation and connection (engagement) with social media would positively affect less media rich EE.

2.2. SE and EE effects on customer-based reputation and trust

Vivek at al. (2012) claim that customer engagement is an expanded domain of relationship marketing. They propose that customer engagement has a positive effect on trust and on RM model outcomes and that it should have

involvement and customer participation as antecedents. Social media marketing activities have a positive impact on trust and purchasing intentions by facilitating the sharing of knowledge and experience among customers (Hajli, Sims, Zadeh & Richard, 2017; Lu & Hsiao, 2010). According to Jøsang at al. (2007), reputation is a collective measure of trustworthiness based on the referrals or ratings from members in a community. Dabholkar and Sheng (2012) have shown that greater customer participation in using recommendation agents leads to greater customer trust. Social media are an important communication channel for referrals and can be considered a recommendation agent, so SE should be expected to have a positive impact on trust. A number of studies also show that a firm can enhance its reputation using social media (Dijkmans, Kerkhof & Beukeboom, 2015; Sivertzen, Nilsen & Olafsen, 2013; Toplu, Yaslioglu & Erden, 2014). Therefore, we hypothesize as follows:

Hypothesis 2: A customer's SE has a positive impact on (a) the customer-based reputation of a service company and (b) the customer's trust in the service.

The customer-perceived information quality of e-mails (i.e., the customer's general perception of the accuracy and completeness of the information provided) positively affects the customer's trust and negatively affects the customer's uncertainty regarding the trustworthiness of a service provider (Kim, Ferrin & Rao, 2008); low intrusiveness of e-mail communication also increases loyalty-enhancing relationships. Additionally, Merisavo and Raulas (2004) have shown that e-mail marketing has positive effects on brand loyalty. As in the case of social media, e-mail communication is also a source of referrals and affects positively consumer-based reputation of a service firm and trust in a service (Jøsang et al., 2007). In the context of wireless telecom operators (an online service), "information from others" and "information from media" have been shown to positively influence "corporate reputation" (Shamma & Hassan, 2009). If a service provider's e-mail communication provides testimonials from other customers

and credible third-party information, EE can be expected to have a positive impact on the reputation of the service firm. With respect to the impact of EE on the reputation of service firms and on trust, the hypothesis is the following:

Hypothesis 3: EE positively affects (a) the customer-based reputation of a service firm that performs the e-mail communication and (b) the customer's trust in the business service to which the e-mail communication refers.

2.4. Trust and customer-based reputation of an online service firm

Online trust has significant relationships with the following antecedents: perceived privacy, service quality, reputation, security, risk, usefulness, and disposition to trust as well as with the consequences of loyalty, purchase intention, and usage intention (Kim & Peterson, 2017). In quality interviews with the customers, the authors found that security and privacy in our setting (well-established online professional service) are considered given features of any such service. Accordingly, the authors' expectations are that perceived quality, reputation, and usefulness will be well-described by the customer-based reputation of a service firm.

Walsh, Mitchell, Jackson, and Beatty (2009) used signaling theory to provide an explanation for the relationship between corporate reputation and outcome variables such as loyalty and word of mouth. In this research, the focus is on customers as the relevant stakeholders who evaluate the reputation of the online service provider. Walsh and Beatty (2007, p. 129) defined the customer-based reputation (CBR) of a service firm as "the customer's overall evaluation of a service provider based on his or her reactions to the service provider's goods, services, communication activities, interactions with the service provider and/or its representatives or constituencies (such as employees, management, or other customers) and/or known corporate activities." In the RM context, the construct reflects the customer's perception of relationship benefits

and the vendor's expertise. It depends on past communication and interaction between a particular service provider and a customer. When a company enjoys good reputation, trust is created among consumers (Groenland, 2002).

The existence of a relationship between the reputation of a service provider and customer trust and/or loyalty is well established (Bartikowski & Walsh, 2011; Nguyen, Leclerc & LeBlanc, 2013). Although the relationship between reputation and RM relational mediators is not always unidirectional (Walsh et al., 2009), when it comes to well-established professional online services, a certain level of service provider reputation is a precondition for the customer to establish a relationship with the service provider; also, a positive impact of reputation on trust and trustworthy behavior has been found in number of online services (Nguyen et al., 2013; Shamma & Hassan, 2009; Yahia, Al-Neama & Kerbache, 2018). Thus, the following hypothesis is proposed:

Hypothesis 4: The customer-based reputation of a service company has a positive effect on customer trust.

This can be expected to apply to all knowledge-intensive services (professional content and software).

Trust in a relationship-marketing context exists "when one party has confidence in the exchange partner's reliability and integrity" (Morgan & Hunt, 1994, p. 23). According to Gefen and Straub (2004), trust is defined as the expectation of a customer that a service provider is dependable and can be relied on to deliver on its promises. In an online setting, trust is most often regarded in research models as a mediator, while loyalty is the most commonly cited outcome (Kim & Peterson, 2017). Thus, we hypothesize the following:

Hypothesis 5: Customer trust in an online service positively affects customer loyalty to the service.

2.5. Loyalty

The outcome of the model is behavioral loyalty, in line with a conceptual definition by Dick and Basu (1994, p. 100) as the "strength of the relationship between a consumer's relative attitude and repeat patronage." Customers' self-reported behavioral loyalty was linked to the actual loyalty observed by the service provider's IT system in terms of the customers' usage of the service and status in the two-year period between the date of the survey and the conclusion of this research. The authors expect self-reported loyalty to be correlated with observed loyalty and hypothesize as follows:

Hypothesis 6: Self-reported loyalty to the online service is positively correlated with actual customer loyal behavior.

FIGURE 1: Conceptual model
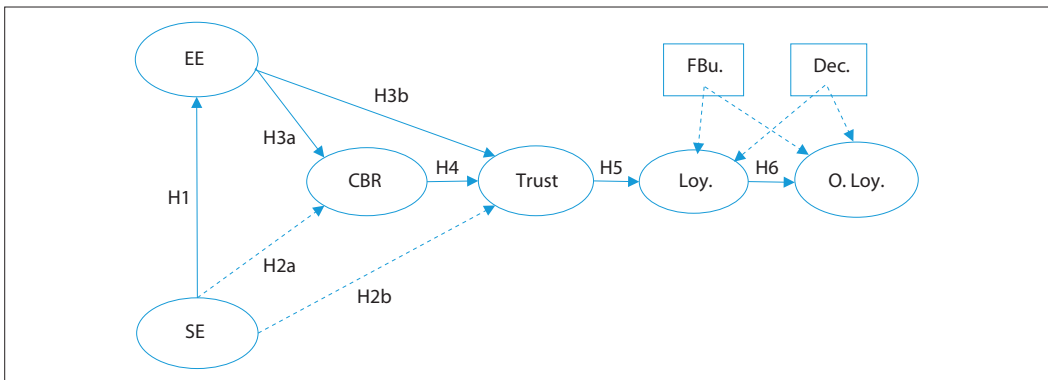
Legend: EM – e-mail engagement, SE – social media engagement, CBR – customer-based reputation of a service company, Loy – self-reported behavioral loyalty; O. Loy – observed loyalty; Control variables: FBu. – frequency of FB usage, Dec. – purchasing decision-making power.

Notes: Dotted lines represent control paths or unsupported hypotheses.

2.6. Control variables

In the selected setting, the customer status regarding purchasing decision-making power may also have an impact on customer loyalty to the service. Additionally, it is also important to assess whether the frequency of social media usage has an impact on the outcomes of our model. Therefore, two dichotomous variables were created:

o   status with respect to decision-making: whether or not to establish a commercial relationship with the vendor;

o   social media usage: daily or occasionally (less often than daily).

2.7. Construct operationalization

In terms of operationalizing the constructs in our study, two dimensions were developed for SE in this research: behavioral (customer consumption, contribution, and creation) (Schivinski, Christodoulides & Dabrowski, 2016) and cognitive (customer perception of the quality of the provider's FB postings) (Hsin Chang et al., 2013). For the EE construct, the behavioral and the cognitive dimension as well as e-mail intrusiveness (negative emotional dimension) (Hsin Chang et al., 2013) were applied.

For the consumer-based reputation construct, a shortened version of Walsh and Beatty (2007) operationalization was employed. Four dimensions were used (customer orientation, company financial strength, service quality, and good employer reputation), while the social and environmental responsibility dimension was omitted. In the course of qualitative in-depth interviews with customers during the testing phase of the questionnaire preparation, the authors discovered that the customers could not relate to the measures of social and environmental responsibility reputation (the online provider has no significant environmental impact and is too small to have an impact in the society). The measure for trust was selected according to Gefen (2000). Integrity and benevolence were merged into one trust factor, and predictability and ability into another.

The measures of behavioral loyalty were selected based on the recommendations of Watson IV, Beck, Henderson, and Palmatier (2015) and specifics of the online service setting. The observed loyalty measure was constructed on the basis of the number of documents accessed by respondents in the legal information service over a period of two years. All the respondents who did not access any document got value one, while the rest got value one plus a natural logarithm of the number of documents viewed. A natural logarithm was used to transform the nature of the relationship between the number of views of documents and independent variables into linear ones, as recommended for regression analysis and SEM (Berk, 2004).

3. DATA ANALYSIS AND RESULTS

Data was gathered from the customer base of an online service company (online legal information services) operating in a European country. The service provides updated and edited legal content (legislation, case law, legal articles, and templates) to its customers (i.e., subscribers). The invitation to participate in an online questionnaire was sent by e-mail to 5,000 contacts who were most exposed to the direct e-mail campaigns of the company. Respondents were aware that it is possible to track their behavior in the vendor CRM, but their usernames were coded and their anonymity was granted by analyzing aggregates only. A total of 671 fully completed questioners were received within one week. Of these, 271 respondents had a social media (Facebook) account and could be identified in the vendor's CRM system to observe their loyalty in the two years after the survey. On account of having control over the selection of the respondents, relevant units were included.

The non-response analysis was based on a comparison of the gender and subscription status of the respondents and all contacts invited. Excluding the contacts whose gender

could not be determined, the authors invited 38% male and 62% female users of the service. Of the respondents, approximately one-third were male and two-thirds were female. Of the initial e-mail addresses, 30.7% belonged to service subscribers while 69.3% belonged to freemium users (users of free content). Among the respondents, the share of subscribers was slightly higher (37%), and among respondents with FB accounts that could be identified in the CRM system, the share of subscribers was slightly lower (29.9%; see Appendix 1 for the sample profile). The respondents expressed their agreement with 52 statements (see Appendix 2 for construct measurement), measured on a 7-point Likert scale (1=strongly disagree, 7=strongly agree).

Exploratory factor analysis was performed for all five constructs (extraction method: principal axis and Varimax with Kaiser normalization rotation). The share of described variance for all constructs was higher than 63%. To test the hypothesized relationships, a structural equation model was estimated using LISREL 9.3. To address multicollinearity, all measures that were a result of multiplication dimensions were residual centered, as recommended by Little, Bovaird, and Widaman (2006). The overall fit measures were within the acceptable range, and the model exhibited a good fit to the data: =150.136, df=79, RMSEA=0.057, SRMR=0.054, NNFI=0.941, CFI=0.955. An overview of the regression coefficients and the statistics for our causal model is provided in Table 1.

TABLE 1: Overview of supported hypotheses

Paths	β	T	p	
H1: SE → EE	0.506	5.32	< 0.001	Supported
H2a: SE. → CBR	0.072	0.95	0.34	Not supported
H2b: SE → Trust	0.026	0.42	0.68	Not supported
H3a: EE → CBR	0.627	6.65	< 0.001	Supported
H3b: EE → Trust	0.474	4.86	< 0.001	Supported
H4: CBR → Trust	0.484	6.16	< 0.001	Supported
H5: Trust. → Loyalty	0.380	6.08	< 0.001	Supported
H6: Loyalty → Loyalty Observed	0.145	2.35	0.019	Supported
Control variables				
FBu → Loyalty	-0.01	-0.12	0.95	
FBu → Loyalty Observed	0.001	-0.002	0.99	
Dec. → Loyalty	0.162	2.53	0.011	
Dec → Loyalty Observed	0.058	1.185	0.402	
Model fit: χ^2 =150.136, df=79, RMSEA=0.057, SRMR=0.054, NNFI=0.941, CFI=0.955				

Note: β are standardized coefficients.

Discriminant validity was assessed using Fornell-Larcker criteria and χ^2–difference tests (see Table 2). Additionally, discriminant validity was assessed for the pairs of factors with relatively large correlations (e.g., trust and EE and trust and reputation). The chi-square difference test (Bagozzi & Phillips, 1982) indicated that discriminant validity had been achieved.

TABLE 2: Correlations, average variance extracted (AVE), and construct reliability (CR)

	SE	EE	CBR	Trust	Loyalty	Loyalty Obs.	CR
SE	**0.627**	0.256	0.152	0.207	0.033	0.001	0.767
EE	0.506	**0.418**	0.441	0.653	0.097	0.002	0.652
CBR	0.39	0.664	**0.7**	0.654	0.097	0.002	0.900
Trust	0.455	0.808	0.809	**0.689**	0.128	0.003	0.816
Loyalty	0.182	0.312	0.311	0.358	**0.631**	0.024	0.837
Loyalty observed	0.03	0.047	0.047	0.057	0.155		

Note: Bold diagonal elements represent AVE. Correlations are available below the diagonal, with squared correlations above the diagonal.

Surprisingly, the results indicate that SE affects customer trust and the reputation of a service firm only indirectly by positively influencing EE (H1). An explanation for this could be that customers see their SE as an activity that is significantly separate from their usage of the online service. Such reasoning is supported by a study of customer social media usage in banking (Toplu et al., 2014), according to which customers follow bank social media posts only to gain information about campaigns or to post complaints about the bank's services in relation to the electronic banking services they use. More than a half of bank customers stated that "social media was a platform for building up social networks rather than a channel that serves as a tool for following products and services of the banks they buy services from" (Toplu et al., 2014, p. 35).

SE is the construct least correlated with observed loyalty, which indicates that customers do not strongly relate their SE engagement with service usage. Meanwhile, social media and e-mail communication are seen as two communication channels between the customer and the service provider, and the positive impact of SE on EE is in line with the authors' expectations and social presence/media richness theory.

EE positively affects the customer-based reputation of a service firm (H3a) and customer trust in the online service to which the e-mail communication refers (H3b). The positive impact of customer trust in an online service on customer loyalty to the service (H5) and, in turn, the positive impact of self-reported loyalty on measured loyalty (H6) are also confirmed (see Table 2).

To examine the indirect effects of SE, EE, reputation, and trust on loyalty and observed loyalty, the macro PROCESS was used (95% bias-corrected bootstrap confidence intervals, based on 5,000 resamples) (Hayes, 2013). The results do not indicate any significant indirect effects, except those already outlined by the model.

Regarding the impact of control variables on model outcomes, the frequency of social media usage has no impact on loyalty (reported or observed). However, there is a positive relationship between customer purchasing decision-making power and reported loyalty. The latter could be explained by the fact that customers with purchasing decision-making power accounted for the majority in the sample, and they are inclined to defend their decisions when reporting about their loyalty to the online service.

4. DISCUSSION AND IMPLICATIONS

The motivation for this study was to better understand how customers' social media use and EE influence provider-customer relationships in an online service context, resulting in increased customer loyalty to the service. Online services are based on relationships, which require customer trust and beliefs that the providers have the relevant expertise and are trustworthy, meaning that the services will continuously be delivered in the

way that has been promised. Two-way communication and low levels of conflict should lead to trusting customer-service provider relationships (Palmatier et al., 2006). Specifically, online communication quality and effectiveness contribute to loyal customer behavior (Hänninen & Karjaluoto, 2017), while a service provider's social media postings lead to higher customer engagement with the provider's social media activities (Luarn, Lin & Chiu, 2015).

Customer SE and EE influence perceived company reputation. The importance of company reputation on the trust-building process calls for enhanced communication of a company's strengths to its customers. Hence, it is important to increase their awareness of the customer orientation of the company, the company's financial strength, the quality of its services, and the expertise of its workers to grow customer trust and loyalty. This study shows that informative, relevant, and non-intrusive e-mail communication is an effective tool for achieving this outcome.

The fact that SE, which is richer than e-mail communication and has a higher social presence, positively affects EE encourages service providers to improve the social presence of their e-mail communication by including interactivity features and personalization on the sender side. This is likely to also have a positive impact on relationship building with customers who do not have social media accounts. The impact of SE on the customer-based reputation of a service provider and trust is not direct but rather indirect through EE. The behavioral dimensions of SE, such as liking brand-related content, sharing postings, commenting, and recommending brand-related postings to others, as well as the cognitive dimension of information quality do not have a direct impact on customer perceptions of a company as reliable, financially strong, or as being a good employer.

Understanding how social media marketing and e-mail marketing function within the relationship-marketing context will help marketing practitioners to prioritize activities that enhance customer trust and loyalty. Based on our find-

ings, online service providers should focus on e-mail marketing communication engagement in order to improve customer-based reputation and trust and to encourage customer loyalty.

Although social media represent an important digital marketing channel, the impact of social media marketing is limited: first, only to the customers with social media accounts who are engaged with the social media of the service or brand; and second, as a support tool of a firm's e-mail marketing activities. In addition, social media cannot directly affect customer trust and loyalty.

5. LIMITATIONS AND AREAS FOR FUTURE RESEARCH

The study used cross-sectional data to analyze the relationships among the selected constructs. Since the nature of the data collection was exploratory, such a collection method should be adequate. Due to the individual usage of the service, single informants of online legal information services were used. Further research could increase the extent to which our findings are generalizable to other online services while also showing how the results vary if data is modeled for different segments of customers (i.e., regular customers, potential customers, purchase decision-makers, service users).

In our setting, the customers already had experience with and a certain level of trust in the online service, which was already well-established in the market. Hence, our study cannot be applied to new online services that are still in the initial phase of market entry. For such services, trust and reputation are preconditions for EE or SE.

EE was conceptualized as a standalone relationship-marketing tool, and customers usually do not differentiate whether they are engaged with e-mails that are part of e-mail advertising, newsletter campaigns, content marketing, or inbound marketing. It would be interesting to conceptualize e-mail communication within content and/or inbound marketing and explore the role of these broader constructs within the relationship-marketing effectiveness model.

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Appendix 1: Sample profile

	Respondents with FB account		All Respondents		All contacted through an online survey	
	N	%	N	%	N	%
Total	271	100	671	100	5,000	100
Gender						
Male	87	32.1	231	34.4	1,524	30
Female	184	67.9	440	65.6	2,581	51
n.a.*	0	0	0	0	895	18
Age						
Up to 24 years	8	3	10	1.5		
25-34 years' old	60	22.1	111	16.5		
35-44 years' old	86	31.7	198	29.5		
45-54 years' old	51	18.8	168	25		
55-64 years' old	60	22.1	160	23.8		
Older than 64	6	2.2	24	3.6		
Having a FB account						
Yes	271	100	332	49.5		
No	0	0	339	50.5		
Using FB						
Daily	84	31	235	41.1		
Less frequently and not**	187	69	436	58.9		
Purchasing decision power						
Decide or influence	162	59.8	372	55.4		
Cannot influence	109	40.2	299	44.6		

*For 18% of individuals contacted through the online survey, gender could not be determined

** Among all respondents, the figure also includes respondents without a FB account

Appendix 2: Construct measurement

	Factor loading	Communality
Social media engagement (SE) AVE=81.160%		
SE – Behavioral dimension, α=0.856		
I have liked the BRAND Facebook page and I am following BRAND Facebook postings.	0.619	0.617
I share BRAND Facebook postings.	0.915	0.883
I comment on BRAND Facebook posting.	0.882	0.802
I recommend BRAND Facebook postings to others.	0.774	0.731
SE – Cognitive dimension (quality of information), α=0.950		
BRAND Facebook postings are a valuable source of information.	0.906	0.899
BRAND Facebook postings are entertaining.	0.810	0.73
BRAND Facebook postings are a convenient source of information about legal issues in the country.	0.927	0.922
BRAND Facebook postings supply complete and relevant information about services or events advertised.	0.921	0.91
E-mail engagement (EE), AVE=73.701%		
EE – Quality of information, α=0.903		
BRAND e-mails are a convenient source of information.	0.908	0.865
BRAND e-mails provide consumers with essential information.	0.922	0.881
I enjoy most e-mails received from BRAND.	0.745	0.692
BRAND promotional e-mails supply complete and relevant information about services or events advertised.	0.791	0.761
EE – Perceived intrusiveness of e-mail advertising, α=0.761		
Many of the products do not perform as advertised.	0.828	0.742
Many of BRAND e-mail advertisements are annoying.	0.857	0.758
There are too many advertisement e-mails in the mailbox.	0.864	0.567
BRAND e-mail advertising is more manipulative than it is informative.	0.855	0.556
EE – E-mail customer response, α=0.786		
I read BRAND e-mail right away.	0.776	0.692
I often click on links in BRAND e-mails.	0.773	0.757
I often attend events advertised by BRAND e-mails.	0.730	0.617
I want to receive BRAND e-mails in the future.	0.515	0.511
Customer-based reputation of a service firm (CBR), AVE=82.215%		
CBR – Customer orientation, α=0.945		
COMPANY, publisher of BRAND, has employees who are concerned about customer needs.	0.786	0.817
COMP has employees who treat customers courteously.	0.845	0.84
COMP is concerned about its customers.	0.729	0.848
CBR – Reliable and financially strong company, α=0.886		
COMP tends to outperform competitors.	0.787	0.814
COMP seems to recognize and take advantage of market opportunities.	0.856	0.839
COMP looks like it has strong prospects for future growth.	0.735	0.796

	Factor loading	Commu-nality
CBR – Good employer, α=0.877		
COMP looks like a good company to work for.	0.791	0.776
COMP seems to treat its people well.	0.751	0.783
COMP seems to have excellent leadership.	0.617	0.778
CBR – Product and service quality, α= 0.853		
COMP offers high quality products and services.	0.668	0.725
COMP is a strong, reliable company.	0.693	0.9
COMP develops innovative services.	0.737	0.885
Trust, AVE=76.040%		
Trust – Integrity and benevolence, α= 0.938		
I tend to trust BRAND service.	0.702	0.657
Promises made by the provider of BRAND service are likely to be reliable.	0.738	0.705
I do not doubt the honesty of provider of BRAND service.	0.781	0.758
I expect the provider of BRAND service to keep the promises it makes.	0.833	0.786
I expect I can count the on provider of BRAND service to consider how its actions affect me.	0.815	0.744
I expect the intentions of the provider of BRAND service to be benevolent.	0.828	0.783
I expect that the provider of BRAND service is well-meaning.	0.797	0.717
Trust – Ability predictability and ability, α=0.935		
The provider of BRAND service is competent.	0.801	0.78
The provider of BRAND service knows about law.	0.803	0.75
The provider of BRAND service knows how to provide excellent service.	0.821	0.815
I am quite certain about what the provider of BRAND service will do.	0.872	0.846
I am quite certain what to expect from the provider of BRAND service.	0.816	0.783
Loyalty, α=0.7; AVE=63.1%		
I use only BRAND service.	0.784	0.615
The last time I used an online legal information service I used BRAND.	0.819	0.670
I am a committed subscriber to BRAND's service.	0.779	0.607