Impact of Value Co-Creation Behaviour within the Social Media Context

Esther Bassil Sleilati* and Cynthia Jabbour Sfeir

ABSTRACT

Manuscript type: Research paper
Research aims: This study investigates the impact of value co-creation behaviour on customer loyalty within the context of social media. It also attempts to determine the role played by customer brand experience and customer satisfaction as mediating variables.
Design/Methodology/Approach: Drawing upon the service-dominant logic theory, a research framework is developed and tested using the structural equation modelling. The data comprise the input of 449 respondents from Lebanon.
Research findings: The findings provide substantial evidence showing the relationship between customer value co-creation behaviour and customer loyalty. This relationship is partially mediated by customer brand experience.
Theoretical contribution/Originality: This study expands on existing literature by investigating how customer value co-creation behaviours can lead to customer loyalty within the social media context of Lebanon.
Practitioner/Policy implications: The findings can assist managers in understanding how customer loyalty can be promoted through co-creation behaviours within social media. The results suggest that managers should provide the means which can encourage more behavioural, intellectual and affective customer reviews/feedback. These inputs enhance customer satisfaction and customer loyalty.

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Research limitation/Implications: The limitation of this study rests on its findings which cannot be generalised to a wider business community as it focuses only on the context of Lebanon.

Keywords: Online Customer Brand Experience, Online Customer Loyalty, Online Customer Satisfaction, Online Customer Value Co-Creation Behaviour, Service-Dominant Logic, Social Media

JEL Classification: M31

1. Introduction

The exponential growth of social media platforms has given brands many creative and innovative opportunities to communicate with customers. Yet, many brands are still procrastinating in their commitment to fully integrate these opportunities into their day-to-day work processes. Many firms find more comfort in conducting their businesses through traditional ways. However, the need for firms to consolidate the advantages of social networks into commerce is inevitable because technology demands so. To date, social media platforms, such as Facebook and Instagram, are undergoing a remarkable evolution. Their usage has also become more widespread due to influence and demand (Pereira Correia et al., 2014). These brand-hosted media, such as Facebook and Instagram, have enabled firms to connect and interact with their existing and potential customers, to the extent that these interactions have led firms to build a strong and positive brand knowledge for their customers (Simon & Tossan, 2018). Due to such possibilities, it is not surprising when luxury brands, like Burberry and Tiffany and Co. began engaging in co-creation behaviours. They invited customers to share their videos, photos, stories and positive experiences with their brands through those social media platforms. This is a good strategy for the brands to develop brand loyalty (Cheung et al., 2020).

Countless research has centred on looking at value co-creation (Schembri & Latimer, 2016; Simon & Tossan, 2018; Zaglia, 2013), in which customers get to experience a certain level of collective value through their own participation. Through such online brand communities, customers have a say in how products can be enhanced, thereby actively impacting brand culture (Gensler et al., 2013). It appears that most studies on customer value co-creation have also resorted to using the Service Logic and Critical Service Logic (Grönroos, 2011, 2012; Grönroos & Voima, 2013), and the Service Dominant Logic (SDL) (Vargo & Lusch, 2008, 2011, 2012) as theories. Among these are some examined factors
influencing customers to participate (Füller, 2010), or the resources needed by customers so as to effectively contribute towards co-creation (Vargo & Lusch, 2008; Gummesson & Mele, 2010). Yet, few have focused on looking at the effect of co-creation (Ind et al., 2017), or at factors such as customer satisfaction, customer experience, or word-of-mouth interactions (Grott et al., 2019), and their impact on co-creation behaviour. This indicates that the exchanges taking place between customers and the brands they use on brand-hosted social media, and the values derived from such exchanges, have not been adequately investigated, whether internationally, regionally or locally, within the Lebanese context.

To address this gap, the current study will thus empirically examine how online customer value co-creation behaviour impacts online customer loyalty. To achieve this, the mediating variables of online customer brand experience and online customer satisfaction were utilised, in the context of social media platforms, among users in Lebanon. Studies (Radcliffe & Bruni, 2018) show that Lebanon has a record of the highest percentage of adults using social media, with 72 per cent of its citizens engaged with this technology. The rapid uptake of social media usage in the country shows that the platform has become increasingly relevant as part of the marketing tools. Despite this, there is a lack of study which examines customer value co-creation behaviour in the context of social media from the Lebanon perspective. This creates an imperative need for a study to be conducted. Thus, this study examines how Lebanese customers react (behaviours and experiences) to their favourite brands in an online context, and how these would be transformed into customer loyalty.

The remainder of this paper is organised as follows. Section 2 presents the literature review on the underpinning theory, and the hypotheses development. Section 3 describes the methodology employed, and Section 4 reports the results. Section 5 discusses the findings, while Section 6 presents implications regarding theory and practice.

2. Literature Review

2.1 Service Dominant Logic (SDL) and Value-Co Creation Behaviour

The concept of value co-creation behaviour has evolved from the new Service Dominant Logic (SDL) theory that was developed by Vargo and Lusch (2004). From the perspective of the SDL, services, which are also referred to as the application of skills for the benefit of others, are
considered as the basis of economic exchange. This is in contrast with the traditional goods-dominant approach which emphasises the features and attributes of goods. Two broad categories of resources are underlined under the SDL: 1) operand resources (i.e., materials and physical products), and operant resources (i.e., human skills and knowledge, organisations, and information). Under this view, customers are seen as operant resources; they produce effects on the operand resources. In this sense, firms make value propositions, but the value can only be determined by the customers. For example, upon receiving advertising messages, customers co-create the brand value by providing suggestions. They also identify problems as well as offer solutions on how the messages could be improved. In this way, customers become involved in the new marketing campaign process. Based upon the SDL, the value co-creation concept stresses on the “value-in-use” approach (Grönroos & Ravald, 2011). This approach focuses on the active participation of customers during the production process and the consumption stage. Whenever customers move from being passive receivers to active participants, partnering with their suppliers leads to value creation (Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2008). Companies can maximise the offered values whenever they manage to understand and support the processes that create value for their customers (Tajvidi et al., 2018).

In conceptualising the value co-creation behaviour, Yi and Gong (2013) have identified two different factors; namely, customer participation behaviour and customer citizenship behaviour. Customer participation behaviour refers to the customers’ co-creation of products or services, together with the firms, while customer citizenship behaviour refers to the extra-role undertaken by customers in their effort to interact with firms. Information seeking, information sharing, responsible behaviour, and personal interactions are the elements that describe customer participation behaviour. Customer citizenship behaviour, on the other hand, consists of feedback, advocacy, helping, and tolerance. Customer participation behaviour is a behaviour necessary for successful value co-creation. Customer citizenship behaviour is a voluntary behaviour that provides an additional value to the firm, but it is not necessarily required for value co-creation. The conceptualisation proposed by Yi and Gong (2013) has been tested and validated in various studies, such as that of Foroudi et al. (2019), Elsharnouby (2016), and Shamim and Ghazali (2016) with robust results. Given this, the present study will adopt the conceptualisation developed by Yi and Gong (2013) regarding customer value co-creation behaviour.
2.2 Online Customer Brand Experience

According to Alloza (2008), customer brand experience is “the perception of the consumers, at every moment of contact they have with the brand, whether it is in the brand images projected in advertising, during the first personal contact, or the level of quality concerning the personal treatment they receive” (p. 373). Subsequent to this, Brakus et al. (2009) have gone further by defining customer brand experience as the “subjective internal responses (sensations, feelings, and cognitions), and behavioural responses evoked by brand-related stimuli which are part of a brand’s design and identity, packaging, communication, and environments” (p. 53). This definition depicts brand experience as a multidimensional construct comprising four dimensions: sensory, affective, cognitive, and behavioural. The sensory dimension includes both the sensory and appealing characteristics of a brand page. The more attention-grabbing and inventive the brand page and its content are, the more they will grasp the attention of the target group (Simon et al., 2013). When brand pages are designed, they should aim at generating favourable emotions through visual appeal and content relevance. If they can generate powerful positive emotions vis-à-vis a brand, this will trigger mental arousal (Patwardhan & Balasubramanian, 2011). The customer brand experience of the cognitive dimension comprises those rational activities that the brands’ online pages evoke. Often, consumers go beyond the search for entertainment; they seek brand information and intellectual inspiration (Simon et al., 2013). Finally, customer experiences with brands, whether satisfactory or dissatisfactory, can immediately lead to behavioural responses which then influence consumers’ future re-purchase intentions, word-of-mouth recommendations, and their readiness to pay a higher price (Brakus et al., 2009). Various practical concepts (products, services, consumption, and shopping experiences) jointly add up to the total brand experience of customers (Khan & Rahman, 2015a). Customers are able to experience a brand throughout their entire buying decision process, from information search to the consumption stage (Khan & Fatma, 2017; Schmitt & Rogers, 2008). This experience is influenced by various brand-related cues, such as, product design, its identity, its package, the location of its distribution, and the marketing communication channels it opts for (Ramaseshan & Stein, 2014). Given that customer brand experience comprises various dimensions, the definition provided by Brakus et al. (2009) will be adopted in this study.
2.3 E-satisfaction

Customer satisfaction has had its wide share of the literature, be it in the traditional context or online (Al-Hawari, 2013, 2014; Angelova & Zekiri, 2011; Ganguli & Roy, 2011; Oliver, 1980, 1981). This has also been highlighted by Angelova and Zekiri (2011) who mention that customer satisfaction is the resulting outcome of using a firm’s offering. This means that a firm is meeting customer expectations by providing the products or services. In earlier studies (Hansemak & Albinson, 2004; Oliver, 1993), customer satisfaction has been defined as the instantaneous reaction that occurs after a purchase; it is evaluated against previous purchase emotions and experiences. In a brick-and-mortar environment, satisfaction assesses customers’ feelings regarding the attributes of a specific retail store. This allows firms to have an idea of the kind of image it has based on customers’ evaluations (Wong et al., 2014).

With the retail concept in mind, e-satisfaction can be referred to as the cumulative feelings of customers when shopping online. It refers to customers’ favourable attitude regarding the website they are shopping at. Hence, customers’ satisfaction with a website can be attained when website characteristics fulfil or exceed customer expectations (Wong et al., 2014). Szymanski and Hise (2000) define e-satisfaction as the aggregate impact of various experiences with a specific service provider during a given period. Similarly, Gounaris et al. (2010) assess e-satisfaction as being the level of global evaluations made by customers regarding their online shopping experiences. Anderson and Srinivasan (2003) define e-satisfaction as “the contentment of the customer with respect to his/her prior purchasing experience with a given electronic commerce firm” (p. 125). Since the definition of satisfaction is not specific to social media platforms, this study will henceforth adopt the definition recommended by Anderson and Srinivasan (2003) for use in the online framework.

2.4 E-loyalty

The survival of firms hinges on their customers’ loyalty (Ganguli & Roy, 2011) since such customers maintain corporate market share and guarantee their profitability (Tsoukatos & Rand, 2006). Today’s firms are striving to build long-term relationships with their customers (Ashraf et al., 2018) because when considering customers’ lifetime value, loyal customers can be ten times more profitable than the average customer.
Thus, no matter how well-designed an e-business model may be, it is likely to fall apart in the absence of customer loyalty. This implies that making an effort to achieve customer loyalty, in today’s environment, is imperative since competitors are only one mouse-click away (Anderson & Srinivasan, 2003). The concept of loyalty has been lengthily studied in the literature, resulting in a myriad of definitions. However, the concept of loyalty focuses on two dimensions – the behavioural dimension signalled by retention (Bansal & Taylor, 1999), and the attitudinal dimension signalled by the extension of the behavioural aspect and the inclusion of the affective component (Ranaweera & Prabhu, 2003). In a more recent study, Al-Hawari (2014) has suggested that customer loyalty can be demonstrated by praising a liked brand in front of other customers, repeating business transactions with the same organisation, and choosing the satisfactory brands as the first choice.

In an online environment, Schultz (2000) defines online customer loyalty as a step beyond the traditional concept governed by the product; it is regulated by the marketer and is enabled by technology. Reichheld and Schefter (2000) refer to e-loyalty as hinging on products’ timely delivery, adequate shipping fees and handling price, superior customer support, straightforward privacy policies, and attractively portrayed products. In another study, Anderson and Srinivasan (2003) define e-loyalty as “the customer’s favourable attitude toward an electronic business, resulting in repeat buying behaviours” (p. 125). This implies that e-loyalty is analogous to ‘store loyalty’ as it works on ensuring repeat visits to the ‘store’ and seeking specific brands. Based on this, the definition adopted in this study is that of Anderson and Srinivasan (2003) given its relevance to the context at hand.

2.5 Hypotheses Development

According to Payne et al. (2009), the value co-creation process enables firms to build favourable brand relationships and experiences with their stakeholders. Customers who are engaged in the production processes tend to have a sense of belongingness to the firm. This increases their levels of experience with the brand. Hence, customers are likely to demonstrate positive experiences with the firm and share these experiences with other users (Patterson et al., 2006). When the products or services are co-created and are fully in line with their needs, customers consider the efforts they contribute to the process as positively rewarding and as being pleasant experiences. In addition, the
physical surroundings or the user interface provided by the brands in the co-creation design environment may also stimulate sensory brand experiences (Kohler et al., 2011). When customers engage in the co-creation process, they put in more efforts in learning and understanding product-related solutions, which helps stimulate their cognitive experiences with the brand (Hollebeek, 2011). Based on these arguments, this study postulates that:

H₁: There is a positive relationship between online customer value co-creation and online customer brand experiences.

A favourable brand experience tends to generate an emotional brand connection with the customer, and in turn, yields customer satisfaction. Customers are expected to be satisfied with the brand based on the pervasive and supportive online customer brand experience (Brakus et al., 2009; Sadek & El Mehelmi, 2020). Customers who experience a higher degree of fun and entertainment during the co-creation processes will generate more value and higher levels of satisfaction (Franke & Von Hippel, 2003). Some notable brands, such as Haier, have even built an innovative and interactive online medium in which customers are allowed to experience the convenience of obtaining products and innovations through real-time interactions. Through this platform, customers get timely feedback, thereby helping to create brand value, which will eventually lead to customer satisfaction (Ranjan & Read, 2016). According to Brakus et al. (2009), favourable brand experiences deliver value to customers, whilst enhancing their satisfaction with the brand. Whenever customers have a notable brand experience, it invariably boosts their satisfaction. This has been proven in a myriad of contexts, such as that of retailing (Khan & Rahman, 2015b), online brand environment (Ha & Perks, 2005), destination branding (Barnes et al., 2014), services (Nysveen & Pedersen, 2014), and online branding (Khan et al., 2016; Lee & Jeong, 2014; Morgan-Thomas & Veloutsou, 2013). Based on these arguments, this study postulates that:

H₂: There is a positive relationship between online customer brand experience and online customer satisfaction in the social media context.

For customers to make repeat purchases, they must have had a remarkable and one-of-a-kind brand experience, thereby resulting in brand loyalty (Brakus et al., 2009; Khan et al., 2016; Nysveen & Pedersen, 2014). Customers who have gained positive brand experiences will initiate a solid relationship with the particular brand, and this too leads
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to customer loyalty (Cleff et al., 2018). Further, firms’ prompt responses to customer feedback, whether negative or positive, equally generate a more sincere effect on the customers’ minds. In turn, this makes it easier for firms to enhance their customers’ trust and positive perceptions towards their brands, thereby leading to customer loyalty. In this regard, the continual, favourable, and improved online customer brand experience results in a robust customer-brand relationship (Brakus et al., 2009; Pratomo & Magetsari, 2018). As per those arguments, this study puts forward that:

H3: There is a positive direct relationship between online customer brand experience and online customer loyalty in the social media context.

Several studies (Brakus et al., 2009; Carlson & O’Cass, 2010; Ganguli & Roy, 2011) have disclosed the strong favourable link between customer satisfaction and customer loyalty. It appears that satisfied customers tend to automatically stay with the brands they are satisfied with. According to Shankar et al. (2003), the impact of customer satisfaction is greater on customer loyalty, especially in an online environment when compared to offline. This is because in an online environment, customer satisfaction helps customers feel safe about the capability of the brand in meeting their expectations. This, therefore, builds trust, which leads to satisfaction and eventually to loyalty. In an online environment, customers are faced with switching costs whenever they swap websites. They tend to stick to the websites they are satisfied with so as to avoid the trouble of finding other websites, which are not guaranteed (Chou et al., 2015). This claim has been proven by Ashraf et al. (2018) who posits that customer satisfaction with online business brands has positively increased loyalty for those brands. Satisfied customers are not only found to have stronger repurchase intentions, they are also more excited about vouching for the product/service to their contacts, while dissatisfied customers most likely resist building any relationship with the retailers. Eventually, they equally switch retailers. The success of e-businesses hinges on the satisfaction of their customers. Whenever customers are satisfied with their purchases, they will be both committed and loyal to the providers (Hung et al., 2014; Khan et al., 2016). Given the arguments above, this study hypothesizes that:

H4: There is a positive direct relationship between online customer satisfaction and online customer loyalty in the social media context.
Studies have demonstrated the positive relationship between customer value co-creation behaviour and customer loyalty. Of these studies, Banytė et al. (2014) and Cossío-Silva et al. (2016) have found that the involvement of customers in value co-creation results in attitudinal loyalty. When customers experience a strong involvement in the delivery of healthcare services, they tend to use part of their time in seeking information. The reduction in the search for alternative services also occurs. Within the banking sector (Nysveen & Pedersen, 2014), and the tourism industry (Peña et al., 2014), studies have found that when customers partake in co-creation, their loyalty to the bank and tourism agencies has also increased respectively. A similar situation has been equally discovered within the online context. Hajli et al. (2017) and Kaufmann et al. (2016) have reported a positive impact of customer value co-creation behaviour on customers. Given the empirical evidence, this study postulates that:

H₃: There is a positive relationship between online customer value co-creation behaviour and online customer loyalty in the social media context.

Although satisfaction is an idiosyncratic judgment regarding how a brand performs compared to customers’ expectations of the brand’s performance (Hunt et al., 2012), studies increasingly posit that satisfaction-related judgments are social in nature (Fournier & Mick, 1999). Such an outlook denotes a shift from focusing on tangible resources to focusing on intangible resources, such as relationships and value co-creation (Vargo & Lush, 2004). Whenever customers partake in value co-creation, this impacts the evaluation of their degree of satisfaction. Grönroos (2008) indicates that customers’ participation in value co-creation leads to higher satisfaction levels. Customers’ participation helps to generate an ultimate product that is completely tailored to their needs. After all, customers treasure co-creation because of the experience they get, and the experience is no other than the brand (Prahalad & Ramaswamy, 2004). This brand-related experience, in turn, results in the co-creation success which impacts customer loyalty (Brakus et al., 2009). Based on this, it is expected that co-creation behaviour will result in favourable brand experiences that will then influence customer loyalty. Within the online environment, digital co-creation enables firms to create a greater consumer digital experience thereby leading to more customers, among others. Based upon such evidence, this study postulates that:
H₆: There is a positive relationship between online customer value co-creation behaviour and online customer loyalty in the social media context.

While previous studies have demonstrated the positive effect of customer value co-creation behaviour on customer loyalty (e.g. Hajli et al., 2017; Kaufmann et al., 2016), some scholars have highlighted that the relationships may not be linear (Cossío-Silva et al., 2016). This effect may depend on the benefits expected by the customers, and the extent to which the co-creation environment provides the overall experiences to the customers (Kumar & Kandoi, 2018). Co-creation behaviour that stimulates sensory, affective, cognitive, behavioural, and relational brand experience, for instance, may lead to repurchase intentions. Further, it appears that it is only when customers are satisfied with the experiences provided that they may continue to repurchase the products or services (Brakus et al., 2009). Based on these arguments, this study postulates that:

H₇: Online customer brand experience mediates the relationship between online customer value co-creation behaviour and online customer loyalty.

H₈: Online customer brand experience mediates the relationship between online customer value co-creation behaviour and online customer satisfaction.

H₇, H₈ and H₉ are mediating relationships.

Figure 1: Research Framework
H₉: Online customer satisfaction mediates the relationship between online customer value co-creation behaviour and online customer loyalty.

Figure 1 outlines the conceptual model used for this study.

3. Methodology

To measure the constructs set in the conceptual model, we employed only pre-tested and validated items taken from previous literature. The five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree, was utilised to measure the constructs used in this study. The “brand experience” construct was measured with nine indicators adopted from Loureiro et al. (2017). These nine indicators measure only three out of the four dimensions of the brand experience construct. We did not include sensory experience as the dimension for measuring the brand experience since the context of our study was social media. The “customer value co-creation behaviour” construct was measured with nine indicators adopted from Zhang and Chen (2017). The “online customer satisfaction” construct was measured with three indicators adopted from Tajvidi et al. (2018). Finally, the “online customer loyalty” construct was measured with three indicators adopted from Li et al. (2015).

In this study, we only focused on Facebook, Instagram, and Twitter users/followers. To ensure the focus, we used a screening question, “what is your favourite social media network/platform?” Respondents who chose the “other” option were redirected to the end of the questionnaire with a thank you note. Furthermore, respondents were asked to identify one product they followed on their social media page with the purpose of enabling the respondents to focus on/visualise their preferred product/brand while answering the questions in the questionnaire.

Prior to data collection, the questionnaire was pre-tested with social media experts and marketing university instructors. Following the results of the pre-test, minor changes were made to simplify the language (English), and to fine-tune some questions. A pilot study involving 40 respondents was conducted to ensure the reliability of the scales. Cronbach’s alpha coefficient for all the constructs used in the study was found to be greater than the threshold of 0.7, indicating the reliability of the items. Following this, an actual data collection was conducted so as to validate the model of the study.
The questionnaire was created in Google Form documents, and the link was distributed via email and Facebook, covering the five Lebanese districts (North Lebanon, Mount Lebanon, Beirut, Bekaa, and South Lebanon) between July 5, 2019 and August 14, 2019. All items in the questionnaire required an answer so as to delete the probability of getting missing cases. A total of 473 respondents filled in the questionnaire, of which 449 were fully completed and usable for data treatment. The remaining 24 respondents chose the “other” option in the screening question; thus, they could not complete the questionnaire since they were redirected to the end of the questionnaire. Of the 473 respondents screened, only 449 were retrieved, indicating a response rate of 94.9 per cent. Table 1 depicts the respondents’ profiles, with a majority (57.2%) being males and between 25 to 34 years old (44.8%). Most of the respondents visit the social media network one to three times per week, with most using Facebook and Instagram as compared to Twitter, as main platforms.

Table 1: Respondents’ Profiles

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>257</td>
<td>57.2</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>192</td>
<td>42.8</td>
</tr>
<tr>
<td>Age</td>
<td>15 – 24 Years</td>
<td>115</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>25 – 34 Years</td>
<td>201</td>
<td>44.8</td>
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<tr>
<td></td>
<td>35 – 44 Years</td>
<td>80</td>
<td>17.8</td>
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<tr>
<td></td>
<td>45 – 54 Years</td>
<td>42</td>
<td>9.4</td>
</tr>
<tr>
<td></td>
<td>55 – 64 Years</td>
<td>10</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td>64 Years and above</td>
<td>1</td>
<td>0.2</td>
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<tr>
<td>Frequency of visits</td>
<td>1-3 times per day</td>
<td>126</td>
<td>28.1</td>
</tr>
<tr>
<td></td>
<td>More than 3 times per day</td>
<td>82</td>
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<tr>
<td></td>
<td>1-3 times per week</td>
<td>165</td>
<td>36.7</td>
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<tr>
<td></td>
<td>More than 3 times per week</td>
<td>44</td>
<td>9.8</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>32</td>
<td>7.1</td>
</tr>
<tr>
<td>Favourite social media network/platform</td>
<td>Facebook</td>
<td>186</td>
<td>41.4</td>
</tr>
<tr>
<td></td>
<td>Instagram</td>
<td>243</td>
<td>54.1</td>
</tr>
<tr>
<td></td>
<td>Twitter</td>
<td>20</td>
<td>4.5</td>
</tr>
</tbody>
</table>
4. Analysis

4.1 Measurement Model

Before the structural model analysis was performed, the measurement model was tested first. Confirmatory factor analysis (CFA) was employed to test the measurement model’s acceptability. The following indices were used as indicators of good measurement model. They include CFI, TLI, IFI ≥ 0.90; χ² / df ≤ 4; RMSEA ≤ 0.08 (Hair et al., 2010). All the indices were above the threshold values (CFI = 0.94, TLI = 0.93, IFI = 0.94; χ² / df ≤ 3.386; RMSEA = 0.073), indicating a fit between the data and the model.

Table 2: Convergent Validity

<table>
<thead>
<tr>
<th>Constructs and scale items</th>
<th>Factor loadings</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Customer Brand Experience</td>
<td></td>
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</tr>
<tr>
<td>behavexp1</td>
<td>0.893</td>
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<td></td>
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<tr>
<td>behavexp2</td>
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<td>behavexp3</td>
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<tr>
<td>affectexp3</td>
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<tr>
<td>Online Customer Value Co-creation Behaviour</td>
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<tr>
<td>participation1</td>
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<td>participation3</td>
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<td>participation4</td>
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<td>citizenship4</td>
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<td>citizenship5</td>
<td>0.819</td>
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<tr>
<td>Online Customer Satisfaction</td>
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</tr>
<tr>
<td>sat1</td>
<td>0.921</td>
<td></td>
<td></td>
</tr>
<tr>
<td>sat2</td>
<td>0.946</td>
<td>0.92</td>
<td>0.85</td>
</tr>
<tr>
<td>sat3</td>
<td>0.908</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Customer Loyalty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>loyalty1</td>
<td>0.867</td>
<td></td>
<td></td>
</tr>
<tr>
<td>loyalty2</td>
<td>0.911</td>
<td>0.86</td>
<td>0.77</td>
</tr>
<tr>
<td>loyalty3</td>
<td>0.862</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Convergent validity and discriminant validity tests were then performed. The former was evaluated based on the factor loadings, composite reliability, and average variance extracted (AVE) values. As depicted in Table 2, all the items loaded above 0.7 had a composite reliability between 0.66 to 0.92, and AVE values between 0.64 to 0.82, thus convergent validity (Hair et al., 2017) was noted.

Discriminant validity was assessed by comparing the values of the squared AVE with their correlations with other constructs. As indicated in Table 3, all the squared AVE values were higher than their correlations with other constructs, indicating that discriminant validity had been achieved (Fornell & Lacker, 1981).

Table 3: Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>AVE (1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Value Co-creation Behaviour (1)</td>
<td>0.67</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Customer Loyalty (2)</td>
<td>0.77</td>
<td>0.736</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>Online Customer Brand Experience (3)</td>
<td>0.66</td>
<td>0.631</td>
<td>0.590</td>
<td>0.81</td>
</tr>
<tr>
<td>Online Customer Satisfaction (4)</td>
<td>0.86</td>
<td>0.701</td>
<td>0.703</td>
<td>0.653</td>
</tr>
</tbody>
</table>

Note: The numbers in bold in the diagonal row are square roots of the AVE.

4.2 Structural Model

Following the measurement model analysis, the structural model analysis was conducted so as to test the hypotheses developed. The following indices were used as indicators of good measurement model. They include CFI, TLI, IFI ≥ 0.90; χ²/df ≤ 4; RMSEA ≤ 0.08 (Hair et al., 2010). All the indices were found to be above the threshold values (CFI = 0.95, TLI = 0.94, IFI = 0.95; χ²/df ≤ 3.106; RMSEA = 0.069), indicating a fit between the data and the model. The path coefficient values between the constructs were then evaluated to test the hypotheses. Table 4 shows the results.

The results revealed that online customer co-creation behaviour was positively related to online customer brand experience (β = 0.632, t = 7.642, p<0.001), online customer loyalty (β = 0.44, t = 4.332, p<0.001), and online customer satisfaction (β = 0.498, t = 5.797, p<0.001). These results thus supported hypotheses H1, H5 and H6. The analysis also revealed that online customer brand experience was positively related to online customer satisfaction (β = 0.321, t = 4.423, p<0.001); hence, hypothesis H2
### Table 4: Structural Model

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Paths</th>
<th>Standardised Estimate (β)</th>
<th>t-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>online customer value co-creation behaviour → online customer brand</td>
<td>0.632***</td>
<td>7.642</td>
<td>Accepted</td>
</tr>
<tr>
<td>H₂</td>
<td>online customer brand experience → online customer satisfaction</td>
<td>0.321***</td>
<td>4.423</td>
<td>Accepted</td>
</tr>
<tr>
<td>H₃</td>
<td>online customer brand experience → online customer loyalty</td>
<td>0.102NS</td>
<td>1.572</td>
<td>Rejected</td>
</tr>
<tr>
<td>H₄</td>
<td>online customer satisfaction → online customer loyalty</td>
<td>0.33***</td>
<td>4.451</td>
<td>Accepted</td>
</tr>
<tr>
<td>H₅</td>
<td>online customer value co-creation behaviour → online customer loyalty</td>
<td>0.44***</td>
<td>4.332</td>
<td>Accepted</td>
</tr>
<tr>
<td>H₆</td>
<td>online customer value co-creation → online customer satisfaction</td>
<td>0.498***</td>
<td>5.797</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Note: ***: p < .001, NS = Not significant.

### Table 5: Mediating Effects

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Paths</th>
<th>Direct Effects</th>
<th>Indirect Effects</th>
<th>Mediation Effect</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₇</td>
<td>online customer co-creation behaviour → online customer brand experience → online customer loyalty</td>
<td>0.44***</td>
<td>0.296**</td>
<td>Partial mediation</td>
<td>Support</td>
</tr>
<tr>
<td>H₈</td>
<td>online customer co-creation behaviour → online customer brand experience → online customer satisfaction</td>
<td>0.498***</td>
<td>0.203***</td>
<td>Partial mediation</td>
<td>Support</td>
</tr>
<tr>
<td>H₉</td>
<td>online customer brand experience → online customer satisfaction → online customer loyalty</td>
<td>0.102NS</td>
<td>0.106**</td>
<td>Full mediation</td>
<td>Support</td>
</tr>
</tbody>
</table>

Note: **: p < .01, ***: p < .001, NS = Not significant.
was supported. Further, a positive relationship between online customer satisfaction and online customer loyalty was also reported \((\beta = 0.33, t = 4.451, p<0.001)\), thereby supporting hypothesis H₄.

Surprisingly, this study noted that the relationship between online customer brand experience and online customer loyalty was not significant \((\beta = 0.10, t = 1.572, \text{NS})\); thus, hypothesis H₃ was rejected. In addition to the direct effects detected, this study also examined the interaction between the two intervening variables; namely, online customer brand experience and online customer satisfaction with online customer value co-creation behaviour and online customer loyalty. The mediating effects were tested by adopting the bias correction with 5,000 samples, and a 95 per cent confidence interval generation. The null hypothesis was rejected when the bootstrap of 95 per cent confidence interval related to the mediated effect was significantly non-zero, thereby confirming the presence of the mediation effect. Table 5 depicts the results of the mediating effects.

5. Discussion

This study has attempted to investigate how online value co-creation behaviour in the social media context can generate customer loyalty within the Lebanese online communities. The results have shown that the co-creation behaviour of the Lebanese online communities can serve as a new tool and concept for enhancing customer loyalty. It appears that social media platforms enable customers to gain awareness of other customers’ perceptions, exchange knowledge with each other, and develop insights about brands. With the high penetration of social media usage in Lebanon, many companies have started to rely on customer value co-creation as a valuable marketing tool. This finding thus corroborates the previous studies such as those of Cossío-Silva et al. (2016) and Hajli et al. (2017).

While there is substantial evidence to support the importance of online customer value co-creation behaviour in enhancing online customer loyalty, this study has found that the relationship between the two variables is mediated by online customer brand experience. The findings show that the value co-creation behaviour effectively leads to customer loyalty based on contents that are able to stimulate customers’ affective, cognitive, and relational brand experience. In the social media context, customers share their experiences and opinions about a product or service through product reviews, micro-blogs, wikis,
discussion forums, digital videos and podcasts (Chen & Wang, 2016). The various mediums provided in the social context help to broaden their social interactions and bonds, particularly between the companies and their customers, thereby generating positive value. In addition to customer brand experience, this study has also revealed that the relationship between online customer value co-creation behaviour and online customer loyalty is mediated by customer satisfaction. This outcome may be attributed to the fact that Lebanese people are characterised by the collectivism and feminism culture where people value a sense of belonging through group decisions (Grott et al., 2019). They also emphasise harmony, caring, cooperation, and interpersonal relationships. Given this, Lebanese customers who are invited to participate in the co-creation activities will be inclined towards feeling that the firms inviting them are also part of their in-groups, with their best interest at heart. The idea of being consulted and invited to take part in group decision making will, therefore, give them a sense of being taken care of by those firms. Consequently, this will increase their satisfaction level. Moreover, under the influence of the feminism culture, Lebanese customers are also more likely to enjoy the sharing and learning experiences resulting from co-creation.

Previous studies (e.g. Khan et al., 2016; Nysveen & Pedersen, 2014) suggest that online customer brand experience has a positive relationship with online customer loyalty. However, the present study did not find any substantial empirical evidence to support the relationship between these two variables. This inconsistency noted in the result may be due to the existence of intervening variables, such as trust, which can influence the relationship. In an online environment, trust is an important element that can help customers to secure their confidence, and to lower the perceived risks associated with products or services purchased (Hess & Story, 2005). An earlier study (Iglesias et al., 2020) has highlighted that brand experience will only lead to loyalty if there is an affective commitment between the brand and its customers. The existence of customers’ emotional attachment towards a particular brand will help to enhance the effectiveness of the online customer brand experience in gaining loyalty.

6. Conclusion and Implications

This study adds to the existing body of knowledge by providing empirical evidence that has shown how the value co-creation behaviour
of customers can stimulate online customer loyalty in the context of social media. Considering the current uptake of the social media usage in Lebanon, it appears that such a study is warranted. To the best of the authors’ knowledge, such a model has not been empirically tested in the context of Lebanon. As a country influenced by collectivism and feminism, the value co-creation behaviours of customers in gaining customer loyalty and satisfaction are likely to depend on the online customers’ brand experiences. This finding offers new insights into the area of customer value co-creation behaviour. This aspect can generate different results in different contextual settings. The inconsistency of the result in relation to the relationship between online customer brand experience and online customer loyalty may also trigger future research to be conducted. It appears that within the social media context, trust building and commitment between firms, as providers, and their customers may need to be developed. The nature of social media, as online platforms, suggests that information may be collected, disclosed, and used without open consent, and this practice may increase the privacy concerns of users.

Besides the theoretical contributions, this study also offers some insights for managers. Given the positive impact of online customer value co-creation behaviour on online customer loyalty and online customer satisfaction within the social media context, it is necessary for managers to consider using social media as a tool. Social media contains tools and design features that can empower customers into sharing information and improving their participation in consumer-generated contents. It will help to enhance their interactions and their relationship quality, which, in turn, helps firms to build positive customer experiences. Consequently, these will accelerate customer satisfaction and customer loyalty. Since the positive impact of online customer value co-creation is highly valued by the customers in Lebanon, it is therefore opportune for managers to focus more on online customers’ exerted behaviours. Despite this, they need to consider how the social media pages must be designed so that there is continuous communication amongst the customers as well as with firms as the providers/suppliers. This practice is expected to create trust and commitment that will enable firms to benefit from the brand experiences of their customers. Proactive customer roles and high interactions between firms and customers help to create opportunities for value creation. These will help firms gain customer loyalty, thereby reducing the risk of customers terminating their relationships with the firms.
While this study offers insights into value co-creation behaviour in the social media context, from the perspective of Lebanon, it is not without limitations that can be the basis of future research. Of these, it is recommended that future studies uncover the drivers and the long-term upshots of online customer brand experience. It will be interesting to examine how brand-related stimuli can induce this variable. It is further recommended that studies go a step further by examining if online customer brand experience has any impact on customers’ lifetime values, and eventually on customer equity (in the international and Lebanese contexts). Another important point to investigate is the solidity of the relationships put forth across various customer segments. This is because the outcome may have an impact on online customer value co-creation behaviour, such as customer loyalty, which also varies among the different segments of customers. Such a study will help to identify the respective customer segments that are the most prone to engage in value co-creation behaviour for whom online brand experience is most relevant.

References


Impact of Value Co-Creation Behaviour within the Social Media Context


