

A Customer Value Theory Approach to the Engagement with a Brand: The Case of KakaoTalk Plus in Korea

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ABSTRACT

As an increasing number of people gained access to social network services (SNS), organizations started to use SNS as a channel for marketing and promotional purposes. The online advertising market has significant growth potential. Brand engagement is a key motive for online advertising, but how SNS users engage with brands, particularly in terms of the promotion of organizations, is poorly understood. This study uses customer value theory to examine brand engagement of users in terms of promoting companies in the context of Korean SNS marketing. This study identifies the antecedents of brand engagement based on customer value theory. Our findings show the significance of three factors of SNS marketing, namely, price discount, relationship support, and convenience, on brand engagement. We further show the consequences of brand engagement, namely, purchase decisions and word-of-mouth activities. These findings help advance customer value theory and offer practical insights into the use of information systems and marketing in the context of SNS.

Keywords: Social Network Services, SNS Marketing, Brand Engagement, Customer Value Theory

I . Introduction

The arrival of the digital economy has profoundly changed the scope and boundaries of social interaction and created a new market in which produce information (Blazevic et al., 2014; Brodie et al., 2013). In particular, the growth in online commerce has

been extraordinary, with many of today's business transactions being conducted online (Tamimi and Sebastianelli, 2015). In the online market, online devices have become the main marketing channel for advertisers. This presents tremendous opportunities for online marketing to create interactive marketing that can effectively connect with and engage their

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target consumers (Ching et al., 2013).

Consumer exposure to various media has changed in recent years. The advantage of new online channel is that it can be used to communicate and to enrich marketing toward consumers at the personal level (Mangold and Faulds, 2009). Online advertisements are likely to grow even more rapidly in combination with social network services (SNS). It is further estimated that the social media marketing expenditure in the U.S. will amount to \$13.5 billion in 2017.¹⁾ SNS are used for promoting social relationships and reflect many of the complicated interpersonal relationship (Chen et al., 2012). That is, major benefit of SNS-based marketing is the interpersonal communication between the SNS users, i.e., word-of-mouth (WOM). SNS are also one of the more prevalent channels through which customers engage with a brand, and businesses are recognising the need to engage where current and potential customers are paying most attention (Baird and Parasnis 2011; Dolan et al., 2016).

Recent interest in how customers form a brand relationship via online advertisements has led to increased research in this area (e.g., Lin et al., 2015). The relationship between brands and brand users reflects the benefits or preferences of users, and how customers form their relationships with brands through online advertisements is attracting increasing interest among researchers. Marketers have developed a variety of strategies to encourage both behavioral and emotional loyalty among customers. An individual's engagement with a brand is a key motive for marketing (Bezjian-Avery et al., 1998; Doorn et al., 2010; Sprott et al., 2009). Engagement has been viewed as a promising concept expected to provide

enhanced predictive power of focal consumer behavior outcomes (Hollebeek et al., 2014; Pham and Avnet, 2009). In other words, brand engagement leads to greater consumer awareness and recall of brands perceived as well as to better attention to brand stimuli in the environment and higher preference for and loyalty to them (Pentina et al., 2013). Customer engagement with a brand is therefore important as a way for a company to maintain a sustainable relationship with its current customers (Doorn et al., 2010). Companies use SNS to improve relationships with customers by monitoring online communities and facilitating customer engagement (Kirn et al., 2012; Jiang et al., 2016). Despite the growing phenomenon of SNS marketing of brands, there is a lack of understanding in terms of brand engagement, its antecedents, and its consequences in this context.

Prior research on SNS marketing has mainly addressed the success of marketing activities (e.g., Choi and Kim, 2014; Gao, 2014) and effects of this marketing approach (e.g., Chae et al., 2015; Chung et al., 2014; Erdogmus and Cicek, 2012; Leung et al., 2015). As for customer engagement with brands, theoretically grounded approaches with quantitative empirical validation (e.g., through surveys) are scarce. This gap in the literature and the practical importance it represents for SNS marketing serve as motivations for our study.

This study aims to examine brand engagement in the SNS marketing context by deriving and empirically testing a theoretically grounded model to determine what factors lead to brand engagement. Specifically, this study seeks to answer two research questions: (1) What characteristics of the SNS marketing of brands affect brand engagement? and (2) How does brand engagement affect the two main consequences of SNS marketing, purchase intention and WOM? We adopted the customer value theory (Sheth

1) <https://www.statista.com/statistics/276890/social-media-marketing-expenditure-in-the-united-states/>

et al., 1991; Sweeney and Soutar, 2001; Zeithaml, 1988) to identify the antecedents of brand engagement. Customer value theory is relevant because it investigates the role of customer motivation in leading to a customer's relationship with a service provider (Anderson and Srinivasan, 2003). Our model was validated by using qualitative data analysis and quantitative data testing on a Korean SNS platform, KakaoTalk, which has proven successful in SNS marketing of brand companies. This study contributes to current research by extending the customer value theory and adding to the broader literature on electronic commerce and SNS. Moreover, this study informs SNS providers and corporate users (i.e., brand companies) of SNS about marketing strategies to leverage the key characteristics of SNS marketing.

II. Conceptual Background

2.1. SNS Marketing

Although online technology has shown rapid development in all industries, it has particularly changed business marketing activities. With the growth of SNS, SNS marketing as a new way has been put under the spotlight (Lou and Koh, 2017). Especially, SNS as an effective communication channel between marketers and consumers and also enables customers to share opinions (Mangold et al., 2009; Oh et al., 2015). Because of the communication supporting characteristic of SNS, many firms have adopted SNS marketing (Kim et al., 2015). As companies in this fast-changing environment have gained the capability to easily contact customers directly or indirectly without regard to their readiness to purchase, companies can also supply them with information or products at any time. Companies can expect positive effects

from differentiated strategies to supply customers with new information or messages easily and conveniently at any time customers want them. The dynamic, ubiquitous, and real-time interaction enabled by SNS significantly changes the landscape for brand.

Individual users of SNS create relationships with corporate users, as well as with other individuals, in the context of SNS. Based on the relationships between individual users and corporate users, corporate users conduct SNS marketing by promoting their brands or providing mobile coupons through SNS. That is, SNS marketing refers to the marketing activities of companies through the channel of SNS. Over 96 percent of businesses use SNS to market their brands to increase brand exposure, attract website traffic, develop loyal fans, and gain marketplace intelligence (Phua et al., 2016; Stelzner, 2015). In other words, SNS is growing as an important strategic tool for corporate communications and marketing activities (Parveen et al., 2015).

One of the key issues of SNS marketing from a corporate user's perspective is online advertising. In this study, online advertising refers to advertisements directed at customers via online devices. It is capable of targeted marketing and is effective for promoting brands and providing coupons. Online coupons can be offered to consumers immediately and online messages can provide useful real-time information to consumers. An online advertising company gains an additional benefit when recipients of its discount coupons or product information value them enough to share (i.e., WOM) these discounts and information with others through SNS.

Despite the growing importance of SNS marketing, there is a lack of research on which factors affect its effectiveness. Prior research on SNS marketing has mainly addressed issues of factors of success

(Chi, 2011; Choi and Kim, 2014; Gao, 2014; Mikalef et al., 2013), effect and effectiveness (Chae et al., 2015; Chung et al., 2014; Erdogmus and Cicek, 2012; Leung et al., 2015), and strategy (Abedin and Jafarzadeh, 2015; Wen et al., 2014). However, previous research lacks explanations of the characteristics of SNS marketing of brands that affect customers' responsiveness (i.e., customers' attitudes toward the brands), as well as the consequences of this marketing. In terms of customer response to brand marketing, this study considers to be an individual customer's engagement with a brand, i.e., brand engagement. To develop our conceptual framework, we then examine the SNS marketing factors that affect brand engagement as well as the consequences of brand engagement.

2.2. Brand Engagement

Interest in brand engagement began with the fragmentation of media in the marketing literature. With traditional media, such as TV and newspapers, exposure was paramount, and the platform was limited. However, today, a multitude of advertisements is distributed through a variety of channels. In other words, their engagement is gradually evolving, as technology is continuously expanding the scope of user interaction through backchannel communication (Lim et al., 2015). In particular, repeat customers share their loyalty through their interactions with others in their communication channels (social networks) and thus become advocates for a product, brand, or company (Sashi, 2012). SNS constitutes a powerful relationship building and consumer engagement tool (Tsai and Men, 2017).

The marketing literature contains a few studies (Cadler et al., 2009; Mollen and Wilson, 2010) on brand engagement. In these studies, brand engage-

ment is similar to one's commitment to the chosen brand, and Sprott et al. (2009) found through empirical testing that brand engagement can predict customers' differential attention to, memory of, and preference for their favorite brands. Considering the behavioral aspects of the relationship between a customer and a firm or brand, Doorn et al. (2010) proposed an analysis of customer engagement behavior by conceptualizing it as a customer's behavioral manifestations that have a brand focus resulting from motivational drivers. They proposed customer-based (e.g., satisfaction), firm-based (e.g., firm reputation), and context-based (e.g., social factors) antecedents of customer engagement behavior. They also proposed customer-related (e.g., attitudinal), firm-related (e.g., financial), and others-related (e.g., cross-brand) consequences.

Regarding conceptual framework, Kuvykaite and Piligrimiene (2014) suggested the conceptual model of customer engagement, which indicated what kind of consumers and how they should be engaged in value creation, seeking for higher brand equity. Hollebeek and Chen (2014) developed a conceptual model which address consumers' positively and negatively valenced brand engagement. Sashi (2012) developed a model of the customer engagement cycle with connection, interaction, satisfaction, retention, loyalty, advocacy and engagement as stage in the cycle. As for antecedents of engagement, Luarn et al. (2015) demonstrated that the media and content type of posts exert a significant effect on user online engagement. Bitter et al. (2014) showed that consumer's self-brand relationship and interactions with friends affect customer engagement behavior.

Only a few theory-driven studies have explored the brand engagement of customers in a SNS marketing context. Brand engagement is a term used to describe the relationship between consumers and a

specific brand. However, previous studies (Sprott et al., 2009) have explained that the formation of this engagement depends on context. Our study investigates brand engagement from the relatively unexplored context of SNS because most of the earlier research relates to a general marketing context. Furthermore, because the previous research relates to a general marketing context, it is necessary to examine customer behavior in the context of SNS marketing. This suggests that the optimal level of specificity at which a concept should be assessed is a function of the specificity of the inquiry of interest. For this reason, we propose brand engagement in the SNS marketing context. As in previous research (Mollen and Wilson, 2010; Sprott et al., 2009), this study defines brand engagement as an individual's affective state of mind representing his or her active relationship with a chosen brand in the SNS marketing context. We use brand and company interchangeably, although brand can be conceptualized in different ways.

2.3. Customer Value Theory and Conceptual Framework

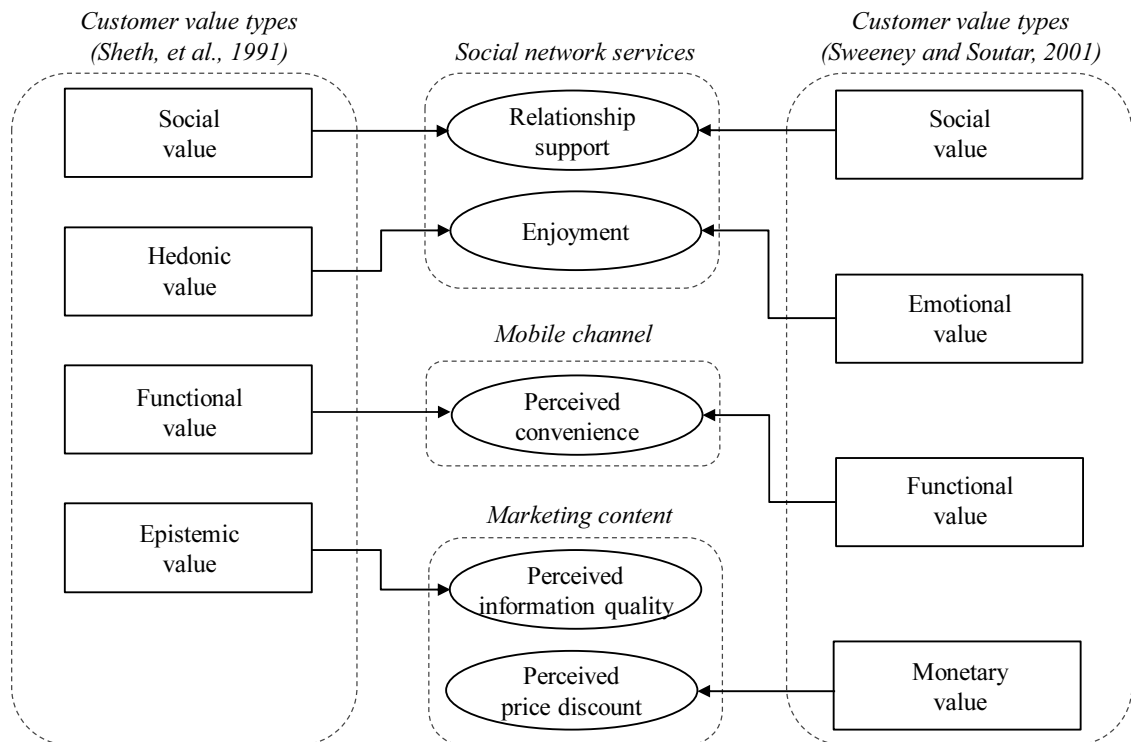
Marketing and e-commerce literature considers customer value to be an important predictor of customer behavior and decision making (Sheth et al., 1991; Sweeney and Soutar, 2001). People have a strong tendency to maximize value in their decision making and behavior (Zeithaml, 1988). Previous research found that value, classified as motivation, increases customer commitment (Pura, 2005) and loyalty (Anderson and Srinivasan, 2003). Therefore, customer value as a motivator may lead to a customer's engagement with a brand in the SNS marketing context. For this reason, we adopted the customer value theory as a way to identify the antecedents

of brand engagement.

Customer value theory explains that there are sub-values: hedonic, functional, social, and epistemic values of Sheth et al. (1991) and functional, social, and emotional values of Sweeney and Soutar (2001). Functional value, in particular, can be divided into performance and monetary value (Sweeney and Soutar, 2001). Adopting the concepts of the subtypes of customer values from Sheth et al. (1991) and Sweeney and Soutar (2001), we identified the antecedents of brand engagement. That is, this study only applied the specific values of SNS marketing from among the sub-types of customer values (Sheth et al., 1991; Sweeney and Soutar, 2001). These antecedents represent the key characteristics of SNS in a marketing context. Brands or companies conduct marketing activities through SNS channels. Customers perceive different values from the channels (i.e., online channels with convenience), the service itself (i.e., SNS with social capability and pleasure), and the marketing content (e.g., information and discount coupons).

Based on the interaction of the two value approaches of Sheth et al. (1991) and Sweeney and Soutar (2001), we have adopted their functional, monetary, epistemic, social, and hedonic values as shown in <Figure 1>. However, we have excluded conditional value from the theoretical mapping in <Figure 1>. Conditional value refers to the utility derived from the specific situation or set of circumstances involved in customer choice (Sheth et al., 1991). It is related to being affected by any circumstance or event. For example, it means a user's choice displayed in a specific anniversary or event, such as in the selection of a wedding gown or Christmas card. This value is excluded because it is not related to the specific characteristics of SNS.

Monetary value includes discount coupons as an

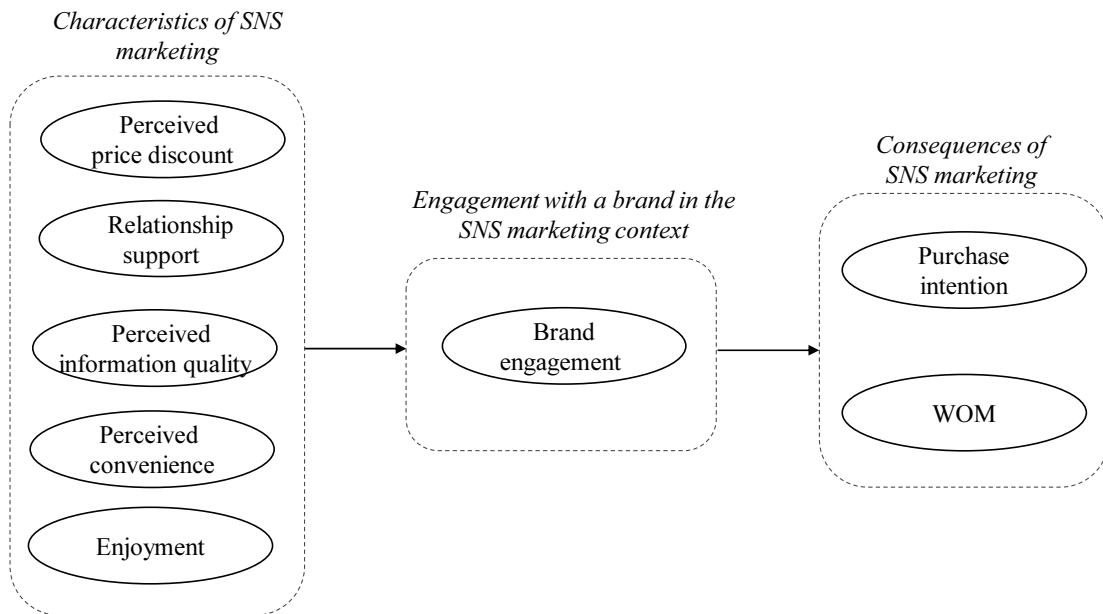


<Figure 1> Customer Value Types and the Corresponding Factors in SNS Marketing

instance of online advertising for a brand. This is one of the most dominant types of online advertising and is used to maintain a continuous relationship with the brand through encouraging users to think that their relationship with the brand enables them to get a price discount. Social value is one of the most strongly embodied values in the online Web, especially with SNS. This value enables users to share a brand advertisement with other people and directly convey it by WOM. Furthermore, it provides a positive situation in which relationships can be maintained by sharing information and discounts with other people. From a social value perspective, we identify relationship support (i.e., whether the SNS marketing services of the brand support individuals' relationships with others) as an antecedent of brand engagement.

Epistemic value has been defined as curiosity, novelty, and knowledge (Sheth, 1991). Epistemic value is an integrated advertising form that directly sends the latest information from the brand to customers. In the past, customers' ability to receive the latest information at the most appropriate time was limited; however, online communication has enabled timely communication. This information also affects consumer curiosity, novelty, and knowledge. Brand information thus directly affects the epistemic value perceived by customers. For this reason, we identify the perceived information quality (i.e., the quality of information or messages received from the brand through SNS) as an antecedent of brand engagement from the perspective of epistemic value.

Functional value is one of the most prominent values in online advertising, because it is suitable



<Figure 2> Conceptual Framework of Brand Engagement

for marketing that unlike in the past has no limit in space and time because people can receive information services anytime. Traditional media are limited in their ability to deliver advertising messages to consumers. From a functional value perspective, we identify perceived convenience (i.e., whether an individual can use the online services provided by the brand anytime and anywhere) as an antecedent of brand engagement.

Hedonic value has been recognized as affecting customer choice. It is the value of pleasure or curiosity, or a factor that induces users' interest or participation in the online advertisement. The users recognize the pleasure or curiosity of the new advertisement when they contact the SNS advertisement. It means that the users feel the value of enjoyment when they exchange brand information through SNS and are engaged with the brand. From a hedonic value perspective, we identify enjoyment as an antecedent of brand engagement.

The conceptual framework (<Figure 2>) shows the overall relationships surrounding brand engagement. Customer value theory constitutes the core theory of this study. The five factors derived from this theory represent the key characteristics of SNS marketing and are proposed as the antecedents of brand engagement.

We also have presented the development of customer relationships and their consequences as reported in relationship marketing research (Blanchard and Markus, 2004). Relationship marketing can help achieve efficiencies such as customer retention and efficient consumer responses that enhance marketing productivity. Moreover, one existing study (Blanchard and Markus, 2004) explained that relationship marketing would be associated with various positive outcomes when involvement or engagement was increased. We selected two factors that represent the two most important results of brand engagement (i.e., purchase from the brand and WOM about the brand), as the

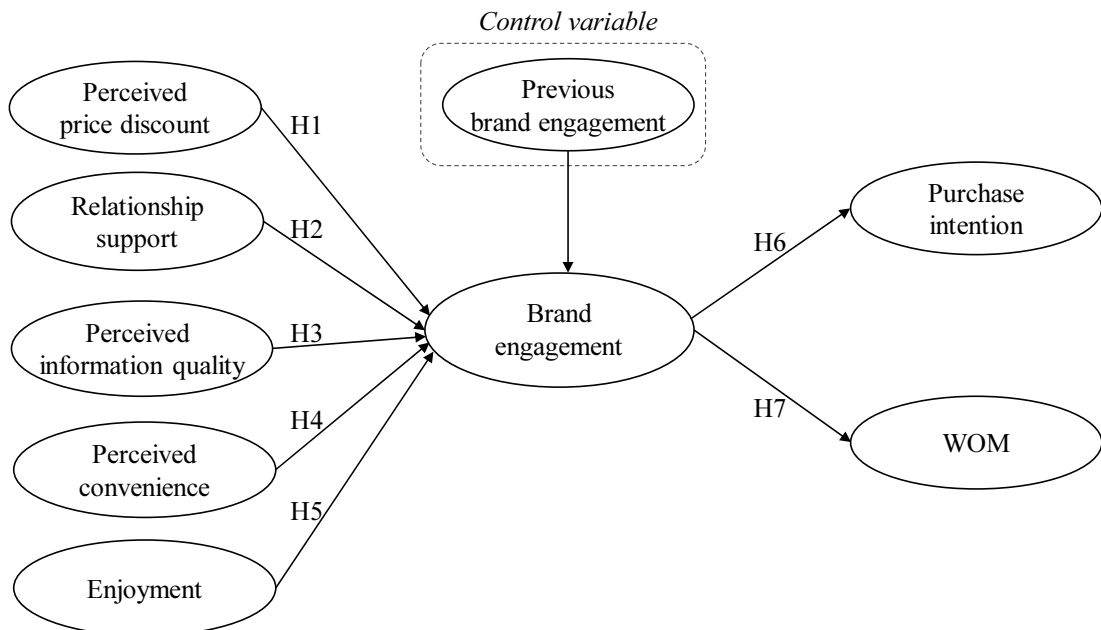
consequences. Brands or companies conduct marketing or promotion activities to provide marketing messages to customers that motivate them to purchase from the brands. Customer purchases from the chosen brand in the SNS marketing context are, therefore, an important consequence. WOM refers to interpersonal communication concerning the evaluation of products or services of interest (Arndt, 1967). SNS are characterized by communications among their users, which is a good platform for interpersonal communication among them. Furthermore, WOM is highly influential in potential customers' purchasing behaviors and decision making. Therefore, we propose WOM as a second important consequence.

III. Research Model and Hypotheses

Based on the conceptual framework in <Figure 2>, we propose a research model with seven hypotheses

(see <Figure 3>). In addition, we propose previous brand engagement (i.e., an individual's level of engagement with the brand before being exposed to the SNS marketing of the brand) as a control variable, because an individual's brand engagement in previous situations can be transferred to his or her engagement with the brand in the new context of SNS marketing. The purpose of this variable is to test such transference of brand engagement from previous situation (e.g., offline context) to the social media marketing context.

Switching Perceived price discount as a monetary value refers to the perception, from the viewpoint of monetary value, of a price discount or cost benefit that can be received by the SNS of a chosen brand (Gefen and Devine, 2001). With an increased perception of brand value, customers will become repeat purchasers and maintain a continuous relationship with the company. Likewise, customers become increasingly loyal to a brand when they perceive value in their transactions with the brand and have an



<Figure 3> Research Model

opportunity to repeatedly use the same brand, which is similar to engagement. The importance of perceived value in electronic commerce stems from the ease of comparing product features and prices online. This feature in online advertising not only increases the likelihood that customers will receive discounts (coupons) but also enables customers to compare the array of benefits that they will derive from products and services. When customers recognize the monetary value stemming from the promotional coupons, i.e., the perceived price discounts, offered by the brand, they may give more attention to maintenance of their relationship with the brand. Similarly, previous research proposed a relationship between monetary value and customer engagement (Doorn et al., 2010). Therefore, perceived price discount offered by a brand should lead to brand engagement in the context of SNS marketing.

H1: Perceived price discount has a positive effect on brand engagement.

Social relationship support refers to the perceived capability of the SNS of a chosen brand to maintain and enhance interpersonal relationships with others (Kim et al., 2011). People have long offered or shared information that could be helpful to others in forming or maintaining social relationships. As people begin to develop and maintain relationships with others using the SNS of a brand in the context of SNS marketing, they may acquire positive attitudes toward the service and want to further develop or maintain a relationship with the brand, i.e., brand engagement, to enjoy SNS. Similarly, Doorn et al. (2010) proposed that an environment capable of providing social interaction affects customer engagement. A SNS environment in which people can share information about the online services offered by a brand should therefore

promote a continuous relationship with the brand.

H2: Relationship support has a positive effect on brand engagement.

Perceived information quality refers to the extent that current, accurate, and diverse information is provided by SNS of a chosen brand (DeLone and McLean, 1992). Consumers access advertisements for many reasons, but the main reason is to gather information. Yoo et al. (2006) found that perceived information quality has a positive impact on attitudes toward online advertising. As people are able to obtain high quality information about their chosen brand through SNS marketing, they begin to develop a positive attitude toward the marketing of the brand and may want to develop or maintain their relationship with the brand, i.e., brand engagement. Similarly, previous research proposed information resource as an antecedent of customer engagement (Doorn et al., 2010). Therefore, perceived information quality of a brand should lead to brand engagement.

H3: Perceived information quality has a positive effect on brand engagement.

Perceived convenience refers to the extent to which an individual can use the SNS of a chosen brand anytime and anywhere to perform what he or she wants (Berry et al., 2002). There are generally five dimensions to the concept of convenience: time, place, acquisition, use, and execution (Brown, 1990). The ubiquity of online service, especially mobile service, enables brands to send marketing messages to customers anytime and anywhere. The mobile channels through which users can receive a brand message have thus become direct and instant. From the customers' perspective, they can perform what they want

using SNS anytime and anywhere. Therefore, SNS marketing services increase convenience for both the brand and customer. As customers begin to perceive the convenience associated with the use of SNS marketing of a brand, they may develop a positive attitude toward the brand, furthering their relationship with the brand, as brand engagement. Therefore, perceived convenience should lead to brand engagement.

H4: Perceived convenience has a positive effect on brand engagement.

Enjoyment refers to the extent to which using the SNS of a chosen brand is perceived to be enjoyable, interesting, and pleasurable (Van der Heijden, 2004). The entertainment value of advertisements is gradually increasing, and advertisements are just one component of the content of the medium. Stevenson et al. (2000) also argued in their research on attitudes toward Web advertising that the entertainment factor affects attitudes toward the website, which in turn affects the advertisement. Enjoyment is an important factor in attracting people's attention and increasing emotionally positive feedback and commitment (Gao et al., 2009). If we feel enjoyment in using SNS of a brand to exchange brand information as specified in research, it would also positively affect brand engagement. Therefore, enjoyment should lead to brand engagement.

H5: Enjoyment has a positive effect on brand engagement.

Purchase intention refers to an individual's level of intention to purchase a product from a chosen brand (Kim et al., 2011). Brand engagement represents an individual's active and strong relationship with a specific brand in the context of SNS marketing. As the level of involvement or engagement with a

brand increases, it may be linked to various positive outcomes, such as personal investments when using the brand's SNS (Blanchard and Markus, 2004). Previous research (Media Insight, 2007) found causality between engagement and sales of financial brands, namely, that consumers who are highly engaged in media contribute to sales at a rate approximately three times higher than consumers who are simply exposed to the media. Those who are highly engaged in advertising have a value that is eight times as great as those who are not engaged. Therefore, in the context of SNS marketing, brand engagement should lead to increased customer purchases from the brand.

H6: Brand engagement has a positive effect on purchase intention.

Customers can conduct WOM in different ways, depending on the valence of the contents (i.e., positive or negative). By considering only the positive valence of the contents, this study defines WOM as individuals' information sharing and communication activities with others about a chosen brand. As the level of brand engagement increases, customers may want to exhibit prosocial behaviors toward the brand by making personal investments (Blanchard and Markus, 2004). Customers undertake WOM activities and communicate the positive aspects of the company to others as their engagement with the company increases (Oliver, 1997). Communication between users increases rapidly because of the development of Internet-based information delivery and the introduction of mobile media, especially SNS. Therefore, brand engagement should lead to WOM in the context of SNS marketing.

H7: Brand engagement has a positive effect on WOM.

IV. Research Methodology

Data to empirically validate the research model were collected via an online survey. We chose a Korean SNS, KakaoTalk Plus, as the context of our study because it is a successful SNS platform in terms of SNS marketing. In addition to the survey data, we also conducted interviews with service users and the marketing manager of KakaoTalk Plus to gain more in-depth information and to assist in the interpretation of the survey results.

4.1. KakaoTalk and KakaoTalk Plus

We selected KakaoTalk, a SNS platform with more than 110 million users, for our research. KakaoTalk Plus started its service as a SNS platform for individual users, called KakaoTalk. KakaoTalk provides messenger-oriented services, similar to Windows Live Messenger. People can download and install a free application of KakaoTalk on their online devices including smartphones. During installation, the user is required to register his or her mobile phone number or ID (Identification number). After this, the users' friends in his or her mobile phone contact list are automatically included in his or her KakaoTalk friends list if those friends already use KakaoTalk. Alternatively, the user can register his or her friends in KakaoTalk by using the friend's mobile phone number or ID.

As for the characteristics of SNS, KakaoTalk can communicate one-to-one or one-to-many and can communicate with many people based on its message service. KakaoTalk became an instant hit thanks to its free download onto online devices. In addition, KakaoTalk not only transmits messages but also delivers various services such as games, gifts, and advertising. It can be said that KakaoTalk itself is

the social platform for the services of KakaoTalk. Through these services, KakaoTalk has revenues of \$46 million, with 67.5% from gaming (\$31.1M), 26.25% from advertising (\$12.1M), and 6.3% in emoticons (\$2.8M). Also, most services can be supplied and checked through the message service of KakaoTalk.

KakaoTalk Plus is a service platform that facilitates SNS marketing for corporate customers. In KakaoTalk Plus, KakaoTalk delivers brand information or discount coupons through its message service. Corporate customers, called Plus Friends, register for the KakaoTalk Plus after paying a registration fee. Individual users then select some of the Plus Friends and register them as friends in their KakaoTalk service. These Plus Friends then conduct SNS marketing by sending information, such as brands, promotions, and online discount coupons through the KakaoTalk Plus. Corporate users of the KakaoTalk Plus can deliver brand messages to individual users using the "friend" relationship tool, the basic method used in KakaoTalk. KakaoTalk Plus was launched in October 2011 and has since increased exponentially, with more than 100 million users in 2015. After creating a "friend" relationship with a certain brand on KakaoTalk Plus, the KakaoTalk Plus creates a recommendation button to use to share information provided by the brand with acquaintances in one's friend list.

We collected qualitative data by interviewing 20 users (15 interviewees in their 20s and 5 interviewees in their 30s) of the KakaoTalk Plus and one of its managers. The interviewees mentioned that they had registered several Plus Friends, such as McDonalds, Burger King, Outback Steakhouse, Levis, Pizza Hut, Adidas, and KFC. Although this is not the focus of the study, to understand the context better, we asked interviewees why they used the services of

some brands. The most cited reasons were because they either “want to get information” about the specific brand or they “want to get discount coupons” from the brand. The interviewees regarded getting information and discount coupons as the key benefits of using the KakaoTalk Plus.

We then asked interviewees whether they redeemed the online discount coupons from their Plus Friends. Of the 20 interviewees, three had redeemed the online coupons. They used the coupons to “get price discounts” when purchasing products or to “upgrade” the set menu. The interviewees also mentioned that they could check the messages sent from the brands “anytime and anywhere,” representing the convenience of the service, and “recommend some promotion events (e.g., price discounts) to friends” anytime and anywhere, which supports relationship maintenance and enhancement between friends. Four of the 20 interviewees had interpersonal communication with others concerning the positive aspects of the KakaoTalk Plus. As will be elaborated on later, the survey findings corroborated the interviewees’ comments.

4.2. Instrument Development

Existing validated scales were adopted where possible to develop the survey instrument. Elsewhere, scales were adapted from previous research by assessing the research context and the definition of the corresponding construct or similar constructs in the literature. To evaluate our dependent variable, purchase intention, we adapted scales from Dodds et al. (1991). Scales for WOM were modified from Sirdeshmukh et al. (2002) to fit the context of our study. We adapted the scales for brand engagement from the general measures of brand engagement in Sprott et al. (2009). We highlighted the differences

between the scales for brand engagement and previous brand engagement as the control variable by using the terms “after using the KakaoTalk Plus” and “before using the KakaoTalk Plus.” To assess perceived information quality, we adapted the scales for the data quality construct from Wixom and Watson (2001), considering the key elements (e.g., accuracy, currency, and quantitiveness) of information quality (DeLone and McLean, 1992). The scales for perceived price discount were adapted from Gefen and Devine (2001). We adapted the scales for relationship support from Kim et al. (2011) and the scales for perceived convenience were adapted by considering the time, place, and execution dimensions of convenience. To assess enjoyment, we adapted scales from Agarwal and Karahanna (2000).

Two information systems (IS) researchers and one marketing researcher reviewed the survey instrument and the definitions of the constructs. Next, the measurement instrument was reviewed in a focus group of five KakaoTalk Plus users to check for any ambiguity of wording or format. We then conducted a pilot test with 30 KakaoTalk Plus users. The questionnaire employed a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree). The final instrument used for data collection is included in the Appendix.

4.3. Data Collection

We determined SNS users were the population of interest. We employed a market research firm for this purpose. A database from this firm was used to create a sample pool of respondents. The market research firm randomly selected members from its pools, each of whom was invited via e-mail to participate in the online survey. The e-mail included a link to the Web-based survey questionnaire. The on-

line survey was available for one week. At the beginning of the survey, we asked participants to enter their KakaoTalk ID to verify their use of the SNS. We also asked each respondent to select a brand, which they would then register as a KakaoTalk Plus Friend. Respondents were then asked to answer the survey questions related to the KakaoTalk Plus of the selected brand.

A total of 300 complete and valid responses (146 male and 154 female) were collected over one week (see <Table 1>). The descriptive statistics of the sample indicate that the majority of the respondents were between 20 and 39 years of age (mean = 33.15, s.d. = 9.52). Most of them were professionals and employed (69.33%). We assessed a nonresponse bias by comparing early and late respondents, i.e., those who replied during the first three days and those who replied during the last three days. T-tests performed in each case showed that the early and late respondents did not differ significantly in terms of age, or daily KakaoTalk Plus usage. Mann-Whitney tests also revealed no significant differences in gender ratio between the two groups of respondents.

V. Data Analysis and Results

We first conducted an exploratory factor analysis using principal component analysis with varimax rotation. We identified a total of nine factors with an eigenvalue greater than 1.0. All of the constructs explain 73.8% of the total variance; however, the fifth (BRE5) and sixth (BRE6) items of brand engagement were dispersed over several factors. Except for these two items, all of the other construct items were loaded on distinct factors. When compared across factors, the items were loaded highest on their own factors. We excluded from further analysis two items, the brand engagement construct and the previous brand engagement construct.

We then conducted a confirmatory factor analysis (CFA) using Smart PLS 2.0. As shown in <Table 2>, the standardized path loadings of all of the items were significant (t -value > 1.96) and greater than 0.7. The composite reliability (CR) and Cronbach's α for all constructs exceeded 0.7. The average variance extracted (AVE) for each construct was greater than 0.5. Thus, each test result met its threshold criterion, and the convergent validity for the constructs was

<Table 1> Descriptive Statistics of Respondents

Demographic Variable		Frequency	Percentage
Gender	Male	146	48.67%
	Female	154	51.33%
Age (years) (mean = 33.15, s.d. = 9.52)	10-19 years old	28	9.33%
	20-29 years old	80	26.67%
	30-39 years old	110	36.67%
	40-49 years old	66	22%
	More than 50 years old	16	5.33%
Occupation	Student	61	20.34%
	Professional	208	69.33%
	Housewife	20	6.67%
	Others	11	3.67%

<Table 2> Convergent Validity Testing Results

Construct	Std. loading of each item	AVE	CR	Cronbach's α
Perceived price discount (PDC)	0.90, 0.92, 0.92	0.84	0.94	0.90
Relationship support (RST)	0.91, 0.93, 0.89	0.83	0.93	0.90
Perceived information quality (IFQ)	0.86, 0.90, 0.89	0.78	0.91	0.86
Perceived convenience (CNV)	0.89, 0.89, 0.91	0.81	0.92	0.88
Enjoyment (ENJ)	0.88, 0.91, 0.91	0.82	0.93	0.89
Brand engagement (BRE)	0.86, 0.91, 0.88, 0.81	0.75	0.92	0.89
Purchase intention (PIN)	0.90, 0.90, 0.91	0.82	0.93	0.89
Word-of-mouth (WOM)	0.88, 0.90, 0.90	0.81	0.92	0.88
Previous brand engagement (PBR)	0.84, 0.89, 0.89, 0.84	0.75	0.92	0.89

<Table 3> Descriptive Statistics and Correlations between Latent Variables

	Mean	S.D.	ENJ	WOM	BRE	PBR	CNV	PDC	IFQ	PIN	RST
ENJ	4.82	1.16	0.90								
WOM	6.63	1.21	0.63	0.90							
BRE	4.11	1.26	0.66	0.60	0.86						
PBR	4.05	1.32	0.47	0.46	0.72	0.86					
CNV	4.97	1.11	0.71	0.59	0.60	0.39	0.90				
PDC	5.12	1.16	0.58	0.50	0.50	0.34	0.68	0.91			
IFQ	5.01	1.02	0.68	0.49	0.48	0.35	0.68	0.61	0.88		
PIN	5.05	1.10	0.59	0.51	0.53	0.42	0.68	0.72	0.61	0.90	
RST	4.27	1.33	0.53	0.55	0.72	0.57	0.47	0.41	0.46	0.38	0.91

Note: Leading diagonal shows the square root of AVE of each construct

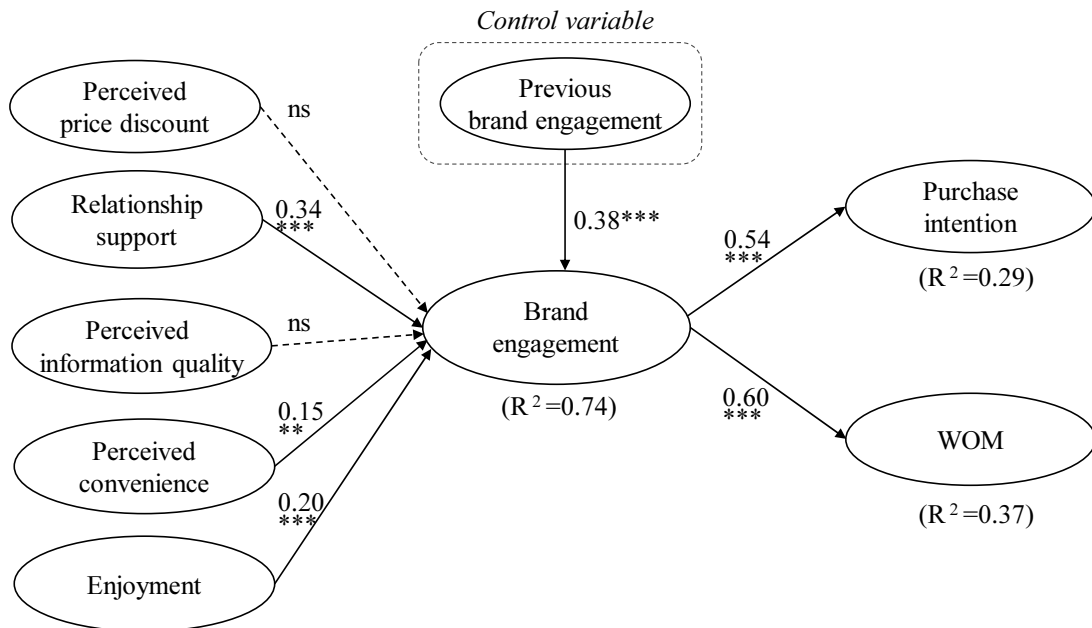
supported.

We next assessed the discriminant validity of the measurement model by comparing the square root of the AVE for each construct with the correlations between the construct and other constructs (see <Table 3>). If the square root of the AVE is greater than the correlations between the construct and other constructs, it indicates discriminant validity. The square root of the AVE for each construct (diagonal term) exceeded the correlations between the construct and other constructs (off-diagonal terms).

Because some of the correlation terms in the table exceeded the prescribed threshold of 0.6, we con-

ducted a second test of discriminant validity by using a process of constrained CFA, as suggested by Anderson and Gerbing (1988). All χ^2 statistics (range of $\Delta\chi^2$ is from 71.91 to 562.18) were found to be significant, indicating that the measurement model was significantly better than other alternative models (obtained by combining pairs of latent constructs). Hence, the discriminant validity of the instrument was established.

We took a number of steps to reduce common method bias that might stem from using a single source of data. These included appropriate instrument design and data collection procedures sug-



<Figure 4> Structural Model Testing Results

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$, ns: insignificant at the 0.05 level

gested by Podsakoff et al. (2003). We also tested our data for common method variance using the Bentler and Bonnet test and Harman’s single-factor test (Podsakoff et al., 2003). No single factor dominated the total variance, indicating a lack of common method bias. A principal component analysis further showed that each of the principal components explained an almost equal amount of the total variance. The results of these tests indicate that our data do not suffer from common method variance.

We then assessed the structural model using Smart PLS 2.0. Path coefficients and significance values for the main effects are reported in <Figure 4>. The results of our hypothesis testing show that, even when controlling for previous brand engagement, relationship support (H2), perceived convenience (H4), and enjoyment (H5) significantly affect brand engagement. The five constructs explain 74% of the variance in brand engagement. These results also show that

brand engagement has significant effects on purchase intention (H6) and WOM (H7), explaining 29% and 37% of their variances, respectively. However, perceived price discount (H1) and perceived information quality (H3) were found to have no effect on brand engagement.

VI. Discussion and Implications

6.1. Discussion of Findings

Our study made several important findings. The first is that brand engagement acts as a key motivator in the context of SNS marketing for both the WOM and purchase intentions of users. This finding agrees with previous research (Chan et al., 2014; Mollen and Wilson, 2010) claim that customer engagement leads to optimal customer attitudes and behaviors.

Based on a commitment that users have through an active relationship with the marketing brand, customers increase their transactions with the company as well as their WOM activities.

Next important finding from our study is that brand engagement increases with the three key characteristics of SNS marketing of a brand (relationship support, perceived convenience, and enjoyment). This correlates with previous research on customer value (Anderson and Srinivasan, 2003), which proposed customer value as a key motivator leading to a relationship between a customer and a vendor. Our findings explain, specifically, how the three SNS marketing factors derived from three subtypes (i.e., social value, functional value, and hedonic value) of customer value, affect customer engagement with a brand in the context of SNS marketing. In particular, our findings highlight the importance of SNS (relationship support, enjoyment) and an online channel (perceived convenience) in building brand engagement. Additionally, this study determined that previous brand engagement has a significant influence on mobile brand engagement; this is because customer engagement with a brand in an offline context can be transferred to the SNS marketing context.

However, we did not find a significant effect of perceived information quality and perceived price discount on brand engagement. According to an IBM survey analyzing what customers want with brand engagement in social media, companies believe that consumers want to know about new product information; however, consumers would rather build a relationship with a brand and receive discount coupons. The insignificance of the perceived information quality found in our research aligns with the IBM survey results. A potential reason for this insignificance is the lack of information custom-

ization for each customer. KakaoTalk Plus provides information on brands; however, this information is not customized for personal preferences. If a customer is not interested in the marketing information delivered from a brand, the person may pay less attention to the information. Therefore, less customized information leads to decreased brand engagement in the context of SNS marketing.

The fact that perceived price discount is not significantly related to brand engagement means that a consumer's maintaining a relationship with a specific brand is not financially motivated. People consider price when they buy products. However, if it is not a one-time purchase and customers are trying to maintain a long-term relationship with specific brands, that fact in and of itself has a special meaning. We can consider such instances as a special relationship with specific brands that is more than a relationship based on simple monetary benefits. Another potential reason for the previously mentioned insignificance of a financial motive is that the effect of perceived information quality and perceived price discount on brand engagement is fully mediated by relationship support. People tend to form and maintain relationships with others by sharing information and discount coupons. In the SNS marketing context, people can easily share information and coupons with other people and develop relationships with others by using SNS. A post-hoc analysis of the mediating effect supports this argument (path coefficient between perceived information quality and relationship support = 0.34, $p < 0.001$, and between perceived price discount and relationship support = 0.20, $p < 0.001$).

6.2. Limitations and Future Research Directions

Despite the significant findings of this study, our

results should be interpreted in the context of its limitations. First, this study identified the antecedents of brand engagement based on customer value theory. Additional antecedents may determine brand engagement in the context of SNS marketing. Future studies should explore various factors that may affect the development of customers' engagement with a brand in such a context. Second, we only collected data from real users and customers of one SNS platform, KakaoTalk. It would be useful to further test the robustness of these results by replicating the study across multiple SNS platform cases. Third, because all of the constructs in this study were collected at the same point in time and via the same instrument, the potential for common method bias exists. In particular, the findings are based on subjective data collection and testing. Future studies need to adopt longitudinal data collection, collect objective data, and confirm the effects of brand engagement, especially customer purchases from a chosen brand.

6.3. Implications for Research and Practice

This study offers several implications for research. A primary contribution is our examination of brand engagement in the context of SNS marketing. Although previous research has examined several aspects of SNS marketing (Abedin and Jafarzadeh, 2015; Choi and Kim, 2014; Gao, 2014; Leung et al., 2015; Mikalef et al., 2013), an individual's engagement with a brand in response to the brand's SNS marketing has not been explored. Regarding brand engagement, there have been a few studies on engagement in the context of marketing (Doorn et al., 2010; Hollebeek and Chen, 2014; Kuvykaite and Piligrimiene, 2014; Mollen and Wilson, 2010). Although previous studies on engagement have contributed significantly to our understanding of the roles and effects of engagement

in the context of general marketing, there has been little theory-driven research on the brand engagement of customers in the context of SNS marketing. Our study contributes to the conceptualization of brand engagement, examining its antecedents and consequences in the context of SNS marketing. This study thus adds value to the literature on SNS marketing and brand engagement.

In addition, this study extends customer value theory (Sheth et al., 1991; Sweeney and Soutar, 2001; Zeithaml, 1988) to the context of SNS marketing at a time when companies are conducting their marketing activities using SNS channel and customers perceive different values from the channel (i.e., online channel with convenience), the service itself (i.e., SNS with social relationship building and maintenance), and the marketing content (i.e., brand information and discount coupons). We applied the customer value theory in our identification of the antecedents of brand engagement. We thus conceptualized customer value with five dimensions (monetary, epistemic, social, functional, and hedonic), providing a structured theoretical framework and new insights into e-commerce research. Our study demonstrates that three dimensions of customer value (social, functional, and hedonic), representing key characteristics of SNS marketing, perform a crucial role in explaining the development of brand engagement in SNS marketing (i.e., customers' responses to brands in SNS marketing).

Our findings also contribute to the literature related specifically to SNS marketing and to e-commerce in general. This study identified relationship support (social), perceived convenience (functional), and enjoyment (hedonic) as the three significant factors affecting an individual's engagement with a brand in the context of SNS marketing. These findings also demonstrate the importance of brand engagement

in leading to a customer's purchasing from the brand and his or her personal communication with others regarding the positive aspects of the brand. This study can be applied to the e-commerce and contribute to its literature. In other words, the findings of our study can be applied to specific brands and used to introduce new factors of e-commerce that influence brand engagement.

The findings in this study carry several practical implications. In particular, practitioners should pay attention to the key role of brand engagement. Although previous research (e.g., Mollen and Wilson, 2010; Spratt et al., 2009) highlighted the importance of brand engagement in a general marketing context, our study highlights the key role of brand engagement in the context of SNS marketing. Because our findings showed that brand engagement leads to customers' purchase intentions and WOM, companies should pay attention to the development of their customers' brand engagements when developing SNS marketing plans and activities. KakaoTalk was able to gain revenue by forming relationships between KakaoTalk users and businesses and helping maintain these relationships. For business companies, the lesson is that they can form relationships with consumers through KakaoTalk and get consumers to engage with their products and brands

Regarding the antecedents of brand engagement, our findings suggest that practitioners pay attention to three factors in developing brand engagement in the context of SNS marketing: relationship support, enjoyment (i.e., SNS function), and perceived convenience (i.e., online channel). These findings show that a promotion coupon, as part of the marketing content, is still attractive in an online setting from the perspective of a brand trying to execute an advertisement. Companies should consider the possibility of developing new functions through which

users can have pleasure and fun by using SNS marketing.

In addition, our findings suggest that to increase brand engagement, companies should leverage the capabilities of online channels and SNS functions in their marketing, especially in terms of social relationship building and maintenance capabilities of their SNS and the ubiquitous and convenient functions of online channels. Our findings can help companies develop marketing strategies in SNS context by applying the aforementioned widely adopted SNS.

VII. Conclusion

Despite the growing phenomenon of SNS marketing, there is a lack of understanding pertaining to the development of an individual's brand engagement in the context of SNS marketing. Previous research has been dominated by examining brand engagement in a general marketing context. Our research is one of a limited number of studies that attempt to examine brand engagement in the context of SNS marketing from a theoretical perspective with empirical validation. Furthering previous research, this study proposed brand engagement by considering a new marketing context. This study further examined brand engagement based on the framework of customer value theory (Sheth et al., 1991; Sweeney and Soutar, 2001).

Our research highlighted the significance of three SNS marketing factors (relationship support and enjoyment in terms of the SNS, and perceived convenience in terms of the online channel) as the main drivers of brand engagement. Furthermore, we showed that brand engagement leads to customers' purchase intentions from the brand and their WOM

activities. Our work thus contributes to current research by advancing the theoretical understanding of brand engagement and customers' responses to marketing in a new context, that of SNS marketing. This work also contributes to current practice by

providing guidelines for SNS marketing planning and activities. We hope that more effort will be devoted to this important research area and that the proposed conceptual framework and model will serve as useful guides for such future work.

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Submitted: February 2, 2018; 1st Revision: March 11, 2018; Accepted: March 13, 2018

<Appendix> Measurement Items

Construct	Item	Wording	Reference
Perceived information quality	IFQ1	The KakaoTalk Plus Service of the brand offers the latest information on the brand.	Wixom and Watson (2001)
	IFQ2	The KakaoTalk Plus Service of the brand offers accurate information on the brand.	
	IFQ3	The KakaoTalk Plus Service of the brand offers a variety of information on the brand.	
Relationship support	RST1	Using the KakaoTalk Plus Service of the brand better enables me to form interpersonal bonds with others.	Kim et al. (2011)
	RST2	Using the KakaoTalk Plus Service of the brand helps me maintain my relationships with others.	
	RST3	Using the KakaoTalk Plus Service of the brand enhances my relationships with others.	
Perceived price discount	PDC1	The KakaoTalk Plus service of the brand provides many opportunities for price discount.	Kim et al. (2012)
	PDC2	It may be cheaper to buy products with the KakaoTalk Plus Service of the brand.	
	PDC3	It may be possible to get a better price discount with the KakaoTalk Plus Service of the brand.	
Perceived convenience	CNV1	I can do what I want anywhere by using the KakaoTalk Plus Service of the brand.	Yoon and Kim (2007)
	CNV2	I can do what I want anytime by using the KakaoTalk Plus Service of the brand.	
	CNV3	KakaoTalk Plus Service of the brand brings convenience in carrying out what I want.	
Brand engagement	BRE1	After using the KakaoTalk Plus Service of the brand, I have a special bond with the brand.	Sprott et al. (2009)
	BRE2	After using the KakaoTalk Plus Service of the brand, I often feel a personal connection with the brand.	
	BRE3	After using the KakaoTalk Plus Service of the brand, I feel as if I have a close personal connection with the brand.	
	BRE4	After using the KakaoTalk Plus Service of the brand, the brand is important in my life.	
	BRE5*	After using the KakaoTalk Plus Service of the brand, the brand is an important indication of who I am.	
	BRE6*	After using the KakaoTalk Plus Service of the brand, I can identify with the brand in my life.	
Previous brand engagement	PBR1	Before using the KakaoTalk Plus Service of the brand, I had a special bond with the brand.	Sprott et al. (2009)
	PBR2	Before using the KakaoTalk Plus Service of the brand, I often felt a personal connection with the brand.	
	PBR3	Before using the KakaoTalk Plus Service of the brand, I felt as if I have a close personal connection with the brand.	
	PBR4	Before using the KakaoTalk Plus Service of the brand, the brand was important in my life.	
	PBR5*	Before using the KakaoTalk Plus Service of the brand, the brand was an important indication of who I am.	
	PBR6*	Before using the KakaoTalk Plus Service of the brand, I could identify with the brand in my life.	

<Appendix> Measurement Items (Cont.)

Construct	Item	Wording	Reference
Purchase intention	PIN1	The probability that I would consider buying a product from the brand within the next six months is high.	Dodds et al. (1991)
	PIN2	My willingness to buy a product from the brand within the next six months is high.	
	PIN3	The likelihood of my purchasing a product from the brand within the next six months is high.	
WOM	WOM1	I often talk about good experience with the brand to my friends or colleagues.	Roy et al. (2009)
	WOM2	I often recommend the brand to others.	
	WOM3	I often talk to others about the merits of the brand.	
Enjoyment	ENJ1	I have fun interacting with the KakaoTalk Plus service of the brand.	Agarwal and Karahanna (2000)
	ENJ2	Using the KakaoTalk Plus service on the brand provides me with a lot of enjoyment.	
	ENJ3	I enjoy using the KakaoTalk Plus service of the brand.	

Note: Dropped after the exploratory factor analysis